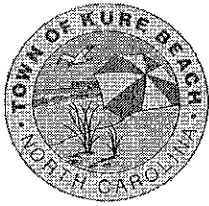


MINUTES



TOWN OF KURE BEACH TOWN COUNCIL

117 Settlers Lane ■ Kure Beach, NC 28449

Dean Lambeth, Mayor
Chuck Keener, Mayor Pro Tem
Jim Dugan, Commissioner
Barry Nelder, Commissioner
Tim Fuller, Commissioner
Kaysie Pralle, Town Clerk

WORK SESSION

MAY 28, 2010 at 2:00 PM

PURPOSE

The purpose of the meeting is for Council to discuss the 2010-11FY budget.

COUNCIL MEMBERS PRESENT:

Mayor	Dean Lambeth
Mayor Pro Tem	Chuck Keener
Commissioner	Jim Dugan
Commissioner	Tim Fuller
Commissioner	Barry Nelder

COUNCIL MEMBERS ABSENT:

STAFF PRESENT:

Police Chief	Dennis Cooper
Fire Chief	Harold Heglar
Public Works Director	Sonny Beeker
Building Inspector	John Batson
Finance Officer	Jennifer Watson
Town Clerk	Kaysie Pralle

There was a quorum of the Town Council present.

CALL TO ORDER AND WELCOME

Mayor Lambeth called the meeting to order at 2:35pm.

Commissioner Fuller - We met with department heads this morning to see if there were any savings the town could realize. What you have now is the latest version. Everyone should have a copy of the revenue and expense worksheet report. The water & sewer total is not the correct number. Public Works Director Beeker and I have to figure the difference. Expenses total \$1,294,681.30 and revenues total \$1,309,266.67. This gives us a surplus of \$14,585.

The Powell Fund and Storm Water Funds are balanced.

The General Fund expense total is \$2,757,695.80, but if you add the park expense of \$114,906, the total expense comes to \$2,872,601. The revenues are \$2,556,317. This leaves a gap of \$316,284.

To give highlights, all of the salaries for the departments include a three percent salary increase. This does not include the department heads. The rest of the budget is pretty basic.

Commissioner Dugan – What is the time frame for having something together?

Commissioner Fuller – What we are hoping for is by Tuesday. I was going to propose to take some portion of the previous year's surplus to apply towards this year's budget deficit.

Mayor Lambeth – Have you spoke with Carolina Beach about a new rate?

Public Works Director Beeker – I think we are getting close, but nothing as of yet. It may apply to the next year's budget.

Commissioner Fuller – My recommendation would be that we do not use the entire fund balance surplus. Perhaps approximately \$300,000 and apply that towards this years budget. This morning the departments did some adjustments to close the gap. At this point the departments may want direction from the Council.

Mayor Lambeth – There is roughly \$20,000 in requests from non-profits.

Commissioner Fuller – It is actually \$11,000 in requests. There are also things that we can cut back on, such as some requests from the Community Center.

Building Inspector Batson – My budget dropped by \$5,000 from last year. I did not figure in Aimee Zimmerman's pay because it is so minor.

Mayor Lambeth – We could discuss cutting back on Council pay. We could also look at cutting back on Building Inspector Batson's credit card and gas allowance.

Mayor Lambeth – What type of money are we talking about for insurance increase for town employees?

Finance Officer Watson – Approximately \$35.00 per month.

Mayor Lambeth – Did we ever look at why Commissioner Dugan's phone costs \$105 per month?

Commissioner Dugan – It is a town phone. Cut it off if that is what council wishes.

Mayor Lambeth – I would like to consider that. I also would like to consider the air cards for town computers.

Jim Vattrt, resident - I think there is a jump in finance department budget from last years to this year's budget.

Commissioner Fuller – Some of the salaries that were in administration and some of the functions have been redistributed. Some of the 10-420 items also need to be distributed.

Jim Vattrt, resident – The water fund has a court case line entry of \$13,500, yet the general fund legal funds are equal to last years numbers.

Commissioner Dugan – Do we want to go through each of the line items individually? Are we going to consider a tax increase?

Commissioner Fuller – If we took \$300,000 from the fund, it would leave about \$1.3 million in the general fund.

Commissioner Dugan – Should we look at the park payment for next year at this point?

Commissioner Fuller – If you look at the town debt over the next five years, some of the larger items will drop off. In 2014 we will need to purchase a new fire truck.

Commissioner Dugan – If we are going to talk about raising taxes. We can put it off as long as we can, but there will be a big bite at some point or we could also raise it gradually. We could pass along to the residents that we are spending their money wisely, but things do cost money.

Commissioner Fuller – At this point, we will come in under budget. One of the reasons I wanted the Citizens Finance and Budget Advisory Committee was to question how we could improve our reporting. We also need to look at what is appropriate for our general fund. It is required to have eight percent.

Tony Gonsalves – Are we looking at expanding funds into our different committees? Where is that located?

Commissioner Fuller – It is not in the budget currently.

Jim Varrt, resident – The community is in the pink right now. The department heads have always done a good job. It sure sounds like you are in the right direction, if we could balance that equation it would be the right thing to do.

Commissioner Fuller – If we raise taxes one penny it would bring approximately \$150,000 in revenue.

Karen Varrt – Wouldn't it be wise to start saving now for those larger expenses that we are projecting.

Commissioner Fuller – If you could convince 1,200 of your friends to support that, it would be great. One of the things that we have not included is the \$95,000 grant. We could apply that towards the \$114,000 park payment if it is realized. I would like us to take this latest spreadsheet, go through it and see if there is anything that can be cut.

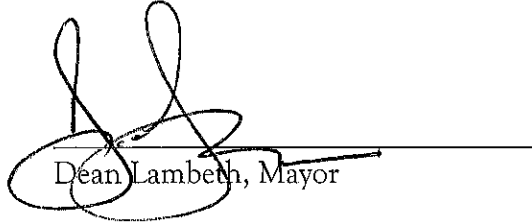
Jim Varrt, resident – In your revenue side, ad valorem tax looks to be at the amount you are short. Are you in conversation with the county regarding this?

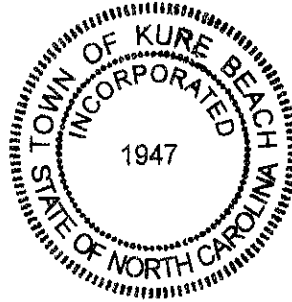
Commissioner Fuller – In 2008 we raised taxes. To me raising taxes is the last resort. If we have met all of our obligations and have a huge surplus we should look first to draw that

down before we raise taxes. We also need to be thinking several years out. That is something we need to explore.

ADJOURNMENT

ACTION - Mayor Lambeth MADE THE MOTION to adjourn the meeting at 3:36 pm. Commissioner Nelder seconded the motion. THE VOTE OF APPROVAL WAS UNANIMOUS.


Dean Lambeth, Mayor




Nancy S. Hewitt, Interim Town Clerk

Minutes were taken by Kaysie Pralle, former Town Clerk

NOTE: These are action minutes reflecting items considered and actions taken by Council. These minutes are not a transcript of the meeting. Persons wishing to hear the recording of this meeting may request to do so by contacting the Town Clerk.