

**Belhaven Town Council Meeting  
Budget Workshop – June 13, 2011  
Minutes**

**Call to Order**

The Belhaven Town Council met in a workshop session prior to the regular session on Monday, June 13, 2011 at the Belhaven Civic Center at 257 W. Pungo Street. Mr. Adam W. O’Neal called the meeting to order at 5:52 P.M. with the following Council members present: Steve W. Carawan, J. Nelson Guy, and Mayor Pro-Tem – McKee “Mac” Pigott. Councilmen Howard D. Moore and Robert L. Stanley arrived later in the meeting. Finance Officer, Mr. Steve Nobles, CPA and Town Clerk, Mrs. Marie J. Adams, CMC were also present. Town Manager, Dr. Guinn Leverett was not present at the beginning of the meeting but arrived later.

**Invocation**

Mayor O’Neal asked Councilman Guy to give the invocation.

**Proposed Fiscal Year 2011-2012 Budget Review**

Mayor O’Neal asked Finance Director Nobles to overview the proposed budget. Finance Director Nobles stated that he had met with each Council member and Mayor individually to overview the proposed budget. Finance Director Nobles stated that the proposed budget general fund budget was \$2.027 million which is \$340,000 less than the current fiscal year. This budget includes the elimination of 2 positions in the General Fund. Councilmen Moore and Stanley arrived at the meeting at this time, 5:55 P.M. Finance Director Nobles stated that the general fund was getting \$138,786 from Fund Balance to cover the capital project on for the Wynne’s Gut dockage. The fund balance available is approximately \$800,000 which is approximately 39% of the proposed general fund expenditures. The Local Government Commission’s minimum balance is (8%) of the general fund annual expenditures. The total proposed budget for the general fund and enterprise (utility) funds is \$5,668,626.

The following were reviewed from the general fund:

**Governing Body 10-410**

Increased due to \$10,000 contingency and more accurate computation of allotted expense; also includes \$87,000 for 24/7 rescue service with White Oak with a total budget of \$102,549

**Special Appropriations 10-690**

023 July 4<sup>th</sup> 12,000, with \$10,000 used for fireworks

045 Chamber of Commerce \$10,000 same as last budget

079 Memorial Museum \$7,300 same as last budget

080 Library \$6,834 same as last budget

081 Library Utilities were nearly 28,000 last year; current year \$12,000 will be given to the library towards their utility expenses and the library will pay their monthly utility bills

082 Boys and Girls Club \$8,900 last year; \$7,000 proposed

083 Senior Center \$5,000 - \$6,000 last year

072 Wynne’s Gut \$160,000 for Capital Project dockage

078 Black Bottom Cemetery \$2,000

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Town Manager Leverett arrived at the meeting at this time around 6:10 P.M.

**Legal 10-470**

\$10,000 same as last year

**Economic and Physical Development 10-495**

Has been \$12,890 for several years, reduced to \$10,000

**Administration 10-420**

Slight increase due primarily to budgeting for environmental land clean-up

**Finance 10-440**

Slight increase due to the dire need of a new server for the computer system and increase in salaries due to being under budgeted last year – no raises (Councilman Guy questioned the increase in salaries)

**Inspection 10-540**

Same as previous budget except that the (046) demolition budget was cut from \$10,000 to \$5,000

**Police 10-510**

Has a decrease of over \$100,000 with loss of one officer and other cuts

**Fire 10-530**

(071) Included \$21,400 for a 50/50 match grant totaling \$42,800

**Public Buildings 10-500**

Approximately \$6,000 increase due to utility expense (013) for public buildings and (033) departmental supplies consistently under budgeted in prior years

**Garage 10-505**

Less than past budget

**Public Works 10-550**

Approximately same budget

**Streets 10-560**

Decreased by approximately \$39,000 which reflects the elimination of one person

**Powell Bill 10-570**

Powell Bill funds are projected at \$60,000 which will be paid in two installments one in the fall and one in the spring. General fund appropriations have been reduced to \$4,650 from \$9,650

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in the current year. However, Powell Bill Funds will be absorbed within the Water Street Bridge capital project.

**Sanitation 10-580**

Reduced by \$16,000

**Recreation 10-620**

Trimmed \$22,000 from budget; salary decrease because of part-time person replacing full time position; collect about \$30,000 in revenues annually for participation fees

**Water Fund 30-810**

Less revenue projected; expenses are \$5,000 less than last year and the budget includes debt service totaling \$124,975. Project deficit of \$43,066 will be funded by enterprise fund balance.

**Sewer Fund 33-810**

Decrease in revenue, decrease in expenses. Includes debt service totaling \$147,327; approximately a break even situation.

**Electric Fund 31-832**

More conservative revenue and cost of electricity projections; expenses reduced by \$16,000

Mayor O'Neal did recognize the following representing organizations who spoke briefly: Mr. Lloyd Balance, Executive Director of the Belhaven Community Chamber of Commerce who spoke briefly and thanked the Council for their past support and the monetary support given earlier this year with budget shortfalls which enabled the Chamber to keep the doors open. Councilman Pigott questioned when the Chamber would take the July 4<sup>th</sup> Celebration back over. Mr. Balance stated that the board is discussing that issue.

Mr. Butch Harris representing the Belhaven Memorial Museum stated that the Museum was cut by the Beaufort County budget by \$1,700. Mr. Harris also stated that the Smithsonian had been in contact concerning the donation of some display cabinets. Mr. Harris also stated that the Museum has recently learned that it will receive an old shell that was used by the Union and found in the 1960's behind Pungo Christian Academy and will be donated to the Museum once the shell has been de-activated. Mr. Harris was very excited about this donation as it would be from the Civil War Era.

**Miscellaneous Comments/Concerns**

Councilman Pigott stated that he would not be present at the next meeting but wanted to make some of his ideas know. Councilman Pigott stated that additional revenue was needed and that water and sewer rates needed to have an increase to the consumers and also knew that he would not have Council support on raising utility rates. He also stated that he agreed with the depletion in the demolition budget from \$10,000 to \$5,000 and added that demolition

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is very expensive and after demolition the property is not worth the fees to demolish. Councilman Pigott also stated that he did not agree with \$10,000 in the contingency funds line item of the governing body budget and further stated if the funds are not budgeted then you don't make the purchase. Councilman Pigott stated that out-of-town participants of the recreation programs should be charged more to participate and that the coaches/players should be held responsible for the return of equipment.

Councilman Carawan and Councilman Pigott both praised Finance Director Nobles for the correct naming of expenditure funds and for the breakdown of the proposed budget.

Councilman Carawan stated that the proposed budget did not include any increase in utility rates or property taxes. Councilman Carawan also stated that 91% of the participants in the recreation programs were residents of the County.

Councilman Guy questioned the Town's "cheaper tax rate in the county @.45 with Washington being @ .50. Councilman Guy warned of the continued electric rates which are absorbed by the Town and not passed on to the customers with the affect this will have when the Town does have to raise rates. Councilman Guy stated that the Town offers a full service limb/leaf removal and stated that with the deletion of a position then maybe the Town should consider deleting a service such as limb/leaf removal. Councilman Guy stated that rates should be raised, that he was not in favor of cutting employees from positions. Councilman Guy also praised Finance Director Nobles for his budget presentation and the explanation of line items was easier to understand.

Mayor O'Neal thanked Councilmen Carawan and Pigott for being conservative and for their input in the budget preparations.

Mayor O'Neal stated there was no reason to raise rates and there would be no changes in services or in the quality of life for the citizens. Mayor O'Neal stated that \$138,000 was needed from Fund Balance to help finance a \$160,000 project (Wynne's Gut Dockage) and that next year the Town would be \$22,000 "in the black".

Mayor O'Neal stated that with the elimination of two employment positions with the Town that residents will still have police officers, children will still play baseball and that utility rates could be kept down with the making of cuts and that no additional burden would be put on the citizens.

Mayor O'Neal stated that the Town spent \$28,000 in utility bills for the public library and explained that in the proposed budget the Town would give the library \$12,000 towards their utilities with the annual allotment of \$6,834. Mayor O'Neal stated that the Boys and Girls Club was decreased from \$8,900 to \$7,000 along with cuts to the Boy and Girls Scouts from \$1,900 each to \$1,000 each.

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**Adjournment**

There being no further comments, Mayor O’Neal declared the workshop session for the proposed budget for fiscal year 2011-2012 adjourned. The meeting adjourned at 6:54 P.M.

Respectfully submitted,

Marie J. Adams, CMC  
Town Clerk