



CAROLINA BEACH
TOWN COUNCIL MEETING
MINUTES • MAY 26, 2015

Council Chambers

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	Absent	
Sarah Friede	Council Member	Present	
Gary Doetsch	Council Member	Absent	
Michael Cramer	Town Manager	Present	
Ed Parvin	Assistant Town Manager	Present	
Debbie Hall	Finance Director	Present	
Kim Ward	Town Clerk	Present	
Noel Fox	Attorney	Present	

II. DISCUSSION ITEMS

1. Discussion of establishing a policy for refunding over paid water and sewer accounts

(Requested by Michael Cramer, Town Manager's Office)

Mr. Cramer proposed having a refund policy for over payments on utility accounts.

Finance Director Debbie Hall went into the details and let Council know that whatever policy they agreed on is what we would have to start following. Currently we have been reimbursing accounts if the total is more than \$5.00.

Council Member Friede - I think people don't tend to cash checks under \$5.00.

Mr. Cramer - We thought we would bring this draft policy to Council on June 9, 2015.

Mayor Wilcox - I'm good with it as long as we are making a strong attempt to make contact with the customer.

2. Discussion of New Hanover County Coastal Storm Damage Reduction Interlocal Agreement

(Requested by Michael Cramer, Town Manager's Office)

Mr. Cramer led a discussion on the New Hanover County Coastal Storm Damage Reduction Interlocal Agreement.

Mr. Cramer - There has been quite a bit of interest in movement on this discussion. I sent a letter back in October suggesting that we were going to pull out of the Interlocal Agreement which is a cost sharing program on our beach nourishment projects if we ever lose state funding and/or federal funding. That fell on deaf ears and I think it got lost in the shuffle and about a month or so ago I got an email from Mayor Wilcox asking where we were with this so I resurrected it and sure enough it

had fallen through the cracks. We did have a meeting with the Ports and Waterway Board last week and Mayor Wilcox was the one that headed that up so I'm going to turn it over to him to explain what took place there.

Mayor Wilcox elaborated on what took place at the meeting. Like Michael said, he sent the letter out and it didn't get much attention until recently. The Mayor's had a meeting on that issue and some other issues and we decided that it is time that there be a different cost share. The one that is being proposed is unfair to the beach communities. When we look at the amount of money that our citizens are already contributing to host the visitors to come and the County did not put any money in their budget for beach nourishment and storm damage reduction. They want us to put an addition 17.5% in ours. We all agreed that it was not a fair partnership agreement. They Mayor's felt the easiest way to handle this is per capita and making it a property tax. There is a reluctance to do that and I understand that because the user fees capture more than the visitors. It could still be done in user fees in each of the municipalities or it could be the County who establishes a tenth of a percent in sales tax. There is a user's fee that would be a good vehicle for doing that. It should probably still be applied evenly. All of the beach towns combined comprise 5% of the County per capita. My proposal to them the other night was to stop talking about where to get the funding and strike a fair partnership agreement that we can all work on how to fund it. They requested that we extend the agreement for 6 months while we work on a better partnership structure. I think that is certainly reasonable. Michael has drafted a letter of extension that extends the terms with the exception of the 180 day termination clause. I wanted to bring that to Council before we acted on it.

Mr. Cramer - I will send it out to Council and then we will put it on the June agenda.

Council Member Friede - Is Wrightsville and Kure on board?

Mayor Wilcox - They are the ones who asked me to draft it. It expires June 30 right now. We are looking for creative ways to bring the County to the table.

Mayor Wilcox asked Mr. Cramer to put some bullet points in the letter that he sends out.

3. Budget Discussion

(Requested by Michael Cramer, Town Manager's Office)

Mr. Cramer gave an update on the budget process.

Mayor Wilcox - I was hoping to have all 5 Council Members here for this discussion but I can give you my list. I think it is important that everyone knows that we wanted to build our Fund Balance to 50% and now that we have exceeded that, I think we need to start making improvements to our infrastructure. I think we need to take a hard look at the number of vehicles that are being proposed to purchase this year. I also want to re-evaluate the fire boat. We have a police boat that I understand is not necessarily made for a fire boat but we need to look at the possibility of upfitting that boat to try and meet the needs of the fire department.

Mr. Cramer - I have made a list of items that I think we could put off to a later budget. The fire boat could definitely be something that we take off the table right away if you want to study that further. As far as vehicles, in the past we have not done a good job at maintaining a good fleet of vehicles. I have established a schedule to try and maintain a strong fleet as well as spreading out the need for issuance.

Council Member Friede asked about the sales tax issue.

Mr. Cramer - Last I heard was that it was pulled. There were two different competing bills. It will not be this year.

Mayor Wilcox - Can we get an estimate on what that 1% means for us?

Mr. Cramer - In general we are looking at \$300,000 difference. That's why I am saying we could remove some of the capital items and wait and see what they are going to do.

Mayor Wilcox - I think we could also be flexible on the bulkhead.

Mr. Cramer - Yes we can definitely move that to another budget cycle.

4. Pay Study Update

(Requested by Kim Ward, Town Clerk)

Town Manager Michael Cramer gave an update on the pay study.

Mr. Cramer - One thing we didn't get to is marrying the methodology of the pay study and the logic of our culture. We didn't get to the discussion of the manager's recommendation of the pay plan. There are approximately 6 positions that I am looking at changing to fit our culture. A good example is the change for the Human Resources Director. The position was graded at a 21 or 22. In order to get qualified candidates we had to increase the salary which was higher than the grade scale. The pay study consultants recommended putting this position at a 27. I am recommending a grade 25 because I do not feel this position should be compared to a fire chief as far as pay.

The 6 positions that I suggested making changes to were: Community Organization Officer, Town Clerk, Town Manager, Finance Director, Public Works Division Director and the Human Resources Director. All of those positions had something about them that seemed unusual. In the case of Public Works, we have talked some time about adjusting the organization structure and possibly putting back a department of Operations that houses parts of all of these areas. We are very close to doing that and this pay study confirms the need for doing that. My recommendation will be to create an Operations Department that has all of the existing Public Works, all of our Water, Sewer and Plan Maintenance all involved in it. To do that you need to set up some sort of a hierarchy in the process. In looking across the organization our hierarchy needs to change just a little bit. For instance, our existing Utilities Director, Gil DuBois would be my recommendation for making the Operations Director and that Gil would be a couple of grades higher than the highest direct report that he has which in this case would be Brian Stanberry. I made a few changes to that structure and somewhat subjectively because it's looking at the culture of the organization than the statistics of the pay study to try to fit it in.

I am suggesting that we go to an Operations Department and my recommendation would be to make Gil DuBois the Director of Operations.

I initially asked the pay consultants to pull the three employees that work for the Council be pulled from the pay scale. Looking at that I thought we should put them back in the organization to show where these position lie in the culture for transparency purposes.

All other positions looked pretty good. We are looking at approximately \$33,000 in additional expenses for making these changes.

Mayor Wilcox - I did have some concerns about the previous recommendations. The adjustments that you have made make me much more comfortable.

Council Member Friede - I feel comfortable with adopting this policy.

Mr. Cramer - I would like to recommend that we do a pay study every 3 -5 years. When you award COLA, you stay consistent with other communities and you don't have to make drastic changes when you implement a pay study.

MPT Pierce - Now that I understand the spreadsheet, I don't see a problem with it. You named some key employees that we want to keep.

Mayor Wilcox made a motion to go into closed session to discuss attorney/client matters according to NCGS 143.318.11(a)(3). Motion passed unanimously.

Mayor Wilcox made a motion to return to open session. No action taken.

III. ADJOURN

Mayor Wilcox made a motion to adjourn at 10:50 a.m. Motion passed unanimously.

Kimberlee Ward
Kimberlee Ward, Town Clerk

6.9.2015
Date Approved