



KURE BEACH TOWN COUNCIL  
SPECIAL MEETING  
MAY 29<sup>TH</sup>, 2008  
6:30 pm

**COPY**

## **MINUTES**

### **COUNCIL PRESENT**

Mayor Mac Montgomery  
Mayor Pro Tem Jim Dugan  
Commissioner Dean Lambeth  
Commissioner Barry Nelder  
Commissioner Jim Vattr

### **COUNCIL ABSENT**

None

### **STAFF PRESENT**

Town Administrator Michelle James  
Finance Officer Susan Suggs  
Police Chief Dennis Cooper  
Town Clerk Nancy Avery

Town Attorney A.A. Canoutas was present. A quorum of the Council was present.

### **CALL TO ORDER**

The Kure Beach Town Council held a special meeting on May 29<sup>th</sup>, 2008 for the purpose of receiving the proposed fiscal year 2008-2009 budget.

Mayor Montgomery called the meeting to order at 6:30 pm.

### **PRESENTATION OF BUDGET**

Town Administrator James stated the proposed budget:

- Has a total operating budget of \$4,787,435, which is an increase of five percent over the current operating budget.
- Includes grants and projects estimated at \$2,282,900.
- Has a combined total of \$7,069,335.
- Tax Levy is .135.
- Tax Base is \$1.2 billion
- Has an estimated value of \$117,000 per each one cent increase to taxes
- Includes hiring a new police officer in January 2009, adding four lifeguard positions and two lifeguard stations and grant funding to eliminate 12 storm water beach outfalls.
- Provides for a weekly residential recycling program with no increase in cost to residents— cost to be absorbed by removing the recycling container at Joe Eakes Park.
- Includes a \$1.2 million water rehab project with grant funding of \$591,000 and Town contribution of \$609,000 to be financed locally.

- Minimizes draws to balance the budget from reserve accounts.
- May require a mid-year or 12 month rate increase to cover inflation and rising fuel costs.
- There is a need to have a three year plan to determine 'magical' figure to retire debt, pay for capital projects and preparation for natural disaster.
- Projects Tourism Development Authority (TDA) funds at \$114,000 plus \$55,000 from this year's budget for a total of \$169,000.
- Proposes the lifeguard program to be funded by TDA dollars.
- Continues dental and vision insurance coverage for employees through the North Carolina League of Municipalities.
- Contracts for medical insurance through the State Health Plan.
- Funds 50 percent of the premium plan chosen by employees under the State Health Plan in an E-Z Flex Card.
- Includes funding to revitalize the B1 District.

#### REVENUES – all funds

Town Administrator James gave an overview of general fund revenue projections stating:

- Ad valorem tax is budgeted at 98% with collection rate of taxes to date at 97%.
- There is no proposal for transfer of funds from water/serf expansion reserve fund to water fund
- Capital project figures are budgeted as a wash.

#### EXPENDITURES – General Fund

Town Administrator James gave an overview of general fund line item expenditures as follows:

- Cost Of Living Adjustment (COLA) is budgeted at 3.3%.
- Employee merit is budgeted at 3% maximum for each employee. Merit range is 0 to 3%.

#### *Governing Body*

- FICA – the former formula was incorrect so amounts shown are less than budgeted in the past.
- Dues and subscription memberships includes everything for the Town except anything for a particular department.

#### *Town Clerk*

- Advertising budget for all Town advertising except Building Inspector CAMA advertising and Planning and Zoning advertising.

#### *Finance*

- No change

#### *Administration*

- Will be bidding for central supply distributor, Town Hall cleaning service, and IT provider.

- Will look at combining cleaning of Town Hall and Community Center when bidding.

*Community Center*

- Suggestion made to zero out funding of \$2,840 for spirit awards (Montgomery)

*Elections*

- Nothing budgeted because no local election for 2008-2009

*Planning and Zoning*

- No change

*Emergency Management*

- Consensus of Council - reduce from \$3,750 to \$750.

*Tax Collection*

- No change

*Legal*

- No change

*Police*

- Forecasts salary for 10 officers and support staff with new officer position starting January of 2009.

Consensus of Council:

- Line item 10-510- 45-00 contracts - reduce from \$9,465 to \$4,200 – reduction of \$5,265
- Line item 10- 510-11 telephone and postage - increase from \$11,000 to \$12,000

*Fire*

- Check budgeted amount for line item 10-530-06-00 – health insurance – is enough budgeted?

*Lifeguards*

- No change

ACTION - Mayor Montgomery MADE THE MOTION to allow department heads, in conjunction with finance and administration, to move up to \$10,000 within line items within the departmental budget, with a notification email to all commissioners, as long as this meets Local Government Commission compliance. Commissioner Nelder seconded the motion. THE MOTION PASSED with a vote of three to two with Montgomery, Nelder and Dugan in the affirmative and Vatrt and Lambeth against.

*Building Inspection/Code enforcement*

- Consensus – change line item 10-540-02-04 from \$7,000 to \$6,000

*Parks & Rec Classes*

- No change

*Streets and Sanitation*

- No change

*Powell Fund*

- No change

**EXPENDITURES - Water Fund**

Town Administrator James gave an overview of water fund line item expenditures as follows:

*Town Clerk*

- No change

*Finance*

- No change

*Administration*

- No change

*Water and Sewer*

- No change

**EXPENDITURES – Storm Water Fund**

Town Administrator James gave an overview of storm water fund line item expenditures as follows

*Storm Water*

- No change

**CAPITAL PROJECTS**

Town Administrator James gave an overview of capital project fund line item expenditures as follows:

*Land acquisition*

- No change

*Water/Sewer*

- No change

**BEACH RENOURISHMENT**

Town Administrator James gave an overview of capital project fund line item expenditures as follows

*TDA funded projects*

- Consensus - list all funding requests in one expense account against a revenue stream of all available monies adjusted tonight (\$8,265). At June meeting, Council will determine what to fund.

ACTION –Commissioner Vatr MADE THE MOTION to authorize the clerk to advertise the budget as projected. Commissioner Dugan seconded the motion. THE VOTE OF APPROVAL WAS UNANIMOUS.

**CLOSED SESSION**

ACTION – Commissioner Vatr MADE THE MOTION to go into closed session to discuss a personnel matter at 9:06pm. Commissioner Lambeth seconded the motion. THE VOTE OF APPROVAL WAS UNANIMOUS.

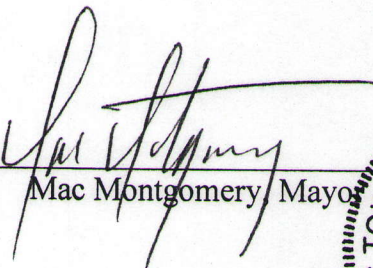
ACTION – Commissioner Vatr MADE THE MOTION to return to open session at 9:33pm. Commissioner Nelder seconded the motion. THE VOTE OF APPROVAL WAS UNANIMOUS.

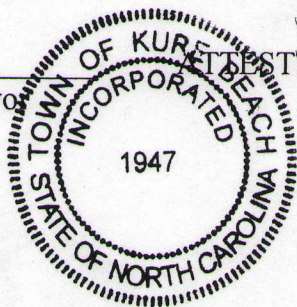
Mayor Montgomery stated that the following was discussed in closed session:

- Staffing of three full time positions in the Fire Department
- Evaluations and merit proposals for Town Administrator and Town Clerk to be given to him by the end of June.

**ADJOURNMENT**

ACTION – Commissioner Vatr MADE THE MOTION to adjourn at 9:34pm. Commissioner Lambeth seconded the motion. THE VOTE OF APPROVAL WAS UNANIMOUS.

  
Mac Montgomery, Mayor



  
Nancy Avery, 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.