

BUDGET WORKSHOP

MAY 26, 2015

Mayor Pro-Tem Dew called the workshop to order with the following Council present: Jackie Grice, Robby Watson and Donnie Bass. Mayor Edmundson was absent due to the illness of his wife and Councilman Ken Horne was absent due to work. Also in attendance were Town Manger Gary Davis and Town Clerk Debra Beamon. There were no public present for the Budget Workshop.

At this time, Mr. Davis presented the proposed 2015-2016 Budget to the Council. The General Fund Revenues totals \$772,850.00 which is down \$5,250.00 from last year. At this time, Mr. Davis informed the Council that he has reallocated salaries from the General Fund to other departments this year as suggested by the Auditor after last year's audit. That has helped the fund quite a bit, but the Auditor also suggested the Town cut expenditures or increase revenues in the General Fund this year. Mr. Davis is proposing an increase to the garbage/recycle fee of \$1.00 per month which would bring the inside charge up from \$18.00 per month to \$19.00 and the outside garbage fee from \$26.00 to \$27.00 per month. This is the first increase in 3 years. He also proposed a property tax increase of \$.04 per \$100.00 valuation. This would bring the property tax rate up to \$.50 per \$100.00 per valuation, which would still be tied for the lowest tax rate in the county. This is also the first tax rate increase in 3 years and only the second tax increase in 20 plus years. The General Fund continues to be the Town's weakest fund and still relies heavily on the \$250,000.00 transfer from the Electrical Fund. Mr. Davis was able to reduce the Appropriated Fund Balance by \$52,200. Mr. Davis allocated an \$8,000.00 contribution to the Rescue Squad which is down \$300.00 from last year. Mayor Pro-Tem Dew has some concerns as to the amount of the contribution since the Rescue Squad is only answering approximately 10% of their calls. He suggested the Town cut the contribution to \$6,000.00 to match Wilson County's contribution of \$6,000.00. After some discussion, it was the consensus of the Council to cut the contribution to \$6,000.00. Councilman Bass suggested that the Town give the Rescue Squad a quarter of the amount at the time with the Council's approval to make this an incentive to strive to recruit more members and to be a more active squad. The General Fund Expenses total \$770,850.00 after this reduction. (see attachment)

Mr. Davis proposed a 2 ½ % COL increase for all Town employees, the Mayor and the Town Council.

Next, Mr. Davis informed the Council that the Water/Sewer Fund totals \$784,100.00 and is up \$40,650.00 from last year. The increase is mostly due to the reallocation of salaries to assist the General Fund and give a better accounting of where department employees actually work. The proposed budget does not include the cost of painting the water tank. Mr. Davis explained that this cost would be added back with an amendment once he receives the bid. Another reason for the increase in the W/S Fund is for the additional sludge disposal cost that the Town has incurred. The budget does include the final payment on the sewer rehab loan which is approximately \$50,000.00 which will go away next year. Mr. Davis feels, that at this time, the town should not need any increases in the W/S Fund next year with the elimination of this loan payment. Mr. Davis is proposing several modest rate increases in the W&S Fund. An increase of .50 to the flat rate charge for all water customers which would bring it to a \$22.00 flat rate for In-Town and \$29.50 for Out of Town water customers is proposed. Also, a \$.30 per 1,000 gallons increase for both in and out of Town customers. (from \$3.60 to \$3.90 per 1,000 gallons for in Town customers and from \$4.60 to \$4.90 per 1,000 gallons for out of Town customers) Mr. Davis is proposing a \$.20 per 1,000 gallons increase for the SE Water District which will increase their rate to \$2.70 per 1,000 gallons of usage above 50,000 gallons. The charge for the 1st 50,000 gallons will be increase to \$135.00. A flat rate sewer increase of \$1.25 for all customers (from \$29.75 to \$31.00) and .25 per 1,000 gallons for all customers. (from \$4.85 to \$5.10 per 1,000 gallons) is proposed. An increase of .15 per 1,000 gallons for Saratoga customers up to 60,000 gallons per day capacity (from \$3.90 to \$4.05) with an increase of .20 per 1,000 gallons for all over permit capacity. (from \$5.20 to \$5.35) is being proposed. Mr. Davis calculates that the average W&S in town customer using 4,000 gallons of water per month will see an increase of \$3.95 per month.

At this time, Mr. Davis presented the proposed budget for the Electric Fund. It totals \$3,086,800.00 which is up \$152,500.00 from last year. The increase is mainly due to increased cost of power and sales tax. At this time, Mr. Davis is not proposing an increase in the electric fund.

The grand total for the General Fund, W/S Fund and Electric Fund is \$4,641,750.00 which is up \$190,000.00 over last year.

At this time Councilwoman Grice made a motion to adjourn. Councilman Bass seconded the motion with all others voting in favor of the motion.

Adjourned at 7:40 pm

Respectfully submitted,

Debra L. Beamon
Town Clerk/Finance Officer

William Edmundson
Mayor