

TOWN OF SILER CITY

The Siler City Board of Commissioners met in Special Session on **Tuesday, May 12, 2015** at 6:30pm in 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, Thomas "Chip" Price and Tony Siler.

TOWN STAFF PRESENT: Town Manager Bryan Thompson, Town Attorney William Morgan, Finance Director Tammy Speicher, and Town Clerk Jenifer Everage.

AGENDA ADJUSTMENTS/APPROVAL OF AGENDA

Thompson asked to add Parks and Recreation Concessions to the agenda and move the Rocky River Heritage Foundation Request moved up on the agenda after the consent agenda.

A motion to approve the agenda with the addition was made by Commissioner Siler, seconded by Commissioner Constantino and unanimously approved.

CONSENT

A motion to approve the consent agenda which includes the Parks and Recreation Master Plan Committee Appointments (Incorporation by reference as if fully set forth herein Schedule A) was made by Mayor Pro Tem Cheek, seconded by Commissioner Bray and unanimously approved.

Rocky River Heritage Foundation Request

Thompson stated the Board of Commissioners considered a request from Rocky River Heritage Foundation at its latest regular meeting on May 4, 2015. (Incorporation by reference as if fully set forth herein Schedule E) Subsequently, Staff has received a number of questions from members of the Board seeking clarification one or multiple "tasks" identified in the proposed study as presented by the Rocky River Heritage Foundation.

Additionally, Staff received a formal request by Commissioner Fadely to place this item on the agenda for the special meeting of the Board scheduled for May 12, 2015. Below is a copy of Fadely's request. *"Dear Bryan, would you please place on the agenda for our meeting this coming Tuesday, May 12, 2015, the Rocky River Heritage Foundation Proposal, which was item 6(c) on the agenda from this past Monday's meeting, May 4, 2015, for further clarification of the proposed study."*

Thompson also shared the original memorandum issued by Staff to the Board for the subject item of business at the May 4, 2015 Board of Commissioners Meeting.

Bill Causey with the Rocky River Heritage Foundation answered questions of the Board of Commissioners. The Board of Commissioners discussed the request from RRHF. The consensus of the Board of Commissioners was not to allow the Rocky River Heritage Foundation on Town property.

BUDGET ITEMS

2015/2016 Proposed Fee Schedule

Thompson shared an initial draft of the proposed 2015/2016 Fee Schedule (Incorporation by reference as if fully set forth herein Schedule B). Thompson stated staff anticipates some changes; however, any changes are anticipated to be minor in nature. The Board of Commissioners discussed the proposed rate. Thompson also shared an email from the Parks and Recreation Director Jessica Puckett concerning proposed changes in the concession fees. And an email from Planning Director Jack Meadows

concerning a proposed fee change for a large economic development project. The Board of Commissioners discussed the proposed fee schedule.

Utility Rates Comparison

Thompson stated during the last budget workshop where it considered the second year phase-in for utility rates, the Board requested Staff to provide additional information comparing revenue differences if the per 1,000 rate for commercial customers were reduced. The originally proposed rate was \$5.25/1,000gals. The Board directed Staff to run revenue projections based on a \$5.00/1,000gals and \$4.87/1,000gal.

Thompson shared three documents (Incorporation by reference as if fully set forth herein Schedule C), which provide the revenue outlook for the original proposal and those of the alternative rates suggested by the Board of Commissioners at the last workshop.

Each of the three options provide sufficient revenues to account for operation and maintenance expenses and debt service for the coming fiscal year. Additionally, each option affords sufficient revenues to contribute back to fund balance. The primary difference between each option is the extent to which fund balance is projected to receive contribution from operating revenues.

Fund balance contribution is identified as "depreciation" in the following documents. The long-term objective identified and agreed to by the Board and Staff is to fully sustain the utility operations, which includes fully funding depreciation. Once the Town is able to fund depreciation at 100%, the Town is recognized as fiscally solvent from an accounting standpoint. However, since much of the Town's capital has been fully depreciated from the Town's book of assets, the Town's utility operations will not be truly solvent from as a practical matter. Long-term, a healthy combination of replenishing fund balance, developing and funding a capital reserve fund (to fund capital projects outside of the fund balance), and making ongoing capital improvements will aid the Town in realizing a greater level of actual system solvency.

Thompson also shared the following simple overview of the variation of percent depreciation according to each option found in the following documents, which also identifies cash value of each percent.

<u>Commercial Rate</u>	<u>Percent Depreciation</u>	<u>Cash Value</u>
\$5.25/1,000gal	22.3% Depreciation	\$265,005
\$5.00/1,000gal	17.9% Depreciation	\$213,174
\$4.87/1,000gal	16.3% Depreciation	\$193,372

Manager's FY 2016 Budget Message - Proposed Workshop

Thompson stated due to an abbreviated timeframe to draft a proposed budget and budget message in compliance with State Statutes following my return from the planned trip to Mexico with the UNC Center for International Understanding, my efforts are focused on producing a draft budget and budget message for the Board's consideration to be presented prior to June 1, 2015. (Incorporation by reference as if fully set forth herein Schedule D).

Thompson stated General Statutes dictates that the manager shall present a budget message and proposed budget to the governing body no later than June 1 of each year for the following fiscal year's operations. In review of the agenda calendar set thus far for the regular meeting of the Board for June 1, 2015, Staff anticipates an agenda that is relatively involved and lengthy. Accordingly, adding the budget message and proposed budget to the June 1 agenda may tend to hamper the ability of the Board and Staff to fully consider this item in any great detail.

Thompson stated staff recommends setting a special meeting of the Board to review and consider the budget message and proposed budget. The proposed date of the subject workshop is May 28, 2015 at 6:30PM in the large conference room on the top floor of City Hall.

OLD BUSINESS

Fair Labor Standards Act Classification Report

Thompson stated as requested by the Board during the last budget workshop, the following is a classification document that identifies each employee as either exempt or non-exempt pursuant to the standards established by FLSA. (Incorporation by reference as if fully set forth herein Schedule F)

NEW BUSINESS

WGHP Fox 8 Channel on Charter Communication

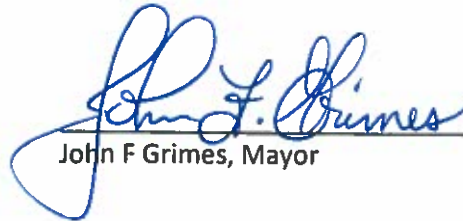
Thompson stated that Mayor Pro Tem Cheek recently brought to his attention that Charter Communications has removed the WGHP Fox 8 Channel of High Point from their channel lineup. Attached to this memo is a letter to Charter Communications requesting the channel be added back to the lineup. (Incorporation by reference as if fully set forth herein Schedule G)

Thompson also stated Charter Communication also has an online form to recommend Charter add/carry a channel that is not currently offered in the Channel Line Up, which can be found at:

<https://connect.charter.com/channelrequests>

ADJOURNMENT

With no further business the Board of Commissioners adjourned.


John F Grimes, Mayor

ATTEST:


Jenifer J Everage, Town Clerk

