

MINUTES

The Town of Manteo Board of Commissioners held their May 7th, 2008 Recessed Session May 21, 2008 at 4:00 pm at the Manteo Town Hall meeting room

The following members were present:

- Mayor Jamie Daniels
- Commissioner Edward Etheridge
- Commissioner H.A. Creef, Jr.
- Commissioner Hannon Fry
- Commissioner Richie Burke
- Commissioner David Farrow
- Commissioner Darrell Collins

The following member(s) were absent:

Also present at the meeting were:

- Town Manager Kermit Skinner
- Assistant Town Manager/Planner- Shannon Twiddy
- Town Clerk-Becky Breiholz

Mayor Daniels called the recessed meeting to order at 4:15 pm to discuss the draft FY 08-09 budget that was given to them at their May 14th, 2008 meeting.

Finance Officer Shannon Twiddy presented the proposed FY 08-09 budget to the Board at their workshop meeting on May 14th. The Town Manager is the designated Budget Officer in accordance with North Carolina General Statute requirements. She is proposing to leave the tax rate the same even though Duck and Kill Devil Hills are raising their taxes which will reduce our amount of shared revenue. The budget does not include any capital projects, land purchases and no funding for expansion of the skate park or improvements to the water garden park.

Fire Protection fee of \$221,000 will be paid per the approved contract using the quarterly payment schedule agreed to by the Town and the Roanoke Island Volunteer Fire Department.

Planning Department is expecting the completion of the completion of the CWMTF Storm Water Grant which was originally planned to be completed prior to 6/30/06 but the project has come to a stand still, revenues and expenditures were not carried to 06/07 but were added back into 07/08 and as remaining funds are being used to fund the Design of the Manteo Water Garden Park and are being paid to the Coastal Federation and I am anticipating a reimbursement from the CWMTF for design fees. The Department has requested to fund ½ the price of a car to be shared with the Administration Department.

The Public Buildings Department includes several line items for maintenance and repairs to the Boat House, Roanoke Island Marshes Light, and the Cook House.

The Public Works Department has not requested any Capital Outlay for Vehicles or other large capital purchases in this draft budget. Solid waste tipping fees are currently charged at a rate of \$61.71 per ton, we have received notice that as of July 1, the fee will include a surcharge of

\$2.00 per ton and the actual disposal rate increase is estimated at this time to be \$67.90 per ton an increase of \$6.19 per ton.

Powell Bill Funds have been budgeted for the Repair and Maintenance of Streets and Sidewalks in the amount of \$30,800 from the State for Manteo's anticipated share of Powell Bill Funds.

The budget is reflective of a salary adjustment using a 5% cost of living adjustment to be distributed with a 5% salary adjustment to each employee's base salary.

The Police Department did not make any requests for the replacement of vehicles nor have they requested any large capital purchase items.

An increase of \$150.00 per month for the Mayor and each Commissioner was added at the request of Commissioner Farrow, this number can be adjusted upward if the BOC requests additional funding. Consensus of the Commissioners was to also increase the Planning Board stipend by \$50.00 per month per person.

The Water and Sewer Fund's operating expenses have continued to rise as Manteo has experienced small growth in revenues due to additional users being added to the system. There has not been an increase in the water and sewer rates for twenty (20) years. The Draft Budget as prepared does not include any funding requests for the replacement of aged lines, or any future expansion of the Waste Water Treatment Plant. The Water and Sewer Fund was established as an Enterprise Fund. Enterprise Funds are structured in a manner that the fund is designed to operate in a self supporting/self sufficient way with revenues being generated by collecting user fees. In an effort to cover the debt service that is going to be included for the first time in 08/09 for the loan on the Bowsertown Lift Station in the amount of \$65,000 per year each year for twenty years; and to anticipate the new debt service that will be required for the current replacement/repairs needed at the WWTP. Green Engineering gave you a presentation last month that outlined approximately \$900,000 in needed repairs to the WWTP, not including several hundred thousand dollars for repairs needed to several lift stations. I am estimating you will have another loan payment of \$100,000 in this fiscal year if the loan I am applying for in September is approved by the State, Local Government Commission and the Board of Commissioners. I was asked by the Mayor to calculate the percentage of water and sewer bills could increase to cover the new debt service of \$65,000 and the \$100,000 more we are anticipating this fiscal year. In order to cover the new debt service we are anticipating a 15% increase would be needed. It would be Staff's suggestion that such an increase be done at 15% for the first year to cover the debt service and 5 % per year for the next two years in order to fund repairs and replacement that are needed now as identified by Green Engineering. If approved as presented 25% in the next three years would be generated in additional revenues. If this method is used it would generate the needed revenue to cover increased expenses and each of the other years will add cumulatively to the first 15% increase and would raise a capital for future repairs and replacements at the plant.

It is staff's recommendation that you consider a 15% rate increase to provide debt service payments for the repairs/replacements identified and needed at the WWTP on this 2008-2009 Budget Year.

Below please find estimate revenue projections.

2008-2009	2009-2010	2010-2011
15%	5%	5%
\$153,750	\$ 58,937	\$ 61,884

Consensus of the Board was to raise the rates by 15% this year and to re-evaluate it next year.

It was discussed to raise the ad valorem taxes by ½ cent and use those funds for repairs to the waste water repairs. Mrs. Twiddy informed the Board that they cannot use ad valorem taxes for water and sewer since the water and sewer fund is an enterprise fund.

The Board discussed the vehicle outlay request to be shared by the Planning and Administration staff and consensus was that it be a hybrid. The Cemetery Board had requested \$32,000 extra funds but don't have anything tied to the request and the consensus of the Board was to remove the \$32,000 they have requested. Each department was discussed except the water and sewer department and consensus of the Board was to discuss that next week when they met again for another budget workshop session.

MOTION: Commissioner Creef seconded by Commissioner Etheridge to recess at 6pm until Wednesday, May 28th, at 4pm was approved by the following vote: Ayes: Commissioners Farrow, Fry, Burke, Creef, Etheridge and Collins. Noes: None. Absent: none.

This the 21st, day of May 2008

ATTEST:

Mayor Jamie Daniels

Town Clerk Becky Breiholz