

**TOWN OF BURGAW BOARD OF COMMISSIONERS
BUDGET WORKSHOP**

DATE: May 14, 2013
TIME: 2:00 PM
PLACE: Burgaw Municipal Building
BOARD MEMBERS PRESENT: Mayor Kenneth T. Cowan
 Mayor Pro-tem Howard Walker
 Commissioners Jan Dawson, Wilfred Robbins, Charles Rooks and Elaine Tyson
STAFF PRESENT: Chad McEwen, Town Manager
 Sylvia W. Raynor, Town Clerk
 Robert Kenan, Town Attorney
 Rebekah Costin, Planning Administrator
 Bill Fay, Director of Public Works
 Bill George, Fire Administrator
 Louis Hesse, Building Inspector
 Ashley Loftis, Finance Officer
 Montrina Sutton, Chief of Police
OTHERS PRESENT: None

Mayor Cowan called the meeting to order at 2:02 PM. (Note: Commissioner Rooks arrived at 2:22PM) Mayor Cowan turned the meeting over to Chad McEwen, Town Manager/Budget Officer.

Mr. McEwen presented the following power point presentation to the Board.

**Budget Workshop for the
Proposed Budget FY 2013-2014**

May 14, 2013

Highlights of FY 12/13 (Revenues)

- Examples of Revenues exceeding Estimates

Line Item Revenues	% over budget
- Ad Valorum-Prior Yr	140%
- Misc. Revenues	3,309%*
- Pender Central	25%**
- Powell Bill	3%

*Due to Filming Fees (\$136,386 YTD)
**Due to fire tax increase approved by PC

Highlights of FY 12/13 (Revenues)

- No Revenue Shortfalls of any Significance
- Concerns over Ad-Valorum
 - Collection is slightly better than anticipated
 - \$60K-\$70K shortfall not occurring
- Filming Fees (est. yr. total of around \$170k)
 - 4th largest Unrestricted GF revenue source
 - Only Ad-Valorum, Sales Tax, Hold Harmless are larger

Proposed Budget Overview

- Revenues Based on Conservative Estimates
- Property and Casualty
 - Budgeted for worse case scenario of (10% increase)
 - Soliciting bids from SIA Group
- Health Insurance renewal-4.19%
 - Wells Ins. attributes low renewal to low utilization and employee participation in wellness program
- Personnel Cost reduced by 2% from FY 12/13 *despite*
 - A net gain of 2 FTE positions
 - The proposed 3% COLA
- No Appropriated Fund Balance Needed to Balance Budget for General Fund or W/S Sewer
- No Tax Increase

Proposed Tax Rate for FY 13/14

- Current Ad Valorem Rate -\$.48
- One Cent= \$25,770

**CIP and other Significant Expenditures
for FY 13-14 (or before)**

Buildings (M&R)

Item	Estimated Cost
Continued Community Building Renovations*	\$16K
Annex Painting, Awning, Landscaping*	\$5K

*To be done this year with Non-Departmental Reserve funds

**CIP and other Significant Expenditures
for FY 12-13 (or before)**

Infrastructure

Item	Estimated Cost
Sewer Rehab (Phase 2)	\$2.1M
Trailer Vac*	\$55K
Public Drainage Improvements	ONGOING
Street Paving	\$160K
Infrastructure Inventory	\$83K

*To be done this year with a loan/grant package from USDA-RD

**CIP and other Significant Expenditures
for FY 12-13 (or before)**

Equipment

Item	Estimated Cost
Front Deck Mower w Attachment	\$18K
Protective Equipment for FD (5 sets)	\$9K
Two Equipped Police Cars	\$60K
Computer Replacement	\$3,500
Financial Software*	\$50K
Phone Tree	\$3K

*To be done this year

**CIP and other Significant Expenditures
for FY 12-13 (or before)**

Parks and Recreation

Item	Estimated Cost
Sidewalk from to Senior Center*	\$250K

*Sen. Rabon verbally committed funds for construction

CIP and other Significant Expenditures for FY 12-13 (or before)	
Personnel	
Item	Estimated Cost
• Conversion of Planning/ Inspections PTE to FTE	\$16,500
• PW Maintenance Worker I	\$29,000

CIP and other Significant Expenditures for FY 12-13 (or before)	
Policy and Administrative	
Item	Estimated Cost
• COLA (3%)	\$45K

Unaccounted for C.I.P. Items Scheduled for FY 13-14 Consideration	
Item	Estimated Expense
• Old Jail Stabilization	\$35K
– Complete Renovation	\$80K
• Town Garage Improvements	\$17K
• EMS Bldg.	
– Demo	Minimal
– Renovation	\$350K
• Sidewalk to Hospital Along Fremont	\$40K
• Tire Balancer	\$4K
• Water Tank Mixers	\$75K

Unaccounted for C.I.P. Items Scheduled for FY 13-14 Consideration	
Item	Estimated Expense
• Lift Station at Village on 18	\$30K
• Merit Increases for FTE	\$30K(2%)-\$45K(3%)

Upon completion of the power point presentation the following discussion was held.

Mr. McEwen commented that in order to balance the budget some Capital Improvement Project (CIP) items were cut. He advised he has reviewed non-departmental reserves and said some items could be done in this year’s budget. Louis Hesse, Building Inspector gave a lengthy review of needed improvements at the Community House regarding storage issues etc. that could be done this year. Mr. McEwen said the plan is to move forward with the proposed improvements at the Community House and to use funding from non-departmental reserves if there are no objections from the Board. No objections were voiced from the Board at this time.

Mayor Cowan commented that the tire balancer was removed from the budget and he is concerned about the cost of balancing the tires as well as the time it takes for the mechanic to go to another location to get the tires balanced. After discussion regarding the tire balancer, Commissioner Rooks made a motion to take \$4,000 from non-departmental reserve funds for purchase of a tire balancer. The motion was seconded by Commissioner Robbins and carried by unanimous vote.

Mr. McEwen advised the Board that if there is any item on the list that was not funded and the Board desires to fund it the money will have to come from fund balance. He said that currently fund balance stands at 55% or 1.6 million. Commissioner Rooks commented that his interest is in spending more money on paving. He advised the Streets Committee has been through the paving list thoroughly and there is plenty of need for paving other than what is budgeted for. There was a lengthy discussion regarding paving.

There was a brief discussion regarding the state’s proposed tax reform with the intent of giving assurance to the municipalities that they will receive adequate revenue despite the changes.

Commissioner Robbins asked why there is a 10k increase in cemetery. He was advised that is half the cost of the new mower.

Commissioner Robbins also asked what the 3% COLA was based on. Mr. McEwen said it is based on the Southeast Consumer Price Index (CPI).

Commissioner Robbins asked if we could talk about the street paving since we have time. Mr. McEwen advised the needs exceed the funds available for paving. During discussion regarding paving issues, Commissioner Robbins asked if we can use the film revenues for paving needs. After a lengthy discussion, Commissioner Rooks made a motion to appropriate 75% of net film revenues to use for street paving. The motion was seconded by Commissioner

Robbins and carried by unanimous vote. Mr. McEwen said he would bring a resolution to that effect at the next meeting.

There being no further discussion, Mr. McEwen advised there will be a budget hearing for public comment and approval by the Board at the June 11th meeting.

ADJOURNMENT

Commissioner Rooks made a motion to adjourn. The motion was seconded by Commissioner Robbins and carried by unanimous vote.

The meeting adjourned at 3:10PM.

Kenneth T. Cowan, Mayor

Attest: _____
Sylvia W. Raynor, Town Clerk