

**May 14th, 2014
Budget Workshop**

At 6:00pm, on Wednesday May 14th, 2014, in the Board Room of the Landis Municipal Building, Mayor James Furr called to order the Town of Landis Board of Aldermen Budget Workshop. Those present along with the Mayor were Aldermen Roger Safrit, Dennis Brown, Dorland Abernathy and Tony Hilton, Town Manager Reed Linn, Public Works Director Steve Rowland, Police Chief Bob Wood, Recreation Director Andrew Morgan, Deputy Town Clerk Debbie Goodman, Finance Officer Ginger Gibson, Administrative Assistant Heather Wood and Town Attorney Rick Locklear.

A quorum was met.

Mayor James Furr opened the meeting and welcomed all those in attendance.

The pledge of allegiance was led by Mayor James Furr.

Manager Linn stated that tonight they would be addressing the Light Fund and Stormwater Fund budgets. He also informed the Board that they still had no indications from Salisbury what the water and sewer rates would be for the upcoming budget year. Rates from Kannapolis would remain stable. He stated that they had contacted Salisbury several times and were still waiting on a response.

Staff was recommending a 3% rate increase in the Light Fund, which would put them in line with the wholesale rate increase being passed along from Electricities.

They were also looking to combine the purchase of several vehicles with funding to be provided by the USDA. The first payment would be due in the next budget year. The combined cost would be approximately \$400,000.00.

They were also going to continue the 12kv conversion.

The total Light Fund budget was \$6,696,183.00 and was balanced as presented.

Manager Linn also provided the Board with a copy of the projected revenue and expenditures in the Light Fund.

In Stormwater, they were not recommending any rate increases. \$20,600.00 had been budgeted for capital improvement repairs. The Stormwater Budget was balanced as presented at \$92,600.00. The projected revenue and expenditures for the Stormwater Budget were also provided to the Board.

Alderman Hilton inquired about the bad debt line item in the Stormwater budget. Manager Linn explained that when someone wrote a bad check and it was repaid, the money was broken out between the funds where the original payment would have been distributed. Alderman Hilton clarified that there were no mandates in sight that would require an increase. Manager Linn and Director Rowland assured the Board there were none that they were aware of at this time.

Manager Linn stated that he had received no questions from the Board concerning the General Fund budget they had been given at the last budget workshop, so he assumed that there were currently none. Alderman Abernathy asked if they should bring questions to Manager Linn, and Manager Linn confirmed that was the case.

Mayor Furr clarified that the light rate increase was simply the increase from Electricities being passed on to customers. Manager Linn confirmed that was correct.

Mayor Furr then requested that Director Rowland get a list of the projected service life of the equipment they intended to purchase. He stated that they were looking at six major purchases at one time and he wanted to know if in six years they would be looking at buying them all again. There was some discussion.

Alderman Abernathy inquired if they were shifting people in the Stormwater Fund. Manager Linn stated that Brady Burgess' salary had been removed from Stormwater and was only in Water and Sewer now. It had previously been divided between all three funds due to the nature of his job.

Manager Linn then addressed the Board concerning the Sewer Fund and the charges from Salisbury. This had been discussed at a previous meeting and things were not in good shape in that fund. He had spoken with Director Rowland and they wanted to put an independent meter on the outfall line and see how the readings compare with Salisbury's. Manager Linn stated that if things continue as they are, the Board would have to look at a rate increase. He also stated that the Sewer Fund had not seen a rate increase in the last several years. There was some discussion.

Finance Officer Ginger Gibson stated that the normal bills from Salisbury were generally \$59,000.00-\$67,000.00 for sewer, but for the past few months they had ranged from \$75,000.00 to \$90,000.00 (this past month's bill). They had spoken to Mr. Beemer in Salisbury and he stated that in September they had recalibrated and replaced their meter. Ms. Gibson assured the Board that they were trying to find out what was going on since it was such a huge increase. Director Rowland stated that they were trying to get a meter loaned that they could install at the outfall line at Kimball Road. There was some discussion and the Board felt this was an excellent idea and instructed Staff to get this done quickly.

Manager Linn said that he should have the Water and Sewer Fund budgets completed by the next Regular Meeting on June 2nd, 2014 where the entire budget could be discussed and a public hearing date could be set. He stated that if he received the information from Salisbury quickly enough, he would contact the Board and see if they wished to have another budget workshop prior to the Regular Meeting.

Alderman Safrit motioned, seconded by Alderman Brown, to adjourn the meeting. All voted aye.

The meeting was adjourned at 6:18pm on Wednesday, May 14th, 2014.

Heather Wood
Administrative Assistant