

April 28, 2014

Budget Work session

The Wendell Town Board of Commissioners held a Budget Work Session immediately following the Regular Board Meeting in the Town Board Meeting Room with Mayor Timothy A. Hinnant presiding. Present were Commissioners Jon Lutz; John Boyette; and James Parham; Manager Teresa Piner; Town Clerk Jonnie Driver; Police Chief Bill Carter; Finance Director Butch Kay; Interim Planner David Bergmark; Public Works Director Alton Bryant; and IT Administrator Tamah Hughes.

Mayor Hinnant called the meeting to order.

Mayor Hinnant said it is my opinion that in looking at the budget as far as the infrastructure needs, staffing needs and other things that we required to do by statute that our budget is already done for us and the unfortunate thing is we do not have flexibility on what we by law have to abide by for our citizens. He said it appear the part of the budget that we are going to start looking at is our fund balance. He said when we start looking at what our needs are, we need to look at a note or we will have to use our fund balance.

Mrs. Piner said that is correct, we have a base budget and we look at how and what we have spent, and our budget has not grown over the last couple of years. What has happened with unlimited revenues over the last five years, we have received enough revenue to cover insurance increases for the town employees. She said the good part is we can cover our base budget. She said it is the other items that we do not have listed and we could not buy any of these items until something breaks down we are covered, but if we are going to look at some items we have put a list together and it is at the \$400,000 that the board has set for itself that the fund balance will not go below 40% of its expenditures.

Mrs. Piner said the next meeting in May you will see an actual budget with everything laid out before you. She said we do see a 2 percent increase in revenue which is a positive, but we need to be turning dirt for it to impact the 2015-2016 Budget. She said in the base budget we have the steady increase of employee health benefits this year it is at 15 percent, a cost of living 1.5 percent for employee and up to 1 percent merit.

Mayor Hinnant said I know some of heavy payments will be coming off, but that money will help us to maintain a status quo.

Mrs. Piner said we are in very good financial shape, so if we were to go and ask for money through the Local Government Commission and ask for money we should be able to get a loan without any problem.

Commissioner Parham said it would good sense to me with the installment payments coming to an end, I believe we should go forward with a loan. Mayor Hinnant said he agreed with Commissioner Parham. Commissioner Boyette said as long as that money is spent well I would agree.

Mrs. Piner said some things that we are looking at using Fund Balance for would be Downtown-Fourth and Main Street \$87,200. Mayor Hinnant said another option for this was to remove a few parking spaces to make the visibility better without spending money.

April 28, 2014

Budget Work session

Mrs. Piner said Lake Drive is on the list for \$85,000. Mrs. Piner said it is a drainage issue and we have directed the attorney to continue to move forward with getting the easements needed.

Mrs. Piner said we have proposed two police officers with one start in July and 1 after the first of next year. This would bring the police department back to its original count of 18 officers. She said with Wendell Falls just getting started there would be more increased activity. Commissioner Parham stated his preference was safety, but with Wendell Falls being so far out, we might be able to do without hiring any officers. Mayor Hinnant said the \$60,000 for this year is coming out of the fund balance, suppose next year we can't fund the positions. It will be several years down the road before Wendell Falls begins to pay its way for the services we have to provide. He said he was very skeptical of taking personnel salaries out of the fund balance not knowing if the regular budget can absorb it in the future. I don't think personnel should be funded from fund balance. Commissioner Boyette said he agreed paying salaries out of Fund Balance was not a good idea. Commissioner Lutz said he agreed.

Commissioner Boyette said how do the 2 police officer positions affect the police cars that are listed under the fund balance. Teresa said typically we like to have a rotation of three a year. She said no rotations were done last year and we had some spares, and this will not affect that in that we would probably keep some of the older cars for the newer officers, but we would trade out an old car. Mayor Hinnant asked what is the mileage of a car that would be rotated. Chief Carter said roughly 75,000 miles. Commissioner Parham said I was asked the question if we had a full staff of sworn officers we would have 18, but we have 19 cars and why. Chief Carter said there is one special purpose vehicle that is not assigned to anyone for day to day use; it is a four wheel drive Tahoe that we use for pulling the golf cart and special assignments, but even with that it is not considered a spare. We normally keep a spare which is an older car, but lower mileage. Mayor Hinnant said if we only did one vehicle this year, you could get by for another year.

Mrs. Piner said we are looking at a loan to make improvements to Town Hall \$150,000, Parks and Recreation Ball Field lights for field three \$90,000 and Public Works Building \$75,000. The loan would be at an interest rate of 4.25 for 10 years at 40,000 per year. Mayor Hinnant said we do not need to use all of the \$400,000 because next year is coming and we may have to use the Fund Balance again. He said would the bank consider adding the truck and police car to the bank note. Butch Kay said no, but you can do a separate note. Mayor Hinnant said I think that is a better thing to do. If you would check into what the loan would be, and I am not saying the board will or will not approve. Commissioner Boyette said he was fine with the Facility loan, but would like to see an itemized list of what would be done. He said the truck we are replacing was a drug seizure, could it be replaced with a car. Mrs. Piner said no, he delivers carts and bins, picks up signs, and other large items that would not be feasible on a car. Mayor Hinnant said it sounds like the board is supportive of the Facility Loan with a list of items that would be done at Town Hall.

Mrs. Piner said the Collector and Arterial Street Plan was something that was important. We are talking about connectivity to Wendell Falls, multi-purpose paths, cross sections, sidewalks. She said this will help us lay that out and I can tell you that just a sidewalk if not right going across a piece of property will

April 28, 2014

Budget Work session

cost twice as much as the \$34,000 for the plan. I think it could cost the town on the back side if we don't have a plan. Mayor Hinnant said it is a good idea to have a plan, but I have seen us pay for a lot of plans that never get implemented. He said I would rather us wait until we are ready to implement a plan, because we don't have to money to implement a plan not and to spend \$34,000 is not a good use of tax dollars. Commissioner Parham said I agree with that. Commissioner Lutz said what is this plan going to do for the town exactly. Mrs. Piner said the plan will come up with how that section of road between here and Wendell Falls should look. Commissioner Boyette said if a developer comes in and wants to put in a new corridor would the UDO already govern the infrastructure that the developer would have to do. Mrs. Piner said it is a guideline, but when we dealt with Hephzibah we found that there were some inconsistencies there.

Mayor Hinnant said the truck for \$22,000 we asked for that to be put into the group for a loan.

Mrs. Piner said the Downtown – Streetscape for \$16,850 was looking at some of the electrical needs and trees. The board indicated that this was an item that needed to be done. Commissioner Lutz said he would like to see a breakdown of what would be included in the \$16,850.

Mrs. Piner said \$10,000 for Special Events was something that Commissioner Laughery was very passionate about. She said I believe with some of the programs that we currently have and some of the places that we can partner that we can use this \$10,000 and leverage our dollars. I do not think we need to hire additional staff. Mayor Hinnant said I think this line item would be better Special Events/Economic Development. Commissioner Boyette said since the Chamber has special events I was wondering if we might be able to help the Chamber to enhance their events. Mrs. Piner said she agreed.

Mayor Hinnant said what I have heard from the Board money from the Fund balance other than for the Loan would be the \$16,850 for the Downtown Street Scape, \$10,000 Special Events, \$85,000 Lake Drive that we are already committed to for a total of \$111,850. Then we will have 2 loans one for the Facility Loan and one for the car and truck. He said by doing this we will still have roughly \$200,000 in the fund balance for a rainy day. Commissioner Boyette asked about the Marquee Sign will that be out of fund balance or loan. Teresa said we might be able to get that under the Facility Loan. Teresa asked about the Downtown – Fourth and Main Street. Mayor Hinnant said I think we need to look at things we can do at no cost. Mrs. Piner said I would like to go in there while Universal Chevrolet is doing work anyway and look at those drain pipes. It would at less cost to us rather than having to go back and tear it up at another time. She said I would think the cost would be about \$25,000. The board agreed it would be better to do that while Universal is digging up anyway.

Manager Piner asked if there was anything on capital need, project needs or staffing needs that needed to be looked at before they moved forward with the budget. Mayor Hinnant said I would like to talk about non-profits. Commissioner Parham said I thought we decided to set a lump sum aside. Commissioner Lutz said he say the Chamber as being a Special Event item and that would leave East Wake Education Foundation, and Wake Tech. Mayor Hinnant said set aside \$1200 between East Wake Education Foundation and Wake Tech and we can hash out at another meeting how much will be where.

April 28, 2014

Budget Work session

Mayor Hinnant adjourned the meeting at 9:16 p.m.

Timothy A. Hinnant, Mayor

Attest:

Jonnie S. Driver, Town Clerk