

The Maxton Board of Commissioners met in Special Meeting-Budget Hearing with the following members present:

Mayor Lillie McKoy
Mayor ProTem Geraldine McLaurin
Commissioner Gladys Dean
Commissioner Patsy Hamer
Commissioner Ray Oxendine

Absent: Commissioner McLean

Staff present: Town Manager Katrina Tatum, Town Clerk Jacqueline Roberson, Finance Clerk Myra Tyndall, Town Attorney Jessica Locklear and Town Auditor John Masters.

CALL TO ORDER

Mayor Lillie McKoy declared a quorum present and called the June 27, 2007 Special Meeting of the Board of Commissioners to order at 11:00 a.m. Mayor Pro Tem McLaurin gave the invocation.

2005-2006 Audit Report - S. Preston Douglas & Associates

Town Auditor John Masters presented the 2005-2006 Audit report to the Town Council. The financial statements were delayed before being sent in. Ms. Becky Maynor who recently retired as Finance Director of the City of Lumberton was asked to come in and set up a viable set of books for 2006-2007, set up a viable set of records for 2007 and to train personnel. Mr. Masters stated that the cash and investments are in at \$900,000. Capital assets, net of accumulated depreciation is at \$400,000. Structured debt is at \$400,000. General Fund Balance is at \$700,000. Undesignated portion of fund balance is approaching \$400,000. Current year ad valorem tax is about \$530,000. Sales Tax revenue is at \$450,000. Utility Franchise tax revenue is near \$150,000. The Powell Bill revenue was hit hard and is coming back is at about \$90,000. The Sanitation revenue down a few years ago is coming back up and is just past \$250,000. Interest income at about \$25,000 is working it way back up. Water and Sewer revenue is at \$700,000.

Mr. Masters referenced the audit that was sent to the Town Council. The 2005-2006 Audit was received by the Local Government Commissioner on June 5, 2007. Due to the financial information not being at a point to prepare them for submission to the LGC, Ms. Becky Maynor was asked to come in after Ms. Tatum became Interim Manager. Mr. Masters stated that back in 2000/2002 the records at that time were property recorded. Because in recent years there were issues with the recordkeeping, Ms. Maynor has initiated record retention. There were too many bank accounts- that amount is currently being reduced. Accounting related people are being better trained. Referencing the collection rate of 83% of ad valorem taxes, Mr. Masters stated that small towns had similar rates due to adjustments and releases of revaluated property. Collection rate prior to the revaluation was 79% and prior years before that were in the upper 80%. Ms. Tatum responded that a lot of changes have been initiated. Mr. Masters stated that the LGC letter did not address undesignated fund balance. After an inquiry by Commissioner Hamer, Ms. Tatum stated that the tax rate is still at \$.80 because Council did not propose a tax increase. Mr. Masters commented on the packaging of the audit report. Ms. Tatum stated that Mr. Masters has already started the pre-audit work on the 2006-2007 fiscal year. Mr. Masters stated that his staff will be here at the end of this week, the latter part of July and in early August. They are looking to submit the audit by October 31, 2007. Mayor McKoy asked if there were any questions. There were none. Mr. Masters thank the Town of Maxton.

BUDGET HEARING

Mayor McKoy declared the Budget Hearing open and asked if citizens wished to speak. There were no citizens who wished to speak. Commissioner Hamer stated that she had some concerns about the Budget Message to bring before the Board and proceeded to approach the podium. Her concerns were as follows: **1.** Unlike previous years, work percentages have been assigned to employees. Ms. Tatum replied, the percentages are based on accurate work reports received from the supervisors. **2.** What debt is this amortization charged to? Ms. Tatum replied that it pertains to the long-term debt (street sweeper, tractor mower). **3.** What are the sound fiscal and budgetary policies. Ms. Tatum replied, those are assigned by the Local Government Commission and are also state and local government regulated. Ms. Tatum also stated that in the Local Government Commission letter that fiscal management was poor. **4.** On page 7 on the June 25, 2007 Budget Message it states, the 2007-08 Budget, as proposed, will not require an appropriation from the Fund Balance Reserve Account to achieve a balanced budget. Ms. Tatum replied that page 9 of June 27, 2007 Budget Message answers that question. **5.** Have asked this question before on the T-21 Grant for Downtown Beautification Phase II only shows \$16,000 in the budget. Ms. Tatum replied that it is spread out and that was explained in the budget planning session. **6.** On the Water Fund on page 1 on Auditor & Attorney fees, why are there not entries. Ms. Tatum replied that line item was shown twice. **7.** Why did Salary & Wages go up over 50% in Sanitation? Ms. Tatum stated that the amount of Salary & Wages in the Sanitation Fund was determined after meeting with the Public Works and the Sewer supervisors. **Commissioner Oxendine** stated that he thought the water increase of 3% was changed to 1.5%. Ms. Tatum directed him to look further down. It shows what was proposed and then the changes. Commissioner Oxendine stated that the library repairs line item is at \$1,000 recommended. Ms. Tatum reported that line item was reduced to account for work already done. Mayor McKoy asked if there were other questions. There were none. Mayor McKoy closed the budget hearing. Mayor Pro Tem McLaurin asked what were the changes. The salaries and the change in rates from 3% to 1.5%.

FY 2006-2007 Budget Amendments Ordinance

Commissioner Dean motioned to approve FY 2006-2007 Budget Amendments Ordinance. Mayor Pro Tem McLaurin seconded. The vote was unanimous.

FY 2007-2008 Budget Approval

Commissioner Dean motioned to approve the FY 2007-2008 Budget. Commissioner Oxendine seconded. The vote was unanimous.

Other Matters of Interest and Announcements

1. 4th of July Celebration will be held on Saturday, June 30, 2007 from 4:00 p.m. – 9:30 p.m. at Beacham Park.
2. Vonte Leach Foundation – Dinner on Friday night \$50.00 Adults/\$10.00 per child. Sports Camp will be held on Saturday, June 30, 2007 for youth ages 9 – 18 years of age. They are still accepting applications.

Adjournment

Commissioner Oxendine motioned to adjourn at 12:00 p.m. Commissioner Dean seconded. The vote was unanimous.

Mayor Lillie A. McKoy

Town Clerk Jacqueline B. Roberson, CMC