

Belhaven Town Council
Budget Workshop Minutes – May 23, 2006

Call to Order, Invocation and Pledge of Allegiance

The Belhaven Town Council met in budget workshop session on Tuesday, May 23, 2006 at 7:00 P.M. at the Boyette Civic Center at 257 West Pungo Street. Mayor Adam W. O’Neal called the meeting to order with the following Council members present: Albert Baker, Steven W. Carawan, Dr. Charles O. Boyette, George R. Ebron, Jr., Mayor Pro-Tem; and Cynthia M. Heath. Town Manager Tim M. Johnson, Town Clerk Marie J. Adams and Finance Officer Robin J. Godsell were also present. Mayor O’Neal asked Councilman Baker to give the invocation and Mayor O’Neal lead the Pledge of Allegiance.

**General Fund
Revenues**

Town Manager Johnson reviewed the revenues line item by line item. Town Manager Johnson stated that property taxes were distinguished by separate line items as to current year’s collection and prior years’ taxes collected in separate line items. Town Manager Johnson stated that revenues collected for rent of the multi-purpose building are \$5,000 and the town pays the Boys and Girls Club \$7,000. Town Manager Johnson stated that the Powell Bill revenues can carry over from year to year and this year the town will carry over to do a larger paving project in the next fiscal year. Town Manager Johnson also stated that the Fund Balance required, as a minimum, is 12% of the General Fund Balance and that the Local Government Commissions recommends not going below 25% and that coastal towns are recommended 50%. Town Manager Johnson stated that the town’s fund balance is an estimated 47% of the General Fund Balance. Town Manager Johnson stated that the general fund revenues were increased by 10% from last year. Town Manager Johnson stated there would be no increase in costs to citizens.

Expenditures

Governing Body (410)

The governing body expense budget remained the same as last year at \$12,925.

Administration (420)

The entire budget for administration is recommended at \$230,672 which is about \$14,000 lower than the current fiscal year. Town Manager Johnson explained that expenses would increase for employee benefits (health and dental insurance expenses) and any increases in salaries. Mayor O’Neal questions which employees were in the administration department. Town Manager stated that he and Town Clerk Marie Adams were in administration.

Finance (440)

Town Manager Johnson stated that expenditures increased for Finance as in every department with health insurance and any increase in employee salaries. Town Manager Johnson stated that the finance department needed to purchase new software. Mayor O’Neal questioned Finance Officer Godsell, if the purchase of software could wait another year. Finance Officer Godsell stated that she could not wait, as the present system has no software support and basically the company has gone out of business since the system was purchased in 1999. Finance Officer Godsell stated that the new system

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would cost approximately \$60,000 and it would include training. Councilman Carawan asked the life expectancy of software. Town Manager Johnson stated an estimated ten years. Mayor O’Neal asked for the names of each employee in this department. Town Manager Johnson stated the following in response to the Mayor: Robin Godsell, Joyce Ebron, Valerie Dixon, and Debra Prewitt.

Legal (470)

Town Manager Johnson stated that retainage for the attorney was \$200 per meeting, Councilman Carawan suggested that the town get bids for attorneys. Mayor O’Neal questioned the large increase in fees. Town Manager Johnson stated that the attorney charges per telephone conversations, etc. Mayor O’Neal asked to review three months bills.

Economic Development (495)

Town Manager Johnson stated that this department was less by \$50,000 and that the ordinance rewrite will be included in this budget year.

Public Buildings (500)

Town Manager Johnson stated that the only increase would be in fuel due to gas costs along with the increase in employee benefits due to insurance increases and any increases in salaries. Mayor O’Neal asked for the names of each employee in this department. Town Manager Johnson stated that Paul Wood and Edward Honeycutt were the employees in this department.

Garage (505)

Town Manager Johnson stated that this department had a decrease in the budget due to no capital purchases this year. Town Manager Johnson stated that the line items increased for employee benefits due to insurance costs and any increase in salary. Mayor O’Neal also asked for the names of the employees in this department. Town Manager Johnson stated that Kevan Groome was the employee in this department.

Police (510)

Town Manager Johnson stated that this department would also have an increase in employee benefits and any increase in salaries. Fuel costs for this department would also increase due to the high cost of fuel for the vehicles. Town Manager Johnson stated that he would like to add one employee. Town Manager Johnson was questioned with the number of employees. Town Manager Johnson stated that the town employed: nine officers, three permanent dispatch personnel and 2 – 3 part-time employees. Town Manager Johnson also stated that Belhaven had the opportunity to purchase a drug/attack dog from Hyde County for \$8,000. Town Manager also stated that the dog was trained in Dutch and that one of our officers was actually his trainer when the officer formerly worked for the Hyde County Sheriff’s Department. Town Manager Johnson stated that he would like to replace one of the vehicles. Mayor O’Neal asked that a new vehicle not be purchased for the Police Department. Town Manager Johnson stated that repairs would increase.

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Mayor O'Neal stated that transfers to the general fund from the electric fund needed to be decreased. Mayor O'Neal asked that the Council consider decreased electric rates to residential customers by 5% would cost \$80,000. Mayor O'Neal suggested that the budget be reduced by \$80,000 to allow a 5% decrease in electric rates for residential customers.

Fire & EMS (530)

Town Manager Johnson stated that the fire department did not receive their 50/50 grant. Town Manager Johnson asked Mr. Paul Wood, Jr., Chief, in the audience how much money would it take to get the department to meeting minimal ISO standards. Chief Wood stated a minimum of \$45,000 for equipment including: air packs, jaws for vehicular accidents and a generator for the new truck. Town Manager Johnson stated that the town was still paying for one ambulance and one pumper truck. Town Manager Johnson stated that the department was volunteer but the Chief, Engineer and Secretary received a stipend to offset the paperwork.

Inspections (540)

Town Manager Johnson stated that this department had one employee which was Martin Overholt. Town Manager Johnson explained that the increases would be in employee benefits due to the increase in health insurance and any increase in salary.

Public Works (550)

Town Manager Johnson stated that this department had one employee which was Carroll Herring. Town Manager Johnson explained that the increases would be in employee benefits due to the increase in health insurance and any increase in salary.

Street (560)

Town Manager Johnson stated that this department had five employees: Edward LaBarge, Kenny Sullivan, Glenn Flynn, Calvin McCabe and Felix Burgess. Town Manager Johnson explained that this budget was increased by \$6,800 due to employee benefit costs increase, any increase in salary and fuel costs increases.

Councilman Carawan asked did employees drive vehicles home. Town Manager Johnson stated that if parts were being picked up out of town or for example the mosquito truck was drove home for the employee to have the mosquito sprayer calibrated.

Powell Bill (570)

Town Manager Johnson stated that the salaries portion of this budget gets transferred to the Street Department (560) due to the employees working most of their time in that department. Town Manager Johnson stated that these funds are used for street repairs.

Sanitation Department (580)

Town Manager Johnson stated that this department could increase by approximately \$4,000 should the governor increase landfill fees. Town Manager Johnson stated that this

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service is contracted outside. Town Manager Johnson stated that from time to time the contractor will survey the number of garbage receptacles and compare with the town as to the number of receptacles that each resident is billed.

Recreation (620)

Town Manager Johnson stated that the recreation department had no full-time employees but the part-time employees were: Harold Nixon, Brian Stevens, M. J. Mackey, Phalen Fletcher and Suzanne Lee.

Special Appropriations (690)

Town Manager Johnson stated that special appropriations were reviewed at the last workshop on May 15, 2006 and that this budget was \$2,500 less than last year.

Overview

Town Manager Johnson stated that the proposed budget for Fiscal Year 2006-2007 \$6,482,966 with no increase in rates. Town Manager Johnson stated that building inspection fees may increase to bring those fees in line with other inspection departments in Beaufort County. Town Manager Johnson stated that pole attachment fees may increase to bring that fee in line.

Mayor's Comments

Mayor O'Neal stated that he would like the budget cut \$80,000 and to utilize that cut in expenditure to then reduce residential electric rates by 5%. Town Manager Johnson questioned the Mayor as to where to cut the \$80,000 from the proposed budget. There was much adverse discussion between the Mayor and Town Manager. Councilman Boyette stated that as a board (local government administration) we can disagree and still get things accomplished that we as a board needed to listen, respect each other and disagree with respect. Following additional discussion concerning the Mayor's request to cut the budget \$80,000 and Town Manager Johnson asking the Mayor for suggestions. Councilman Boyette suggested that the Town Manager be asked to look at the budget again for a possible \$80,000 reduction.

Councilman Baker questioned if the Town was expecting another rate increase in electric. Town Manager Johnson stated that Electricities is proposing a rate increase in November/December of this year.

Adjournment

There being no further business, Mayor O'Neal declared the meeting adjourned at 9:17 P.M.

Respectfully submitted,

Marie J. Adams, CMC
Town Clerk

Adam W. O'Neal, Mayor