

MINUTES
TOWN OF PITTSBORO
BOARD OF COMMISSIONERS
BUDGET WORKSESSION
MONDAY, APRIL 30, 2012
7:00 PM

Mayor Voller called the worksession to order.

ATTENDANCE

Members present: Mayor Randolph Voller, Commissioner Pamela Baldwin, Jay Farrell, Michael Fiocco, Bett Wilson Foley and Beth Turner.

Staff present: Manager Bill Terry, Clerk Alice Lloyd, Attorney Paul S. Messick, Jr., Planner Stuart Bass, Assistant Planner Paul Horne, Chief of Police David Collins, Lt. Lesia McCollough, Water Treatment Superintendent Scott Jewell and Wastewater Superintendent Randy Heard.

BUDGET WORK SESSION

Manager Terry said typically we go through the departments one-by-one and any remarkable changes from the prior year he would touch on them and the Board can ask questions.

Manager Terry said as he stated in the budget briefing the budget has a four cent tax increase in it. So one of the lines that is up is ad valorem taxes, about 14.7% roughly \$172,000 in additional revenues. The grand total of revenue increase is only 2.7% across the board for all the various revenues.

GOVERNING BODY

Manager Terry said the total for the department is only \$31,500 it is down 7.4%, that is simply because it is not an election year. He stated he did add \$500.00 to the "Departmental Supplies" line item.

Mayor Voller asked were we not looking to change the Mayor and Commissioners salary. He stated Mandy ran a benchmark analysis for governing bodies. Manager Terry said we had that discussion last year and the salary hasn't changed in over 26 years. Mayor Voller said Mandy did a really good analysis. Manager Terry said she is not here tonight. He said he would add this to the "Cut/Add List".

Mayor Voller said it should be tied to the CPI.

ADMINISTRATION

Manager Terry said the overall increase in that budget is 3%. He said overall personnel cost is up 3.1% or about the amount of the raises the board approved in January. Most other lines remain pretty much the same. He did add \$1,000 in training/travel preliminarily because he is trying to get Mandy to more finance classes at The School of Government in Chapel Hill. Manager Terry wanted the board to know that she just finished the City/County Manager Course even though she was on maternity leave she went to the last week session and graduated last week.

Commissioner Fiocco asked if the 5.2% increase in health insurance was documented. Manager Terry said at this point it is just a projection it could get better or worse. Commissioner Fiocco asked if we could “shop it”. Manager Terry said we have in the past and we always ended back with the same carrier.

Commissioner Fiocco said our total insurance cost is substantial. Manager Terry said we will wait until we get the quote and if necessary the broker can “shop it” pretty quickly.

Mayor Voller asked if it was possible to go in with the County or school system where you would have a thousand employees to spread it across where suddenly our rates might go down. Mayor Voller said Siler City and Goldston might be interested in it. He asked why someone couldn’t insure everybody who works in Chatham County and then your rates would be more competitive. It wouldn’t cost anyone any additional money, it might save everybody money.

Manager Terry said we are doing the best we can with what is on the market for a group this small.

Mayor Voller asked Chief Griffin who covered insurance for their employees. Chief Griffin said they pay it themselves. Mayor Voller asked how many employees they had. Chief Griffin said 14. Mayor Voller said so if we were to merge with you we would past the magic 50 and it should make your rates lower and our rate lower.

Manager Terry asked Chief Griffin if they had a group plan. Chief Griffin said they are not large enough for a group plan. Manager Terry asked if they increased salaries so they could pay their insurance. Chief Griffin said they have a policy for Pittsboro Fire Department and they pay the premium each month.

Manager Terry said we would talk with the broker within the next month.

Mayor Voller said every year they discuss on-line bill pay. Manager Terry said it has been researched and if the town wants to lose a portion of their revenues we can do that. Manager Terry said if the board wants to take credit cards at the front desk we can do that, if you want on line payments we can do that also.

The board agreed to pursue on-line pay and front desk credit/debit payment. Manager Terry was asked to get a cost for providing these services.

Commissioner Baldwin asked how many routes the bus run now. Manager Terry said he believe they are down to two routes now. The Board requested that they receive a ridership report. Manager Terry said he would have one for the next meeting, they only send the report quarterly.

LEGAL

Manager Terry said he proposes a raise for the Attorney approximately the amount of the CPI. Last year it was \$21,600 it has been increased to \$22,200. He also added \$1,000 for travel/training for Mr. Messick. Manager Terry said the legal service department is up about 6.2%.

ENGINEERING

Manager Terry said the Engineer is on the add list. Manager Terry said he is not bringing the cut/add list to the board tonight, he will bring it to the board after the public hearing on May 14, 2012, each department is still working on possible cuts/adds.

Manager Terry said the four cent tax increase he is recommending does not buy you an engineer.

There was a discussion about the cost of the engineer for the first and subsequent years. There was discussion about the vehicle included and whether the Bronco could be used.

Commissioner Fiocco said he believe it will be cheaper to have an Engineer rather than paying an outside agency.

PLANNING

Manager Terry said there was a minor decrease in the budget from last year. He stated Professional Services went down \$5,000 because we are doing a better job of distributing engineering cost to the departments that actually use them.

Mayor Voller suggested increasing the planning board's compensation.

Commissioner Fiocco would like to know how other municipalities compensate their planning board.

There was a discussion about insurance rates. Commissioner Fiocco said we need to keep an eye on it.

After discussion the board agreed to delete \$1,000 from the travel/training line item.

POLICE

Manager Terry stated the police department overall is up 2.7%. He stated he dropped professional services from \$10,000.00 to \$8,000.00. The big changes in the police department is around their vehicles. Manager Terry said trying to maintain an aging fleet is expensive and the higher cost of fuel has increased that line item for that.

Mayor Voller opened up discussion on the police take home vehicles and asked Chief Collins where the current officers live. Chief Collins stated said two besides himself live in the ETJ and the rest live within the 10-15 mile range.

Manager Terry said he would bring the board a true cost analysis of the take home program.

Commissioner Fiocco stated that the capital outlay line item has \$30,000 and he wanted to know what it was for. Manager Terry said that is the only capital equipment purchase in the entire town this year (one police car which is priced on state contract).

Commissioner Farrell asked about the \$10,500 budgeted for contracted services. Chief Collins said it was for computers, software programs, leases, etc. Manager Terry said it is basically support for the police package software.

Commissioner Fiocco said we are spending a lot of money on automotive maintenance and repair. Chief Collins said it was due to the age, mileage of the vehicles and increased cost of fuel.

Commissioner Fiocco said he would like to see an analysis done to determine the life of a vehicle.

Chief Collins said there is a lease program out there to lease police vehicles. Manager Terry stated that is not a good idea.

Commissioner Fiocco asked Manager Terry if he would create a model for running police vehicles through the budget. Manager Terry said he would.

There was a discussion about the cost of the copier lease.

Manager Terry said Finance Officer Cartrette is looking into this matter.

Commissioner Foley asked if any of the grant positions expire this year. Chief Collins stated that the Governor's Highway Safety expires this year.

Manager Terry said they are all on a different cycle and they have different arrangements but the Community Policing Officer is 100% grant for a period of three year and then we are obligated to keep him on for a fourth year and pay 100%. The Governor's highway safety program Lt. Dodson and the Mustang is a declining grant and we are in the last year of that.

Mayor Voller asked where the department was with staff in 2008-2009. Chief Collins said they had ten employees and then they received the DV Officer, Community Policing Officer and then the Traffic Enforcement Officer.

Commissioner Foley asked couldn't the grant committee look into getting grants for more police vehicles. Mayor Voller said they surely can.

FIRE DEPARTMENT

Manager Terry stated the overall fire department budget increased 10.7%. In talking with Chief Griffin they are adding some personnel and have some debt around capital buildings as well.

Chief Griffin wanted to inform the board and referenced a meeting last May. One of the things said was "Mayor Voller asked who were the fire department accountable too? Attorney Messick said they were accountable to their board". Chief Griffin said they are accountable to the Pittsboro Fire Department board of directors they have been giving audits every year to the Town Board when they turn their budget request in. Another question asked last year again was why did their request goes up and he came and spoke to the board. Before he came to speak Mr. Messick said the fire department had purchased some property and they had just built another sub-station he believed that somehow all this was factored into the budget but it really should not be relative to the Town but only to the County. Chief Griffin said that is 100% correct. The County had a mistake somewhere for 3M and they received

\$210,000 in back taxes from 3M that is how the property was bought for their new sub-station in Asbury. The station was built with a fire fighters grant they applied for and received, so the Town had nothing to do with that.

Chief Griffin directed this question towards Mayor Voller. He said it had come up that the Town would have its own fire department one day and just out of curiosity, he wanted to know if they were doing something wrong that the board does not like. Mayor Voller said no and that most cities get into this at some point (i.e. their own fire department).

Chief Griffin said the grant they have for the three fire fighters they got, this year they are paying 50%, so they are paying \$30,000 more this year. Chief Griffin said the way they have it figured the County pays 74% of their budget and the Town pays 26%. He said fuel is another \$2,000.00 and they hope they are in line with that. They have \$18,000 in turn out gear. Turn out gear is \$25,000-\$30,000 per pair for a set that is \$60,000.

Chief Griffin said if he keeps going he is going to be way more than the \$30,000 increase they are asking for.

Mayor Voller said the Board needs to have a closer relationship with the Fire Department.

Chief Griffin said a ladder truck is about \$1.2 million dollars. He provided the board copies of information for them to go over later.

Mayor Voller said he needs to come up with a list of the fire department needs in the next five years and to have Mr. Ward come make a presentation to the Board.

Chief Griffin stated personnel are their main expense.

Commissioner Fiocco asked Chief Griffin if he was reviewing site plans, he said he was. Commissioner Fiocco said they need his input on them.

PUBLIC WORKS

Manager Terry said last year we had three departments with one person each in it; it was public buildings and grounds, streets and Powell Bill. We have now combined them into one department that we are calling public works.

Manager Terry said personnel cost is up only two percent even though we gave a three percent raise. The total on this budget is down four percent.

Commissioner Farrell asked if we contract any mowing out now. Manager Terry said we do contract some out at Mary Hayes Barber Holmes Park. The rest of it is done out of this department. Manager Terry said it is not a great deal of change in this budget.

Manager Terry said the \$6,000 in Capital Outlay is for re-roofing the public works building. They spent money last year to paint the building. This year they hope to seal the leaky metal roof to complete the face lift of that building.

SANITATION

Manager Terry said this is all contracted services and it is up to include the fuel surcharge clause in the contract.

RECREATION

Manager Terry said the Recreation budget overall had a net change of 0%. They did shift some money around.

Commissioner Fiocco asked what line item would you include a new park. Commissioner Fiocco said it is a bright idea he has about a park downtown. He said it would cost approximately \$20,000. Manager Terry said you would want to put that on the CIP list.

Mayor Voller said for the Fall Street Fair we have \$10,000 he asked if we wanted to do some type fair in the summer. Commissioner Baldwin said that would be good if we weren't so strapped. She doesn't want to keep taking money out of the fund balance.

Commissioner Foley said she received information about the summer camp and asked Planner Horne if we would receive funds for that. Planner Horne said it could generate revenues. Commissioner Foley said we have some nice parks.

Commissioner Fiocco asked what type additional cost we are occurring for the maintenance of the greenway since he assumes we were mowing it as a sewer easement. Planner Horne said we have been to some degree but that level of care had to change (we are mowing it more frequently). Commissioner Fiocco asked if we would be in charge of repairing the surface. Planner Horne said yes. He has pulled in at least \$6,000 for the project from NCSU.

Commissioner Farrell said someone has brought it to his attention that we have a contract mower when we have people in the public works department that can mow and we have the equipment to mow. Commissioner Farrell asked if our employees could not take care of that. Manager Terry said he thinks the issue is consistency, John has a very small crew and they are cross trained to do a lot of different things and if you want to keep Mary Hayes Barber Holmes Park maintained to a certain standard having a contract means the man shows up every time he is supposed to get it done because that is his top priority. When some days that cannot be John's priority if they have a broken water line or pot holes to be patched.

Commissioner Baldwin asked what the contract amount is. Planner Horne said about \$5,000 per year.

Commissioner Farrell said he noticed the Christmas Decorations line item had increased a little (he and Commissioner Turner had mentioned earlier about replacing the decorations) although he is not sure what we can get for this amount. Manager Terry said this little amount of money will just take care of the ones that are broken or need replacement. It will help to refurbish or replace the ones that are no longer as aesthetic as they should be.

Manager Terry asked if there was anything the board wanted to see on the cut/add list. Commissioner Fiocco said he could support another event and he would like to see one event where downtown is a

pedestrian area and the circle is blocked off. Commissioner Baldwin said she feels if we are going to have another event it should come from the proposed budget. Planner Horne said he would recommend against having another event but to make the one's we do better.

Manager Terry said he would put an additional event on the add list.

WATER AND SEWER FUND

Manager Terry stated Mr. Poteat could not be here tonight because he is taking a final exam. He said there is a sufficient water and sewer rate increase proposed. Manager Terry said we are up 21.1% on water charges, it is not truly a 21.1% increase because we are ahead of schedule about \$120,000 more than anticipated so some of the increase is due to that and some is due to the rate increase. On the sewer side 14.4%, that's probably closer to the actual increase. The overall increase in revenues is 5.7%.

ADMINISTRATION

Manager Terry said it is a department of two people; John Poteat and Amy Holden (Lab Tech). Personnel costs are up 3.4% and most of that is due to the raise that was granted in January. The overall department is up 14.7%.

DEBT SERVICE

Manager Terry said we are up 11.4%. That is mostly Credle Street Project and Hillsboro Street Transmission Line Project.

WATER TREATMENT

Manager Terry said we are up 6% in personnel. The lion's share of that (and you will see it again in wastewater) is this is the first year we have tracked overtime as a separate entity. Last year we budgeted \$3,500 and in reality it is closer to \$14,000. Briefly it is because it is a small staff and people have to come in on the weekend to check things. Commissioner Fiocco asked if the option to reduce that number is to hire more employees. Manager Terry said correct but he doesn't think we are there yet.

Manager Terry said he asked the department heads to do the best they could to have a zero increase in their budget. On the operational budget line on the operating side it is actually down 1.1%.

Mayor Voller asked who works in Public Utility. Manager Terry said Joey Thomas, Charles Barbee, Mark Wright, Dan Kuhfahl (meter reader), Ronald White and Jeremiah Johnson. Those are the guys that work mainly on collection and distribution system.

Manager Terry said Junior Goldston, Brad Brownie and Bobby Paige work in public works.

There was a discussion about drying beds. Mr. Jewell said when he was in Burlington they had drying beds.

Mayor Voller asked about the quality of our water. Mr. Jewell said they had just taken the samples last week but by all indicators it is going to be fine.

Mr. Jewell said they have a good staff at the water plant.

Commissioner Baldwin asked about the sludge hauling. Mr. Jewell said that was another account change (it was moved from another line item).

WASTEWATER TREATMENT

Manager Terry stated they have the same problem with personnel being up 7.2% which is largely around overtime. Wastewater Treatment is 5.2% down in the overall operating expenses.

PUBLIC UTILITY MAINTENANCE

Manager Terry said these are the guys that work on the distribution and collection system and the maintenance of both plants. He stated that personnel is up by 6.6% and the operating portion has a 6.6% decrease. Manager Terry said staff is still working on the cut/add list. He said the board didn't make too many changes tonight so he can make them fairly easily.

Manager Terry said after we have a public hearing two weeks from now we can work the cut/add list and incorporate that and he thinks we will be on target for adoption early June.

Manager Terry said the board will have to decide on the tax rate and water and sewer rates.

Commissioner Fiocco said in regards to Main Street Program; he would like to find a way to leverage some of the Towns credit worthiness into and ability for business owners and property owners downtown to make renovations to their buildings. He is trying to talk to a bank about setting up a loan program where maybe the Town guarantees the loan in exchange for a lower rate, we are not talking large dollar amounts. Each loan could be \$10,000.

Commissioner Fiocco said of course we would have to get some type of commitment from the loanee to pay the Town through some kind of device. It may be an ability to tax them on their land and take priority position in repaying the loan, which we could turn back to the bank. He would like to see some way to get the Main Street Program kicked off and going.

Commissioner Fiocco said the County has a program administered through Economic Development Corporation. Mayor Voller said he agrees with Commissioner Fiocco.

Commissioner Baldwin said she was reviewing the telephone expenses, and asked Manager Terry if he would look at that and bring it back to them.

Mayor Voller asked about the sound system. Manager Terry said we have had someone come and done a walk through and they are preparing a quote.

Motion made by Commissioner Fiocco seconded by Commissioner Baldwin to adjourn at 10:56 p.m.
Vote Aye-5 Nay-0

Randolph Voller, Mayor

ATTEST:

Alice F. Lloyd, CMC, Town Clerk