

TOWN OF LITTLETON
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LITTLETON, NORTH CAROLINA
27850
TELEPHONE (252) 586-2709

June 7, 2010

AGENDA

1. Call regular meeting to order at 6:30 p.m.
2. Pledge of Allegiance.
3. Invocation.
4. Consider approval of minutes of meeting(s) held in May, 2010.
5. Approve for payment bills made in May, 2010.
6. Citizens Concerns.
 - a. Leroy Williams – Sewer disconnection
 - b. Charles Harvey – Community Development
 - c. Gerleen Pitchford – “enclosed letters”
 - d. Freddie Williamson – Sewer
7. Consider approving **Resolution by Governing Board Awarding Construction Contract for Upgrading Water Supply and Distribution System Project, Rural Center Contract 2009-364-40101-112 (R-10-008).**
8. Consider Current Year Budget line item amendments.
9. Present proposed FY 2010-11 Budget to Board of Commissioners – Public Hearing on FY 2010-11 Budget scheduled for June 21, 2010, at 5:00 pm.
10. Commissioners reports on activities in May, 2010.
11. Mayor’s remarks.
12. Executive session pursuant to NCGS 143-18.11(a) (1),(3),(4),(6) to consult with Town Attorney.
13. Recess meeting until 5 pm, June 14, 2010.

Next regular meeting scheduled Monday, July 7, 2010 at 6:30.*

Special Session to hold two Public Hearings – June 21, 2010, 5:00 pm

5:00 pm – FY 2010-11 Budget

5:30 pm – Zoning Text Amendment

The Board of Commissioners of the Town of Littleton held their regular meeting June 7, 2010, at 5 pm at the Town Hall. Present were Commissioners Clara Debnam, Patrick McAtee-MacRae, Heidi Hogan, Terry Newsom, Jimmy Kearney and Town Attorney Gilbert Chichester.

Mayor Willis opened the meeting with the Pledge of Allegiance followed by an Invocation.

Commissioner Debnam made a motion, seconded by Commissioner Newsom, to accept the minutes of the meetings held in May as presented. The motion was voted and carried.

Commissioner Newsom made a motion, seconded by Commissioner Debnam, to pay the bills made in May as presented. Commissioner MacRae questioned a bill from Annie's Construction for \$65.00 and was told TA Loving hadn't done an installation properly and in discussion Mr. Williamson was asked to include dates and locations on his invoices. The motion was voted and carried with Commissioner Debnam, Newsom, Kearney and Hogan voting in favor and Commissioner MacRae opposing.

Charles Harvey told the Board he did not need the minutes allotted him to speak and handed out packets to each board member.

Gerleen Pitchford stated she wouldn't take long either and stated she had failed to receive a response to her letters and stated she hoped she was wrong about incorrect fittings being used. Mayor Willis stated the grant had closed out 2 years ago and had been audited and there were different requirements for different grants.

Following Commissioner Kearney asking whether the statement on page 3 of the contract meant the engineer had to approve work done and was assured it did, Commissioner Hogan made a motion, seconded by Commissioner MacRae, to approve the **Resolution by Governing Board Awarding Construction Contract for Upgrading Water Supply and Distribution System Project, Rural Center Contract 2009-364-40101-112 (R-10-008)**. The motion was voted and carried.

Commissioner Newsom made a motion, seconded by Commissioner Kearney, to approve the budget line item amendments as presented. The motion was voted and carried.

Mayor Willis presented the proposed 2010-11 Budget to the Board and advised this would not be the final budget. The Board would be meeting June 14 to work more on the budget and a public hearing on the 2010-11 Budget would be held June 21, at 5 pm.

Commissioner Hogan gave the budget report for May; General Fund revenues YTD \$377,514 or 63% revenues \$471,715 or 79% and Water & Sewer Fund Revenues YTD \$292,779 or 74% and expenditures \$355,669 or 90%. Mayor Willis advised the Water and Sewer budget was in fairly decent shape but not the Administrative (General Fund) that's why there were the budget amendments.

Mayor Willis announced the Town had received the deed for property given to the Town by the children of the late B. Mason Hawfield. The building will be called the Ann and Mason Hawfield building and house the W.C. Jones Memorial Library. The building will also include a museum room.

There were no cemetery or street reports.

Commissioner Debnam reported the Town had purchased 2,424,000 gallons of water, sold 2,003,000 and unaccounted for was 104,000 gallons. Two bacterial tests were negative and there had been no

sewer spills, inspections or violations. Mayor Willis advised the water loss was way down and 2 leaks had been found in old lines that shouldn't have been running.

Commissioner Newsom gave the police report for May and stated he believed they were valid questions (Ms. Pitchford's) and he would get together with Commissioner Debnam to go over the letter.

Mayor Willis reminded the Board of the 2 public hearing June 21 starting at 5 pm for the Budget and the Zoning Text Amendment.

Commissioner Debnam made a motion, seconded by Commissioner Hogan to go into executive session at 6:58 pm. The motion was voted and carried.

The regular session resumed at 7:46 pm.

Mayor Willis stated the meeting would be recessed until 5 pm, June 14. Commissioner MacRae made a motion, seconded by Commissioner Newsom to recess the meeting at 7:53 pm. The motion was voted and carried.

The meeting reconvened Monday, July 14, 2010, at 5 pm at the Town Hall.

Mayor Willis went over the proposed 2010-11 budget line by line and explained the Town could no longer afford to spend fund balance as it had in the past. Tough decision would have to be made by the Board. Discussion followed.

Mayor Willis called for a break at 5:49 and the meeting resumed at 5:55 pm and discussion continued.

Mayor Willis advised the State had mandated the Town put a fire road all the way around the Town dump and opened two bids, one from Myrick Equipment for \$3,200 and one from Annie's Construction for \$4,500. The low bid amount was added to the Sanitation Budget for FY 2010-11 by consensus of the Board.

The Board discussed an availability fee to be used for capital improvements and emergency repairs for water and Commissioner MacRae made a motion, seconded by Commissioner Hogan to adopt a \$5.00 availability fee effective July 1, 2010. The motion was voted and carried with Commissioners Hogan, MacRae, Debnam and Kearney voting in favor and Commissioner Newsom opposing.

Mayor Willis asked the Board to resume the meeting until Tuesday, June 15 at 1 pm.

The meeting recessed at 7:08 pm.

The meeting resumed on Tuesday, June 15 at 1:00 pm.

Mayor Willis advised Jay Myrick agreed to do the work at the dump after July 1st. Mayor Willis reminded the Board they had agreed to pay the attorney's closing settlement for the building donated by B. Mason Hawfield's children. Commissioner Kearney made a motion, seconded by Commissioner Debnam to pay the settlement fee of \$1,013. The motion was voted and carried.

Following the Clerk explaining the bill was for the Zoning Text Amendment notice, two public comment notices for the USDA grant for the Town Hall, Commissioner Debnam made a motion, seconded by Commissioner Kearney, to pay the Lake Gaston Gazette – Observer bill in the amount of \$321.85. The motion was voted and carried.

The Board discussed various options for cutting the budget to reduce the fund balance needed including cutting a police officer position and reducing the cemetery budget and raising taxes. It was brought out it might send the wrong message if the Town included payment for a loan for the new Town Hall if taxes had to be raised. It was suggested cutting the Cemetery budget to \$8,000.00 which would be a savings of \$5,800 and possibly saving about \$37,431 by cutting one officer position and benefits. The Board continued to discuss various options and the approximate savings. Mayor Willis stated she would allow a one time contribution from the Water – Sewer fund of \$17,000 to help balance the budget.

Mayor Willis recessed the meeting at 2:05 pm until Monday, June 21 at 9:00 am and told the Board she expected a vote at that time.

The meeting resumed at 9:05 on Monday, June 21, 2010. Mayor Willis advised she had been working with the Town Attorney and was waiting to hear back from him concerning cutting an officers position. She went on to review changes to the proposed budget; \$17,000 contribution from Water/Sewer Fund, fund balance appropriation of \$14,640. Estimated revenues were \$567,818 and expenditures balance. The finance officer explained it was balanced by cutting one officer and reducing the cemetery budget, including water and sewer fund contribution of \$17,000 and fund balance appropriation of \$14,640.

Mayor Willis stated the Board was going to have to do what everyone else was doing and that was cut. She understood that Chief Suggs had offered to take a leave of absence and Commissioner Newsom said the issue was that due to the grant an officer could not be cut. Commissioner Kearney and others stated that was not correct, under the current circumstances a position could be cut. The Board discussed laying Chief Suggs off for 6 months including insurance and Cobra and unemployment payments. Commissioner MacRae estimated the Town would save about \$300 per week. Mayor Willis stated the recommendation she had was to lay off two officers. If Chief Suggs was laid off someone else would have to be appointed acting chief and Commissioner Newsom recommended appointing the next highest ranking officer. Cuts of approximately \$42,000 were needed and laying off the chief for 6 months would not be enough as it would possibly only be somewhere between \$14,000 to \$17,112. Further discussion included cutting the street budget, raising taxes 4 cents adding \$12,000 to revenues, and on the advantage, savings and cost of laying Chief Suggs off for the full year. Mayor Willis said she was waiting to hear back from the Town Attorney and was asking to recess the meeting until 2:00 pm to get more information. It was the consensus the budget had to reflect laying off the Chief for the full year, if the money became available and the Board decided to amend the budget, he could be brought back. Discussion continued on paying his Cobra either partially or entirely and not budgeting for the new Town Hall if taxes had to be raised. In discussing raising taxes, it was stated the average cost would be about \$25.00, according a tax table on towns in Halifax County, Littleton was lowest. Commissioner Kearney questioned whether the Board was considering 6 or 12 months on Chief Suggs and was told 12 months. There were still some questions on insurance/Cobra and unemployment liability. Commissioner MacRae stated they still need to cut at least \$5,000 and recommended cutting either the Town Hall payment or Freddie's street contract and getting the cemetery contract back up to \$10,000. Mayor Willis stated she was on the phone with the League and if Chief Suggs took a leave of absence he wouldn't be eligible for unemployment and paying his insurance is according to policy and what the Board decided today would become Town the policy. After further discussion the Board decided, at 10:46 am, to recess until 2:00 pm.

The meeting resumed at 2:00 pm, June 21, 2010. The Clerk advised she had spoken with the League and the Employment Commission. The Town would probably ultimately have to pay at least 65% of the Cobra which is 2% more then the regular insurance and recommended doing away with the Gap insurance and just pay 100% of the Cobra. Commissioner Newsom recommended moving Suggs to the part time list to keep his certification, even though he might not ever actually work, although he may at some time help with administration. After further discussion, Commissioner Hogan suggested

it might be less complicated to eliminate a different officer, but the consensus was to stay with laying Suggs off. The clerk advised the estimate for unemployment liability was about \$23,000 and \$7,234 for a total package of \$30,234 which would save about \$28,247. Mayor Willis recommended parking the police truck to save money. The Board then reviewed the figures when raising taxes and using the proposed cuts and discussed other more minor cuts in expenditures.

The Board asked the Clerk/Finance Officer to use the proposed increase in taxes and cuts in expenditures, estimating \$11,600 increase in revenues from taxes and the savings from laying off the Chief, reducing part time police salary by \$1,000, decreasing the Cemetery Contract to \$10,000, eliminating the Town Hall payment of \$5,000, and appropriating approximately \$14,000 from fund balance, to come up with the proposed budget for the public hearing. Commissioner Newsom stated if Suggs at some time wanted to work part time it would be at the regular part time rate. Discussion continued.

The meeting adjourned at 3:26 pm.

Clerk

General Account and Minutes of Closed Session Pursuant to NCGS 143-318(a) (1),(3),(4),(6)

Town Attorney Gilbert Chichester advise he had asked the Mayor to put the executive session on the agenda to express his concern about Ms. Pitchford's letter and to discuss and counsel the Board on conflicts of interest

Clerk