

**MINUTES OF THE SPECIAL MEETING  
OF THE TOWN COUNCIL  
TOWN OF CAROLINA BEACH**

***March 2, 2010***

The Town Council of the Town of Carolina Beach met in special budget work session on March 2, 2010 at 9:00 a.m. in the training room at the Municipal Administration Building, 1121 N. Lake Park Blvd., Carolina Beach, North Carolina to meet with the town manager and department heads. The purpose of the meeting was for each department head to present to Council their departmental budgets for FY 2010-2011. The following were present: Mayor Joel Macon; Mayor Pro Tem (MPT) Pat Efir; Councilman Dan Wilcox; and Councilman Lonnie Lashley. Councilman Bob Lewis was absent. Also present was the appointed staff: Town Manager Tim Owens; Town Clerk Lynn Prusa; Finance Director Dawn Johnson; and Town Attorney Steve Coggins. All department heads were present as well.

Mayor Macon called the meeting to order and announced that Councilman Bob Lewis is unable to attend due to a conflict with work.

Mayor Macon recognized the newest member of the budget committee, Luke Smith, and thanked him for attending the meeting.

The first to present was the Director of Public Works, Brian Stanberry. The following divisions are part of Public Works: environmental, stormwater and public works administration.

Mr. Stanberry first went over the list of accomplishments for 2009-2010 (Exhibit 1), followed by the goals for 2010-2011 (Exhibit 2). He talked about the functions of the department and staff. Council encouraged Brian to encourage training and hire temporary employees for seasonal work.

Next he went over the accomplishments of the environmental division (Exhibit 3) and goals for FY 2010-2011 (Exhibit 4).

Followed by the stormwater division's accomplishments (Exhibit 5) and goals for the upcoming fiscal year (Exhibit 6).

He also talked about the purpose of the public works administration being the management of the business office which includes all division mentioned herein also including waste collections, landscaping and parts of tourism, beach maintenance and public utilities.

In conclusion he explained the purpose of the Powell Bill Program and that it exists to ensure proper expenditure of states allocation for street maintenance funds. Powell Bill funds can be used for the maintenance of existing streets and street drainage, construction of new streets, construction of sidewalks and bikeways located in rights-of-ways,

engineering and surveying of roadways, appropriate signage and paint, landscaping and other projects that involve public streets.

The town manager explained the line item sheets that were presented to Council. A copy is available for public viewing in the town manager's and town clerk's office.

Mr. Stanberry went over the line items for the department. This concluded the public works presentation.

Next to present was the Public Utilities Director, Gene Gurganious. This department represents the following divisions: water/sewer administration, wastewater treatment, wastewater collection, water and fleet. A copy of the accomplishments and goals for each division is identified as Exhibit 7. Mr. Gurganious also went over the line item budget for each division.

Sheila Mallard, Director of Human Resources, stated that the mission of the department is to support of the town in recruiting, selecting, compensating, training, development and maintaining the best employees. The HR functions include: compensation and benefits, recruitment and selection, training and development, health and wellness and employee relations.

Ms. Mallard then went over the accomplishments for 2009-2010 (Exhibit 8), followed by goals and objectives for 2010-2011 and some cost saving strategies (Exhibit 9). She also went over the line item budget.

The Planning Department was the next to be considered. Gary Ferguson, Director of Planning and Development, presented a list of achievements for 2009-2010 (Exhibit 10) and upcoming goals for 2010-2011 (Exhibit 11), followed by the details on the line item budget.

Comments from Council were to take a hard look at keeping the position on staff currently being filled by Adam Short as a full time position. Mr. Ferguson stated that he estimates there has been \$700,000 savings in employee reductions over the last couple of years due to positions not being filled as employees have left employment with the town.

The Fire Chief, Jonathon Rorie stated they are in the business of public service and their goal is to prevent harm to the citizens who live, work, or visit Carolina Beach and to prevent harm to the environment.

He went over accomplishments for 2009-2010 (Exhibit 11). He also talked about staffing objectives, capital projects such as the station expansion, upgrades, training facility and phasing in the timelines (Exhibit 12). He concluded by going over the line item budget.

Police Chief, Billy Younginer, stated the department currently has 28 full time sworn officers, 1 part time sworn officer, 1 part time receptionist, and 2 full time administrative

personnel. He briefed Council on department accomplishments and went over the following topics:

- Part time officers
- Goal cart ordinance
- Boardwalk patrol
- Vehicles breaking and entering
- Marina expansion
- K-9 trials
- USLA competition
- Surplus items

Some of their equipment needs are: vehicles, cameras, cameras in vehicles and police tasers.

Future plans include work in the areas of: boat lift, street ends, mooring fields, marina, continue day dock expansion, parking, lifeguards and Freeman Park.

He gave Council a comparison of larceny from motor vehicles, citations, speeding citation and DWI's, in comparing years 2007, 2008 and 2009.

He also talked about traffic stops in 2009 and the number of arrest, citations or warning issued during that time period.

The Parks and Recreation Director, Ted Lashley, talked about programs and services. He said they also added off season events to attract people to the island such as roller derby, boxing, youth AAU basketball tourney, Aikido tourney, to name a few.

Some their upcoming goals include:

- Renovation of Mike Chappell Park
- NCDOT bicycle planning grant completion
- Work with the Boardwalk Makeover Group/Arts & Activities Committee to schedule and plan family oriented events and program
- Continue effective program projections and not to increase our operations portion of the budget. Look for innovative ways and methods to do business through grant funding and partnerships, low or no cost programs.

He also went over the proposed line item budget.

Next to speak was the Finance Director, Dawn Johnson. Ms. Johnson went over the accomplishments for the department such as the finance of the pier property \$4,300,000 at 4.96%; stimulus monies were obtained in the amount of \$1,686,234 for the stormwater ponds and \$822,515 for the Lake Park sewer project; the town receive audit refunds for utility franchise tax in the amount of \$109,925 and fuel excise tax \$3,800.

Goals for the finance department are:

- Prepare a Bad Debt Policy
- Prepare a Non-Profit Funding Policy
- Obtain New Assessment Program and update existing assessment accounts as well as set up and administer new assessment accounts for Wilmington Beach

She also announced that her assistant the end of August and she has programmed in some training monies so she can hire someone before Pat leaves. So two months of salary was included in the budget. Advertising for the position will probably be in May.

We also received notice from Clement Goodson that he will no longer be our auditor. He will be working primarily in the private sector, so we will have to put our audit out to bid. She believes, based on what other towns pay, we will probably pay triple what we are paying now. Mr. Goodson has been with the town for over 20 years.

Ms. Johnson continued to go over other department line items.

The last department presentation was given by the Town Clerk, Lynn Prusa. The town clerk presented two newly created documents providing committee information and public information. Also identified as an accomplishment, was auditing of code books thereby reducing the number of paper copies from 17 to 10. Other accomplishments were creation of a contract package and insurance requirements for departments. In conclusion she gave Council a recap of the property and liability program.

Goals for 2010-2011 include the following:

- Continue to increase web site info and following each meeting posting the action taken
- Meet with committee chairman/secretary about procedures in compliance with open meeting law, etc.
- Work with planning dept on review of ordinances for compliance with general statutes
- Continue maintenance of public records which includes things such as filing, merging, storing, destroying, scanning, preserving, etc.

The town manager said he would go over the town clerk and legislative line items in his final presentation.

Mr. Owens said the executive budget includes myself, Iris and Nylia and we didn't ask for a whole lot, but there are a few computers in the line items.

He then presented the various funds (Exhibit 13).

He also presented the line items budgets for each department, although most have already been presented.

Mr. Owens said he is real early in the process of trying to balance the budget. He took COLA and merit totally out of the budget, and he is trying to do changes where he can to reduce the budget by \$576,000. Then we need to tweak some revenue items that need to be loaded into the budget and we still have a shortfall of \$692,000. If you look at that as a function of what our tax is that is about \$.03 tax increase. The main reasons for the shortfall are the pier land, the Wilmington Beach project, and the Wilmington Beach retention pond. He doesn't know how at this point we are going to eliminate \$692,000 worth of expenditures there is no way to do that. If you did look at a \$.03 tax increase it would be basically \$2.00 per week per house for a \$400,000 home. He will be looking at ways to try to close the gap – the shortfall. He will be meeting with the finance officer and department heads to review carefully to cut where they can.

He presented some potential reductions in the budget to close the shortfall (Exhibit 14).

He concluded by stating that this budget year is challenging. We will have two more meetings in April and we will talk about the times and dates at the March meeting.

Mayor Macon said we have a couple of citizens in the audience and he invited them to comment. There were no comments at this time.

Councilman Lonnie asked if fee increases are being considered. Mr. Owens said he will be looking at those as well.

There was discussion about street assessments. Mr. Owens said they pay when the project is done. The town is also committed to a one-third of the project.

Councilman Wilcox asked if we have a list of contract services that we pay out. He would like to take a look at it. Some of those contractors we have worked with for a number of years and we need to look at them to work with us through this year. It's not going to solve our shortfall but everybody is doing it everywhere else. That is part of having that loyalty and that partnership that they have enjoyed all of these years.

A motion was made by Mayor Macon to adjourn. **MOTION CARRIED UNANIMOUSLY.**

Respectfully submitted,

Lynn N. Prusa

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