

MINUTES
BOARD OF ALDERMEN
BUDGET WORK SESSION
APRIL 21, 2021

Mayor Mills called the Special Budget Work Session to order at 8:34 a.m. in the Town Hall Conference Room.

Attendance: Mayor Darryl Mills, Mayor Pro Tem Hank Miller, Alderman Ken Dull, Alderman Jeff DeGroot, and Alderman Vivian (Zeke) Partin; together with Town Manager Timothy W. Owens and Town Clerk Sylvia J. Holleman. Presenters: Finance Director Melissa Norton, Information Technology Manager Raquel Ivins, Public Works Director Bill Squires, Police Chief David Squires, Fire Chief Glen Rogers, Planning and Parks Director Tony Wilson, and Parks Maintenance Supervisor Evan Morigerato.

Mr. Owens gave the following overview, "We talked about the revenue neutral tax rate of \$0.0923 per \$100 of valuation. That's what I'm proposing in the budget. The General Fund is balanced. There's a 2% Merit and 2% COLA for General Fund and Water & Sewer Fund. The Water and Sewer Fund is balanced. We used \$70,000 from Reserves to balance that budget."

Mayor Mills said, "My thought on the tax rate is we take revenue neutral and adjust it if the County does something drastic. There was Board consensus to do that."

Mayor Mills said, "I think we're all in agreement to give a raise; the question is how much; do we split it up; and when does it become effective. At least in the last five or six years, Tim has split it up with some merit and some COLA. Tim has proposed 4%. The last few years, I think we've gone from 3% to 3.5%. We need to decide what merit will be for this coming year." Alderman Partin said, "I don't have a problem with 4%. My opinion is that the merit should be 3% and the COLA should be 1%. I think people don't need to be recognized if they don't do a good job. I think we need to have a good evaluation process and people need to be above average to get a merit. That incentivizes people to work." Alderman Dull said, "I would argue that COLA is the cost of living. So the idea is that this year, you want to be able to have the same buying power as you had last year. You don't want people going backwards. I think 1% is going to make you go backwards. I would argue that you have at least 2% COLA and I think that's consistent. I think it's something we ought to look at every year to look at what the economy has been doing." Alderman Partin said, "I don't disagree with what you're saying, I just think we need to do a better job of evaluating employees." Mayor Mills said, "We can always do a better job of evaluating so your point is well taken. So, Alderman Dull, you are proposing 2% COLA and 2% Merit?" Alderman Dull replied, "I was really just talking about the COLA. I just want to make sure we don't go backwards." Alderman DeGroot agreed. Alderman Partin said, "You talked me into it but what about merit?" Mayor Pro Tem Miller said, "Zeke, your point is well taken. I think, for however many years I've done this, we have focused on merit and I think the COLA is something we need to look at this year and then look at it on a yearly basis. I think we lean heavier on COLA this year. If the budget balances at the end of the day, I'm okay with 4%. I'd rather be 3 and 1 instead of 2 and 2, this year especially. The biggest reason is to give it to them now. We've had a lot of stuff happen in this second term with the hurricanes and COVID, Water and Sewer, and everything else, we need to give them a real raise this year." Alderman Partin said, "I agree with you, we shouldn't wait until December. I agree with doing it July 1 or whatever we do." Mayor Mills said, "Typically the COLA kicks in in the new fiscal year." Alderman DeGroot said, "I agree with Ken, I think we'll see inflation hit pretty hard over the next year or year and a half. I also see Zeke's point; my employees are motivated by action; their actions get more money. So, I'll concur to Hank with 2% and 2%."

Mayor Mills said, "Effective all of it immediately?" Mr. Owens said, "I think we do 2% COLA because we're already on this different cycle and mid-year, we'll do the same thing. We just went through the merit process." Mayor Pro Tem Miller said, "So, can we not do evaluations sooner?" Mr. Owens replied, "We can." Alderman Partin said, "And get the merit done by September." Mayor Mills said, "I think we've got a consensus here to do 2% and 2% with COLA to kick in immediately and then the merit would be as soon as you and the Department Heads do whatever process you like for them to do, and then that kicks in." Mayor Pro Tem Miller said, "The reason we've held off in the past is to see how we're going to do and it was typically around parking. The reason I'm sticking more to COLA is because I don't want to wait – I'd go a hundred percent merit if we were doing it July 1 but I'm fine with the 2% and 2% but let's push it to where they get it as soon as possible." Mayor Mills said, "That being September or October." Mayor Pro Tem Miller said, "I'm fine with that."

Mr. Owens referenced the Parking handout and said, "Pivot, in their budget to us, estimated that the revenue we are going to generate this year was \$6,073,000. We projected in the current fiscal year, we'd be almost \$6.6 million. What I've got loaded in this budget this year, is a total of \$5.3 million. We're pretty conservative, I think, on the daily parking revenue. That and if the civil citations with the LPR works out the way we hope. Again, I'm open to whatever numbers the Board wants to do with parking." Mayor Mills said, "I'm still a little leery knowing how soft – and I get what Pivot's telling you. I also know how fickle fate can be sometimes. I, personally, would feel better if we back off a little, but I'll listen to the Board." Mayor Pro Tem Miller said, "We talked about a whole number last time – we got down to somewhere between 4 and 4.5. How does that compare?" Alderman Dull said, "I think we were talking about going to 4 instead of 4.8." Mayor Mills said, "That is what I suggested." Alderman Dull said, "It was still like a 40% increase." Mayor Mills said, "I got to it, basically, based on the increase in the rate. I think last year was a little bit of an outlier but maybe I'm wrong; maybe that is going to be the new norm." Alderman Dull said, "One cycle ago, we were at 2.7. If we go to 4, that's a huge jump over 2.7." Mayor Pro Tem Miller said, "We really haven't experienced the rate increase. Last year, people had nothing else to do." Mayor Mills said, "That's the other part of my concern. More and more things are becoming available to them." Mayor Pro Tem Miller said, "The weather is what we have to worry about." Alderman Dull said, "An over-the-top number like \$50,000 a day sounds like a big number. To get to \$5 million, you'd have to have a hundred of those \$50,000 days." Mr. Owens said, "Over the course of the parking season, we're averaging \$20,000 a day from March to the end of October." Alderman Dull said, "I think with the new rates, you've got to let it prove itself out a little bit before you start setting budgets based on something that hasn't happened yet. If we have three years of consistent numbers with a hurricane or two sprinkled in, then I think we can go to the bank with that. Right now, it's speculation." Alderman DeGroot said, "I agree. It's good to be optimistic because of parking rates but also we don't have the data to prove that it can be sustained for multiple years. So, I agree to be a little bit more cautious this year since, like Ken said, it's a little more speculation than data." Mayor Pro Tem Miller said, "So, we're 4.8. If, at the end of this, we still feel like we need to be at 4, then we've got to find \$800,000."

Mr. Owens referenced Flood Insurance and said, "Our flood insurance has been going up 15% per year. We pay around \$130,000 a year now not including Blair Pavilion; it will be about \$132,000 including Blair Pavilion." Alderman Dull said, "I understand getting flood insurance on buildings like this that are susceptible to flood but like the Fire and Police Station, flood insurance is only good for rising water, not wind driven. The chances of that building flooding are small."

Mr. Owens said, “Now that we own that building, we don’t necessarily have to have flood insurance.” Alderman Dull said, “I would like to look at what it costs to insure that building for flood.” Mr. Owens said, “Let’s keep it the way it is and I will give you a per-building cost, then you can decide. I will give you a detailed list of each building so we can look at the risk.”

Mr. Owens referenced sales tax and said, “We really don’t know what sales tax is going to do, but right now, the percentage is based on the different tax years. The percent of the breakout is the same for the most part.

Mr. Owens said, “We also talked about a new Ranger. I project that cost to be about \$71,000. That is not in the budget.” Mayor Pro Tem Mills said, “So, based on what you just told us, you have a balanced budget but if we hire this guy, it’s not balanced; it will be off \$71,000?” Mr. Owens replied, “It would be \$61,000 because we’ve got some money in there for the part time ranger position (\$10,000).” Mayor Mills said, “Let’s go ahead and deal with that. I have ridden with Shannon and I see what he does and he does a great job of it. He is a good ambassador and we need a presence out there that people see for the plethora of rules and regulations we have. I think if the Board is willing, that we seriously should consider another ranger out there. We tried part time but we just couldn’t get the right people. So, I personally am in favor of moving forward with another ranger. I’ve talked to Shannon about it and he seems to be fine with it but just like us, he thinks we have to get the right person. I’m in favor of moving forward – obviously we’ve got to find the money for it.” Mayor Pro Tem Miller said, “I’m in favor of it.” Alderman Partin said, “I am, too.” Mr. Owens said, “Do you want us to go ahead and advertise for that position in this year’s budget?” There was Board consensus to do that. Mr. Owens then conducted a budget review by department as follows:

GOVERNING BODY

- \$7,000 for Christmas decorations, bulb replacement and equipment rental.
- \$750,000 for Beaches and Inlets. The Board talked about going up to \$1 million.
- \$25,000 for Historic Preservation Area. Mayor Pro Tem Miller asked about the parking that was planned for this area. Mr. Owens replied, “Currently we have \$40,000 in a CIP line item to pave that area in front of the Museum, the Chamber, the Coastal Federation Building, and all of that area. That’s probably a \$100,000 project. Mayor Pro Tem Miller said, “I spoke with these people and they were telling me that one of the things they wanted was the back area where the volleyball courts were. I rode over there, if we had to wait until next year on something, that street out there is a lot worse than that parking lot ever thought about being. So, if we’re going to find \$800,000, there’s \$25,000 in my opinion.” There was Board consensus to take that \$25,000 out of the budget.
- \$29,000 for the Flotilla. They asked for \$35,000. Alderman Partin said, “I have to do one more shout out for \$6,000 for the Flotilla.” Mayor Pro Tem Miller asked if the other Board members were okay with having another budget meeting if they need to. He said, “The Flotilla Chairperson has reached out to me and suggested that she has been talking to you about the fact that the fireworks have been more expensive in the last couple of years and she has asked for additional money for the fireworks. I also understand, and I want to understand this, this \$29,000, is that for fireworks or is it for anything that they wish to spend it on?” Mr. Owens replied, “It’s for marketing and fireworks. I don’t know how much of it was fireworks this year. We do submit this to the TDA for reimbursement.”

Mayor Pro Tem Miller said, "I don't mind supporting something if somebody tells me they're 100% sure that we're going to get that money back. The fireworks are important and for \$6,000, I'm going to have a hard time saying no, especially if it's going to be reimbursed. However, I'd like to know that at least somebody in this room other than me knows where that other \$29,000 goes." Mr. Owens said, "She gives us all of the receipts. I can tell you exactly what we did the last time." Mayor Pro Tem Miller said, "So, my statement is going to be that just for this review process, I'm okay with the \$29,000 because we didn't cut it out the last time. I'm actually okay with the additional \$6,000 to make it \$35,000. However, that is not as important to me as sand and all the other things in here. So, I will reserve the right to change my mind. But it all has to do with where this budget ends up. Just to be clear, I want to make sure that this has a big red bow beside it that says before we pass it, I want to know that we didn't have to get this from somewhere else that's important." Alderman Dull said, "We're budgeting half a million for TDA. It's just a function of where that money gets spent. I would rather spend it on fireworks than to spend it on some crap advertising to bring people down from Pennsylvania." Mayor Pro Tem Miller agreed and said, "I respect and like the Chairperson but what I don't want to do is if they're working hard to get donations from other people, I want to pay them. What I don't want this to become is the 'Town of Wrightsville Beach's Flotilla'. As long as we're on the same team, I'm fine with it."

- Alderman Dull said, "ROT almost really isn't part of our budget because it's just dollars in and dollars out." Mr. Owens said, "It is but it's part of the budget." Mayor Pro Tem Miller said, "It's kind of like the sand money; the sand's in our budget, too, we just don't control it." Alderman DeGroot said, "I think Hank said it well. If it's a neutral net number. I know ROT is up. And I go back to what Ken said earlier about buying power – the Flotilla spending \$29,000 – everything has gone up – so the fireworks have gone up. I do agree with Hank that that's probably the most important thing of the Flotilla. So, I don't have a problem with it. I concur with what Hank said as long as it's not coming out of something more important." Alderman Dull said, "If the bill for the fireworks has gone up that much, then let's put that in the budget. Is that what you're saying, Hank? Are you good with \$35,000?" Mayor Pro Tem Miller said, "All I want to do is make a note." Mayor Mills said, "Tim, make a note, when we get to the end of this, if we feel like we've got enough money to do it or if we feel we need to cut it."
- Alderman Partin asked if Mrs. Norton could track the proposed changes on the board. Mrs. Norton began listing the proposed changes so the Board could have a visual of the changes.
- Mr. Owens said, "Are we adding to the Beach and Inlets Fund? It's \$750,000 now. Are we going to a million dollars here?" Mayor Mills said, "That was my proposal but we didn't hear from the rest of the Board." Alderman Dull said, "I would say, if we're going to slash parking back down, we almost need to look at those two hand-in-hand. If we're going to set parking at \$4 million instead of \$4.8, we all know we can do that, we need to go ahead and add the \$250,000 back on the other side." Mayor Pro Tem Miller said, "Let's do the pluses and the minuses and see where it goes." There was Board consensus to shoot for a million dollars.

GENERAL ADMINISTRATION

- \$25,000 for a Pay and Classification Study. Mayor Mills said, "Every year, Tim throws that in to see if we can do it. Every year, I've been against it. I'm still against it. If this Board wishes to go for it, let me hear from you." There was Board consensus to delete this from the budget.

INFORMATION TECHNOLOGY

- No discussion.

PUBLIC WORKS ADMINISTRATION

- No discussion.

PUBLIC WORKS FLEET MAINTENANCE

- Mr. Owens said, "I think we did talk about taking some CIP money and offsetting that service truck. At the last meeting, Buck said there was some frontend loader money there. If the Board wants to do that, I'll up the CIP part." Alderman Partin said, "So, we're taking \$10,000 out of the service truck but we're leaving the forklift attachment." Mr. Squires said, "We have more than enough for the forklift attachment; we're going to apply the excess to the service truck." Mr. Owens said, "So, we're just going to up our CIP amount by \$10,000."

PUBLIC WORKS BUILDING MAINTENANCE

- We added \$1,000 to clean the carpets at the Public Safety Building.
- \$40,000 for Access 4 public restroom remodel (L-shaped Lot).
- \$30,000 for Architectural Plans for new Fleet Garage.
- \$20,000 for Architectural Assessment and Floor Plan for the PW Office. Alderman Partin said, "You have Public Works Architectural Assessment and Floor Plan for Public Works Office; then you also have a Public Works Office Remodel for \$30,000. Is that a duplication? Mr. Squires replied, "The office remodel is in the CIP. So, after the architect does the evaluation and comes up with a floor plan that works, then it's going to become remodel of which we will already have \$30,000 in CIP." Alderman Partin said, "But is it going to be this year?" Mr. Squires replied, "I'm just trying to put some money away so I don't have to come to you in two years and say we need \$100,000." When asked if we already had money in the CIP for this, Mr. Squires replied, "No, we're just starting this." There was Board consensus to leave \$30,000 in to do the plan.
- \$15,000 to paint exterior of the Public Safety Building.
- \$25,000 to replace the boiler in the Public Safety Building.
- \$250,000 for Wynn Plaza Re-design and Construction. Alderman Dull said, "In the boardwalk area, are we just replacing boards or – what's the scope of that?" Mr. Squires replied, "Every year we replace boards. Each year we replace more and more boards. The structure is starting to rot. So, the question is, do we keep throwing band-aids or do we look at Wynn Plaza comprehensively as a whole?" Alderman Dull said, "We think the parking revenues are going up, which is a wonderful thing. I'm kind of at that place where once we know that we can count on that kind of money, that's when I think we can go and do that kind of a deal. I'd like to make sure we have a track record first if we're going to count on that money. If we can survive another year. I look forward to doing a lot of these things if we get to the place where we can count on that money." Mayor Pro Tem Miller said, "We've got needs and we've got wants. If it's a need, that's one thing. But if it's a need and a want, I think we ought to do the need part and put the want off. And with the police boat, we don't even know how we're going to use it yet. I know how we're planning to use it. But we'll know a lot more next year on how we planned to use it and how we used it. I wouldn't want to do a boatlift anytime soon when I've got a perfectly good dock sitting over here. Let's see how we use the boat for a season and then decide because we might need two boatlifts."

Mr. Squires said, "Keep in mind that the \$250,000 is a placeholder." Alderman Dull said, "We just added \$250,000 to the sand fund. I just think if we're going to make priorities right now, I think sand is where we need to put that money and we're trying to figure out how we're going to get there. We could probably get David Floyd to give us a deal on a slip." Mr. Owens said, "Do we need to replace just that front area?" Mr. Squires replied, "Yes." Mr. Owens said, "So, what would that be?" Mr. Squires said, "\$40,000." Mayor Pro Tem Miller said, "Just call it \$50,000." Mr. Owens said, "Let's do \$50,000. Hopefully the prices will go down." Mr. Squires said, "If we're going to do this, I make a recommendation that we put some money in the CIP for the bigger project down the road so we don't have to do it all at once." Mr. Owens said, "So, there's \$20,000 I can add to the CIP to cover that so it's a net \$220,000."

- \$100,000 for Beach Walkover Repairs. Alderman Dull said, "Is \$100,000 a good budget." Mr. Squires replied, "Again, it's a placeholder." Alderman Dull said, "Will you go back and look at that to say 'this is what I need for this year for repairs.'" Mr. Squires replied, "Yes."
- \$100,000 for Town Hall Improvements. Mayor Pro Tem Miller said, "Do we currently have \$200,000 in the CIP for this?" Mr. Owens replied, "Yes." Mayor Pro Tem Miller said, "In the spirit of money that we're going to spend and money that we're not going to spend, we've got the architect in here somewhere?" Mr. Owens said, "We did all these buildings over here but we haven't done Town Hall. We're getting appraisals for all of these buildings." Mayor Pro Tem Miller said, "You've already got the money in the budget?" Mr. Owens replied, "Well, if you want to use CIP to do it, yes." Mayor Pro Tem Miller said, "So, there's no money in the current year's budget to pay for the architect to do Town Hall?" Mr. Owens replied, "No." Mayor Pro Tem Miller said, "So, you're going to come out of the \$200,000 CIP somewhere?" Mr. Owens replied, "I can." Mayor Pro Tem Miller said, "My question is, do we, the five of us, and you, at the current pace, think that we're going to do any Town Hall improvements in 2021 and 2022?" Mayor Mills said he thought it was unlikely. Mayor Pro Tem Miller said, "So \$100,000 will not be enough. My point is, I'd rather have that \$100,000 in the sand than sitting in here in some account, knowing we don't have enough and we're going to get it if the parking money goes to 6.2 or whatever it is. So, why don't we leave \$50,000 in for the architect." Alderman Dull noted that we could borrow the money if we needed to. Mr. Owens also noted that we were, hopefully, getting ready to sell a piece of property.

POLICE DEPARTMENT

- Includes enough money for a 25th Officer.
- They are also proposing a 3% increase for Sergeants. Mayor Mills clarified that this was on top of the 4%. Chief Squires said, "Were talking about less than \$9,000. We're not talking about getting every Sergeant to make more than our most senior non-supervisory officers. But we are bridging the gap. Every year, when we have a merit or a COLA, when you have non-supervisors that make even a little bit more than supervisors, that gap grows unless you do something. This is a 3% raise for five Sergeants. We think it's a pretty good solution even though it's not perfect. Our two most senior Sergeants are likely to retire within the next two years. That will change our cost structure overtime. In the end, this is less than \$9000 I think that's pretty well spent because, if your first line supervisors perceive that they're making less than some subordinates, that can produce long-term trouble." Mr. Owens said, "We would absorb that \$9,000 in this budget year."

- \$91,177 for three replacement vehicles.
- Take-Home-Car Program. Chief Squires said, “We think it is a very conservative cost to say that the increase cost is about \$11,000 per year. We think that is also money well spent. We don’t think it’s really a test program because we’ve had take home cars for some roles for some time without any problems. But, this adds about fifteen people eligible for take home. It would be another retention tool. We would modulate the cost.” When asked where that money was in the budget, Mr. Owens replied, “It’s basically spread out in the Departmental Supplies.” Chief Squires referenced the cost of having vehicles and said, “We factored the cost of increased commuting. The Take-Home-Car Program is scalable to the availability of cars. The three cars (In Capital Outlay) is because that was in line with the standard practice year after year. If you approve the \$11,000, if you approve the Take-Home-Car Program, we’re going to do it scalable regardless of how many new cars we get.” Mayor Mills asked if this would have an impact on insurance costs. Mr. Owens replied, “They’re insured anyway so there wouldn’t be any separate insurance costs for the vehicles.” Mrs. Norton said, “With the ‘Domiciles Overnight’, sometimes if you have them at a residence versus here, it might be different.” Chief Squires said, “All I can say about that is that it’s not a factor right now with the cars that are being taken home or the car being used by our SWAT Officer. We don’t have any information that it changes the insurance cost at all. If that officer lives beyond the radius, they would be parking at a government facility.” Mr. Owens said he would call and verify with our insurance provider.” Mayor Mills said, “I’m inclined to give it a shot but I want to hear about that first.” Alderman Partin agreed. Alderman DeGroot said, “I support the Chief with pretty much everything that he’s come up with as well. As for the take-home cars, I think it’s a great retention tool as long as the rest of the Board members agree.” Alderman Dull said, “The Take-Home-Car Program I really like. Talking about the other raises and things, I always caution that that does also affect insurance and taxes and retirement. I’m not saying I’m against it, I’m just saying it’s probably more than just the \$9,000.” Alderman DeGroot said, “I agree with the restrictions the Chief said the last time. I think he said a radius of 25 miles.” Chief Squires said, “Beyond the 25-mile radius, they would park at a government facility for work purposes only; those kinds of things would all be in the policy.” Mayor Pro Tem Miller said, “I speak from experience, it’s all about the policy and it’s all about enforcing the policy. That’s the only thing that we haven’t done that I know of that makes some sense in the retention area. So, I’m ready to try it because we have had turnover in the Police Department. But, it would not hurt my feelings if we stop it because there’s a problem.” Chief Squires said, “This is one of things that you can adjust both individually and structurally. I guarantee you we’re going to adjust it individually but we’re also able to adjust it structurally. With the Sergeants’ raise of 3%, we’re talking about five people. I do agree with Alderman Dull, there are fringe-extending costs. Those costs will change in two ways. Of course they accelerate over the years but our two most senior Sergeants are very likely to retire within the next two years, again, resetting what that whole structure looks like.” Mayor Pro Tem Miller said, “Let’ make it work.”

Mayor Pro Tem Miller said, “Where are we on the School Zone problem?” Mr. Owens replied, “We met with them on Friday – with the Principal – and they had the paperwork that they need to fill out. I’ll follow up this week to make sure that happens.” Mayor Pro Tem Miller said, “Just so you all know, because I think it’s important that everybody knows, we’ve got a problem with the school being open – cars are stacking on Causeway

in the suicide lane; they're just sitting there for hours at a time. We had a resident call us about people coming out of Island Drive. So, we've been notified. The MPO and the D.O.T. has a form that you fill out to do that. The school has to do it. To me, it is a Wrightsville Beach problem but it is not a Wrightsville Beach issue; it's a New Hanover County School issue. But if somebody gets hurt, it would be one of our residents. So, we're on it – is all I want everybody to know and we will stay on it." Chief Squires said, "The Principal of the school was very open to meeting with us. He believes that he can effect results from the parent population quicker than the traffic study can effect results. He seems like a good partner to us and was committed to the idea of designing some better solution. It is obvious that parents do camp out well in advance of school dismissal and it is a long line of parents. In the immediate future, there would probably have to be an agreement with some private partners. One example would be the Baptist Church. We can't control what their decisions are, but they are one way to diminish the stacking on Causeway. The Principal said that's something he's exploring."

FIRE DEPARTMENT – EMERGENCY PREPAREDNESS

- No discussion.

FIRE DEPARTMENT

- \$115,000 for a Career Incentive Program. Alderman Partin said, "I'd like to see the Career Incentive Program stay. This is an important department for us." Mayor Mills said, "It is an important department but we haven't had the turnover there like we have with the Police and that was really the driving force of doing the Police. The thing with the Fire Department is that these trucks cost so much and the budget dedicated to Fire can rapidly get out of hand. I'm not begrudging new fire trucks and I'm not begrudging the proper equipment; we need to do that. But, we also can't be subject to all of these add-ons and other things. We've got to be careful about it. But if the Board is good with it." Alderman Dull said, "I'm always interested in knowing how we stack up against our peer groups. We need to be commensurate to our peer departments but we shouldn't have to spend \$25,000 to figure that out." Chief Rogers said, "Last year, we did a comparison county by county in North Carolina. Our main problem is recruitment. In the five years since I've been here, we've hired three or four new people and the number of applicants has gone down. I usually like to hire good people with good paperwork and certifications. What I've had to do is hire good people and get the certifications after the fact. There's real heavy competition in this county right now and regionally for firefighters and fire officers. When we get an applicant pool of two, it limits what we can do. We're also seeing morale problems within the department and a precursor to retention problems. Like the compression issue with the Sergeants in the Police Department, we have the same issue within our department that needs to have some sort of remedy and this is the remedy. We have a great merit-based program and I feel it's something that goes along with your thinking that we pay for professionalism, not just seniority. So, we're compensating people for their merit and performance, but this program is based upon their certifications that enhances our mission. If you had some place to cut, I would ask you to cut the transfer to CIP vehicles and keep the Career Incentive Program." A brief discussion followed regarding current unfilled positions. Mayor Pro Tem Mills noted that this would be an annual expense. Alderman DeGroot said, "I'm a big first responder guy. So, our Fire, Police and Ocean Rescue should be taken care of. I like what the Chief said about maybe removing some of the CIP and leave the Career Incentive Program." Alderman Partin agreed.

Alderman Dull said, “Are we commensurate with the City of Wilmington, Carolina Beach, and Kure Beach. I would like to see those numbers.” Mayor Mills said, “Get the information to us and then we’ll decide.” Mayor Pro Tem Miller said we could put \$115,000 for the Career Incentive Program and \$100,000 for the Fire Apparatus Truck on the board for consideration later.

FIRE DEPARTMENT – OCEAN RESCUE

- We talked about a fifty cents increase for Lifeguards. There was Board consensus to do the fifty cents increase.
- \$56,000 in Capital Outlay for a Lifeguard Captain Vehicle. Mayor Pro Tem Miller asked for clarification on the Captain’s vehicle and the Director’s vehicle. Mr. Owens said, “The Captain’s vehicle would be purchased this year using CIP and the Director’s vehicle line item is to put money away for a future purchase.”

Alderman Partin said, “Would it be beneficial that the items in Transfer to CIP be recognized and when we get to the end in our Revenues and find that we have an extra million dollars, then put all these back. Or maybe in December we say we took all of these out and now we can transfer some of them back in.” Alderman Dull said, “I think you could do some of that but I think before we start doing stuff that’s going to be year over year expenditures or even big projects, I think we need to know that we have a track record and that it will be sustainable.” Mr. Owens said, “I think this Town has been strong with CIP and not getting loans.” Mayor Mills said, “I think with the staff we’ve got and how we go through these things, we’re funding these things in a reasonable fashion. I don’t know that any changes are necessary.”

PUBLIC WORKS – STREETS

- \$150,000 for Street Paving.
- \$75,000 for a Safe Sidewalk Program. Mr. Owens said, “We have to do an ADA Transition Plan.” Alderman Dull asked if there were any grants available for this. Mr. Owens said, “That will probably only be \$20,000 to \$25,000, but we’ve also identified trip hazards on the Loop. We’ve done this before where you go in and grind everything down. The \$75,000 is for the transition plan and to do some of those projects.
- \$300,000 for Sweeney and Columbia Bulkhead Replacement. Alderman Dull asked if the projected numbers were good for this. Mr. Owens replied, “We recently did the bulkhead on Keel Street and that was \$131,500. So, I think those are good numbers.”
- A brief discussion followed regarding the Coral Drive Sidewalk. Mayor Pro Tem Miller asked Mr. Owens to call Mike Kozlosky to confirm his information.

PARKING MANAGEMENT

- Mr. Owens said, “That was reduced down to \$814,000. The payroll benefits were \$371,000 instead of \$532,000.”
- Mayor Pro Tem Miller said, “If you’ve got a parking issue list for the end of this parking season, I want to talk about hangtags.

PUBLIC WORKS – SANITATION

- No discussion.

PLANNING AND INSPECTIONS

- Mr. Owens said, “I will add \$61,000 for the new park ranger.

PARKS AND RECREATION – PROGRAMS

- No Discussion.

PARKS AND RECREATION – PARK MAINTENANCE

- Mr. Owens said, “We will take care of the stage this year so we can take out the \$20,000 to repair the stage.” We’ll try to absorb that in this year’s budget.
- \$3,500 for Wynn Plaza Dock Repairs. Mr. Owens clarified that this was just for normal maintenance.

PUBLIC WORKS – WATER

- Mayor Mills asked if the \$300,000 for the Meter Change-Out and Conversion could come out since we’re already doing that project. Mr. Owens said, “Well, that’s balanced. We have \$70,000 coming from Reserves. We’ll probably take the other \$230,000 and put it in the CIP Projects in the Water Department. Mrs. Norton said, “This is a different fund and does not help the General Fund.”

PUBLIC WORKS – STORM WATER MAINTENANCE

- Mr. Owens said, “At some point we’re probably going to have to up our rates. I’m not proposing to do that this year but we’re a lot lower than other surrounding municipalities.”
- \$100,000 for continued Storm Water Projects. Mr. Owens said, “Some of these projects will surpass that and we’ll have to take it out of Reserves to do.”

PUBLIC WORKS – SEWER

- \$300,000 for a JetVac Truck. Mr. Squires said, “One thing we did mention was the two pieces of equipment that this replaces will go on govdeals so we’ll get some revenue back.

Mr. Owens asked the Board to set a another budget work session to review health insurance at 4:30 p.m. on May 13th, just prior to the regular meeting. There was Board consensus to set that meeting. Alderman Dull said he would like to see the data from the current and previous insurance providers.

Mr. Owens asked if the Board wanted him to send out a doodle poll in order to schedule one more budget meeting to go over the changes. Mayor Mills said, “Just don’t schedule it until you have made the changes.”

THERE BEING NO FURTHER BUSINESS TO COME BEFORE THE BOARD, THE SPECIAL BUDGET WORK SESSION WAS ADJOURNED AT 10:06 A.M.

Respectfully submitted,

Sylvia J. Holleman
Town Clerk