

## **Board of Commissioners**

### **Budget Worksession**

**March 24, 2014**

The Wendell Town Board of Commissioners held a Budget Worksession immediately following the March 24th Regular Town Board Meeting in the Board Room with Mayor Pro Tempore James Parham presiding. Present were Commissioners Sam Laughery; Jon Lutz; John Boyette; Manager Teresa Piner, Town Clerk Jonnie Driver; Finance Director Butch Kay, Police Chief Bill Carter, Public Works Director Alton Bryant and IT Administrator Tamah Hughes. Mayor Timothy A. Hinnant was out of town on business and unable to attend.

Manager Piner stated this was in follow-up to the budget calendar that was set at the last retreat and we wanted to bring up some highlights and discuss the priorities of the board.

Mrs. Piner said this year our budget was a little over \$5 million and that included all town operations, capital improvements, and debt service payments. She said the current tax rate is .49 cent on the \$100 and Wake County Fire provides protection for Wendell and that rate was .08 cents on the \$100. She said water rates will be going up 5 percent this year. The town's four largest revenues come from property tax, DMV tax, utility franchise fees and sales tax. The tax base for this year was about \$463 million with property tax revenues 2.2. She said we do not expect our revenues to increase by a significant amount, they would probably remain stable. We are not recommending a tax increase right now, but depending on the needs, that has yet to be determined.

Mrs. Piner said when you review the capital needs you find some rather large numbers. She said we were looking at \$362,000 for capital equipment needs, \$629,000 for project needs. As for staffing, there is the need to replace the frozen position for a Planning Technician, replace 2 frozen positions in the police department, and replace a frozen position as a Public Works Specialist and a COLA and/or Merit Increase. Mrs. Piner said with those employees hired in the last two to three years, their salaries are not increasing so as we bring in new hires, the newer employees are making as much as those that have been here 2-3 years. We need to start looking at what we can do with base salaries.

Mayor Pro Tem Parham asked what a Public Works Specialist did. Alton Bryant said all the staff in his department had the same title except for 1 Crew Leader and himself as the Director. He said they drive the big trucks, mow grass, pick up trash, collect limbs and leaves and those type things. Commissioner Gray asked when Wendell Falls start building will our Public Works Department have to start picking up limbs, leaves and trash out there also. Mrs. Piner said they will however they will have a homeowners association and that will help some, because they probably will not be allowed to place bulky waste at curbside. She said we also have some of the subdivisions in town coming back to life and that will add to the volume as well. She said staff had discussed how we could be more efficient in our bulky waste pickup, one suggestion is to go to an on-call service.

Commissioner Boyette said have we given any thought to going to a monthly pick-up rather than a weekly. Mrs. Piner said we talked about it and we were afraid that people would put things out and they would remain for a month and this would require a second roll-off container at public works which we do not have room to house.

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Commissioner Laughery said he liked the idea of the call service. He said he knew that this budget list of capital items was preliminary, but he did not see anything on the list for wayfinding, electronic sign, and façade grants. He said when you talk about salaries, the average salary has gone down in the last five or six years and he did not understand why if you have someone on the job for a couple of years, why you would hire someone at their salary rather than the entry salary. He just needed to understand that a little better. He said the number of police cars versus the number of officers we have needs to be made a little clearer, and we need to spend some money on our downtown. Commissioner Gray said she also would like to put the streetscape back on for funding, even if we can't finish the project. She said she would like for us to look at extending the street scape to Third Street. She said she knew we could not do it all at one time, but maybe we could do some of it like removing the trees and look into the electrical.

Mayor Pro Tem said if we were going to try to connect Wendell Falls with Wendell we need to focus on what Commissioners Gray and Laughery said. We need to spend some money and start to do more in our downtown area, because Wendell Falls would take care of itself.

Mrs. Piner said if we were going to increase the Façade grant, she would like to know what the board's desire is to budget. We currently do \$1,000 per quarter. Commissioner Gray said she would like to do more. She thought we had tested it and it has been successful. Commissioner Gary asked if there was any way we might be able to get the Rotary Club to help us with the Gazebo downtown.

Mrs. Piner said from the debt service perspective, we are in good shape. She said when we looked at a new town hall and the cost was estimated at \$830,000, we had sticker shock. As Commissioner Laughery mentioned making a priority list of Town Hall needs and expenses, these numbers get very large very quickly and all of a sudden if we are not careful we will spend \$800,000 and have a project that is piece milled and that was one of the thing she did not want to do. She said this building had potential. Even if we make some improvements to this building we were always getting calls from Wake County looking for space for the Arts Center, and even using it as the Police Department because we currently lease the building we are using. Commission Laughery said it would be helpful to know what other towns were carrying for debt service, because we don't have a lot of debt and that is good.

Commissioner Laughery said we would need land before we start to look at building a new facility. He said there were a couple of buildings in town that could potentially work for us. Mrs. Piner said one thing we had put in the budget last year and it was cut was to get NC State or an architect firm to help us site where a new facility may go.

Commissioner Boyette said as far as the building having some use after the town offices are done, if it is not good for one person to be in that office space it is not really going to be good for anyone else unless you do major upgrades. He said upgrading it to a point of usefulness is good, but there eventually comes to the fact that you are throwing good money to bad. He said as far as being able to sell the building, the Town of Zebulon might have a different take on how easy it is to sell an old municipal building. He said construction cost and loan rates are not going to get any better than they are right now.

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Commissioner Gray said her comments on the town hall renovations were anything beyond HVAC, paint and carpet would be too much. She said possibly tearing down the pit to make additional parking.

Teresa asked was there anything that the board would like to add to the list. Finance Director Butch Kay said we were asking for your opinion on what was listed. As you can see capital and project needs are almost \$100,000 without adding staffing. If there were things that you feel strongly about, we could remove them or add them now. Commissioner Boyette said without sounding too much like the Mayor there are two plans on the project list that total almost \$70,000 are those actionable plans or are we looking at doing a plan and filing it away. Mrs. Piner said we do not file away plans; we use them for other grants. If you were going to do one and not the other, she suggested removing the Street Plan because we need transportation especially with Wendell Falls coming on. She said if we were going after grants we need to update the greenway plan, but with the tightness of the budget she did not know if we would have matching funds available.

Butch Kay stated at the next budget meeting we would need to get an idea of what you want to cut and what to pursue, because we would be getting the departmental figures. Butch said we were only going to be budget for around \$400,000 of our fund balance for operational purposes and we need to prioritize what we would choose to fund. Teresa said it might be that you want to get a loan to make all these improvements. There are some tough decisions to be made.

Commissioner Boyette said nothing was free, and we had to look at what was the cost benefit, but people understand they pay taxes and they want to see something for it.

Mrs. Piner said we would be working towards a balanced budget, so we would begin to make cuts and decisions before we bring it back to the board on April 28, 2014. We would have a rough outline and would be seeking the board's direction.

With no further discussion the Budget Work Session was adjourned at 9:20 p.m.

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Timothy A. Hinnant, Mayor

Attest:

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Jonnie S. Driver, Town Clerk