

**SECOND BUDGET HEARING
MINUTES**

JUNE 23, 2014

The Public Hearing to review and possibly adopt the proposed combined Budget for General Fund and Water Department, for Fiscal Year July 1, 2014 – June 30, 2015 was opened by Vice-President Joanne Bacon at 7:00 PM on Monday, June 23, 2014.

Council members Present: Joanne Bacon, Vice-President
 Cheryl Workman, Sec./ Treasurer
 Pamela Davis
 Charles Shelton

Others Present: Terry Truitt, Town Administrator
 Chief William Dudley

Guest: Greg Welch Hazel Smith
 Jerry Smith Louise Campbell
 Velicia Melson Bernard Lynch
 Janet Hearn Kathy Murray
 Robert Murray Edward Ash
 Marty Presley Toni Presley
 Russell Davenport Albert Franklin
 Dorsey Dear, Jr. Mary Beth Dear
 Kenny Lynch

Vice-Pres. Joanne Bacon read aloud the posted agenda. She called on those in attendance for comments.

Marty Presley noted according to the budget figures \$62,000 has been allocated for a pension and the idea is to join the State defined benefit plan. He questioned if any other type of plan was being considered? He outlined a defined benefit plan for those present. He noted this is a tremendous amount of money to be allocated all at one time and will be a tremendous amount of money to be allocated for 10,15, 20 years going forward. He added existing and new hires will be eligible to join causing even higher cost to the Town. He outlined the statistics for the State pension plan as being 40% underfunded. Joanne Bacon noted that nothing has been voted on as a pension plan or to even have a pension plan yet. Marty Presley noted it was projected as “proposed”.

Joanne Bacon replied yes. Mary Presley questioned the outline of the number of years as being three (3) to mean two (2) going back and the current year? Joanne Bacon called on Chief Dudley to clarify the budgeted line item.

Chief William Dudley replied that the proposed budget reflects three (3) years back for years of service with the current year going forward. He noted the three years was derived from the hire date of the new officer to be competitive with surrounding Towns and to follow through with what had been discussed at the time of hiring. He stated the first step was to create a line item showing the monies had been allocated. He added that to discuss any type of pension other than the allocation would be “putting the cart before the horse” as no set plan has been voted on. He added that he had built into his department’s budget a line item showing the projection for a pension plan.

Kathy Murray noted she wished to address the ethical process of the budget. She noted in looking at what was handed out at the June 1st meeting as well as what has been published in the newspapers. She outlined the term “padding” the budget and its official GAAP (General Accepted Accounting Principles) term. She read aloud the definition. She accused the members of Council that they have not demonstrated that they are being fiscally responsible or monitoring the actuals to budget. She called on each member of Council to explain an individual line item of the budget. The Council stated for the most part they understood the various line items. Kathy Murray stated that if she were to ask a specific question about the budget could they answer it? She called for a yes or no reply. She called on Pam Davis first. Pam Davis replied not all of the accounts to the fullest extent. Kathy Murray then called on Cheryl Workman. Cheryl Workman replied yes for the most part but would answer all questions once she had the opportunity to research the question. Kathy Murray stated no that they were getting ready to adopt a budget that they none had answers to tonight. Kathy Murray called on her for the part she could not answer. Cheryl Workman asked which line item she was referring to. Kathy Murray called for a breakdown of line item (6009) consultant fees and why they were over budget. Verbal arguing pursued between the two. Cheryl Workman refused to answer. Kathy Murray then called on Joanne Bacon. Joanne replied no not all of them... Cheryl Workman called on Kathy Murray to give Joanne Bacon an account line item since she appeared to only be badgering the other members of council. Kathy Murray called on Joanne Bacon to outline account for health care as being over budget and also for wages and what was the amount of over time for this year? Joanne Bacon replied the Town had hired a part time clerk and could not answer what the over-time hours were for this year. Kathy Murray then called on Charles Shelton to outline the line item for Town Equipment in the amount of \$5,000 and the Town has spent through May \$32,946?. Charles Shelton replied no. She stated that she thinks the Town Council has demonstrated that they are not being responsible and noted the ear marked account for training as being an example of being padded with no intention of spending. She then remarked about the cost of health care expense as being 100% with no other business offering this.

Robert Murray noted the Fire Company has a printout of each line item budgeted and noted the members as a group review it. He stated each Council member should do the same to be involved and not on one individual.

Edward Ash questioned if the Justice of the Peace Court was renewing their lease (with the Town). Joanne Bacon replied that there was no word yet on their possible renewal.

Janet Hearn questioned why the Court was potentially leaving the Town. Chief Dudley noted it was more of an effort to centralize everything to Georgetown. He added that J.P.Ct.1 handles a large amount of truancy and each Town Police Dept. has a call of the calendar during the month.

Mary Presley questioned the Council as to what plan of action would be taken toward a pension? Joanne Bacon replied the first step would be to approve the budget then hold a special meeting for the discussion of a pension before proceeding further.

Jerry Smith noted the money being allocated toward a Town pension plan would be better served to the Town as a whole and not just 3-4 employees. He noted the employees of the Town knew coming in that the Town did not have a pension and seem to not be satisfied with the benefits they have.

Bernard Lynch noted that if the Town Employees don't like it here...leave.

Russell Davenport stated that if you go to work for a company and they start a pension they don't start three years back you just go forward from day one. He questioned how you can go back three years when there never was a pension in place before.

Jerry Smith suggested the Council strike the three years from the proposed budgeted line item for a pension. Joanne Bacon stated she was unsure the Council would be voting to adopt the proposed budget given she herself has several questions which she would like answered before voting on. Joanne Bacon called on Terry Truitt for clarification of the process. Terry Truitt replied you would call for a motion from the members of Council.

Robert Murray suggested that the Town Council get a comparison of the surrounding Towns done to see what benefits they have.

Albert Franklin noted he has a pension and has seen a small increase in his plus he pays for his own health insurance.

Robert & Kathy Murray both discussed variables with the prior year's financial reports and the figures reflected as a loss. Terry Truitt noted they were using a small part of the financial report (2 pages) to formulate the year end amounts. She noted the bottom remarks shown on the two pages they have used state "the accompanying documents are an integral part of the financial statements.

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Kenny Lynch questioned if the Town has considered what would happen if the grants the Town receives currently were no longer available? No answer was given.

Bernard Lynch noted the road condition on Reed Street as being bad.

Russell Davenport questioned what line item #7001 was. Joanne Bacon called on Terry Truitt to confirm it was for Artesian's services to oversee the water plant operations.

Joanne Bacon noted she will not be making a motion to approve the budget because she feels it should be re-visited. She noted it does have to be approved by July 31st.

Jerry Smith thanked the members of Council for taking the time to listen to their concerns.

Cheryl Workman made a motion to approve the budget as submitted. Charles Shelton noted he preferred to re-visit the line items before voting. Pamela Davis noted she feels it needs further explanation. Motion was not passed.

Kathy Murray thanked the Council for looking out for the best interest of the Town.

Charles Shelton noted he has been on the Council to represent the people and does not like having one another bashing one another. He suggested the residents bring it to the members and if they don't have the answers they will work together to get the answers.

There being no further business, the Public Hearing was adjourned by motion of Cheryl Workman with a 2nd by Pamela Davis at 8:27 PM. Motion was unanimous.

Respectfully submitted,

Terry H. Truitt
Town Administrator