

**MINUTES
MAY 2, 2006
CONTINUATION OF WORK SESSION
OF APRIL 27, 2006**

The Aberdeen Board of Commissioners met Tuesday May 2, 2006 at 5:30 p.m. for a continuation of the Work Session of April 27, 2006. Members present were Mayor Elizabeth B. Mofield and Commissioners Pat Ann McMurray, Robbie Farrell, Arthur Parker, Donna Shannon and Walter Wright. Others in attendance were Town Manager Bill Zell, Town Clerk Nancy Matthews, Finance Officer Beth Wentland, Parks & Recreation Director Leigh Baggs and Denny Martin of Martin McGill Associates. The purpose of the continuation was to meet with Mr. Martin pertaining to financial funding of proposed Parks & Recreation Facility and to begin with the budget preparation for FY2006-2007. Mayor Mofield then called the Work Session to order.

Mr. Denny Martin of Martin McGill Associates distributed to the Board a printout of financing alternatives that might be available to the Town. He stated he looked at all anticipated needs forthcoming of the Town. He stated he reviewed several past audits in order to project revenues and expenditures for the next 10 years.

Mr. Martin then reviewed with the Board the different tables pertaining to capital improvements with and without the community center, ad valorem tax revenue projections, a capital improvements plan and also compiled a financial analysis using 160A-20 debt projection for 15 years and 20 years.

In conclusion, Mr. Martin stated with a budget as small as Aberdeen's, the best scenario is securing single events and appraisal increases. He stated the Town is operating on a really thin edge in balancing a budget. He stated the Town doesn't have a huge margin to work with each year and there will be large capital needs that will need to be funded in the future. He stated the Town will have to face some tax increases possibly up to 7 cents to meet these needs. He stated the demands on expenses are increasing faster than the tax base.

Mr. Martin thanked the Board for their time and stated he would be glad to answer any questions they might have.

Manager Zell then distributed to the Board a copy of FY2007 Budget Information Sheet and briefly discussed. The following information was also distributed with lengthy discussion of each item:

- a. 5-Year General Fund Capital Outlay Projections
- b. Water and Sewer Capital Outlay Projections
- c. Five-Year CIP
- d. Water and Sewer Rate Comparison
- e. Land Development Costs

There was discussion about investigating the possibility of acquiring the property adjacent and surrounding the police and fire stations to be used for future growth of these departments. Manager Zell was instructed to proceed and bring information back for the Board to review.

With no further items for discussion, a motion was made by Commissioner Parker, seconded by Commissioner Farrell, to adjourn the Work Session. Motion unanimously carried.

Nancy M. Matthews, Town Clerk

Elizabeth B. Mofield, Mayor