

**TOWN OF HILDEBRAN
TOWN HALL
COUNCIL'S CHAMBER**

**MARCH 24, 2017
6:00 P.M.**

**SPECIAL MEETING
BUDGET WORKSHOP
MINUTES**

CALL TO ORDER Mayor Cook called the special meeting/budget workshop to order at 6:10 p.m.

COUNCIL PRESENT The following members of the Board were present: Mayor Virginia Cook, Council Members Brenda Banks, Barbara Lowman, Theresa Messer, and Jody York. Council Member Lee Lowman was absent.

STAFF PRESENT The following staff members were present: Attorney Redmond Dill, Town Administrator Tom Drum, Town Clerk Alice Sanders, Finance Officer Fredrick Rankins, and Administrative Office Support Laurie Brawley.

CITIZENS & MEDIA PRESENT See attached sheet.

ADOPTION OF AGENDA Council Member Banks made a motion to adopt the agenda. All voted in favor.

**ORDER OF BUSINESS:
BUDGET WORKSHOP** Mr. Drum stated that he would guide the Board through the budget process a little different than what has been done in the past. He stated that there were a few items that the Board has already addressed and they do not need to be addressed again. These items are below:

- Events – The events for the year have already been approved and placed in the current budget and have been projected for FY 17-18.
- Service Contracts – Staff went through a thorough bidding process last year for service contracts and we consistently got the same contractor that has been with the Town for a while and proven he can do a good job. He was consistently the lowest bidder on all of those service contracts. One contractor is willing to renew for one year at the same price as this year's contract. In addition, the current snow removal contractor was the lowest and only bidder when staff bid the job out last year. Mr. Drum recommended that the Board renew both existing contracts for one year, unless the proposed price increases significantly.
- Operating Budget – In the last year, Mr. Drum has separated any large projects out of the operating budget. Examples: renovation of current town hall after the fire, and the purchase and renovation of the new town hall. He recommends that any additional large projects be considered as a capital project ordinance. The benefit of a capital project is that it extends the through the life of the project. Once adopted, it is not required to adopt each budget year.

- Fees – Staff analyzed fees for facility rentals and annual leases last year. Mr. Drum does not believe these fees need to be changed at this point.

SALARIES AND INSURANCE

Mr. Drum stated that he reviews the survey completed by the NC League of Municipalities each year for cost of living adjustments (COLA). The survey is based on results from other municipalities in the state. The results are separated by population ranges and shows what other towns are giving as cost of living raises. Mr. Drum projected that the average COLA range would be between 2% to 2.5%.

Mr. Drum is waiting on the Board at the Risk Management Services to provide the rates for health insurance; in the past, he has seen increases from 5% to 30%. The people that make up the Board that determine the rates are mayors, board members, town managers, police chiefs, and others. It is the Town's peers that are approving those rates, based on actuarial reports, and have municipalities' best interest at heart. At this time, he recommended that the Board keep insurance with the League of Municipalities. In his experience, he has seen other insurance companies lowball a town to get their business and the next year bump their rates up significantly.

PERSONNEL

- Maintenance Worker – Mr. Drum stated that the Board needs to decide between a seasonal part-time, permanent part-time (1,000 hours or more), or full-time maintenance position to replace the part-time seasonal worker (Steve Walker). This position will be in addition to Mr. Bivens' full-time position. If the Town intends to work an employee 1,000 or more hours a year, the Local Government Employees' Retirement System requires the Town and employee to participate in the retirement system; the Town would contribute 7.5% of his/her salary and the employee would contribute 6%. Mr. Drum believes that the personnel policy states that permanent part-time employees are also eligible for health insurance. He will review the policy. In order to reduce the additional expenses required for permanent part-time or full-time employees, a seasonal part-time position has been the Town's choice in the past. Mr. Bivens stated that at times during the winter, he struggles to find things to fill his day. **It was the consensus of the Board for Mr. Drum to hire a seasonal part-time maintenance position to work less than 1,000 hours a year.** He pointed out that there is money in the current budget for this position and he will begin the hiring process soon.
- Additional Deputy – Mr. Drum stated that the Board would need to decide if it wanted another deputy through the Sheriff's Department on a contract basis or start its own police department. He stated that based on his analysis, the salary and benefits of two (2) deputies would cost less than the combined salaries and benefits of two (2) full-time town police officers. In addition, workers compensation insurance, police liability insurance and auto insurance would be another \$3,000 to

\$5,000 per year if the Board were to create its own police department. The Sheriff's Department is responsible for taking care of necessary paperwork involved with running a law enforcement department. If the Town created its own police department, the officers would be required to complete the paperwork according to state standards, which could require an increased salary for at least one officer. Mayor Cook stated that she had heard that a second full-time contracted deputy to work on second shift is needed. Mr. Drum stated that the cost for each deputy would be around \$56,290 (plus \$800 for uniforms and \$1,500 for miscellaneous expenses per deputy). There is currently a reserve fund totaling \$30,000 for a replacement/second police vehicle. Council Member Banks pointed out that the Burke County Sheriff's Office provides police protection during the night. Security at the park was discussed due to recent break ins and illegal activities. **It was the consensus of the Board for Mr. Drum to look at a second full-time deputy through the Sheriff's Department.**

- Full-Time Administrator/Manager – Attorney Dill stated that Mr. Drum has been with the Town for about a year and it has been a very pleasing year. Mr. Drum has helped the Town a lot and he would like to see more of him. He feels having someone with Mr. Drum's background and expertise is beneficial to the Town. He stated that it was time to think about a full-time position. He opined that Rutherford College has a full-time manager, why can't Hildebran. He stated that the Town has several existing capital projects and is branching out with other projects. Council Member Banks stated that when you have someone who is experienced, he is going to save the Town money in the long run. Mayor Cook stated that the office has flowed much better since Mr. Drum has been on staff. She stated that it is the consensus from office staff that it would be a plus for them as well. Mr. Drum stated that when he took the job at the WPCOG, he initially thought it would be the last years of his career. He has meshed well with the Board, staff and attorney and for him to take on a full-time role, he would need to give an appropriate notice to the WPCOG and the Town of Catawba (2-3 months). If an offer was made to him for full-time employment, he would certainly consider the offer. Attorney Dill stated the Board needs to consider this and it is a rare opportunity for the Town. We have had a trial period with Mr. Drum. He has been pleased with the capital projects and the Town has tackled things that the Town has never been able to tackle before. It is a rare opportunity for the Town to have someone with Mr. Drum's background and experience. Mayor Cook mentioned that other Towns that have a full-time manager have lower tax rates than Hildebran. She stated that projects in the past have not been accomplished due to a lack of manpower and the lack of having someone to manage and organize the projects. **Council Member B. Lowman asked Mr. Drum to present the Board with a proposed budget that included him as a full-time manager and a proposed budget that keeps him as a part-time administrator.** Mr. Drum stated that the Town would probably come

SERVICE
CONTRACTS

out cheaper hiring a full-time manager on its own as opposed to contracting with the WPCOG.

- Cleaning Services for both Town Halls – Mayor Cook stated that Mr. Bivens cannot clean both facilities. He can vacuum and clean the restrooms but does not have time to clean the buildings as needed. Staff is too busy doing their jobs to clean. Mr. Drum stated that he acquired a bid from the cleaning company that is currently cleaning the WPCOG building and the bid was \$850 a month for once-a-week cleaning at the bank building and the 1st and 2nd floors of the current town hall. Mr. Bivens and/or Ms. Brawley would continue to clean the gym, auditorium, and the restrooms at the park during the week. The weekend cleaning at the park is covered in a service contract. **It was the consensus of the Board for Mr. Drum to include the new cleaning contract fees in the proposed FY 17-18 budget.**

LIBRARY

Mr. Drum stated that the Burke County library has asked if the Town was planning on budgeting additional funds for the Hildebran library this year since the new building will be opening in mid-July and providing both additional services and hours of operation to Hildebran. The amount to allocate to the library is up to the Board. Council Members Banks and B. Lowman were in agreement to increase the amount allocated to the library this year and Council Members Messer and York wanted to keep the amount allocated the same as the current year, \$4,000. **Mr. Drum stated that he would plug a number into the proposed budget for the library and the Board can decide at the next budget meeting.**

CAPITAL
PROJECTS

- New Council Chamber – Mr. Drum stated that he had contacted James Ratliff, our current architect, for a price to see if he would submit a proposal to design a new council chamber at the new town hall. If the Board decided to approve the construction project, it would be a new capital project ordinance.
- Demolition Work of Old School Building – if the Board moves forward with the demolition of the old school building it will be out of the existing capital project ordinance.
- Third floor of Town Hall – if the Board decides to renovate the third floor of the current town hall, it would be a new capital project ordinance.
- Preserve the Tower and Breezeway – if the Board chooses to preserve these structures, it would possibly be a new capital project ordinance or the existing capital project ordinance would continue to be utilized.

GYMNASIUM

Attorney Dill stated that each year it appears that the operational expense for the gym gets higher and the use and payback gets less. EBVAO seems to be less active and involved and is using the gym less than before. He opined that now might be the time to talk to the County about having the gym become part of the County recreation system and have them operate it. There will be more use of the gym and EBVAO seems to be dimensioning in its outreach. He would hate for the facility to be

underutilized based on what the Town has spent on the facility. Mr. Drum stated that the biggest renter of the gym is EBYAO who pays \$5,500 in rent. It costs the Town about \$19,000 a year in operating costs to keep the gym open. The Town is using tax dollars to supplement the operation of the gym. He stated that if the County agrees to take over the gym, the Town could require certain dates be reserved for use by the Town in the contract. The Town would still have the facility when it needs it. The lease could be \$1 per year. The County has a larger budget and more recreational staff than the Town.

ANNOUNCEMENTS None.

ADJOURNMENT There being no other business, Council Member B. Lowman made a motion to adjourn at 7:17 p.m. All voted in favor.

I attest these are the approved minutes of the Board.

Alice Sanders, Town Clerk

Virginia Cook, Mayor