

**TOWN OF SILER CITY**

The Siler City Board of Commissioners met in a Budget Workshop Session on Tuesday, March 31, 2015 at 6:30pm in the City Hall Conference Room with Mayor John Grimes presiding.

**ELECTED TOWN OFFICIALS PRESENT:** Cindy Bray, Larry Cheek, Mike Constantino, Lewis Fadely, John Grimes, Bill Haiges, and Tony Siler.

**TOWN STAFF PRESENT:** Town Manager Bryan Thompson and Finance Director Tammy Speicher and Town Clerk Jenifer Everage.

**AGENDA ADJUSTMENTS/ APPROVAL OF AGENDA**

Manager Thompson requested the following items to be added to the agenda: under consent, item b: Loves Creek Greenway with Chatham County Schools Temporary Construction Easement and informational item a: National Recreation and Park Association Out of School grant.

*A motion to approve the agenda with the additions was made by Commissioner Fadely, seconded by Mayor Pro Tem Cheek and unanimously approved.*

**CONSENT**

*A motion to approve the consent agenda which includes the following items: 2014/2015 Budget Amendment Budget Amendment 8, 2014/2015 Budget Amendment Budget Amendment 9, and Loves Creek Greenway Temporary Construction Easement with Chatham County Schools was made by Commissioner Haiges, seconded by Commissioner Constantino and unanimously approved.*

**REVIEW BUDGET ITEMS**

**NC Department of Treasurer Letter**

Manager Thompson shared a letter with the Board of Commissioners from the North Carolina Department of State Treasurer- Local Government Finance Division concerning the Town of Siler City audited financial statements of both the General Fund, the Water & Sewer Fund.

**2014/2015 Projected Year End**

Speicher shared the 2014/2015 Projected Year End for the General Fund, Water & Sewer Fund, and License Plate Agency.

**Solid Waste Fees and Services**

Manager Thompson shared a memo with the Board of Commissioners concerning solid waste fees. Thompson stated during the last budget workshop, the Board of Commissioners discussed fee schedule adjustments to the Solid Waste services provided by the Town as well and expressed interest in identifying alternative service delivery levels for solid waste collection. Thompson stated the following offers an overview of the discussion of the Board regarding fee adjustments and also seeks to provide a variety of solid waste service provision alternatives by looking at the operations of other communities who provide similar services.

**Privilege Licenses and User Fees**

In light of the General Assembly's latest legislation restricting privilege licenses as a source of revenue for local governments, the Town of Siler City stands to realize a \$100,000 operating deficit within the General Fund. Since the adoption of the subject legislation, the Board directed Staff to identify means by which the noted deficit may be accounted for through other revenue streams. At the last budget workshop, the Board agreed to increase the solid waste service fee to customers by an amount of \$5.81 plus a 0.8% increase to the base fee for this service (in

keeping with the Consumer Price Index increase passed along by Waste Management). This increase is projected to increase revenue performance for the coming fiscal year by an amount of approximately \$160,000. The additional \$60,000 (projected) would help offset in-house solid waste services offered by the Town (yard waste, white good, and brown goods).

#### Alternative

As an alternative to the \$5.81 increase as stated in the foregoing, Staff proposes an alternative fee amendment, which would also include service programming changes to the solid waste service provided by the Town. The alternative fee increase is \$3.75 per customer, per month as opposed to \$5.81.

Staff proposes this as an alternative, but with a change to the way the Town provides solid waste services with respect to white and brown good collections. Currently, the Town travels each street throughout the week collecting bulky waste (white and brown goods). The Town imposes no limit to the amount of bulky waste that is eligible to be collected each week. Furthermore, the Town charges no additional fee for the collection of the same. In review of landfill invoices for tipping fees for bulky waste, Staff found that approximately \$10,000 is expended each month for the collection and disposal of such items. This amount does not take into account the cost of fuel, equipment, maintenance, and personnel in delivering this service. Staff believes the \$5.81 increase proposal can be reduced to \$3.75 per account, per month, if the Town were to charge a fee for the collection of bulky waste.

The alternative increase proposal of \$3.75 is projected to generate a revenue of approximately \$100,000, which accounts for the identified deficit left with the reduction of privilege license revenues. The additional charge for bulky waste collection services to those requesting service, is anticipated to assist with producing some level of cost recovery for this part of the Town's in-house solid waste services. Staff, however, is unable to quantify, with any real accuracy, what the projected revenue may be with the implementation of a bulky waste collection fee. Therefore, Staff recommends projecting modest revenues for the first year of implementation.


Tentatively, the bulky waste service charge would be structured as follows:

- Customer purchases tags at City Hall to be placed on each item desired to be collected
- Each tag is purchased at a price of \$15.00 (this amount is an example)
  - The Town of Ramseur has a similar program. \$15.00 is their established fee
  - the City of Jacksonville offers this at a three-item unit or "one cord", which is a unit of measurement
- Customer places bulky waste at the street and place purchased tag on each item to be collected
- Public Works is then able to plan collection routes based on tickets as opposed to running each street in Town.
- If items are left at the street without purchased tags, Code Enforcement operations become involved. Resident has the option of removing the waste on their own or purchasing a tag for the Town to conduct the collection and disposal service.
- The budgetary impact is projected to increase revenue from customers who utilize the bulky waste services (thereby reducing the burden on tax payers for services he/she may not use). An additional impact is the potential reduction in expenses associated with fuel and equipment maintenance. This program may also have the result of affording more available man-hours to accomplish other goals of the Public Works Department.

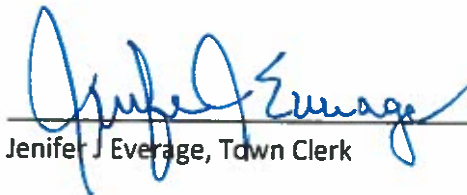
The Board of Commissioners discussed the solid waste program. The consensus of the Board of Commissioners was to increase the trash rate by \$5.81.

**ADJOURNMENT**

With no further business the Board of Commissioners adjourned.

  
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John F Grimes, Mayor

**ATTEST:**

  
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Jenifer J Everage, Town Clerk

