

SPECIAL MEETING, MONDAY, JUNE 25, 2007

The special meeting of the Hope Mills Board of Commissioners was called by Mayor Dees at 6:30 p.m. Commissioners Luther, Gorman, Smith, and Collins were present. Commissioner Legge was absent due to a prior commitment.

Others present were Town Manager Randy Beeman, Bob Nicholl, Consultant to the Town Manager, Human Resources Administrator Kimberly Lockamy, Finance Director Jeff Saleeby, Parks and Recreation Director Anita Kilgore, Public Works Director Bruce McLaurin, Police Captain John Smith, Police Chief John Hodges, and Fire Chief Chuck Hodges.

1. CONSIDERATION TO ACCEPT \$7,961.33 PROCEEDS FROM THE POLICE DEPARTMENT GOLF TOURNAMENT AND AUTHORIZE DISBURSEMENT TO THE HEATH HARDIN MEMORIAL FUND.

Mr. Saleeby reported the Police Department held a golf tournament for the Heath Hardin Memorial Fund and raised \$7,961.33. He stated the money was submitted to the Finance Department on June 25, 2007, and the Board needed to acknowledge the monies and approve the same to be paid to the Heath Hardin Memorial Fund.

Commissioner Collins made a motion to accept the proceeds from the Police Department Golf Tournament and authorize disbursement to the Heath Hardin Memorial Fund. Commissioner Luther seconded, and the motion carried unanimously.

2. CONSIDERATION TO ACCEPT VARIOUS DONATIONS TO TOWN DEPARTMENTS; ACKNOWLEDGE PROCEEDS OF THE JULY 21, 2006 GOLF TOURNAMENT; AND AUTHORIZE THESE FUNDS BE CARRIED FORWARD TO THE FY 07-08 BUDGET.

Mr. Saleeby reported that Wal-Mart/Sam's had made the following donations in the 06-07 fiscal year:

Parks and Recreation	\$ 875.00
Fire Department	\$1,000.00
Police Department	\$2,000.00

In addition, Mr. Saleeby reported the Town had received proceeds from a golf tournament on July 21, 2006 by the Police Department in the amount of \$6,151.63. Mr. Saleeby stated these monies needed to be reserved for the 2007-2008 Budget and would need Board approval.

Commissioner Smith made a motion to accept the various donations as noted, acknowledge the proceeds of the golf tournament, and authorize these funds be carried forward to the FY 07-08 Budget. Commissioner Collins seconded, and the motion carried unanimously.

3. FY 07-08 BUDGET DISCUSSIONS.

Mr. Beeman presented a Capital Outlay Priority ranking summary page for fiscal year 2007-2008:

POLICE DEPARTMENT

800 MHZ radio system	\$401,675.20
8 Patrol vehicles	214,400.00
Watch Guard System Cars Video	30,000.00
DEPARTMENT TOTAL	\$646,075.20

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PARKS AND RECREATION

Heavy Duty Chain-link fence	\$ 5,000.00
Rec. Center Bleachers	22,275.00
Outside Sprinkler System	<u>6,500.00</u>
DEPARTMENT TOTAL	\$33,775.00

FIRE DEPARTMENT

Metal Roof Standing Seam	\$ 54,000.00
Concrete (Front and Rear) aprons	25,000.00
'Amkus extrication equipment	20,000.00
Bay door replacement	<u>26,000.00</u>
DEPARTMENT TOTAL	\$125,000.00

GRAND TOTAL **\$804,850.00**

In addition, Mr. Beeman distributed fiscal year 2007-2008 Capital Outlay recommendations and stated the summary report was based on the Board's rankings. He said the capital items needed further Board consideration.

Mr. Beeman listed the following recommendations:

1. The Town's day-to-day operations rely heavily on data processing and records management that affect numerous departments. The Board needs to consider acquisition of file servers for administration, police department and the associated software requirements for inspections and buildings and grounds department.
2. The sanitation department acquired two new trucks in 2005. The reliability of the other three existing trucks continues to impact services. The pressures of annexation will continue. Recommend purchase at least one new truck due to financial constraints.
3. Concurred with the Board's ranking of the concrete apron, bay door replacement and the standing seam roof. Encouraged the Commissioners prior to authorizing commencement of these improvements employ the services of a professional engineer to advise the Town of the structural integrity of the department building.
4. The acquisition of the police radios - 800 MHZ system can be accomplished through the lease purchase arrangement with the proposed vendor in the amount of \$75,000.00 per year. The NC Treasurer's Department confirms that in accordance with the general statute and within certain parameters a political subdivision can acquire the equipment. The lease purchase arrangement will assist the Town with its limited cash reserves and lease purchase financing is appropriate for equipment that has many years of service.
5. The police department requests the purchase of (8) patrol vehicles. The department in 2005 acquired (11) vehicles of which (8) were fully equipped and (3) were traffic patrol vehicles. The replacement of vehicles will need to be reviewed by policy and the establishment of a rotational type schedule that will provide budgetary

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funding through a capital improvement plan. The police department along with all departments will need to be included in vehicle replacement policy. Encouraged the Board to consider the acquisition of (2) vehicles which will assist in reducing the impact on cash reserves.

6. The Police Chief requested the Commissioners consider a 12.5% increase in salaries as he compared the City of Fayetteville and Cumberland County as a basis for the increase (12.5% increase equates to a five step increase). An approach for consideration is that if the Commissioners were considering the increase, it needs to be consistent with town policy and within the current pay plan and schedule. Across the board increases without consideration of performance and market study of comparable jurisdictions and a review of turn over and review of job descriptions and levels of service training is not advisable. The current budget recommendation includes a cost of living adjustment of 3%.
7. The parks and recreation budget currently has funding levels that will provide for the expenditures as ranked for consideration.

Mr. Beeman stated these recommendations were for the Board's consideration and provide adequate operational levels for the 07-08 fiscal year. He said the large capital projects that the Town undertook such as the 2005 loan for multiple vehicles for various departments and the outstanding audit submissions awaiting approvals by the Local Government Commission and the NC State Treasurer's Department and the need and requirement to have an accurate cash position and adequate fund balance in accordance with general statute requirements, and finally the dam project and the associated monitoring of costs require management oversight. Mr. Beeman expressed confidence the Board of Commissioners will continue practicing good stewardship and fiscal control and management of the limited resources.

In response to a question from Mayor Dees regarding the sanitation trucks, Mr. Beeman stated he would recommend considering purchasing the vehicles. Mr. Saleeby noted the LGC could possibly view the Town borrowing too much money as a negative.

Mayor Dees commented regarding the Police Chief's request for 12.5% pay increases, and stated this basically equated to a five step increase.

Commissioner Smith commented he agreed with most of these priority rankings. He stated after personally visiting the Fire Department, he thought the fire rescue vehicle as first responder should have a priority ranking and hopefully the Town could acquire this vehicle. Mr. Beeman stated this could be considered for further in-depth review and more detail during the continuing budget process. Mr. Beeman briefly commented about reserving cash flow. He noted this item would be included for further discussion.

Commissioner Gorman stated he felt the police department did need some vehicles and pay increases, but asked was there anyway that the Town could employ a consultant to evaluate the pay grades.

Mr. Beeman stated he was not anticipating a pay study at this time, but could look at special work groups within certain market

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conditions. Mr. Beeman stated he would like to evaluate the turn over rate and what basis the turn over rate was based upon. Mr. Beeman stated a job study and reclassification study should be considered in the future for the entire town work force. Mr. Beeman suggested the Police Chief, staff and management discuss a study.

Commissioner Collins stated he had heard about a pay study for the past 20 years. He said the Town needed to look at why it was losing its Officers, and that was because of money. He stated the police department was training officers to leave to go to other departments and it was time the Town looked at this now. Commissioner Collins agreed he thought the Board should look at not only the fire department structure but the police department structure as well as both of these facilities needed attention.

Mayor Dees commented regarding the police department over-time line item and commented that possibly with some small adjustments to this line item that the Board would be able to look at the requested pay increases. He stated he would like to give the police department another opportunity to revise the overtime request and that possibly the more reductions that were made the more the possibility for the raises in the budget. Mayor Dees noted a 3% COLA was being recommended, and asked the police department to revisit the overtime pay matter. Mayor Dees asked if they were given a choice of the raise or the overtime pay which would it be.

Commissioner Luther stated she did not believe the Board could make any decisions until it knew exactly what the funds were to work with and this would not be known until the audits were complete.

Commissioner Collins stated he thought the Board needed an interim budget as he had previously discussed and after the audits were complete the Board could come back and take another look at everything.

Commissioner Gorman commented that he appreciated the staff work on the budget and this was a very hard job. Commissioner Gorman stated he realized the Board did not know how much that could be spent, but he would ask that consideration be given to the fire department's request for additional personnel. He stated this had been previously denied and he wanted to make sure that the Fire Department got two additional firefighters. Commissioner Gorman stated that he was looking for guidance from the staff.

Commissioner Collins stated that last year all fire department personnel got a raise except the Fire Chief, and he would like to see this trend continue for the police department this year, and another department next year, and so on.

Mayor Dees said it was his understanding that approximately 70% of the budget was for personnel, and Mr. Saleeby responded that was correct. Mayor Dees noted that did not leave much room for capital projects. He stated that some people said look after the employees and others said there were capital needs, but the Board could not do it all. Mayor Dees remarked he did feel however there may be some wiggle room in the budget this year, but he did not think the total budget 75%-85% should go to salaries as some monies must be set aside for the Capital Improvement Plan.

Commissioner Collins stated the Capital Improvement Plan was needed to be developed for the Town as soon as possible. Mayor

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Dees and Commissioner Smith stated that the Finance Committee was actively working on this. Mayor Dees said this would be a top priority immediately after the budget.

**4. CONSIDERATION TO ADOPT 07-08 INTERIM BUDGET ORDINANCE,
EFFECTIVE JULY 1, 2007 THROUGH AUGUST 30, 2007.**

Commissioner Luther made a motion to adopt the Interim Budget Ordinance. Commissioner Collins seconded the motion.

Mayor Dees noted that the Finance Committee and Audit Committee met in April with the Auditors and at that time the Auditors recommended that the Town adopt an Interim Budget. Mayor Dees said it had been the Board's intention for quite some time to adopt an interim budget. He said the Board had not taken this decision lightly and had discussed this for several months and this was something that was not just thrown together. Mayor Dees stated that the 05-06 audit would be delivered to the LGC this week.

Commissioner Gorman commented it would be very unfair to staff if the Board just tried to do something to get by. He said an Interim Budget Ordinance would give the Board time to get the result of the 05-06 audit and he was in favor of the Interim Budget.

Commissioner Luther commented that last year if the Board had known exactly what the fund balance was perhaps the tax increase would not have had to be as great. She said the tax increase did help and it would continue to help, however, the Board needed to know exactly what it had before it could move forward.

Mayor Dees stated that last year the Board was led to believe if it did not have a tax increase, there would be some serious cuts and personnel layoffs. He said the picture that was presented to the Board last year was one of doom and gloom. Mayor Dees said he felt the Town did need some capital items and the tax increase did help the Town.

Commissioner Luther said for 3½ years she had asked where is the money, and stated if this had been known, she felt that the Board could have done more.

Commissioner Collins commented he had learned a lot, and this Board had been trying to get the Town going in the right direction. He stated there were good people on the Board and he wanted to thank everyone for being a part of this process.

The vote on the motion carried unanimously.

**INTERIM BUDGET ORDINANCE
2007-2008**

BE IT ORDAINED BY THE BOARD OF COMMISSIONERS OF THE TOWN OF HOPE MILLS, NORTH CAROLINA, that the following ordinance establishing revenues and setting expense appropriations for the interim budget period is hereby adopted and effective July 1, 2007 through no later than August 30, 2007.

Section 1. The following General Fund revenues are hereby raised through fees, charges, and other means and are subject to appropriation as set out in Section 2, herein.

Account	Number	Amount
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Taxes, Current Year	301.0000	453,861.00
Taxes, First Prior	301.0100	3,750.00
Taxes, Second Prior	301.0200	500.00
Taxes, Third Prior	300.0300	167.00
Taxes, Fourth Prior	301.0400	125.00
Vehicle Taxes, Current	301.1000	54,667.00
Vehicle Taxes, First Prior	301.1100	7,500.00
Vehicle Taxes, Sec. Prior	301.1200	417.00
Vehicle Taxes, Third Prior	301.1300	500.00
HM Res. Refuse Tax	301.1500	113,333.00
HM Recreation Tax	301.1600	26,415.00
Tax Penalty and Interest	317.0000	2,750.00
Motor Veh. License – Prior	319.0000	1,500.00
Motor Veh. License – Cur.	319.0100	6,667.00
Privilege License	325.0000	3,167.00
Interest Earned	329.0000	10,833.00
Interest Earned – Rest.	329.0100	583.00
Civic Center Rent	331.0000	1,667.00
Golf Course Rent	331.0100	2,000.00
Picnic Shelter Rent	331.0500	83.00
Ballfield Rent	331.0600	17.00
Lease Revenue	331.0700	417.00
PCS Tower Rent	331.1300	2,300.00
Miscellaneous	335.0000	167.00
Postage/Copy Fees	335.0700	117.00
Sale of Refuse Can	335.1100	417.00
Utilities, Franchise Tax	337.0000	53,333.00
Video Program Distrib.	337.0200	27,500.00
Beer and Wine	341.0000	8,917.00
Pymt on behalf of stat	342.0000	417.00
Pymt – Firemens relief	342.0001	100.00
Sales Tax – Article 39	345.0000	139,167.00
Sales Tax - Article 42	345.0100	60,833.00
Sales Tax – Article 40	345.0200	60,833.00
Sales Tax – Article 44	345.0300	60,833.00
Miscellaneous Grants	346.0000	417.00
Criminal Court Costs	351.0000	333.00
Town Violations	352.0000	417.00
Rotation Towing Fees	353.0000	267.00
HRF Fees	354.0000	17.00
Building Permits	355.0000	14,167.00
Zoning Permits	355.0100	667.00
Electrical Permits	355.0200	3,500.00
HVAC Permits	355.0300	3,500.00
Plumbing Permits	355.0400	2,333.00
Mobile Home Permits	355.0500	50.00
Yard Sale Permits	355.1000	833.00
Permit Callback Fees	356.0000	17.00
Fire Inspection Fees	357.0000	1,663.00
Zoning Petitions	358.0000	167.00
Site Plan Review	358.0200	83.00
Subdivision Plat Review	358.0400	83.00
All Other Refuse Fees	359.0000	5,000.00
Cemetery Revenue	361.0000	83.00
Adult Softball Fees	365.0110	500.00
Special Events Rev.	365.0300	333.00
Baseball Registration	365.0810	167.00

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Basketball Registration	365.0820	250.00
Soccer Registration	365.0830	167.00
Softball Registration	365.0840	<u>125.00</u>
Subtotal		1,140,992.00
Appropriated Fund Balance	299.0000	-
Total General Fund		1,140,992.00

Section 2. The following General Fund expenses are hereby appropriated for the period referenced in the first paragraph and are to be funded by the revenues made available through Section 1, herein.

Expense Object	Amount
Governing Body	12,684.00
Administration	63,434.00
Finance	59,069.00
Tax Listing	10,625.00
Legal	2,500.00
Planning and Zoning	7,000.00
Public Buildings and Grounds	68,670.00
Public Works Director	18,630.00
Police	383,175.00
Animal Control	8,387.00
Fire	209,606.00
Inspection	26,178.00
Streets	28,625.00
Sanitation	117,547.00
Parks and Recreation	88,484.00
Service Garage	33,961.00
Special Appropriation	<u>2,417.00</u>
Total General Fund	1,140,992.00

Section 3. The following Powell Bill Fund revenues are hereby raised through fees, charges, and other means and is subject to appropriation as set out in Section 4, herein.

Account	Number	Amount
Powell Bill Allocation	301.0000	380,000.00
Powell Bill G/F Reimb.	301.0200	6,000.00
Interest Earned	329.0000	30,000.00
Total Powell Bill Fund		416,000.00

Section 4. The following Powell Bill Fund expenses are hereby appropriated for the period referenced in the first paragraph and are to be funded by the revenues made available through Section 3, herein.

Expense Object	Amount
Powell Bill	416,000.00

Section 5. The Town Manager, as Budget Officer, under the N.C. Budget and Fiscal Control Act, is authorized to transfer up to 10% of any department's appropriation to any other department within the same fund as needed and as necessary. The Town Manager

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shall report all such transfers at the next regular meeting of the Board of Commissioners. The Town Manager is not authorized to make interfund transfers except upon authorization by the Board of Commissioners.

Section 6. The Town will continue to provide Health, Dental, Vision and Weekly Disability insurances through the North Carolina League of Municipalities' Municipal Insurance Trust for all full-time Town employees and the Town will continue to make Health, Dental, and Vision insurances through the North Carolina League of Municipalities' Municipal Insurance Trust available for purchase for Elected Officials.

Section 7. The Town will continue making a 3% of gross pay contribution to the NC 401 K plan previously adopted by the Board in the name of each full-time general Town employee.

Section 8. The ad valorem tax rate for the Town of Hope Mills is hereby retained and remains \$0.46 per \$100 valuation as set on July 1, 2006.

Section 9. The Town of Hope Mills will continue its participation in the Cumberland County \$0.05 per \$100 tax levy program for community recreation.

Section 10. The monthly residential rate for sanitation pickup is hereby continued at \$144.00 per Annum and will be collected by the Cumberland County Tax Office as part of the Annual Tax Bills. Commercial Refuse Collection will continue to be offered at two pickups per week for \$25.00 per month for the first container and \$12.50 a month for each additional container. Quarterly invoices will be used to collect commercial fees.

Section 11. That while not specifically incorporated herein, a capital project ordinance involving the revenues and expenses of the Town Dam project is acknowledged.

Section 12. That while not specifically incorporated herein, a capital project ordinance involving the revenues and expenses of the Storm Water Management project is acknowledged.

Section 13. That while not specifically incorporated herein, a capital project ordinance involving the revenues and expenses of the Town Skate Park project is acknowledged.

Section 14. That while not specifically incorporated herein, a capital project ordinance involving the revenues and expenses of the Town Fire Station #2 project is acknowledged.

ADOPTED by the Hope Mills Board of Commissioners this 25th day of June, 2007.

EDDIE DEES, MAYOR

ATTEST:

Phyllis Register, MMC, Town Clerk

5. STAFF COMMENTS.

Mr. Saleeby reported the 05-06 audit would be delivered to the Local Government Commission this week. He stated hopefully next week they would have a better idea of the fund balance, and then could proceed looking at the 06-07 audit and start working on the 07-08 budget.

Mayor Dees said it was anticipated the auditors would make the 05-06 audit report in August.

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6. OFFICIAL COMMENTS.

Commissioner Collins commented as follows:

1. Thanked the Police Department for the Golf Tournament proceeds to the Heath Hardin Memorial.
2. Thanked Mr. Nicholl for everything that he had done for the Town.

Commissioner Luther commented as follows:

1. Thanked the Police Department for the contribution to the Hardin Family Memorial.
2. Asked about the status of any monies received from the insurance company for the Hardin Family. Commissioner Collins stated he understood they had received \$50,000.00 from the state and funds were pending from the federal government.
3. Stated she was proud of the Police Department and Fire Department and all citizens that had helped the Hardin Family.
4. Thanked the budget team for all their hard work. She stated it would be a blessed event when the Board knew what it had to work with.
5. Stated she wished the Town could keep Mr. Nicholl.
6. Thanked Mr. Beeman and the staff for all their hard work.
7. Thanked the public for attending the meeting.
8. Stated she was here to serve the people and wanted what was best for the employees and the Town.

Commissioner Smith remarked the Town was in the service business and it was not here to make money, but to provide services, pay the employees, and provide the people with the services that they needed. He thanked the staff and the citizens for attending the meeting.

Commissioner Gorman commented as follows:

1. Said he appreciated the public attending the meeting and the Department Heads because this showed that they cared about the Town and the people.
2. Expressed appreciation for Mr. Nicholl's leadership and all he had done for the Town and wished him God speed.
3. Expressed appreciation to Mr. Beeman and Mr. Saleeby for all their work.
4. Stated he agreed the Finance Committee and Audit Committee needed to have a meeting.

Mayor Dees commented as Follows:

1. Thanked everyone for everything that they had done and said that now it was a pleasure to come to the Town Hall.

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2. Reminded everyone of the 4th of July festivities.
3. Said the next regular Board meeting would be July 16th.
4. Commented that he felt good about where the Town was now headed.

7. ADJOURNMENT.

At 7:09 p.m., upon a motion by Commissioner Collins, seconded by Commissioner Luther and unanimously carried, the meeting was adjourned.

EDDIE DEES, MAYOR

ATTEST:

Phyllis C. Register, MMC, Town Clerk