

Zebulon Board of Commissioners
Work Session
Minutes
April 22, 2015

Present: Robert S. Matheny-Mayor, Curtis Strickland, Beverly Clark, Dale Beck, Glenn York, Sidney Perry-Interim Town Manager, Lisa Markland-Town Clerk, Eric Vernon-Attorney
Absent: Don Bumgarner

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

APPROVAL OF AGENDA

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

OLD BUSINESS

A. Public Works

Ordinance 2015-20—Town Hall Basement Project

Chris Ray stated that they had received bids for the mitigation project in the basement of the Town Hall building to deal with a water problem. He stated that the bids were higher than what was budgeted and staff had been in discussions to try to prioritize the list of what would be done to address the most critical improvements. Staff was requesting that funds be moved to cover the additional funds needed for the project.

Mayor Matheny asked how long it would take to complete the project. Chris Ray said it would be 45 days from the notice to proceed.

Commissioner Beck made a motion, second by Commissioner Strickland to adopt ordinance 2015-20. There was no discussion and the motion passed unanimously.

NEW BUSINESS

A. Finance

Preliminary Budget Fiscal Year 2015-2016

Bobby Fitts stated that staff had worked on the preliminary budget numbers for fiscal year 2015-2016 and the highlights were presented in a PowerPoint presentation.

The budget would be approximately \$7,998,308 and would include approximately \$373,000 in fund balance to offset the shortage between revenues and expenditures. It was stated that the loss in privilege license revenue amounted to approximately \$17,000. Bobby asked the Board if they would be interested in a business registration fee of approximately \$25 for all businesses. The registration fee would generate approximately \$5000. The Board agreed to implementing the registration fee.

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Revenues over the last six years had been pretty flat but hopefully in the next year or so things might increase. Property taxes were the major source of revenue and the tax base projected was at approximately \$825 million which was about five percent increase over the current year. The current tax rate was at \$0.525 per \$100 of valuation and there was no proposal to increase that in the coming year. Just for reference a one cent tax increase would generate approximately \$80,000. On the business personal property side of things there was a \$37 million valuation loss since 2010 or \$195,000.

The only proposed fee changes would be in the zoning fees which were proposed to increase approximately 25%. The operating budget was proposed to be slightly less than the current year.

There was discussion about the bus service and if that was something the Town wanted to be a part of. Commissioner Strickland did not think that there was sufficient ridership for the Town to continue the service. Staff was asked to talk with Wendell and TTA about the service and what could be done to reduce the costs. Mayor Matheny said that that Cary and Garner were not paying anything for the service and he did not think that was fair to the Town.

On the personnel side a 2.5% merit increase was being proposed and a two percent adjustment to the salary schedule. Health insurance premiums were proposed to increase ten percent in the next year.

The capital projects currently in the budget were the following: Web design, GIS Computer, voice mail server, two police vehicles, breathing apparatus for the fire department, paving, replacement of a dump truck, Yates Place stormwater project, resurfacing of the tennis courts, and the greenway project.

The projects not in the budget but requested were as follows: data server, Wi-Fi for Town Hall, HVAC at the fire department, waterline at the fire department, projector replacement in the council chambers, street paving, sidewalk improvement, vehicle replacement in police, public works and parks & recreation.

Debt service was reviewed and what some of the possibilities would be for saving some additional money. Things like no paving, increasing the tax rate, reducing merit raises, increasing fees and the elimination of positions.

Fund balance policy was also discussed and it showed that even with the proposed use of \$373,000 the fund would still be at 64% if all of it was used. However, history of budgeting of fund balance has shown that rarely was everything that was budgeted spent and in some instances none of it was spent. The Fund Balance Policy stated it had to remain at no less than 50%.

Water and sewer rates were reviewed and they were proposed to increase 5.5% which would increase an average bill by \$7.14 per month. There was no proposal to increase solid waste fees for garbage pickup.

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There were several questions from the Board about paving, fees and services. The bidding out of the audit was mentioned, professional services line item, what was paid at the stadium and how to save money on those costs.

Mayor Matheny asked about the contract with the police attorney and how often that was used and the cost involved. Chief Tim Hayworth stated that the cost was approximately \$6500 a year and they used the service several times a week.

The breathing apparatus for the Fire Department were discussed and Chief Perry explained that the County did not help in the funding of that in any way.

Commissioner Clark stated that she thought that Wi-Fi needed to be in the Town Hall building and asked staff to figure out a way to make that happen. Mayor Matheny agreed with that statement.

Non-Profit Funding

Bobby Fitts reviewed the requests and explained what had been funded previously. After discussions the Board decided to leave the funding exactly as it had been done in fiscal year 2014-2015. The Town funded the following groups EWEF-\$1000, MLK Breakfast-\$500, Chamber of Commerce-\$1000, and Shepards Card-\$1000 for a total of \$3500 to non-profits.

MANAGERS REPORT

Sidney Perry reminded the Board of the community recycling day on April 25 from 8-12 at the municipal complex, the opening of the Farmer's Market at the community center on May 2 from 9-1.

Commissioner Beck made a motion, second by Commissioner Clark to go into closed session for the purpose of personnel discussions. There was no discussion and the motion passed unanimously.

NOTE: In closed session Commissioner Strickland made a motion, second by Commissioner Clark to come out of Closed Session. 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.

Date

SEAL

Robert S. Matheny—Mayor

Lisa M. Markland, CMC—Town Clerk