

SPECIAL MEETING, TUESDAY, JUNE 27, 2006

The special meeting of the Hope Mills Board of Commissioners was called to order at 7:00 p.m. by Mayor Dees. Commissioners Luther, Collins, Smith, Legge, and Gorman were present.

Others present were Town Manager Roy Taylor, Town Attorney William R. Davis, Finance Director David Stafford, Director of Inspections Jerry Thompson, Police Chief John Hodges, Fire Chief Chuck Hodges, Police Captain John Smith, Public Works Director Bruce McLaurin, and Parks and Recreation Director Anita Kilgore.

1. CLOSED SESSION PURSUANT TO NCGS 143-318.11 (A)(3)(5)(6) TO CONSULT WITH THE ATTORNEY ON MATTERS WITHIN THE ATTORNEY-CLIENT PRIVILEGE AND TO DISCUSS A PERSONNEL MATTER.

At 7:02 p.m., Commissioner Gorman made a motion to conduct a Closed Session to consult with the Attorney on matters within the attorney-client privilege and to discuss a personnel matter. Commissioner Collins seconded, and the motion carried unanimously.

2. RETURN TO REGULAR SESSION.

At 7:15 p.m., upon a motion by Commissioner Collins, seconded by Commissioner Luther and unanimously carried, the Board returned to regular session.

3. CLOSED SESSION MINUTES.

Commissioner Gorman made a motion to seal the minutes of the Closed Session until such time as the release of the information would no longer frustrate the purpose of the Closed Session, and further no action was taken. Commissioner Luther seconded, and the motion carried unanimously.

4. NOTICE OF AWARD FROM MID-CAROLINA COUNCIL OF GOVERNMENTS FOR REGIONAL COPS GRANT, \$5,482.00.

Mr. Taylor reported recent conversations with Mr. Jim Caldwell, Executive Director, Mid-Carolina Council of Governments, regarding an award from the Regional COPS Grant, \$5,482.00, for the purchase of one mobile data terminal (MDT) for the Town's police cars. Mr. Taylor stated this award was confirmed in writing today, and the Town would purchase the MDT and forward a copy of the invoice upon installation of the equipment to Mr. Caldwell. Further, Mr. Taylor stated he was very grateful for this award, and was unaware of the award until yesterday.

Mayor Dees stated a letter of thanks should be sent to Mr. Caldwell and the Council of Governments.

5. CONSIDERATION TO ADOPT FISCAL YEAR 2006-2007 BUDGET AND BUDGET ORDINANCE.

Mr. Taylor reviewed the budget ordinance, proposed fee payment and collection schedule, allocation of position classes to salary grades along with proposed job descriptions for Maintenance Worker I/Custodian, Maintenance Supervisor, Athletics Supervisor, Recreation Center and Programs Supervisor, Fire Fighter, Fire Lieutenant, Fire Captain, Fire Marshal, Deputy Fire Chief, Police Operations Lieutenant, and Police Services Lieutenant. In addition, Mr. Taylor presented and reviewed the Project Ordinance for the Community/Recreation Center, Phase II Stormwater Management Plan, and Town Skatepark Project.

Mr. Taylor briefly presented the following budget highlights:

Budget Highlights

1. General Fund Expenditures total approximately \$6,754,790. These expenditures represent an increase of \$144,731, or 2.14 %, from the previous year budget.

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2. The recommended budget includes a tax rate of \$0.46 per \$100 of assessed value. Based on a current assessed property valuation of \$583,938,646, the recommended tax rate will result in revenues estimated to be \$2,960,550 - an increase of 16.16% over the previous year.
3. Revenues from sales taxes are projected to increase 4.15% from \$1,850,000 to \$1,930,000.
4. Effective July 1, 2006, sanitation fees will be placed on tax bills instead of continuing to contract with the Public Works Commission for fee collection. The Cumberland County Tax Department will assume collection on the Town's behalf, resulting in less administrative costs to the Town and increased collection rates. Fees for residential sanitation services will be \$144 per year and commercial sanitation services will be \$288 per year. The cost to commercial customers for the first roll-out container will increase from \$12.50 to \$25, and each additional roll-out container will increase from \$5 to \$12.50. Commercial service will be reduced from three pickups per week to two per week.
5. No fund balance appropriation in the General Fund is recommended. No appropriation will allow the Town to maintain an acceptable unappropriated balance of \$1,518,325, or 22.48% of the General Fund expenditures, an increase of 4.45% over the previous year.
6. Expenditures in the Powell Bill Fund total an estimated \$554,955. Balancing expenditures in the fund requires an appropriation of \$138,955 which leaves approximately \$521,058 in undesignated fund balance - 93.89% of the fund expenditures.

The recommended expenditures cover key projects including continuation of the street repair and major drainage improvements.

7. The recommended budget includes a 2.5 percent cost-of-living pay adjustment for all pay grades and steps effective with the first full pay period in the new fiscal year. In addition, the 2.5 percent length of service pay adjustment, as provided for in the Town's pay and classification plan, is also recommended. Under this pay plan, employees are eligible for this pay adjustment every two years of service.

Department managers are concerned that the Town's pay scale without this upward adjustment will result in noncompetitive pay in the local Cumberland County market, therefore an additional one-time pay adjustment, to be paid in December, is recommended. The total cost of this adjustment is approximately \$85,956. It will be paid to permanent employees with the Town as of November 1 and who are still employed with the Town at the time of payment with satisfactory performance as a percentage of annual salary as follows:

<u>Years of Service</u>	<u>Percent</u>
0 to 364 days number of months in service)	1.25% (multiplied as a percentage of the
365 days to 5 years, 0 days	1.25%
Over 5 years, 1 day to 10 years, 0 days	2.50%
10 years, 1 day and over	3.75%

This adjustment will only be effective for one year. During the coming year, it is recommended that the Town conduct a comprehensive review of its pay plan to insure that it is competitive in the local market.

8. The recommended budget includes 4 new positions and the reclassification of 29 existing funded positions. This budget also recommends the deletion of 4 unfunded positions and the deletion of 1 funded position (Director of Planning & Zoning).

5 reclassified positions require no change in salary (Finance Director, Assistant Finance Director, Police Captain, Director of Inspections, and Fire Chief).

The 4 new positions recommended are as follows:

- A. 1 Maintenance Worker I (1 in Buildings & Grounds to assist in the interior maintenance of all Town buildings with main focus on the new recreation center)
- B. 1 Maintenance Supervisor (Parks & Recreation)
- C. 1 Recreation Center & Program Supervisor (Parks & Recreation)
- D. 1 Athletic Supervisor (Parks & Recreation)

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The 3 positions recommended within Parks & Recreation are a result of the Town's agreement with Cumberland County to adequately staff the new recreation center to administer programs and maintain the center. Since the new recreation center will not be completed until October 2006, this budget recommends funding of these positions for a nine-month period. Also, there is one reclassification of the current Parks & Recreation Secretary's position to Account Technician / Receptionist that will be funded as Secretary for the first 3 months of the year from July - October 2006. This position's reclassification will occur once the recreation center is completed in October. Also, the position of Parks & Recreation Director is recommended to be reclassified from Grade 14, Step 4 to Grade 18, Step 1 to adjust the position to the additional responsibility in the operation of the new recreation center and the administration of services and programs.

1 new Maintenance Worker I is recommended to the Buildings & Grounds division. This will bring the total number of personnel in this division to 4, including the supervisor. This position is intended to assume custodian duties in the maintenance and upkeep of all buildings in the Town now currently under contract with a private firm, with main focus on the new recreation center.

The reclassification plan includes the added and necessary command structure in the areas of public safety that either does not currently exist (Fire Department) or is lacking mid-level rank (Police Department). This is recommended as an incentive for upward mobility, career advancement, employee retention and to boost morale within the public safety departments.

This reclassification plan makes all entry-level fire personnel Firefighters, creates 3 Fire Lieutenants, 3 Fire Captains, 1 Fire Marshal and 1 Deputy Fire Chief - all from the existing ranks of Firefighter I and Firefighter II positions. Also, the Fire Chief is reclassified, but with no change in salary.

This reclassification plan deletes 1 Police Corporal position, 1 (unfunded) Police Detective Sergeant position, and 1 (unfunded) Police Lieutenant position. 2 Police Sergeant positions will be funded, bringing the number of Police Sergeants from 4 to 6. 2 Police Lieutenant positions will be funded, one serving as a Services Lieutenant and one serving as an Operations Lieutenant. The Police Captain position is moved up one salary grade, but with no change in salary.

All other existing position reclassifications adjust positions to a salary grade and step that is intended to bring those positions up to par in competitive pay and / or within the adopted 15 - step pay plan to allow proper advancement throughout an employee's career with the Town.

The addition of 4 new positions as recommended are estimated to cost \$138,405, to include salaries and fringe benefits.

The reclassification of 29 positions as recommended are estimated to cost \$62,818, to include salaries and fringe benefits.

9. Recommended capital outlays total \$255,150 for two major funds. These funds are allocated as follows:

General Fund	-	\$95,550
Powell Bill Fund	-	\$159,600

Key outlays are described below:

<u>Department / Division</u>	<u>Outlay</u>
Fire	\$25,000 for new station bay doors
Parks & Recreation new personnel	\$16,450 for field lighting improvements and equipment for
Service Garage	\$53,161 for new equipment and tools
Powell Bill	\$151,300 for new equipment (streets & drainage)

10. The recommended budget plans for the financing of a municipal - wide computer system upgrade of 44 workstations, 5 servers, 2 projection systems and all related printers and software.

Mr. Taylor reported the budget was a zero balance budget, and it kept funds and service levels the same with a \$0.46 tax rate.

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Mr. Taylor said the budget included attempts to restructure some departments, with rank and file structure, and reclassification of several positions. Mr. Taylor stated with the beginning of the fiscal year, it was recommended the Finance Committee meet and implement a Capital Improvement Plan. Also, he stated the Finance Committee needed to look at the Town's overall pay plan. Mr. Taylor said the new personnel policy being drafted would be presented to the Board sometime after the new fiscal year begins.

Mr. Taylor stated the Board's direction was pro-active, and there were a lot needs and a lot to be accomplished. Mr. Taylor said he was confident not only was this budget looking at the next fiscal year but for years ahead. Mr. Taylor commended the Board for a good job well done.

Mr. Taylor commented regarding the new Parks and Recreation positions and stated these were as a result of the agreement with Cumberland County for the joint Recreation Center and the parks and recreation programs, and it was intended that this be fully complied with.

Mr. Taylor stated he felt the proposed budget adhered to the wishes of the Board and looked after the employees as well. Mr. Taylor noted the Town could not afford to match other agencies so far as competing salaries for Police Officers, and other agencies were actively recruiting the Town's employees. He said he wanted to keep and maintain good employees.

Mr. Taylor said he felt the budget as presented was a sound spending, fiscally responsible budget. In response to a question from Commissioner Gorman, Mr. Stafford commented regarding the proposed fee schedule and the recommended classification changes.

Mr. Stafford stated on May 3rd, the Board discussed the project ordinances and extending the dates of the ordinances, and the ones proposed only amended extending the dates of the project ordinances.

Commissioner Gorman made a motion to increase the Senior Citizen funding from \$3,000.00 to \$4,000.00 for each Senior Citizen Center. He noted that these funds could be taken from the funds allocated for planning and zoning. **Commissioner Legge seconded, and the motion carried unanimously.**

Commissioner Gorman commented he had heard statements made from citizens saying they did not want to see a tax increase unless it was badly needed. Commissioner Gorman said that he paid the same taxes as everyone else. Commissioner Gorman noted a meeting held today with Local Government Commission representatives who inquired concerning the Town's tax base. Commissioner Gorman said the Board was asking for a \$0.05 increase, and the Local Government Commission representatives stated the Town had a really low tax base for its size. Commissioner Gorman said he did not personally want to raise taxes, but he saw the need for the Town of Hope Mills and he was looking at the future needs of the Town as well and he supported the \$0.05 tax increase.

Commissioner Gorman said the Town had some of the best dedicated employees anywhere and he did not think the Town should take away any of the employees benefits, and actually he wished that the Board could give the employees more. He stated the employees provided needed services to the citizens, such as sanitation, police, fire, and parks and recreation, and the Town must maintain and keep good employees. Commissioner Gorman said he felt the Town should keep giving the employees what they needed. Further, Commissioner Gorman reported he sat in on preliminary

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department head budget presentations with Mr. Taylor and Mr. Stafford, and the number one priority that surfaced in nearly every department was looking after the employees. Commissioner Gorman commented regarding the lack of an organizational structure within the Fire Department, and stated a restructuring was definitely needed. He stated he realized this would cost the Town some money, but it was worth it in the long run.

Additionally, Commissioner Gorman stated the Town had committed to building the new Recreation Center, and the Town must furnish employees to staff the center.

Commissioner Gorman remarked the Town had some great volunteers on its committees, but there were not many volunteer firefighters. He stated the proposed budget had been cut to the bone, and it could not be cut any more. Commissioner Gorman stated he was in favor of the budget as amended, and would vote in favor of the budget. Mayor Dees commented he understood that the current Fire Department structure was based on an original Volunteer Fire Department, and the proposed restructure would bring the department in line to a professional manner. Mr. Stafford commented the Fire Department ordinance was originally written addressing the Fire Department as a volunteer Fire Department, but the ordinance needed updating and Mr. Taylor would be bringing recommendations on this ordinance and other personnel related matters to the Board for consideration.

Mayor Dees commented he wished the Town could keep up with the City of Fayetteville and the County and other agencies so far as police pay, and he hoped in the future, the Town could make strides to keep pace with other municipalities so it would not lose any employees. Mayor Dees commented regarding the 1994 NCLM pay classification study, and stated it was his understanding the Town chose not to follow the plan, and what was proposed now was getting everyone back on the salary scale.

Mayor Dees remarked concerns had been noted regarding the effect of a tax increase for those on fixed incomes. Mayor Dees said he confirmed today information regarding the Homestead Act and the elderly exemption, and stated there was criteria for applying for the exemption, and the citizens needed to be made aware of this and hopefully a tax increase would not cause too much of a burden.

Mayor Dees stated this was the first time in three years the budget was balanced without taking funds from the reserves. He stated the Town needed a Capital Improvement Plan to keep up with the needs for police cars, fire trucks, Recreation Center, and spillway. Mayor Dees stated the Town must have funds to put into a Capital Improvement Plan, and the reserves were a logical place to start the funding. Mayor Dees stated he was personally glad the Town was trying to stay out of using the fund balance.

Commissioner Legge stated he was on the Board in 1994 when the NCLM did the study for the Town, and said the Board did some pay increases, but did not adopt what was fully recommended by the League. He stated he agreed with Commissioner Gorman on most of his statements, but he personally had a problem with the pay and grade adjustments and he did not like COLA's. He said the Town must have a plan to evaluate employees, and it was not fair to some employees. Commissioner Legge said the Board would need to find a way to improve its evaluations to reward dedicated employees. Further, he said he totally agreed with the restructuring of the command at the Fire Department and Police Department, but he did not agree with the pay and grade steps as presented in the budget.

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Commissioner Smith commented he would vote his conscience for the betterment of the Town. He stated this was a pro-active budget, and he wanted the Manager to look at an aggressive annexation plan for the future because the Town needed to grow its tax base. He stated this would help with future needs of the Town and Hope Mills was not a small town any more. Commissioner Smith stated a \$0.05 tax increase was a start, but it should not be the start and end of the plan. Commissioner Smith said the Town needed planning and it must continue at least with a five year plan. He said the Town had been stagnant and it must move forward.

Relative to the employees, Commissioner Smith stated all employees were valuable to the Town. He said the Town may not be able to match other municipalities, and challenged the employees not to look for greener grass, but make the grass greener where they were. Commissioner Smith stated he applauded all employees for everything they do. He said he had looked at the budget very closely, and it was a tight budget with no fluff. Commissioner Smith said hopefully with the development of the Town's website, more information could be provided to the citizens. He thanked the citizens for the opportunity to serve, and stated this had been a hard decision to make. Commissioner Smith said he was on the inside now and he could see the need for a tax increase and other things as well, and he would vote to support the budget.

Commissioner Collins stated he had studied the budget and it looked good. He expressed concerns with the reclassifications, and stated he felt everyone should be reclassified if it was deserved. Further, he stated the Town must do something to retain its Police Officers, and they were the best trained officers in the State. Commissioner Collins said the Town must develop a pay plan for everyone, and also the Town needed short term and long term goals.

Commissioner Luther stated she was probably the only Board member who did not support the \$0.05 tax increase. She reported she had received several citizen calls requesting to lower the tax rate, to possibly have tax increase increments for the next two to three years. Commissioner Luther stated she was working for the citizens and not for an election. She said she felt this was a good budget, but did express concerns with the one time payout for employees and stated she felt this should be lowered. Commissioner Luther noted the employees also would be receiving a 3% contribution to their 401K plan in addition to the cost of living and other benefits. She stated she appreciated all the employees, but she must think about the citizens as well. Commissioner Luther stated she could not support a \$0.05 tax increase.

Mayor Dees noted the Town was obligated to pay for the Recreation Center. Mayor Dees reminded everyone if the gas prices continued to go up, this would affect everything. Mayor Dees commented also regarding the sales tax revenues. Mayor Dees stated this situation was unfortunate, but everyone was having to deal with inflation. He stated the Town must fund the Recreation Center and employees for staffing the Recreation Center. He reminded everyone to keep in mind the escalating gas prices and the resulting impact. Mayor Dees commended the Board, Mr. Taylor and Mr. Stafford for trying to do the right thing.

Commissioner Smith stated he had received a citizen comment that the taxes were going up, but the services were not increasing. Commissioner Smith said the Town rendered the finest services in any municipality, and felt the majority of the citizens understood the taxes would have to go up to keep the services the same.

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Commissioner Gorman made a motion to adopt the amended budget ordinance. Commissioner Smith seconded the motion.

The vote was as follows:

AYES: Commissioner Gorman, Commissioner Smith,
Commissioner Legge, Commissioner Collins

NOES: Commissioner Luther

Mayor Dees thanked the Board and everyone for all their hard work and stated this was a hard decision. Mayor Dees stated no one took this responsibility lightly, and he appreciated the citizen input and the employees as well.

**TOWN OF HOPE MILLS, NORTH CAROLINA
2006-2007**

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 is hereby adopted and effective July 1, 2006, through June 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
Taxes, Current Year	301.0000	2,632,000
Taxes, First Prior Year	301.0100	22,500
Taxes, Second Prior Year	301.0200	3,000
Taxes, Third Prior Year	300.0300	1,000
Taxes, Fourth Prior Year	301.0400	750
Vehicle Taxes, Current Year	301.1000	328,000
Vehicle Taxes, First Prior Year	301.1100	45,000
Vehicle Taxes, Second Prior Year	301.1200	2,500
Vehicle Taxes, Third Prior Year	301.1300	3,000
Vehicle Taxes, Fourth Prior Year	301.1400	0
HM Residential Refuse Tax	301.1500	680,000
HM Recreation Tax	301.1600	158,490
Tax Penalties & Interest	317.0000	16,500
Motor Vehicle Licenses	319.0000	9,000
Motor Vehicle Tax	319.0100	40,000
Privilege Licenses	325.0000	19,000
Interest Earned	329.0000	65,000
Interest Earned - Restricted	329.0100	3,500
Civic Center Rent	331.0000	10,000
Golf Course Rent	331.0100	12,000
Picnic Shelter Rent	331.0500	500
Ballfield Rent	331.0600	100
Lease Revenue	331.0700	2,500
Historic Town Hall Rent-Main	331.1100	0
Town Hall Office Space Rent	331.1200	0
Sprint PCS Tower Site	331.1300	13,800
Miscellaneous	335.0000	1,000
Elderly Exemption (Homestead)	335.0100 (Replaced with ½ cent sales tax)	0
Special Sales Tax Reimbursement	335.0200 (Replaced with ½ cent sales tax)	0
NC Inventory Tax Credit	335.0300 (Replaced with ½ cent sales tax)	0
Postage, Handling & Copy Fees	335.0700	700
Sale of Refuse Containers	335.1100	2,500

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Utilities Franchise Tax	337.0000	320,000
Cablevision Franchise	337.0100	165,000

Account	Number	Amount
Intangible Personal Property	339.0000 (Replaced with ½ cent sales tax)	0
Beer & Wine	341.0000	53,500
Payment on Behalf-State	342.0000	2,500
Payment on Behalf-Firemen Relief	342.0001	600
Sales Tax Art. 39 (100%)	345.0000	835,000
Sales Tax Art. 42 (100%)	345.0100	365,000
Sales Tax Art. 40 (100%)	345.0200	365,000
Sales Tax Art. 44 (100%)	345.0300	365,000
Grant Revenue	346-0000	2,500
Court Costs	351.0000	2,000
Town Ordinance Violations	352.0000	2,500
Animal Control	352.0100	0
Rotation Wrecker Fees	353.0000	1,600
HRF - Fees	354.0000	100
Building Permits	355.0000	85,000
Zoning Permits	355.0100	4,000
Electrical Permits	355.0200	21,000
HVAC Permits	355.0300	21,000
Plumbing Permits	355.0400	14,000
Mobile Home Permits	355.0500	300
Yard Sale Permits	355.1000	5,000
Permit Callback Fees	356.0000	100
Fire Inspection Fees	357.0000	10,000
Zoning Petitions	358.0000	1,000
Site Plan Reviews	358.0200	500
Subdivision Plat Reviews	358.0400	500
Subdivision Final Plat Reviews	358.0500	0
Commercial Refuse Collection Fees	359.0000	30,000
Cemetery Revenue	361.0000	500
Cheerleading Fees	365.0010	0
Summer Camp Fees	365.0040	0
Adult Softball League Fees	365.0110	3,000
Special Events Revenue	365.0300	2,000
Annual Boat Permits	365.0400	0
Daily Boat Permits	365.0500	0
Baseball Registration Fees	365.0810	1,000
Basketball Registration Fees	365.0820	1,500
Soccer Registration Fees	365.0830	1,000
Softball Registration Fees	365.0840	750
Bad Debt - Motor Vehicle	399.0100	0
Subtotal		6,754,790
Appropriated Fund Balance	299.0000	0
Total General Fund		6,754,790

Section 2. The following General Fund expenses are hereby appropriated for fiscal year 2006-2007 and are to be funded by the revenues made available through Section 1., herein.

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Expense Object	Amount
Governing Body	76,106
Administration	349,443
Elections	0
Finance	323,206
Tax Listing/Collections	63,750
Legal	15,000
Planning & Zoning	42,000
Public Buildings & Grounds	412,025
Public Works Director	111,781
Police	2,295,414
Canine	50,324
Fire	1,257,636
Inspection	131,900
Streets	171,750
Sanitation	705,284
Parks and Recreation	530,905
Service Garage	203,766
Non-Departmental	0
Special Appropriation	14,500
Contingency Reserve	0
 Total General Fund	 6,754,790

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

Account	Number	Estimate
Powell Bill Street Allocation	301.0000	380,000
Powell Bill G/F Reimbursement	301.0200	6,000
Powell Bill Interest Earned	329.0000	30,000
 Subtotal		 416,000
 Appropriated Fund Balance	 299.0000	 138,955
 Total Powell Bill Fund		 554,955

Section 4. The following Powell Bill Fund expenses are hereby appropriated for fiscal year 2006-2007 and are to be funded by the revenues made available through Section 3., herein.

Expense Object	Amount
Powell Bill	554,955
Contingency Reserve	0
 Total Powell Bill Fund	 554,955

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 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 organizational charts previously presented with the current budget are hereby included by reference with the additional personnel approved by the Board, (Maintenance Worker

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I/Custodian; grade 2:step 1, Athletic Supervisor; grade 11:step 1, Center & Program Supervisor; grade 11:step 1, Maintenance Supervisor; grade 11:step 1). To also include the reclassification of the following positions approved by the Board, (from P & R Secretary; grade 2 to Accounting Technician/Receptionist; grade 7, from Firefighter 1; grade 7 to Firefighter; grade 8, Fire Lieutenant; grade 9, from Firefighter 2; grade 9 to Fire Captain; grade 10, Fire Deputy Chief; grade 15, Fire Inspector; grade 9 to Fire Marshal; grade 10, Adding two more positions of Police Sergeant; grade 10 and Two Police Lieutenants; grade 12, Reclass Assistant Finance Director from grade 10 to grade 15, reclass Police Captain from grade 14 to grade 15, reclass P & R Director from grade 14 to grade 18 reclass Finance Director from grade 15 to grade 19, reclass Director of Inspections from grade 15 to grade 19, reclass Fire Chief from grade 17 to grade 19; Rename Executive Administrative Assistant/Human Resources Administrator to Human resources Administrator and make this position Exempt, Remove the following positions from the Organization Chart: Receptionist, Maintenance Worker III, Police Detective Sergeant, Assistant Town Manager and Director of Planning and Zoning.

Section 7. The November 1993 North Carolina League of Municipalities Pay and Classification Plan, as augmented by the Town Manager, and accepted by the Board of Commissioners on March 21, 1994, remains in effect and is amended upwards 2.50% (cost of living adjustment) in all pay grades and steps effective June 25, 2006, with implementation of same to be with pay period ending July 8, 2006 and payable July 14, 2006, the first pay period to include July 1, 2006.

Section 8. A one-time pay adjustment, to be paid in December, is included. It will be paid to permanent employees employed with the Town as of November 1 and who are still employed at the time of payment, with satisfactory performance as a percentage of annual salary as follows:

<u>Years of Service</u>	<u>Percent</u>
0 day to 364 days	1.25% multiplied as a percentage Of number of months in service.
365 days to 5 years, 0 days	1.25%
5 years, 1 day to 10 years, 0 days	2.50%
10 years, 1 day and over	3.75%

Section 9. 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 10. The Town will continue making a 3% of gross pay contribution to the North Carolina 401K plan previously adopted by the Board in the name of each full-time general Town employee effective June 25, 2006, with implementation of same to be with pay period ending July 8, 2006 and payable July 14, 2006, the first pay period to include July 1, 2006.

Section 11. The included schedules of fees as revised for July 1, 2006, are hereby adopted and continue to be effective until rescinded or modified.

Section 12. The ad valorem tax rate for the Town of Hope Mills is hereby retained and set at \$0.46 per \$100 valuation and is effective July 1, 2006.

Section 13. The Town of Hope Mills will continue its participation in the Cumberland County \$0.05 per \$100 tax levy program for community recreation.

Section 14. The present pet privilege license tax as set out in Town Code Section §10.42 is now

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rescinded and The Town of Hope Mills will no longer collect a pet Privilege License Tax, to be effective until authorized or modified.

Section 15. 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 be offered at two pick-ups 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 with the first bills to be mailed by August 15, 2006. The Town will no longer service refuse dumpsters.

Section 16. That while not specifically incorporated herein, a capital project ordinance involving the revenues and expenses of the Town Dam project is acknowledged.

Section 17. That while not specifically incorporated herein, a capital project ordinance involving the revenues and expenses of the Storm Water Management project is acknowledged.

Section 18. That while not specifically incorporated herein, a capital project ordinance involving the revenues and expenses of the Town Skate Park project is acknowledged.

Section 19. That while not specifically incorporated herein, a capital project ordinance involving the revenues and expenses of the Town Walking Path Extension project is acknowledged.

Section 20. That while not specifically incorporated herein, a capital project ordinance involving the revenues and expenses of the Town Recreation Center project is acknowledged.

Section 21. 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 27th day of June, 2006.

EDDIE DEES, MAYOR

ATTEST:

Phyllis C. Register, MMC, Town Clerk

6. FEE PAYMENT AND COLLECTION SCHEDULE.

Commissioner Smith made a motion to adopt the Fee Payment and Collection Schedule as presented. Commissioner Collins seconded, and the motion carried unanimously.

A copy of the Fee Payment and Collection Schedule is filed in the Book of Documents in the Town Clerk's Office.

In response to a question from Commissioner Legge, Mr. Taylor stated staff was exploring impact fees, but needed more time to obtain the information. Mr. Taylor stated this matter would be approached as soon as possible.

Mayor Dees noted he and Mr. Taylor had recently visited with Senator Rand and Representatives Glazier and Lucas. Mayor Dees stated these Legislators indicated they would support the Town's request for a hotel and prepared food and beverage tax. Mayor Dees stated these additional fees would help the Town in the future, and stated the Legislators indicated this should not be a problem for the Town.

7. COMMUNITY/RECREATION CENTER ADDITION PROJECT ORDINANCE.

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Commissioner Gorman made a motion to adopt the project ordinance. Commissioner Legge seconded, and the motion carried unanimously.

TOWN OF HOPE MILLS, NORTH CAROLINA

Community/Recreation Center Addition Project Ordinance

BE IT ORDAINED BY THE BOARD OF COMMISSIONERS OF THE TOWN OF HOPE MILLS, NORTH CAROLINA, that the following project ordinance establishing revenues and setting expense appropriations for the construction and or addition to the Town Community/Recreation Center is hereby adopted and effective beginning July 1, 2004 and ending on June 30, 2006. **Amended Project ending Date through June 30, 2008.**

Section 1. The following Capital Project Fund revenues as appropriated by Cumberland County are hereby transferred from the General Fund of the Town and are subject to appropriation as set forth in Section 2, herein.

Amount

Transfer from General Fund \$140,585

Section 2. The following Capital Project Fund expenses are hereby appropriated the effective date written above and are to be funded by revenues made available through Section 1, herein.

unt

Professional Services \$140,585

Section 3. That all interest earned be returned to the project fund.

Section 4. That through Board Approved and adopted Budget Amendments additional Revenue Transfers and Expenditure Appropriations can be added to Section 1 and Section 2, herein.

ADOPTED by the Hope Mills Board of Commissioners this 23rd day of May, 2005.

AMENDED by the Hope Mills Board of Commissioners this 27th day of June, 2006.

EDDIE DEES, MAYOR

ATTEST:

Phyllis C. Register, MMC, Town Clerk

8. PHASE II STORMWATER MANAGEMENT PLAN PROJECT ORDINANCE.

Commissioner Luther made a motion to adopt the project ordinance. Commissioner Smith seconded, and the motion carried unanimously.

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TOWN OF HOPE MILLS, NORTH CAROLINA

PHASE II STORMWATER MANAGEMENT PLAN PROJECT ORDINANCE

BE IT ORDAINED BY THE BOARD OF COMMISSIONERS OF THE TOWN OF HOPE MILLS, NORTH CAROLINA, that the following project ordinance establishing revenues and setting expense appropriations for the Phase II Stormwater Management Plan is hereby adopted and effective beginning April 7, 2003 and ending on June 30, 2006. **Amended Project ending Date through June 30, 2007.**

Section 1. The following Capital Project Fund revenues are hereby transferred from the General Fund of the Town and are subject to appropriation as set forth in Section 2, herein.

	Amount
Transfer from General Fund	\$40,000

Section 2. The following Capital Project Fund expenses are hereby appropriated the effective date written above and are to be funded by revenues made available through Section 1, herein.

	Amount
Phase II Stormwater Professional Services and Permitting Fees	\$40,000

Section 3. That all interest earned be returned to the project fund.

Section 4. That through Board Approved and adopted Budget Amendments additional Revenues Transfers and Expenditure Appropriations can be added to Section 1 and Section 2, herein.

ADOPTED by the Hope Mills Board of Commissioners this 16th day of June, 2003.

AMENDED by the Hope Mills Board of Commissioners this 27th day of June, 2006.

EDDIE DEES, MAYOR

ATTEST:

Phyllis C. Register, MMC, Town Clerk

9. TOWN SKATEPARK PROJECT ORDINANCE.

Commissioner Smith made a motion to adopt the project ordinance. Commissioner Gorman seconded, and the motion carried unanimously.

TOWN OF HOPE MILLS, NORTH CAROLINA

TOWN SKATEPARK PROJECT ORDINANCE

BE IT ORDAINED BY THE BOARD OF COMMISSIONERS OF THE TOWN OF HOPE MILLS, NORTH CAROLINA, that the following project ordinance

SPECIAL MEETING, TUESDAY, JUNE 27, 2006

establishing revenues and setting expense appropriations for the Development and possible construction of a Town Skatepark is hereby adopted and effective beginning July 1, 2003 and ending on June 30, 2006. **Amended Project ending Date Through June 30, 2007.**

Section 1. The following Capital Project Fund revenues are hereby transferred from the General Fund balance as Designated Developers Fees for Parks and Recreation of the Town and are subject to appropriation as set forth in Section 2, herein.

	Amount
Transfer from General Fund	\$25,000

Section 2. The following Capital Project Fund expenses are hereby appropriated the effective date written above and are to be funded by revenues made available through Section 1, herein.

	Amount
Town Skatepark Construction	\$25,000

Section 3. That all interest earned be returned to the project fund.

Section 4. That through Board Approved and adopted Budget Amendments additional Revenues Transfers and Expenditure Appropriations can be added to Section 1 and Section 2, herein.

ADOPTED by the Hope Mills Board of Commissioners this 30th day of June, 2003.

AMENDED by the Hope Mills Board of Commissioners this 27th day of June, 2006.

EDDIE DEES, MAYOR

ATTEST:

Phyllis C. Register, MMC, Town Clerk

10. STAFF CONCERNS.

Mr. Taylor thanked the Board and the staff for all their hard work on the budget, and stated he also appreciated all the public comments and input. He stated he was looking forward to a good fiscal year, and commended the Board for an outstanding job.

Attorney Davis congratulated the Board on a good job.

11. OFFICIAL CONCERNS.

Commissioner Gorman commented as follows:

1. Stated he appreciated everyone attending the meeting.
2. Stated he appreciated Mr. Taylor and Mr. Stafford for the good budget presentation.
3. Stated he appreciated all public comments and input and felt the Town had a well prepared, good budget.
4. Reminded everyone of the July 4th celebration and stated the citizens would like for

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the custom of throwing candy to continue.

Commissioner Gorman made a motion to continue allowing throwing candy with stipulations. Commissioner Luther seconded the motion.

Mayor Dees commented the children looked forward to the throwing of candy, but stated some common sense needed to be in place. He stated if this was allowed, he would ask the people to be careful and throw candy away from the vehicles and also suggested a handout be prepared and distributed if the Governing Body did approve throwing candy. Further, he stated if the Governing Body threw candy, then it should allow everyone else to do so. Mayor Dees stated he was in favor of this, but asked that everyone be extremely careful.

Following a lengthy discussion, Attorney Davis recommended the motion be withdrawn.

Commissioner Gorman withdrew the motion, and Commissioner Luther concurred.

Mayor Dees asked for a Board consensus on this matter.

Commissioner Collins stated he did not think throwing candy should be allowed as this was extremely dangerous. He said he felt anyone wanting to give candy should walk along the street and hand the candy out, and he did not think throwing candy from a moving vehicle should be allowed.

Mayor Dees stated it was his opinion that either all would be allowed to do it, or none should be allowed to do it.

Commissioner Smith remarked the recommendation from Commissioner Collins made good sense, and he felt that anyone wishing to distribute candy should walk and do so and no candy should be thrown from any moving vehicle.

Police Chief Hodges noted he did not recommend allowing throwing candy.

Following additional discussion, Attorney Davis recommended the Board take no action on this matter. He noted that views had been stated, and recommended this matter be left up to the Parks and Recreation Director.

Commissioner Legge commented as follows:

1. Thanked everyone for their hard work on the budget and thanked the citizens for their comments.
2. Stated he wanted to go on record with a request for employee evaluations and those good employees should be rewarded and those employees not so good should not be rewarded.
3. Stated he did not feel this was an unreasonable budget. Commissioner Legge remarked if the tax rate had not been reduced in the past, then the Town would not be in the position it was now in.
4. Stated he appreciated all employees and thought the employees should be thankful for their pay increases. He stated it was up to the citizens to help the Board get through the next fiscal year.
5. Stated he appreciated the staff's hard work on the budget and especially the Board Members.
6. Stated he would continue to do the job he was elected to do for what was best for the Town.
7. Thanked Mayor Dees for all his hard work behind the scenes.
8. Stated he appreciated all comments by the Commissioners, and stated everyone had made some very good points.

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9. Wished everyone a nice 4th of July holiday.
10. Stated he had just been informed that his All Star team had qualified for the State Championship.
11. Thanked everyone for attending the meeting.

Commissioner Collins commented as follows:

1. Stated he felt the Board had made the right decision.
2. Stated the Board needed a Capital Improvement Plan, both long term and short term planning, for the future. He said the Town had been stagnant too long.
3. Commissioner Collins stated he was willing to work with all employees, and the Town must retain its Police Officers and good employees and must have incentives and reward the employees.
4. Stated he appreciated all the citizens input.

Commissioner Luther commented as follows:

1. Thanked all the employees, Mr. Taylor and Mr. Stafford for the budget preparation.
2. Stated she appreciated all the employees.
3. Reiterated that citizen input she received would like to see small tax increases each year. She stated the residents would be getting another tax increase next year due to property revaluations.
4. Thanked the Fire Department and Police Department and said they were always there when needed, thanked the Inspections Department, Parks and Recreation Department and all departments and employees for their hard work and stated that they deserved the best.
5. Thanked everyone for their attendance and said she appreciated all the citizens involvement.
6. Stated she had voted her conscience on the budget.

Commissioner Smith commented as follows:

1. Thanked the citizens for the opportunity of representing them and serving on the Town Board.

Mayor Dees commented as follows:

1. Stated he was proud of the Board, the employees, and the citizens.
2. Stated these were some tough decisions, but felt it was in the best interest of the majority of the citizens.

12. ADJOURNMENT:

At 8:40 p.m., upon a motion by Commissioner Collins, seconded by Commissioner Luther and unanimously carried, the meeting was adjourned.

EDDIE DEES, MAYOR

SPECIAL MEETING, TUESDAY, JUNE 27, 2006

ATTEST:

Phyllis C. Register, MMC, Town Clerk