

**TOWN OF WENDELL  
BOARD OF COMMISSIONER BUDGET WORK SESSION MEETING MINUTES  
MAY 08, 2017**

The Wendell Town Board of Commissioners held a budget work session meeting on Monday, May 08, 2017, in the Town Board Room, Wendell Town Hall, 15 East Fourth Street.

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

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

**1. MEETING CALLED TO ORDER**

Mayor Gray called the meeting to order at 6:00 p.m.

**2. FOLLOW UP TO THE APRIL 24, 2017 [MARCH 27, 2017 AND FEBRUARY 27, 2017] FY 2018 BUDGET PRESENTATIONS WITH ADDITIONAL DETAIL RELATING TO RECEIPT OF THE BANK BID PROPOSALS AND SUBMITTAL OF LOAN REQUEST TO THE LOCAL GOVERNMENT COMMISSION (LGC).**

**SPEAKER: Town Manager Piner**

**ACTION: Discussion. Board may take action at its May 8, 2017, regular meeting.**

Town Manager Teresa Piner stated the meeting today is to discuss the bank loan proposal numbers before the regular meeting because the Board will be asked to take action.

Finance Director Butch Kay stated a bid proposal was advertised for a bank loan valued at \$1.2 million. The loan is a facility loan for the police department, tennis courts, re-financing the loan with Wake County and PARTF. A phone conference was held with the Local Government Commission and suggested the financing of the Wake County park property loan for the remainder of the term which is six years instead of ten years. The bids were received today at 3 p.m. Eight bank proposals were delivered: three banks were unresponsive, three banks declined to participate and two submitted proposals:

<b>Financial Institute</b>	<b>Rate</b>
KS Bank	3.87 percent
BB&T	2.1 percent (six year) and 2.4 percent (ten year)

Finance Director Kay stated BB&T is the lowest bid. The Board is requested to take action at the tonight's regular Board meeting. He stated support materials are due to the LGC this Wednesday for the June 6, 2017, LGC Board meeting. He does not have the formal contract at this time. The terms and payments were included in today's bid packet.

Commissioner Joyner stated the Town is being approved for an amount. He questioned if the total amount must be used. Finance Director Kay stated the Town is being approved for an

Board Budget Work Session Meeting Minutes  
May 08, 2017

amount not to exceed and the Town would only draw on what is needed.

Finance Director Kay stated this item is slated for public hearing at tonight's regular board meeting.

Town Manager Piner distributed the proposed FY 2017-2018 budget to the Board members. She added it is included on the regular agenda as an item of presentation. The proposed FY 18 budget was finalized today. Finance Department has done a great job at being creative. Town is experiencing positive growth. One of the biggest changes in the process was the addition of the police station to the budget and to the loan. The purchase of the police station will assist in the decision process of things to come. Property tax rate will remain the same [.49 cents per \$100 valuation]. Finance of equipment and does not require LGC loan approval. Purchase of facilities and does require LGC loan approval. FY 18 budget includes proposal of 2.5 percent cost of living adjustment (COLA). At some time in the near future would like to include a merit program. Special appropriations are included in this year's proposed budget: East Wake Education Foundation, Wendell Historical Society and Interact. Staff met with the broker last week to confirm the health insurance premiums. Staff is available to assist with questions about the proposed budget. The public hearing is scheduled for the Monday, May 22, 2017, meeting. The budget will be available on-line, Town Hall and at the library. The budget line items are nearly the same as last year's.

Commissioner Joyner questioned if the addition of the leaf truck will change the service. Town Manager Piner stated no. The plan is to keep the same level of service. New leaf truck may take several months to receive after it is ordered. Staff will evaluate what to do with the old leaf truck.

Commissioner Myrick questioned if the leaf truck services Wendell Falls. Town Manager Piner stated it includes Wendell Falls and Edgemont Landing.

Commissioner Joyner questioned if there is a special appropriation for the Wendell Chamber of Commerce. Town Manager Piner stated there is a \$2,000 appropriation included in the event line item for music for the Chamber.

Mayor Pro Tem Lutz questioned if the Town makes the payment to the band or to the Chamber. Town Manager Piner stated that has been done both ways. Most times the Chamber provides the Town an invoice. Bands may cost upwards of \$3,000 to \$4,000. The \$2,000 is a portion of the overall cost.

Commissioner Boyette stated the budget swelled by 10 percent and there are no merit increases for the employees is disappointing to him. The cost of living is hard to justify. He stated he understands there are capital needs items. He would have liked to have seen merit increases included. Town Manager Piner stated she would like to move to a merit system for employees.

Mayor Gray stated in anticipation she would like to have something in place for next budget. She would like to have evaluations going so the Town is prepared for next year. Town Manager Piner stated the revenues are unknown until after the first of the year. Once the majority of

Board Budget Work Session Meeting Minutes  
May 08, 2017

revenues are received, the board could assess whether additional compensation could be made at that time.

Commissioner Myrick questioned if evaluations are being performed on employees. Town Manager Piner stated the evaluations are not as frequent as they would be with a merit system.

Mayor Gray stated if no merit is available, then to identify areas the employees may want for additional training for skills.

Commissioner Myrick stated the Town is headed in the right direction for extra monies and it may not be as fast as wanted. Good to do evaluations. Need to be aware of those who are high and low performing.

Commissioner Carroll questioned the amount proposed from the general fund. Town Manager Piner stated \$176,970.

Commissioner Carroll questioned if the funds last year were replenished. Finance Director Kay stated the anticipation is to not use the appropriated \$18,000 from FY 17.

Mayor Pro Tem Lutz questioned the percentage of the fund balance for the total budget. Finance Director Kay stated close to 54 percent.

Town Manager Piner stated the policy reflects a 40 percent balance.

Mayor Pro Tem Lutz clarified that is a policy by the Town and not the LGC. Finance Director Kay stated that is correct and added the LGC minimum fund balance is eight percent.

Commissioner Boyette stated the LGC looks at what is left in the Town's fund balance when evaluating a loan request.

Commissioner Carroll questioned are there negative consequences with the use of funds from the General Fund two years in a year. Finance Director Kay stated no negative consequences based on the Town's budget and fund balance. He added the Fund Balance is being used for one time expenditures not daily operations.

Commissioner Boyette questioned if the percentage amount on the Board's Snap Shot Overview will change. Town Manager Piner stated it will change after the adoption of the budget.

Commissioner Boyette questioned what the percentage would change to with the adoption of the budget. Finance Director Kay stated he does not have that information at this time.

Commissioner Boyette questioned the payment amount of the loans. Finance Director Kay the total will be \$337,050.

**3. ADJOURN.**

**ACTION:** It was the consensus of the Board to adjourn the budget work session at 6:31 p.m.

Duly adopted this 22nd day of May 2017, while in regular session.

**ATTEST:**

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Virginia R. Gray, Mayor

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Sherry L. Scoggins, MMC; Town Clerk