



CAROLINA BEACH

TOWN COUNCIL MEETING

MINUTES • MAY 3, 2016

Conference Room

Budget Workshop

9:00 AM

1121 N. LAKE PARK BLVD.
CAROLINA BEACH, NC 28428

I. CALL TO ORDER

Attendee Name	Title	Status	Arrived
Dan Wilcox	Mayor	Present	
LeAnn Pierce	Mayor Pro Tem	Present	
Steve Shuttleworth	Council Member	Present	
Tom Bridges	Council Member	Present	
Gary Doetsch	Council Member	Present	
Michael Cramer	Town Manager	Present	
Ed Parvin	Assistant Town Manager	Present	
Debbie Hall	Finance Director	Present	
Kim Ward	Town Clerk	Present	

II. BUDGET PRESENTATIONS

Utilities Director Gil DuBois presented the operations department budget for FY16/17.

Environmental Department - They are asking for 2 additional full time people. We are spending approximately \$90,000 per year in temporary services.

MPT Pierce asked about the hiring process. She knows of several people that have applied for positions that are very qualified are not being given an interview.

Mayor Wilcox concurred. He has also been made aware of the same issue.

Requesting:

- | | |
|---|----------|
| 1- Add 2 new full time maintenance employees | \$86,100 |
| 2- Up fit the old library and community center | \$15,000 |
| 3- Remodel Hamlet/Boardwalk Restrooms | \$22,000 |
| 4- New towable aerial lift | \$30,000 |
| 5- 3 year Christmas light replacement LED (\$20,000 per year) | \$20,000 |

Total Budget \$2,919,764

Overall budget change is 0% for FY 16/17.

Council Member Shuttleworth would like to know how much money we are saving with Waste Industries on tonnage since we have rolled out the recycle containers.

Council Member Doetsch recommended that staff give them a wish list and they can prioritize.

Mr. DuBois said the only thing that is on the wish list is the crossovers, everything else is a necessity.

Public Works Administration -

Requesting:

- | | |
|------------------------------------|----------|
| 1- EWECO Contract | \$30,000 |
| 2- Boardwalk/Entry Way Landscaping | \$19,500 |

Total Budget \$114,984

Overall budget change is a 24% decrease.

General Fund Fleet-

Requesting:

- | | |
|---------------------------|-----------|
| 1- M&R Equipment | \$20,000 |
| 2- M&R Vehicles | \$100,000 |
| 3- M&R Tires | \$20,000 |
| 4- Gas and Fuel | \$140,000 |
| 5- Dues and Subscriptions | \$18,915 |

Total budget \$298,915

Overall budget is a 3% increase.

Council Member Shuttleworth asked about the increase in the fleet maintenance. He is concerned why the numbers are continuing to go up over the years. We were supposed to be saving money by outsourcing the work and getting newer vehicles.

MPT Pierce asked if it would make more sense to bring fleet maintenance back in house.

Mr. DuBois said there is no space for a garage. We would also need a technician that is certified in all of this new electronic technology.

Mayor Wilcox asked if there has been any changes since the police department went to a take home car policy. We were supposed to see less maintenance since they would be taking better care of their vehicles.

Mr. DuBois said that they have not seen any changes.

Beach Maintenance -

Requesting:

- | | |
|------------------------------------|-----------|
| 1- Professional Services - SP Plus | \$145,000 |
| 2- Boardwalk Sealing | \$50,000 |
| 3- Beach Maintenance | \$72,500 |
| 4- Coastal Storm Damage Reduction | \$350,000 |
| 5- Inlet Dredging | \$9,500 |

Total Budget \$637,000

Overall budget is 8% decrease.

Mayor Wilcox asked about putting signs at each camp site on Freeman Park letting visitors know where to deposit their trash. He would like to see those put out.

Council Member Shuttleworth asked if SP Plus is making contact with each visitor at their campsite making sure it is the right person and informing them of the rules. If not, they should be.

MPT Pierce said they should be sending a confirmation email when they make a reservation and have the rules in that email.

Council Member Doetsch asked if they are required to make a reservation. If not, they are not seeing the rules.

Water and Sewer Administration -

Requesting:

- | | |
|---|-----------|
| 1- Transfer to General Fund (same as FY15/16) | \$600,000 |
| 2- Aclara Software Maintenance Contract | \$29,400 |

Total Budget \$1,140,258

Overall budget 2% increase.

Council Member Bridges asked about the \$600,000.

Mr. Cramer explained that it was a payback.

Wastewater Treatment Plant-

Requesting:

- | | |
|----------------------------------|----------|
| 1- SCADA Improvements | \$25,000 |
| 2- Fuel Tank Replacement | \$17,000 |
| 3- Spirit Communications Upgrade | \$1,440 |

Total Budget \$824,904

Overall budget has a 19% decrease.

Council Member Doetsch asked if MOTSU had got back to us about putting up a new building.

Mr. Cramer said that he has not heard from Colonel Hart but he will make contact with him.

Council Member Shuttleworth asked about the status of the Phase B bid.

Mr. Cramer said we did not receive three bids and it went back out to bid for seven days. We do not have to get three bids on the second bidding. 5 people picked up packets but only 2 placed bids. Others mentioned it was a bonding issue that kept them from bidding.

Mr. Parvin said the two bidders were concerned about the timeline as well.

Council Member Shuttleworth asked for a run down on what Phase B entails.

Mr. Cramer explained the project and that we gave a timeline of 590 days.

Waste Water Collections -

Requesting:

- | | |
|------------------|----------|
| 1- M&R Buildings | \$10,000 |
| 2- M&R Equipment | \$61,850 |
| 3- M&R Streets | \$63,320 |

- | | |
|--|----------|
| 4- M&R Infrastructure | \$85,000 |
| 5- Fuel trailer for lift stations and generators | \$7,000 |

Total Budget \$1,288,354

Overall budget is a 20% decrease.

Council Member Shuttleworth asked questions about financing items in the bond versus writing a check for certain items.

Mayor Wilcox asked Mr. Cramer to provide the difference in the bond amount if we take some of the items out and pay for them out right.

Mr. Cramer said that we can definitely pull items out of the bond.

Mayor Wilcox suggested instead of purchasing a fuel trailer to purchase smaller tanks that can go in the back of the pick-up trucks.

Water Distribution-

Requesting:

- | | |
|----------------------------------|-----------|
| 1- M&R Building | \$59,000 |
| 2- M&R Equipment | \$60,000 |
| 3- M&R Streets | \$60,973 |
| 4- M&R Infrastructure | \$100,000 |
| 5- Capital Rebuild Well House #5 | \$45,000 |
| 6- New SCADA for Well Houses | \$90,000 |

Total Budget \$1,111,220

Overall Budget is a 7% decrease.

Utility Fleet Maintenance -

Requesting:

- | | |
|------------------|----------|
| 1- M&R Equipment | \$60,000 |
| 2- M&R Vehicles | \$55,000 |
| 3- M&R Tires | \$15,000 |
| 4- Gas and Fuel | \$78,000 |

Total Budget \$208,000

Overall budget has a 16% increase.

Stormwater -

Requesting:

- | | |
|--|----------|
| 1- Add two new full time employees | \$90,616 |
| 2- Install generator/transfer switch at Texas/Snapper | \$8,540 |
| 3- Replace John Deer Gator | \$12,000 |
| 4- SCADA for pump stations
Texas/Snapper
Greenville/South 2 nd Street
Lake Pump Station #1, #2, #3 | \$40,000 |
| 5- Purchase 6" diesel powered pump outfit | \$38,000 |

Total Budget \$948,471

Overall budget has a 35% increase due to the request of two new employees.

Utility Fund Debt Service -

Refunding 2016	\$1,127,150
Street Sweeper	\$41,891
12" Pump	\$16,744
AMI Project	\$83,731
Vactor Truck	\$48,600
Backhoe #1	\$35,430
Backhoe #2	\$46,060

Total Debt Service \$1,399,606

Mr. Cramer said this one has a lot to do with the bonds. Most items are 15 year loans. The largest is the Phase 1A. There will be two separate payment schedules for one bond. The new money will be for 25 years. The refinance is the 5 items that is \$9+ million. They have to be refinanced or paid off to get the new money. There is refinancing and new funding. We don't have a first year payment at all. The second year is interest and principal. They drop off for the refinancing. My recommendation is to do the financing and not deplete your reserve.

Council Member Shuttleworth is concerned with the statement that the enterprise fund does not carry itself. I believe every year we are adding to the fund balance.

Utility Fund Total-

Expenditures	\$6,920,815
Overall a 17% decrease.	

Mr. DuBois concluded his budget presentation by stating they have reduced their budget by over \$1 million.

III. ADJOURN

Mr. Cramer asked council how they would like to proceed with the remaining budget process.

Council Member Shuttleworth - I am not excited about 11.5% increases. We also need to manage the message. I don't see anything in the budget that causes alarm but it's all about how we manage the message.

Mr. Cramer - We may come in under budget when all of the bills are paid for Phase 1A.

Council Member Doetsch recommends that we put a release out to the paper saying explaining that.

Mayor Wilcox - I feel this is a legitimate concern and I feel we need to find a better way to communicate it.

Council Member Bridges - Can you make an adjustment in the rates if we noticed that we are way off?

Mr. Cramer - You could change it half way through the year. The only thing you can't change is property tax.

Ms. Hall - We may need to check with the bond council.

Mayor Wilcox - I don't think that's a good idea to do it mid-year. If we have 68% in the fund balance, then we have some money to work with.

Council Member Shuttleworth - I am the one that pushed hard to get the bonds but I want to make sure we are spending wisely. I would like to receive notifications when you go into the fund balance. Maybe once a month send us an update on where we are at.

Mr. Cramer - I am going to draft a letter and have all of you review it and I can send that out to the public.

Meeting adjourned at 12:25 p.m.

Kimberlee Ward
Kimberlee Ward, Town Clerk

5.10.2016
Date Approved