

Town of Youngsville  
P. O. Box 190  
134 US 1A South  
Youngsville, NC 27596  
(919) 556-5073  
Fax (919) 556-0995  
Townyngs@townofyoungsville.org

# MINUTES

MAY 8, 2018

6:00PM

## BUDGET WORK SESSION

### YOUNGSVILLE COMMUNITY HOUSE

Mayor Fonzie Flowers called the Work Session of the Town of Youngsville Board of Commissioners to order at 5:58pm. In attendance were Commissioners Graham Stallings, Catherine Redd, Larry Wiggins, and Terry Hedlund. Commissioner Joseph Johnson was not in attendance. Also in attendance were Town Administrator Roe O'Donnell, Town Clerk / Tax Collector Emily Hurd, Finance Officer Jacklyn Patterson, and Police Chief Daren Kirts. A representative of the Wake Weekly was also present.

The only item on the agenda was a discussion on the proposed FY 2018-2019 Budget. O'Donnell explained there were three parts, the Budget Message, the actual Budget Ordinance, and the updated Fee Schedule, which will be incorporated into the Budget.

O'Donnell read the Budget Message:

*Attached herewith is the Requested/Recommended Budget for Fiscal Year ending 30 June 2019. We do not have the final property tax valuation from Franklin County nor do we have the final cost of liability insurance or health insurance for FY19 and; consequently, these numbers are subject to revision.*

*This budget includes **many new initiatives** which were discussed and recommended at the Board of Commissioners January 2018 retreat, along with some of the important items shown in the Town of Youngsville's first ever adopted Capital Improvements Program CIP. Consequently, the tax rate for FY19 is proposed to remain at \$0.0066 or \$0.66 per hundred dollars of valuation. The revenue neutral rate post revaluation is \$0.005104 or \$0.5104 per hundred dollars of valuation per the G.S. calculation; however, a more realistic revenue neutral rate is actually \$0.005835 or \$0.5835 per hundred dollars of valuation.*

*The Requested/Recommended budget includes:*

- 2.5% cost of living adjustment for all employees
- The completion of the Comprehensive Plan - \$18,000
- Completion of Pay and Classification Study - \$3,500
- Preparation of a Unified Development Ordinance, Phase I - \$20,000
- Luddy Park Flood Lights - \$17,000
- Snow Plough and Salt Spreader - \$12,000
- Second Police Vehicle Replacement - \$7,000 (debt service)

- *New Antivirus Software and New Computer Equipment - \$32,000*
- *New Accounting Software - \$15,000*
- *Office Equipment New Safe - \$2,500*
- *New Web Site - \$10,000*

*It is also requested that we borrow up to \$150,000 to resurface/reconstruct streets in Youngsville. This will allow a cost saving by mobilizing a contractor to execute a sizable contract and allowing for more competitive bids. The cost of the project would be paid for by an infrastructure loan repaid over 10 years at approximately \$20,000 per year.*

*Revenues and expenditures have been estimated on the basis of actual experience through 30 April 2018.*

*A copy for public inspection is available at Town Hall.*

O'Donnell explained how the revenue neutral rate worked during a revaluation year and noted per General Statute, it would be \$.51 per \$100 valuation (\$.0051). However, that number was misleading as we had a large industry also appear on the tax scroll during the revaluation year. If you figured the tax rate based on that industry having already been on the tax scroll, instead of new, it led to a revenue neutral rate of \$.58 per \$100 valuation (\$.0058), which he ran by Franklin County Tax Assessor's Office (FCTO) and they agreed this was the more logical figure. O'Donnell explained a tax rate of \$.51 would only increase funds by \$31,000, which was far too low. If the tax rate was \$.5835, then revenues would increase by \$189,000, a far more accurate number. However, O'Donnell stated he was recommending that the Board not change the current tax rate of \$.66 per \$100 valuation (\$.0066). He explained this would cover the costs of all of the items the Board had proposed. O'Donnell stated that if the Board wanted to reduce the tax rate, they would need to remove items from the above list.

Patterson stated O'Donnell touched on the needs of the Town above what we have been doing previous. She noted her goal was to get operations as efficient as possible. Patterson explained the need for new computers and server, with the hope that we can get the Police Department computers updated as well. She noted it would be more cost efficient to upgrade everyone at the same time, as well as being on the same server instead of two different ones. Patterson stated she was still working out the details.

Patterson noted the Administration budget increased \$170,000 over last year but includes the Comprehensive Development Plan (CDP), Pay and Classification Study, 2.5% cost of living raises for the Administration Department, server, software, computers (some of which may go to the Police Department), and a safe.

Patterson explained the Community House budget increased by \$4,700 over last year, mostly due to a deep clean, then a monthly cleaning contract. She noted Hurd was proposing an increase in rates. Hurd explained it currently rents for \$90 a day and was last increased in 2008. Patterson stated the rental fee would increase, as well as the deposit to cover an extra cleaning if needed. O'Donnell asked if the rental revenue we currently have would cover the costs and Patterson explained she has budgeted in such a

way that the Community House pays for itself. When asked, Hurd explained she wanted to charge in-town rate of \$100 (a \$10 increase) and out-of-town rate of \$125 (a \$35 increase), regardless of the type of event. There would no longer be a higher charge for businesses over parties, as the utility usage was always similar. Hurd noted the deposit would increase from \$50 to \$100 to cover an extra cleaning. She stated she would like to increase these fees not only to cover the costs but because of all of the repairs that have been needed over the past few years, such as replacing heating and air condition units, along with roof repairs. Hurd also noted upcoming repairs to the outside of the building in the near future. Commissioner Hedlund asked there would be any electrical work done, as he has noticed that the breakers flip often. After a brief discussion, Chief Kirts explained he felt the service was adequate but some electrical work on the box may be needed. He stated it would hold for now. Patterson stated if she averaged the proposed rates, the Community House would need to rent approximately 105 times to cover itself. She noted it was a slight increase from last year. Hurd reminded the Board that we charged half price Mondays through Thursdays for non-profit and the fees would be based on half of either the in-town rate or out-of-town rate. She noted HOA's do rent quite a bit on those days. Commissioner Stallings asked how many hours and Hurd stated we did whole days, 8am – 11pm. When asked, she explained half days were hard for Staff to keep up with which renter may have done damage or left the place a mess. Hurd stated she had called around for prices at other facilities and these rates are still one of the lowest rates around.

O'Donnell reminded the Board that the Youngsville ABC Budget would be separate from the Town's, however, it does include the profits up to \$40,000 in the General Fund. Anything over \$40,000 goes towards the mortgage.

Patterson noted the Police Department would add another officer for one half of the year but noted the Police Department was working on getting a grant to cover the costs of a new officer. Chief Kirts explained how the grant worked, covering 100% of the officer for the first year, decreasing over the next three years until the officer was fully paid for by the Town. This grant covers the purchase of a patrol car and most of the equipment as well. O'Donnell noted that as Youngsville continues to grow, the Police Department will need to grow as well. Patterson stated the budget covers two police cars. Chief Kirts noted three cars had been paid off during this fiscal year. O'Donnell explained we have been purchasing one car each year. Patterson stated there were several service contracts, to include fingering printing machine, radios and new Tasers. Chief Kirts explained the Tasers were being phased out, meaning no more repairs or new batteries. He stated they have no choice but to get new ones. Chief Kirts explained the company will finance a dozen Tasers for the price of one Taser a year or we can pay \$1,200 each out right. He reiterated they had no choice but to switch them out at this point. Chief Kirts reminded the Board that the current models were paid for by donations.

Patterson stated the Parks and Recreation Department will only take funds from the General Fund for salary and new lights at the Luddy Park.

Patterson stated the Streets and Sanitation Department was holding steady with two maintenance workers. She noted there was a request for a new snow plow, which the

Town would pay cash for. Patterson stated she had budgeted for an increase in the garbage service but the revenues will help to offset that.

Patterson stated the Powell Bill had an increase due to the proposed resurfacing project.

Patterson stated the Parks and Recreation Fund would be self-sufficient to run the programs, except for the lights. She explained she had spoken with Nash concerning raising the funds to cover the current programs, as well as any future programs. Patterson stated it needed to be run as a business and Nash told her he would look into more ways to help it grow.

Commissioner Hedlund stated he thought the lights had already been replaced and O'Donnell explained that small repairs had been made but the new lights were never installed.

Commissioner Hedlund asked for more clarification on the repaving / resurfacing project. O'Donnell explained the Pavement Analysis gives a list of which roads need repairs, which type of repairs, and an approximate cost. Based on this Analysis the Board will decide which roads to work on first. O'Donnell stated he wanted to set a price first, then see how much we can get done for that amount. He noted all of the Railroad Streets are owned by CSX Railroad but they expect the Town to maintain them.

Commissioner Hedlund asked what the tax rate was for Wake Forest and O'Donnell stated he thought it was \$.58 per \$100 valuation. He explained it was deceiving by just looking at the tax rate. O'Donnell stated \$.01 per \$100 of Youngsville's tax base would equal \$20,000. However, for \$.01 per \$100 of Wake Forest's tax base would equal \$500,000. Commissioner Hedlund just wanted to make sure that as Youngsville grows, we could think about reducing the tax rate and O'Donnell agreed the tax rate would decrease as the Town gets a handle on things. Patterson agreed as well, noting that once everything was running efficiently it would help decrease costs resulting in the ability to reduce the tax rate.

Commissioner Hedlund asked for more information on the Parks and Recreation funds coming from the General Fund as he wanted to make sure they were covering their expenses. Patterson explained salary and the lights for the Luddy Park, as it was a capital expense, were the only two items. O'Donnell explained there are more things that need to be done at Luddy Park which will show up over the next few years. When asked, Patterson stated it would cost approximately \$20,000 for the lights and \$48,000 for salary, which included benefits, payroll taxes, and workers' compensation.

O'Donnell wanted to remind the Board the Pay and Classification Study would be implemented in the FYE 2020. He explained how the procedure worked and noted there could be a large impact on payroll.

Commissioner Redd stated she appreciated the worksheets and the ability to have a work session to go over all of the information, as did the other member of the Board. O'Donnell noted Commissioner Johnson was absent but he had spoken with him earlier

in the day. He stated Commissioner Johnson was satisfied with the proposed budget. Patterson stated she had worked with the Department heads to help figure the costs and revenues. Commissioner Hedlund wanted to clarify that there were two full time maintenance staff and that was correct. He wanted to know what portion of their time was spent on cutting grass and Chief Kirts stated it depended on the time of year. Commissioner Hedlund expressed concerns that it was taking too much time away from other duties. He suggested looking into outsourcing the mowing and O'Donnell stated he could look into for next year. Hurd explained she gets estimates on their time for the Powell Bill salary transfer and noted it has been as high as \$10,000 worth. She noted about 70% was for grass cutting. Chief Kirts stated if we contracted out the grass cutting, they could save a ton of time. When asked, Chief Kirts noted it was about two days of right of way mowing each week. O'Donnell stated a personnel analysis needed to be done. Chief Kirts felt we could keep up with the mowing this year and O'Donnell explained that an analysis will also help to figure out what staff will be doing with the extra time. O'Donnell stated there will be a little time where we will need to plug the hole in the budget. Chief Kirts stated that he knows exactly how much time is spent mowing based on their daily time sheets. He explained it's broken down for each task.

Hurd presented the proposed Fee Schedule. She explained the proposed costs are the top amount needed, but if the Board felt it was too large of an increase, the Board can decide to increase in smaller increments over several years. Hurd explained the Dog Tag Fees have been brought before the Board years ago by Commissioner Yadusky and Board declined to increase fees at that time. She explained that Dog Tag Fees have never been increased and are no longer covering the costs. Hurd explained Dog Tags are due February 15<sup>th</sup> of each year. She gives them an extra month before sending notices, which includes the cost of postage. Hurd explained the costs of tags, keeping the records / copies, and time spent by employees has increased over the years. Commissioner Redd asked if this was required by the State or if it was something Youngsville did because we thought it was nice to return dogs. Hurd explained it was Town Ordinance and the biggest reason for the Ordinance was to make sure every dog had updated rabies vaccinations. She stated that if a dog was loose, she knew who's dog it was in order to be able to return, fine them, and also that the dog was safe. Hurd reminded the Board about the leash law as well. She stated most dogs in town were registered, with a few that may be missed by new residents. As we find dogs that are not registered, notices are sent to the owners. Commissioner Wiggins asked what the fine was for a dog off of its leash was, and O'Donnell explained it was a regular violation of \$50.00, each violation. Hurd noted violators were rarely fined the first time as accidents happen but repeat offenders are issued citations for the violation which comes with a court date as well. She stated the Police Department has issued citations previously. The Board was fine with the increase to \$5.00.

Hurd explained garbage fees have not increased since 2015 even though costs have increased each year. She explained she filled out a report each year for the State that included costs for all of the services provided, including Waste Industries, bulk garbage, salaries (including retirement and payroll taxes), and complete overhead including gas. Using the total costs for the FYE 2017, as the final numbers for the current year are not yet available, the actual cost was \$28.25 per account. Hurd noted the fees have not been

increasing each year as they should have. If an increase was not approved, this would be the third year without one. Hurd explained she has not yet received the increase information from Waste Industries for this year as the rate is set by the State, then goes to Waste Industries, then they inform us of the final increase in rates. She noted it was a large increase at one time but she did recommend at least raising it to a midrange rate to start recouping some of the costs. O'Donnell asked what percentage Waste Industries had increased since 2015 and Hurd stated that she did not know. Commissioner Hedlund noted it was a large increase and Commissioner Wiggins stated the Town needed to cover the costs of service. Hurd explained if we did away with the monthly billing and let the taxes cover the costs of garbage, it would equal \$.05 worth of tax rate based on the revaluation numbers received from FCTO. She noted it would be best to continue with the monthly billing system that we have in place. O'Donnell explained Wake Forest did this in the mid 2000's during a revaluation year and it was \$.04 in the taxes. However, he noted other towns are getting away from using tax money to pay for garbage services and going with the monthly billing. O'Donnell explained it was not the same as it used to be due to a change in federal law that allowed for taxpayers to claim it as a deduction on their taxes. When asked, Hurd explained the proposed amount to fully cover the costs based on last year's expenses was \$28.25, which is a very large increase. She noted the increase could be split in half, with an increase planned for next year. Hurd noted the fees should be increasing each year as the costs of service, gas, overhead, etc. increases each year. O'Donnell asked if 50% of the proposed increase would work for the Board and Mayor Flowers agreed the full increase was just too much. Hurd noted there were a lot of elderly customers on fixed incomes that only had one bag of garbage a week and the full increase may be too much for them to handle. She reiterated she wanted to cover costs but she also wanted to note it was a huge increase because we waited three years to do it. Commissioner Redd wanted to clarify that we have not yet received this year's increase from Waste Industries and Hurd stated that was correct. Hurd explained the numbers she used were from FYE 2017. Mayor Flowers asked when the last time we put the services up for bid and Hurd stated the last time we renewed the contract. She explained Waste Industries always beat the competition. O'Donnell asked when the contract expires and Hurd stated next year. When asked, the Board agreed that the midway point between the current and proposed rates would be fine.

Hurd clarified with the Board that they agreed with the proposed rate increases for the Community House and the Board agreed they were fine with them.

Hurd explained Miscellaneous Fees were set by the Town Ordinance. She explained the Permit to Dig in Streets was dictated by Ordinance but did not specify a fee. Hurd stated \$25.00 was a standard fee for various zoning permits and she would like to use that amount for this as well. She explained this would cover the amount of employee time it took to approve the Permit. Also under Miscellaneous Fees was the cost to cut grass should they not comply with their violation notice. Hurd explained the Town bills \$100.00 an hour, with a minimum of one hour, then billing in half hour increments after that. There was a discussion concerning when roads were turned over to the Town for maintenance and the need for the Specifications Manual to make sure they were built to higher standards. The Board agreed with the proposed Miscellaneous Fees.

Hurd explained penalties were set by the Town Ordinance. Unless otherwise stated, violations were \$50.00 each day the violation continues. Specific penalties per Ordinance included Public Nuisance at \$50.00, willfully engaging in disorderly conduct at \$500.00, Noise Violations with costs based on each violation and Excessive False Alarms at \$100.00 each after three warnings. When asked what constituted a Public Nuisance, examples included water / air quality violations and junked cars. Commissioner Hedlund stated it sounded like a “catch all” and Hurd agreed. After a brief discussion on yard conditions, Hurd explained the Code Enforcement Officer Danny Eudy would investigate the property / violation, send out a notice of violation, and issue fines if applicable. Commissioner Wiggins wanted clarification on the Noise Ordinance and Chief Kirts explained our current decibel levels. As an example, Chief Kirts noted that the traffic outside the building was loud enough that it violated the Noise Ordinance. Commissioner Wiggins noted some concerns about violations in his neighborhood and Chief Kirts stated they could look into it. After a brief discussion, the Board was fine leaving the current Penalty rates.

Hurd noted there were no rate increases for the Police Department fines, including parking and fingerprint charges. Both Chief Kirts and the Board were fine leaving them as they were.

Under Taxes and Fees, Hurd explained she was requesting the fees for Dog Tags increase from \$1.00 to \$5.00 as discussed earlier. When asked, Hurd stated we sell approximately 100 Dog Tags but it will increase due to the new subdivisions. The Board was fine with increasing the Dog Tag Fee to \$5.00.

Hurd explained the Beer and Wine Licenses were set by the State and could not be changed. Peddler’s Licenses were staying the same at \$25.00. She explained the Police Department did a limited background check on the applicants. Chief Kirts explained they could only check for warrants. Commissioner Stallings expressed concerns about the limited background checks. He stated he wanted to start doing a full background checks. After a brief discussion, it was decided to have a \$25.00 fee plus the costs of the background check. Mayor Flowers noted that Patterson Woods was a “No Solicitation” neighborhood and Hurd explained the Town could not enforce covenants, only the laws and ordinances. Hurd stated if the peddler didn’t leave the property when asked, the Police Department could intervene then. She explained most companies never came in after explaining they would need a background check. Commissioner Redd noted the background checks where she works were approximately \$36.00.

Hurd explained Taxi Cabs were \$15.00, plus the costs of the Hearing. She noted we have never had any Taxi Cabs wish to start business in Youngsville. This did not include Uber and Lyft as they were not considered Taxi companies.

Hurd explained the Vehicle Registration would stay the same at \$5.00. She stated this fee was billed with the motor vehicle taxes and collected by the State then paid to the Town each month. O’Donnell stated a higher rate can be charged and Hurd explained anything over the \$5.00 is designated monies.

Hurd explained the Zoning Fees were located on a separate Fee Schedule and were updated less than a year ago. O'Donnell explained this Fee Schedule can be updated throughout the year. The only thing that cannot be changed after being set is the tax rate.

Hurd wanted to clarify that the Fee Schedule can reflect \$25.00 plus the cost of the background check, instead of putting a specific cost, and O'Donnell answered yes. When asked, Hurd stated she has never charged for Boy or Girl Scouts, or school fund raisers. She noted we cannot charge for the Churches.

O'Donnell asked if there were any other questions or comments. Commissioner Redd stated this was very well presented and she appreciated all of the work. O'Donnell noted that Patterson did most of the work on the Budget. Hurd stated she appreciated being involved in the process. She explained how important the new computers and software was based on the current situation. Hurd noted the new systems would be more efficient and help streamline daily routines.

Hurd noted the Public Hearing for the Budget would be held at the June Board Meeting.

The meeting adjourned at 7:19pm.