

# MINUTES

## TOWN OF KURE BEACH TOWN COUNCIL

117 Settlers Lane ▪ Kure Beach, NC 28449



Mac Montgomery, Mayor  
Jim Dugan, Mayor Pro Tem  
Dean Lambeth, Commissioner  
Barry Nelder, Commissioner  
Jim Vatrt, Commissioner

Michelle James, Town Administrator ▪ Kaysie Pralle, Town Clerk

### WORKSHOP

JUNE 10, 2009 3:00 P.M.

#### PURPOSE

The Town Council will meet with Department Heads to discuss the preliminary budget for FY2009-10.

#### COUNCIL MEMBERS PRESENT:

Mayor	Mac Montgomery
Mayor Pro Tem	Jim Dugan
Commissioner	Dean Lambeth
Commissioner	Barry Nelder
Commissioner	Jim Vatrt

#### COUNCIL MEMBERS ABSENT:

None

#### STAFF PRESENT:

Town Administrator	Michelle James
Public Works Director	Sonny Beeker
Fire Chief	Harold Heglar
Police Chief	Dennis Cooper
Building Inspector	John Batson
Town Clerk	Kaysie Pralle

Town Attorney A. A. Canoutas was in attendance. There was a quorum of the Town Council present.

#### CALL TO ORDER AND WELCOME

Mayor Montgomery called the meeting to order at 3:00 pm.

Commissioner Vatrt explained that the Council had agreed to keep the LGC recommended minimum reserve of 25 percent of the operating budget. We should be at 1.2 million reserve balance. For the past several years we have dipped below that number. This year a recommendation was made to pay the principal interest for the park with grants that were coming in. At the end of this fiscal year we project to have a reserve balance of 1.5 million dollars.

There is approximately 1 million in the enterprise and Stormwater fund.  
As we move into the 2009-10 budget year, we have projected expenses totaling 4.5 million with revenues projected at 4.2 million dollars. This would leave a deficit of \$300,000.00. The Department Heads have been working on a new program that would generate approximately \$300,000 in revenue.  
Administrator James presented Council with different scenarios for garbage collection revenues.

#### Scenario 1

Annual Garbage Collection Cost is \$295,000.00. This is included in the ad Valorem tax. The current levy is .135. The value of \$.01 is \$118,000.00.  
With this plan, based on a \$250,000.00 home, residents would pay annual taxes of \$337.00.  
In addition the residents would pay \$128.40 annually for garbage service.  
Commercial rate would be \$35.00 per can monthly. This includes 170 days of service.  
Residential rate is \$10.70 per can monthly. This is 52 weeks of service.

#### Scenario 2

This scenario would not include the \$295,000 ad Valorem tax.  
This plan would take two cents off the tax levy bringing it down from 13.5 cents per \$100.00 to 11.5 cents.  
With this plan, based on a \$250,000 home, residents would pay annual taxes of \$287.50.  
In addition the residents would pay \$217.10 annually for garbage service. This is \$78.40 more than in scenario 1.  
Commercial rate would be \$35.00 per can monthly. This includes 170 days of service.

#### Scenario 3

This scenario would not include the \$295,000 ad Valorem tax.  
This plan would take one penny off the tax levy, bringing it from 13.5 cents per \$100.00 to 12.5 cents.  
With this plan, based on a \$250,000 home, residents would pay annual taxes of \$312.00.  
In addition the residents would pay \$128.40 (\$10.70 per can monthly) annually for garbage service.  
Commercial rate would be \$35.00 per can monthly. This includes 170 days of service.

Commissioner Vatrtr explained that any of these scenarios provide a more equitable distribution of costs to the residential and commercial garbage customers.

Commissioner Lambeth does not agree with lowering taxes.

Mayor Montgomery noted that lowering taxes would be a political move. He agrees with charging \$10.70 per can, per month and leaving taxes where they are. Either we increase the fees to cover the cost of the service or we reduce services.

CONSENSUS - After much discussion, Council agreed to have Administrator James & Finance Commissioner Vattrt return to Council with the current tax levy of .135 and a per can trash pickup fee that will generate enough revenue to cover the deficit in the General Fund.

CONSENSUS - Council agreed to make the 2009 payment for the Ocean Front Park out of the grant from the Natural Heritage Trust Fund/Coastal Management.

Commissioner Vattrt noted these two items will be enough to balance the budget.

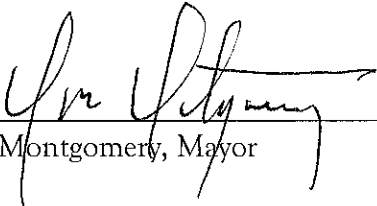
Chief Heglar noted that over the past five or six budget cycles the Fire Departments budget has been cut by 10%. This puts them 60% under budget. He understands that it looks good politically for the Council to not raise taxes, but feels that you can't live in Kure Beach for nothing forever. Compared to other municipalities in the county, Kure Beach is cheap to live in.

Mayor Montgomery noted the next meeting to discuss the budget is a Public Hearing and Regular Meeting on June 16<sup>th</sup>. At that time the Council will either pass the budget or schedule a Special Meeting with the purpose of passing the budget.

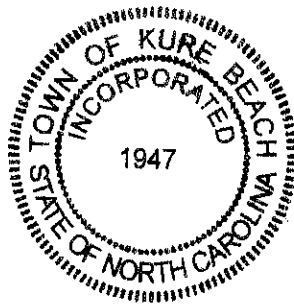
1:40 long meeting.

#### ADJOURNMENT

ACTION - Commissioner Nelder MADE THE MOTION to adjourn the meeting at 4:40 pm. Mayor Pro Tem Dugan seconded the motion. THE VOTE OF APPROVAL WAS UNANIMOUS.

  
\_\_\_\_\_  
Mac Montgomery, Mayor

  
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Kaysie Pralle, Town Clerk



NOTE: These are action minutes reflecting items considered and actions taken by Council. These minutes are not a transcript of the meeting. Persons wishing to hear the recording of this meeting may request to do so by contacting the Town Clerk.