

**Zebulon Board of Commissioners**  
**Special Meeting**  
**Minutes**  
**May 30, 2012**

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

Absent: Don Bumgarner

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

**APPROVAL OF AGENDA**

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

**NEW BUSINESS**

A. Finance

*Budget Presentation*

Emily Lucas presented the 2012-2013 budget. Some of the challenges that were faced in putting the budget together were the declining growth in the tax base, census number decrease, and the increase in the cost to provide services.

The general fund budget was proposed to be \$7,654,000 and that would be a 23% decrease from FY 2012. The three major capital projects that were being proposed were being broken out and put into a capital project fund. The three projects were the community center roof/wall project, the community park ballfield light project and the fuel system project which would be \$690,000 in financing for those projects. If those were to be combined back into the general fund the total budget would be \$8,344,000 and that would be a nine percent decrease from the FY 2012 budget.

The enterprise fund budget was \$540,504 for existing debt service payments funded through the City of Raleigh.

The total fund balance appropriated would be \$661,500 which would be a combination of undesignated fund balance, Powell bill fund balance and funds from the capital facility reserve.

Expenditures totaled \$7,654,000 which she presented by department.

The recommended tax rate was proposed at 51.25¢ which would be an increase of 1.25¢ which was also the first increase since the eight year revaluation which took effect in 2009. Of that amount 44¢ went toward operations, 7.25¢ went toward the debt service for the municipal complex and operations.

Most of the decreases in revenues were due to the decrease in revenues from sales tax, property tax, and the decrease in our population numbers. Hold harmless funds were estimated at \$425,000 and it was supposed to be the last year that municipalities would receive that money but there was some discussion in the legislature to make a change to extend them. It was being considered at the current time.

There was a proposed increase to the vehicle fee of \$5 which would generate approximately \$17,500.

There were three main fee schedule changes which were that the garbage fee would increase by 99¢ to \$18.75. The stormwater fee would be changed to a sliding scale and applied to all utility accounts and properties. The residential fee would be \$2, small non-residential would be \$7, medium non-residential would be \$38 and the large non-residential would be \$92 per month.

Some of the changes made on the personnel side were that the salary merit increase was temporarily suspended in favor of a one-time \$500 bonus for those eligible, the cola pay increases for board members and retired LEO was temporarily suspended, elimination of the FSA contribution, reduction of part-time funding for all departments. Insurance and benefit costs were budgeted to increase about 10%. The salary schedule was adjusted 2.5% to keep them in line with economy. There were no new positions budgeted for the upcoming year.

The operational budget was decreased by 14% from FY 2012. Line items were either reduced or held at the 2012 amounts as best could be with increases projected for fuel, utilities and insurance.

All notices, newsletters and information would be done electronically and everyone had the opportunity to sign-up to receive information via the website or at the finance desk, community center office and the police department front desk. No new copies or finance software would be purchased in the coming year.

The Tree City USA program line item would be reduced, the UDO would not be done this year, cleaning of the buildings would be reduced to three or four times per week depending on the facility. The highway 64 median maintenance would be reduced, right of way mowing would be reduced, the fountain at the municipal complex would not be maintained on the weekends and all HVAC contract maintenance at the surplus properties was removed from the budget.

The Zebulon Night Out event was downsized, there would not be any purchase of SERT equipment for the police department. Meals for the volunteers were reduced, holiday pay would go to comp time, the Festival on the Lawn was eliminated in 2013 and the hours of operation for the Community Center were changed to 7am-8pm.

Capital fund expenditures were proposed to be \$307,300 in the general fund which covered the street sweeper, CDBG sidewalk project on Shepard School Rd and the tank replacement for engine 91. Staff was proposing that \$60,000 would come out of the facility capital reserve fund

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and transfer it to the capital project fund which would be for the community center roof/wall project, community park ballfield light project and the fuel system replacement.

Debt service payments totaled \$680,300 and were nine percent of the budget. Of that 4.5¢ was for general debt of the community center, equipment and vehicles and 4.9¢ was for the municipal complex bonded debt.

The total fund balance recommended being used in the upcoming year would be \$661,500 and included \$47,500 out of Powell Bill funding for the sidewalk and \$60,000 out of the capital reserve fund. If all fund balance proposed for the budget were to be used the fund balance would drop from 79% to 69%.

The water and sewer utility rates would increase by seven percent to meet the obligations of the amended merger agreement and the average customer would see an approximate increase of \$6.31 per month. Development fees would increase three percent.

Commissioner Strickland asked about how firefighters were paid previously since the proposal was to change it to compensatory time. Emily stated they got paid for their time and the fire department was changing over to what everyone else was getting so that all departments were being treated equally.

Commissioner Beck made a motion, second by Commissioner Strickland to approve resolution 2012-23 calling for public hearing on the budget for June 20, 2012 at 7pm. There was no discussion and the motion passed unanimously.

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

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Date

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Robert S. Matheny—Mayor

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Lisa M. Markland, CMC—Town Clerk