

Zebulon Board of Commissioners
Minutes
May 7, 2012

Present: Robert S. Matheny-Mayor, Curtis Strickland, Beverly Clark, Roy Collins, Dale Beck, Don Bumgarner, Rick Hardin-Town Manager, Lisa Markland-Town Clerk, Greg Johnson-Parks & Recreation, Emily Lucas-Finance, Mark Hetrick-Planning, Tim Hayworth-Police, Chris Ray-Public Works, Sidney Perry-Fire, Eric Vernon-Attorney

Mayor Matheny called the meeting to order at 7:00pm.

APPROVAL OF AGENDA

Mayor Matheny stated that the first item of business was to approve the agenda.

Commissioner Clark made a motion, second by Commissioner Collins to approve the agenda as presented. There was no discussion and the motion passed unanimously.

PUBLIC COMMENT PERIOD

There was no one who wished to speak.

CONSENT

A. Minutes

Commissioner Bumgarner made a motion, second by Commissioner Clark to approve the minutes of the March 21, 2012 work session. There was no discussion and the motion passed unanimously.

Commissioner Bumgarner made a motion, second by Commissioner Clark to approve the minutes of the April 2, 2012 regular meeting. There was no discussion and the motion passed unanimously.

Commissioner Bumgarner made a motion, second by Commissioner Clark to approve the minutes of the April 2, 2012 closed session. There was no discussion and the motion passed unanimously.

B. Finance

Commissioner Bumgarner made a motion, second by Commissioner Clark to approve the tax report for February 2012. There was no discussion and the motion passed unanimously.

C. General

Commissioner Bumgarner made a motion, second by Commissioner Clark to approve resolution 2012-20. There was no discussion and the motion passed unanimously.

Commissioner Bumgarner made a motion, second by Commissioner Clark to approve resolution 2012-21. There was no discussion and the motion passed unanimously.

OLD BUSINESS

A. Finance

Budget Information

Emily Lucas presented a PowerPoint presentation on the budget that incorporated information requested and questions raised at the April work session.

The first project was the CDBG sidewalk project from the middle school to the Boys & Girls Club. Wake County CDBG would fund 80% of the project at \$165,400 and the Town would be responsible for 20% of the project at \$42,000.

Some of the questions raised was how many would actually use the sidewalk and it was estimated to be approximately 25-40 would walk to and from the facility daily. The numbers would depend on the time of day and what day of the week. The developments that were in the area when completed would use those sidewalks to get to and from the school on a daily basis as well.

Baseball field lights at Community Park were budgeted at \$339,700 and there were several questions or options proposed and one was to use the existing fixtures on new poles which would save approximately \$10,000 over six years. Repairing a light fixture was normally needed annually with a cost between \$1500-\$2000 so there really wasn't any savings if the old fixtures were not replaced.

The next question was about relocating the control panel to the third base side. The cost was \$15,000 over the six year financing period. Not blocking the view and getting it out of standing water was important but to do it while running the wiring underground was the best time to do that work.

The Zebulon Community Center roof and wall project was \$361,700 which would require that most of the wall areas be repaired but the full scope would become known when the walls were opened up to be inspected. The engineer would make sure that all work done would meet town specifications and protect the Town and the current lien holder on the property. The LGC required that a professional ensure that the work would be done to code and all permits obtained.

The financing options for the projects proposed was to bundle the Community Park ballfield lights, Community Center wall and roof project and the Public Works fuel system together and to use the Public Works building as collateral. The first payment would be due in 2014.

Other options would be to use cash from the general fund which would bring the fund balance down to unacceptable levels. The total for all three projects would be \$737,400.

Another option was to refinance the community center existing debt but there would be a one percent penalty for refinancing and a more complex refinancing structure. The LGC would have to review and the Town would have to hire a bond attorney to complete that work.

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Use of additional capital reserve could be done but staff was recommending leaving the \$150,000 that was currently in that fund so that it could be used for any unforeseen repairs that could arise.

Staff recommended the six year financing for the projects using the public works building as collateral.

Budget Options

1. (A) Total budget of \$8,393,000 which included all the capital projects previously presented and a 2¢ property tax increase which would generate a total tax revenue of \$3,787,800. It would help with the debt service payment and helped cover the cost of debt and operations at the Town Hall facility since the existing seven cents that was reserved would no longer cover the cost.

The projects included in the CIP would be the CDBG, roof/wall project at the community center, ballfield lights, fuel system replacement, engine 91 tank replacement, begin work on the UDO.

An increase to some of the operational line items to accommodate the increase in cost for services provided.

\$560,000 of undesignated fund balance would be used in that scenario

Would piggyback on the city of Lexington to purchase a street sweeper which would save \$15,000 and decrease fund balance appropriations by that amount as well.

2. (B) Total budget of \$8,363,000 with a 1¼¢ property tax increase which would generate a total tax revenue of \$3,733,800. An increase in the vehicle fee from \$5 to \$10 per vehicle which would generate \$30,400. Includes all the projects presented in scenario A except the UDO would be delayed to FY 2014.

\$554,000 of undesignated fund balance would be used

3. (C) Total budget of \$8,300,000 with no property tax increase which would generate \$3,642,800 and the vehicle fee would still be raised to \$10 per vehicle.

The UDO and engine 91 tank replacement project would be delayed.

There would be operational cuts of \$29,400 including part-time funding for public works and parks and recreation. No lighting of the downtown or municipal complex for the holidays. One day of unpaid leave for all employees.

\$597,000 of undesignated fund balance would be used

4. (D) Total budget of \$8,484,000 with a property tax increase of 1¢ which would generate a total of tax revenue of \$3,712,800 and the vehicle fee would be raised to \$10 per vehicle and the UDO would not be done.

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\$575,000 of undesignated fund balance would be used

The piggybacking of the street sweeper would still be done in this scenario.

Emily compared the scenarios and some of the points she had were that for personnel there would be a \$500 maximum merit for full time employees, no COLA adjustment for the Board or retired LEO, the flexible spending account would end on December 31, 2012. The cost to the residents would be an increase in solid waste pickup, stormwater fees would go into effect, water and sewer would increase seven percent, the monthly increase would increase a maximum of \$9.80 if the a two cent tax increase were to be approved.

Commissioner Beck asked why the Town needed a UDO. Mark Hetrick stated that there had not been a comprehensive overhaul of planning and development ordinances since 1985.

Commissioner Strickland asked what raising the vehicle tax by five dollars would generate. Emily Lucas said it would raise \$15,000 and would go toward the Town's share of the bus service costs.

Mayor Matheny asked if he understood correctly that the public works facility would be leveraged to finance several of the CIP projects. Emily stated that was correct.

There was discussion about delaying the first payment on the financing and whether that should be done. Emily stated that to begin the first payment in fiscal year 2012-2013 the tax increase would have to be higher or some projects would not be able to be done.

There was discussion about the tank being replaced on engine 91 and whether that really needed to be done. Sidney Perry stated that the tank size would be increased from a 500 gallon tank to 1000 gallon tank and would delay the purchase of a new vehicle. It would be used in both the Town and the County. It would give the fire department water on the fire as the department was hooking up lines to the hydrants.

Mayor Matheny stated that he requested that staff present the 1¢ tax increase and he thought that since they decreased the tax rate several years ago by one cent he was ok with increasing the tax rate by 1¢ to put it back to where it was at that time.

Commissioner Beck said that he was more interested in 1¼¢ tax increase and look at keeping the nonprofit funding in place as well as some of the mowing and maintenance in place.

Commissioner Bumgarner was in favor of the 1¢ tax increase but he too was not in favor of raising taxes at the current time but did not see a way to continue services without it.

Commissioner Strickland said that he was in favor of the 2¢ tax increase and wanted to know about the money in line items that was not used and how that was handled. Emily explained that if it was not used in one line item it would be put back into the general fund or during the year could be transferred to other line items within the same department where additional funding was needed.

There was discussion about how the budget came to be and the process that Rick and staff went through before the budget was ever presented to the Board. That process included review of all contracts to see if the work could be done cheaper by staff or how to cut the cost of the contract, decreasing each individual line item to what was needed and then making sure that there was some contingency in the budget for unexpected expenses such as vehicle or equipment failure.

Commissioner Strickland said that he would like to have a little bit of a cushion to help get through next year since the hold harmless money would be gone and there would be a bigger problem to deal with then and the additional funding this year could help offset that deficit.

Commissioner Clark said that she wanted to see the 1¢ tax increase.

Commissioner Collins stated he was not sure what he wanted to see.

Mayor Matheny stated that he would like for staff to bring a listing of all projects and to do a comparison of the 1¼¢ and the 1¢ scenarios. Commissioner Strickland said that he would like to see the 2¢ in there as well. It was the consensus of the Board that only scenarios B and D should be presented based on what the Board was asking for since there were three that wanted 1¢, and one that wanted 1¼ ¢ and one that wanted 2¢. With that said scenarios B and D would be brought back to the work session and a detailed presentation of CIP projects and costs to citizens as well as what was not being recommended for the budget.

The Board wanted to look at nonprofit funding, and how to start paying for the debt service payment in FY 2013.

NEW BUSINESS

A. Public Works

Solid Waste Management Plan—Resolution 2012-19

Chris Ray presented the Wake County Solid Waste Management Plan that the Town participated in. There were several goals that they wanted to continue striving for and they were to continue to offer recycling services at special events, promote solid waste reduction, continue household hazardous waste collection, develop a disaster debris management plan, and implement a web based work order system.

Commissioner Bumgarner asked about hazardous waste collection system and the frequency that it would be done. Chris Ray explained that they would probably do it bi-annually but if it came to a point where it needed to be done annually then they would look at trying to make that happen. He asked was it successful and Chris stated that it was.

Commissioner Bumgarner asked if the convenience center between Zebulon and Wendell offered the same services. Chris stated that they did but at the Town event staff also tried to use that opportunity as an educational event.

Commissioner Clark made a motion, second by Commissioner Collins to approve resolution 2012-19. There was no discussion and the motion passed unanimously.

BOARD COMMENTS

Commissioner Strickland asked about the realtor that would be listing the Town buildings. Emily Lucas stated that they would be actively listed with the new realtor by the end of May. He asked about the tattoo parlor and what was going on with them. Tim Hayworth stated that he did not think they were open yet. However, Commissioner Strickland said that they were open and doing business. Tim said that he would check into that and make sure that they had the proper permits and inspections.

Commissioner Beck asked about the complaints about noise in Wedgewood Apt. area. He said he could hear it at his home and that would make it pretty loud. Tim said that they had not received an increased number of calls for noise in that area.

MANAGERS REPORT

Emily Lucas reported the following line item transfers.

Fire

Moved \$700 from insurance to part-time funds and training

Moved \$100 from utilities to cell phones

Moved \$1,600 from vehicle maintenance to equipment maintenance and contract services

Police

Moved \$2,000 from salaries to insurance

Moved \$300 from training to cell phones

Powell Bill

Moved \$500 from fuel to equipment and vehicle maintenance

Governing Body

Moved \$1,000 from professional services to FICA and cell phone lines

Buildings & Grounds

Moved \$350 from telephone to cell phone

Moved \$1,000 from janitorial services to equipment maintenance

Moved \$4,000 from ZMC utilities to vehicle maintenance

Moved \$250 from fuel to mowing equipment maintenance

Administration

Moved \$400 from salaries to FICA

Moved \$700 from mail room supplies to newsletter

Sanitation

Moved \$1,300 from salaries to cell phones and vehicle maintenance

Moved \$300 from insurance to insurance

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Streets

Moved \$250 from insurance to insurance

Moved \$1,650 from electricity to equipment maintenance, vehicle maintenance and fuel

Parks & Recreation

Moved \$400 from equipment maintenance to vehicle maintenance

Moved \$450 from insurance to insurance

Moved 200 from camp programs to festival budget

Moved \$1,000 from park utilities to park maintenance

Rich Hardin stated that there would be a joint public hearing on May 14, 2012, there would be a bike rodeo at Triangle East Shopping Center beside McDonald's on May 19, 2012 from 9-3, there would be a work session on May 23, 2012 and finally, Town Hall day was June 6, 2012 and please let Lisa know as soon as possible if you would like to attend.

Mayor Matheny encouraged as many of the Board members that could attend to please do so. It was important to have a good show of support.

Commissioner Collins made a motion, second by Commissioner Clark to adjourn. There was no discussion and the motion passed unanimously.

Date

Robert S. Matheny—Mayor

SEAL

Lisa M. Markland, CMC—Town Clerk