

1 **MINUTES OF THE SPECIAL WORKSHOP MEETING**
2 **OF THE EMERALD ISLE BOARD OF COMMISSIONERS**
3 **FY 18-19 RECOMMENDED BUDGET**
4 **WEDNESDAY, MAY 16, 2018**
5 **9:00 AM – TOWN ADMINISTRATION BUILDING**

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7 **1. Call to Order**

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9 The special workshop meeting of the Emerald Isle Board of Commissioners was called to order
10 by Mayor Barber at 9:00 am.

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12 **2. Roll Call**

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14 Present for the meeting: Mayor Eddie Barber, Commissioners Candace Dooley, Steve Finch,
15 Floyd Messer, Jim Normile and Mark Taylor.

16
17 Others present: Town Manager Frank Rush, Town Clerk Rhonda Ferebee, Finance Director
18 Laura Rotchford, Town Planner Josh Edmondson, Public Works Director Artie Dunn, Police Chief
19 Tony Reese, Fire Chief Bill Walker, EMS Chief David Jones, and Parks and Recreation Director
20 Alesia Sanderson.

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22 **3. Adoption of Agenda**

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24 ***Motion was made by Commissioner Messer to adopt the Agenda. The Board voted***
25 ***unanimously 5-0 in favor. Motion carried.***

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27 **4. Public Comments**

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29 There were no comments from the public.

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31 **5. General Comments**

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33 Town Manager Frank Rush stated that he hoped the budget reflected the priorities the Board
34 had expressed. Town Manager Rush said they tried their best to accommodate the key goals
35 the Board had outlined. Town Manager Rush said they tried to make good choices, and asked
36 the Board to tweak things in any way if they had missed something or something had increased
37 in priority level. Town Manager Rush stated at his level, if possible, he would have provided
38 funding in the recommended budget for everything the department's asked for because he
39 knew the department heads were wise in their use of resources, but again choices had to be
40 made. Town Manager Rush was happy to report there was no tax increase, and he didn't
41 consider the proposed fee increases to be a significant burden. Town Manager Rush
42 mentioned the parking fees that would begin on Fridays in July, and the community center fee
43 increases which were relatively small amounts of additional revenue, but noting it was the little
44 things that added up over time that made the budget balance so that they didn't have to

1 consider a tax increase or elimination of something else that was beneficial for the Town or
2 department heads.

3

4 **6. FY 18-19 Recommended Budget Presentations / Q & A**

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6 a. **Planning and Inspections**

7 b. **Public Works / Solid Waste**

8 c. **Police Department**

9 d. **Fire Department**

10 e. **EMS Department**

11 f. **Parks and Recreation**

12 g. **Governing Body / Legal / Administration / NonDepartmental / Debt Service**

13 h. **Transfers to Other Funds / Other Funds**

14 i. **5-Year Capital Replacement / Improvement Program**

15 j. **5-Year General Fund Forecast**

16

17 Town Manager Rush and all Department Heads summarized and discussed with the Board each
18 of their budget requests, priorities and goals for the Fiscal Year 2018-2019.

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20 **7. Employee Compensation, Benefits**

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22 Town Manager Rush noted the good news that health insurance rates decreased by 3%. Town
23 Manager Rush said the Town had switched last year from Blue Cross Blue Shield to MedCost
24 with the NC League of Municipalities because it saved a lot of money. Town Manager Rush also
25 noted he was pleased with the responsiveness, and customer service aspect of the MedCost
26 plan. Town Manager Rush noted the plan design was the same with the \$3,000 high deductible
27 and they planned to contribute \$2,200 per plan year into the health savings account for the
28 employees.

29

30 Town Manager Rush stated they had included a 2.3% cost of living increase for everyone in the
31 organization, which was the change in the CPI. Town Manager Rush noted there was also
32 \$40,000 included for strategic salary adjustments, and he and Rhonda Ferebee, Town Clerk/HR
33 would be taking a hard look at this with the department heads going forward. Town Manager
34 Rush noted the \$40,000 amount equated to 1% of the total payroll and they would try to use
35 the money wisely, making the biggest impact so that the Town was a leader in the terms of
36 salaries.

37

38 Lastly, Town Manager Rush mentioned there was \$16,000 included for the proposed retiree
39 health insurance program. Town Manager Rush noted that theoretically there would be five
40 people eligible for that benefit the first year with the maximum eligible according to
41 conservative projections being ten eligible, and that maximum cost reached approximately

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1 \$33,000 in 5-6 years, averaging about \$24,000 per year. Town Manager Rush said the way the
2 program was envisioned was that for every year of service to the Town of Emerald Isle \$10 per
3 month per year of service would be paid to the retiree. Town Manager Rush gave the example
4 of an employee retiring with 30 years of full-time service with the Town who would receive a
5 taxable payment of \$300 per month to go towards health insurance. Town Manager Rush said
6 the benefit would continue until the retiree was eligible for Medicare or became eligible for
7 health coverage through another employer. Town Manager Rush said if the Board was
8 comfortable with that approach, his goal was to bring to the Board a policy at their July meeting
9 that formalized the rules of the program. Town Manager Rush stated this would help the Town
10 with retention and recruitment, and most importantly would reward those employees who had
11 essentially dedicated their life to making Emerald Isle the best place it could be. Town Manager
12 Rush said he felt it was structured in such a way that wasn't overwhelming to the Town. Town
13 Manager Rush made the judgement to go forward with the retiree health insurance program
14 based on the feedback from the Board. Town Manager Rush also noted that to be eligible you
15 had to work for the Town for at least 20 years.

16

17 The Board discussed this issue with the Town Manager agreeing that the intent of this retiree
18 payment was for health insurance. The Board indicated they were overall in favor of the
19 program. Town Manager Rush said they would work on a formal policy to bring to the Board's
20 July meeting for their consideration.

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22 **8. Additional Board Discussion**

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24 The Board discussed a variety of issues with the Town Manager that they would like to look into
25 further for grant funding and to keep on the list for future action.

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27 **9. Adjourn**

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29 ***Motion was made by Commissioner Messer to adjourn the meeting. The Board voted***
30 ***unanimously 5-0 in favor. Motion carried.***

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32 ***The meeting was adjourned at 12:15 pm.***

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34 Respectfully submitted:

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38 Rhonda C. Ferebee, CMC, NCCMC

39 Town Clerk

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