

MINUTES
TOWN OF SUNSET BEACH
Budget Workshop /Special Called Meeting
May 18, 2009
9:00 a.m.

Members Present

Mayor Ron Klein
Mayor Pro-Tem Len Steiner
Councilman Lou DeVita
Councilman Ron Watts
Councilman Bob Bobinski
Councilman Wilson Sherrill

Others Present

Gary Parker, Town Administrator
Larry Crim, Ass't. Admin
Kim Cochran, Town Clerk
Donna Rogers, Finance Director
Jeff Curtis, Building Inspector
Police Chief Lisa Massey
Fire Chief, Chris Barbee
Public Works Director, Dustin Graham

9:00 am

Mayor Klein called the workshop to order.

The Town Administrator thought they should start with expenditures first to see what they thought they needed to do, then look at revenues and adjust as needed. They had a couple of grant opportunities they may want to act on.

There were a couple of large expenditures he wanted the Council to look at. He said 1) since the Town Hall is designated as the Emergency Operations Center, he was looking into protective shutters (for which we could receive a grant) and 2) the hiring of new firefighters and a vehicular exhaust system for the fire department.

Donna Rogers informed Council the new computer system had a glitch they were working on and the Estimated Annual Expense column was to be ignored as it was incorrect. The system did not compute for the whole year to date.

The first item was Council stipends. Council said to remove the 2% increase for them. There was discussion of the COLA's and merit raises. Parker provided information about the inflationary index and the State Health Plan reducing employees benefits while increasing their cost. There was discussion COLA's. Most of Council was against any COLA's for the upcoming year and Rogers explained the employees were not expecting one. Council debated giving small merit increases not to exceed 3.5%. Wilson Sherrill wanted the budget to be as "lean and mean" as possible.

Steiner agreed but stated that they should be mindful of loyal employees. Watts interjected that there was not a business in the County that hadn't had to lay off people. He had a problem with any increases to the employees.

Steiner felt a 1.5 COLA at least, was in order. No decision was reached.

There was discussion of the way Finance had broken apart insurances and other cost into departments. She stated it was to accurately reflect what each department was expending. There was discussion of the big decrease in energy but increase in gas. Discussion ensued of the town expecting gas prices to rise again.

Printer-

Parker stated we needed a new printer/copier and a color one was in order as there were many things that he needed in color. Watts asked if we had looked into the smaller copiers and whether it was worth pursuing or if the cost of ink would be prohibitive. Wilson Sherrill stated he wanted a sound system that would have speakers between the rooms so when they had overflow people could hear what was going on. Watts asked if any thought had been given to tearing out the wall between the two rooms. Parker replied no, especially since the major issues that brought in large crowds had been resolved. The sewer was settled as was the annexation. Huge crowds were not the norm for a regular town meeting. It would not be cost effective to remove the wall.

There was minor discussion of the well documented inventory that Jim Jones had been keeping.

Public Buildings-

Parker asked Council what they thought of shuttering the Town Hall. We qualify to apply for a grant that will pay for 75% of the project. Steiner said he thought the new bldg. was built to withstand 130 mph hurricane winds. Parker said it was but the main issue was flying debris coming through the windows like in a category 3. He also thought it would look better. Steiner asked about them cutting the visibility. Watts said he had been in buildings with these and surprisingly they did not cut down on visibility. Parker stated since we are the EOC is just made sense to him. Watts recommended against the shutters and stated that if they had a category 3 they would all go to higher ground....no one would be here.

Beautification-

DeVita discussed the landscaping for the town. They had a group looking at the streetscapes and tying everything in with Town Hall and the causeway. Someone suggested having Tim Cate come and look at the Town hall and suggest something that looked good but needed minimal care.

Fire Depart.

There was discussion of the 2nd fire station and the 6 year strategic plan for it. Chief Barbee requested three new firefighters now that he could possibly get a grant for them and/or possibly nine if Council agreed. Council asked him about last year's SAFER grant. Chief Barbee replied we were turned down. The one coming up had no matching requirements. Parker stated that if we went for three now it was 100% funded through FEMA for four years. We could always go back next year and ask for the additional six if they wanted. Watts asked if we could actually hire nine. We had hard enough time finding qualified people now. DeVita disagreed and said we could not keep hiring for seasonal loads. Why couldn't we hire part time people like students or use volunteers on a part time basis? Barbee said many of his volunteers were too old and could not do the job as a regular staff member. Steiner said there had to be a lot of training to be effective and we just couldn't find them. Watts said we had talked about 2013 being the year for the 2nd fire station. Was that realistic or could it be pushed back further? There were still other major expenses involved and an extra load on him as management. He would hate to hire people we didn't need just because the town could get the money. The Safer grant would always be there. How long did he have to find qualified people if we got the grant? Barbee replied 90 days. Steiner said that was unrealistic. It simply takes too long to find qualified people. Watts asked if Barbee was saying we needed the three, and if we didn't get it by February what was the down side? Where we up for review or something?

Barbee replied no we weren't. Council decided to go ahead and apply for the SAFER Grant for three firefighters and if it didn't happen, we didn't have to hire anyone. There was other discussion of equipment replacement and a new exhaust system for the fire bays. The concern was contamination, shorter life of equipment, etc.... DeVita stated it was in the packet that if we got the grant we'd buy it but if not, we're to forget it? He didn't like that logic. Either it was important or not. Watts asked if he would like to have three new firemen or the equipment. Barbee replied that he needed both. Steiner said to see if the grant happened. If not, they could take the money from the Unappropriated Fund.

Police:

Watts asked Chief Massey if she had anyone retiring. She replied not that she knew of. Discussion ensued about the rotation of the vehicles on the 5 year plan. She purchased two last year, and would not need another until the next fiscal year (after this one). She also stated she only purchased uniforms as needed. They did not buy the full dress uniforms; it wasn't practical for the beach. They kept the shorts and t-shirts for the hot weather.

Parker introduced Dawn Ivey with the Literacy Council. Ms. Ivey gave a presentation on the Council and asked for a donation of funds.

Inspections:

There was minor discussion of supplies. Curtis had requested a new vehicle since the one that had was in terrible shape. Watts asked how many were on staff and was Council comfortable with that? He stated business was down and they weren't projecting revenue to increase for awhile. Parker stated to just wait and see what happens then they could re-visit this at a later date. Sherrill asked if they had made any attempt to shop their services around. Curtis stated everyone already had inspectors on staff; they didn't need to hire out. Watts stated that in light of the decrease in revenue, where there any other places in town they could use the personnel? Parker replied yes, they had plenty of work for them to do. He stated Randy was very useful to him with programs he was not familiar with. They also stayed busy with their filing of CAMA permits; general daily record keeping and being available to the public. Council thought the truck requested was not needed. They felt inspections could get by on what they had for now. Rogers was instructed to sell the old vehicle as surplus.

Streets:

Watts inquired if the decision they'd made to keep maintenance in-house was a good one? Crim replied it was but they were so busy with leaf and limb the man he had hired to deal with plantings and landscaping was busy in the field and didn't have the time. Leaf and Limb was a big burden and time-consuming. Council asked Crim to get the complete cost it would take to get the 14 year old dump truck in good working shape. They would have to wait to purchase a new one.

At that time Crim asked Council about what they wanted to do about anchor bolts for the bridge for lighting. He knew they were not going to put lighting on the bridge, but if they decided years from now to do this, they had to have anchor bolts and they could not be added; it had to be placed on there now during construction. Council approved Crim authorizing English Construction to place anchor bolts.

Council asked about the large cost in miscellaneous in streets but there was nothing added for this coming year. Rogers replied that was a contract for cutting tree canopies for the fire department ladder truck and was now completed.

Streets had requested another person for that department but Council denied the request and asked Graham to use part time help for the least cost. Crim replied it had to be someone you could trust and not have to strand over them. They would have to budget at least \$10,000 for part time help because it would have to be someone he could trust to do their job and someone like that is not going to work for minimum wage.

Recycling:

There was much discussion on recycling, tipping fees and bags vs. cans. A Vacuum truck was not a viable solution. The fee for 7 months would be \$133,000 with two pickups for the island. This would add a half cent to the tax rate. DeVita thought this was a viable project and thought they should explore all opportunities. No decision was reached and Council wanted more information on this to be presented at the next meeting. They were shooting for a February start date. Steiner was against recycling because of cost.

Environmental Protection

Steiner inquired if our storm water drainage on the island was sufficient. Crim stated it was.... people needed to give them time to drain....we may have two inches of rain in an hour but within two hours it would all be gone. Council asked about more drains and Crim responded that they could place no more drains on the island. The EPA and FEMA told the Town some time back there would be no more lines going into the waterway.

Planning and Zoning:

Council asked what was the \$10,000 was for. Parker explained they had to bring the zoning and ordinances into compliance as a result of the Land Use land being approved. There was always tweaking that had to be done to the ordinances afterwards. This was for a consultant to make sure nothing was missed.

Public Safety:

Mayor Klein spoke of their request to the code enforcement officers about juggling their shifts concerning the dog situation. (people letting dogs roam early in the mornings and late in the afternoons and not picking up their waste). DeVita asked for a water fountain at the gazebo as there was nowhere for anyone to get a drink of water out on the beach. They needed new cans and a flag pole. Council discussed the pole that would hold three flags. Crim got a quote considerably more than the one the ABC store received from the same company. Council advised him to look into this and see if it could be reduced.

Planetarium:

There was discussion of the planetarium and the reduction they had said was going to happen. In light of the increased activity on the part of the planetarium to increase the outreach for donations Council agreed to donate \$25,000. Council agreed they did not want to continue down the same path ...there needed to start being a reduction in the Town's donations.

Donations:

Council had received a request from Bill Ehling in Shoreline Woods for \$7,200 to keep the ponds cleaned out since the Town owned them. Council instructed Parker to contact Isenberg about the ponds and the legal ramifications of keeping them up...i.e., if public funds go to keep it cleaned and stocked there would have to be public access to allow anyone that wants access to the ponds. Watts suggested giving everyone \$1,000 with the exception of the planetarium. Council Concurred. They also discussed next year not to continue the practice of donating to non-profits unless the requesting party was inside city limits.

Reserves and Powell Bill:

No adjustments were made.

Revenues:

Local Sales Option taxes were down due to the NC League changing the formula for how it configured monies to be paid. Accounts 42 and 44 were reduced substantially by state law but Hold Harmless was increased so that helped.

Accommodation Tax:

Watts remarked that the figure was too optimistic and felt it should be reduced to at least \$600,000. It was a very bad year for rentals and would continue to be. Said amount was reduced. Council agreed that effective today; there would be no charge for Hurricane passes. It would be posted on the website and in the newsletter.

Franchise and Telecommunications Tax:

Parker felt we'd probably receive more than what was in the budget.

Fire Fees:

DeVita asked if they had gone down. Parker said they were being conservative in this economy. They were hoping to get \$100,000 over the stated amount. County projected to receive \$789,000 and we had to apply their tax rate to that by law. Parker felt we should expect around \$775,000. Instead of expecting the \$250,000 from the county for the boat ramp, the town will have to move \$250,000 from Unappropriated Fund Balance. Interest Income was also a conservative number.

DeVita stated that due to the fact that the cost of living had not increased he felt no COLA's should be given. Parker stated that was incorrect....because of major changes in the coverage in the health insurance coverage and the potential employee cost, the Town perhaps should consider a COLA. Watts stated even though our jurisdiction was more fortunate than others, this was the year to be happy to have a job. They did agree that a small merit would be a token towards helping with the insurance increase. Final decision was no COLA's would be given in this budget year but we would include 3% for merits.

Watts asked staff to leave so he could speak to other Council members and Mr. Parker privately. After 15 minutes meeting was adjourned.

Adopted this 1st of day June of, 2009.

TOWN OF SUNSET BEACH

Mayor Ron Klein

Kim Cochran, Town Clerk

