

April 25, 2016
Special Called Budget Meeting
Minutes

The Wendell Town Board of Commissioners held a Special Called meeting on Monday, April 25, 2016, 5:00-7:00 pm prior to the regularly scheduled Board meeting, for the purpose of budget discussions for FY 2016-2017. Mayor Virginia Gray presided over the meeting. Present were Commissioners John Lutz; Ben Carroll; John Boyette; David Myrick; and Jason Joyner; Teresa Piner-Manager; Jonnie Driver-Town Clerk; Sherry Scoggins-Special Assistant to the Manager; Butch Kay-Finance Director; Bill Carter-Police Chief; Alton Bryant-Public Works Director; Jeff Polaski-Parks and Recreation Director; David Bergmark-Planning Director; Tamah Hughes-IT Administrator.

Mayor Gray called the meeting to order at 5:15 p.m.

Manager Piner said this meeting was in follow-up to the budget meeting held earlier in the month. As we move further into budget season and we would narrow down our budget numbers. The first item is a presentation by the City of Raleigh on the proposed Utility Bill Assistance Program. Involvement in the program would require an investment by the Town so we want to discuss the program as early as possible. Mr. Kenny Waldroup, Assistant Public Works Director of the City of Raleigh opened discussions with the board.

Mr. Waldrop stated that Mr. Ed Buchan was also in attendance and would present the program, but he did want to thank the Board for allowing them to attend the meeting. Mr. Waldrop stated that 535,000 utility customers were served within our communities and they valued their relationship with Wendell and the other merger communities. The utility rate increases that have occurred over time have not been insignificant. A graph indicating the rate increases that had occurred since 2010 equated to 52 percent over that period. The rate increases were originally designed to right the ~~economic ship after the~~ record drought and the economic downturn. The most recent rate increases had been designed to replace infrastructure in our collective communities. The City of Raleigh had approximately \$7 billion worth of infrastructure underground, and much of that installed prior to World War II. Raleigh spent about \$40 and \$50 million dollars a year in replacing failing water and sewer lines. He said Raleigh had received feedback on those rate increases from their customers and that feedback indicated that there was a need of some type of mitigation factor for those with the most risk to losing utility service. He said collectively the water and sewer rates were still a bargain. The area had some of the most reasonable rates in the country and Raleigh was very comparable within the state.

Mr. Ed Buchan said Raleigh recognized that the water rates were high in Wendell, just as in other communities. Feedback from customers and elected leaders suggested the combined utility bill may present an affordability issue for some economically distressed customers. This led the City of Raleigh Public Utilities Department to undertake an affordability analysis in 2015, which indicated approximately 10% of the City's utility customers, could fall outside of the Environmental Protection Agency's (EPS) recommended affordability standard based on their estimated annual income.

Mr. Buchan said other communities had assistance programs and they had worked with them to get ideas of how to move forward and had explored in detail the limitations of such programs imposed by State law. Funding for some programs relied on donations through bill "round ups" or specified

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donation options. Customer participation rates appear to be very low, which generates limited amounts of available funding.

Mr. Buchan said another common funding mechanism for utility bill assistance programs was through the General Fund, which often provided an annual sum that was administered by either County social service staff or a third party non-profit organization.

Mr. Buchan said unfortunately there was not a lot of metrics to use to determine whether or not a water sewer bill was affordable, but one idea they had was to look at the number of disconnections. When a customer is cut off four times within a one year period, this could indicate an affordability issue. Another way to do this would be through the EPA methodology and their thinking was that the combined water sewer rates for one year should not exceed 4.5 percent of the median household income. Raleigh dug a little deeper and looked at census track data for income levels and that gave a much different answer. He said the percent of population within the various communities within our service areas that would qualify under the EPA Methodology was 10 percent or 20,000 households.

Mr. Buchan said as for how the program could be funded, General Statutes G.S. 160A-314 and G.S. 153A-277 describe how a public enterprise utility, like the City of Raleigh, can expend revenues. What appears to be clear based on case law, the City of Raleigh Attorneys, and the UNC School of Government was that an enterprise fund could not directly help or subsidize a customer's bill. If you look at the different communities, Durham had a General Fund program and Cary's program was based on donations.

Mr. Buchan said the City of Raleigh believed that the General Fund program, where each municipality would pay a set amount per year would be the best way to assure funds were available. The total amount of assistance provided in a given fiscal year would be limited to \$240/year/customer and recipients may elect to receive that amount to pay a single bill, multiple bills, or be spread evenly to each monthly bill.

The funds would remain with the City of Raleigh with no actual fund transfers between Wake County and the City of Raleigh. Initial transfers of funds from the merger communities to Raleigh would occur at the beginning of each fiscal year. Wake County would send a voucher verifying a customer's eligibility via email to Raleigh Customer Care and Billing staff. Raleigh would transfer the funds for qualified customers via journal vouchers between the reserve fund and the Customer Care and Billing unit, which would apply the funds to the eligible account. This was essentially the same accounting systems utilized by the City of Durham and Durham County.

Kenny Waldroup said that the City of Raleigh was proposing a bill assistance program. We would try to piggyback on existing social programs as far as resources. We would suggest that all of our partners participate, it is an opt-in, opt-out program and on a first come first serve basis. We would expend the money until all the funds were exhausted.

Commissioner Boyette said he was not happy with the way our water is handled. A lot of our citizens are unhappy with the rate increases and are unhappy that they do not get to elect the officials and that controls the increases. He said Wendell had businesses leave because they say they were unable to work out issues with a water situation and citizens ask us as their elected officials why their water bill is so

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high, and all we can say was we do not have anything to do with that. He said as one of the richest counties in the state, we still do not have a county wide water system.

Commissioner Boyette said as far as the proposed program, he would be in favor of the customer donation system of raising funds with the customer having the option to opt-out if they do not wish to participate. He said he thought people might see the General Fund payment as an additional rate increase because the General Fund due to tax dollars. He said given the decisions that had been made at the state level, he would worry how much time and effort we put into a social program before we were even sure that it would not be shot down at the low price of \$42,000 a day.

Commissioner Boyette said he had no problem with helping people that need help. He believed that was one thing that government should do and he thought this program failed in that category. He said he would be in favor of the customer donation, round-up format to raise funds. Mr. Waldroup said we think the round-up component of the program would result in the City spending more money reconfiguring the billing system than would be captured from rounding up. We were seriously going to look at an opt-in program as a funding source, but the experience of others was exactly what you had shared, it was a relatively low number unless it is an opt-out program which required a lot of political capital for folks like yourself to consider a mandatory out-out program as a source of funding. He said he was not sure that it would even be a reality. He said it seemed most likely that the General Fund contribution would be the funding source in Raleigh and they were suggesting that our merger partners provide us with an annual appropriation.

Mayor Gray requested a copy of the City of Raleigh PowerPoint. Mayor Gray asked if the City of Raleigh had considered a rate reduction for qualifying citizens. Mr. Waldroup said the City could not do that; all customers must be billed equally. Reducing a person's bill based on need was something that was not allowed under NC Law. Mayor Gray said don't you think that was what was happening anyway. Mr. Waldroup replied it was but the attorneys would not sign off reducing one's rate.

Mayor Gray said she liked the opt-out program. She said Wendell has the highest number and we have people struggling to pay their water bill. She said those that would not qualify were still struggling and they made sacrifices to get it paid, and she did not think it was fair to treat the ones who can't pay it and the ones that were struggling but squeezed it out differently. They were going to have to pay for the other ones and that bothers her. She said Wendell rates are high, we were doing all we can to get it paid back. Mr. Waldroup said we certainly understand and respect the position that you find yourself. Having negotiated on the other side for Zebulon's merger agreement, he understood the high hurdle we collectively face. He said he did recall that we had very few options as individual communities for future growth that would allow developments like Wendell Falls and Glaxo expansions. Because of the merger you now have that. We wanted to provide a tool to alleviate some of that pressure.

Mayor Gray said the current Town Board was not sitting at the time of the merger, and it did seem like a good thing at that time with the economy, but now we were struggling to come out of the hole.

Commissioner Carroll said we all experienced citizens approaching us with issues on carrying the weight of the rest of the county and financially it seemed we were getting charged for services that we were not receiving, and he thought this program was another example of that. He said if it was a mandatory thing that everyone was paying into he thought we would have the average citizen barely making their

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payments upset that they were paying for something they were not receiving. He said he thought the opt-out program would be the best option. He said Mr. Waldroup mentioned that there was a lot of infrastructure in the ground that had been there since WWII and we felt that in Wendell there was a lot of that and we were paying the high end rates, but were not getting that service fast enough. He said it was a touchy subject with our citizens right now and he thought it would have to be strategically done where the citizens do not feel it was mandatory. Mr. Waldroup said when he heard opt-out, he saw a program on the bill that people would automatically pay \$1.00 unless they opted not to be a part of the voluntary program. He said there was also another type of opting out that he wanted to share and that was the merger community did not have to participate in the program. Raleigh would see if it had any merger communities that would be interested in participating. He said because of the impact in Raleigh, he thought it was likely that the Council would choose to implement a program in the Raleigh service area and fund it. Wendell may want to observe and if you do not participate this year, you may think it worthy of consideration in future years.

Commissioner Myrick said if the board chose to go with this program, was it an annual payment. Mr. Waldroup said that was what we were suggesting. Commissioner Myrick said he agreed with Commissioner Boyette in that he was not against helping anyone who needed help but looking at the numbers, you had about 20,000 households that may qualify for assistance and if you multiply that by \$240.00 and it would be \$4.8 million dollars and the amount of money you are putting into the program was not a fraction compared to the \$4.8 million. Mr. Waldroup said in the seven communities that the City of Raleigh served there were about 833 that would qualify.

Mr. Buchan said there were currently no formal utility assistance programs in place now at the federal, state, county, and local government level. He said there was food assistance and housing assistance programs but nothing to help people with their water/sewer bills.

Commissioner Myrick asked what was driving the cost of our rate increases. Mr. Waldroup said the cost of replacing the infrastructure and projects that we agreed upon under the merger agreement. There were several projects specific to Wendell in the merger. They were on the path to getting the WWII infrastructure replaced, but with everything funds were limited.

Commissioner Lutz asked Mr. Waldroup what the timeline was on implementing the program. Mr. Waldroup said they would put together a budget map and would probably recommend implementing the project by the end of the first quarter of the new Fiscal Year. He said they hoped to piggy back with Wake County on the program so to minimize the administrative cost and if Wendell opted in, we would make it clear to any person that called in and could not pay their bill that there was a program to help them with the bill.

Mayor Gray said there was no way of knowing based on a percentage, how much of the \$3,000 from Wendell would actually go to Wendell residents. Mr. Waldroup said we were going to try and collect data and get a report annually for your review. He said he suspected for Knightdale, Wendell and Zebulon, the way the program was designed, that there would be a greater return to those three communities than what the City was asking the communities to contribute.

Commissioner Boyette said Wendell does stand to get back more than put in simply because we have a higher number of households that would qualify, whereas the amount that was being put in was based

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on the total number of users. Mr. Boyette said that he would agree with that point. He said something was mentioned about replacing old infrastructure within the city centers and that does need to be done, but expansion of the system was not being addressed. He said a lot of Wendell's growth was pushed out of the corporate limits and it was when you start to give out of land that you see more redevelopment of places with the infrastructure already available. He asked if Raleigh had considered a bond issue for the replacement of the infrastructure. Mr. Waldroup said ultimately bonds were funded by rates and while it did allow you to pull down a lot of money within a certain period of time to put at a very directive problem but for pipe in the ground, it is best practice to fund as you go and Raleigh was slowly moving toward that, but large projects like reservoirs, wastewater plants, and replacing tanks were bond funded. He said Raleigh had \$1.3 billion dollar CIP over 10 years for replacing the infrastructure.

Commissioner Boyette said Mr. Waldroup mentioned reservoir and questioned if the Little River Reservoir would ever happen. Mr. Waldroup said Mayor Gray was very kind to sign a letter to our congressional delegation encouraging them to give us more water or more storage out of Falls Lake which by a factor of 10 is the most cost effective. He suspected we were at least a generation from constructing the reservoir on the Little River. Commissioner Boyette said he understood there had been some feedback from those downstream about the capacity at Falls Lake. Some of the communities downstream thought that removing additional water from Falls Lake might reduce the amount of water released back into the Neuse River. Mr. Waldroup said what Raleigh had been trying to share with those communities that Raleigh returns 9 out of every 10 gallons used back in to the same river via our Wastewater Treatment Facilities.

Commissioner Joyner said he understood this was a first come first serve program, was that correct. Mr. Waldroup said that was what they were proposing to the Raleigh council. Raleigh wanted to treat all customers the same whether it be in Zebulon or Raleigh or Wendell or wherever. Commissioner Joyner said \$240 in Wendell means a lot less than it does in Raleigh. He said if we want everyone to feel equally treated you had to assign it according to the billing. If we were going to have to bite the bullet, which was what we would have to do, let's look at the real numbers. He said there were two statutes that your attorneys were helping you to dance around and 160A was very specific for a reason, we don't want government to be involved in the rate control at that level. He said he grew up in a house with a dad who was Superintendent of Water and Sewer. He said the \$4,000 we were talking about, he would write a check for that amount if it helped that many people in Wendell. He said the money was not the issue. I think we need to help people, but is there a community group that we can identify with that already have federal funds coming in and have advisory boards. Mr. Waldroup said there was every possibility to have this pilot program and that was what this is. Mr. Waldroup said he thought it might help to have an advisory board made up of our merger community members as well as Raleigh members to help us work through some of those details we don't know. We have been told by our partners that had pursued it elsewhere that those funds were very competitive and it took years to get leverage in some of the federal programs. Commissioner Joyner said he was thinking of groups that were already doing this type of work, taking the politics out of it and getting it away from the City so it was not Wendell giving the City of Raleigh money as the rates continue to go up, it was us investing in an established group to help citizens that were already being helped.

Ed Buchan said we did talk with some third party non-profits, and it was certainly a potential future option. He said one of the challenges was most of them were limited in terms of where they serve. The

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ones we spoke with were Raleigh specific and we wanted to make sure we got to everyone that was why we thought Wake County could offer some in-kind benefits for us where the third party might charge for that service.

Mayor Gray thanked Mr. Waldroup and Mr. Buchan for speaking with the board and for their thinking outside the box for a solution.

Manager Piner said in following up on Raleigh's presentation, noticed one of the hot spots on the map was the Highway 97 area and wanted to make the Board aware there were several hundred homes located outside the corporate limits. Those property owners would not be taxpayers of the corporate limits, but they receive water and would be considered a Wendell utility customer. She was not aware if Raleigh would have a way to assign the money Wendell allocated to customers within the corporate limits. Commissioner Boyette said some of those homes do not have sewer, they had water, but not sewer so there was another wrinkle. Manager Piner stated that Commissioner Boyette was correct in that some of the customers in that area do not have sewer.

Mrs. Piner said we had the preliminary budget meeting on March 23, and informed the Board we would be back with additional the information from the departments. She said staff would like to receive feedback on what was important to the board. At the next meeting staff would bring back a balanced budget.

Mrs. Piner said as for the debt service, currently we have the Wake County Open Space Loan, which would be refinanced as recommended by LGC in the amount of \$165,122. In addition there was also the vehicle loan at \$65,495 that would be paid off in 2017. Teresa said for 2017 forward there would be considerably more debt taken on to complete projects previously approved. Staff is working with the Local Government Commissioner (LGC) and banks to obtain specific numbers on the loan debt payments. Staff used a conservative estimate of 4 percent interest in it preparation of loan payments. Citizens would see a lot of activities within the Town over the next few months as the projects are completed. As stated, this is the fifth payment and last year for the equipment loan coming off in 2017. For the upcoming fiscal year payments will include the second payment for 5 new vehicles, the scarfier, and mini loader in the amount of \$67,000. A facilities loan had originally been estimated at approximately \$85,500, and street loan of approximately \$150,000 (to be paid with Powell Bill funding) totaling approximately \$368,000. As a part of the facility loan the question of whether or not to paint Town Hall inside the Board room and the outside brick arose. She said we also had found some needed roof repairs. We wanted to know if painting the brick was of importance to the board. We had originally estimated a little over \$150,000 to be spent on Town Hall but with the additional roof repairs and asbestos removal that number has increased. Painting the building would increase the amount by another \$20,000, increasing the loan payment by a little over \$1,000 per year. No direction was received on painting the outside brick or inside the courtroom of Town Hall.

Mrs. Piner said the Town saw a property tax increase of about \$73,000 from the previous year and this was due to an increase of non-residential property values. Mrs. Piner said when first received the requests from the departments came in at \$1.5 million above the projected revenues of \$4,891,222. She said there was nothing in the requests that was out of line, it was equipment, vehicles, and staff. She said the number one item that came out on top for every department, even over salary increases,

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was the need for more bodies. The departments were contacted individually and notified of the gap between requests and revenues.

Mrs. Piner said that requested capital items and additional staff were removed with the exception of the financial software. She said the remaining (Large Ticket Items) were additional debt service, health insurance increases, 5 percent COLA/Merit Increases and the small area plan (Parkway Corridor) and wayfinding signage.

Mrs. Piner said the items not included were fiber, IT Security Audit, truck for code enforcement, 2 full-time police officers, 2 replacement vehicles, 2 part-time seasonal public works specialist, retractable basketball goals, 1 part time seasonal park maintenance worker, Interact funding request and the attorney (second meeting).

Mrs. Piner said after removing the capital and staff requests, the expenditures over revenues were reduced to \$553,106. She said we are going to have to do additional cutting and that was why we wanted to discuss priorities of the Board this evening.

Manager Piner said that Wendell would not be able to tax itself out of this deficit. She said when she looked at what a penny meant to Wendell it was just over \$45,000. She said we would have to raise a lot of pennies to cover the departmental requests. She said it was necessary to diversify our tax base from primarily residential.

Mrs. Piner said looking at the focus areas from the retreat, communications, upgrading of computers, maintaining the Wi-Fi and updating the website were listed as important. We also had sidewalks and infrastructure as priorities and with street improvements of approximately \$1.5 million underway, the small area plan for the parkway, and the wayfinding and pedestrian plan these areas have been emphasized. We also talked about staffing needs 2 fulltime police officers, 2 part-time seasonal public works specialist, 1 part time seasonal park maintenance worker, and the attorney for the second meeting each month. Some of these items are being addressed or are being considered. Mrs. Piner said that until last year the Town had the attorney at both meetings and his attendance had been reduced to one meeting per month in an effort to save on expenses. Having the attorney at both meetings would allow for more opportunities to take action at the second meeting of the month. The cost would be an additional \$750 per month to attend and prepare for the meetings. She said that may seem high, at the same time having the advice of an attorney present could also save money in the long run.

Mrs. Piner said we were looking at the current tax rate of .49 and the revenue neutral tax rate is .47+ and the recommended rate was where staff would be seeking the board's guidance.

Mrs. Piner said on the fees side, we would be looking at a 5% increase in the water rate which would be approximately \$3.00 per month per household. There were no plans to increase solid waste fees. The user fee schedule would be adopted separately from the budget and we would have some minor changes. We were also looking at a Businesses Registration Fee since we could no longer charge a privilege license fee. The bill regarding business licenses was going through the legislature at this time.

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Mrs. Piner said we also had big ticket items on the horizon such as programs at the park, restroom facilities, town hall (new facility), public safety/EMS facility and the police station lease. We also had staffing needs which was always one of the most costly items in a budget. Mrs. Piner said one thing that was often forgotten was we have a very large ETJ with about 14,000 people in addition to the population within the corporate limits and when they need permits and zoning questions answered, they come to Wendell and that puts a strain on the staff. We also have the transportation bond referendum and bus service needs coming up this fall.

Mrs. Piner said some of the things we had talked about and that remained important were Economic Development efforts, recruitment, incentives and retention.

Mrs. Piner said Mr. Kay had distributed a sheet with the expenditures and revenue breakdowns, how taxes are broken down, how expenditures are broken down by department. She said even without additional staff and capital items, cuts would hit where they typically fall - salary increases, travel, training and schools are usually the first cuts. It is very important for us to take care of the qualified and excellent staff we have in place. Once trained it is important to keep them on staff. She said we have heard the call hiring qualified people. I have not heard anyone say we have too many police officers. It is obvious that we need more.

Mrs. Piner said now that we have gone through the PowerPoint staff would like to receive feedback on the tax rate verses tax assessment. If an increase in the tax rate was suggested, is the concern with the actual amount of taxes being paid or the tax rate. Would the board be open to staff looking at a tax rate that is higher than .49 cents or was it something that needs to be closer to the revenue neutral rate. Mrs. Piner stated that she did not know how we would close the gap on the \$553,000 deficit without keeping the rate close to where it is or going up.

Commissioner Myrick asked Mrs. Piner if she had a total on the items that were not included in the budget. Mrs. Piner said if we included it would be back up to \$1.5 million or the items removed were approximately \$1 million.

Mr. Kay distributed a copy of the draft budget for the board to review.

Commissioner Joyner asked if he could get a copy of the 2015-2016 Budget to compare this year's total with. Mrs. Piner said we will get you a copy of last year's budget.

Mayor Gray asked about where the differences were from last year to this year. Mr. Kay said we could go department by department and compare them if you would like. Mr. Kay said in Governing Body \$12,600 was added for the codification of Town Ordinances (UDO), Administration added extra in the Legal line item, we go over budget each year, so we decided to try to get ahead of that with an additional amount of about \$6,000. IT had the Financial Software Upgrade which would be for 4 years. Commissioner Myrick said that would pay for this year's subscription, not the entire software package. Butch said that was correct. Economic Development was increased to \$2,000 (from \$4,000 to \$6,000) for Façade Grants. Planning Department had an increase for the wayfinding signage, the small area plan for the parkway and we did increase the legal fee a little because attorney fees go over. Public Buildings and Grounds has \$15,000 in facilities and that was for open space at the park if we had to paying something from grant for the Park View Property we hoped to have funded by Clean Water. The Police

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Department does not have a lot because we took all the cars and staff out of the budget. Commissioner Boyette asked where fuel cost was figured into the police department. Mr. Kay said in line 3100 Automotive Supplies. Commissioner Joyner asked if the amount in communications addressed the new radio issues. Chief Carter said no. Mr. Kay said Fire Safety was pretty much the same, Wake County passes those amounts down to us and we have to pay them. Public works had increased sidewalk repairs to \$30,000. We may have to look at that and see if that was something we wanted to decrease. He said our contract services were fixed costs, but you would see an increase. Commissioner Boyette said you also had an amount in the Leaf and Limb contract services and he was assuming that was for disposal of the leaf and limbs because we were using Town employees and Town vehicles for that. Mr. Kay said that was correct. Commissioner Boyette said fuel was broken out in the expenditures and it has \$5,500 for fuel. There was no way Public Works could get by with \$5,500 in fuel cost each year. Butch said that was for the fuel used for off road vehicles and heating fuel. Vehicle fuel was included in Automotive Supplies. Mr. Kay said in the Powell Bill line items you would notice the loan payment for \$149,500. The salary money had gone back to Public Works salaries. Parks and Recreation had the track-out program which was the biggest additional expense in that department. Mayor Gray said \$17,150 was the Town's actual cost, what was the additional amount that was added to that. Mr. Kay said Wendell Falls contributed money to that and last year it was \$25,000, but we do not have a commitment from Wendell Falls at this time for next fiscal year. Mrs. Piner said with the fees charged for each student attending camp we hoped that would be a wash for the \$17,150. Non-Departmental includes our loan payments and that line had increased and also the retiree line item had increase due to Mrs. Driver retiring this year.

Special Appropriations stayed the same. Water and Sewer Fund – Revenues the money comes in and the money goes out. Mrs. Piner said the two large items were the Buffalo Creek Outfall Interceptor that goes from the station at Vishay and to the plant on Lake Glad and the major water line project the Town had undertaken. Both projects were completed by the town before we merged with the City of Raleigh.

Mr. Kay said we still had some work to do; we have \$553,000 that we have to find. The town does not generate revenue. He said the only thing we control as the governing body was the property tax and tax rate.

Mrs. Piner asked if there were any areas of priorities from the board. Commissioner Boyette said with the County wide property tax re-valuation, as a general rule we say we would adjust the tax rate to be revenue neutral, what would that revenue neutral rate be. Mrs. Piner said .47 cents as opposed to .49 cents now. Commissioner Lutz said as far as our debt owed, the only thing coming off would be \$65,000 and everything else would be the same for the next couple of years. Mrs. Piner said that was correct. One thing we hoped was that the permits that were pulled in 2015 will be finishing up, sold and someone living them so that we could see an increase there for 2018.

Mayor Gray said the bottom line was we need to find some things to take out, or we need to raise our property tax rate. Commissioner Boyette said or both. Mrs. Piner said that was correct and there would be some things taken out. Commissioner Lutz said long term we had to look at ways to increase money coming into town. Mayor Gray stated that we had to have a revenue stream with our Parks and Recreation Department, other towns do it that way. She said every time we bring it up everyone is leery of it and she understood that because there were risks, but we had to quit being scared of our shadow. We cannot grow and compete if we stay small minded. She would like to see that happen as we add

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programming. She said we are primarily a residential community, and we need to go out and look for those things to diversify our tax base. We could make a list right now of about 15 things we don't have but need and we need to task our Economic Development Committee with trying to get some of those things.

Commissioner Myrick said on the list of things that were not included, he did not want to overlook the police department so when you were looking at where to get the money, we need to look at that real close. He asked Chief Carter if he could go another year without two officers. Chief said our population was growing, we had an increase in the number of calls for service, it would be difficult. Mayor Gray said she agreed. Commissioner Myrick said he thought this is an important issue that had been put on hold and we need to try and find the money for those two positions.

Town Manager Piner said the board would received a balanced budget on May 9, 2016. She said after the Board has time to absorb this budget please send your questions, comments and suggestions to us.

Mayor Gray asked Mrs. Piner would she explain the re-evaluation by Wake County and make sure that everyone understands that was why we were coming up short. Mrs. Piner stated that the last re-valuation in 2008 took place right before the down turn in the economy. It took place when property was at its highest and shortly after everything crashed. Eastern Wake County has not rebounded to where it was in 2008. Residential property values are not where they were and therefore a .49 cent tax rate does not bring in as much for most single family homes unless improvements have been made. She said if the tax rate increased or stayed the same people would be paying fewer taxes because the value of their homes was less. She said it would necessary to educate the residents if we chose to increase the tax rate so that homeowners would understand that in most cases a .51 cent tax rate rather than .49 cent tax rate would result in paying less taxes.

With no further questions, the meeting was adjourned at 6:45 pm.

Virginia R. Gray, Mayor

Attest:

Jonnie S. Driver, Town Clerk