

**THURSDAY, APRIL 6, 2017  
TOWN OF SAWMILLS SPECIAL COUNCIL MEETING  
BUDGET RETREAT**

**6:00 PM**

**COUNCIL PRESENT**

Joe Wesson  
Gerelene Blevins  
Joe Norman  
Keith Warren  
Reed Lingerfelt  
Jeff Wilson

**STAFF PRESENT**

Christopher Todd  
Karen Clontz  
Ronnie Coffey

**CALL TO ORDER:** Mayor Joe Wesson called the meeting to order.

**INVOCATION:** Councilman Reed Lingerfelt gave the invocation.

**PLEDGE OF ALLEGIANCE:** Mayor Joe Wesson led the Pledge of Allegiance.

**ADOPT AGENDA:** Mayor Joe Wesson asked for a motion to adopt the agenda.

Joe Norman made a motion, and Reed Lingerfelt seconded, to adopt the agenda. All were in favor.

**DISCUSSION:**

**DEPARTMENT BUDGET NEEDS:**

The Town Council discussed the major needs and request of every department, to determine if these items should be included or removed from the draft budget.

A. Governing Body-

The Town Council discussed leaving the overall donation amount at \$16,000. A policy was set to cap all general donations at \$200.

B. Administration-

Three items were to the council in Administration,

- Town Hall Parking lot paving - \$9,700 (Include)
- Computer Server - \$22,000 (Include)
- Work Stations - \$49,000 (Include)

All items were kept in the draft budget.

C. Planning/Community Development

Six items were to the council in Planning/Community Development,

- Christmas Tree - \$6,000 (Remove)
- Farmers Market Paving - \$21,000 (Remove)
- Planning/Code Enforcement - \$24,000 (Include)
- Christmas Lights - Replace current incandescent with LED - \$16,100 (Include)
- Christmas Lights - Adding incandescent - \$46,500 (Remove)
- Christmas Lights - LED/new and replacements - \$68,400 (Remove)

D. Public Works

Four items were to the council in Public Works,

- Flags - \$1,800 (Remove)
- 3 pt hitch long arm mover - \$20,000 (Remove)
- Parking Lot - \$26,000 (Include)
- Roof Between Buildings - \$40,000 (Include)

E. Sanitation

Four items were to the council in Sanitation,

- Household hazardous waste day - \$10,000 (Remove)
- Repairs and Maintenance - \$50,000 (Include)
- Recycle - \$64,500 (Include)
- Sanitation Truck - \$285,000 (Include)

F. Streets (Powell Bill)

Ten items were to the council in Streets,

- Street light additions - \$1,000 (Include)
- Misc tools - \$1,500 (Include)
- Cold Patch - \$2,000 (Include)
- Gravel, Sand, salt, seed, straw - \$10,000 (Include)
- Speed Humps - \$12,000 (Include)
- Materials/Supplies - \$12,000 (Include)
- Emergency Pavement repairs and side ditches - \$20,000 (Include)
- Repairs/maintenance - \$20,000 (Include)
- Engineering - \$25,000 (Include)
- Withers, Hunters Path, Oxford Dr patching - \$160,000 (Include)

G. Parks and Recreation

Two items were to the council in Parks and Recreation,

- 2 portable score boards - \$3,000 (Include)
- Baird Park light repairs and pole replacements - \$83,000 (Include)

H. Water Department

Three items were to the council in Water Department,

- Horseshoe Bend extension - \$123,000 (Include)
- Horseshoe Bend waterline replacement - \$170,000 (Include)
- Water Purchases - \$260,000 (Include)

**EMPLOYEE MERIT INCREASE:** During the February 9<sup>th</sup> Budget Retreat, Council agreed to a 1% to 5% merit increase for the Town's employees. Town Administrator Christopher Todd

would evaluate job performance of the employees and determine the appropriate increase. After reviews were completed, it was determined there would be an increase to the budget of \$20,478, or a 3.97% increase. Council agreed to include this in the draft budget.

**WATER AND SEWER RATE STRUCTURE:**

Administrator Todd explained, the Sawmills town staff currently estimate the cost of operating the Water and Sewer departments to be a collective total of \$700,000.00 for the 2017/2018 fiscal year. These costs include general operating costs, such as salaries, water purchases, and sewer disposal costs. This cost does not include major capital purchases, major repairs or replacements, or projects to expand services. Also, at the current rate structure we are expected to have a total revenue of less than approximately \$707,000.00.

Due to this need to maintain and fund future projects, a rate increase is proposed. The following table shows the proposed increase.

	<b>Current</b>	<b>Proposed</b>	<b>Rate Change</b>
<b>Water</b>	\$ 16.50	\$ 20.63	\$ 4.14
<b>Per 1000 Gallon &lt; 6000</b>	\$ 5.00	\$ 6.25	\$ 1.25
<b>Per 1000 Gallon &gt; 6000</b>	\$ 5.00	\$ 7.50	\$ 2.50
<b>Sewer</b>	\$ 19.75	\$ 24.69	\$ 3.00
<b>Per 1000 Gallon</b>	\$ 5.50	\$ 6.88	\$ 1.50

This new rate structure would increase the base bill from \$36.25 for both water and sewer to \$45.21. These increases would take into account the 1% increase in sewer cost, and 2.5% increase in water cost received from the City of Lenoir over the 2016/2017 and 2017/2018 fiscal years. In tandem with the increased cost from the City of Lenoir, the cost of maintaining and expanding water and sewer systems is increasing over time. This rate increase would help the town to keep pace with the cost of operating its water and sewer infrastructure.

It is estimated the impact of this increase would result in a revenue of \$767,000.00 for the 2017/2018 fiscal year. Which would allow for approximately \$160,000.00 in capital purchases without using other funds. The council agreed to prepare the budget including a 25% rate increase.

**PROPOSED 2017 FEE SCHEDULE:**

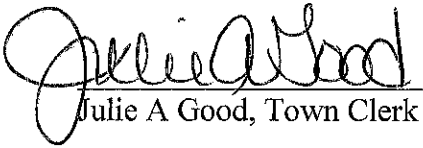
Town Staff presented the draft 2017/2018 Fee schedule. The draft was acceptable to the Town Council.

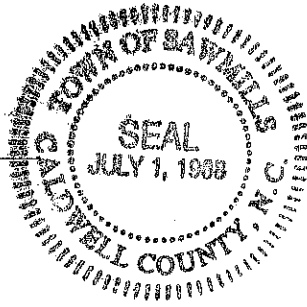
**TOWN COUNCIL PAY:**

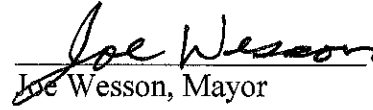
Currently the Town Council has a policy stating council pay should be dispersed on the first day of the month. There are some months where the first day of the month falls on a weekend, or a non-working day (holiday). The Town Staff is proposing the Town Council's pay be moved to the third Tuesday of the month beginning July 1, 2017. This would substantially eliminate conflicts in disbursing council pay and eliminate any bookkeeping and tax reporting issues. The Town Council agreed to move the council payments to the third Tuesday of every month beginning July 1, 2017

**ADJOURN:** Mayor Joe Wesson stated no Council action was required and asked for a motion to adjourn the meeting.

Joe Norman made a motion, and Reed Lingerfelt seconded, to adjourn the meeting. All were in favor.

  
Julie A Good, Town Clerk



  
Joe Wesson, Mayor