

**TOWN OF GARLAND
BUDGET PLANNING SESSION #2
OF THE BOARD OF COMMISSIONERS
THURSDAY, JUNE 12, 2014
6:30PM**

The budget planning session of the Board of Commissioners of the Town of Garland was held at the Garland Town Hall in Garland, N.C. on Thursday, June 12, 2014 at 6:30pm.

The following members of the Board of Commissioners were present:

Ralph Smith
Carolyn Melvin
Denise Toler
S.J. Smith
Haywood Johnson

Also present was Mrs. Sylvia Chestnutt of the *Sampson Weekly*.

ADMINISTRATIVE

Mayor Winifred Murphy called the meeting to order at 6:30pm and welcomed everyone in attendance. Deputy Town Clerk, Jennifer Richardson was present serving as clerk recording notes for the meeting minutes.

QUORUM

Mayor Murphy and Deputy Clerk Jennifer Richardson established that there was a quorum present.

APPROVAL OF AGENDA

Mayor Murphy asked the members of the Board to review the presented agenda for consideration of approval. Mayor Pro-Tem Haywood Johnson made a motion to accept the agenda as presented. The motion was seconded by Commissioner S.J. Smith. There was no further discussion and the motion carried.

COMMENTS FROM MAYOR MURPHY

Mayor Murphy thanked the board for coming out to work on the current year's budget. She informed the board that the budget has not been finalized due to the need to research the tax collection portion of the budget. In addition, the 2012-2013 audit has not been completed to establish the estimated tax revenue. She also informed the board that she has spoken with the LGC and they informed her that an interim budget could be submitted in the event that the June 30, 2014 deadline is not met. Amendments could be made if needed to modify the budget if necessary. Mayor Murphy informed the board that the information we are basing our decisions on to work on the budget may not be accurate since the audit has not been completed. Mayor Murphy is also researching the unemployment tax insurance that is to be collected on a quarterly basis effective July 1, 2013. She also informed the LGC that the Finance Officer, Jennifer Gray would be leaving on June 19, 2014. The LGC informed her that the board would need to appoint an Acting Finance officer.

BUDGET DISCUSSION

Mayor Murphy provided the board with a current budget vs. actual. She addressed the board about some budget amendments that needed to be made for the current year's budget in the 30 fund. The board was also made aware of how approximately \$220.00 has been posted to the ten Fund and should have been posted to the 30 fund for item 30-335-00, Miscellaneous Revenue. This line item would consist of returned checks. Jennifer Richardson made comments that leaving the line item at \$500 would be fine. She also went over the budget versus actual report. Mayor Murphy explained the revenues and expenses to be addressed this coming budget year. Mayor Murphy went over the current year's budget line by line and discussed each account.

Scott Bridgers, the town's CPA, has informed Mayor Murphy that the FMS software will cost up to \$15,000. Instead of putting this in the ten fund, 80% of the \$15,000.00 (\$12,000.00) could be put in the 30 fund since we are using it for water/sewer. So only \$3,000 would go to the 10 fund and the \$12,000.00 would be an increase on the revenue side of the budget and a decrease on the expenditure side so that both funds can be balanced.

They also discussed the following:

Increase in Revenues

30-371-01 SEWER/CHG FOR UTILITIE	\$135,000.00
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30-372-00 PENALTIES AND INTEREST	\$8,000.00
30-373-00 TAPS AND CONNECTION FEES	\$800.00
30-375-00 RECONNECTION FEES	\$3,500.00

Mayor Murphy informed the board of adding a line item in the 30 fund for our Water Meter Project for the loan proceeds of \$14,500.00 for a 20 year loan. This would also be put under line item 30-660-00(DEBT SERVICES) for \$14, 500.00 under expenditures.

Decrease in Expenditures to cover	
30-810-13 UTILITIES/WATER	\$8,450.00
30-810-20 PROFESSIONAL SRVCS	\$6,800.00
30-810-34 TESTING/WATER	\$500.00
30-810-73 CAPITAL OUTLAY/IMPROVM	\$10,000.00
30-810-75 CAPITAL RESERVE/SEWER	\$23,167.29

The above changes would bring the total water fund balance to \$289,300.00:

The board also discussed the 40 fund would remain the same while there would be a decrease for the 10 fund for the following accounts: due to the privilege license laws that were updated limiting taxes to those businesses that are physically located in the city.

Decrease in General Fund	
10-325-00 PRIVILEGE LICENSE	\$1,500

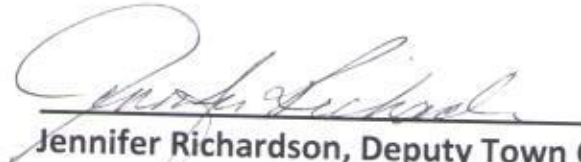
In reviewing the 50 fund, Mayor Murphy informed the board that this will remain the same for the time being. There were some Amendments have been approved and we would need to be make those changes so that they could match the NC STEP Financial Report.

In reviewing the budget from last year, Mayor Murphy made reference to the total rate that was inaccurate on last year's budget. The correct information is as follows: Such rates are based on an estimated valuation of \$25,615,362.00 with a 100% rate of collection. The rate of collection cannot be determined until we review the audit for 2012-2013. Mayor Murphy updated the board on Real Estate taxes for collected and uncollected amounts. Mayor Murphy made reference to parks and recreation allocation that is to expire at the end of the month if not used. Anything items that need to be ordered or purchased will need to take place in the next few days so that money is not lost. Brief discussion was held on how Mayor Pro-Tem Johnson will get with Commissioner S.J. Smith and Carolyn Melvin on the figures for the equipment and dirt for

softball. In closing, the board agreed to meet again for a Budget Session and Special Meeting on June 17, 2014 at 4:30PM.


ADJOURNMENT

Mayor Pro-Tem Haywood Johnson made a motion to adjourn. The motion was seconded by Commissioner Ralph Smith. There was no further discussion and the motion carried unanimously. The meeting was adjourned at 7:21pm.


Jennifer Richardson, Deputy Town Clerk

Board Approved
6/30/14

APPROVED:


Winifred Hill Murphy, Mayor