

Walter M. Gardner, Jr.
Mayor

John Freeman
Administrator

TOWN OF WARRENTON
“Historically Great - Progressively Strong”
P. O. Box 281
Warrenton, NC 27589-0281
PHONE (252) 257-3315 FAX (252) 257-9219

June 28, 2010 Minutes of Special Board of Commissioners Meeting

The June 28, 2010 Special Meeting for consideration of the proposed 2010-2011 budget was held at Town Hall.

Those present were:

Mayor Walter M. Gardner, Jr.

Commissioner and Mayor Pro Tem Woody King John Freeman, Town Administrator

Commissioner Jules Banzet William Perkinson, Director of Public Works

Commissioner Audrey Tippet Jennifer Harris, Warren Record

Commissioner John Blalock Chief John Younts

Commissioner Robert Davie (7:00pm) Public Works employees Kenny Champion, Oscar

Davis and John Limer

Absent:

Commissioner Mary Hunter

Commissioner John Mooring

Mayor Gardner called the Special Meeting to order at 6:50pm, as it was announced to immediately follow the Public Hearing on the proposed 2010-2011 budget. He explained that the purpose of the Special Meeting was to consider an ordinance adopting the proposed budget. Commissioner Blalock asked Mr. Freeman to review the final version of the restructured Water Sewer rates which had been the subject of most discussion during the budget work sessions. Freeman explained that the final version reflected the Board's desire that the burden be shifted from the lowest volume users toward consumption and out-of-town customers. He said the smallest customers using 1000 gallons monthly would receive a significant decrease of about \$12 a month, and those using 2000 gallons would see a slight decrease. On the other hand, high volume users would see significant increases. He reported that he and Commissioner Davie had visited two of the highest volume users, Warren Hills Retirement Center and Elberta Crate, to advise them of the proposed change. He said his guess at an earlier Board meeting that low water rates did not give Elberta Crate an incentive for conservation seemed to be true, as Elberta manager Gregg McNeil said they had a plan that could save 70% of their water through recycling. The equipment would cost \$40,000, and as this investment would save considerable water Mr. Freeman said he had referred it to the county EDC as a possibility for state assistance. He said that if Elberta was the Town's largest water customer at 18.5 million gallons a year (about 24% of the total), but that the possible loss of revenue through conservation should not affect the Town as the proposed discount rate only aimed to recover costs. Commissioner Banzet asked if the Town's water purchase agreement with the county required payment for an allotment not used. Mr. Freeman said that it did, but could be renegotiated should the volume decrease by 8-10 million gallons through conservation at Elberta. (Commissioner Davie arrives). Commissioner King asked to confirm the proposed tax rate which Mr. Freeman affirmed would remain at 61 cents, and in fact there were no increases proposed in the General Fund. Mr. King asked how water sewer rate increases should be explained to citizens. Commissioner Tippet pointed out that 39% would see a

reduction, and Mayor Gardner said that it was important to build reserves. Mr. Freeman said that the restructured rates reflected more accurately the cost of water and sewer services which would help with grant applications. He said that until two years ago rates had been calculated to cover operational costs but not depreciation. Two years ago a surcharge had been instituted that helped to build a reserve for emergencies but still did not meet the needs as referred to by the Local Government Commission. He said that analysis of the sewer system that would be the result of the current grant was expected to indicate the need for expensive repairs. While grants would be applied for, significant local matching funds would be required. One goal of the restructured rates is to provide for those funds. Mayor Gardner advised that a motion would be needed to adopt the proposed budget with the list of specific funds and rates:

General Fund \$985,385
Water Sewer Fund \$1,053,904
Waste Water Treatment Fund \$2,614,719
Rates as presented at the Board meeting on 6/14/10

Commissioner King moved that the proposed 2010-2011 budget be adopted as listed; Commissioner Banzet seconded the motion which passed unanimously.

Mayor Gardner then presented a separate but related budget item for consideration. Mr. Freeman explained that a preconstruction meeting to discuss the construction of the new wet well at the Riggans Pump Station had produced a number of recommendations by the engineer and contractor James Harris of Harris Equipment Company that would increase the contract from the \$44,909 that the Board had approved at its meeting on 6/14/10 to \$56,596.90. The reasons for the increase were mobilization and bonding not included in the original informal bid, an extra day of by-pass pumping to ensure that it would work as planned, and a valve between the new and old wells. It had been designed with an open 18" pipe but the engineer supported the contractor's recommendation that a valve be installed, even though this would add \$7500 to the total cost. As the grant estimate for this project was considerably more than the revised contract there would not be a detrimental effect on the budget as the Town match would still be less than originally budgeted. Commissioner Blalock moved that the revised contract with Harris Equipment Company be approved; Commissioner Tippet seconded the motion which passed unanimously.

There being no further business Commissioner Blalock moved that the meeting be adjourned; Commissioner King seconded the motion which passed unanimously and the Special Meeting adjourned at 7:16pm.

Respectfully submitted,

John Freeman
Town Administrator