

**TOWN OF LONG VIEW
TOWN ALDERMEN MEETING
BUDGET WORK SESSION
May 22, 2006**

The Town of Long View Board of Aldermen met on Monday, May 22, 2006 at 6:00 p.m. in the Conference Room at the Government Center in Long View, North Carolina.

BOARD PRESENT: The following members of the Board were present: Mayor Norman Cook, Alderman Ken Bumgarner, Alderman Vernon Moyer, Alderman John McDaris, Alderman Jackie Bowman and Alderman Randall Mays.

STAFF PRESENT: The following members of staff were present: Town Administrator David Epley, Town Clerk Frances Hildebran, Town Attorney Redmond Dill, Finance Director James Cozart, Fire Chief Eric Shepherd, Police Chief Cecil Rogers, Water Plant Superintendent Rani Holland, Town Planner Charles Mullis, and Public Works Director David Draughn.

OTHERS PRESENT: None

MEETING CALLED TO ORDER: Mayor Norman Cook called the meeting to order and welcomed everyone. He turned the meeting over to the Administrator.

Mr. Epley shared the 2006 – 2007 Budget Message with the Board:

MEMORANDUM

TO: Mayor Norman Cook
Mayor Pro Tem Vernon Moyer
Alderman John McDaris
Alderman Ken Bumgarner
Alderman Randall Mays
Alderman Jackie Bowman

FROM: David Epley, Town Administrator

DATE: May 16, 2006

SUBJECT: 2006 – 2007 Budget Message

The Town of Long View has experienced an extremely stable year as it pertains to revenues in the General Fund. Utility Franchise taxes and Local Government Sales taxes have both increased moderately allowing us to have a banner year in the General Fund. I feel as though we can continue to provide the same level of service to our citizens for a tax rate of \$.40 per \$100 valuation.

Revenues are projected to be up \$172,844 from last year allowing us to once again have no appropriation of fund balance in the General Fund.

The total General Fund expenditures are up from last year due to several reasons, and they include; the Town of Long View's 100 year celebration, installing a new roof on Town Hall, and constructing a new tar-mac behind Town Hall. We have made provisions to pay for these items within this fiscal year without adding to our current debt schedules.

Insurance cost have increased approximately 15% overall from last year. While insurance costs continue to be a concern, we will be providing the same level of coverage with a few minor adjustments.

Rising fuel costs have forced us to appropriate \$15,000 more than last year. Although this is a concern, I would like to commend our police and fire departments for making a concerted effort to save on fuel costs this year. They will continue to make this effort in the upcoming year.

Our Utility Fund revenues are projected to be up \$39,662 from last year. This increase in revenue is due to the increase in sewer rates that was implemented last year. The City of Hickory rates for sewer continue to increase; therefore, I have proposed a \$2.00 increase in sewer rates per the amortization schedule that we have agreed to with the City of Hickory.

Due to the reconstruction of our Raw Water Pump Station, I have proposed a \$2.10 increase in water rates per the agreement entered into with the Local Government Commission. This increase will enable us to pay our debt payment for this project. It should be noted that if for some reason the project is bid at an amount that is less than the estimated amount, then we can make the appropriate adjustment in water rates. Staff feels that this could very well happen due to the conservative nature of the project's estimated cost.

I have not included an increase for garbage collections per our conversations at this year's budget retreat.

I have once again included provisions for waterline extensions along Sweet Bay Lane and 33rd Street. We were not able to make these extensions this year due to the problems at the Raw Water Pump Station.

Once again, I have asked Department Heads to keep capital outlay requests to a minimum in the Utility Fund. The fund balance appropriation for the Utility Fund in this proposal is \$165,531. This is once again down from the previous year's appropriation of \$244,036. I am pleased with the progress we are making at trimming this appropriation.

I have proposed a 3% cost of living increase for all employees. We have outstanding employees and I feel that his amount is justified and deserved.

The proposed 2006-2007 budget is once again conservative in nature. We are planning to do some much needed improvements this year and continue to provide our citizens with what I consider to be a very high level of governmental service. The total budget is up less than 5% from last year.

I am proud to be an employee of the Town of Long View. We are going to have another fantastic year.

Respectfully Submitted,

*David Epley
Town Administrator*

At this time Mr. Epley briefly went through the proposed budget. In the "Water and Sewer Rate" section it was noted that the water rate for outside corporate limit customers should be \$28.20 instead of \$26.10 – which is double the inside rate. Staff was instructed to make that change.

Mr. Epley highlighted the main items of interest in the General Fund Expenditures. It was noted that the Administration Capital Outlay was presented at \$23,000 for an administration car, \$85,000 for a new roof and \$15,000 for carpet. Staff also placed \$69,400 in the budget for the Town's Centennial.

Alderman Mays questioned if the Drexel Heritage Incentive Project was in the budget. He suggested that the budget should show it as a line item and that the agreement years needed to be noted so the project could be tracked.

Mr. Epley went through each department's budget identifying the cost increases.

There was discussion on adding more money for sidewalks in this year's budget. It was suggested that 33rd Street and 2nd Avenue be looked at for new sidewalks. It was recommended that \$50,000 from Powell Bill money be used for this project.

The Administrator reviewed the debt service and the Board recommended that the "year's owing" needed to be placed on all debts and loans.

At this time Mr. Epley reviewed the Utility Fund. He informed the Board that the insurance cost was split between Account 10 and Account 30 with \$182,945 in each fund. He also added that the Town had flood insurance for the Raw Water Pump Station area.

The Board was informed that \$250,000 was added for the water line extension on Sweet Bay Lane and 33rd Street.

In the General Fund Revenues Mr. Epley informed the Board that there was a gain in the Utility Franchise Tax and the Local Government Sales Tax. He also informed the Board that the investment earnings were up thanks to the excellent job of Finance Director Jamie Cozart.

Following Mr. Epley's presentation the Board stated that the budget looked good and there was no need for another budget work session.

The Board asked Mr. Epley about the status of Tailored Foam. They were informed that he had an appointment with Tailored Foam and Sherry Long on May 25, 2006 to discuss a grant application to replace the sewer line on 37th Street, SW. Mr. Epley informed the Board that they still have the issue with the discharge and he was going to discuss that with Tailored Foam officials at the meeting.

The Fine Sheer Project was discussed and Mr. Epley informed the Board that the owners of the property have entered into a contract with J & W Grading to demolish the building. He told the Board that the Town entered into a contact with J & W Grading for \$6,000 plus administration fees to remove the building that had fallen into the street. Fine Sheer was suppose to reimburse the Town for those expenses.

The Administrator informed the Board that bids had been received on the demolition of the swimming pool which included the 90% compaction as requested by the Board. J & W Grading was the low bidder at \$14,500. The Board was in agreement with the bid and would be taking official action on awarding the contract at the June 12th meeting.

Alderman Bumgarner asked the Administrator what the status was on the Century Furniture property behind the recreation center. Mr. Epley informed the Board that there was a strip of property behind the recreation property that was of no use to Century Furniture. Mr. Epley contacted Century Furniture and asked if they would be interested in donating the 30 foot strip of property for recreational purposes such as; picnic tables, etc.

The Town Attorney suggested that the Town have the property appraised and see if Century would write it off as a tax donation and then have the presentation made during the centennial celebration.

The Board also asked the Administrator to contact Drexel Furniture and obtain written approval to use their property for the walking track. Mr. Epley informed the Board that he would get in touch with Drexel.

The Board informed staff that they did a great job with the 2006 - 2007 budget.

There being no further discussion or business, motion was made by Alderman Moyers, seconded by Alderman Bowman to adjourn the budget workshop at 7:00 p.m. The vote was unanimous.

Town Clerk

Mayor