

1 MINUTES OF THE SPECIAL WORKSHOP MEETING  
2 OF THE EMERALD ISLE BOARD OF COMMISSIONERS  
3 FY 2006-07 RECOMMENDED BUDGET  
4 WEDNESDAY, MAY 17, 2006  
5 9:00 AM – EMERALD ISLE TOWN HALL  
6

7 The special meeting of the Emerald Isle Board of Commissioners was called to  
8 order by Mayor Art Schools at 9:00 am.

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10 Present for the meeting: Mayor Art Schools, Commissioners Pete Allen, Nita  
11 Hedreen, Floyd Messer, John Wootten, and Maripat Wright.

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13 Others present: Frank Rush Town Manager, Asst. Town Manager/Finance  
14 Officer Mitsy Overman, Town Clerk Rhonda Ferebee, Asst. Fire Chief Don  
15 Askew, Public Works Director Artie Dunn, Parks & Recreation Director Alesia  
16 Sanderson, Planning Director Kevin Reed, Police Chief Bill Hargett.

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18 **ADOPTION OF AGENDA**

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20 ***Motion was made by Commissioner Wootten to adopt the Agenda. The***  
21 ***Board voted unanimously 5-0 in favor. Motion carried.***

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23 **RECOMMENDATION – NC COASTAL RESOURCES COMMISSION**  
24 **APPOINTMENT**

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26 Town Manager Rush said that Renee Cahoon, Mayor of Nags Head, previously a  
27 Dare County commissioner, had served on the CRC for this last term. She has  
28 expressed interest in being reappointed, and the Beach Inlet Waterway  
29 Association has recommended her for this appointment.

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31 ***Motion was made by Commissioner Allen to recommend Mayor Cahoon.***  
32 ***The Board voted unanimously 5-0 in favor. Motion carried.***

33  
34 **FY 06-07 RECOMMENDED BUDGET / Q & A**

- 35  
36 a. General Comments  
37 b. Fire Department  
38 c. Public Works / Powell Bill / Solid Waste  
39 d. Parks & Recreation  
40 e. Planning and Inspections  
41 f. Police Department  
42 g. Governing Body / Legal / Administration / NonDepartmental  
43 h. Employee Health Insurance  
44 i. Emerald Isle EMS  
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- j. Transfers to Other Funds**
- k. Other Funds**
- l. Capital Improvement / Replacement Program**

Town Manager Rush started the meeting with general comments. He said he was pleased that the budget is balanced with no tax increase this year. Mr. Rush said this would be the fourth year in a row with no tax increase. Mr. Rush noted however that there were some decisions made this year that were harder than usual, things the departments requested that had merit but in an effort to keep expenses down he did not recommend them. He felt those things not funded would not cause a decrease in service levels or quality of service. Mr. Rush felt that this year's budget relatively speaking would be fairly easy for the Board to tackle; the harder decisions for the Board are looking forward to future years to the big capital projects such as the new police station, new Town Hall, possibility of a new fire station, and Coast Guard Road stormwater improvements.

Asst. Fire Chief Don Askew, speaking for Chief Walker who was out of town, discussed the Fire Department budget requests, touching on a few of the key items, equipment needs, and building improvements. Asst. Chief Askew talked about plans for a possible Fire Station 3 on Coast Guard Road. Mr. Askew spoke about ISO ratings. Mr. Rush noted that Emerald Isle currently has a fire rating of 4 which for a town of our size is outstanding. Mr. Askew noted that more research was being done concerning the 3<sup>rd</sup> Fire Station. Mr. Askew spoke of the number one concern that the Fire Department had which was patrolling the ocean. He felt the beach patrol was a great help on the beach strand, and the ocean is something no one has any control over. Mr. Askew noted that eliminated from the recommended budget was a request for an additional 4-wheel drive and two additional people. Mr. Rush discussed his reasons for eliminating these items. Mr. Askew also applauded the safety committee and all town employees for the Town for their efforts in obtaining the Municipal Star.

Public Works Director Artie Dunn spoke in detail about his departments budget needs, stating that he was trying to maintain business as usual. Mr. Dunn distributed a document (a copy of which is attached to and made a part of these minutes), outlining line item details such as auto repairs, gas, oil, tire, and batteries, as well as capital outlay details. Mr. Dunn spoke about his plans for vehicle replacement, noting that his request for a new pickup truck this year was taken out of the Managers recommended budget. Mr. Dunn touched on other

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items; generators, siding repair for Public Works building, an additional backhoe. Mr. Dunn described the east end drainage improvement methods used this year. Mr. Rush added his comments concerning his goals concerning the upcoming bid process for the solid waste collection and disposal services, proposals being accepted until June 13, 2006.

Alesia Sanderson Parks & Recreation Director reviewed her departments' budget requests with the Board. Ms. Sanderson felt the most significant item was the addition of one new employee, a laborer position to assist with the grounds maintenance due to the opening of the Emerald Isle Woods Park, the additional bike paths, and sidewalks. She felt it was essential to add a new person. Ms. Sanderson detailed replacement equipment needs. Ms. Sanderson said that major improvements were needed at some of the access points. Ms. Sanderson noted that the budget includes complete renovation of the bathhouse at Merchants Park. Ms. Sanderson noted some of the items left out of the Managers recommended budget which included the municipal complex irrigation system, the greenhouse, bicycle racks, and the Parks Maintenance building. The idea of possibly getting donations from the public for the bicycle racks was discussed.

Kevin Reed Planning Director went over the Planning and Inspections Department goals. Mr. Reed said they will be continuing the process started this year of updating the town's ordinances, creating new zoning districts for the Village East and West areas. Mr. Reed indicated that his goal was to continue to enhance customer service opportunities such as reworking their development applications. He plans to continue with the implementation of the 2004 CAMA Land Use Plan, specifically the rezoning of existing condominium developments presently RMH (Residential Motel Hotel), and projected to be RMF (Residential Multi-Family). Mr. Reed noted his greatest concern is the uncertainty as to what will happen from a development fee standpoint, not knowing the future of the building market. The Board also discussed with Mr. Reed his departments' fee schedule. Mr. Reed said in his comparisons he found their current fees were about the same as other towns and in some cases slightly higher.

Bill Hargett Police Chief reviewed the Police Department goals. Chief Hargett said increasing the officer training opportunities was an important goal, in order to have a more professional and better trained department. Chief Hargett stated the department now has an in-house training officer; Sergeant Bill Bailey is now Fire Arms instructor. Chief Hargett spoke of the citizen interaction programs

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currently being offered by the department. Chief Hargett discussed a requested \$27,500 in the budget for radio console replacements, Mr. Rush did not recommend this in his budget primarily for budgetary reasons but also because of continuing talk of a consolidated 911 center. Chief Hargett outlined the vehicle replacement schedule.

Frank Rush Town Manager reviewed and discussed in detail the Governing Body, Legal, Administration and Non Departmental items with the Board. Mr. Rush pointed out that in the Non Departmental details there is \$93,500 included for salary adjustments across the organization, equal to 4.4% of full-time payroll. Mr. Rush stated that the CPI for the nation is 3.4%, CPI for the southeast is 3.7%, and the Town has historically been putting in the equivalent of about 1% into additional salary increases each year, and this is consistent with that. Mr. Rush said that whatever figure the Board determines is most accurate, he would like to take that lump sum and work with department heads to determine how best to distribute that across the organization. Mr. Rush said one option was simple cost of living adjustments as done in the past, another option is to try and implement the pay plan adjustments discussed in December, and another option is some type of hybrid of the two. Mr. Rush also pointed out funds included in Non Departmental of \$10,000 for the 50<sup>th</sup> anniversary celebration for the Town. Mr. Rush spoke about Emerald Isle EMS, noting that the EMS Committee which included Commissioner Hedreen and Wootten came to an agreement to a budget figure just shy of \$226,000, which is fully funded in the recommended budget. Mr. Rush said the reason for the 12.9% increase is due to increase in personnel costs and also setting aside more money for capital replacement, in order to get them on a replacement schedule for new ambulances. Transfers to Other Funds, Other Funds, and Capital Improvement / Replacement Program were reviewed and discussed with the Board. Mr. Rush noted that the last year taxes would be levied for the special beach nourishment fund would be 2010-2011. Mr. Rush highlighted revaluation scenarios for the special taxes for beach nourishment, giving an example if oceanfront values increase by 300% you are looking at a 12 cent tax rate compared to the 48 cents currently; if the oceanfront went up by 100% you are looking at a 24 cent tax rate. Mr. Rush expected they would be able to significantly reduce that tax rate next year. Mr. Rush added that another option the Board may want to consider at that time is possibly doing something higher than revenue neutral and discontinue the taxes a year or two earlier.

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2 Mr. Rush touched briefly on the issue of employee health insurance. He noted  
3 that one of the things done in the recommended budget is to recommend a slight  
4 decrease in health insurance benefits for town employees. Mr. Rush said the  
5 current premium is about \$393 per employee per month, and that was set to  
6 increase to about \$449 per employee per month. Mr. Rush recommended a plan  
7 that costs \$411 per employee per month, which involves raising co-payments  
8 from \$10/\$30 to \$20/\$40 and increases the deductible from \$250 to \$500. Mr.  
9 Rush said that the employees voted on two options and employees were most in  
10 favor of this recommended plan.

11  
12 **BOARD DISCUSSION**

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14  
15 There was much discussion with the Board concerning the implementation of the  
16 pay plan, the various options and scenarios, as well as the need for a new Parks  
17 and Recreation Employee. There was consensus among the Board to schedule  
18 another budget workshop for more discussion to take place prior to the public  
19 hearing. It was decided that there would be a special meeting held on Tuesday,  
20 May 30<sup>th</sup> at 4:30 pm, and the public hearing scheduled for June 1<sup>st</sup> at 4:30 pm.

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22 **BRIEF RECAP**

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24 Following questions and discussion of various concerns by the Board, it was  
25 determined that the Town Manager would prepare a list of things that might be  
26 reduced for the Board to either put into a contingency or spend on something  
27 else. Mr. Rush said he would list out the most likely choices and present the  
28 pros and cons and bring back to the Board at their next meeting for their review.

29  
30 **ADJOURN**

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32 ***Motion was made by Commissioner Wootten to adjourn the meeting. The***  
33 ***Board voted unanimously 5-0 in favor. Motion carried.***

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35 Respectfully submitted:

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39 Rhonda C. Ferebee  
40 Town Clerk