

SPECIAL MEETING
BOARD OF ALDERMEN
TOWN OF WAYNESVILLE
TOWN HALL
MAY 18, 2009
MONDAY, 5:00 P.M.

The Board of Aldermen held a special meeting at 5:00 p.m. on Monday, May 18, 2009. Board Members present were Mayor Gavin Brown, Aldermen Libba Feichter, Gary Caldwell, Wells Greeley and LeRoy Roberson. Also present were Town Manager Lee Galloway, Finance Director Eddie Caldwell and Assistant Town Manager Alison Melnikova.

Mayor Brown called the meeting to order at 5:05 p.m. He noted that the purpose of the meeting was for the Town Board to receive a presentation of the 2009-2010 Town Budget. He called upon the Manager for comments.

Board members received a copy of the budget during the previous week and began reviewing the document. Galloway discussed the 2008-2009 budget, noting revenues or expenditures which were significantly off what had been projected for the year. He discussed the financial challenges the Town had experienced during the recession which spread over most of the 2008-2009 fiscal year. He pointed out that the Town had experienced a significant reduction in revenues in the Sales Taxes, perhaps in the range of \$172,000. Another large shortfall was experienced from interest earnings on investments. Revenues from building permits dropped with a downturn in construction, and the recession is also seen in reduced revenues for water and sewer taps and capacity fees charged for new connections.

Galloway reminded Board members that during the year, the Board, management and department heads worked together to reduce the budget by 3%. As a result of that action, the Town was able to survive the recession more easily than some other local governments. At the end of the year, the General Fund may only use \$130,000 of the \$418,154 allocated from reserves to balance the budget. In the Water Fund, it was necessary to use a sizable appropriation from fund balance due to the replacement of the roof on the water plant and the dramatic increase in the cost of chemicals used in the treatment process. In the Electric Fund, a very small appropriation of \$22,000 may be needed from fund balance and in Sewer Fund, it appears that reserves may not be used at all.

Finance Director Eddie Caldwell suggested that in spite of the recession and reductions in sales taxes and investment income, the Town had a good year financially. The Finance Director then reviewed the budget amendments that will be needed for the different accounts. He explained that there were a few which would be needed in the General and Electric Funds, several in the Water Fund and none in the Sewer Fund. Mr. Caldwell asked that these be considered at the Board meeting of May 26, and Mayor Brown suggested that they be placed on the agenda for that meeting.

After completing the review of the 2008-2009 budget, the Board agreed to meet again on Tuesday, May 19, at 5:00 p.m.

Motion by Alderman Roberson, seconded by Alderman Feichter to recess the Board meeting and reconvene on Tuesday, May 19, at 5:00 p.m. for continued discussion of the 2009-2010 budget proposal. This motion passed unanimously at 7:15 p.m.

A. Lee Galloway
Town Manager

Gavin A. Brown
Mayor