



CAROLINA BEACH

TOWN COUNCIL MEETING

MINUTES • MAY 7, 2015

Council Chambers

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	Excused	
LeAnn Pierce	Mayor Pro Tem	Present	
Steve Shuttleworth	Council Member	Present	
Sarah Friede	Council Member	Present	
Gary Doetsch	Council Member	Present	
Michael Cramer	Town Manager	Present	
Debbie Hall	Finance Director	Present	
Kim Ward	Town Clerk	Present	

II. BUDGET WORKSESSION

MPT Pierce called the meeting to order at 9:00 a.m. Mayor Wilcox is excused from this meeting due to a schedule conflict.

Town Manager Michael Cramer gave a presentation on the proposed budget for personnel and benefits. He is recommending a 2% COLA and up to a 3% merit. He also gave an overview of the recent classification and pay study results.

Human Resources Director Holly Brooks interjected that no employee's salary will go down.

Mr. Cramer continued to review the study. He stated that only a handful of classifications were reduced in the pay scale and several classifications were increased. Employees whose classifications increased in the pay scale will be bumped to the minimum salary.

Mr. Cramer moved on to retiree benefits. He is requesting four things:

1) Employees that are hired after July 15, 2015 will not receive retirement health benefits paid by the Town.

Council member Friede asked if a part time employee was hired full time after July 1, 2015 would they be grandfathered in. Mr. Cramer said they would be grandfathered in.

2) Freeze the Medicare supplement. Very few organizations pay for Medicare supplements. On July 1, 2015, if you have not retired from this organization, you will not receive the Medicare supplement. If a retiree is receiving a Medicare supplement now, they will continue to receive it until they pass.

3) Freeze the current dependent coverage for retirees effective July 1, 2015.

4) New employer and drop coverage. If you retire from the Town and you take a job

with full time benefits, you must take the benefits with the new job and the Town will drop coverage. The drop portion means that if a retiree chooses to go with another insurance provider, they cannot come back onto to the Town insurance.

MPT Pierce is concerned that certain circumstances such as divorce or the death of a spouse may negatively impact this decision. She feels this might not be a good plan.

Mr. Cramer said that they may need to look into the drop policy a little further.

Mr. Cramer reviewed the budget comparison for FY 14/15 and the proposed FY 15/16.

Council Member Shuttleworth complimented staff for reducing the maintenance and operation budget.

Mr. Cramer stated that the overall budget has increased 5%.

Mr. Cramer moved on to the capital items. The total proposed capital budget is \$971,000. He also reviewed items that could reduce the capital budget.

Council Member Shuttleworth suggested that if we are at 65% fund balance, we should be reducing taxes. If we are not going to reduce taxes then we need to start stepping up our capital projects. The main project would be burying power lines down Lake Park Boulevard. The items I wanted to hear about are our capital projects, where we are with our fund balance and beach nourishment.

Council Member Friede asked about the GPS units. Are they working?

Mr. Cramer said that we have been using 47 units for the last three months. They are working great. I don't have enough data at this time to start showing trends but it is helping us manage staff and their driving behavior. Maybe 3 months down the road we can have a better assessment.

MPT Pierce asked about the Harbor Master's truck. Why is it \$45,000?

Mr. Cramer - It is also a patrol vehicle as well. That includes light bars.

Council Member Shuttleworth - We may be losing tax revenue from the County so these items may be good to hold off on until we know what the County is going to do.

Council Member Shuttleworth asked Mr. Cramer if Waste Industries could come and give a presentation on how much tonnage they are picking up.

MPT Pierce asked to be excused at 10:45 a.m.

Mr. Cramer asked if Council wanted more detail with this presentation or they want to take the information and look over it.

Council agreed they were good with the information.

Mr. Cramer asked how Council wants to proceed.

Council Member Shuttleworth said that we will need to have two Public Hearings and vote on it at the June meeting. He expressed a concern about the county tax dollars and that we may need to hold some of the capital items as a result of their decision.

Council agreed to move on with the budget as presented.

III. ADJOURN

Mr. Cramer thanked Council for attending and the meeting adjourned at 10:50 a.m.

Kimberlee Ward
Kimberlee Ward, Town Clerk

6.9.2015
Date Approved