

Minutes Special Called Meeting June 29, 2017 at 5:30 PM

Mayor Horace Reid called the meeting to order. Commissioners present were Mayor Pro-Tem Lillian Holman, Commissioners Archie Aples, Ed Lane and Sid Eley. Others present were Town Manager Brandon Shoaf and Town Clerk Cindy Sharber.

Mayor Reid led the Pledge of Allegiance and Sid Eley had the prayer.

Motion by Sid Eley and seconded by Archie Aples, and passed 5-0 to approve the agenda as presented.

Motion by Archie Aples and seconded by Ed Lane, and passed 5-0 to approve the minutes of June 12, 2017 as presented.

Scheduled Business Appointments

There were none.

Administrative Concerns

Ed Lane said one pot hole had been filled with sand behind the police department but another needed to be filled. He said 2 small caps from the marina out back were floating in the water and he would get them nailed back up. He said the painting at the fire station looks good.

Citizen Concerns

There were none.

Continued Business

Motion by Sid Eley and seconded by Archie Aples, and passed 5-0 to adopt the new electric rate schedules as presented, a retail reduction of 2.4%.

Motion by Archie Aples and seconded by Sid Eley, and passed 5-0 to adopt the FY 2017-2018 Budget Ordinance for the Town of Hertford General Fund and Enterprise Fund as presented:

2017-2018 BUDGET ORDINANCE

BE IT ORDAINED by the Governing Board of the Town of Hertford, North Carolina:

SECTION 1: It is estimated that the following revenues will be available in the General Fund for the Fiscal Year beginning July 1, 2017, and ending June 30, 2018:

Ad Valorem Taxes	\$573,613.00
State Shared Revenues	\$578,850.00
Investment Earnings	\$800.00
Sales & Services	\$341,072.00
Grant Revenues	\$11,000.00

Payments From Other Funds	\$122,390.00
Miscellaneous	\$27,334.00
Fund Balance	<u>\$12,804.00</u>
	\$1,667,863.00

SECTION 2: The following amounts are hereby appropriated in the General Fund for the operation of the Town government and its activities for the Fiscal Year beginning July 1, 2017, and ending June 30, 2018:

Administration Department	\$261,399.00
Police Department	\$719,854.00
Fire Department	\$121,465.00
Street Department	\$354,149.00
Sanitation Department	\$118,672.00
DMV-License Plate Agency	\$47,846.00
Cemetery Department	\$25,500.00
Planning/Main Street Department	\$18,978.00
Contingency	<u>\$0.00</u>
	\$1,667,863.00

SECTION 3: It is estimated that the following revenues will be available in the Water and Sewer Fund for the Fiscal Year beginning July 1, 2017, and ending June 30, 2018:

Charges for Services	\$1,268,500.00
Tap Fees	\$2,000.00
Interest Earned	\$0.00
Grant Revenue	\$0.00
Winfall Charges	\$78,500.00
Miscellaneous	\$1,500.00
Fund Balance	<u>\$0.00</u>
	\$1,350,500.00

SECTION 4: The following amounts are hereby appropriated in the Water and Sewer Fund for the operation of the water and sewer utilities for the Fiscal Year beginning July 1, 2017, and ending June 30, 2018:

Water Department	\$499,321.00
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Wastewater Collection Department	\$168,110.00
Wastewater Treatment Department	<u>\$683,069.00</u>
	\$1,350,500.00

SECTION 5: It is estimated that the following revenues will be available in the Electric Fund for the Fiscal Year beginning July 1, 2017, and ending June 30, 2018:

Charges for Services	\$2,705,517.00
Connect/Disconnect Fees	\$60,000.00
Other Operating Fees	\$269,000.00
Fund Balance Appropriated	<u>\$0.00</u>
	\$3,034,517.00

SECTION 6: The following amounts are hereby appropriated in the Electric Fund for the operation of the electric utility for the Fiscal Year beginning July 1, 2017, and ending June 30, 2018:

Administration	\$342,030.00
Cost of Power	\$2,012,619.00
Electric Operations	\$243,500.00
Loans	\$19,400.00
Non-Departmental	\$291,968.00
Contingency	<u>\$125,000.00</u>
	\$3,034,517.00

SECTION 7: there is hereby levied a tax at the rate of forty-seven cents (\$0.47) per one hundred dollars (\$100) valuation of the property as listed as of January 1, 2017, for the purpose of raising the revenue listed as Ad Valorem Taxes in the General Fund in Section 1 of this ordinance. This rate is based on a total estimated valuation of property for the purposes of taxation of \$123,339,583 and an estimated rate of collection of 94.41% for real property and 96% for motor vehicles. This estimated rate of collection is based on the fiscal year 2015-2016 audited collection rate and an average of the last three years' reported collection rates.

SECTION 8: The Town Manager (Budget Officer) is hereby authorized to transfer appropriations as contained herein under the following conditions:

- A. He may transfer amounts up to \$3,000 between line-item expenditures within a department with an official report of such transfers being given at the next regular meeting of the Board of Commissioners.
- B. He may transfer amounts up to \$1,000 between departments of the same fund with an official report of such transfers being given at the next regular meeting of the Board of Commissioners.

- C. He may not transfer any amounts between funds or from any contingency appropriation within any fund, except as approved by the Governing Board in the budget ordinance as amended.
- D. Capital Purchases in excess of \$5,000 shall first be approved by the Town Council, and registered as a fixed asset.
- E. Purchases between \$500 and \$5,000 shall be recorded on an internal inventory managed by the Town Clerk.

SECTION 9: Copies of this Budget Ordinance shall be furnished to the Finance Officer and to the Budget Officer of this Town to keep on file by them for their direction in the disbursements of funds.

New Business

Motion by Archie Aples seconded by Lillian Holman and passed 5-0 to approve budget amendment # 6 for FY 2016-2017 as follows:

Section 1. To amend the General Fund expenditures as follows:

<u>Acct. No.</u>	<u>Account Name</u>	<u>Decrease</u>	<u>Increase</u>
104200.5700	Admin. Miscellaneous Expenses		\$6,500.00
105100.0200	Police Salary Line Item		\$25,000.00
104200.0400	Admin. Professional Services	\$2,500.00	
104200.0900	Admin. Travel and Training	\$2,500.00	
104200.1100	Admin. Operating	\$5,000.00	
105600.1100	Street Operating	\$5,000.00	
105600.1700	Street Vehicle Expense	\$2,500.00	
105300.5400	Fire Dept. Insurance	\$5,000.00	

This will result in a net increase to the Revenue line item below.

<u>Acct. No.</u>	<u>Account Name</u>	<u>Decrease</u>	<u>Increase</u>
103990.1400	General Fund Balance		\$9,000.00

Explanation and Notes:

1. The additional expense to the Admin. Miscellaneous line item is a direct relation to a Council enforcement action, the foreclosure proceedings for 5 properties in Town Limits. That is what has been spent to date. The same amount is shown as a revenue from Fund Balance.
2. There is \$25,000 increase shown here to the police salary line item (the narrative, for justification, from the Chief is attached), to shore up the Police Department expenses. This increase will not make that line item whole, but will bring the total department budget back in line. \$22,500 is shown being moved from various line items, within the General Fund to cover that amount, with \$2,500 coming from General Fund Balance to make the full \$25,000.

Council decided to not have a work session on July 3rd. Brandon Shoaf said it would be a light agenda and he would send that to them and post that they wouldn't have a work session in July.

Motion by Sid Eley and seconded by Archie Aples, and passed 5-0 to approve the debt write-offs for 2017 as presented.

Brandon Shoaf said Mack Nixon had requested a written response to his request for assistance with eliminating the dilapidated/overgrown house at 305-307 Woodland Ave. at the regular meeting June 12th. He said he would draft a letter for council advising Mr. Nixon he could contact the tax department about them foreclosing on the property and he could purchase the property or that the town would add this property to their condemnation list in August.

Brandon Shoaf informed council that he had received a public records request from Edgar Salvo regarding all communications with the Methodist Church. He said he had turned over all except those between he and the town attorney which are protected by attorney client privilege.

Brandon Shoaf shared that if weather caused the cancellation of the fireworks display by the rain date of July 2nd the town would not have works this year.

Mayor Reid adjourned the meeting.