

SILER CITY TOWN BOARD

The Siler City Town Board of Commissioners held a **Budget Workshop Session on Tuesday, May 29, 2012 at 7:00 p.m.** in the upstairs conference room of City Hall with Mayor Charles J. Johnson presiding. Mayor Johnson had the invocation before beginning discussion on the FY 2012/2013 proposed budget.

COMMISSIONERS PRESENT: Sam Adams, Cindy Bray, Larry Cheek, Michael Constantino, Chip Price, and Tony Siler.

COMMISSIONERS ABSENT: John Grimes.

TOWN STAFF PRESENT: Town Manager Joel J. Brower, Town Attorney William Morgan, Finance Director Tammy Speicher, and Town Clerk Karen Alman.

ITEM #1 – FUNDING REQUESTS

Funding requests for the upcoming budget was the first item for consideration. Town Manager Brower pointed out that the budget already includes \$10,977 for the interest on the water and sewer lines at the Central Carolina Business Park through economic development and the commitment of approximately \$12,000 for Acme-McCrary if the requirements are met for the Town's incentive policy. These items are in the Transfers Budget in General Fund. Commissioner Cheek asked Brower to explain the funds that are available in the Town's economic development funding in Capital Reserve. Brower explained there is currently \$56,118.73 remaining, but with the \$10,977 budgeted for CCBP water and sewer lines, there will be \$45,121.73. The Town has been using these funds for economic development for several years. These funds have to be for economic development related uses to promote the Town of Siler City. All other funding would come from Fund Balance.

- **NC Arts Incubator, Inc.:** The NCAI is requesting \$15,000 from the Town. Brower informed Board members that Chatham County decided at their budget workshop not to fund the NCAI request. Mayor Johnson suggested the Town give \$25,000 and challenge Chatham County to do the same. Several Commissioners feel the County has made their decision and will not consider any funding. Johnson stated that Ann Bass, Richard Church and others are working very hard to make the organization stronger, to restructure their long-term debt and to secure grants and fund-raising efforts. It was pointed out that when the Arts Incubator first started there was no business plan or budget in place; however, they now have persons in charge who know what has to be done and how to do it for the Incubator to move in the right direction. Cheek and Adams want to see the Incubator survive, but feel \$25,000 is too steep. Commissioner Adams stated the Arts Incubator may want to investigate incubation beyond the arts and "truly treat that like an incubator downtown". A motion to contribute \$15,000 to the Arts Incubator was made by Commissioner Adams. Commissioner Cheek stated if the County does not change their mind, is the Town's contribution going to be enough to help or will it be like money "thrown away". The motion died due to lack of a second. Commissioner Siler made a motion to contribute \$12,000 paid quarterly, seconded by Commissioner Adams and unanimously carried. A motion to take this \$12,000 from budgeted economic development monies was made by Commissioner Adams and unanimously carried upon a second from Commissioner Price.
- **Chatham Co. EDC:** Brower pointed out that EDC President Dianne Reid is really working hard to help Siler City and feels these are "dollars well spent". Commissioner Adams made a motion to contribute the requested funds in the amount of \$9,994.50 to the Chatham County EDC, seconded by Commissioner Price and unanimously carried.
- **Boys & Girls Club:** This non-profit is requesting a \$12,000 contribution for FY 2012/2013. Commissioner Bray made a motion to contribute the same as last year which is \$10,000. The motion unanimously carried upon a second by Commissioner Price.
- **Chatham Co. Rescue Squad:** Brower advised the Rescue Squad is requesting \$12,500 and also a one-time contribution of \$7,500 to purchase protective clothing. He explained this is a volunteer organization who runs mutual-aid support with First Health. Many times they are the first responders. These volunteers do more extrication, search and rescue instead of transport. Mayor Johnson made the suggestion to fund \$10,000 with \$5,000 going for operations and \$5,000 to purchase equipment. A motion to contribute \$10,000 to the Chatham Co. Rescue Squad with an even split between operations and equipment was made by Commissioner Adams, and unanimously carried upon a second by Commissioner Price.
- **Project Graduation:** They are seeking a contribution of \$150.00. Commissioner Adams moved to approve the \$150.00 request to Project Graduation, seconded by Commissioner Price and unanimously carried.
- **Chatham County Together:** Commissioner Siler stated he feels CCT does a great service for kids in Siler City. They provide support to help children be successful both academically and socially and by matching volunteers with the kids. Commissioner Siler made a motion to contribute \$2,000 to CCT, seconded by Commissioner Cheek and unanimously carried.
- **Hispanic Liaison:** This group is requesting \$6,000 in funding. Adams asked what percentage of their budget is for salaries and reminded Board members of the fact that United Way no longer funded them because their salaries were too high. Salaries are 60% of their expenses showing an 8% projected increase in salaries for FY 12/13. A motion to contribute \$3,500 to the Hispanic Liaison was made by Commissioner Cheek and unanimously carried upon a second from Commissioner Bray.

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- **West Chatham Food Pantry:** Commissioners agreed this effort is helping to feed many people in Siler City and surrounding communities and it is all done by volunteers. Commissioner Adams made a motion to approve the \$1,000 request from the Food Pantry. After further discussion, Commissioner Price made a motion to contribute \$1,500 to the West Chatham Food Pantry, seconded by Commissioner Siler and unanimously carried.
- **Chatham Co. W & S Interest:** The Board voted unanimously to fund the \$10,977 for the interest on the water and sewer lines at the Chatham County Business Park to come from economic development funds upon a motion by Commissioner Siler and second from Commissioner Cheek.
- **Chatham County Historical Society:** This organization did not request a specific amount, but will be appreciative of any amount. This is new funding for a museum to be placed in the new courthouse in Pittsboro. Commissioner Siler made a motion to approve \$500 in funding to the Historical Society which unanimously carried upon a second from Commissioner Price.
- **Milo Holt Western Film Festival:** Commissioner Adams pointed out that the Town funded the Siler City Alive for their first year and for future years have been helping with things such as trash pickup, blocking of streets with no direct funding. Since the Town funded the film festival this year by contributing a not to exceed amount of \$2,080 to pay for hotel rooms and food for the stars the day of the event, he is not in favor of supporting this event next year. The Town could still help in the same areas that they do for the Siler City Alive event. Commissioners agreed they have a year to get their donations for next years' event and should begin now to seek these from businesses and individuals. Commissioner Constantino helped with the event and shared he felt it was a "good thing" for Siler City and the Town received good publicity, but feels there are better ways to do this event.

ITEM #2 – DISCUSSION OF PROPOSED FY 2012/2013 BUDGET

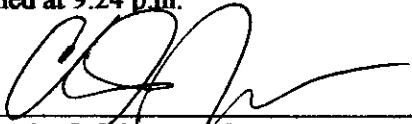
Brower highlighted General Fund Revenues. Discussion ensued regarding the proposed performance pay or merit increase for employees. The recommendation is for an increase for those employees who are performing above average work and would be in effect as of their anniversary date meaning for many employees it would not be for the entire year. Brower advised that the Town has "asked for more with fewer number of people and this is a way to reward employees who are stepping up, who are taking on more and a chance to recognize employees who are doing a good job versus a cost of living raise which is to everyone". Commissioner Bray stated that she does not feel this is the time to give a raise and that a cost of living raise was given to everyone two years ago. She advised that giving merit pay creates animosity. Brower stated that an employees' review with his/her supervisor will show them whether or not they have performed above average work. Bray pointed out that teachers are being told "be lucky you have a job because we haven't had a raise in 4 years and they are thinking about cutting all this stuff. We now have to pay for our dental insurance that we didn't use to have to pay for and our deductible on our insurance has gone up", pointing out that "this is not the time with Siler City in the shape that it's in". Commissioner Cheek commented he respected Commissioner Bray's opinion, but he feels the Town employees have had to step up because of the 9 positions that remain unfunded. He continued that he does not agree in giving the approximately \$72,000 just voted on to the non-profits and others if times are that hard and the Board cannot recognize the Town employees. Bray then commented that she would consider giving a raise to the lower paid employees and not the higher paid employees and feels the police officers deserve a raise. Cheek feels you have to be fair across the board and recognize those employees who are performing above average no matter what they make because there may be some in the lower bracket that are not performing well and some in the upper brackets that are. Commissioner Cheek asked Commissioner Bray if she would rather give a cost of living raise with everyone receiving a raise in which she replied she would consider that. Cheek then asked Board members the question, "Do we need to give this kind of money to these organizations and not recognize our employees?" Brower pointed out that the performance pay included in the proposed budget amounts to \$31,602 in the General Fund and \$10,281 in the Water & Sewer Fund for a total of \$41,883 if every employee received a performance pay increase which will not be the case. Bray brought up the proposed water rate increase and asked how much revenue is projected with Brower responding about \$500,000. It was pointed out again that the water and sewer operation has to be self-supporting. Bray also pointed out that residents do not understand the raising of water bills and then giving employees a raise with Cheek stating that he had a citizen tell him he did not understand the privilege license fees and then turn around and fund organizations. Commissioner Price asked Brower if the review process for performance pay is monitored by him with Brower responding yes. Brower also mentioned it is important for the Town to be competitive in the job market. Siler City does not need to be the training ground in which the Town pays for employees training and certifications and then they move on to another municipality or county that pays more. Also mentioned was the fact that the performance pay will be half of what a cost of living raise would be. Brower noted that some Town employees are being asked to perform more duties and felt a performance pay proposal would reward those employees. He reminded Board members that the performance pay review is done annually on each employee and is something that was passed by the Board several years ago. There has been a freeze on performance pay since FY 08/09. Commissioners then reviewed each department budget individually. Commissioner Adams asked if the Town has ever considered bidding out maintenance on parks such as mowing, etc.? Brower replied he has looked at this and has compared the costs against that of Town employees and advised there is not a cost savings to the Town. Commissioner Constantino advised that he was meeting with Paul Cuadros and the Chatham Soccer League on May 30, 2012 to continue to gather information

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regarding a soccer program specifically for children and youth. Brower asked Constantino to bring their findings and information to present to the Town Board in the near future.

Brower advised the Board will consider the proposed FY 2012/2013 Town budget for approval at the meeting on June 18, 2012. With no further business, the meeting adjourned at 9:24 p.m.

ATTEST:



Charles J. Johnson, Mayor



Karen C. Alman, Town Clerk