

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

May 2, 2011

The Town Council of the Town of Carolina Beach met in a special/budget meeting on May 2, 2011 at 9:00 a.m. in the Council Chambers 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 was the Town Manager Tim Owens; Town Clerk Lynn Prusa; and Finance Director Dawn Johnson.

Mayor Macon called the meeting to order.

Randy Gainey, General Manager of Waste Industries, was present at the meeting and offered to forego the CPI rate if Council will consider extending the contract. Mr. Owens said the total cost would be about \$70,000 increase and he would want to consider raising the rates to offset the cost.

Mr. Owens asked how long the town has been with Waste Industries. Mr. Gainey said he would have to go back and look but he believes about 10-12 years.

There were no further questions at this time.

Mr. Owens went over the summary of the funds to date (Exhibit 1).

A motion was made Councilman Lewis to put out to bid before July 1st for a full time town attorney at \$75,800 as a target rate of pay. He feels that right now we are paying a premium price. He would like to put it out to bid and see what happens. Steve is a great guy and has great credentials but we are paying at a premium price.

After discussion among Council, Councilman Lewis clarified to advertise to hire an attorney at 40 hours per week as a potential town employee.

Mr. Owens suggested that we consider both a municipal employee or contracted and Councilman Lewis said he is okay with that and wants it to go into effect July 1st.

Mayor Macon clarified that the motion is that the advertisement will be sent out as either contract or employee and break it down. Other criteria should be in there for some level of experience such as 5 years in municipal law and other areas that we are dealing with.

Mayor Macon called for a vote. **MOTION CARRIED UNANIMOUSLY.**

Macon Macon asked for clarification on the contract extension with Waste Industries. Mr. Owens said we are at 2015 now so it would be to 2017.

Mr. Lewis said we need to change our vehicle policy. He said that non safety public vehicles should be eliminated and phased out. He suggested paying mileage to the individual and maintain police, fire and operation vehicles, eliminating all non-essential vehicles. He mentioned that other towns and the county have gone to similar policies.

Mr. Owens said he can see a cost savings for New Hanover County because they have so many vehicles, but what we do is take a police car and when it has outlived its use then it goes to planning or inspections. We did buy 2 vehicles in planning 5 years ago and they should be good for 10 more years at least. Obviously we are paying for oil changes, tires, insurance that sort of thing. He said it is up to Council if they want to change the policy.

Councilman Wilcox said he would to see a cost analysis without making a blind decision.

Mayor Macon said he doesn't know how many vehicles you are talking about.

Councilman Lewis said he will be glad to put those numbers together. He doesn't expect the town to save anything this year, but should save in the long run.

Also, Councilman Lewis questioned about the use of the town's vehicle that the parking management company is using. He said the vehicle is being seen all over Wilmington, Wrightsville Beach, Mayfaire, downtown, etc. He doesn't think we should be paying for that. Mr. Owens said he will check into it.

Councilman Lewis motioned that we get rid of the parking truck.

Councilman Wilcox said let's find out what is going on with that first. Mr. Owens said that Lanier has an office in Wrightsville Beach and they could have meetings there, but they shouldn't be going to other areas.

Councilman Lewis withdrew his motion.

Councilman Lewis said the Budget and Finance Committee is looking at parking going out for bid within 60 days and they are looking into parking to be done in-house.

A motion was made by Councilman Lewis to eliminate payment of long term health insurance of new employees that join the town after July 1, 2011.

He said the current employees in the system will be grandfathered because this is what we told them, but anyone else going forward it should be eliminated. The current employees we would have to keep that commitment to pay the retirees insurance. Mr. Owens said it is contractual.

Councilman Wilcox said he isn't sure if we hire an employee now what health care will look like in 20 years and if we can even honor it. Mr. Owens said folks are dropping off and at the same time folks are coming on at the same rate.

Councilman Lewis restated his motion.

Mr. Owens said it could affect our grandfathering of the federal changes. Councilman Wilcox said to find out if it does and at what percentage of change. Mr. Owens said he can find out and bring it back to Council for consideration.

Councilman Lewis rescinded his motion until the manager can bring back that information to Council.

Concerning raises, Councilman Lewis said he is all for merit raises but not cost of living raises. He is all for 3% in merit raises for performance base. He feels it should be a flat amount paid out to the employees July 1st. It has been 2 ½ to 3 years before the employees have received a raise. He feels it should be effective July 1st and not on the anniversary date.

Councilman Wilcox asked if the merit is for everyone. Mr. Owens said if you have good service and grade well on the evaluation sheet. He said that everybody will qualify for it, but if you are not a good employee then you will get less.

Councilman Wilcox said merit has to be done by performance. Mr. Owens said most folks do get a merit.

Councilman Lewis said let's roll back to your recommendation, the flat rate \$700 and \$375. Mr. Owens said he is okay with a flat rate. Councilman Lewis said he likes that because a person that is making \$25,000, \$1,000 is a lot of money.

Councilman Lashley said what you have here is people who are department heads and their responsibilities are a lot higher than an employee and I'm not saying anything against our employees because they all do a good jobs. But when you have people who have seniority in here and a town manager who at 2% based on his salary then he is taking about \$1,000 reduction in pay and personally I don't think that is fair.

Councilman Lewis said I think the whole country is looking at this thing that you have the upper end and the lower end and the balance between the middle is so separated and these people can never catch up. Councilman Lashley said they are not in positions where they shouldn't catch up. A supervisor is different than an employee. Councilman Lewis said I understand that but I have a police officer basically risking his life and somebody sitting behind a desk for 20 years and there is a big difference in that. Councilman Lashley said I imagine we probably do something beyond that. We let them drive their cars home, we have a 401k benefit for them versus a regular employee. So there are benefits given to police and maybe fire so we certainly do that.

Mr. Owens said I'm okay with a flat rate or a percentage. Councilman Lashley said well I'm not okay with it. I don't think it is fair to our supervisors or someone who has been here for 25 years to take a reduction because we want to give a flat fee to everyone.

Councilman Wilcox said can you take the pool of funds available and calculate them across the salaries and come up with the appropriate percentages. That would be one way to handle it. We also talked about it one time making it a COLA and making it a bonus. Mr. Owens said he hasn't had a chance to talk to Sheila because she has been on vacation but he assumes you can do a bonus. I can come back with another recommendation. Councilman Lashley said the reason why we were talking about bonuses is so it isn't an expense next year. It would be a lump sum payment, but the negative part is their salaries stay flat. Mr. Owens said he will have to research it. Councilman Lewis said we need more definition. Mr. Owens said he has already put the money in the budget. Councilman Wilcox said the money has been budgeted and we can worry about the procedures later. Mr. Owens will look at the bonus figures and how to calculate it and bring it back to the next meeting.

Next, Councilman Lewis asked about the funds for the pier project. Mr. Owens said we have about \$250,000 in grant money and we do have some capital funds set aside, \$413,000 that can be used as a match and that is another reason why he wanted to hold on to the \$200,000 too is for match money. They are two year grants and he hopes to be able to extend them. He will be meeting with Dee Freeman in Raleigh on Wednesday. Councilman Lewis said I'm thinking the state is going to make a decision on funding any piers in the future. He said we need to come up with a plan B and decide what we want to do. He thinks we could still use those funds if we decide to do a park between the yacht basin and the ocean and have a nice park. Other things for those lots will have to be considered and take a look at not funding \$4,000,000 worth of properties forever.

Councilman Lewis commented that the new lights look great. Other Council members agreed.

A motion was made by Councilman Lewis to go into a closed session to talk about personnel matters in compliance with NCGS [143-318.11(a)(6)]. MOTION CARRIED UNANIMOUSLY.

A motion was made by Mayor Macon to return to open session. MOTION CARRIED UNANIMOUSLY

Mayor Macon stated that no action is needed as a result of the closed session.

Mayor Macon asked Mr. Owens if they need to make a decision on the trash service. Mr. Owens said that is up to Council. If you want to save \$70,000 and extend the contract that is fine or if you want to bid it out in 2015 that is fine. Mayor Macon said he doesn't have a problem extending the contract because they have been doing a good job. Mr. Owens added, and there aren't that many players out there. Council was in agreement that they have done a good job.

A motion was made by Mayor Macon to extend the contract with Waste Industries for 2 years which waives the CPI. MOTION CARRIED UNANIMOUSLY.

Mr. Owens said there was one closed session item that he forgot to bring up concerning a real estate matter.

A motion was made by Mayor Macon to go into a closed session to talk about a real estate matter in compliance with [N.C.G.S. 143-318.11(a)(5)]. MOTION CARRIED UNANIMOUSLY.

A motion was made by Mayor Macon to return to open session. MOTION CARRIED UNANIMOUSLY.

Mayor Macon stated that no action is necessary as a result of the closed session.

A motion was made by MPT Efird to adjourn. MOTION CARRIED UNANIMOUSLY.

Respectfully submitted,

Lynn N. Prusa
Town Clerk

Approved: _____