

MINUTES
BOARD OF ALDERMEN
CONTINUED BUDGET MEETING
MAY 19, 2020

Mayor Mills reconvened the Budget Meeting from May 13, 2020 at 8:32 a.m. in the Town Hall Conference Room.

Attendance: Mayor Darryl Mills, Mayor Pro Tem Henry E. Miller III, Alderman Jeffrey DeGroote, Alderman Ken Dull, and Alderman Zeke Partin; together with Town Manager Timothy W. Owens, Finance Director Melissa Norton, and Administrative Support Assistant Amy Wolf.

Absent: Town Clerk Sylvia J. Holleman due to illness.

OVERVIEW OF BUDGET REDUCTION MEASURES.

Mr. Owens said, "This meeting is to review additional fund reduction measures in regards to revenues that are sensitive to economic fluctuations like Sales Tax, Parking, Recreation Programs, and Room Occupancy Tax (ROT)." The following highlights the potential measures proposed in the overview and subsequent discussions.

Fire Truck Purchase (-\$100,000)

- Current budget set aside \$200,000 as a placeholder to go toward financing the purchase of a new fire truck in FY21/22.
- Mrs. Norton explained that the \$200,000 fire truck payment would not be necessary in the FY20/21 Budget. With the financing bids received from the recent RFP process, the first payment would not be due until July of 2021, which would be in the FY21/22 Budget. When asked about the interest rates, Mrs. Norton said we had received three-to-five-year financing as low as 1.42%. She noted that the proposal and discussion would be on the Board's June agenda.
- Mayor Mills suggested the possibility of reducing the \$200,000 amount. Alderman Miller agreed. Mayor Mills and Mr. Owens both proposed an amount of \$100,000. The Board members agreed, in lieu of the placeholder amount of \$200,000, that \$100,000 would be placed in the CIP.

Health Insurance Adjustments (-\$21,000)

- In the preliminary presentation, the Board did not want to reduce any health insurance line items. Mr. Owens recommended that it remain in the budget.
- During the final review, Mayor Pro Tem Miller said this item should be considered for reduction. There was no disagreement.

Fire Holiday Pay (-\$24,344)

- Mr. Owens said the budget was tight but this was in the budget and he saw no reason to take it out. The Board agreed during the preliminary presentation.
- During the final review, Mayor Pro Tem Miller said this item should be considered for reduction. There was no disagreement.

3% COLA/Merit Program (\$0)

- Mayor Mills clarified with Mr. Owens that all of the items were 'a la carte' and the Board could pick and choose what to take out of the budget.
- The Board collectively did not want to take this out of the budget. Mayor Mills and Alderman Dull agreed that this was the last thing that should be considered.

Fire Career Development Program (-\$100,000)

- Alderman Dull did not think the current economic climate was the time for this program. Mayor Pro Tem Miller agreed saying that it is easier to spend money later than to get the money back later.
- Alderman DeGroote expressed his opinion on the value of first responders and said they should be paid as such. Alderman Dull agreed on their value but wanted to stay conservative. Mayor Pro Tem Miller expressed the need to readdress this topic and lifeguard increases at a later date when the current pandemic runs its course a bit more.
- Mayor Pro Tem Miller noted that layoffs had not been considered anywhere in the Town and he thought the increases should not be approved. Alderman Dull agreed saying that no other industries are giving raises at this time.

Lifeguard Increases (approx. -\$22,000)

- Alderman Dull did not think the current economic climate was the time for this program. Mayor Pro Tem Miller agreed saying that it is easier to spend money later than to get the money back later.
- Lifeguards in surrounding areas are paid upwards of \$12 per hour. Every year, Chief Rogers requests an increase to retain staff and stay competitive. Current starting rate is \$10.75 per hour.
- Mayor Pro Tem Miller noted that layoffs had not been considered anywhere in the Town and he thought the increases should not be approved. Alderman Dull agreed saying that no other industries are giving raises at this time. Alderman DeGroote respectfully disagreed saying the lifeguards serve a very important role and deserve more pay as they are saving lives.
- Alderman Dull proposed an increase of \$0.75 per hour. The only Board member to disagree was Alderman DeGroote who wanted to stay with the proposed increase of \$1.25 per hour.
- Alderman Partin said she would like to revisit this item again next year and try to get the rest of the requested amount approved.

Mrs. Norton explained that she had presented very cautious numbers regarding estimated Sales Tax losses (approx. 20%) and that it might not be that bad. She noted that other municipalities had put less of an estimated percentage (approx. 10%) in their budgets. Mr. Owens said he would reconfigure the budget with the changes. He noted that the Board could have a special insurance meeting before the Board meeting in May.

The following items were addressed with the intention of circling back around in January to reevaluate. Mayor Mills said these items could be left as is and when the time comes, the funds can either be allocated or not allocated.

Governing Body (\$0)

- Community Projects
 - Mayor Mills said that there is still uncertainty regarding Flotilla and “that it should be left as is and see how it plays out”.

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- Christmas Decorations and Replacement Bulbs are needed. Alderman Partin noted that the dolphins needed replacement soon. There was Board consensus to keep these items in the budget.
- Historic Preservation/Beaches and Inlets.
 - Mason's Inlet specifically has an assessment that occurs every 4 years.

Information Technology (\$0)

- Capital Outlay: The cameras are all in working order. The Public Safety Building needs an A/V update. Mr. Owens said this could be held off but he recommends the upgrade because it is used as the command center for hurricanes. Mayor Mills also wanted to leave this in the budget.
- Police Software replacement (CIP) is not planned for this year.

Building Maintenance (\$100,000)

- Public Works: Fleet building has many structure concerns. The supports are showing clear saltwater damage. The Board was invited to take a tour of the building to see what is needed.
- Town Hall Improvements: There is approximately \$300,000 in the fund so far. The Board agreed to remove the CIP for improvements totaling \$100,000.
- Resurface Parking Lots: The Tennis Court parking lot was patched up and sealed recently but needs to be completely repaired.
- Parks and Rec area behind Town Hall is on hold due to the vacant office building and the steps that would need to be taken regarding future use of that building.

Police/Fire/Ocean Rescue (\$0)

- Mr. Owens said that there is not a lot here to cut but if they had to, they could cut out a personnel vehicle.

Streets (\$0)

- Contracted Services: Street Projects:
 - Myrtle Court: We are committed to this; we probably do not have enough in there to cover this.
 - Keel Street Bulkhead: We need to get this done. We've got it engineered for after summer so as not to impact Atlantic Marine's business.
- Annual Street Paving: This is a new CIP item and can be removed if needed.

Parking (\$0)

- Mr. Owens said that if the program is buying two new golf carts then the CIP for golf carts could be removed.

Sanitation (\$0)

- New Load Packer has been removed from CIP. It will be easier to pay for when the Public Safety Building is completed next fiscal year.

Parks and Recreation Programs (\$0)

- These are small items that are funded every year.

***Due to a scheduling conflict,
Alderman Partin had to leave the meeting at 9:17 a.m.***

ALDERMAN DULL: OTHER ITEMS.

- Parks and Rec Building: We need to look at ways that the Town Hall building could be remodeled to create offices for Parks and Rec so the Rec Center can go back to its intended use. The idea is to get better use of the space that is currently a large conference room and a large Parking Program lobby by adding a door to the front of the building. Mr. Owens will set up a tour for the Board to look at the spaces to be discussed.
- Suggestion: To sell a street parking spot to a specific resident on a yearly basis so it is exclusively for that property. A resident can buy the spot in front of his house for the annual equivalent of the revenue produced by the spot for daily usage.

MAYOR MILLS: OTHER ITEMS.

- Request for Feedback on the direction for the next phase of COVID-19 restrictions for beach activities and out-of-state short-term rentals. Alderman DeGroot wanted to open everything and just follow what Governor Cooper puts into effect, not adding any additional restrictions for Wrightsville Beach. Alderman Dull wanted to see how the next two weeks go before lifting every restriction. After further discussion, it was determined that there would not be restrictions on short-term rentals.

***Due to a scheduling conflict,
Alderman DeGroot had to leave the meeting at 9:30 a.m.***

- Question: “Why haven’t we increased the penalty for parking violations?” Following a brief discussion regarding the relatively cheap amount currently in place for a parking violation, Mayor Pro Tem Miller made the motion that the Board members vote on this as part of the Budget Reduction Meeting pending Town Attorney approval, to raise the parking violation amount from \$35 to \$50. The motion was seconded by Mayor Mills and approved with a three-to-zero vote.

THERE BEING NO FURTHER BUSINESS TO COME BEFORE THE BOARD, THE BUDGET MEETING WAS ADJOURNED AT 9:35 A.M.

Respectfully submitted,

Sylvia J. Holleman
Town Clerk

(From notes submitted by Amy Wolf, Administrative Support Assistant)