



# TOWN COUNCIL MINUTES

**FY13-14 BUDGET WORK SESSION #2**

**APRIL 25, 2013**

The Kure Beach Town Council held a FY13-14 Budget Work Session on Thursday, April 25, 2013 at 7:30 am. There was a quorum of Council present.

## **COUNCIL MEMBERS PRESENT**

Mayor	Dean Lambeth
Mayor Pro Tem	Chuck Keener
Commissioner	Emilie Swearingen
Commissioner	David Heglar
Commissioner	Steve Pagley

## **STAFF PRESENT**

Finance Officer – Arlen Copenhaver  
Town Clerk – Nancy Avery  
Building Inspector – John Batson  
Public Works Director – Sonny Beeker  
Police Chief – Dennis Cooper  
Fire Chief – Harold Heglar  
Ocean Rescue Captain – Ed Kennedy  
Deputy Town Clerk – Nancy Hewitt

## **CALL TO ORDER AND WELCOME**

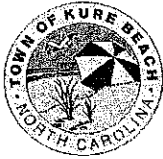
Mayor Lambeth called the meeting to order at 7:30 am.

## **COUNCIL GOALS**

Finance Officer Copenhaver reviewed the goals established by Town Council at their Council Retreat on January 31, 2013 and reviewed the assumptions he applied while preparing the draft budget. He reminded Council that underground utilities and the Dow Chemical intake structure removal is still in the draft budget.

## **DRAFT BUDGET REVISIONS**

Finance Officer Copenhaver reviewed the revisions to the budget made during and after the last budget work session including an error in the calculations for Police Department cell phone reimbursement and an increase in the Contingency Fund requested by Council at the last work session. He said there was a shortage in the General Fund of \$64,291 after the last budget work session but, due to an increase in TDA reimbursement and an increase in other miscellaneous revenue, the total General Fund shortage in the draft budget is currently at \$22,225.



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## FIRE DEPARTMENT FULL TIME EMPLOYEES (FTE)

Fire Chief Heglar discussed the reason for his request to hire three FTE for the Fire Department/Ocean Rescue. He presented Council with information including the increase in emergency calls over the last three years. He said there has been a 30% increase in calls for 2013, a majority of which are medical nighttime calls. He said his department could stop running medical calls and go back to only taking only fire calls, if that's what Council wants; and New Hanover County Emergency Medical Services could handle all of the Town's medical calls. He said that the County's response time for medical calls in Kure Beach is about 10 to 22 minutes, whereas the Town's response time is about 4.5 minutes. He said his department could get rid of the sleepover program if they didn't respond to medical calls and it wouldn't affect the Town's fire rating at all.

Commissioner Heglar said that, although the Town doesn't have a legal obligation to provide medical response for emergency calls, he feels it's something Council should want for the Town.

Mayor Lambeth asked if the Town's Police Department personnel are trained in the use of a defibrillator, to which Police Chief Cooper responded that they are trained in the use of a defibrillator but aren't set up to provide full EMT services.

Commissioner Swearingen asked if the County could provide an EMS response unit for Pleasure Island, to which the Police and Fire Chiefs responded that the County provides island-based EMS services during the summer. They said, however, that if an emergency call is received at the north end of Wilmington, the County EMTs must respond, and it could be a long time before they're able to get back down to the island for an emergency call.

Chief Heglar said the Town has spent time and money training three good volunteers who may go somewhere else for a job, if the Town doesn't hire them. He pointed out that eight of his volunteer firefighters are close to retirement from the Fire Department and he is having a hard time recruiting and keeping younger volunteers.

## UNDERGROUND UTILITIES AND DOW INTAKE STRUCTURE REMOVAL

Finance Officer Copenhagen asked Council to decide if they want to include the underground utilities and Dow intake structure removal projects in the upcoming budget. He said there might be a problem if the structure removal project ends up costing more than \$100,000.

Town Clerk Avery said the Town already has \$50,000 in funding for the structure removal project and she has requested a grant from NOAA for \$50,000 and the Town is



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budgeting \$17,000. She said if NOAA comes through with the grant then there will be \$117,000 for the project. She said a \$100,000 estimate to remove the structure was obtained in 2011, so the Town will need to get a new estimate. She said that the NOAA grant requires the structure be completely removed from the water; it can't be pounded down into the sand. She said if Council doesn't remove the intake structure, they should think about adding signage to the beach prohibiting swimming in that area.

Commissioner Heglar stated he thought the Town should proceed with both of the projects, although he's afraid it might get more expensive than first estimated to remove the intake structure.

## EMPLOYEE MERIT/COLA

Finance Officer Copenhaver provided Council with information averaging what other beach towns currently pay their employees compared to Kure Beach employees, and he asked Council to take into consideration that job descriptions from other towns are most likely not the same as Kure Beach's descriptions. He also presented information from the NC League of Municipalities regarding merit and COLA increases from different towns over the past six years. He said that, for the upcoming fiscal year, Wrightsville Beach is proposing a 1% COLA and 2% merit increase and Carolina Beach is proposing either a 2% increase or a 1% increase along with some sort of flat increase. He reminded Council that there was a 2% increase in Social Security imposed on paychecks on January 1, 2013, which has been a burden to Town employees.

Commenting on the data, Commissioner Heglar pointed out that, out of the last six years, only once was Kure Beach above the other towns in average pay increases. He said the average increase by other towns shows 5.4% versus 3.6% for Kure Beach increases and, compounded, that equals out to about 8%-9% over the years. He said that, with several Department Heads considering retirement soon, Council needs to send a message to the Town's newer employees that they will look after them and invest in them. He said the Town will end up with a bigger problem if it doesn't invest in its employees. He stated that the last thing Council needs is a leadership loss through retirement followed by the loss of second-level employees. He commended the Finance Officer for gathering all of the historical and current data on salaries and increases from other towns saying it will help Council decide on the best course of action.

## OPTIONS TO DECREASE EXPENSES AND/OR INCREASE REVENUE

The following options were discussed:

- Decrease expenses by reducing the General Fund Contingency by \$22,225
- Decrease expenses by reducing budgeted expenses in the General Fund by \$22,225



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- Increase revenue by approving a one cent tax rate increase designated to go into the Beach Improvement Fund
- Increase revenue by approving a one cent tax rate increase while designating 1.5 cents to go into the Beach Improvement Fund
- Increase revenue by increasing the monthly garbage collection fee by 25%
- Increase revenue by increasing the monthly garbage collection fee by 50%

Comments regarding the options to decrease expenses and increase revenue were as follows:

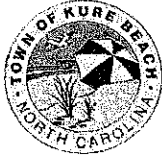
- Mayor Lambeth liked increasing the monthly garbage collection fee by 50%
- Commissioner Pagley liked increasing the monthly garbage collection fee by 25% or 50%
- Commissioner Swearingen liked the one cent tax rate increase for the beach fund, increasing the monthly garbage collection fee by 25% and reducing the budgeted expenses in the General Fund by \$22,225
- Mayor Pro Tem Keener liked increasing the garbage collection fee by 25% and the one cent tax rate increase for the Beach Improvement Fund
- Commissioner Heglar liked increasing the garbage collection fee by 50%

Comments regarding Merit/COLA and hiring FTE for the Fire Department were as follows:

- Commissioner Heglar liked approving three FTE for the Fire Department and giving Town employees a 4% merit increase
- Commissioner Pagley liked approving three FTE for the Fire Department and giving Town employees a 3.5% merit increase
- Mayor Lambeth liked approving three FTE for the Fire Department and giving Town employees a 3.5% merit increase
- Mayor Pro Tem Keener liked approving three FTE for the Fire Department and giving Town employees a 3.5% merit increase
- Commissioner Swearingen liked approving three FTE for the Fire Department and giving Town employees a 3.5% merit increase

Chief Cooper said he has been trying to hire an officer for the Police Department for the last three months but there aren't many good candidates available with the Town salaries at their current level.

**CONSENSUS** – In order to balance the budget, Council agreed to a 3.5% merit increase for Town employees, a 50% increase in the garbage collection fee and approved the hiring of three FTE for the Fire Department/Ocean Rescue.



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Finance Officer Copenhaver asked Council if they wanted a certain amount designated for the Beach Improvement Fund, or if they wanted to max out the Contingency Fund and then have any leftover amount transferred into the Beach Improvement Fund, to which Council instructed him do the latter and suggested he talk to the County's "sandman," Layton Bedsole, to get his thoughts on what should be covered in the fund.

Commissioner Heglar asked that Council move the May Council meeting to Monday, May 20<sup>th</sup>, instead of Tuesday, May 21<sup>st</sup>, due to a scheduling conflict he has. He said he wants to be present at the May meeting when the draft budget and budget message is formally presented to Council by the Finance Officer.

MOTION – Commissioner Swearingen made the motion to reschedule the date of the May Council meeting to be held on Monday, May 20, 2013 at 6:30 pm or soon thereafter.

SECOND – Commissioner Heglar

VOTE – Unanimous

The Town Clerk asked if all Council members would meet tomorrow on the pavilion stage at the Ocean Front Park by 11:30 am for the park's Grand Opening ceremony, to which everyone agreed to do so.

ADJOURNMENT

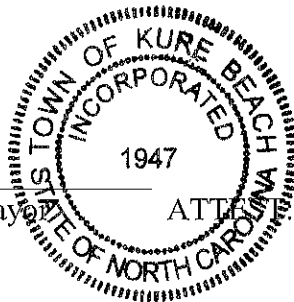
MOTION – Commissioner Heglar made the motion to adjourn

SECOND – Mayor Pro Tem Keener

VOTE – Unanimous

Meeting adjourned at 8:51 am.

Dean Lambeth, Mayor



ATTEST

Nancy Hewitt, Deputy 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.