

**TOWN OF WENDELL  
BOARD OF COMMISSIONER MEETING MINUTES  
SPECIAL CALLED BUDGET WORK SESSION  
June 22, 2016**

The Wendell Town Board of Commissioners held a special called budget work session meeting on Wednesday, June 22, 2016, at the Wendell Community Center, 601 West Third Street

**PRESENT:** Mayor Virginia Gray; Mayor Pro Tem Jon Lutz; Commissioners: John Boyette, Ben Carroll, Jason Joyner, and David Myrick.

**STAFF PRESENT:** Town Manger Teresa Piner, Special Assistant to the Manger-Town Clerk Sherry Scoggins, Finance Director Butch Kay, Planning Director David Bergmark, Public Works Director Alton Bryant, IT Administrator Tamah Hughes, and Police Chief Bill Carter.

**CALL TO ORDER:**

Mayor Gray called the meeting to order at 6:07 p.m. and welcomed attendees. The purpose of the special called meeting is to discuss the FY 2017 budget and provide direction to staff.

**REVIEW OF THE PROPOSED FISCAL YEAR 2016-2017 BUDGET FOR THE TOWN OF WENDELL:**

Town Manager Piner stated the budget began with staff providing requests and the requests came in \$1 million over revenues. Cuts to the budget were made and were \$500,000 +/- over revenue and that would have been a 59 cent tax rate and was more than staff wanted to propose. A balanced budget was presented with \$90,000 over revenues with staff proposing to cover the revenues with a 51 cent tax rate. Current tax rate is 49 cents and the revenue neutral rate is 47 cents. A public hearing was held. The budget is slated for action at the Board's upcoming Monday evening meeting. When reviewing the tax rate at 52 cent, we realized that is when people would be paying more in property tax. In reviewing the revaluation, Finance Director Kay spoke with Wake County and learned the following: 82 percent of residential properties saw a decrease in property values by an average of seven percent; 15 percent of residential properties saw an increase in property values on average of nine percent [mostly due to improvements such as decks, additions, remodeling]; and three percent of the residential properties saw no change. Town budgets of neighboring municipalities were reviewed:

| <b>Municipality</b> | <b>FY 17</b> | <b>FY 16</b> | <b>Revenue Neutral</b> |
|---------------------|--------------|--------------|------------------------|
| Rolesville          | 48 cents     | 44 cents     | 46 cents               |
| Zebulon             | 57.5 cents   | 52.5 cents   | 49 cents               |
| Knightdale          | 43 cents     | 43 cents     | 42.85 cents            |

Town budgets of neighboring municipalities included the following:

- Rolesville: Five percent merit and one percent cost of living
- Zebulon: Three percent merit
- Knightdale: Two percent merit
- Wendell: Proposing a two and a half percent cost of living

Each of the neighboring municipalities is seeking to add positions and some of the towns have appropriated money from the fund balance.

Town Manager Piner stated for the Town to remain at a 49 cent tax rate, would look at cutting approximately \$90,000. Depending on the discussion this evening, there are opportunities to re-evaluate revenues; look at items that could be removed, delayed or reduced. Growth is impacting the eastern area of Wake County. Because of growth and improvements, Wendell is going in the right direction.

## **QUESTIONS AND ANSWERS**

Commissioner Myrick requested an explanation on the “delay” option. Town Manager Piner stated the “delay” would allow staff to evaluate how property taxes are being paid and received. Will also see sales tax as revenue and anticipate an increase with a good economy. By February 2017, will know what was received the end of the calendar year. A possible revenue source is the business registration bill that is pending in the State Legislature; if approved that could be a source of revenue for the Town.

Mayor Gray questioned if the Town receives any notification from Wake County on how much was billed [for property tax]. Town Manager Piner stated the Town can request that.

Mayor Gray questioned the collection percentage. Finance Director Kay stated the collection is in the high 90’s – usually between 96 percent and 98 percent.

Commissioner Myrick questioned for the examples shared, would those be the cuts to balance. Town Manager Piner stated maybe. She first evaluates operations: lights, electricity, salaries. Municode and the financial software would make operations for employees more efficient and assist with customer service and accessibility by the citizens. Staff is open to ideas and suggestions.

Mayor Gray questioned if Municode is within the \$10,000 amount. Town Manager Piner stated it is not within the list, it was cited as an example. A call was made to Municode. There are some funds remaining this year and we inquired if a payment plan can be worked out with Municode as it will take 12 months to incorporate the UDO within the Town’s ordinance book.

Mayor Pro Tem Lutz stated budgets are plans. He questioned how good the Town has been at the end of the year meeting that plan. Town Manager Piner stated for planning the budget in the past, reviewed historical data – such as departmental supplies. The Town gets close on those numbers. We do not budget for unanticipated repairs. When the planning department submits ads to the paper and that line item goes over, that is a good thing because the Town is receiving development requests. On the other hand, more development means more review by the Town Attorney. There are areas that if the Town grows we know will need to be adjusted.

Finance Director Kay stated the Town projects revenues very conservatively. The North Carolina League of Municipalities, NCLM, shares projections after performing studies and analysis. The Town uses the NCLM report to project revenues and it is broken down by State tax, Powell Bill, and other revenue projections. At the end of each fiscal year, the Town prepares an end of year reconciliation which is a clean-up of line items for the Town Board’s action in June that reflects the line items that went over and/or under.

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Commissioner Boyette stated the police officer position for a full fiscal year is about \$50,000 and if half a year looking at \$25,000+/- . Next year the impact of two officers would be \$100,000 and he questioned where the money would come from, noting the budget is very tight and the concern is how to pay. He does not want to get in a bind for the next fiscal budget. He questioned the amount of the current fund balance and percentage. Town Manager Piner stated the Town is close to 40 percent. At the moment it is difficult to give an exact figure because of adoption of resolution by the Town to reimburse itself for the construction. The money paid out has not yet been received. The Town strives to keep the operating budget at 40 percent.

Mayor Gray questioned what would the amount be when the funds are received. Finance Director Kay stated the previous audit showed \$1.7 million dollars, and that is at the 40 percent threshold.

Commissioner Carroll questioned where the percentage came from and by law what is the Town required to have. Finance Director Kay stated the recommendation from the Local Government Commission, LGC, is eight percent. The eight percent equates to one month's of fiscal responsibilities. Each municipality sets its own policy. The rate came from a previous Board.

Town Manager Piner stated the Town looks at what the other jurisdictions do as a gauge for the Town.

Mayor Gray asked when the 40 percent fund balance was adopted. Town Manager Piner stated May 26, 2009.

Commissioner Carroll questioned the percentage of the other municipalities. Finance Director Kay stated Zebulon is at 70 percent. He clarified he does not know if that is policy.

Town Manager Piner stated Zebulon has more industry where Wendell has smaller homes and more residential than Zebulon.

Commissioner Myrick stated Wendell is being compared to other municipalities with large tax bases. Preference is to maintain the current tax rate to make Wendell a little more attractive to commercial businesses.

Commissioner Carroll concurred and he would like to see a balanced budget at 49 cents. He does not believe the two cents is enough to be sustainable. Would like to hold the line and be conservative this year and see the anticipated growth and development and re-evaluate what is received.

Mayor Pro Tem Lutz stated that cutting may effect staff and citizens. Appreciate keeping the tax rate low. Concern is that keeping things low, that it will not be raised next year. Town is needing police officers, complete the wayfinding, software...worries where that will come from. If we go to 49 cents, then the Board needs to be specific. Prefers to leave at 51 cents and evaluate and remove those items that are not needed. The Town is not getting money from the homes, from business, and yet expects staff to continue to operate while citizens have an

expectation of quality of life. Next year will be a hard year to raise the tax rate.

Commissioner Boyette stated keeping the rate at 49 cents is not a happy medium. The tax rate of 49 cents is a tax cut, not a rate cut, but a dollar for dollar cut because the tax valuation went down. When talking about attracting commercial, we talk about making our Town an attractive place for business and for people to live. If we look toward other towns that have been successful in these areas, the one most have in common is investing heavily in the downtowns and economic development. Both take money. Our Town cannot afford for the sake of keeping the same tax rate to not invest in ourselves. In his mind that is what cost the Town commercial growth. The growth in this county is working its way towards the east. In five years we will try to figure how to slow growth because we will not be able to keep up with the demands – roads, parks, and staff. Wake County is running out of land in which to develop. Forty-nine cent tax rate is a tax cut for the citizens. Whether we stay where we are, go up two cents or go up six cents, Wendell will not be the highest tax rate in Wake County; and he is glad to shed that. Does not propose going up 10 cents on the tax rate. For every one person who states he/she pays too much in taxes he hears 10 people say how much they appreciate the new park which was tax money leveraged with grant money and something nice we brought to the Town. It's people telling him before the park was built, "See what Knightdale did with their park. Why can't Wendell have something like that?" People tell him how much they enjoy the BMX Exhibition, the Harvest Festival, and the things the Town does to drive business downtown. If the tax rate is kept at 49 cents, yes the citizens will pay less in taxes. His home was built a year ago and he falls into the portion of citizens whose house went up in value and with the tax increase he will be hit twice. Wendell has got to get off the sidelines and invest in itself. And if the tax rate is kept at 49 cents, not only will we not be able to invest in ourselves, we are cutting back on a number of things. He stated Wake County, City of Raleigh, Rolesville, Wake Forest, Garner, Knightdale and Zebulon adjusted its tax rate because of the new property valuation. Not a proponent because everyone else is doing it. When property values go down and the tax rate goes up to make up for it. Would not ask the employees to take a cut in pay because home values went down. It's not necessarily the fault of the employees. The Town will cut programs that helps drive the commercial success that the Town wants. The Town has a lot of expenses in the next few years. If tax rate is not adjusted, the Town will get behind. Harder to adjust a tax rate when none of the other municipalities are. Going to 51 cents is a decent compromise. Thinks we could invest more. Planning in the next few years will be understaffed, even with Allison Rice losing the reception duties. Need to keep realizing the same amount of money that is coming in now or we will not be able to afford any of it and cut things that will make people unhappy.

Commissioner Carroll stated for the record he is about downtown growth as he is an active investor in downtown. He does not believe that it is the tax payer responsibility to pay for it. Need to get outside of the box and generate income. Not a quick fix and may need to tighten our belts for a year or two. Wendell did not get in this situation overnight and will not bail out overnight. Believes there are other ways to do that other than adjusting rates.

Commissioner Boyette stated he is open to hearing what those ways are.

Commissioner Carroll stated they can touch back on that.

Commissioner Joyner stated budgets that are small are not easy to work with. He thanked the Town staff for their work on the budget. Hears, if-this, then-this; doesn't raise rates, we will lose something. Biggest concern with the tax rate is not what he would pay on the residential, he thinks of the cost to those businesses in downtown. Does not want to bait and switch folks who came in at a reasonable cost and fixed things up and then charging them a new value. Would like to review the priorities that are being invested by our revenues. Would like to propose a 50-50 deal where the Town tightens its belt and use the general fund as a way to tighten down on ourselves. He stated \$90,000 is not \$1.7 million. A solution could be a 51 cent budget at 49 cents and give it a year. Higher taxes do not bring in more businesses or more services. Our biggest and newest program is funded by private investment by someone who came here as a commercial development. A lot of what we get is from our commercial side. If the Board finds all of these things important and we do not wish to cut, then we pay for them. Do not need to cut everything while being fiscally responsible for the programs previous boards put in place.

Commissioner Boyette stated he can go along with taking a little out fund balance for wayfinding, financial software, but not salaries. On-going costs should not be paid for from fund balance.

Commissioner Joyner noted \$77,000 of items that are not salaries, there could be more. He would not fund re-occurring expenses with non-reoccurring funds. Intention is the programs that the Town is attached to being paid for out of our own dollars versus explaining to the single mom that has come to Wendell and bought a house the tax rate increase. Propose for one year to use Town savings. No one wants to raise taxes and no one wants to cut services. In the grand scheme of things, it's \$90,000. If this is what Town staff needs for one year, give it to them. Theoretically, that money makes money hand over fist for us. Shovel ready projects start bringing in revenue. Some of the commercial projects become realities. The Town cannot run from this problem and he gets it. Saying to citizens that these programs are important and the Town is willing to pay for it. If it does not work next year, we will not be able to jump in and blame it on a revaluation. We will have to go in saying these are services that are important and have a conversation. Lowest level of government should be the most connected. Open to options.

Commissioner Boyette heard the concern about a bait and switch and named Wine 101 as an example because it has businesses in Raleigh and Wake Forest. It's not like Wendell is doing something no one else is doing and agreed we are not doing things just because other people are. Economic development and paying for economic development has been the rallying cry of this Board. The Town has an Economic Development Committee. Fear is Wendell will be left behind if not investing in downtown and our business. The façade grant is one of those things. Does not think it is disingenuous to do what is best for homeowners. Agrees that the single mom who bought the house that the \$40 is important to her. The property tax revaluation is pushing the Town backwards. To pay for things we will have to pull money out of a savings account that we are not putting any more money into and that money will not always be there. If we hold off for a year and pay for items out of the fund balance then let's do it. He would like a firm commitment that it will be paid back next year. If it does not work out, then all agree to adjust the tax rate next year.

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Mayor Pro Tem Lutz stated the bottom line is we are here a week before the budget is due and we have let this sit and now in the last hour we are scrambling. If that is the wish to cut some things back and use the fund balance, then let's lay it out and see some numbers. Give something back to the manager and finance director.

Mayor Gray stated it is an option of the Board to recess to tomorrow evening if the Board needs staff to prepare information.

Mayor Pro Tem Lutz is willing to entertain other options.

Commissioner Carroll stated Commissioner Joyner has a list of ideas.

Commissioner Joyner stated he hears two are good with voting on the budget as proposed at 51 cents. If the rate is raised, we are fine with budget and the programs as is. If the Board goes to the fund balance, then we are not fine with the programs. His proposal is to use the fund balance for one year.

Mayor Pro Tem Lutz questioned what the fund balance will be used for.

Commissioner Joyner stated an example is the Wi-Fi as it is a special project. Municode is something the developers will use for our UDO. Wayfinding clarifies where people are going in Wendell. Façade grants are an investment in downtown. Special events bring people to downtown. The administrative assistant and police officer positions are other piece for cuts and are reoccurring expense.

Mayor Pro Tem Lutz questioned the cost of Municode.

Commissioner Joyner stated \$8,900. Cutting special events, façade grants, wayfinding, and Wi-Fi and all are not reoccurring items. No one wants to cut any of that. These are good things.

Mayor Pro Tem Lutz stated that still leaves the Town short.

Commissioner Joyner stated he is excited that he did not include the finance software which is another \$10,000. If he could see below the line items and he could identify more than \$90,000 that are not reoccurring. This is what he has been able to identify at this point. He would like to receive \$90,000 worth of non-reoccurring items in this budget that could be paid for out of the fund balance if the Board so chooses to do that. There is no easy way out of this and there is no fluff. Would like to see expanded Parks and Recreation programs, an employee involvement program to allow employees to be more involved in the community, funding the Appearance Commission events to do things in Town and bring people together. Feels like the Town is going in the right direction. If it is the will of the Board to stay at 49 cents, and have the ability to fund for one year what the Town staff recommended to the Board as best practices and policy then the Board has the opportunity to do that. If using fund balance gives heartburn, then pick what you wish to cut. His idea is to use fund balance for one year. If the gap continues to widen, will not have a choice next year.

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Commissioner Boyette stated he agrees with Commissioner Joyner in principal, in his mind there are items that are reoccurring. The Wi-Fi does not have to be paid for every year. But the Town already invested a lot of money and if the Board decides to stop paying for that then what has been invested up to this point is gone. Wayfinding can be put in the ground and at least for a few years do not have to do maintenance on it.

Commissioner Joyner stated the \$8,900 in Municode is a new expenditure and is an addition to the ordinances. The Wi-Fi is something the Town has had for a couple of years.

Commissioner Boyette stated at 49 cents the Town is not investing, we are cutting. Next year we will have to cut off the Wi-Fi, something we all thought was important.

Commissioner Joyner stated he is not suggesting turning off the Wi-Fi. No one is suggesting that next year none of this will be funded. Suggesting the economic outlook will be better by \$90,000 at least next year.

Commissioner Boyette stated he would like to hope that too. We've hoped that for a number of years.

Commissioner Joyner stated four years ago it was true. Four years ago it was so good we throttled it back. Commissioner Boyette stated it was eight years ago.

Commissioner Boyette stated he is trying to come up with a compromise. Does not want a 49 cent budget and put a slash through things that people want and we don't want to increase the rate.

Mayor Gray stated she hears he wants to take a chance for a year. Intellectually she understands where staff is coming from and how the revaluation has impacted the Town of Wendell. Lack of commercial growth in Wendell is impacting Wendell; and it's not just Wendell – it's eastern Wake County because of our demographics. Hears talk about how Wendell needs a drug store but we do not quite meet the threshold. Town is paying for decisions that maybe should have been different. Hard for her to wrap her mind around an adjustment for a budget of \$5 million and questioned if we can find \$90,000 somewhere. Knows the revaluation hurt the Town. We cannot tax ourselves into prosperity. Made a list of cuts that came to \$77,900. Would like to protect the special events and protect the raises. Special events have been done a couple of years in a row and would be noticed if gone. For the same reasons we need to give raises is the same reason for those who do not wish to raise the tax rate and that is to be competitive in eastern Wake County and this region. The Town of Wendell needs to be more competitive as an employer. She's heard talk of private business, but keep in mind government is not private and we have to look at what we are doing in comparison to other communities around us. Spent a lot of money educating our employees and would hate to see someone leave over a couple of thousand dollars and it would create stress. She is an advocate for the façade grant. Does think that the last few cycles we have had to find someone to apply for the grant. Also think that not funding for one-year - not eliminating – and make it available for a future fiscal year. It's an incubator for business and a good thing to have. Can bring it back when there is a demand for it.

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Mayor Gray stated she noticed the following:

- Myrick supports 49 cent tax rate
- Carroll supports 49 cent tax rate
- Lutz supports 51 cent tax rate
- Joyner supports 49 cent tax rate with fund balance to meet needs
- Boyette supports 51 cent tax rate

Mayor Gray questioned if it is the pleasure of the Board for the town manager and finance director to prepare a budget at 49 cent tax rate.

Commissioner Myrick questioned if the entire \$90,000 would be funded by the fund balance.

Commissioner Joyner stated he is fine with funding \$90,000 out of \$1.7 million.

Mayor Pro Tem Lutz stated he supports the 51 cent tax rate. He would be amenable to tabling the façade grant. If there is fat, let's trim it.

Commissioner Joyner stated he is trying to come up with ways to lower the tax rate and use what is needed in the fund balance.

Mayor Gray stated there is a chance this coming year that new businesses will come.

Commissioner Joyner stated if we are fine with the budget at 51 cent tax rate, then they should be fine with the Town Board paying for them out of the fund balance.

Mayor Gray stated the citizens are still paying for them. Commissioner Joyner stated correct.

Commissioner Carroll stated his business was awarded a façade grant and it is a big deal. He has not cashed in on the façade grant as he does not want to be the last person to receive the façade grant. He met the potential owners of the Tap Room today and they are looking at spending money on the building with a renovation upwards of \$250,000 to completely re-do the upstairs and downstairs of the building. The façade grant is a nice gesture.

Mayor Gray stated for a smaller business the façade grant is a big part of their budget.

Commissioner Joyner asked Commissioner Boyette if he liked the idea.

Commissioner Boyette stated they may have a difference of opinion on whether or not the items are reoccurring costs.

Commissioner Joyner stated at 49 cent tax rate they may get cut this year. Was allowing for the staff's proposal to continue for a year with the Board funding it through the fund balance. Either the revenues come in or next year we will have to discuss the revenues. If we vote on the 51 cent tax rate budget, fine with it as proposed. He feels his proposal is a mix between raising taxes...

Commissioner Boyette stated he understands. If the revenue goes up by \$90,000 that get us back

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to where we started. It only gets us to where we are today and does not move us forward. His concern is he does not want to pay for the last year of a program that is going to get cut.

Commissioner Joyner stated his position is to try to find a compromise where we can continue to fund programs. Hope is the revenues are up. The same people who have heartburn with it this year will have heartburn next year. Thinks that by the tally that 49 cent tax rate is where it is at. That \$90,000 is important this year. This is his way to get the \$90,000 and allowing the people with the view that the rate needs to stay the same to make us whole. Hopefully as a Board we will know each other longer and his hope is after leaving this meeting how to increase revenues. Let's start working on this sooner so we are not in the same position next year. Certainly does not want to see good programs pushing us in the right direction get nixed.

Mayor Gray sees what is being said about not wanting to use fund balance for operating expenses. She also thinks that a more detailed budget could get to the \$90,000.

Commissioner Joyner stated this week he has learned about programs that he has not seen advertised or maybe he did not know were offered. Do not doubt staff's ability to bring a good budget and policy that is good for the Town.

Commissioner Carroll stated the other piece is how to justify to the tax payer if the Board is not willing to pull out of its piggy bank.

Commissioner Joyner stated that is why he cannot vote for the 51 cent tax rate. If the Board is not willing to pay, he questioned how the Board mandates the tax payer pay. Town staff brought the Board the budget they thought appropriate; he is recommending a 49 cent tax rate plus the fund balance of what staff is requesting so that it does not impact the long term any more than next year. He noticed the county changes the vehicle tax rate each year because vehicles are depreciating.

Commissioner Boyette stated that is a great argument if homes depreciated like cars. Over the long run property appreciates. When property appreciates, this Board has dropped the rate. Using the argument to not adjust the rate because property values changed then we should never have changed the rate eight years ago. He's not trying to push the blame on Wake County for property tax revaluation. Does not think that as it currently stands we do not invest in our Town enough. If we don't invest, it will cost us commercial development.

Commissioner Myrick stated the town manager found examples of items and maybe we do not need the full \$90,000. He questioned if only \$30,000 or \$40,000 would be needed from general fund. Town Manager Piner stated depending on how the Board would like to go from here, staff can go back and re-evaluate the figures for revenue as it has been several months. In looking at some of the areas and shifting somethings around staff is willing to look at the 49 cent tax rate. Does not believe staff will find \$90,000 to cut and it could be a combination thereof.

Commissioner Boyette stated staying at 49 cent tax rate does not include staff positions.

Commissioner Joyner stated with the inclusion of one administrative assistant position there is

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\$77,000 and the police officer position and the other position would remain.

Commissioner Boyette stated the police officer position is \$30,000 this year. It's considerably more next year.

Mayor Gray stated that 51 cent tax rate will not cover the salaries.

Commissioner Boyette stated we could go up to 56 cent tax rate and would not have the highest taxes in the county. He thought 51 cent tax rate is a good compromise. He does not believe this will allow us to invest as much in town as we need to. Staying at 49 cent tax rate is not even and is a tax cut the Town cannot afford; not with trying to hire police officers and improving customer service within Town Hall requires more people and people we do have so they do not jump ship. Cannot do that if we are cutting our own funding.

Mayor Gray asked what Commissioner Boyette suggests. Commissioner Boyette suggests a plus two and the elimination of the police position and the administrative position can go either way. At 51 cent tax rate we are unable to pay for the police position next year.

Mayor Gray stated the Board could do 50 cent tax rate and have the police position this year and tighten up.

Commissioner Myrick questioned if there is an administrative position now. Town Manager Piner stated that was from the Town Clerk position. Looking at splitting the salary between two entry level positions. One would be at the front desk to assist with the main phone line, work orders for trash. And instead of a clerk, have someone who could assist us.

Commissioner Myrick questioned the status of the lady who is at the front counter now. Town Manager Piner stated she is part-time.

Commissioner Carroll questioned if a happy medium would be an intern or someone in need of community service to make copies. The Town is short \$90,000 and how can we get done what is needed with this amount of money. Town Manager Piner stated calls have been made to the high school and we have some assistance at Town Hall. That is good for special projects. Interns do not have the investment to the Town as the assignment is short-term. Will need someone on a regular basis with a schedule for consistency. That is not ideal for the customer service position as that person is receiving payments.

Commissioner Boyette stated the purpose of the internship is to learn. If serious about improving customer service at Town Hall and making the employees feel valuable, bringing in high school students is not the way to do it.

Commissioner Joyner stated it does not appear to him the 51 cent tax rate is an option. Giving the Town staff \$90,000 gives the Town staff what they need to do the job.

Commissioner Boyette questioned if there had not been a property tax revaluation this year, do we sincerely believe we would be sitting here talking about dropping the tax rate two cents and

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fighting this hard for \$90,000.

Commissioner Joyner stated if the budget had come through looking like this and making an adjustment to the rate, no. Probably would have seen a budget that would have passed with new programs.

Commissioner Boyette stated we control the tax rate. It's not a tax increase, it's a tax rate increase. This is going to lead to cuts or pay for it out of savings.

Commissioner Myrick stated his concern is the 15 percent that saw an increase and the majority of that 15 percent is commercial. Commissioner Joyner stated the information is for residential.

Commissioner Myrick stated last week he spoke with a business owner that has a tenant and he will pass the increase to the tenant. Anticipating that businesses will stay in Wendell.

Town Manager Piner questioned if the business owner shared how much his property tax increased. Commissioner Myrick stated he did not.

Town Manager Piner stated a couple of the business properties in downtown were looked at and one went up \$20 and the other went up \$30.

Commissioner Joyner stated he hears this is a 49 cent tax rate budget.

Commissioner Boyette stated the worst case scenario is the revenues do not go up and the Town is \$90,000 in the hole.

Commissioner Joyner stated then we will adjust the rate. It would have been a whole lot easier to say 49 cent tax rate and be done.

### **NEXT STEP(S):**

Mayor Gray stated she hears 49 cent tax rate and questioned the pleasure of the Board for the \$90,000 fund balance.

Commissioner Carroll suggested splitting the \$90,000.

Mayor Gray clarified \$45,000.

Commissioner Carroll stated that is without touching the special events and at least the Wi-Fi.

Mayor Pro Tem Lutz stated he would cut the salaried positions, can go either way with the façade grant, and shift the track out camp. Would use the fund balance for things that are long-term such as wayfinding that have benefit to the Town.

Mayor Gray hears two wishing to do \$45,000 in cuts and \$45,000 in fund balance.

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Commissioner Myrick is agreeable to the \$45,000 and \$45,000.

Commissioner Joyner is agreeable to the 49 cent tax rate and the \$90,000 fund balance and is agreeable to the staff recommendations.

Commissioner Boyette stated if not willing to take it in taxes then he is not willing to spend it and prefers \$90,000 in cuts. He does not see balancing the budget from the fund balance as a wise move.

Mayor Gray is hearing to remain at a 49 cent tax rate, cut some things to try to make up \$45,000, and \$45,000 from the fund balance.

Mayor Pro Tem Lutz clarified use fund balance only for one time long lasting events and willing to go up to \$45,000.

**RECESS / ADJOURNMENT:**

**ACTION**

**Mover:** Commissioner Carroll moved to recess the special called budget work session to Thursday, June 23, 2016, at 6 p.m. at Town Hall in the Planning Conference Room.

**Vote:** Approved unanimously.

Duly adopted this 11th day of July 2016, while in regular session.

**ATTEST:**

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Virginia Gray,  
Mayor

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Sherry L. Scoggins, MMC  
Town Clerk