

KURE BEACH TOWN COUNCIL
WORK SESSION
March 13, 2007

MINUTES

On March 13, 2007 at 5pm, the Town Council and Department Heads held a pre-budget (Fiscal Year 2007 – 2008) work session. Notice of the work session was posted at Town Hall and advertised in the local newspaper.

Mayor Fuller called the work session to order at 5:00pm. A quorum was present.

COUNCIL MEMBERS PRESENT:

Mayor	Tim Fuller
Mayor Pro Tem	Mac Montgomery
Commissioner	Jim Dugan
Commissioner	Bill Ufferman
Commissioner	Dean Lambeth

STAFF PRESENT:

Finance Officer	Susan Suggs
Building Inspector	John Batson
Public Works Director	Sonny Beeker
Police	Andy Everhart
Fire Chief	Harold Heglar
Town Clerk	Nancy Avery

Town Attorney A.A. Canoutas was in attendance.

Commissioner Ufferman stated he requested the work session to discuss health care, merit and compensatory time costs for the upcoming fiscal year 2007-2008.

Topics of discussion:

1) Health Care

Commissioner Ufferman stated he wanted a discussion on health care, merit and compensatory time liabilities for the upcoming fiscal year 2007-2008. Town Clerk Avery:

- presented statistics regarding health insurance rates for employees and dependents (incorporated in minutes as attachment A)
- noted existing rates are in line with rates paid by other towns with similar number of employees whether with insurance offered by League or independent provider
- suggested that if council wants to offer better rates for employee dependents, Town may have to pay a %

- stated 17 of 31 employees on payroll have dependents and estimated cost of Town paying 50% of premiums is \$85,000

Consensus after discussion:

- Start budget process with \$85,000 set aside to cover 50% of dependent health insurance rates.
- Look for ways to find funds
- Look for options to offer employees without dependents to be equitable

2) Merit

Town Clerk Avery:

- suggested a range of 1-5% be considered for merits rather than the 2.5% and 5% listed in Personnel Policy or the across the board 3% merits given to all employees in the past
- noted if merit is equally distributed among employees, it's not a real merit and maybe department heads should be allowed to give bonuses for exceptional performance

Consensus after discussion

- For budget purposes, allocate same dollar amount used in FY06-07 as beginning point
- Keep considering how to distribute:
 - Random increases in salary determined by department head
 - Individual bonuses to be distributed during the year at discretion of department head
 - Range of % for merit

3) Compensatory Time

Town Clerk Avery presented totals for all departments for accumulated vacation for exempt and non-exempt and accumulated compensatory time for non-exempt employees. (incorporated in minutes as attachment B)

Consensus after discussion

All departments are to budget to pay overtime for non-exempt employees rather than compensatory time.

4) Water and Sewer Rates

Mayor Pro Tem Montgomery recommended increasing water and sewer residential rates as follows:

- Minimum use of 3,000 gallons – current rate for water and sewer won't change
- Water usage over 3,000 gallons - increase rate per 1,000 gallons from \$1.20 to \$2.40
- Sewer usage over 3,000 gallons – increase rate per 1,000 gallons from \$1.55 to \$3.10

Increase will generate additional \$150,000 per year

Consensus after discussion

Budget increase of \$150,000 for water and sewer residential rates.

Additional topics discussed:

1. Storm water

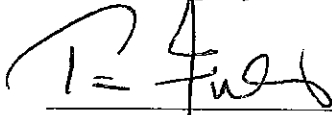
Commissioner Dugan stated he is researching options regarding existing rate, but that an increase will need to occur to have the rates cover the actual costs.

2. Preliminary budget schedule

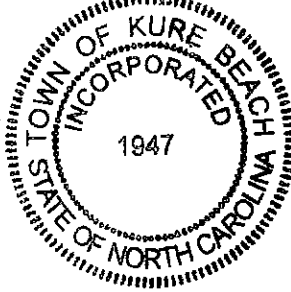
Finance Officer Suggs reviewed the preliminary budget schedule. (incorporated in minutes as attachment C)

Adjournment

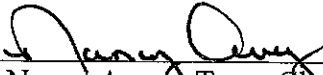
The meeting adjourned at 6:27pm



Tim Fuller, Mayor



ATTEST: _____



Nancy Avery, Town Clerk