

MINUTES
BOARD OF ALDERMEN
BUDGET WORK SESSION
MAY 5, 2016

Mayor Blair called the meeting to order at 4:00 p.m. in Council Chambers of Town Hall.

Attendance: Mayor William J. Blair III, Mayor Pro Tem Darryl Mills, Alderman Elizabeth King, Alderman Henry E. Miller III, and Alderman Lisa Weeks; together with Town Manager Timothy W. Owens and Town Clerk Sylvia J. Holleman. Departmental representation: Planning and Parks Director Tony Wilson, Police Chief Daniel House, Fire Chief Glen Rogers, Public Works Director Bill Squires, and Assistant Public Works Director Jonathan Babin.

SUMMARY OF NOTABLE DECISIONS FROM THE LAST MEETING

- No tax increase.
- Considered a 1% COLA and will consider a Merit Program mid-year.
- Considered a \$.25 raise for lifeguards across the board.
- Increased event fees for those events that close streets that would be effective July 1 and would exempt those that have already been approved by the Board.
- Reduced the CIP amount for the Lifeguard Vehicle from \$36,500 to \$18,250.
- Removed the temporary position in Planning.
- Added \$4,500 to IT for insurance and bonds (the property and liability insurance is split out in the budget between all departments).
- CIP was amended.

GENERAL FUND BUDGET SUMMARY TO DATE

- Amended budget amount \$10,580,410.
- Proposes \$0 in reserves to balance the budget.
- New Hanover County property tax is going up \$.055; Kure Beach is also going up. We are looking at a potential loss of \$64,000 in sales tax. It could potentially affect the beer and wine tax as well.
- Our Cable Franchise has expired; it will be a State Franchise now. It will impact us about \$20,000.

HEALTH INSURANCE

Mr. Owens said, "Health Insurance Quotes are not in. Staff is proposing to table this item until 4:00 p.m. on May 12th, prior to the Board's regular meeting.

WATER AND SEWER FUND BUDGET OVERVIEW

- Amended budget amount \$3,070,505. This budget is still \$571,005 from being balanced. To balance we can cut projects and capital items, we can raise rates, we can use CIP funds, or a combination of all of the above.
- \$842,215 in projects was proposed for this year. Staff is now proposing to just do water and sewer upgrades (\$100,000), valve installation for south end of WB (\$100,000), system modeling and system assessment (\$220,000), and Lift Station 5 upgrade (\$300,000), for a total of \$720,000.
- Proposing flat rate increase in water and sewer as well as an increase from \$7 to \$16 for the irrigation maintenance fee.
- With the proposed rate increase, we could take \$59,000 from reserves to balance the budget and keep those projects in.

PROPOSED WATER AND SEWER RATE INCREASE

Proposing \$5 increase to $\frac{3}{4}$ and 1 inch meters, water maintenance categories, +/- 50% proportional increase to larger water maintenance categories.

- Estimated \$390,000 +/- increase in revenue.
- Higher impact to larger meters at 50% increase.

Mr. Owens expressed the need to know what the system assessment would show. He said, “The whole modeling/assessment project has already gone out the door for an RFQ. We will weed through the responses and bring it to the Board in either June or July. We also need to see how the grant plays out. We applied for a \$125,000 matching grant to help with costs.”

Following a brief discussion regarding rate structure comparisons between the Town and the Cape Fear Public Utility Authority, Mr. Owens stated that the proposed fee increases would be included in the proposed budget for approval.

Mr. Owens noted that staff was also getting quotes for our ground wells and he planned to take the RFQ’s back to the ad hoc committee for review.

Alderman Weeks made the motion at 4:30 p.m. to recess the meeting until 5:00 p.m. on Thursday, May 12, 2016 in Council Chambers of Town Hall. The motion was seconded by Alderman Miller and unanimously approved.

THERE BEING NO FURTHER BUSINESS TO COME BEFORE THE BOARD, THE MEETING WAS RECESSED AT 4:30 P.M. UNTIL 5:00 P.M. ON MAY 12, 2016.

Respectfully submitted,

Sylvia J. Holleman
Town Clerk