

- The Fire Department is covering their \$32,000 payment.
- Rents were dropped down based on current numbers.
- Zeroed out the small things that we are not necessarily guaranteed to get.
- Put \$65,000 for Powell Bill.

Last year's Fire Department budget was based on receiving an extra penny in taxes that wasn't received. The correct projection for property tax revenue is \$93,211.

- Uped discounts, uped motor vehicle tax based on last year's numbers and lowered prior year's tax.
- Lowered the Township tax, because of the extra penny not being received, as well as the revenue neutral stance from the county
- There are no FEMA grants this year and no loan proceeds.

Harmon Field

- Brought up revenue for motor vehicle taxes
- The rental rates have been raised, but expect a downfall in usage
- The fund balance appropriation was taken out

Lowered occupancy taxes – based on this year's current numbers.

Water

- Dropped utility penalties down.
- Water charges was dropped to \$1 million. There are water loss issues that that need to be fixed.
- Recognized automated meter fees as a revenue source.

Sewer

- Sewer charges was dropped to \$500,000 based on previous year.
- Removed reconnect fees.
- Calculated the Columbus/Saluda debt to be put in.

Sanitation

- Fees set at \$210,000.
- Other revenue dropped to \$5000, based on this year's numbers.
- Left the disposal tax the same.

The FY15/16 budget projected \$4.4 million in revenues. The FY16/17 projected to receive \$4.4 million. He is projecting \$3.9 million which reflects finances more accurately. The difference is about \$458,000. We are forcing ourselves to spend less. In order to avoid a tax increase we have to spend money better.

EXPENDITURES

Governing Board

- Added an extra \$500 for travel and schools.
- Added in the election cost.
- The other line item he dropped to \$1,000. If it's used for say porta potties such as AFRO Fest for an event then you can adjust it later.

Admin

- Different positions allocated to salaries. It includes 25% of Pam, 50% of Blake, 20% of Theda, Paula, Meg, Susan and his salary.
- Dispatch is not solely for police, it is used by fire and public works. Cost sharing positions represents all the money up front.
- Calculated 401k .02 & retirement 7.37 is based on salaries line number.
- Health insurance has been funded.
- Travel & school expenses have been decreased.
- Electricity he left low, buildings and grounds are the same.
- Added vehicles red explorer and gray escape, because nothing was budgeted last year.
- Bumped up advertising.
- DP services were raised up to be what it needs to be.
- Cut tax collection fees and got rid of bank charges.
- Contract services left the same.
- Raised dues & subscriptions and raised the other line item.
- Showing no capital outlay and has included the installment purchase principal & interest.

This currently allows us to put \$112,861 back into fund balance. He is trying to put as much back as possible. The Town's fund balance went from 33% to 13%. This doesn't include the sale of the building, which will bring the town's fund balance back up some. Basically putting \$100,000 into fund balance as well.

Police

- Salaries dropped from \$443,000 to \$360,000 because of cost sharing.
- Jeff has actually cut about \$50,000 before he even started working on the budget.
- Cut dispatch overtime.
- 401k has been calculated to proper rate.
- Health insurance is lower because of less officers.
- Decreased the fuel supplies and telephone.
- Contracted services has been raised because of records management (Southern Software).
- Installment payments for principal and interest have been included.
- Salaries included are the vacant position, 80% of Theda and 25% of Blake and officers. The vacant position is here because one officer was lost and the position was frozen. After Zach came, an officer was let go and he froze the second position. The budget includes replacing one

of the officers. The police budget went from \$822,000 to \$660,000 a sizable decrease. Partly because of cost sharing and Jeff cutting \$50,000 on his own.

Mayor Peoples appreciates that because last year that department cost more than the property tax taken in. Ollis stated the \$660,000 provides a quality department. Mr. Armbrust suggested that if you didn't replace this position then it would cut their budget to \$610,000. Mr. Ollis wants direction on this, because he will need to look at raising overtime.

Street

- Salaries went from \$167,000 to \$95,000 because of cost sharing employees. This only includes the guys actually in the street department.
- Supplies he has marked up to \$19,000
- Uniforms were brought down
- Vehicle fuel has dropped
- Travel and schools were removed.
- Electricity the same
- Repair/Maintenance of parks was increased
- Repair/Maintenance of equipment increased
- Repair/Maintenance of vehicles left the same
- Reduced contracted services, because the guys are going to do a lot more in-house.
- No capital outlay

Parks

- Supplies and materials are about the same
- Reduced repair/maintenance grounds from \$5,000 to \$1,500
- Dropped contracted services.

Zoning

- Dropped dues and subscriptions.

Streets went from \$599,000 to \$281,000. A lot of capital outlay came out.

Powell Bill

- Covered installment payment on backhoe
- Put \$50,000 in contracted service
- Put \$3,000 into fund balance.

Mr. Armbrust asked for an explanation of capital outlay. Ollis stated capital outlay is for projects. Basically the \$225,000 was for the sidewalks, beautification and paving. \$225,000 was budgeted and we have spent all but \$50,000 for the paving of Howard Street.

Fire Department

The Fire Department is most effected. He has talked with Geoff and have decided what we want to do to create a department that can stand on its own and can provide the services they need to. It's not just for our safety, but for the citizens.

- Salaries have dropped
- Firemen stipend Chief Tennant has worked really hard on this and wants to see who we can remove.
- Cut firemen pension
- Cut supplies/materials, supplies/medical
- Cut fuel, travel/schools, electricity, postage,
- Cut repair/maintenance buildings & grounds
- Cut repair/maintenance vehicles
- Cut contracted services.
- The admin service charge is \$45,317 for the services done for the fire department. It was in the budget year before last, but not this year, he has added this back.
- Added the installment payment to pay back the general fund.

The fire department already had a hard road ahead of them when he got here. Chief Tennant worked very hard with what he had. They have dropped travel and schools, capital outlay is not represented and installment payments are included. This budget allows for them to put \$20,000 in the fire department fund. They have went from \$383,000 to \$311,000. It was \$480,000 the year before last. We are going to get them back in line. Mayor Peoples asked if we still have the meeting with the Lake Lanier fire, our board, and the fire district. Chief Tennant stated they met with them last week. The Lake Lanier fire board negotiates with Greenville County to see what they are going to give us.

Harmon Field

- Salaries include the two full time and one part time person
- Spent \$1,600 on uniforms and budgeted \$800
- Adjusting supplies
- Electricity spent \$25,000 last year and it was cut to \$20,000 for this year, we are probably going over this year
- Vehicles is about the same.
- Raising up contracted services from last year.
- Inter-fund transfer of \$12,000 for the school loan is being covered.

HF is the only fund that is not currently balanced. He's been conservative on some things. Mayor Peoples asked if TRHC reimbursed us for the electricity. Zach will check on this with Travis.

Tourism

Tourism he just threw in fillers. He will get with them to see what they wish. He will take to their board. They are projecting to get \$19,000.

Water & Distribution

Salaries went from \$63,000 to \$120,000. This is bringing Adrian and Tommy's salary in advance. It looks like the budget is more, but they are paying for it anyway. The fund is healthy. We are behind on our rates based on capital improvement plan, but we will work on that later.

Mayor Peoples stated if people knows what we are thinking, it makes it easier to make changes. Ollis stated the capital improvement plan rates we are paying today are lower than we projected in 2012.

Mayor Peoples asked about the money that was put up for the new meters. Ollis will answer a little later.

- FICA, retirement, 401k went up because of the salary re-allocation.
- Supplies have been increased to \$60,000 to cover putting pipes in the ground.
- Uniforms bumped up
- Fuel same
- Bumped up electricity, talked with guys on saving electricity. We have done the Duke Energy stuff to help improve the cost.
- Meters, registers and equipment fees have been recognized as a revenue and not as an expense, the fees just wash away into the budget.

Mayor Peoples stated the money for meters came in and was expended somewhere else.

- Cut building and grounds
- Cut vehicles
- Cut contracted services by a lot, because we are going to do it ourselves.
- Dues and subscriptions are being cut because they weren't being used.
- Put money into capital outlay for a project. Cut contracted services by \$10,000.
- Salaries went up from \$120,000 to \$142,000 because of cost allocation.

Sewer Plant

The sewer plant went from \$98,000 to \$48,000, because Deborah retired.

- Salaries include Chris and part of Pam and Adrian's salary.
- The department is paying for the admin service charge.
- Supplies and materials have been cut.
- Contracted services have been cut from \$57,000 to \$20,000.

Sewer Collection

He has cut supplies and materials, nothing has really changed.

Contracted services has been uped to cover Deborah and Gary by \$15,000. \$97,000 going back into their fund, listed as depreciation, to put back for the future. Representing the transfers in their proper way helps to save money.

Sanitation

- Salaries went up based on adding Pam.

- Overtime has been upped due to usage rates
- Cut their supplies for fuel
- Cut electricity
- Cut repair maintenance buildings and grounds, vehicles.
- Tipping charges have been increased to cover the actual cost. Brought this up to the \$30,000 that they actually have to pay.

Their budget went from \$224,000 to \$216,000. Haven't cut much, but they are providing the same service.

The totals are broken down by fund at the end of this report. It went from \$4.4 million to \$3.9 million. The only fund not balanced is Harmon Field, off by \$1,500.

We have the exact same number of employees, providing the same services. It's just shows how we are representing them. Chief Arrowood has made cuts. The street has made cuts. There have been cuts across the board. The main concern is the fire department, but he feels that department will be okay.

QUESTIONS

Mr. Armbrust asked about the cut for equipment for Harmon Field. Mr. Ollis stated that Travis did the budget for Harmon Field and he chose to cut equipment. \$5,000 was budgeted last year and he spent \$3,100 and will probably spend \$3,100 this year. It's not necessarily cutting, a lot of line items have been over estimated and some have been under estimated. We're not cutting his budget by \$2,000, it is freeing money up to use other places, like electricity.

Mr. Crowell asked if they have enough in fund balance to purchase a mower. Mr. Ollis stated that they do have a fund balance which is quite low. Not enough to purchase a mower. The town would have to pay for a mower if this one broke down.

The Harmon Field tax is four cents. Considering most of the people that use it don't live in this county. He would love to ask for an increase, but the county will probably say no. Mr. Armbrust suggested that we look at the usage fees. He understands that the entire equestrian area is leased to the Blue Ridge Hunter Jumpers for a year. Mr. Ollis stated that the Harmon Field Board made that decision.

Mr. Crowell stated they need to look at the school roof. The repairs went from \$20,000 to \$40,000 to currently \$100,000.

PUBLIC COMMENTS

Carol Brown stated she feels the way the town is showing the expenses, reflecting them to the correct department is a good way to do things.

Jerry Soderquist asked about water for the cemetery. The other thing he would like to request is to have a survey done of the Masonic Lodge property. Something is going to happen there next year. Mayor Peoples asked if it is not our property can we pay for it. Mr. Ollis stated that he would feel better if the Masonic Lodge was involved. Mr. Soderquist stated there are three organizations working on this. This will be talked about at our next cemetery meeting. His understanding is that the town will cut the cemetery in the new budget. Mr. Ollis stated it will be done in house. Mr. Soderquist stated they have done good work.

Ms. Brown stated the budget is much easier to read without all the transfers. Mr. Ollis stated he feels the auditors will be much happier this year. A man in the audience stated George Alley came to the board and asked for the roof to be done. He made a conscious effort and was rudely pushed to the side and told no. Mr. Crowell stated the Harmon Field Board has to come us to borrow money and they never have.

Mr. Ollis stated he would like to work on the wish list and to prioritize that list. Crowell stated he would love to see sidewalks at the railroad. The sidewalks to the IGA are deteriorating. Mr. Ollis stated we will look at this in FY18-19. The league gives us projections, but he would like to know accurately what the town receives.

Ms. Brown asked if the budget includes the demolition of houses. Mr. Ollis stated last year the budget included \$3,000, but the board is going to task me with finding the number based on how many houses need demolishing. Its \$1,500 per house, until asbestos is found and it increases to \$15,000 a house.

Mr. Ingham stated the problem is the town is asked to keep the lots clean after the demolition and we're not allowed to go on private property. Mr. Crowell stated the yellow house will give us an indication of what the cost will be.

A man in the audience asked what the fund balance is as of today. Mr. Ollis stated it was 13% as of June 30, 2016. This year we will take the 13% and add the sale of the building to it. The percentage is based on the operating expenditures. It is a percentage of \$1.5 million. The state request you have more just in case taxes stop coming in. Mr. Armbrust stated the state requires eight percent, but the state wants it to be thirty something percent.

Mr. Armbrust would like to see \$15,000 in demolition. The board agreed.

Mayor Peoples entertained a motion to adjourn. Mr. Armbrust so moved. The next meeting will be next Thursday at 9:00 a.m. The motion carried unanimously.

J. Alan Peoples, Mayor

Attest:

Susan B. Bell, Town Clerk