



ORIENTAL TOWN BOARD BUDGET MEETING

Tuesday, April 19, 2022, 2PM

507 Church Street, Oriental, NC

Mayor Sally Belangia Officiating

1 The Town Board of Oriental Budget Meeting #1 held on Tuesday, April 12, 2022 was called to order at 8 AM.
2 Mayor Belangia determined a quorum to be present, opened the budget meeting and turned it over to the Manager.
3 The meeting was open to the public. All documents for the meeting were available through the Town's website at
4 www.TownofOriental.com.

5
6 Present: Mayor Belangia, Mayor Pro Tempore White, Commissioner Overcash, Commissioner Price, Commissioner
7 Roe, Town Manager Diane Miller, Deputy Finance Director Tammy Cox, Officer Nic Blayney, and members of the
8 public. Commissioner Winfrey absent
9

10 Fee Schedule- Chapter S in General Ordinances. Manager will answer questions raised at last meeting prior to
11 moving on. Trash/Recycling in the last complete FY was subsidized by \$63,124.65 which breaks down to
12 \$7.13/acct/month. We did not take in what we paid out- hence the subsidy. Your tax rate gives you around
13 \$24,450/\$.01.\$100value, so you are paying nearly \$.03/\$100 on your tax rate to subsidize trash hauling. It should
14 operate as an enterprise fund. Commissioner Roe asked why? Town used to collect, then contracted it out at a much
15 reduced rate. Can we make it an enterprise fund? It would cost above (\$7.13). Manager notes you can start an
16 incremental raise, but you cannot hold a future Board to your plan. Commissioner Price asks about comparable
17 service out in the County. County does not have a trash contract- private haulers charge individuals in the County
18 \$30-40/month for that service- no recycling, except for County manned station once weekly. Reason for higher cost
19 is that residences are spread out- here, you move 50ft to the next can, there it may be a mile. Raising the whole
20 \$7.13 breaks even to the 2020-21 FY.

21
22 Revenue options are in the Chapter S Fee schedule. Suggested changes noted. Pamlico County compared to
23 Oriental rate. Pamlico County \$4.85/1000 gal. Our base rate is \$3.75, \$4.15, \$4.25 in a tiered structure- paying
24 more for more usage as recommended by NCRWA. Currently, the water fund sits at \$219,000 in and \$211,000 out-
25 razor thin. Commissioner Roe believes we are overcharging in General and undercharging in Water. For example,
26 costs for administration and staff time in water are not accounted for in the water fund. Manager explains tracking
27 time and that we did that one year- accurately put exact percentages in, and struggled to keep the fund solvent.
28 Manager agrees, admin is perfectly acceptable placement of those administrative costs, according to the School of
29 Govt. Commissioner Price asked to confirm that we do not qualify for grants because our rates are so low. True.
30 Should that be a goal? Manager notes that at some point, the grants require your rates to be absolutely unacceptable,
31 or your system falls into violation/unable to repair. Up to the Board- the proposed budget is a maintenance budget-
32 there is no wiggle room for anything expensive to break.

33
34 Discussion concerning ARPA funds spent in water this year. Manager notes the Treasury is revising guidance with
35 a limit of \$10M to what/where the money needs to be spent. We will have to make changes to our existing tracking.

36
37 Tonnage- 474 tons of MSW, 150 tons of recycling that we do NOT pay tipping on- so removing recycling impacts
38 tipping.

39
40 Zoning fees- page 4 of Chapter S- fees do not cover things like SUPs, advertising, research, postage, signage, filing
41 with ROD afterward- cost is closer to \$500. Review of letters of zoning compliance-\$150 not remotely covering the

42 cost. Commissioner Roe states that any service the Town provides should cover the cost to the Town to provide that
43 service.
44
45 Leak Adjustments- Ordinance does not limit the size of the leak. We are treating every gallon that is on the ground.
46 We are on the hook for that. Commissioner Overcash notes there should be a threshold. Manager would like a
47 listing of leaks adjustments and agrees that a limit is prudent. Dep Finance Dir. Cox notes that BRMSD give a 75%
48 adjustment, not bringing it all the way back to normal bill.
49
50 Commissioner Roe asks if all fees are subject to being changed. YES. The School of Government told
51 Commissioner Roe at his class that the only place the Town of Oriental does not look good is on the water fund.
52 One of the larger costs drops off this year as the last payment on the lead abatement done 5 years ago is finished.
53 That drops our maintenance cost \$20,000. There is currently no depreciation in this budget- and with a lot of new
54 equipment, depreciation, whether funded or not, is still part of the audit. There is also no reserve for capital
55 expenses. Commissioner Roe asks about the generator on the plant. Manager notes that is government surplus and
56 very old, but has worked like a champ. There is nothing in this budget that will replace that if it breaks.
57
58 Ms. Crosser is recognized by the Mayor- is concerned that there is not a significant reserve in the water fund. We've
59 been fortunate in grants, and hurricanes suck, but it's a matter of time for large expenses to be incurred. And we're
60 growing fast, which puts a strain on the system. She also stated that the garbage needs to become self paid, and not
61 pull that from the general fund. Manager explains the progression of the garbage fees in the past. One Board agreed
62 to go up incrementally until it was self-supporting. When the Board changed over, the next Board did not continue.
63
64 Mayor Pro Tem White notes we have been cautious about raising rates, and I think that was to the detriment of what
65 the budget looks like. Agree with Bonnie- we need to raise water rates in tiers. Manager notes NCRWA says you
66 cannot calculate the same number of gallons at new rate- people will try to reduce their usage. Commissioner Roe
67 asks about Bay River. Manager notes new Asst. Mgr in County said no rate hikes are proposed. Commissioner Roe
68 proposes we raise fees incrementally because for the citizens, all their costs are going up also. Manager notes we
69 delayed fee increases due to Florence, then due to COVID, and now we are woefully behind. Compared our costs to
70 County costs- which are close- County's higher on almost everything. Commissioner White reiterates that we
71 cannot hold a future board to our decision. Incremental only works if the Board stays the same. He proposes we
72 raise to cover the existing trash/recycling shortfall- \$7.13. In 2015, Green Waste cost \$12,000. In 21-22, it's almost
73 \$30,000 so far, noting that the decreased number in 18-19 was because FEMA covered storm debris. Confirm
74 cannot opt out of Town garbage. Businesses can if they have dumpsters. Cannot opt out of recycling if have alcohol
75 license. Town picks up cardboard for any business/resident that needs it- County pays for that dumpster.
76
77 Manager notes dead end water lines- cul de sacs- Dolphin Point and Whittaker Point- water sits too long for low
78 usage and much be flushed. Showed the Board dead end lines, proposed fixes, results expected. We flush 600,000
79 per month to refresh lines. We also put another 200,000 gallons on the ground required by the state to hold
80 residuals- 4 TANKFULS of water we have pumped and treated. Fixing (making the lines loop) also gives the
81 opportunity to install more valves to be able to turn off fewer homes when issue. It WILL cost us cost of pipe, PW
82 time. This is one of the alternative uses of the proposed equipment. Commissioner Overcash supports purchase of
83 excavator. Described last changing of the brush cutter to bucket during waterline break, number of customers cut
84 off, etc. For the cost of treating all that dumped water, we could fix a few streets and loop it. Commissioner Roe
85 says we do not have the personnel to make it all happen. If we buy it, the work has to happen.
86 Contract/rental/equipment? Drainage work was stopped for that decision. Mayor Pro Tempore White notes that
87 people will just leave sinks, trees, all kinds of stuff- with the ability to take it elsewhere- and just don't.
88

89 Ms. Crosser notes she sees that as well, and then the mess at the Town Beach (pipes sticking up and the Christmas
90 tree pile). Manager notes some of that is due to prep for drainage contracted project. The trees are to hold the sand
91 and are standard procedure.

92
93 Mayor Pro Tempore White states that we need to pick the priorities and give the manager the money to make it
94 happen.

95
96 Manager says we will start into the GF expenses we know and the things that are constant.

97
98 Police radios- we received donated radios- several thousand dollars saved. You received a check for \$12,000 from
99 ECC when ADA project went sideways. We allocated \$10,000 in WF to buy water while plant closed for softeners-
100 didn't have to. We budgeted \$15,000 for solar lights that we cannot get here by end of year.

101
102 Commissioner Roe notes savings of HWAC committee and limited project movement. We can use it for other
103 things. We can take it and split between Tourism/HWAC/Parks and Rec or we can combine Parks and Rec and
104 HWAC. We need to look at that money sitting in reserve and would it be better spent elsewhere. Manager notes the
105 priority list for HWAC will be expensive, which was why the reserve built- Net House, Harbormaster, boat,
106 training, mooring field.

107
108 Discussion on Powell fund use.

109
110 Commissioner Price reminds the Board that we do not qualify for grants in the water fund. Can we get there?
111 Manager says no, not at these rates. Those who qualify are traditionally in violation, under Special Order of
112 consent, or are already charging painfully high rates. As soon as we go higher than the County, there would be
113 discussion on turning over the water system, and we have discussed that at length. Once you give it up, you lose
114 control of price and quality. We would immediately be hit with a \$1.00/1000 gallon price increase.

115
116 Pay increases: Manager notes, employees benefit from higher COLA raises- the pay increases are spread out and the
117 tax pull is relatively smaller. The tax chunk on merit pay is larger, but it is not compounded into rolling over salary.
118 The CPI we use is January of the previous year, which was 7.9%. It's already up from there, but 8% is a lot. We
119 participated in the SOG survey to see what everyone in the state is doing for COLA/Merit, but the results aren't
120 back. We spent 3 years upgrading positions to get to the state averages. Mayor Pro Tempore White notes it is
121 \$25,000-\$40,000 if a 5% increase and up to 3% merit. Commissioner Roe says we should decide 8% and divide it
122 how the manager chooses. We should set hers and let her set the rest. Manager notes she would prefer that we
123 decide across the Board.

124
125 Commissioner Overcash asks if we are going to choose increased fee numbers. Mayor Pro Tem White notes we
126 should increase trash at \$7.13 and increase the water- worst case scenario and see what it comes out to.
127 We need to know the retained unrestricted reserve, the amount we have spent in ARPA funds in 21-22.

128
129 Next meeting scheduled: Town Board Budget Meeting – May 3, 2022, 8AM, Budget meeting immediately
130 following. (RECORDED BATTERY DIED PRIOR TO ADJOURNMENT)
131 Meeting **ADJOURNED** at 3:12PM.

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133 _____
134 Sally Belangia, Mayor

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136 Diane H. Miller, Town Manager/Clerk

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138 Approved _____, 2022