



**MINUTES**  
**TOWN OF SUNSET BEACH**  
**Budget Work Session**  
April 23, 2007  
9:00 a.m.

**Members Present**

Mayor Ron Klein  
Councilman Len Steiner  
Councilman Carl Bazemore  
Councilman Ron Watts  
Councilman Lou DeVita  
Councilman Bob Bobinski

**Others Present**

Linda Fluegel, Town Administrator  
Kim Cochran, Town Clerk

This budget meeting for FY 2007-2008 was called at 9:01 am. Various department heads were in attendance.

Fluegel welcomed Council to the budget meeting. She highlighted budget items that had a direct impact on the revenue for the town. The fire district tax was a disappointment as special legislation the county was trying to get adopted has not passed. They suggested the town go back to the \$443,000 that was collected last year. This was a substantial drop in revenue.

If they went with the budget as it is now, the new tax rate would have to be 11cent. Council had discussed a lot of projects that were not in the budget, so they would have to decide what they wanted included.

Jim Jones, Finance Director, stated property tax was the biggest part of the town's revenue at 29.5%. He advised Council to consider the valuations changing and being reduced by the county as the figures they gave were not definitive and to err on the side of caution. He stated he had spoken to other counties as a board member of Capital Management, and they were still trying to recover from "neutral revenue" of several years ago. They had to consider the CIP payment and the Future development Fund, which could be left alone this year unless they were looking at land acquisition. He stated accommodation tax was 20.7% of our revenue but because of those taxes being down it would only be 14.4%. Estimated revenue for accommodation tax was set at \$825,000.

Administration:

Fluegel highlighted the administration funds and advised Council of the insurance bill in legislation that was out of committee and had been sent to local government. If passed would be a substantial savings to the insurance fund.

There was discussion of the CIP Fund and whether to pay all or part of the loan as this would affect the tax rate.

Police:

Steiner asked if the town could place electronic signs in Sea Trail to stop speeders. Chief Massey felt it was useless and advised how a police car parked on the side of the road would better accomplish the goal. Chief Massey explained her request for a new car to rotate out the oldest in the fleet.

Fire:

Department requested three additional employees.

Inspections:

Two new vehicles were requested to replace the late 90's models on hand now. Council agreed but reduced request by \$10,000.

Council allowed the Chamber of Commerce representative to speak before they broke for lunch: Scott Harrell spoke for the Chamber and requested \$20,000 -\$25,000. There was much discussion of what other towns were donating. Council still felt it was unfair compared to the advertising Sunset Beach received, felt it was too much and requested a copy of the Chamber's budget.

Streets:

Council asked about the equipment fund and why it was so high. Crim stressed the need for this equipment if they were to start all of the maintenance required by the town. Council asked Jones to get information on the cost of contracting these projects out by the next budget meeting so they could see the comparisons on which was cheaper. Finance stressed if they were doing the lot clearing/mowing the town could not make a profit by General Statutes. They could only collect reasonable reimbursement.

Donation Requests:

NC Inlet and Waterway Association -\$1,000, Communities in Schools - \$2,000 ,Hope Harbor - \$1,000, Ingram Planetarium \$20,000, Brunswick Family Assistance-\$2,500 and Brunswick County Literacy – \$500.00 had all submitted written requests for donations. There was discussion about the amounts and whether we should donate at all.. Watts felt we shouldn't be in the business of donating large sums to these groups as some were self funded and actually had grant writers as members. Bobinski and Bazemore spoke in favor of contributing. After more discussion, **Motion** by Bazemore to contribute the requested amounts. Motion failed for lack of second.

**Motion** by Watts to donate \$200.00 to each, nothing to Communities in Schools and the \$20,000 to the Planetarium. **Motion** amended to include \$200 to CIS. Seconded by DeVita. Motion carried.

Council asked Fluegel if she could get the software company to provide a current balance in the budget program that would carry from year to year.

There was discussion about the entrance design to the island and how to proceed. Fluegel stated the planning board was looking at this now. A plan was needed to implement this in sections and it was being worked on.

Council asked Fluegel for ways to set aside money (such as a resolution)for specific projects. Their major concerns were greenways, water access, beautification and bike/walk paths. Fluegel commented that years ago resolutions had been instituted this way to prevent someone from moving the money into the general

fund as was done years ago. This way the funds could not be moved for any reason without rescinding the resolution by general agreement and motion.

After much discussion of future projects, Watts suggested 10.5 mil tax rate. DeVita and Steiner felt 11 to 11.5 would be better to sustain the town. They asked Fluegel to look at straight leases for street equipment instead of purchasing.

Council instructed Fluegel to have the budget for the next workshop to be constructed with an 11 *and* 11.5 cent tax rate for comparison. They wanted one based on 2 million of revenue.

No further action taken

Council adjourned at 3:40 pm.

Adopted this 7<sup>th</sup> day of May, 2007.

**TOWN OF SUNSET BEACH**

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Mayor Ron Klein

Attest

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Kim Cochran, Town Clerk