

Special Meeting of the Town Council
June 27, 2011
6:30 pm
Council Chambers

Minutes & General Account

Special meeting of the Town Council, June 27, 2011, Council Chambers, Town Hall

Council Member Present: Mayor Keith Volz, Council Members Thomas, Gray, Ragsdale, Nixon-Roney (arrived late)

Staff Present: Chuck Smith, Judy Gallman, Matthew Johnson, Paul Blanchard and Sharen Apple (acting on behalf of the Town Clerk)

Visitors Present: Vernon & Connie Queen, Doug & Sharon Parrish, Billie & Ken Bayne, Linda Allred, Hazel Howard, Bettie Freeman, Nancy Sherrill, M. Dailey, Jeanne B. Cooke, Barbara Young, Betty Lowdermilk, Rose Gallagher, Darlene Laurie, Richard & Carole Mack, Buddy Mann, Tommy & Karen Walls, Al Munns, Mike Laurie, Laurie Adams, Ken Adams, Judith Cates, Hugh Cates, Rhonda Clark, Donna Vail, Charlie Dye, Brian Swahn, Janet & Paul King, Kevin Bottomley, Lynn Montgomery, Wes Cashwell, Bob & Ingrid Moore, John Capes, Angie Bean, Gene Bridgers, Lorine Hayes, Mike Raybon, Jay Gardner, Mary Ragsdale, Barb Rin, Betty Sarsfield, Patrick Sarsfield, Charles Dowdy, Tom Tervo, Jim & Julia Rayborn, Carol Brooks of the Jamestown News, and Phil Mikles

1. Call to Order – Mayor Volz called the meeting to order.
2. Discussion and approval of the proposed budget ordinance for fiscal year 2011/2012 – Mayor Volz called on Chuck Smith. Smith stated that the proposed rates, the budget and the budget message have been on the Town website for the public to view. A copy of this information has been at the Town Hall as well. These copies included the proposed changes from the June 17, 2011 Special Meeting. No changes have been made to the budget since the June 17th special meeting. Smith stated any motion made this evening will need to include the proposed budget from May 17, the proposed changes from June 17 and then any proposed changes made at this meeting.

Mayor Volz introduced Sharen Apple. Sharen is sitting in for Martha Wolfe, Town Clerk.

Mayor Volz stated this meeting is a continuation from last Tuesday's meeting. The Public Comment period was closed at the last meeting. Mayor Volz stated this year's budget has been very challenging. He highlighted that the fire protection tax has gone up approximately \$36,000.00. The Sheriff's Department increased approximately \$20,000.00. The Town must have the Wrenn Miller Park Project construction commencing within the next 2 – 3- years.

Mayor Volz asked the Council where funds will come from to grant to the YMCA. At present, we have \$25,000.00 budgeted for the YMCA.

Mayor Volz stated this past year has been a rough one for the Golf Course. However, the irrigation replacement is complete. We are hopeful the year ahead will have more play and revenue. Mayor Volz asked Chuck Smith to look at ways to cut cost at the Golf Course and to increase revenue.

Mayor Volz said the annual pass option just past by the Council is showing some interest by the Public. Smith said with the sponsorship policy just past we are excited about additional revenue in the next year of 2012/2013. The Mayor said regarding fund balance, it goes up and down. We do need to have a plan in place to replenish the fund balance.

Mayor Volz said a .01€ tax increase would bring in about \$39,000. in revenue. Mayor Volz asked Council to seriously consider taking funds out of fund balance this year. Also, he directed Smith to come up with a plan to pay funds back to the fund balance.

Council Member Gray said he is not in favor of dipping into fund balance. He knows we need to continue to support our grants. If we have a way to pay back the fund balance, he would consider giving more money to the YMCA. His first thought is to give the YMCA a total grant of \$50,000.00 and \$5,000.00 to the Swing event. Mayor Volz asked if we might consider extending the years of commitment to the YMCA and give a lesser amount to them.

Council Member Ragsdale said he agrees with Council Member Gray we do not want to go into reserves. This is not a great option. But I feel there has been a commitment made to the YMCA and we should uphold that commitment. He is agreeable to taking \$60,000.00 out of reserves and give \$55,000.00 to the YMCA and \$5,000.00 to the Swing. He further suggested hiring an independent consultant to look at operations at the Golf course and give us some suggestions and guidance in creating a cash flow positive at the Golf Course.

Council Member Thomas does not want to obligate this Council or further Councils to an extended period of time for a financial commitment. Council Member Thomas did like the idea of having an independent 3rd party look at the Golf Course and offer recommendations to the Council. Next year, we will have to look at funding the Wrenn-Miller Project and a decrease in Guilford County funding of the Jamestown Library. This means next year we will have to either cuts services or increase taxes. Mayor Volz and Council Member Gray said they were not opposed to securing a consultant to look at the Golf Course to give us suggestions on savings at the Course.

Smith said over the next year, maintenance costs will do gown due to new irrigation. We hope the sponsorship program will bring additional revenue. Smith asked the Council to consider waiting 3 months to hire a consultant. He would like time to see if the new policies and programs implemented at the Golf Course are going to improve revenue. He feels there will be

some real positive changes. He said the staff at the Golf Course are very loyal and are working on ways to cut costs.

Council Member Ragsdale said he feels we should bring a consultant in to talk to the Council to give bids on doing a study of the Golf Course.

Council Member Nixon-Roney said the sales tax has declined. The tax will drop from 8% to 6% in July 1, 2011. Mayor Volz asked Chuck Smith again to find a way to get fund balance up and reduce expenses at the Golf Course.

Smith said we took out the \$10,000.00 from the Pro-Shop budget. We feel more cuts to this line item are not advisable.

Council Member Ragsdale thinks we should commit to bringing in a consultant to look at the course to find areas of savings.

Council Member Nixon-Roney said the Golf Course has never been a money-maker. Council Member Gray again suggested \$50,000.00 to the YMCA and \$5,000.00 to the Swing. These funds to be taken from fund balance and add to the money allocated earlier.

Council Member Ragsdale felt we should not cut funding to the YMCA below the amount of \$25,000.00. We should put in the budget \$55,000.00 from fund balance plus additional money from Flowers Bakery. Next year, we will take a hard look at everything. Council Member Thomas is not in favor of replenishing the amount to the Fund Balance by imposing a tax increase at this point. He does not like the percentage ratios of the fund balance. He agrees with Council Member Ragsdale to take \$60,000.00 out of the fund balance with \$55,000.00 of that going to the YMCA and \$5,000.00 going to the Swing Event. This amount is in addition to the previously budgeted amount of \$25,000.00 to the YMCA and \$2,000.00 to the Swing event. Council Member Nixon-Roney stated she has never been in favor of taking money out of fund balance. But if we must, we should give the YMCA an amount that is meaningful.

Council Member Ragsdale made a motion that we dip into the reserve fund and take out \$60,000.00 to give \$55,000.00 to the YMCA and \$5,000.00 to the Jamestown Swing event. Council Member Thomas made a second to the motion. The motion passed by unanimous vote.

Mayor Volz stated with the approval of that motion. The grant to the YMCA is \$80,000.00 and \$7,000.00 to the Swing. The Council charged Smith with the task of determining ways to replenish the fund balance.

Council Member Ragsdale would like for us to make a commitment to bring in a consultant to study the Golf Course. He would like to find out what the cost would be for such a consultant. Mayor Volz asked Smith to look into this; get three (3) bids from consultants.

Chuck Smith said the Council still needs to adopt the proposed budget and budget ordinance. The motion needs to include: The proposed budget from May 17, the changes from June 17, and changes from June 27, 2011 to adopt this budget ordinance.

Council Member Nixon-Roney made a motion that we adopt the budget with the proposed changes made from the May 17 meeting, June 17 changes and June 27, 2011 changes. Council Member Thomas made a second to the motion. On a roll call vote:

Council Member Nixon-Roney voted aye

Council Member Thomas voted aye

Council Member Gray voted aye

Council Member Ragsdale voted aye

The proposed budget and budget ordinance for fiscal year 2011/2012 passed by unanimous vote.

Council Member Thomas made a motion to adjourn. Council Member Nixon-Roney made a second to the motion. The motion passed by unanimous vote.

The meeting ended at 7:15 pm.