

AGENDA

**Personnel/Finance Committee Meeting
Tuesday, February 3, 2015, 10:15 A.M.
Boardroom, 2nd Floor, City Hall**

Committee Members: Chairman Raleigh York Jr., Ron Bratton, Scott Styers

Call to Order

Councilman Raleigh York Jr.

Approval of Minutes

November 10, 2014

- 1. Consideration of General Fund Budget Amendment
NCDENR Grant Proceeds**
- 2. Closed Session - *Personnel***
- 3. Additions/Updates**
- 4. Adjournment**

A quorum of the council may be in attendance and may participate in the discussion, but not vote.

MINUTES

Personnel/Finance Committee Meeting
Monday, November 10, 2014, 5:00 P.M.
Boardroom, 2nd Floor, City Hall

PRESENT: Mayor Joe G. Bennett; Council Members: Ron Bratton; Neal Grimes; Joe Leonard; Joel Pierce; Pat Shelton; Scott Styers; City Manager Kelly Craver; Finance Director Tony Jarrett; Administrative Assistant Pam Galloway; Matt Braswell of Martin Starnes & Associates, CPA's, P.A.; and Barney W. Hill.

Chairman York was out of town, and had arranged that Councilman Scott Styers Chair the meeting in his absence.

Neal Grimes asked that the October minutes be corrected to state the tagline name of the Chair City Multicultural Committee as *CulturalVibe*. A motion was made by Ron Bratton to approve the minutes of October 7, 2014 as amended; Scott Styers seconded the motion.

Councilman Styers deleted Item #3 from the agenda upon Chairman York's request, to be moved to the December agenda.

1. 2013 – 2014 Audit Presentation **Martin Starnes & Associates, CPA's, P.A.**

Matt Braswell, Lead Auditor with the firm, reported an unmodified, clean opinion which means all the numbers in the financial statements are materially correct. There were no findings or questioned costs related to internal controls or compliance over federal and state grants.

Mr. Braswell presented all the facts and figures to committee through his slide show.

The City had an available fund balance of 30.01% and the end of June 2014.

The Water and Sewer Fund showed a net income of \$2.6 million.

There was an increase shown in cash, operating revenues, expenditures and an increase in income in the Water and Sewer Fund.

The Golf Fund lost approximately \$86,000 on cash in cash out basis. There were decreases in operating revenues, a slight increase in expenditures and less money was transferred in than in the prior year, resulting in a net loss higher than the previous year.

Councilman Bratton asked Tony to step forward for some clarification on the Golf Course. He asked Tony how much was actually lost on the course last year; he said according to the numbers it appeared to be more than \$86,000. Tony referred to page 90 in the financial report where a loss of \$86,845 was shown. Right before that, the City of Thomasville put in \$120,743 from the General Fund. He said the answer to Councilman Bratton's question is \$86,845 plus \$120,743 ... that is the genuine operating loss including

debts payments. Without any support from the General Fund, the total operating loss would have been about \$206,000. The course was paid off as of June 30, 2013; this was the first year with no course debt although there was equipment debt of \$63,000.

With the exception of the Golf Course, the City has had an exceptional year. The General Fund turned a major profit. The manager directed all department heads to stop spending when the ice storm hit. We did receive FEMA, we realized about a 3 – 4% gain based on that decision. That helped the fund balance (unassigned) go from 20.67% to 21.92. The goal in our fiscal policy is 20%. We have come a long way and are now back to where we were in 2001, the year prior to the Governor taking funds when the state ran out of money.

The success story of the year is the Tax and Tag Program. The City took in an additional \$321,000 over last year's tax collection. We would have been a little more successful if we had not had a large bankruptcy by a major taxpayer. Our setback of the year has been \$132,000 that so far, has not been paid by Thomasville Furniture Industries due to declaration of bankruptcy. The City does have some funds coming; we are waiting on the finalization of the bankruptcy sale.

Tony concluded by saying, overall it was a very good report. He added that Water and Sewer turned a larger profit because last year for the first time in about five years, usage was up 1.2% and rates were increased 3.5% according to the rate study. Also, we do not have as high a vacancy rate as in the past.

2. Consideration of Installment Financing Bids

Tony stated that the City received on November 5th installment financing quotes for \$431,500 in equipment. That is lower than the budgeted items. We had some residual funds from last year's financing; therefore we used those funds on the equipment that Council has approved. We are down now and will not be borrowing as much – it will be \$431,500 if approved. Tony recommended the rate that was quoted by BB&T at 1.57% for 59 months, with no fees.

Tony said if Council should decide to recommend this it would be a resolution adoption which would give the Mayor authority to sign the contract at closing. We would have a contract to send to the attorney for review and a potential closing of December 1st.

Councilman Bratton made a motion to move this to briefing; Councilman Styers seconded.

3. Additions/Updates

Kelly had no additions or updates.

FEMA - Tony reported that the City received a FEMA claim of \$728,000. As of last week we have now received \$503,000 leaving \$225,000 outstanding.

4. Adjournment

With no further business to come before committee, the meeting was adjourned.

Budget Amendment

To: City Manager
From: Finance Director *TS*
Date: 1/15/2015
Re: 2014-2015 General Fund Budget Amendment

The General Fund Budget needs to be amended to appropriate a grant from the N C Department of Environment and Natural Resources (DENR). The City has been awarded a Diesel Emissions Reduction Grant in the amount of \$45,000. The grant would be used to purchase a Garbage Truck with a cost of \$170,381. The Solid Waste equipment account has a balance of \$9,719. This budget amendment would appropriate the difference by amending the accounts listed below.

GENERAL FUND
 INCREASE REVEUNE

010-0000-322-0509	State Grant	\$ 45,000.00
010-0000-340-0100	Sale of Asset	\$ 10,000.00
010-0000-399-0900	Solid Waste Disposal Tax	\$ 9,350.00
Total		\$ 64,350.00

DECREASE APPROPRIATION

010-5660-532-1200	Postage	\$ 5,000.00
010-5660-532-3000	Printing	\$ 2,000.00
010-5660-532-4500	Purchase for Resale	\$ 1,500.00
010-5660-532-4900	Landfill Tipping Fee	\$ 5,000.00
010-5410-521-0200	Inspection Salary	\$ 32,850.00
010-9010-505-5800	Contingency	\$ 50,000.00
Total		\$ 96,350.00

INCREASE APPROPRIATION

010-5660-534-7400	Solid Waste - Equipment	\$160,700.00
-------------------	-------------------------	--------------



North Carolina Department of Environment and Natural Resources

Pat McCrory
Governor

John E. Skvarla, III
Secretary

December 31, 2014

Daryl Poole
City of Thomasville
P.O. Box 368
Thomasville, NC 27360

Dear Mr. Poole:

I am pleased to inform you that the North Carolina Department of Environment and Natural Resources is awarding your proposed project a 2014 Diesel Emissions Reduction Grant in the amount of \$45,000. We are excited about your project to replace an old refuse truck with a new cleaner burning refuse truck.

Thank you for your interest in reducing emissions in North Carolina. We look forward to working with you on this worthwhile endeavor and receiving reports on the success of this project so that we may learn how to best use future grant monies.

Anne Galamb will be contacting you in the near future in order to begin the State contract process. **Do not start any work on this project until there is a fully executed (signed by representatives of both organizations) contract in place.** We cannot reimburse for work performed or items purchased before a contract is in place. Should you have any questions or need further information, Anne Galamb can be reached at (919) 707-8423 or anne.galamb@ncdenr.gov.

Sincerely,

John E. Skvarla, III

JES/asg

Cc: Sheila Holman