

**MINUTES OF THE SPECIAL MEETING/BUDGET WORKSHOP  
OF THE TOWN COUNCIL  
TOWN OF CAROLINA BEACH**

**June 21, 2010**

The Town Council of the Town of Carolina Beach met in regular session on June 21, 2010 at 9:00 a.m. in the Council Room at the Municipal Administration Building, 1121 N. Lake Park Blvd., Carolina Beach, North Carolina. The following were present: Mayor Joel Macon; Mayor Pro Tem (MPT) Pat Efird; Councilman Dan Wilcox; Councilman Bob Lewis; and Councilman Lonnie Lashley. Also present were Town Manager Tim Owens; Finance Director Dawn Johnson, and Town Clerk Lynn Prusa.

Mayor Macon called the meeting to order.

***DISCUSS PROPOSED BUDGET FOR FY 2010/2011***

The town manager opened the discussion and presented a possible option to the proposed FY 2010/2011 Budget, eliminating the proposed 1 cent Ad Valorem tax increase and eliminate any proposal to raise the water and sewer rates. In addition, he explained, that he has eliminated some expenditures in the General Fund to bring the Fund Balance appropriation down to a more acceptable level, \$222,623. He has also taken actions in the Water and Sewer Fund; however, the proposed Reserve Fund appropriation is still high, \$480,331. No changes were proposed in the Tourism Fund. (Refer to Exhibit 1 for these budget balancing measures in detail.)

He provided Council will a line item detail and proposed fee schedule.

Councilman Lashley said he wants to show the public we have over 50% in Reserve Funds. He wants the public to be aware of that. These funds are available in case we have an emergency.

There was discussion about the parking lot collections and Freeman Park. Council was in general agreement to put this on the July agenda for further discussion.

Concerning the sweepstakes, the manager said he left about \$22,000 in there.

There was discussion about the proposed Efficiency Study.

Councilman Wilcox said he feels the town should give \$2,500 to Jeannie Mintz's organization for the feral cats since they already made that promise.

Councilman Lewis suggested that HR look at career path training within the town.

Mayor Macon commented that he has a problem with getting rid of part time people because that is where you save money since you do not have to pay for benefits. MPT

Efird agreed.

Mayor Macon also commented concerning the stormwater fee at \$2 for sound and dredging the lake. Also he feels there should be an increase in the variable rate for water and sewer. MPT Efird said she agrees to \$1 rate for each one. She also agrees to a 1 cent property tax increase. She feels that if we do not have a small tax increase then the town could end up in a lot of trouble.

Councilman Lashley feels we should do something for the town employees as they are the number one asset. He suggested that after the first quarter we should look at the revenues and possibly at holiday time give a bonus. He is not for a tax increase.

Councilman Wilcox feels we should vote on the budget being proposed.

Mr. George Connet was in the audience and he asked if he could speak. Mayor Macon asked him to please come to the podium to speak. Mr. Connet said he agrees with MPT Efird and if we don't have a tax increase this year we will be in a world of trouble and it will help a little with the employee bonus. The seniors on this island are smart enough and they know. He said this is his opinion.

There was discussion about setting the Ad Valorem tax increase and if we don't increase it this year then we will next year. The manager said he is comfortable what he is recommending. He would prefer the water/sewer part of it and stormwater fee if we want to get ahead of it. As far as some of the expenditures we can decide whether we want to put back the non-profit.

Councilman Wilcox said he values our employees and think they are doing a great job. He doesn't like it when the employees are compared with the non-profits. For every \$1 we invest in a non-profit we probably get \$3-5 in return and that is huge. We do value our employees but we also value are volunteers. He said you cannot compare the two.

Mayor Macon explained that the money used for some of these non-profits comes from the room occupancy tax and that money goes into a fund so we can do those types of things such as advertising of the area and things to put heads on beds. The Boardwalk Makeover, Christmas by the Sea, Island of Lights volunteers and all the work those folks have done you cannot put a dollar on it and it didn't come from the tax dollars it came from room occupancy tax and those are the types of things that committee is looking for.

Councilman Lewis said he values the employees and he thinks they do a great job as well. He just wants to make sure we are doing the best job that we can as far as efficiency. He doesn't have a problem paying the employees that we have and giving merit raises as long as he feels comfortable we are doing the best job that we can. He would like to see the efficiency study, get the budget/finance committee up again and have a year to find grant monies and reduce the debt made with federal, state or private money.

Councilman Wilcox said he would like to start a pre-paid incentive program for the employees that can bring cost saving ideas to the town. The manager said he has some ideas.

MPT Efird thinks the employees have had a wake up call along with us because of the economy, but they done a marvelous job. She feels the employees are just as interested in cost savings as we are. The town looks good and everybody is working hard and it shows the kind of employees we have now. After the study we may be able to give something and we always have in the past.

In conclusion the Council was in general agreement of the following:

- No tax increase.
- Want to keep the two part time police positions
- Will donate to non-profits but don't expect it every year and probably not next year
- Agreed to solid waste, stormwater and water/sewer fees
- Would like to talk about bringing parking in-house

Councilman Lashley mention to also take a hard look at providing the outdoor basketball.

There being no further business, **MPT Efird motioned to adjourn. MOTION CARRIED UNANIMOUSLY.** The meeting adjourned at approximately 10:10 a.m.

Respectfully submitted,

Lynn N. Prusa  
Town Clerk

Approved: \_\_\_\_\_