

Town of Hertford

Work Session/Budget Meeting (In Person/Zoom)

Monday, May 23, 2022 – 6:00 p.m.

Horace Reid Community Center, 305 W Grubb Street

The Council of the Town of Hertford held a Work Session Meeting at the Horace Reid Community Center (also by Zoom) on Monday, May 23, 2022, at 6:00 pm.

COUNCIL MEMBERS PRESENT

Earnell Brown, Mayor

Connie Brothers

Ashley Hodges, Mayor Pro Tem

Jerry Mimlitsch

Sandra Anderson

STAFF PRESENT

Janice McKenzie Cole, Interim Town Manager

Ashley Eure, Account Specialist

Gina Durante, Town Clerk

A quorum was present.

Mayor Brown called the meeting to order. Councilman Mimlitsch led the invocation which was followed by the pledge of allegiance.

APPROVAL OF AGENDA

Mayor Brown asked for a motion to make two revisions on the agenda. Remove the Budget Amendments and add the Memorial Day Ordinance for Road Closure. A motion was made by Councilman Mimlitsch and seconded by Mayor Pro Tem Hodges to approve the agenda. The motion was approved unanimously with the following voice vote:

Councilwoman Brothers aye

Mayor Pro Tem Hodges aye

Councilman Mimlitsch aye

Councilwoman Anderson aye

Mayor Brown aye

CONTINUED BUSINESS

NONE

NEW BUSINESS

ORDINANCE DECLARING ROAD CLOSURES FOR MEMORIAL DAY OBSERVANCE

Councilwoman Brothers made a motion to accept the road closure ordinance on May 30, 2022, and Mayor Pro Tem Hodges seconded. The motion was passed unanimously 5-0 with the following voice vote:

Councilwoman Brothers aye

Mayor Pro Tem Hodges aye

Councilman Mimplitsch aye

Councilwoman Anderson aye

Mayor Brown aye

BUDGET PREPARATION

Mayor Brown asked Manager Cole to present the budget preparation for discussion purpose only. Account Specialist Ashley Eure assisted in the presentation to Council. Manager Cole first introduced our summer intern, Riley Jakob from East Carolina University. Riley will be interning with us for two months, and his internship will be primarily virtual.

Electric Enterprise Fund: Some of the requests Public Works made for FY 2022-23 budget are going to be satisfied by the current budget. The excavator and generators will be purchased now as prices continue to rise. Revenues were budgeted based on pulling actual bills and reviewing past year trends.

Electric Expenditures: A large portion of the current budget for Capital Improvement has not been used or encumbered for other expenses. That balance will be used to acquire generators and needed replacement parts. Salaries are still being worked because in the past the formula used did not accurately depict how employees' salaries are divided amongst departments based on a percentage of time worked in different departments. That number can be flexible. Electric does account for about 30% of the total Public Works salary. The new budget will more accurately reflect the Salary budget of employees for each department. COLA have not been added yet. They are working to track encumbered expenses for items ordered or services that have not been billed and using Purchase Orders as a means of tracking expenses and keeping up to date. Some requested amounts were adjusted based on the current year's actual usage. Items being restocked with the current year's budget were also decreased in the recommended budget for next year. Based on current year's usage, the Utilities request was cut in half and Maintenance and Repair and Vehicle expenses were also reduced. Materials and Supplies request was reduced because some of the restocking is now underway with the current budget. It is being recommended that Electric Department Capital Improvements current budget be used for the next grid of smart meters, generator upgrades, poll replacements, the mini-excavator and part of the costs of the

F250s and snowplow. This recommendation is the reasoning for lowering the Capital Improvements budget for the upcoming year compared to what Public Works requested. Contingency/Debt Services has been budgeted for \$40K.

Water/Wastewater Enterprise Fund: The budgeted revenue for FY 2022-23 is an actual.

Water Expenditures: Training budget request is recommended for staff to get more training and their certifications. The biggest adjustment in their budget is in Operating Expenses because chemical prices are going up, so more budget is being recommended under Operating Expenses. The Maintenance and Repair request was brought down significantly based on the current year expenditures in that category. Likewise, the Materials and Supplies request was reduced based on the current expenditures in that area. Significant decreases were recommended in Capital Improvements, Capital Outlay and Equipment Not Capital compared to Public Works requests for next fiscal year. Public Works is being told to do those things with this year's budget. Nothing has been put in Contingency yet. Part of the reduction in the recommended budget is in salaries, as mentioned before, salaries are divided amongst different departments. The Water Loan is going to be looked into as there is a significant variance between the requested and recommended amounts.

Wastewater Collection Expenditures: Less was recommended than requested under Operating Expenses. Funds were added to the requested amount for Training. Materials and Supplies request was cut significantly based on current budget expenditures. Salaries seem to have increased and that calculation will be rechecked. In the current budget, Contingency/Debt Service has incurred no expenses and if not spent, the amended amount of \$70,716 will go into the Enterprise Fund. It is being suggested that those funds be used this year on equipment that is included in the FY 2022-23 requests.

Wastewater Treatment: Although not requested, funds were put into Professional Services for certification, meter testing, tree trimming and offsite unit testing for calibration. There was discussion regarding the significant cut in Utilities budget. That will be further researched. It was noted that the budget does not recommend funds to improve the condition of the Water Building under Capital Outlay. Ashley Eure has been onsite and taken pictures of the building inside and outside and will share those with Council. There was discussion regarding the poor condition of the building, relocation of the office and renovations which would require personnel relocation during the process. Until Council decides what option is best, required funding is unknown. Different options were discussed.

ACTION ITEM: Research the cut in Utilities budget FY 2022-23 compared to actual usage in current year.

ACTION ITEM: A determination needs to be made for the future of the Wastewater Management building. There are safety issues that cannot be overlooked. Options include relocating these operations to another building or repairing the current building's deficiencies. Staff would need to have temporary

residence in another space during the repair period. Either relocation would include moving the control panel with the staff.

Planning/Main Street: A staff position was included in the budget for an interim Town Manager as Manager Cole may not continue long-term. This position would overlap with Manager Cole and the person would be familiar with the operations of the town. Most of the Department requests are equal to the Manager recommended. Materials and Supplies have been recommended to be funded at \$12,000 and Miscellaneous Expenses were recommended to be reduced to \$500. Demolition was increased from the current year \$40,000 to \$50,000 for next fiscal year. The current Grant Match/Contingency budget will probably be a surplus this year so the recommended \$50,000 next year will be needed.

Cemetery: The Cemetery revenue is \$10,000 and the expenditures are \$50,000, therefore operating at a loss. Money is being taken from the General Fund to cover the cemetery costs.

ACTION ITEM: Look into what Edenton and Elizabeth City are charging for plots. Charge residents and non-residents the same amount for plots. Costs should be slowly increased over a period of time so that the cemetery is eventually operating in the black and not at a loss.

Non-Department: Included is the donation requests from Perquimans Art League, Perquimans Tourism and Perquimans Chamber of Commerce, each in the amount of \$2,000. Each organization submitted a written request to Council.

Support: There is no request and no recommendation for budget. Council could put the current budget year unencumbered funds into the General Fund.

Sanitation: Department request and Manager recommendation is the same figure as the current year.

Street Expenditures: Additional funds have been recommended in Operating Expenses for town cleanup, property maintenance and Highway 17 maintenance. Other Manager recommendations are based on usage in the current year. There are current year capital improvements that are scheduled to be completed in June 2022. There is funding in Capital Outlay for the purchase of a new truck, F750, that will have many capabilities and uses. Repairs at the landfill resulted in a lower recommendation on their budget.

Fire: Based on their current actual usage, Maintenance and Repair budget is being recommended at \$8,000. The most significant difference in Department requests and recommendations is in the Capital Outlay/Equipment line item. The Department has an estimate of \$17,963 for updates to their 44-year-old kitchen and that estimate includes cost of labor. As per Manager Cole's previous suggestion to appoint a technician of

various skills and handyman capabilities, the labor can be performed by that technician. Manager recommends \$5,000 in Capital Outlays/Equipment to pay for materials such as cabinetry and backdoor.

ACTION ITEM: Inventory and cost of materials for fire department kitchen refurbishment to be confirmed for budget.

Law Enforcement: No changes from the current year. Department request and Manager recommendation is the same figure as the current year.

Administration: Increase in some line items is due to restructuring expenditures to the precise line item they should be assigned. Previously, some expenditures were subsidized by multiple departments and/or line items, whereas the new restructure tracks expenses more accurately. There has been turnover in the finance department that caused the prior inconsistencies. Current year actuals and projections were the guidelines in adjusting and maintaining budgeted line items.

General Fund: Manager Cole reviewed the General Fund detailing the Town's sources of revenue. The budget is not yet balanced, and the approved budget is due June 1, 2022.

MANAGER'S REPORT

HOMETOWN HEROES VISIT

Manager Cole is working to schedule a Hometown Heroes visit with Council where representatives from different state agencies visit with our team. She has requested a visit from the Department of Transportation. The tentative June 6th visit is being rescheduled due to scheduling conflicts.

COUNCIL REPORTS/CONCERNS

Councilwoman Brothers was invited by Perquimans County High School to serve on the panel for senior projects. She had the opportunity to view their presentations as they prepare for their June 10th graduation ceremony. The high school has requested more interaction with Mayor Brown in the next school year. Thursday, May 26th, A.R. Chesson will be at the Masonic Lodge to put in their bid for the restoration of the lodge. Reminder of the Juneteenth Celebration on June 18th and the community cleanup day on June 4th.

Mayor Pro Tem Hodges has been working with Manager Cole on finance matters. He has concerns about the electric work around the new S-Bridge. In a state presentation to the town, town was advised that state is committed to burying our overhead lines at the bridge. There seems to be a dispute over what their intentions are or how much they intend to bury from the area torn up for the new bridge. The lines that have been torn up go to a pumping station. We have recently had work done by H-CAT with a Resiliency Study which included looking at the resiliency of the wastewater system. Burying the power lines all the way to the pump station is the right thing to do because if power is ever lost to that pump station, north Hertford will have a septic backflow issue. We need

clarification from the DOT as the Town Electric Department has already advised us that the cost of burying lines is 3x that of keeping them on poles overhead. Mayor Pro Tem Hodges thanked Manager Cole and Account Specialist Ashley Eure for their work on budget preparation. The restructuring of the budget is based on actuals and the final product will identify and track expenditures more accurately. Perquimans County High School Baseball Team won Friday night and are playing Tuesday, May 24th. The new grandstands made it a cooler and more enjoyable experience watching the game in the hot weather.

Councilman Mimplitsch welcomed Councilwoman Anderson back. He commended the presentation of the budget and the format in which it has been given to Council for review. A live band has been booked for the kickoff of the Indian Summer Festival, September 9th. The Sheriff's Department is having a raffle to refurbish their dilapidated shooting range in Winfall.

Councilwoman Anderson stated that she is very happy to be back to the meetings in person. There continues to be lots of interest from vendors for the Saturday Morning Live Flea Market. The goal is 25 vendors, and we are halfway there. Vendors are being screened so there is variety of products. She is also making vendors aware of opportunities to participate in the Juneteenth Celebration and the Indian Summer Festival. The newspaper has contacted Councilwoman Anderson about the flea market and is going to run an article on it.

There was discussion regarding renting a billboard on the US 17 to advertise the many upcoming events in Hertford: SML Flea Market, Slam It or Jam It Fundraiser, Juneteenth Celebration, Friday Night Strolls, Toast of the Perquimans, Halloween trick-or-treating downtown for kids, Grand Illumination, etc... Research needs to be done regarding costs, multiple event advertisement, changing posts, etc.

Mayor Brown stated that although it's been a long meeting, as the officiator it's been productive and enjoyable. Mayor Brown will be addressing sidewalk width and eminent domain with Representative Goodwin and the work with the DOT. She is getting calls from elderly citizens, 95+ years old, who would like to participate in the new S-bridge ribbon cutting. The date of the reopening is not confirmed, so we are unable to schedule that ribbon cutting celebration yet. The Perquimans Chamber of Commerce is still in their modernizing process. Several individuals have been nominated to serve on their nine-person board and the Executive Committee will come from that nine. The Chamber's fundraising golf tournament is in June, and they are looking for volunteers. The American Legion will be hosting the Memorial Day ceremony on Monday, May 30th at 11AM on the courthouse lawn and Mayor Brown will be placing the Hertford wreath. There was discussion at the beginning of the year to have a quarterly meeting with the County and Mayor Brown is working on the agenda. Reminder of the Seeds of Success basketball tournament fundraiser on June 11th from 10AM-5PM. There will be a raffle, food, music, and activities.

ANNOUNCEMENTS

NONE

A motion was made by Councilman Mimplitsch to adjourn the meeting and was seconded by Councilwoman Brothers. The motion passed unanimously with the following voice vote:

Councilwoman Brothers aye

Mayor Pro Tem Hodges aye

Councilman Mimplitsch aye

Councilwoman Anderson aye

Mayor Brown aye

The meeting adjourned at 8:36 p.m.