

**May 10<sup>th</sup>, 2011**  
**Budget Workshop**

At 6:00pm., on Tuesday, May 10<sup>th</sup>, 2011, in the Board Room of the Landis Municipal Building, Mayor Dennis Brown called to order the Town of Landis Board of Aldermen Budget Workshop. Those present along with the Mayor were Aldermen James Furr, Roger Safrit, and Tony Hilton, Public Works Director Steve Rowland, Police Chief Brian McCoy, Deputy Town Administrator Debbie Goodman, Recreation Director Andrew Morgan, Division Chief Art Delaney, Finance Officer Ginger Gibson, Administrative Assistant Heather Wood and Town Attorney Rick Locklear.

Alderman Craig Sloop was not present.

A quorum was met.

Mayor Brown called the meeting to order.

Manager Linn stated that they had re-advertised for solid waste collection bids, but they still only had one bidder. It had been opened today at 2:00pm. The bidder was Crash Morrison, which was the same company as Sharks Recycling, who currently did the Town's recycling. The bid was at \$6.50 per household with a 96 gallon roll out container. Crash Morrison was requesting a contract period of five years, the same as had been done with the recycling program. Manager Linn informed the Board that the budget for Sanitation reflected the bid that had been received from Crash Morrison.

Manager Linn stated that the budget packages the Board had received had all Funds balanced as presented.

The projected budget for the General Fund was \$2,473,180.00. This included no tax rate increases, 14 employee furlough days, contracting out solid waste collection, no capital expenditures and no employees being lost. Several employee positions would however be transferred to the Light Fund. Manager Linn provided more detail on the proposed General Fund budget, and stated that it included a \$250,000.00 transfer from the Light Fund.

Alderman Hilton inquired if the solid waste collection contract would have an escalation in price each year. Manager Linn stated that there was no surcharge and the cost would stay the same each year.

Alderman Furr commented that since the Town was going in a different direction with its garbage collection, he was hesitant to sign a contract for five years; he would feel more comfortable if the contract was for two years with a renewal option. Director Rowland stated that he could speak to Crash Morrison about a two year contract instead, and explained that most of these companies preferred the longer contracts so that they would be able to pay off the cost of the cans. Alderman Furr also stated that since only one bid had been received, that the contract should be re-bid. Manager Linn commented that it had already been re-bid once. Director Rowland stated that he had contacted four separate places around the county but no one had submitted a bid other than Crash Morrison either time. Alderman Hilton stated that he understood Alderman Furr's concerns, but he felt if they could lock in a price for five years, they would be better off to do so. Manager Linn stated that since the contract would be for at least one year that was the amount that had been factored into the budget.

There was then discussion as to what would happen to the three employees that were currently in the Sanitation Department if the garbage was contracted out. Director Rowland stated that the three positions would be moved to the Light Department where they would do tree trimming and the clearing of the Town's right of ways (which was currently contracted out). Finance Officer Ginger Gibson stated that using these employees to do tree trimming would allow the Town to do more tree trimming than it had previously using only a contractor.

There was further discussion on the matter and Alderman Hilton stated that he didn't like the idea of moving all three to the Light Department but he was willing to try it for one year and revisit the issue next fiscal year. Alderman Safrit agreed. Alderman Hilton stated that he didn't fault the idea but he wanted to see how it would work. Director Rowland stated that there was plenty of work to keep the three employees busy, especially with the work Director Morgan may need done.

Alderman Safrit asked if keeping the three employees would allow the Town to eliminate using contractors for tree trimming. Director Rowland stated that they would still need to use the contractors for the "serious stuff".

Alderman Furr stated that they would have to "agree to disagree", that he didn't see where any reduction of cost was being made by contracting out the solid waste collection if the three positions were not eliminated; that "what pocket it was being paid out of" was not the point. There was further discussion on the matter.

Manager Linn stated that if they would still have to contract out for the tree trimming, it was his recommendation that the three positions be eliminated. Alderman Furr confirmed that this was what gave him the most "heartburn", that the Town would still use contractors for tree trimming even with moving the three employees to the Light Fund to do tree trimming. Manager Linn stated that the Light Fund budget could simply be reduced by \$125,000.00, with no change to the General Fund budget at all. He would make the revisions tomorrow and email it to the Board.

Manager Linn stated that there were no large requests for equipment in any of the General Fund – no cars or trucks; it was mostly just remaining at the "status quo". Alderman Furr asked Director Rowland for a copy of the contractors that he had contacted concerning bids for the solid waste collection contract.

Alderman Hilton commented that the Police budget had increased \$64,000. Chief McCoy stated that it was for OSSI and the computer technology parts. The traffic grant would be remaining the same. He stated that the other part was for reserve officers. In order to have two officers on 24 hours a day, seven days a week, they had to pull in reserve officers for any of the full time officers to be able to have time off.

Alderman Hilton inquired who was not on patrol, aside from Chief McCoy. Chief McCoy stated that the SRO (school resource officer) does not patrol. During the summer he attends camp and takes vacation, as he cannot take vacation during the school week. Kenny Isenhour covers the SRO position if the SRO has to be out sick. Alderman Hilton clarified that everyone else in uniform was on patrol. Chief McCoy stated that sometimes Hosey is not in uniform when he has to investigate things.

Alderman Hilton asked if the cost of the OSSI software would ever be down to “something reasonable” as it had gone from \$6,400.00 to \$25,000.00 and that was a large amount if it would have to be paid perpetually. Chief McCoy said he would look into it, but the Highway Patrol system had been outdated and to be able to communicate with other agencies they had to update.

Manager Linn then discussed the proposed Water Fund budget. The proposed amount was \$962,667.00, which was approximately \$20,000.00 less than the previous year’s budget. This included a 1% rate increase, which equaled out to \$.10 per tier. 1,500 gallons would cost customers \$22.15 and 5,000 gallons would cost \$47.50. Alderman Hilton inquired if the truck being replaced would be sold. Manager Linn confirmed that it would be, and that there were several vehicles that would be auctioned. However, the garbage truck would not be sold.

Finance Officer Ginger Gibson stated that there were approximately two payments left on the water line project – one this year and one in the next fiscal year. Also, no bond payments had been budgeted as they would not come due in the 2011-2012 fiscal year.

There was further discussion of the Water Fund budget.

The Stormwater Budget would remain the same as the previous year. There would be no increases. Manager Linn stated that the Stormwater system had been mapped.

The Sewer Fund Budget was projected to be \$929,513.00. There was a 3% fee increase from Salisbury, but that was not being passed onto the customers. There would be no rate or fee increases for Sewer. There was a request in the budget for a new emergency overflow notification system. Right now someone has to hear the alarms and call Public Works. The new system would automatically alert staff.

Alderman Hilton inquired how much those new systems would be. Director Rowland stated they were waiting to see what would be used in the new stations and “tack on there” so that they would be the same. Currently they inspect the lift stations every day and there are only two that could ever overflow in a less than 24 hour period.

Mayor Brown inquired why the chemical costs had gone up so much. Director Rowland explained that it was for root control in the lines. Alderman Furr inquired if it would harm the trees; Director Rowland confirmed it would not.

In the Light Fund, there had been a wholesale rate increase of 5% and this would not be absorbed by the Town, but passed along to customers. There were budgeted line items for line upgrades, system improvements and a new mini excavator. He stated that even if the three jobs were removed from the Light Fund, it would still be balanced.

Alderman Hilton inquired as to what the standards were for taking a vehicle out of service. Manager Linn stated that when a vehicle no longer cranks or runs was generally the standard for taking something out of service. He stated that the truck they were going to be replacing would start and run by itself, has a hole in the gas tank, and has 225,000 miles, no heating and no air conditioning. There was further discussion on the matter of vehicle standards. Alderman Hilton recommended instituting some kind of

minimum standards down the road, such as minimum miles or in the event of catastrophe because the Town needed a “consistent model to go to”.

Manager Linn stated that the Light Fund budget was reflecting an overall increase of \$233,063.00 from the previous year, but this was due to the wholesale electric rate increase. Also, if the three positions were removed, that would reduce the budget by \$125,000.00.

Alderman Hilton commented that he felt the biggest thing with the budget was that they were not raising property taxes. Manager Linn confirmed that, stating that the only real increase they had was in the water rate which was being increased by 1%, which was \$.10 per tier.

Alderman Furr stated that they needed to come to a consensus about the solid waste contract. Director Rowland stated that if the Board decided to go with Crash Morrison, then they would have a contract drawn up before the budget was adopted. Alderman Hilton clarified that they could have a vote on the contract, prior to a vote on passing the budget. Manager Linn confirmed that was the case. Mayor Brown stated that he wanted to hold the public hearing for the budget before they voted on the solid waste contract though.

There was further discussion on the contract with Crash Morrison for solid waste collection.

Mayor Brown instructed Director Rowland to speak with Sharks/Crash Morrison.

Alderman Furr motioned, seconded by Alderman Safrit, to call for a public hearing concerning the proposed 2011/2012 budget at the next Regular Board Meeting on Monday, June 6<sup>th</sup>, 2011 at 7:00pm. All voted aye.

Alderman Furr motioned, seconded by Alderman Safrit, to adjourn the meeting.

The meeting was adjourned at 6:55pm on Tuesday, May 10<sup>th</sup>, 2011.

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Heather Wood  
Administrative Assistant