

MINUTES  
BOARD OF ALDERMEN  
BUDGET WORK SESSION  
MAY 4, 2021

Mayor Mills called the Special Budget Work Session to order at 8:30 a.m. in the Town Hall Conference Room.

Attendance: Mayor Darryl Mills, Mayor Pro Tem Hank Miller, Alderman Ken Dull, Alderman Jeff DeGroote, 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, Ocean Rescue Director Dave Baker, Planning and Parks Director Tony Wilson, and Parks Maintenance Supervisor Evan Morigerato.

Mayor Pro Tem Miller requested, for future Boards and Budgets, that dates be included on the bottom of the budget worksheets to make it easier to know which sheets are current. Mr. Owens said he would do that from now on.

Mr. Owens summarized the changes from the last Budget Meeting as follows: "We're \$482,000 from being balanced. We could do a number of things – increase revenues, use reserves, cut, or all of the above – in order to balance this budget. The items in green are those items we took action on. There are three items to be determined: 1) Flotilla, 2) Beach Walkover Repairs, and 3) Career Retention for the Fire Department."

Mayor Pro Tem Miller asked which beach walkovers were included in the \$100,000 Building Maintenance budget. Mr. Squires replied, "There are several walkovers in that list, including North Ridge. Some of them have to be ADA compliant." Mayor Pro Tem Miller noted that if we took out the walkover on North Ridge off the list, the number would be smaller. Mayor Mills asked if anyone had a problem with taking North Ridge out. He said even the residents he spoke with did not have a problem with it. Mayor Pro Tem Miller said, "If we didn't do it this year or if we take it out and wait until the end of the summer to see how we do revenue-wise, then do a budget adjustment in September." Mr. Squires said, "That's perfect timing because we're not going to do anything between now and September anyway." Mayor Pro Tem Miller said, "So, worst case, we'd have to live with it until the next budget cycle." Mr. Squires said, "Unless there's an eminent danger, we're not going to do anything until September." Mayor Pro Tem Miller said, "But we don't have to spend \$100,000."

Alderman Partin said she had a question related to Transfers to GF-CIP under Building Maintenance (Page 10). She said, "If I'm looking at this Transfer to CIP, it looks like to me you're saying 2023 and 2024 is when you have to get these trucks." Mr. Squires said this was a scheduled replacement. Alderman Partin continued, "And in the Public Works Office Remodel, same thing. Why can't we remove those right now and if we find out our revenue is rocking by the end of August or September, then we do a budget adjustment to put them back in. I did that throughout this budget because we're concerned about what our revenues will be – we don't know." Mayor Mills said, "We're optimistic, but we don't know."

Mayor Pro Tem Miller said, "I like to pay as we go and we know we've got to buy a truck and however many years it's going to be, I'd almost rather leave that in."

But the Town Hall, we know it's going to cost more than \$50,000 or \$100,000 or whatever he's got in there. So, we might as well figure out what it's going to cost at a later date, to her point, and take that money out." Alderman Partin said, "In August, if we've got \$300,000 extra in revenues, then we can do a budget adjustment." Mr. Owens said, "So, I'm hearing beach walkovers are out and Town Hall is out." Mayor Mills said, "Correct."

Alderman Dull said, "I think the sand fund is another one that's exactly what Zeke was just saying. That's a huge chunk of money and we're already putting \$750,000. If we ring the bell come Labor Day, then put it back in (\$250,000)." Mayor Mills said, "Let me suggest, on the sand, if we need to make a further cut to get to where we want to get after we go through everything else, let's look at the sand. Let's do sand last. Nothing is more important than that. We still have no idea what Washington, D.C. is going to do." Mayor Pro Tem Miller agreed.

Mayor Mills said, "We are at \$332,000 now." Mayor Pro Tem Miller asked what was in the budget for parking revenues." Mr. Owens replied, "We have \$4 million. We went from 4.8 to 4." Mayor Mills said everyone strongly hopes that those revenues will be significantly higher than that." Mayor Pro Tem Mills said, "Just to be clear, this has got the 4% in it and whatever the split is?" Mr. Owens replied, "Yes."

Mayor Pro Tem Miller referenced the Governing Body budget and said, "The Flotilla needs \$6,000 more. I want the record to reflect that last year, I supported the lights, which are against our ordinance, and this year, I'm going to support the \$6,000. But, as I told the Chairperson, my job is to take care of needs and this is a want. I like the Flotilla. I was the Chairman of the Flotilla for two years back when it started – the second and third year. The Flotilla means a lot to Wrightsville Beach. Do they pay a fee to have the Flotilla – do they write us checks?" Mr. Owens replied, "No." Mayor Pro Tem Miller said, "So, the Town of Wrightsville Beach does not receive a check from the Flotilla. So, the record also needs to show that the Town of Wrightsville Beach does not make money off the Flotilla. So when I say that, that's a fact. The Chairperson texted me at home and told me that the current Mayor, myself and the former Mayor is the reason they didn't get the \$6,000 and that's not true. I support the Flotilla and I'm going to support that \$6,000, but I'm going to wait until the end. You all are welcome to vote on it now or whatever you want to do but it really aggravates me when the truth in these meetings does not come out." Alderman Dull said, "I think the reason we're adding the \$6,000 is because expenses have gone up. If that is the case, then I support it." Mayor Pro Tem Miller said, "I also told Mrs. Brown that I would be happy to help her raise the \$6,000." Alderman Partin said, "I don't think in the past that they have had sponsors until last year." Mayor Pro Tem Miller said, "They've had sponsors every year." Mayor Mills said, "They have historically had sponsors but the last few years, increasingly, they've found it difficult to find sponsors. Which is one reason why the Board wasn't necessarily pushing to spend public money if the local folks and merchants aren't willing to put some money out of their pocket, we questioned the wisdom of the Town doing that. That's why it has developed the way it has. Nobody has any sort of vendetta against it. It was clear to us that widespread support just was not there as it had been. That \$6,000 obviously is not going to make or break the Town, not that money is not important everywhere, but that's the kind of thing that we would hold off and see where we are on this."

Alderman Partin referenced Transfers to CIP in the Sanitation budget (Page 23) and said, "That's the same scenario of putting right much money into CIP, \$160,000 for truck replacement. We could pull those out and put them back in in August or September." Mr. Squires said, "That method of budgeting is looking out five to ten years instead of hitting you all at once in one year." Alderman Partin said, "I appreciate that but I think if we're going to get \$500,000 more in parking revenue than we expected, it could easily be transferred." Mr. Squires noted that he had to do a yearly budget. Mayor Pro Tem Miller said, "To me, where it makes a significant impact in the budget is committing to an annual expense. Once we buy a truck; the truck is bought." Mayor Mills said, "We have tried to budget historically to have some funds available for big ticket items and that's what these are. I get where you're coming from. Maybe we could take a look at reducing that if we need to. The other thing is, just so we're all clear, if we have an excellent parking summer and revenue is substantially higher, it doesn't mean we have to run out and spend it."

Mr. Owens said, "General Administration – we did take out the Pay and Class Study. There are no changes proposed in the IT budget. Public Works Administration has no proposed changes. Fleet Maintenance, we increased the CIP for a service truck from \$10,000 to \$12,000 but we took it from another area (forklift). Building Maintenance – it sounds like we are potentially going to take out the \$100,000 for beach walkovers and we talked about taking Town Hall out." Mayor Mills said, "Let's just pull that out. When we get better figures, we can better plan for that." Mayor Pro Tem Miller noted that the Wynn Plaza Repair in Capital Outlay had been reduced to \$50,000. Alderman Partin said, "We're not doing anything with those trucks yet, are we?" Mayor Mills replied, "Not yet."

Mr. Owens continued, "Police Department, we said no changes there. The things we do have in there are the 25<sup>th</sup> Officer and the Take-Home-Car Program. We did call the insurance company and they have no problems with what we're proposing because it is done all the time." Mayor Mills said, "That was the only question I had. Good to go." Mr. Owens continued, "Fire Department Emergency Preparedness, nothing really there. Fire Department – the Fire Chief gave you the salary comparisons." Mayor Mills said, "Of course, none of that is apples to apples. Different populations and sizes – it's not a true comparison." Mayor Pro Tem Miller said, "On the Career Incentive, I'm still not sold on the incentive issues." Mayor Mills said, "I stated my opposition last time. I'm still not in favor of it but we have five people here to make the decision. And just so Fire doesn't feel stepped on, Chief House came to us for the Police deal several years before it was approved. It's not like picking one over the other." Alderman Dull said, "That is apples to oranges." Mayor Pro Tem Miller said, "Nothing precludes us from doing it in the future." Alderman Dull said, "It sounds like our retention is okay. It hasn't been a slippery slope for us." Mayor Mills said, "Which was the driving force behind for Police." Alderman Dull said, "I don't think this is the year to do it." Mayor Mills said, "I'm willing to take a look at it later, i.e. next budget year. Right now, I'm not prepared to get behind it." Alderman DeGroot said, "I'll piggyback on that. I'm definitely a first responder supporter. But I learned last year in my first budget, we need to know that things take time. I'm for it but I'm just one vote as well. If it has to wait, it has to wait." Alderman Partin said, "I'm kind of on the fence with this. I'm not overly convinced."

Alderman Dull said, “And, they are getting 4%.” Mayor Mills said, “And, as far as I know, all new equipment, etc. they’ve asked for, we approved. I’m opposed to including it in this year’s budget; I’m not sure where Jeff is; Zeke admitted that she was on the fence; Ken sounds like he’s agreeing with me that it can wait.” Mayor Pro Tem Miller agreed to wait. Mayor Mills said, “So, we’ll pull it and it can come back next year or whenever, but not right now.”

Mr. Owens said, “That’s \$265,000.” Mayor Mills said, “We still have to find \$217,000 in some form or fashion.

Mr. Owens continued, “Ocean Rescue – there were no changes there. We decided to go up fifty cents for guards.” Alderman Partin asked for clarification on something. She said, “I was told that the lifeguards also do fire duties.” Mr. Baker said, “Yes, ma’am. Some of the lifeguards are paid-on-call and volunteer. Then, myself, Sam Profitt, John Scull, Scott Andersen, and Cody Miess do ocean rescue plus we are firefighters during the winter and we respond during the summer if there’s a working fire. Along with that, we’re all EMTs or higher. So, we’re wearing three hats.”

When asked about the bulkhead proposal in the Streets budget, Mr. Squires replied, “We have some ideas because of Keel Street that we did.” Mr. Owens said, “We paid \$131,000 for Keel Street.” Mayor Mills said, “Would it be prudent to reduce this figure and if we need additional funds, you can come back to us?” Mr. Owens said, “Everything is crashing and materials are going through the roof.” Mr. Squires said, “We’re just going by what we’ve done in the past.” Mayor Mills said, “The Sweeney and Columbia Bulkhead Replacement at \$300,000 – my question is, is that a place we can reduce in a prudent way?” Mr. Owens said, “I think we can reduce it. You can take it out, we can bid it and then bring it back to the Board. It can come out of reserves or do it at the end of the year.” Mayor Mills said, “In theory, we could do that on about half of this budget but I don’t want to get into dealing with the budget every three months.” Mr. Squires said, “We know the one on Keel Street was \$131,000 so we could say maybe \$250,000 for these two. Take \$50,000 there and the backhoe replacement, we could take some there.” Mayor Mills said, “Let’s do that. Let’s take that down to \$250,000.” Mr. Owens said, “We are at \$315,000 now.”

Alderman Dull asked what Mr. Squires had said about taking some money from the backhoe. Mr. Squires replied, “You can take some there and put that off for another year if you want to. A backhoe costs \$130,000 and we were asking for \$70,000 out of this budget. It’s overdue for replacement but we could wait another year.” Alderman Dull said, “If we put \$40,000 in this year, all we have to come up with next year is \$30,000.” The Board agreed. Mr. Owens said, “We are at \$345,000 now. Mr. Squires said, “So, that \$130,000 comes out of the Streets budget and \$40,000 goes in CIP.” Mr. Owens said, “So, basically, we’re not purchasing it, we’re putting \$40,000 in CIP.

Mr. Owens continued, “Parking Management – it is what it is. Sanitation? Alderman Partin said, “This is where I’m coming back to my point in Transfers to CIP.” Following a brief discussion regarding the loadpackers, Mr. Owens said they still needed \$138,000 to balance. Mayor Mills said, “Let’s keep moving. We can come back to that.”

Mr. Owens continued, “Planning and Inspections – we added \$45,268 extra for the full time ranger in there.” When asked if we had advertised for this position, he said we had advertised and it was also online and on the League’s website. Mayor Pro Tem Miller asked if the Board could be copied on the job description. Mr. Owens continued, “Programs – we didn’t cut anything from Programs. Park Maintenance – we took the park stage out (we’re doing that now). That’s it for the General Fund. We’re roughly \$138,000 shy. We can use reserves. We can increase the parking revenue. We can take away from the sand fund.” Mayor Pro Tem Miller asked about the new fire truck. Following a brief discussion, he said he would leave that alone.

Mayor Mills said, “The smart thing to do – we’re putting more in sand than we have before anyway. So, we could back off some.” Mr. Owens said, “The easiest thing is to use reserves.” Mayor Pro Tem Miller said, “Let’s take the sand instead.” Alderman Dull said, “Last year we did \$500,000.” Mayor Mills said, “We’re at \$750,000 which was obviously a fifty percent increase. I pushed it to the million.” Mayor Pro Tem Miller said, “So, just take \$150,000 in there; we’re still putting \$850,000 in there instead of \$750,000.” Mayor Mills said, “Take it down to what we need to balance.” There was Board consensus to do that to balance the budget.

Mr. Owens said, “We scheduled a May meeting before the Board meeting for insurance. We got our renewal rates back. We’re between 4.1 and 5.7, so we’re probably at a 5% increase. We’ve loaded that in the budget. We had budgeted 10%. We would prefer to move forward with this so we would not have to meet on May 13<sup>th</sup>.” There was Board consensus to go with the renewal rate. Mayor Mills said, “Because we budgeted in 10% and we’re looking at less than ten, what are you doing with the surplus?” Mr. Owens replied, “I can strip it all out or just leave it in. It’s easier just to leave it in.” Mayor Mills said, “For budget purposes, just leave it like it is.”

Alderman Dull thanked everyone for their hard work and said he thought it was a well thought out budget. Mr. Owens said, “My goal now is to give it to the Board before June 1.” Mayor Pro Tem Miller said, “This is the first time that I can remember that we haven’t sort of held back the staff’s raise. I think we ought to try to do that in the future. That’s the wrong place to take it.” Alderman Partin agreed. Alderman Dull said, “I am excited about the potential for more parking revenue. But, just because we might have it, doesn’t mean we need to try to go spend it. We need to be smart about it just like we were about all of this.”

Mr. Owens said, “There was one thing that was still on the table – the Flotilla request for an additional \$6,000.” Mayor Pro Tem Miller made the motion to add that. The motion was seconded by Mayor Mills and unanimously approved.

THERE BEING NO FURTHER BUSINESS TO COME BEFORE THE BOARD, THE BUDGET WORK SESSION WAS ADJOURNED AT 9:11 A.M.

Respectfully submitted,

Sylvia J. Holleman  
Town Clerk