

CITY OF BOILING SPRING LAKES
MINUTES
BUDGET WORKSHOP
MAY 10, 2011
CITY HALL – 6:30 p.m.

Purpose: The purpose of this workshop was for the Board of Commissioners to discuss the 2011-2012 Budget.

Attendance: In attendance were Mayor White, Commissioners Caster, Kinney, Troscianiec and Carroll. Also in attendance were City Manager David Lewis, City Clerk Linda Merry, and Finance Director Karen Thompson.

Budget Message

The City Manager presented the annual budget message. Due to increased population numbers from the 2010 Census, sales tax revenues are expected to increase by almost \$ 300,000 in the coming budget year. Franchise taxes are also expected to increase due to favorable results of the property audit.

The proposed tax rate is \$.17 per \$ 100 of valuation. The increase of \$.05 over last year is due to the recent property revaluation. Property values have declined approximately 25%. The estimated net taxable value is \$ 488,457,558, but this amount will be adjusted downward based on taxpayer appeals.

A 5% cost of living increase has been proposed for all employees to make up for three years without an increase. There are no new positions requested. Two temporary part time positions are requested for the purpose of completing the Water Assessment Refund Project.

Capital Project Requests

The following capital budget requests were presented for consideration:

Upgrade animal holding pen	\$ 4,000
2 New Police Vehicles	\$18,780/year for 3 years
Hydrant Testing	\$ 4,875
EKG Machine for Fire Department	\$30,000
Replace Fitness Room Floor	\$ 5,800
Paint/Repair Fitness Room Walls	\$ 2,800
Playground Equip at Comm Center	\$39,000
Bus for Senior and Youth Programs	\$35,000
Paved Road Resurfacing	\$ 125,000 per mile

Discussion:

Proposed Tax Rate

Commissioner Carroll was concerned that the tax rate had increased from \$.12 to \$.17 per \$ 100 valuation. The City Manager explained that due to a drop in property values, the tax rate had to be increased. Many taxpayers will experience a drop in the amount of taxes they pay.

Revenue

Mayor White asked the City Manager if there would be any excess revenue left in the 2010-2011 budget. The City Manager reported that currently there is approximately \$ 21,000 excess revenue over expenditures, but he expects by year end to be very close to break-even. To date there has been no need to draw from the contingency set aside at the beginning of the year.

Commissioner Carroll was concerned about revenue generated from the bike runs. Currently all revenue is deposited into the General Fund to cover expenses, and any excess revenue is donated to charity. Commissioner Carroll was concerned that if revenue generated was not sufficient to cover expenses, there would be nothing left to donate, and this would be embarrassing for the City. He suggested removing the revenue item from the budget, lines #10-369-00 and #10-370-00. The City would pay for all of the expenses of the bike run and the revenue collected would go to charity.

Commissioner Caster asked Mary Green about \$ 88,000 budgeted revenue for the After School Program and Summer Camps. She responded that this was a very conservative estimate.

Mayor White asked if Brunswick Senior Resources would continue their assistance with the Senior Lunch Program. Mary Green reported that they will continue to provide the food and the City will continue to pay for a part-time staff person to assist with the program.

Commissioner Troschianiec asked about Account #10-383-28 ABC Store Profits. The amount budgeted was estimated because the ABC Budget had not yet been prepared. The ABC Store Manager reported that the estimated profit to the City would be \$ 1,500 per quarter.

Mayor White asked if the NC DOT mowing agreement would continue. The City Manager explained that we are waiting on the State to sign the contract before we include the revenue estimate in the budget.

Governing Body Budget

Commissioner Kinney asked for an increase in the amount budgeted for Account #10-410-14, Per Diem/Travel/Training. This item will be increased by \$ 1,000 to allow for municipal government training for three new board members after the upcoming election.

Administration Budget

Commissioner Carroll was concerned that the salary budget for the Water Assessment Refund Project was overstated (Account #10-420-01). The City Manager changed the amount for this line to \$ 24,000.

Commissioner Troschianiec asked if Account #10-420-13 Electric/Water included utilities just for City Hall. The City Manager answered, yes.

Mayor White questioned the monthly expense reimbursement for the City Manager and asked if the reimbursement included mileage from Wilmington. The City Manager explained that his monthly expense reimbursement was approved by the Board of Commissioners when he was hired as Interim City Manager in 2004. It does not include travel from Wilmington.

The Mayor asked about interest budgeted for the loan on City Hall, Account #10-420-76. The City Manager explained that as the principal balance of the loan is paid down, the annual interest decreases.

Buildings and Grounds

Commissioner Troschianiec asked about Account #10-500-14 Travel and Training. He wanted to make sure there was enough in the budget to cover training expenses that might result from new federal laws affecting mosquito control. Ernie Siriani explained that new training would not be required. He added that due to budget cuts, the State will soon end their funding for mosquito control. All state owned equipment must be returned, but we have our own equipment that was purchased several years ago.

Commissioner Carroll asked for a detailed explanation for Account #10-500-15 Repairs/Maintenance City Hall. Mr. Siriani explained that pumps were installed in the courtyard to correct a serious flooding problem. There have also been several repairs to the air conditioning system.

Public Works

Commissioner Carroll asked if the proposed 5% cost of living increase for staff was included in Account #10-560-00. The City Manager reported that the increase was included in the respective salary lines for each department.

Commissioner Troschianiec asked about the principal balance on the Holland Tractor and on the Motor Grader. The City Manager reported that the principal balance on the Motor Grader is \$ 60,000, and the final payment will be in April 2013. The principal balance on the Holland Tractor is \$ 24,000, and the final payment will be in January 2013.

Sanitation

Commissioner Caster asked if the amount budgeted for Account 10-580-13 for storm water pumps was adequate. The City Manager reported that for normal rainfall the pumps are adequate, but not for large rainfall events. There would be a significant increase in cost to purchase pumps large enough to handle significant rainfall events.

Commissioner Kinney asked if the amount budgeted for Account #10-580-45, Large Trash Pick-Up was adequate. The City Manager reported that the Large Trash Pick-Up costs more each year. He is considering alternatives, possibly the placement of containers in a central location where residents could bring their items.

Police Department

Commissioner Carroll asked about Account #10-510-03 Separation Allowance for Law Enforcement Officers. He wanted to know if there is funding set aside for future needs. The City Manager explained that the auditor prepares an annual actuarial valuation for this expense.

The Mayor wanted to know how much would be paid for each police car and would there be radar equipment already installed. Chief Ballree answered that the cars cost \$ 26,832 each. They will come striped and one will have a light bar.

Mosquito Control

The City Manager reported that state funding for the mosquito control program will end next year. This loss of revenue will affect the 2012-2013 budget.

Parks and Recreation

There were no questions from the Board about the Parks and Recreation Budget. It was noted that the total Parks and Recreation Budget decreased by 2% from last year.

Powell Bill

The City Manager reported that Powell Bill revenue will increase by about \$ 30,000 due to 2010 Census results. The State Legislature has decided to split the disbursement into two payments next year, one in October and one in January. This will require that we pay close attention to the timing of expenditures.

Building Inspections / Code Enforcement / Animal Control

The City Manager reported that the Animal Control Officer had resigned. Currently animal control issues are being handled by the Building Inspector and the Police Department. The City Manager recommended changing the animal control position to part-time and requested \$ 7,000 in the budget for 2011-2012.

Commissioner Caster asked about Account #10-540-11. Karen Thompson explained that this line item includes a cell phone reimbursement for the animal control officer. That amount will be removed from the budget.

Commissioner Carroll suggested eliminating one of the two trucks used by Building Inspections. He suggested that the Building Inspector and the part-time Animal Control Officer could share a vehicle.

The Mayor commented that Building Inspections does not produce enough revenue to support two full time positions. He referred to eleven new homes projected to be built next year.

Commissioner Carroll agreed with the Mayor and suggested turning over Building Inspections to the County.

Commissioner Troscianiec wanted to know who would handle code enforcement, the Tree Ordinance, woodpecker issues and animal control. His concerns were not answered.

The Building Inspector reported that permits for additions, renovations, and HVAC change outs had doubled since last year to almost 200 permits. New home inspections are only a small part of his total workload. He added that during the building boom several years ago, he was working as much as 75-80 hours per week.

The City Manager commented that Jim Nicholas is a very dedicated, hard working employee and the Mayor's attack on him was personal. The Mayor's suggestion that Mr. Nicholas does not earn his pay is unfounded.

The Mayor denied that his attack on Mr. Nicholas was personal. He added that cuts would have to be made if the Board plans to give \$ 34,875 to the fire department.

Board Discussion of Capital Project Requests

Commissioner Troscianiec asked Larry Modlin how many roads needed immediate resurfacing. Mr. Modlin presented a list of seventeen roads that needed immediate attention: Eden, Filmore, Crestview, High Point, Woodcrest, Pine, North Shore, Nassau, Cedar, Crystal, North Hills, Ash, Elm, Sycamore, Charlestown and Winston Salem.

Commissioner Troscianiec asked if the upgrades to the animal control pen were necessary. The City Manager explained that the pen must be improved to meet State standards.

Commissioner Carroll supported the purchase of a new bus for the Community Center, but was not willing to raise taxes to accomplish the purchase. Mary Green suggested that instead of a bus, she would settle for a used 7 passenger mini-van, cost \$ 11,000 - \$ 15,000.

Mayor White supported giving \$ 30,000 to the fire department to buy emergency response equipment. He reported that residents could not rely on Brunswick County to provide adequate emergency response from 6 p.m. to 11 a.m. every day, so the equipment is a matter of life and death. Chief Grace explained that it takes everything they receive from fire fees just to keep the three fire stations operational, and there is no money left over to buy emergency response equipment.

Commissioner Caster asked if three fire stations were necessary. Chief Grace answered that in order to maintain the ISO-4 rating, three fire stations were required.

Commissioner Troscianiec asked if there were any grants available for the equipment. Chief Grace explained that his department is not eligible for grants because they are not certified to transport patients.

The Mayor supported giving \$ 4,875 to the fire department to complete necessary hydrant testing.

Commissioner Troscianiec suggested that hydrant testing should be paid from the Water Fund.

Commissioner Carroll supported replacement of the fitness room floor and repairs and painting of the fitness room walls. Maintenance performed now will save the cost of total replacement down the road.

Mayor's Closing Comments

The Mayor announced to the Board that he wanted to fund the following capital project requests: Fire Department Equipment \$ 30,000, Fire Hydrant Testing \$ 4,875, Fitness Room Improvements \$ 8,600 and Improvements to the animal holding pen \$ 4,000.

Adjourn: The Mayor adjourned the workshop at 9:30 p.m. There will be a second Budget Workshop on May 17 at 6:30 p.m.

Linda Merry, CMC, City Clerk

Richard White, Mayor

