

Budget Workshop
May 1, 2017

The Biscoe Town Board met in a Budget Workshop on Monday, May 1, 2017 at 6 pm in the Commissioners Board Room. Present were: Mayor Jimmy Blake, Mayor Pro-Tem Jerry Smith, Commissioners, Gene Anderson, Eddie Reynolds, John Beard and Town Manager Brandon Holland Town Clerk Laura Morton were present. Commissioner Jimmy Cagle was absent due to illness. Mayor Blake called the meeting to order at 6:00 pm. Town Manager Holland provided the following outline to the Board.

General Fund Revenues

The first draft of the fiscal year 2017-2018 Budget proposes a remaining property tax rate of \$0.56 per \$100 valuation. In fiscal year 2015-2016 the real property and vehicle valuation for the Town of Biscoe was \$129,277,971 with a combined collection rate of 98.23%. Fiscal year 2017-2018 we can estimate to collect \$669,780 in property tax. State forecasts show that Biscoe can expect around a 4.25% increase on sales tax revenue, 1% increase in beer and wine taxes and a 4.5% increase in solid waste disposal tax. While Powell Bill revenue is expected to remain the same (\$48,375). \$119,270 of Fund Balance is appropriated to balance the general fund. This amount is much smaller than previous years, but larger than Fiscal Year 16-17, due to the need for vehicle purchases and improvements to be made at the pool.

General Fund Expenditures

In an effort to minimize fund balance spending there are minor changes, and the General Fund expenditure changes are highlighted as follows: The Police Department will replace a 2003 car with one 2017 SUV and replacement of the in-car computers (\$48,500). The Police Department Budget will not include the Transfer to the LEO Separation Fund of \$25,000. The funds will be transferred from the CD just as we did last year. The current CD has a balance of \$122,417. This transfer is normally slightly less than \$20,000.

The Streets Department and Water Department will share the expense of a new truck for Public Works (\$30,000). A new mower is needed for street maintenance and upkeep (\$9,000).

This spring the park will have the light poles replaced, purchased a gator to maintain the fields, and next year we have included a few repairs that are most necessary. As we discussed last year the pool needs to be striped and plastered (\$50,000) A New roof with additional concrete (\$9,000) has been included.

Enterprise Fund (Water/Sewer Fund)

Rates are proposed to increase in the Water & Sewer Fund. The Audit shows a loss of \$212,520 during the previous fiscal year. In an effort to minimize loss, expenditures were cut for the current year. As you may recall from last month's financials, currently Water & Sewer revenues are over expenditures. However, there is a need to prepare for the loss of the revenue for when the Central High School opens, water tank maintenance and repairs to our water/sewer system. A recent report from Utility Services shows data that our water tank is in need of a proper maintenance contract; which includes interior/exterior

maintenance, permitting and warranty. Total cost for immediate repairs and maintenance total \$261,000, over 5 years. Other companies have been contacted and are not able to spread out the costs.

To keep any increase as minimal as possible it is proposed to increase the minimum water rates by \$1. This means that the minimum (in town) residential water charge will go from \$10 to \$11, and commercial from \$32 to \$33. Last year \$64,182 of Fund Balance was needed to balance the Enterprise Fund. This year it is requested to use \$21,845 of Fund Balance to offset the expenditures. The department will continue to experience debt payments totaling \$140,560, for the SRF Loan payments and the First Bank loan for the Industrial Park Lift Station, therefore capital spending has been limited. \$30,000 is set aside for Capital Improvements for the first year of the water tank contract and \$10,000 for a new roof at the sewer plant. We will be working with the engineer to continue to pursue grant funding for pump stations improvement also.

Employees

The budget is prepared and balanced with a 2% COLA for employees, and longevity as addressed in the personnel policy adopted last year. The state average of COLA this year will be around 3% from a survey from the League of Municipalities and the PTCOG. Health insurance will decrease 3%, and dental will increase 1%.

Public Hearing

In accordance with N.C.G.S. § 159-12(b) there will be a public hearing on June 12, 2017 at 7:00 pm, at the Biscoe Town Hall, any person wishing to make comments may do so at that time.

Board Discussion

There was a consensus of the Board to include the following in the budget as presented:

- ◆ 2017 SUV and replacement of the in-car computers
- ◆ New truck for Public Works (\$30,000 divided between Streets & Water/Sewer)
- ◆ A new mower for street maintenance and upkeep (\$9,000)
- ◆ Town Swimming Pool needs to be striped and plastered (\$50,000)
- ◆ A new roof with additional concrete at Park Shelter (\$9,000)
- ◆ Increase Minimum Water Bill by \$2.00
- ◆ Repair & Paint the Water Tank
- ◆ Give Biscoe Presbyterian \$2,000 to help repave parking lot where Biscoe's Good Ole Boys Club is located.
- ◆ 2% COLA Increase and Longevity
- ◆ Resolution of Intent for Fire Department Retirement to be placed on May 8 agenda
- ◆ To pay 50/50 on OSFM Grant

Mayor Blake asked if the County is going to divide the Parks & Recreation Funding they receive between the Towns?

Mayor Blake mentioned that Harris Street is a mess and the corner of Craven St. He said if we are going to condemn property like the Martin Property, we need to clean up other parts of the Town as well.