



NORTH CAROLINA
GRANVILLE COUNTY
CITY OF OXFORD

Oxford City Hall – Commissioners Board Room
MONDAY, JUNE 14, 2010 – 5:30 P.M.
OXFORD BOARD OF COMMISSIONERS' PUBLIC HEARINGS
CITY OF OXFORD FISCAL YEAR 2010-2011 BUDGET

The Board of Commissioners for the City of Oxford met at the above-mentioned time and place for a public hearing at 5:30 p.m. at City Hall, 300 Williamsboro Street. All members of the Board and local news media were notified of the same as well as the purpose of the meeting.

Present were Mayor Al Woodlief, Jr., Mayor Pro Tem Howard Herring, Sr., Commissioners Robert B. Williford, Sr., Jackie Sargent, Danny Currin, Ron Bullock, Walter Cantley, and Calvin Harris, Jr. Present also were City Manager Mark Donham and City Clerk Donna B. Hosch.

Absent was City Attorney J. Thomas Burnette.

PUBLIC HEARING

Mayor Woodlief declared the public hearing open.

No one from the audience wished to speak.

Commissioner Cantley stated that the State of NC is cutting jobs and no raises are being given. Granville County is not giving raises nor has it had a COLA since 2006-2007. Teachers all over the country are getting laid off, colleges and universities are cutting back and cutting classes. Due to the reevaluation, real estate taxes will go up an average of 4.08%. Oxford will raise water rates by 5% for the next two years, then 4% the next three years, and sewer rates by 17% for the next two years. Commissioner Cantley quoted the unemployment rates for NC and for Granville County. The budget as presented includes \$88,000 for COLA, over \$33,000 for telephone services, \$3,000 for another summer intern program, over \$9,000 for retired elected officials' health insurance. Management fees, dues, and incidentals increased at an alarming level. Commissioner Cantley challenged the Board to reject the budget as presented and requested that the manager come back with a balanced budget without any tax increase.

Commissioner Harris stated he was also concerned. He felt the employees deserved higher than a 2.3% COLA. He suggested keeping the 2.3% and taking something out of capital, such as the \$85,000 dump truck, so that the COLA could be funded. He asked if the \$10,000 expense for the roof at the Fire Department was a new roof or repairs. He has visited and spoke with firemen and others, and they stated the leak appears to have stopped. Maybe this expense could be cut and revisited at a later date.

Commissioner Currin stated he had concerns and felt there were things in the Capital and Operating budgets that could be cut.

Commissioner Williford stated that the manager says what is in the budget is needed. If the City is going to provide the required services, then the tax rate should stay at \$.60.

Mayor Pro Tem Herring stated he supported the budget as recommended.

Commissioner Sergent stated she has read the viewpoint of the John Locke Foundation which supports minimal taxation and suggests looking at spending and taxation trends after accounting for population and inflation changes; ideally the per capita rate should remain constant over time. She ran the numbers for the budget as a whole as well as for ad valorem taxes, factoring in very conservative inflation changes, and using 2008 population numbers (eg – no increase considered) for this coming and the past 2 years as compared with the 1999-2000 fiscal year. If the City reduces to a revenue neutral tax rate, it will be going backwards in per capita taxation as compared with 11 years ago. If the rate is maintained at \$.60, the per capita rate will be slightly higher than it was in 1999-2000, but that difference will disappear in 2 years even if there is no population increase and a modest 1.5% inflation rate. Anything above that, and the difference will disappear even more quickly.

Commissioner Sergent stated the City is not where it was 11 years ago. If we are going to be at that same amount per resident as we were before, then the City needs about another half million dollars. Even though it looked like a terrible thing to increase the rate \$.05 last year, that increase should have come five years ago. Even though hard to do, last year's increase was long overdue and helped to meet budget needs. Commissioner Sergent questioned how many years the City has been taking from its Fund Balance to pay for expenditures. Commissioner Sergent stated she supported keeping taxes at \$.60 but that it is a hard time to give raises to staff when residents are struggling. Therefore, she recommended at 1.5% COLA.

Commissioner Bullock stated his concern for the Fund Balance and wanted to see it built up. He agreed with Commissioner Sergent's recommendation for a 1.5% COLA.

Mayor Woodlief stated he supported the budget as presented from the manager to the Finance Committee. He clarified that the County is giving a 3% increase even though it's something they don't talk about. On the water fee increase of 5%, the Mayor stated he thought it was decided not to pass this along to the customers. He stated Commissioner Sergent was correct on her figures in that the Fund Balance went down \$5-7 million. While he supports an increase for employees, the Mayor felt everything else should remain as is and question only the proposed COLA. Last year a COLA wasn't called for so it wasn't given. However, if employees go for long periods of time without raises, the City would have to find money somewhere in order to keep professionals on staff.

Mayor Woodlief declared the public hearing closed.

CITY OF OXFORD FISCAL YEAR 2010-2011 BUDGET ADOPTED

Commissioner Currin stated he agreed with Commissioner Sergent 100% and that the City cannot change what was done five years ago. However, that does not financially put the City in a position to do so now. An \$85,000 dump truck is a lot of money; if it was turned down before, it can be turned down again. Other things can also be eliminated. Commissioner Currin stated he did not feel there were enough votes in favor of passing the budget as presented tonight.

Mayor Woodlief stated that on this evening the Board could vote only on the tax rate since that could not be changed, and the questionable items could be looked at later. CM Donham clarified that the impact of the dump truck would be \$13,000 on this budget. One third of the cost would come from the Water Fund since the truck would be used by other departments. Two-thirds would come from the General Fund. With the truck being financed, the actual cost would be \$13,000 to the General Fund for five years. This type of capital financing is a legitimate and accepted practice in business and government.

CM Donham stated that the 2.3% COLA came from CPI figures from March 2009 to March 2010 and that this was the inflation increase for that period of time.

MAYOR PRO TEM HERRING MADE A MOTION TO MAINTAIN THE TAX RATE AT \$.60 FOR THIS FISCAL YEAR SINCE THE TAX RATE COULD NOT CHANGED. COMMISSIONERS HARRIS, WILLIFORD, HERRING, AND SERGENT VOTED IN THE AFFIRMATIVE. COMMISSIONERS CANTLEY, CURRIN, AND BULLOCK VOTED IN THE NEGATIVE. THE MOTION PASSED BY A FOUR TO THREE VOTE.

CM Donham stated that if a COLA less than 2.3% was passed, the differing monies would still be in the budget. A percentage could be agreed upon and the budget approved. Finance Director Steve McNally reminded the Board that the City must provide a balanced budget by July 1st. Commissioner Harris stated the average person is not adding to their savings account, and he understands these are tough times. He felt there was a need to examine cuts before rushing into anything – it seemed as if the Board was just trying to get something done. Commissioner Harris felt there are things in the Capital budget that could be removed. Commissioner Cantley stated he did not feel employees should get a raise at all. The City is spending \$33,000 on telephones, for example, and he felt there was a need to cut back.

Commissioner Bullock stated his concern was the building up of the surplus fund. The City can tread water and hope that nothing happens; but if it does, it will decimate that fund. Commissioner Williford stated that the City has good employees, but they are pulled away by other cities because of salary. Employees have children and they are trying to pay their bills and eat. Mayor Woodlief stated the turnover rate is not as bad as it was three years ago.

CM Donham stated the water system pay increase proposed by KLRWS will not be passed on to the citizens. The Mayor stated that the tax rate would remain the same, but property values would increase. Commissioner Sargent stated that in the 2002 reevaluation, the City stayed neutral. The Mayor added the County did not. The County ended up getting piles of money, the City did not, but we kept spending. For the past 16 years, there has not been an increase from the City in property taxes.

COMMISSIONER BULLOCK MADE A MOTION TO AWARD A 1.5% COLA. COMMISSIONERS CURRIN, WILLIFORD, SERGENT, HERRING, AND BULLOCK VOTED IN THE AFFIRMATIVE. COMMISSIONERS HARRIS AND CANTLEY VOTED IN THE NEGATIVE. THE MOTION PASSED BY A FIVE TO TWO VOTE.

MAYOR PRO TEM HERRING MADE A MOTION TO ADOPT THE BUDGET WITH A \$.60 TAX RATE AND A 1.5% COLA TO EMPLOYEES. COMMISSIONERS CURRIN, WILLIFORD, SERGENT, HERRING, AND BULLOCK VOTED IN THE AFFIRMATIVE. COMMISSIONERS HARRIS AND CANTLEY VOTED IN THE NEGATIVE. THE MOTION PASSED BY A FIVE TO TWO VOTE.

CITY OF OXFORD, NORTH CAROLINA
BUDGET ORDINANCE FOR FISCAL YEAR 2010 through 2011

BE IT ORDAINED by the Mayor and Board of Commissioners of the City of Oxford, North Carolina in regular session assembled June 14, 2010:

Section I. That the following amounts are appropriated for the operation of Oxford government and its activities for the fiscal year beginning July 01, 2010 and ending June 30, 2011 according to the following summary:

SUMMARY

General Fund	\$ 8,227,618
Powell Street Fund	\$ 239,196
Water Fund	\$ 4,536,383
Water Capital Projects	\$ 1,000,000
Storm Water Fund	\$ 70,000
Debt Service Fund	<u>\$ 1,146,396</u>
TOTAL BUDGET	\$15,219,593
Less	
Debt Service Fund	\$ 1,146,396
Inter-Fund Transfers	
Water Capital Projects	500,000
Reimbursements	310,000
TOTAL BUDGET Less Debt	\$13,263,197
Service Fund and Inter-Fund Transfers	

Section II. GENERAL FUND

✦ General Government	\$ 275,323
✦ Retirees	\$ 122,095
✦ Executive (& Economic Development)	\$ 288,500
✦ Human Resources	\$ 110,772
✦ Outside Auditor	\$ 24,125
✦ Finance	\$ 346,051
✦ Legal Expenses	\$ 33,000
✦ Planning and Zoning	\$ 128,275
✦ Building and Equipment	\$ 183,011

✦ Public Works	\$ 66,125
✦ Police Department	\$ 3,009,032
✦ Fire Department	\$ 802,246
✦ Central Garage	\$ 10,800
✦ Street Department and Leaf Collection	\$ 693,125
✦ Garbage Collection	\$ 1,009,361
✦ Parks & Recreation	\$ 658,858
✦ Swimming Pool	\$ 38,378
✦ Lake Devin	\$ 15,676
✦ Oxford Athletic Park (Operations)	\$ 44,200
✦ Cemetery	\$ 40,500
✦ Landscape and Beautification	\$ 87,801
✦ Miscellaneous Non-Departmental	\$ 28,000
✦ Engineering	\$ 212,364
Total General Fund:	\$ 8,227,618

Section III. POWELL BILL STREET FUND

✦ Powell Bill	\$ 239,196
Total Powell Bill Street Fund:	\$ 239,196

Section IV. WATER FUND

✦ Retirees	\$ 18,965
✦ Miscellaneous Non-Governmental	\$ 394,000
✦ General Operations/Collections	\$ 207,225
✦ Meter Service	\$ 118,378
✦ Payment to Debt Service	\$ 784,490
✦ Willow Place Lift Station	\$ 5,700
✦ Water Supply	\$ 845,450
✦ Coon Creek Lift Station	\$ 47,600
✦ Certainteed Lift Station	\$ 11,050
✦ I-85 & #15 Lift Station	\$ 8,300
✦ Kingsbury Lift Station	\$ 6,500
✦ Knotts Grove Lift Station	\$ 10,300
✦ I-85 Rest Stop Lift Stations	\$ 9,800
✦ I-85 (Middle) Lift Station	\$ 5,950
✦ Clover Lane	\$ 6,500

✦ Rollingwood Lift Station	\$ 6,400
✦ Wastewater Treatment Plant	\$ 785,422
✦ Stovall Booster Pump Station	\$ 8,420
✦ Water and Sewer Line Maintenance	\$ 755,933
✦ Capital Projects	\$ 500,000
Total Water Fund:	\$ 4,536,383

Section V. WATER CAPITAL PROJECTS FUND

✦ Rural Center Project 1	\$ 400,000
✦ Rural Canter Project 2	\$ 600,000
Total Water Capital Projects Fund:	\$ 1,000,000

Section VI. STORM WATER MANAGEMENT FUND

✦ Storm Water Management	\$ 70,000
Total Storm Water Management Fund:	\$ 70,000

Section VII. DEBT SERVICE FUND

✦ Total Debt Service	\$ 1,146,396
Total Debt Service Fund:	\$ 1,146,396

Section X. Tax Rate: There is hereby levied for the Fiscal Year ending June 30, 2011 the following rate of taxes on each \$100 assessed valuation of taxable property as listed as of January 01, 2010:

Tax Rate = **\$0.6000** per 100 Dollars Value

The discount schedule for early payment of taxes is the same as Granville County's Schedule.

Section XI. The Municipal Service District: The levy for the Municipal Service District is established at twenty cents (\$.20) per \$100.00 valuation.

The Municipal Service District boundary includes the entire downtown area as described by the 1995 HyettPalma map of downtown Oxford: west to the beginning of Lewis street, east to Belle and Lanier Streets, north to McClanahan Street, and South to Spring Street. Those funds from one-half of the tax levy within the original Municipal Service District boundary (ten cents (\$.10) per \$100 valuation) will be administered by the Oxford Parking Authority for the purpose of funding off-street parking. The remainder of the levy will be administered by the Downtown Oxford Economic Development Corporation for purposes of downtown revitalization.

ADOPTED this 14th day of June 2010.

ADJOURNMENT

WITH THERE BEING NO FURTHER BUSINESS, MPT HERRING MADE A MOTION TO ADJOURN. ALL VOTES WERE IN THE AFFIRMATIVE. THE MOTION CARRIED.