



**Town of Micro
Board of Commissioners
SPECIAL Budget Work Session MINUTES
Thursday, April 18, 2024**

COMMISSIONERS PRESENT:

Marty Parnell, Mayor
Kevin Worley, Mayor Pro Tem
Tim Earp, Commissioner
Katy Garcia, Commissioner

OTHERS PRESENT:

Mr. Worsley, Central Pines COG
Tyler Queen, Central Pines COG
Macon Jones

1. CALL TO ORDER

- Call to Order
- Pledge of Allegiance
- Invocation

Mayor Parnell called the meeting to order at 4:14 p.m. He led everyone in the Pledge and offered the Invocation.

2. NEW BUSINESS

- a. Discussion FY '24-25 Budget
Presenter: Mr. Worsley, Central Pines COG

Mr. Worsley discussed the overall financial condition of the town. He stated he was willing to return for additional discussion is required and it was consensus this needs to occur prior to June 1, 2024. A public hearing regarding the budget will need to be held prior to June 30, 2024.

The following information was provided based on the last three (3) audits:

- Since July 1st, 2021, the General Fund has lost \$40,426.
- Since July 1st, 2021, the Water and Sewer Fund has lost \$81,245.
- All our ARPA money has been spent.

If this trend continues, the General Fund will be depleted by FY '27-'28 and the Water/Sewer Fund will be depleted by FY '26-'27.

It was stated the goal is to break even and not have any emergencies for the remainder of this fiscal year. Mr. Worsley stated he felt confident there are ways to manage the budget and get ahead of any issues.

The following were key discussion points:

- The town will not have a fellow (currently Tyler Queen) for the next fiscal year.

- Commissioner Garcia inquired about the option of limiting more hours to the public, so that future full time and part-time administrative employees could have more hours for planning.
- Mayor brought up that Lenny is planning to retire next year. We should keep him at his regular time for now until Jason gets his certifications.
- Mr. Worsley suggested finding ways to take \$60K off the staff budget and stated removing healthcare might be an option.
- Mayor Pro Tem Worley asked if there were any grants for operational needs, Mr. Worsley was unsure of any that existed.
- Mayor wanted to know where we were at with contracted utility work. Mr. Worsley responded \$7-8K as of a few days ago.
- Mr. Worsley informed the council that the Town of Micro spends close to \$50K per year on repairs and maintenance of water lines. He further stated he has tried to set aside a significant portion of the budget for repairs and to build back the balance.
- Mr. Jones asked if the grant money we were getting from the county for the police department could be used to offset any costs, such as gas, uniforms, etc. Mayor responded that we can't count on that money yet, it is still awaiting approval.

Mr. Worsley presented revenues of the General Fund as follows:

- 97% of tax revenue has been collected, this helped \$8-9K. The most significant revenue is our property tax.
- Mr. Worsley assumes we will need \$1000/month/employee for health care, and if we don't offer it, we will be at a disadvantage in the hiring process.
- We won't be paying for 2 audits next year, so this should drop our budget from \$15k to \$7.5K.
- We did see an increase in our trash collection, (\$1.50) and the town needs to adjust our rates to match.
- Mayor feels confident that once the homes on Main St. are finished, our tax revenue will increase.
- Commissioner Garcia noted that the Community Building could be an additional source of revenue, once operational. Town is looking into fees for an hourly rate of the venue and how that will work with budgeted maintenance and expenses of the building.
- Mayor wanted to know if we could explore selling the Police Department building and the corner lot. He wondered how much that could bring in; or if that is something we are willing to part with, given the prime location. Mr. Worsley pointed out that it doesn't offer us any revenue vacant. Commissioner Earp stated he did not believe we could move the police station to the Public Works office. Mayor Pro Tem Worley agreed with consideration of selling the police department and further he had suggested it a while back. Mayor Pro Tem Worley would also like to look into a part time police officer option, if possible. Commissioner Earp shared concerns about not receiving support from the Sheriff's Department if we had a part time officer in place.
- Mayor wants to know if we can save on election expenses by voting for council in even years. While this might saturate the number of signs in polling places, it might

create greater voter turnout if everyone is already voting. Mr. Worsley thinks this is something to discuss with the County.

- Commissioner Garcia suggested cutting the street Christmas lights, they are worth \$1,200 of the budget plus the labor to hang and remove them.
- Commissioner Earp suggested cutting the inmate service program, though it is not much in the budget, it does take up a significant amount of gas and Lenny's hours to retrieve and return the workers. The council and Mayor seemed in agreement with this.
- Mayor would like to look into the outstanding USDA loans, he believes there are 3 total but was unsure what the 3rd was for.
- Mayor Pro Tem Worley suggested looking at any other equipment that could be sold.

Mr. Worsley stated at this time the Water and Sewer Fund are mostly on track. Mr. Worsley's first option of not raising water rates seems un-feasible, given that Kenly will likely raise rates. In the event Kenly raises rates 6-7%, and we increase 15% we almost break even.

There was discussion regarding raising the trash collection rate by 10%.

It was consensus of council that keeping health insurance cost for employees in the budget was the best option. Mr. Worsley and the Mayor will work to schedule a date in May to continue work/discussion/finalization of the budget.

3. ADJOURNMENT

a. Adjourn the Meeting


With there being nothing further, the meeting was adjourned at 5:45 p.m.

ACTION: Motion to Adjourn

Motion: Commissioner Earp
Second: Commissioner Garcia
Vote: Unanimous

Duly adopted this the 14th day of May 2024 while in regular session.

ATTEST:


Kimberly A. Moffett, CMC, NCCMC
Interim Town Clerk




Marty Parnell
Mayor