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Town of Lake Lure

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MINUTES OF THE RECESSED SPECIAL BUDGET WORKSHOP MEETING OF THE LAKE LURE TOWN COUNCIL HELD THURSDAY, MAY 28, 1998, 9:30 A. M. AT THE LAKE LURE MUNICIPAL CENTER

PRESENT: Mayor Jack Powell
Commissioner Gene Sheffield
Commissioner Jack Stanier

John R. Strutner, Town Manager
Sam A. Karr, Finance Director

ABSENT: Commissioner Carolyn Cobb
Commissioner Beth Rose

CALL TO ORDER

Mayor Powell called the meeting to order at 9:30 a.m.

INVOCATION

Town Manager Strutner gave the invocation.

DISCUSSION ON PRELIMINARY BUDGET ITEMS FOR FISCAL YEAR 1998-1999

Town Council reviewed the final revisions made by Finance Director to the proposed budget for Fiscal Year 1998-1999.

Mayor Powell asked for a clarification from Town Manager Strutner regarding a motion previously made at the May 21, 1998 Budget Workshop meeting approving a one-time incentive of an extra 2% salary increase for William Grimes. Mayor Powell asked Mr. Strutner if the 2% salary increase would be given based on Mr. Grimes's entire salary or based on 2% of a portion applicable out of salaries in the sewer fund? Mr. Strutner said that Mr. Grimes's 2% salary increase would be based on the portion of Mr. Grimes's salary being paid out of salaries in the sewer fund. Strutner also stated that he had recommended Mr. Grimes to receive a 2% increase because of increased duties in the sewer department.

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Powell questioned Mr. Strutner about a potential penalty fine that might be assessed out of the sewer fund. After discussion, Commissioner Sheffield moved, seconded by Commissioner Stanier, to establish a sewer fund contingency line item for expenditures in the amount of \$6,000. The vote of approval was unanimous.

Mayor Powell talked about the need for a Capital Reserve Fund for silt removal. He said that Town Council made a motion last year to establish a Capital Reserve Fund for silt removal and to transfer \$100,000 per year.

Finance Director Karr stated that the Town needs to establish a Capital Reserve Fund for silt removal.

Mayor Powell recommended that Town Council adopt a Capital Reserve Fund at the next regular Town meeting on June 16, 1998 and set forth the intent regarding transfers, goals, and objectives. Town Manager Strutner suggested adopting the Capital Reserve Fund in the form of an ordinance.

After discussion, it was the consensus of Town Council to budget \$100,000 in the Capital Reserve Fund for silt removal.

Town Manager Strutner presented Council members with a copy of a recommended water rate schedule (revised to reflect rate increases effective as of July 1, 1998) from the Water Billing Clerk Anita Taylor. After review, it was the consensus of Town Council to approve the following recommended rate schedule as submitted by Water Billing Clerk.

**RECOMMENDED RATE INCREASE, PER WATER BILLING CLERK
EFFECTIVE JULY 1, 1998**

<u>Classification</u>	<u>Inside Water Rates</u>	<u>Outside Water Rates</u>
Rate Schedule (per 1,000 gallons):		
Basic Service - Residential	\$25.00	\$50.00
Basic Service - Commercial	\$33.00	\$66.00
All Users - 0-5,000 gallons	\$ 2.75	\$ 5.50
All Users - 0-20,000 gallons	\$ 3.00	\$ 6.00
All Users - Over 20,000 gallons	\$ 3.25	\$ 6.50

Commissioner Sheffield asked for input on an idea of budgeting a COLA as a 3% bonus across the board rather than using the standard procedure currently being used. Mayor Powell explained the purpose of the COLA and he said that this idea would in effect penalize the employees in future years since base wages would not be increased. Town Manager Strutner also discussed the pros/cons of this type of budgeting.

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Mayor Powell asked Council members to give their input on a recommendation to recognize the personnel/volunteers of the Lake Lure Police Department, Hickory Nut Gorge EMS, and Fire Departments (Fairfield Mountains, Bill's Creek, and Chimney Rock) by issuing a pass (July 1, 1998 -- June 30, 1999) providing for two rounds of golf, waiving fees for golf cart, and greens to be used during the week-days only. Council agreed to place this recommendation on the June 16, 1998 town meeting agenda for consideration.

Mayor Powell said that he had received a request from the Finance Subcommittee of the Strategic Steering Planning Committee for a list of town-owned properties. Powell asked that copies be distributed to Anthony Brodfuhrer and Town Council members. Town Manager Strutner said that he would get a copy from the Tax Collector Betty Hinson.

Mayor Powell reviewed his memorandum of May 26, 1998 addressed to Town Council regarding a draft "Proposed Work Program" for fiscal year 1999. (Copy of memorandum attached).

Town Manager Strutner told Council members that he would provide them with a copy of his budget message on Monday, June 1, 1998.

ADJOURN THE MEETING

With no further items of discussion, Commissioner Stanier moved, seconded by Commissioner Sheffield, to adjourn the meeting at 10:50 a.m. The vote of approval was unanimous.

ATTEST:



Mary A. Flack, CMC/AEE
Town Clerk

Mayor Jack Powell