



TOWN COUNCIL MINUTES

BUDGET WORKSHOP #2 TOWN HALL

Monday, April 15, 2019 @ 9:00 am

The Kure Beach Town Council held budget workshop # 2 for the proposed FY19-20 budget on Monday, April 15, 2019.

COUNCIL MEMBERS PRESENT

Mayor Craig Bloszinsky
Mayor Pro Tem (MPT) David Heglar
Commissioner Joseph Whitley
Commissioner Allen Oliver
Commissioner John Ellen

STAFF PRESENT

Finance Officer (FO) – Arlen Copenhaver
Town Clerk – Nancy Avery
Deputy Town Clerk – Mandy Sanders
Police Chief – Mike Bowden
Fire Chief – Ed Kennedy
Building Inspector - John Batson
Public Works Director – Jimmy Mesimer
Recreation Director – Nikki Keely

CALL TO ORDER

Mayor Bloszinsky called the meeting to order at 9:00 A.M.

PRESENTATION OF REVISED DRAFT OF FY18-19 BUDGET

Finance Officer Copenhaver presented assumptions and revisions to the draft FY19-20 budget from the first budget workshop. Said presentation is herein incorporated as part of these minutes.

Assumptions and revisions General Fund:

1. Water and sewer rates – lower minimum gallons to 2,000 and increase rate tiers by 10% for all customer types
2. General Fund Contingency of \$20,000
3. General Fund full-time headcount increased by 2 (Police & Building Inspections)
4. Shortage was \$131,526



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Expenditure increases:

- Administration - Town Hall HVAC & Generator Maintenance Contract \$5,000
- Administration - Building maintenance \$3,750
- Emergency Management - Satellite Phone \$2,000
- Police - Equipment Capital Outlay - Town Fuel Tank \$110,000
- Contingency \$20,000

Expenditure decreases:

- Governing Body – Contributions \$2,000
- Streets & Sanitation - Eliminate new full-time position \$47,460

Revenue increases:

- Sales Tax - Revised estimates based on new data provided by NCLM
- Electricity Sales Tax - Revised estimate based on new data provided by NCLM
- Sales Tax Refund - Revised estimate based on current & projected sales tax expense for FY 2019 that will be refunded in FY 2020
- Beer & Wine Tax - Revised estimate based on new data provided by NCLM
- TDA - Revised estimate of available funds
- Other Financing - Increased for financing of town fuel tank

Discussion Highlights:

Fire Chief Kennedy stated:

- Currently demoing two radios that have okay range
- Specialist recommended repeaters with an antenna
- The cost would be \$7,000 to \$10,000
- Asked the specialist if he could reprogram the current repeater and the specialist is currently looking into it if it's possible
- Should hear back in the next few days

MPT Heglar stated he agrees with the Chiefs. Issuing expensive equipment to staff will cost the Town more in the end. Reusing a repeater is a great option. Please continue researching the information and let us know if Council needs to fund.

CONSENSUS- Fire Chief Kennedy and Police Chief Bowden to move forward evaluating the lower cost solution of the VHF radios and repeater. If supported by both Department Heads execute in this fiscal year.



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Financial Officer Arlen Copenhaver stated:

- Temporary help for Public Works Department
- Start in this upcoming fiscal year
- \$12.50 would be \$4,800 per person
- \$15 an hour it would be about \$5,800
- This would be for about 9 weeks of employment

CONSENSUS- Town Council stated to put a placeholder in the amount of \$5,800 for part time help or contract work for the Public Works Department

The Finance Officer stated these revisions balance the General Fund.

He reviewed the tax increase impact for property valued at \$400,000:

- 0.75 cent increase impact to property owner is \$30 a year or \$2.50 a month
- 1.0 Cent increase impact to property owner is \$40 a year or \$3.33 a month

Discussion Highlights:

- Towns around us aren't increasing taxes
- 93% of amended budget is used each year
- Insurances and income taxes increase each year and won't decrease
- It's the cost of maintaining the village feel
- One cent increase without using reserves

MOTION – MPT Heglar made a motion to approve the budget as presented with the changes added for the water sewer rates as presented by Financial Officer Copenhaver and a one cent increase to the tax rate

SECOND – Commissioner Whitley

VOTE – Unanimous

Police Chief Bowden stated:

- Talked with other Chiefs and the Sheriff regarding retention for officers
- Trying to keep officers motivated to work nights
- Looking to potentially give bonus once a year for night shift officers
- \$2,000 to each night shift officer
- Give the bonus around May

MPT Heglar stated he is very supportive of the program but advises rewriting the program to do the bonus quarterly. If you have turnover you won't lose the whole amount of the bonus to the officer.



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Mayor Bloszinsky commented the quarterly bonus is a great idea. Officers may choose to stay longer to receive the bonus.

CONSENSUS- Fund \$9,800 in the budget for the Police Department to offer a \$500 bonus quarterly for the 4 night shift officers. Policy to be drafted by the Town Clerk, Financial Officer and Police Chief.

Water Fund:

- Shortage was \$61,593

Revenue Increases:

- Residential, Commercial & Ft. Fisher Water - Lower minimum to 2,000 gals. & increase rate tiers by 10% increase of \$77,050
- Residential, Commercial & Ft. Fisher Sewer - Lower minimum to 2,000 gals. & increase rate tiers by 10% increase of \$101,100

Expenditure Increases:

- Administration – Building maintenance \$3,750
- W/S Operations – Potential Capital improvement projects \$112,807

This balances the Water Fund budget.

Commercial Logo:

Recreation Director Keely stated:

- Removed the white border around the seal
- Changed the wording and format
- Two logo designs were created by the graphic designer
- Added a sunrise version of the logo
- Would like to use both logos on the online store

MOTION-Commissioner Oliver made a motion to approve both commercial logos presented by Recreation Director Keely

SECOND- MPT Heglär

VOTE- Unanimous

MOTION - MPT Heglär made a motion to set the design fee for each item at \$3 for the online merchandise store

SECOND - Commissioner Ellen

VOTE – Unanimous



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MOTION - Commissioner Ellen motioned to adjourn the budget workshop at 10:52 a.m.
SECOND – MPT Heglar
VOTE – Unanimous

ATTEST:



Nancy Avery, Town Clerk



Craig Bloszinsky, Mayor

NOTE: These are action minutes reflecting items considered and actions taken by Council. These minutes are not a transcript of the meeting. A recording of the meeting is available on the town's website under government, council.