

MINUTES OF THE HOPE MILLS BOARD OF COMMISSIONER
WEDNESDAY, MAY 27, 2009
Special Meeting
Budget Workshop

Mayor Eddie Dees called the special meeting of the Hope Mills Board of Commissioners to order on Wednesday, May 27, 2009, at 7:00 p.m.

GOVERNING BOARD MEMBERS PRESENT

Mayor Eddie Dees, Mayor Pro Tem Bob Gorman, Commissioners Doris Luther, Eddie Maynor, Jackie Warner, and Tonzie Collins.

GOVERNING BOARD MEMBERS ABSENT. None

STAFF PRESENT

Town Manager Randy Beeman, Assistant Town Manager/Town Clerk Connie Spell, Human Resources Administrator Debbie Disbrow, Finance Director John Ellis, Assistant Finance Director Diana Krist, Chief Building Inspector Mike Bailey, Code Enforcement Officer Jeff Wade, Parks and Recreation Director Stan Braswell, Program Director Kenny Bullock, Public Works Director Bruce McLaurin, Building and Grounds Supervisor Lamar Marshall, Sanitation Department Supervisor Billy Thompson, Garage Supervisor Roy Howard, Street Department Supervisor Ira Peterson, Fire Chief Chuck Hodges, Police Captain John Smith, Police Lt. Joel Acciaro, and Stormwater Supervisor Melanie Clerkley.

DISCUSSION OF PROPOSED 2009-2010 BUDGET

Mr. Beeman presented a handout of the Capital Outlay/Personnel Requests for each department. The handout displayed the original requests of each department and the recommended requests of the Town Manager.

A copy of the 2009-2010 New Personnel and Capital Outlay requests is hereby attached and incorporated herein as part of the official minutes – Attachment 1.

Mr. Beeman discussed the following budget items:

- No salary increases, no COLA for the employees.
- Maintaining benefits for employees- 401(k).
- Health insurance with Blue Cross Blue Shield with enhanced benefits.
- Life insurance – increase in coverage - \$50,000 or salary.
- Added benefits with BCBS – better vision plan, flex spending plan.

Mr. Beeman stated the town had received notice from NCLM of a 20% increase in insurance premiums. He stated the town would be going with Blue Cross Blue Shield insurance for the employees and there would be a 9.6% increase.

Mr. Beeman stated he had met with each department head and reviewed the Capital and Personnel requests.

Governing Body Department

The board discussed the funds allocated for land acquisition – SALT. Mr. Beeman said there was interest in greenspace, walking trails, kayaking and canoeing along Little Rockfish Creek. Mr. Beeman said there was a second parcel available in addition to the parcel that had been previously discussed. He stated SALT was asking \$35,000.00 for each parcel. Mr. Beeman further stated it was his understanding the land was a gift to the town provided the town pays the attorney fees and title search to transfer ownership.

A discussion followed on the property being donated to the town as a gift and requested the Manager to check with SALT and get clarification.

Fire Department

The board discussed the grant application for eight (8) firefighters. Mr. Beeman stated the town's 10% share was included in the proposed budget. Mr. Beeman stated if the

town received the grant it would be for a five-year period. Over the five years the town would participate in the cost and at the end of the fifth year the town would be required to fund all of the cost for the personnel.

Mr. Beeman briefly discussed other requested items and stated that funding was included in the budget for the equipment needed for the firefighters received through the grant.

Parks & Recreation

Mr. Beeman discussed the requested Recreation Coordinator position and the recommended Capital Outlay items. There was discussion on having adequate fees to offset cost.

Mr. Beeman discussed utilizing lease purchase for all vehicle purchases. He stated the lease purchase of vehicles was very effective.

Police Department

The board discussed the COPS grant application whereby the Police Department requested five (5) police officers. Chief Hodges stated the town may receive funding for two (2) police officers. There was discussion of the JAG grant application submitted and if received would help with the equipment cost for the additional police officers.

The Manager stated \$320,000 was included for eight (8) police vehicles fully equipped. The board discussed the graphics on the police vehicles were almost identical to the City of Fayetteville's Police Department and Mr. Beeman stated the town was looking at changing and/or a different color scheme.

Commissioner Warner expressed concerns with how many miles the employees drove the town vehicles to home and back to work. She asked how much this cost the town. She asked the staff to determine how much it cost the town to provide the employees a vehicle to drive.

Discussion followed on the gas card used for purchases and having a limit that the employee could pay per gallon.

Inspections Department

Mr. Beeman stated funds were allocated for a Code Enforcement Officer and additional pickup truck for this department.

Mr. Beeman stated the salary reclassification for current employees was being studied by Human Resources and funds had been set aside in the Administration Department to be used if needed.

Building & Grounds

Mr. Beeman stated funds were allocated for a used electric golf cart to be used by housekeeping. A bag attachment for mower is included and will be very helpful with the maintenance of the town property and cemetery property.

Sanitation

Mr. Beeman stated the cost of operation for the Sanitation Department exceeded the revenues received. He said the town needed to make a change. He stated he had discussed with the staff the possibility of going to once a week pickup and/or privatizing the service.

Mr. Beeman said there were additional subdivisions coming into the town and the routes are expanding. He stated there would be a need for four new trash trucks and additional staff if the town continued the service. He said to modernize and reduce the repairs of the trucks would cost approximately \$800,000.00 to bring the operation to an efficient level.

Mr. Beeman presented several options for the board to consider - (1) Get out of Commercial pickup service (2) contracting out residential and/or commercial pickup to include recycling.

Mr. Beeman stated the town did not get into a replacement program years ago for equipment and this was creating a problem for the town now.

Mr. Beeman stated staff had talked with several private companies concerning what they could provide the town. He provided the following information on what a private company could provide:

RESIDENTIAL SERVICE

- 95 gallon cart for each household at an estimated cost of \$12.00 per month.
- Once a week service.
- If the town continues to use the existing carts would reduce cost below \$12.00.
- Provide a 64 gallon cart for recycling to each household – every other week service – no additional cost.

COMMERCIAL SERVICE

- Once a week service - \$20.00 per month per can.
- Recycling – no additional cost.

ADDITIONAL INFORMATION

- Utilize the town's current sanitation workers based on background check.
- Require a 3-5 year contract
- Does not include limb, leaves, white good collection, but could collect.
- Provide quarterly pickup for large item pickup, white goods.

Mr. Beeman stated if the town contracted the service to a private company there would be an approximate saving of \$300,000.00 to the town.

The board discussed in length concerning what would happen to the sanitation employees if the town privatized the solid waste services. Several commissioners stated many of the workers had been faithful to the town for many years and some were near retirement. There were concerns if they had to go to another company they would lose retirement and other benefits.

Mr. Beeman stated if the town continued with solid waste service the town may have to charge a higher tax rate.

Questions were asked on the amount of money, if any, the town would save going to one day a week pick-up. Sanitation Supervisor Billy Thompson said in his opinion the town would not save money with going to one day a week pick-up. Mayor Dees stated serving an area once a week would save on gas, wear and tear on the trucks and he could not see how this would not benefit the town.

There was a brief discussion on charging a deposit to the commercial customers and billing monthly.

Commissioners Maynor recommended staff begin looking into contracting the solid waste service for the newly annexed areas so that the town's sanitation department was not continuing to expand services. He asked Mr. Beeman to see if the private company would be interested in doing this. He suggested cutting the days of service, revenue neutral budget and/or reduction of the tax rate.

Service Garage

Mr. Beeman stated funds were allocated for a wrecker-F350 pickup to include lift and equipment. He stated the pickup was needed to tow in big equipment/vehicles. He said funds were also allocated for a brake lathe and airlift jack. These are safety items and will be a long term investment for the town.

Powell Bill Fund

Mr. Beeman stated funds were included for resurfacing in the proposed budget.

Stormwater Fund

Funds are included for additional vehicle for the vacant position (position approved in the 2008-2009 FY budget but has not been filled as of to date). Funds for additional computer, furniture, laptop and projector are also budgeted.

Board discussed education was the key to a successful stormwater program and funds from the Stormwater fees could be utilized for this purpose.

FINAL SUMMARIZATION

- Better Health Insurance for employees.
- Income neutral rate \$.41 (current rate \$.46)
- Town Manager will present Budget and Budget message on Monday, June 1, 2009.
- The Manager receive additional information from private solid waste companies concerning residential and commercial pick-up and what benefits they would provide our employees if they hired them.

PROPOSED FEE SCHEDULE CHANGES

The Town currently charges the following for a cemetery plot:

\$300.00 (pre-need)

\$350.00 (at-need)

The staff recommended the following for the 2009-2010 Fiscal Year:

\$1000.00 per cemetery plot (In-town resident)

\$1500.00 per cemetery plot (Out-of-town resident)

It was the consensus of the board to include these fee adjustments in the upcoming fiscal year fee schedule.

ADJOURNMENT

With no further business, motion was made by Commissioner Collins, seconded by Commissioner Luther and unanimously carried to adjourn the meeting was adjourned at

Eddie Dees, Mayor

ATTEST:

Connie F. Spell, MMC
Town Clerk