



**LUCAMA BOARD OF COMMISSIONERS
REGULAR MEETING
TUESDAY, MARCH 17, 2026
LUCAMA TOWN HALL
BOARD ROOM**

MINUTES

1. Call to Order

Mayor, Matthew Creech, (hereinafter “Mayor Creech”) called to order the regular meeting of the Town of Lucama Board of Commissioners (hereinafter “Board”) at 6 pm on March 17, 2026.

2. Roll Call

Mayor Creech conducted roll call – by use of sign-in. The following were present:

Commissioner, Jeff Johnson (hereinafter “Comm. Johnson”)
Commissioner, Kim Joyner (hereinafter “Comm. Joyner”)
Commissioner, James Parker (hereinafter “Comm. Parker”)
Commissioner, Jody Teague (hereinafter “Comm. Teague”)
Town Administrator, Elizabeth Krige (hereinafter “Admin. Krige”)
Town Clerk, Dena Owens (hereinafter “Clerk Owens”)

3. Approval of Agenda

Staff requested that the following amendment to the agenda be made:

- Remove Item #1 under New Business – Power Supply Agreement as it had not been received from the consultant.
- Make Item #2 under New Business – Tentative Award to Ralph Hodge Construction for 2021 Waterline Replacement – the first item to be considered, before the Budget Presentation

Mayor Creech asked for a motion to approve the amendment and agenda.

MOTION: Comm. Joyner made a motion to approve the amendment and agenda; seconded by Comm. Johnson. Motion passed by unanimous vote.

4. **Tentative Award to Ralph Hodge Construction for 2021 Waterline Replacement – Joe McKemey, McDavid Associates, Inc.**

Joe McKemey was present at the meeting to share with the Board the recommendation of award to Ralph Hodge Construction for the 2021 Waterline Replacement Grant. They submitted the lowest bid in the amount of \$1,289,511.90, subject to the execution of Memorandum of Bid Negotiations, which deletes the waterline replacement and associated work along the private portion of Rouse Street and adjusts the contract amount to \$1,043,626.20. Mr. McKemey shared the budget for the project with the Board and stated that it was balanced.

MOTION: Comm. Joyner made a motion to approve the resolution tentatively awarding the construction contract and amending the capital project budget ordinance for the 2021 Waterline Replacement to Ralph Hodge Construction; seconded by Comm. Parker. Motion passed by unanimous vote.

5. **Old Business**

Budget Workshop

Admin. Krige began the workshop sharing information regarding the Town's fund balances and revenue. The current tax rate for the Town is \$0.38 per \$100 of evaluation. Revenue generated from property tax is about \$227,449. The General Fund balance is just over \$1 million dollars; Electric Fund is nearly \$7 million dollars, while the Water/Sewer Fund is just over \$229,000. These numbers should be considered as a financial snapshot.

The Town adopted a Fund Balance policy (General Fund) stating that there will be between 25 and 40 percent of the previous year's expenditures on hand as fund balance. With the total fund balance of just over \$1 million dollars, some being restricted for state stabilization and some for Powell Bill, the amount needed to be considered for the policy is the unassigned balance, which is just over \$700,000. The previous year's expenditures were \$443,000, therefore the amount of unassigned balance needed for the Fund Balance policy is between \$191,000 and \$306,000. These figures can be found on page 18 of the 24/25 Annual Audit Report.

During the previous budget meeting, the Board spoke about priorities such as employee raises. Included in the budget presented at the meeting, there was a 3% cost of living increase for each employee. Also included was the replacement of one pickup truck in the electric department, replacement to LED streetlights, and monies for additional Christmas lights, banners and/or planters. There was a section of road where Christmas lights were mentioned, however the Town does

not own the poles in that area and there would be a charge to connect to those poles.

General Fund Revenues

General Fund revenues are brought in from property tax or intergovernmental taxes (sales tax, beer and wine tax, utility franchise fees, permits, etc.). Ad Valorem tax is collected on the Town's behalf by Wilson County. Property Tax collection has been calculated at a 94% collection rate to factor in those who do not pay and exemptions (farms, seniors, etc.).

It is anticipated that there will be an increase in Zoning Permit revenue due to charging for annexations, plat review, and increasing the permit cost to \$50.00

It is possible to transfer as much as \$144,468 from Electric to the General Fund, however the recommendation is to transfer \$80,000.

It is suggested that \$80,000 be transferred from the NCCMT Powell Bill account for street resurfacing.

General Fund Revenue by Fiscal Year

The budgeted revenue for FY26 is \$966,967. The projected revenue for FY27 is \$732,151, which is a decrease from FY26. Most of the difference is from forgoing transfers from the Water/Sewer and Electric Funds in favor of splitting salaries and expenses between funds.

General Fund Expenditures – Administration

Postage, printing and software costs are split between the three funds. Services are budgeted for Beverly Stroud, CPA, Mack Gay Engineering, and the Personnel Policy rewrite. The Town can apply for a grant from the NCLM to reimburse half of the cost of the policy rewrite. Training is funded at \$8,000, due to the required hours of training for the Finance Officer and Administrator as is needed to comply with the UAL requirements.

General Fund Expenditures – Public Safety

Included in the working budget is coverage of deputies at the Town Board meetings.

General Fund Expenditures – Street and Park

Funding for a paving condition assessment at the cost of \$15,000 is included as well as \$100,000 for resurfacing. The Town needs to spend Powell Bill Funds, as the maximum account to hold in reserve has been reached.

There is \$8,000 included for banners, planters and Christmas lights.

General Fund Expenditures – Solid Waste

The Town will continue to contract with GFL. Property and liability premiums, as well as landfill tipping fees are included.

Water/Sewer Fund

This fund is self-supporting and is not supplemented by transfers from the General Fund. The fund is treated like a private business. The Town should charge the actual cost of providing services to the customers.

Lucama, being compared to neighboring towns, lands fourth in the cost for charges for the water/sewer.

Water/Sewer Fund Revenue by Fiscal Year

The budgeted revenue for FY26 is \$623,497. The projected revenue for FY27 is \$774,305, a 24% increase from FY26. Increases are due to 50% of utility billing staff costs, 20% of admin staff costs, and \$119,850 of expenses related to loan closing costs and loan payments for the 2019 sewer line project and 2021 waterline project. This expense represents 15% of the fund's expenditures for FY26/27.

Water/Sewer Fund Expenditures

Salaries for two full-time employees, 50% of utility billing staff, and 20% of admin staff are included in the expenses. Postage and printing expenses, and software costs are split between funds. There are plans to replace 130 water meters to continue the meter replacement project. Loan closing costs and principal payments are budgeted on two loans – water and sewer line replacement projects.

Water/Sewer Rates FY 25/26

Water and sewer rates for the current fiscal year were shown as example.

Water/Sewer Fund Revenues

Due to the need, it is suggested that the base rate for water be raised by \$5 per connection, as well as the step rates being increased by 5%. The sewer base rate is set to go up \$11.68, with steps rates being increased by 5%. The sewer capacity charge of \$6.68 will no longer be charged, making the base sewer rate an increase of only \$5 as well.

Electric Fund

The Town, as compared to neighboring towns, lands third lowest in the residential rate charges and second in the commercial charges.

Electric Fund Revenues by Fiscal Year

The budgeted revenue for FY26 is \$3,670,285. The projected revenue for FY27 is \$3,301,729, which is a decrease of 10% from FY26. The decrease is related to the amount of funds transferred to the General Fund, from \$298,000 to \$80,000 and the allocation of admin and utility salaries.

Electric Fund Expenses

There is no change in rates for the upcoming fiscal year. The budget includes six full-time employees, 50% of the cost for utility staff and 20% of the cost for administration staff. Printing and postage are split between all funds. Capital outlay in the amount of \$155,522 will include a new 4WD truck, Fault Wizard, Dynatel secondary fault locator and tools for underground, and new poles. A transfer of \$80,000 will be made to the General Fund as allowed by NCGS 159B-39.

Overall Expenditure Increases for FY26/27

- Contribution to LGERS is up .75%
- Cost of Living Adjustment – 3%
- Health Insurance – 14%
- Software – 5%
- New 4WD Truck for Electric
- Utility Poles
- Fault Finder primary and secondary - \$28,000
- Laptop for Electric - \$3,300

Summary

There is no increase in the tax rate. There is no change in electric rates. There is an increase in the water/sewer rates. This meeting represents the last meeting before the finalized budget is presented to the Board on May 4th. A public hearing will follow on June 1st, with adoption on June 16th.

6. New Items of Business

Budget Change

Clerk Owens shared with the Board a budget change that was needed in the General, Electric, and Water/Sewer Fund. The numbers are reflected on any budget to actual report dated 3/12/26 and to follow.

Clerk Owens also shared a need for Budget Amendment #7, due to increasing expense for building new powerlines for Creech Road and Little Rock Pointe.

MOTION: Comm. Joyner made a motion to approve Budget Amendment #7; seconded by Comm. Teague. Motion carried by unanimous vote.

7. Closed Session

Mayor Creech requested that the Board go into closed session pursuant to NCGS §143-318.11 regarding personnel matters.

MOTION: Comm. Johnson made motion to move into closed session; seconded by Comm. Teague. Motion passed by unanimous vote.

8. Re-opening of Open Session

MOTION: Comm. Teague made motion to adjourn the closed session and move back to open session; seconded by Comm. Joyner. Motion passed by unanimous vote.

9. Adjournment

Mayor Creech adjourned the meeting at approximately 7:17 pm, March 17, 2026, upon motion of Board.

MOTION: Motion was made to adjourn by Comm. Teague; seconded by Comm. Joyner. Motion passed by unanimous vote.

Respectfully Submitted: Dena Owens, Town Clerk