

**BUDGET WORKSHOP MEETING MINUTES**  
**JANUARY 9, 2012 - 6:00 P.M.**

A budget workshop was held on January 9, 2012 at 6:00 p.m. in the conference room of the Village Hall. Present at the meeting were Mayor Billy McHone, Mayor Pro Tem Myron Marion, Councilor Mark Baker, Councilor Robin Beck, Councilor Lori Shore-Smith, and Administrator Dan Corder. No members of the public or press attended. Total attendance was 6.

Mayor McHone called the meeting to order and then turned the meeting over to Councilor Mark Baker. Councilor Baker delivered a presentation regarding his research on elements that would be necessary if the Village wished to consider performing garbage and recycling services rather than contracting them. There was significant discussion regarding the cost elements involved by all Council members. It was agreed that if the Village did wish to pursue this in the future that equipment purchased would have to be automated to reduce labor costs and route time and that it would be advisable that Village personnel be utilized so control could be maintained. It would also have to deliver clear cut cost savings as compared to private contracting. It is important to keep all options open in regards to supplying the best service available for the least cost to our taxpayers. However, significant capital investments would be necessary in trucks, roll carts, cart and truck maintenance, fuel costs, labor, backup pickup contracts, etc. The Village also does not possess facilities for storage or maintenance. There would not be a clear cut guarantee of cost savings as compared to current cost. A document was then reviewed comparing the cost of the current garbage contract with the costs of King, Walkertown, Rural Hall, Bethania, and unincorporated Forsyth County and it was found that the Kiser contract with Tobaccoville was the least expensive of all of them while delivering excellent customer service. The Village should therefore short term seek the most responsible and cost effective contract possible and continue to keep all options open in regards to this service as performing the services in house may be an option if costs continue to rise.

Administrator Corder then updated the Council by delivering spreadsheets showing the actual costs and revenues for the previous two budget cycles as well as current budget information. At the next budget meeting the document will reflect how the Village will finish the current year in regards to revenues and expenditures. The Council will go through a series of workshops during the next few months culminating with a presentation to Council in the May Council meeting. Thereafter, the Council will probably set a date for a public hearing in June and adopt a budget prior to the first of July, 2012.

Other discussion took place as follows:

1. Councilor Beck suggested that the formerly budgeted annexation study should be reconsidered. This study was not done in prior years due to the legislature changing the qualifying characteristics for involuntary annexation. It would be advisable to consider studying the effects of annexation of the donut holes to

determine the effect on the Village tax base and services. A study was previously priced with the COG, and a quote will be sought again for this study.

2. Land Use Plan needs to be updated. City/County Planning can coordinate this. We need to communicate with them in order to schedule this.
3. Quotes to either repair or replace some of our playground equipment need to be obtained.
4. Minor building repair in our park and recreation areas are being considered. If any items are outside normal budgeted funds for these categories, individual items will be broken out and considered.
5. Powell Bill Allocation Rules have changed allowing Council to request that the Village be allowed to accumulate distributions for 20 years, versus 10 years. If Council authorizes this measure then the Powell Bill balance cannot exceed the sum of the distributions for the last 20 years. This will enable the Council to plan for road projects and more effectively have fund balance available should the need arise for a major project. Normal road repair will continue on Village owned streets.
6. Administrator Corder advised the Council that the Village has a very healthy fund balance in its general fund and that even during the down economy still managed to add more than \$50,000 to its general fund by effective cost control. We are in no danger of any tax increase for the current budget year. A good use of fund balance would be to consider paying down the debt on the existing loan on the Village Hall for which \$300,000 is still owed on the original note as of 6/1/2012. While interest rates for the loan are 3.95%, the Village deposits are not making this and we could save money by utilizing existing fund balance to get out of debt gradually.
7. It would be advisable to consider a donation to the Services Fund in order to build up this balance should the Village wish to invest in capital expenditures for service provision. This would enable us to save for the possibility of providing our own garbage service should it become more cost effective to deliver it ourselves rather than contracting.

A motion to adjourn was made by Councilor Beck and seconded by Councilor Lori Shore-Smith. All were in favor of adjournment. The meeting adjourned at 8:00 p.m.

Minutes Prepared By:

Dan Corder, Administrator