

TOWN OF RICHLANDS
NORTH CAROLINA

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TOWN OF RICHLANDS
BOARD OF ALDERMEN
BUDGET WORKSHOP
FRIDAY, APRIL 25, 2014

The Richlands' Board of Aldermen met on Friday, April 25, 2014 at 9:00 am for FY 14/15 Budget Workshop which was held in the Board Room of the Richlands Town Hall. Present for the workshop were:

Mayor McKinley Smith
Alderman Paul Conner
Alderman Tom Brown
Alderman Kent Painter
Alderman Kandy Koonce
Alderman Michael Carpenter

Town Administrator, Gregg Whitehead
Town Clerk, Doreen Putney
Public Works Director, Johnathan Jarman
Chief Ron Lindig

WORKSHOP CALLED TO ORDER:

The Budget Workshop was called to order by Mayor McKinley Smith at 9:10 am.

BUDGET OVERVIEW:

Mayor McKinley Smith welcomed and thanked everyone for attending. Mayor Smith requested for Town Administrator, Gregg Whitehead, to proceed with the overview of the FY 2014/2015 draft proposed budget.

Gregg Whitehead provided the Board with a copy of the FY 2014/2015 Drafted Proposed Budget and provided the following highlights:

General:

- Budget is balanced.
- Proposing to raise the tax rate one penny to .37/100 tax value.
- Tax values have decreased 3% since last revaluation.
- Anticipate sales tax revenues to be less than in previous years.
- No rate/fee increases.
- Proposing a 4% COLA.

Governing Body:

- \$2,000 for the façade enhancement grant program by the RRC.

Administration:

- \$9,000 for capital expenditures for financial software upgrades. This includes the following breakdown:
 - \$3,200 is allocated to replace the projector screen in the board room with an 80” LED HDTV to be used for wireless presentations.
 - \$3,100 to replace the main server which is (6) years old
 - \$2,700 to upgrade our current software from CitiPak to FMS through Southern Software.

Public Safety:

- Funding for one part time officer.
- 30% cost for the GHSP Traffic Officer.
- \$2,100 to replace the vehicle computers with tablets and wireless printers.
- \$12,000 is allocated to install a remote camera system at Venters Park.
- \$2,300 is budgeted to replace the ceiling tiles in the evidence room.
- There are no vehicles or radio purchases budgeted for FY 14/15.

Public Works:

- Requesting to hire a 4th employee for the department.
- No vehicle purchases are proposed.
- \$450 allocated for a refrigerator in the shop.
- \$300 allocated for miscellaneous tools.

PRESENTATION

Mr. Whitehead presented a power point presentation and reflected on the following points:

- Revaluations were conducted this year and our valuations decreased approximately 1%.
- County wide valuations decreased approximately 3%.
- Swansboro and North Topsail Island are the only ones whose valuations increased.
- Since the last revaluation our growth has increased 10.44%.
- Our current tax rate is .36/\$100. To remain revenue neutral we would need to increase the tax rate to .4013/\$100.
- This budget proposed a tax increase of .37/\$100.
- We are mostly property tax dependent. Sales tax had consistently been decreasing and this year is estimated to decrease more.
- Powell Bill funds will be slightly increased this year.
- Garbage collection rate is currently at \$11.25/per cart. Fees collected covers the contract fees and part of the tipping fees. It is not self- supporting, however, there is no increased in cart fees budged for FY 14/15.
- By 2016 we will be down to \$50,255 in capital expenditures. The Town Hall will be paid off next year.
- The repair of Fay Avenue in Sylvester Heights is estimated at a cost of \$8,000. This will be taken out of the current year’s budget.

- An increase of \$500 to the Richlands Volunteer Fire Department will make the yearly contributions for FY 14/15 \$25,500 with payments made quarterly.
- Included a 4% COLA increase for all employees except for the Town Administrator.
 - Mr. Whitehead conducted a salary study of other communities to ours. He presented the results to the Board. The study showed that the salaries of all our employees, except for the Town Administrator are below average. The Town Clerk is also the Finance Officer and has dual roles. All other towns have separate employees for those duties. Mr. Whitehead stated that in order to bring everyone up to the average salary, we would need to include a 15% COLA increase and would cost the town an additional \$80,000.
- Will be changing our Health Medical Insurance from the NCLM MedCost to Blue Cross/Blue Shield of NC. Due to a 20% increase in cost from MedCost, we investigated other insurance companies and found that we could save \$18,000 by switching to BCBS. We will also be replacing our current dental plan with Principal Financial to NCLM MedCost's dental plan for a savings of \$3,596.00. We will keep our current vision plan with VSP.

DEPARTMENT NEEDS & ISSUES:

Public Safety's total request is \$5,324.00

Chief Ron Lindig reported that foot patrols will begin May 1, 2014 and will soon begin bike patrols as well. He noted that vehicle maintenance has dramatically decreased from prior years due mainly to the newer patrol cars. Chief is requesting new flashlights for his department. He is estimating them to be \$990.00. He is also requesting to change out the laptop computers in the vehicles and replace them with tablets. We will be able to use them outside of the cars, maintain visuals on the occupants and maintain better safety of the officers. We will not need one for each vehicle because we have the ability to transfer them from car to car. The estimated cost of the (3) tablets and (3) wireless printers will be \$2,034.00. Chief also stated that in order to bring the evidence room up to code, the ceiling tile will need to be replaced with a drywall ceiling. The estimated cost for this repair is \$2,300.00. Chief stated that he is approximately 95% done in updating the SOP.

Chief Lindig thanked the Town Administrator and stated that everyone here works well together. We can speak our minds and not have it held against us. He asked the Board that if they feel he is going in the wrong direction to please forward any suggestions or ideas his way.

Mr. Whitehead showed the Board the Public Safety Budget. He noted that the department is now conducting in-house training, which has made a significant decrease in their training expense. He also noted the vehicle maintenance expense has decreased due to the newer vehicles. Mr. Whitehead stated that our police officers are trained in every skill. They do not just have one area that they work in, such as, "Investigations", "Drugs", "Traffic", "Jailer". Our officers do it all. They also work very well with other entities in the county. We currently have seven (7) auxiliary officers.

Public Works' total request is \$750.00

Johnathan Jarman, Public Works Director, reported that his main request this year is for a new public works employee. My current staff may be retiring in the next 5 years or so. I want someone here now who will be able to learn the job and take over when that time comes. I would like to advertise now with a starting date of July 01, 2014.

Mr. Jarman stated that over the next couple of years, the street signs will be replaced with larger signs. He also asked the board to keep in mind the streets that still need to be repaired. He stated that East Point is currently the worst street. The problem with it is that it only has a 30ft right-of-way. In order to repair it properly we will need to install curb and gutter and the street is very narrow. It is going to be a very expensive job. Mr. Whitehead stated that we are looking at zoning issues with this street as well. The best time to repair East Point Street would be after the new school is built and the school traffic patterns change. Mr. Jarman recommended to put the streets on a rotation basis for repairs.

The only capital expenditures that the Public Works Department is requesting for FY 14/15 are for a 10.3 cubic foot refrigerator and replacement of some miscellaneous tools. Total estimated cost for this would be \$750.00.

Administration's total request is \$9,000.00

Gregg Whitehead, Town Administrator, is requesting to replace the pull down projector screen with a 80" Vizio LED HDTV. This would allow for wireless power point presentations, meeting agenda's to be viewed, broadcast of emergency information, training presentations such as webcasts, etc. The estimated cost is \$3,200.00. Mr. Whitehead also stated that the upgrade from the current CitiPak to the new FMS (Financial Management System) through Southern Software will also require an upgrade of RAM on the computers and a server upgrade. Our current server is over six (6) years old and will not be able to support future software upgrades. The estimated costs for the FMS software and the computer/server upgrades is \$5,800.00.

PARK:

Mr. Whitehead is requesting for a remote camera system installed in Venters Park. The estimated cost is \$12,000. Mr. Whitehead stated that we should hear on the PARTF Grant sometime in May. Even if we do not get the grant, we can still do part of the project. If we do get the grant, I would like to pay for it in one year rather than hold out over a 3 year period.

Mr. Whitehead stated that the unveiling of the "Wishing Tree" is scheduled for Friday, May 09, 2014 at 10:00 am. Approximately 15 children from the elementary school will be there to make their wishes and be the first to place them on the tree.

MISCELLANEOUS DISCUSSION:

The Board discussed the new public works employee and requested for our personnel policy to reflect a six (6) month probationary period.

ACTION: They asked Mr. Whitehead to draft a policy change accordingly and to bring back to the next regular scheduled Board of Aldermen meeting.

The Board discussed the camera system that is being requested for Venters Park. Chief Lindig stated that this system will save the town in liability over a period of time. It will also be helpful for vandalism and other incidents as well.

ACTION: The Board requested for Mr. Whitehead to entertain estimates and quotes from other companies for placement of this system in the park.

The Board discussed the garbage collections rates per cart. Currently the garbage/recycling rates are not maintaining itself. It is approximately \$17,000 in the red. We would need to increase our per cart fee to \$12.75. Our contract with Waste Industries expires in two (2) years. Mr. Whitehead stated that we will entertain an increase in cart fees at that time.

The Board discussed the salary study. The study reflects the following:

- One (1) employee is at or above the average salary (Town Administrator)
- Two (2) employees are at or above minimum but not average (Customer Service Representative and Maintenance Worker I).
- All other employees are below the minimum (Town Clerk/Finance Officer, Police Chief, Police Officer, Public Works Director, Street Crew Leader).

In order to bring all the employees up to the minimum salary, it would cost the town approximately \$58,000 and include a 2-3 cent property tax increase. To bring the employees up to average, it would cost the town approximately \$80,000 which would be a 15% COLA increase. After further discussion, the Board took the following action:

ACTION: The Board requested for Mr. Whitehead to adjust the budget to include a \$.02 tax increase bringing it to \$.38/100, give the Town Administrator a 3% COLA increase and give all other employees a 5% COLA increase.

ACTION: Mr. Whitehead will revise the draft FY 2014/2015 proposed budget and present back to the Board at their regular scheduled meeting in June 2014.

ADJOURN:

There being no further business, **a motion** was made by Alderman Kent Painter, seconded by Alderman Tom Brown to adjourn the workshop at 12:30 pm. The motion was unanimously carried.

Respectfully Submitted,

Attest:
Doreen Putney, Town Clerk

Mayor McKinley Smith