

**MINUTES OF THE SPECIAL MEETING  
OF MAY 2, 2008 OF THE TOWN COUNCIL  
TOWN OF CAROLINA BEACH**

**May 2, 2008**

The Town Council of the Town of Carolina Beach met in a special session on May 2, 2008 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) Dan Wilcox; Councilwoman Pat Efird; Councilman Alan Gilbert and Councilman Jerry Johnson. Also present were Town Manager Tim Owens and Town Clerk Lynn Prusa.

Mayor Macon called the meeting to order.

The town manager said this is an opportunity to go over the proposed health insurance proposal for this year. He then turned the presentation over to the town's Human Resources Officer, Sheila Mallard.

We have been with UHC for last for years.

UNC 19% increase and negotiated down to 16%. BCBS with 4.5% increase; Medcost and Guardian declined.

UHC offered 16% increase keeping benefits the same with no changes. The HRA plan was considered but not cost efficient option for the town.

UHC offered an option to reduce that rate providing we umbrella our vision plan with them, but the rates with vision would not be competitive or cost efficient.

The final option that appears to be the most cost efficient for us is with BCBS with 4.5%. The reason why you see a variance with the rates is because UNC has to base our renewal on our claim experience. This year BCBS basis it on the number of employees, the age of our employees and those factors. Mr. Owens said next year we could see a difference in BCBS.

Dependents pay their own portion of the premiums. It would cost the town \$736.00 to redistribute the premiums under the BCBS, but it would save about 7-8 families \$400-500 difference for the year for the \$736.00 that it would cost the town.

Ms.Mallard then present the dental options. We have not had a rate increase in 2 years. We will experience a 5% increase with Guardian this year. UHC offered to match Guardian's rate provided we umbrella under their plan with dental, vision and health care with them. The 5% increase with Guardian is more cost efficient for the town and the benefits will not change.

The life, disability and short-term will not change. At a rate of \$.22 per thousand and 1x annual salary per employee. The short term disability remains at \$12.00 per person with no rate increase.

The flexible spending account gained a lot of popularity last year with the debit card system. We are recommending increasing the amount from \$1,000 to \$1,500. The participation last year increased 25%.

The recommendation for health insurance is to consider the BCBS bid and perhaps the redistributed plan for the dependents that will save 8 families. Make no with the other plans, except to increase the flexible medical spending about to \$1,500.

There being no concerns addressed, the town manager said he will go forward with the recommendations.

Next, the manager went over the general fund recommendations. He presented a balanced budget and he went over some of the changes that were made since the last meeting:

- Reduced the appropriated fund balance line items, and no proposed tax increase in the general fund budget.
- The budgeted is balanced at \$8,264,468 and reduced the appropriated fund balance by \$11,201.
- One thing that is not in the budget is \$650 a meeting for videoing the meetings. The proposal is for the regular meetings only. Council seemed to be in general agreement that the more information that we can put out including broadcasting the meetings helps get the information out there to the public.
- There is 3% COLA programmed in the budget and a 1x \$500.00 salary increase per employee.
- We are moving all fire related matter to VFIS.
- We talked about finding a square foot value for the Chamber – manager is still working on that.
- He would like to increase application fees so if someone makes a request for a text amendment that the applicant pays for the costs associated with it such as advertising costs, etc. MPT Wilcox said he doesn't have a problem with conditional use permit or variances but sometimes a text amendment can benefit more than the applicant. Mr. Owens said he agreed and would analyze it more.
- He will continue to look at the merit procedures and processes
- There were no new employees in the general fund.
- There are two part-time firefighters in the budget.
- The reorganization of the parks and recreation department is in the budget.
- He doesn't believe we will have to change the residential solid waste fees.

- He went over the deductions that he was able to make in each department line items.
- Fire Chief Rorie went over the need for increasing staff.
- There was discussion about take home vehicles and the accountability of fuel use. Councilman Gilbert would like to see how much each department is using.
- Also Councilman Gilbert mentioned getting cell phone use and postage per department. He feels there should be an accountability process for every department in case reductions ever have to be made on a percentage basis per department. If you have a single line item for these types of things he is afraid we cannot be effective and efficient.
- There was discussion about fixed cost vs. variable cost for water.
- Councilman Gilbert asked when he uses 1,000 gallons of water, what did that gallon cost the town to get it to him. Personally he would like to see as a taxpayer what he is paying for water, sewer and any other fees for future projects he would like to see broken out. In order to keep the boat afloat, with all your list of projects, and having that a separate fee so people know where it is going because of expansion in the future. Our engineer has said we have been deficient in our fees.
- The town manager talked about the maintenance repair of the Vactor truck vs. contracting out the service. Councilman Johnson suggested doing a cost analysis of the cost of the maintenance of the truck, the two individual salaries operating the truck vs. contracting out the cost.
- Some members of Council expressed concern about the size of the operations department and who is accountable, their duties and what is expected of the employees.
- There was a discussion about recycling costs and paying a fair price for garbage collection. The town manager said his proposal would be to change the rates around where it pays for itself. He mentioned that the tipping fee went up so he would propose a new commercial rate.
- MPT Wilcox suggested that a workshop be scheduled to talk about restructuring the budget if that is what everyone wants to do because we cannot micromanage everything.

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

Respectfully submitted,

Lynn N. Prusa  
Town Clerk

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