

**CITY OF BOILING SPRING LAKES**  
**MINUTES**  
**BUDGET WORKSHOP**  
**MAY 17, 2011**  
**CITY HALL – 6:30 p.m.**

**Purpose:** The purpose of this workshop was for the Board of Commissioners to continue discussion of 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.

**Discussion of Revised Property Tax Calculations**

The City Manager reported that the revised taxable property valuation is the latest received from Brunswick County after appeals. This number will likely decrease as more appeals are presented.

Commissioner Troscianiec suggested that a post-budget review might be necessary to address future downward adjustments in property tax revenue due to appeals.

**Board Discussion of Revised Budget**

Account #10-327-00 Permit Revenue - Commissioner Carroll commented that permit revenue budgeted for this year was \$ 1,500 less than the amount budgeted for next year. He asked the City Manager to confirm that this was correct. The City Manager answered, yes.

Mayor White asked about the estimated revenue from ABC profits for law enforcement. The store manager reported the law enforcement share would be approximately \$ 300 for the year.

Account #10-410-03 Attorney Fees - Commissioner Carroll asked why the amount budgeted for attorney fees had dropped by \$ 2,000. The City Manager explained that the City Attorney no longer attends every meeting.

Account #10-420-11 Telephone/Postage - Commissioner Carroll wanted to know how many employees are reimbursed for cell phones. The City Manager reported that the City reimburses for thirteen phones. He explained that after the IRS changed the laws regarding taxation of personal use for cell phones provided to employees, a decision was made to reimburse employees a flat amount for phones they would provide.

Commissioner Carroll reported that several citizens had contacted him and expressed interest in funding the Large Trash Pickup.

Commissioner Kinney commented that the amount budgeted for Large Trash Pick-up might not be sufficient.

Mayor White asked if there were two vehicles budgeted for Building Inspections. The City Manager answered, yes.

Commissioner Troscianiec asked the City Manager if there was adequate funding in this year's budget to cover the cost of the current repairs to the upper dam. The City Manager answered, yes. Part of the repair was the replacement of a road culvert.

Account #10-630-72 - Commissioner Caster wanted to know why the Community Center was buying new chairs. Mary Green explained they needed more chairs to match the capacity of the Lakes Room. They also had to purchase a cart to move the chairs to and from storage. She added that occasionally chairs will break and need to be replaced.

Commissioner Caster was satisfied with the cuts made to the budget and was concerned that further cuts would result in loss of services. Commissioner Carroll disagreed with him. Commissioner Caster asked Commissioner Carroll to comment on which services he would like to cut.

### **Building Inspections/Code Enforcement/Animal Control**

Commissioner Carroll repeated his suggestion to turn Building Inspections over to Brunswick County. He suggested that the County might consider setting up a satellite office in the City. He estimated this would save the City about \$ 90,000.

Commissioner Kinney commented that the purpose of the Building Inspections Department is to provide services, not to generate a profit.

Commissioner Troscianiec reported that Building Inspections had issued 1385 burn permits this year, performed 48 fire inspections, issued numerous tree removal permits, and over the past several years had inspected 3,000 water lines. All of these services were provided free of charge. He has spoken with local builders and sub-contractors and they do not support attempts to eliminate the department. They fear that new construction would be seriously delayed, by as much as nine months, if they had to wait on an inspector from the county. The City would also lose its identity as a place to build and growth would be halted.

Several builders were in attendance at the meeting and Commissioner Troscianiec asked the Mayor if they would be allowed to speak. The Mayor suggested that they could speak at the end of the meeting.

Commissioner Carroll commented that he did not have a majority of the Board willing to eliminate the Building Inspections Department. He suggested that one of their trucks could be eliminated. The Building Inspector and the part-time Animal Control Officer could share a truck.

Commissioner Caster commented that the truck was paid for, and the part-time animal control person would need a vehicle.

At the end of the meeting, Kevin Bell, a local heating and air contractor, reminded the Board that the Building Inspector also plays a key role in damage assessments after hurricanes. Who would fill that role? He added that the City's inspection fees are too low.

**Discussion of Police Vehicles**

Mayor White asked Chief Ballree if he could get by with only one new police vehicle.

Chief Ballree responded that he could get by with one car for now, if the Board would promise to allow him to purchase the second car in late fall, and then to plan for two new vehicles each year. This would allow him the opportunity to order ahead and to benefit from state contract prices.

Mayor White recommended moving forward with the purchase of two new Fords, but he did not want to finance them.

Commissioner Caster commented that the Police Department does a fine job and the Board should provide them with the tools they need.

**Discussion of Capital Projects**

Mayor White asked if the Board members were in agreement to fund the \$ 30,000 piece of equipment for the Fire Department. He added that cuts would need to be made in order to fund the equipment and the hydrant testing, total \$ 34,875.

Commissioner Caster was in support of funding the equipment for the fire department. He has spoken with Chief Grace and learned that the equipment could be purchased for \$ 25,000, not the \$ 30,000 originally requested.

Commissioner Troscianiec commented that sales tax revenue included in the budget was very conservative, \$ 53,590 less than the amount calculated by the state. He suggested waiting several months into the budget year to make a final decision on funding the equipment.

Commissioner Caster expressed the desire of the Fire Department to have the equipment as soon as possible.

The Board concurred that the hydrant testing was necessary.

Commissioner Carroll was in support of the repairs to the fitness room at the Community Center.

The Board concurred that there was not enough funding available for road paving or resurfacing.

**Discussion of Budget Reserve Fund/Fund Balance**

Commissioner Caster suggested making use of the unused Budget Reserve Fund from last year. This \$ 107,336.92 could be used to buy the two police vehicles, and to give the Fire Department \$ 25,000 for equipment and \$ 4,875 for hydrant testing. The remainder in the reserve could be returned to the General Fund.

Commissioner Troscianiec reported that the City was in good financial shape. The state requires a fund balance reserve equal to 8% of total budgeted expenditures. This percentage is doubled for coastal communities due to the risk of hurricane damage. If the Board were to adopt this budget with a \$ 69,038 proposed General Fund Appropriation and used the General Fund Savings to pay for the Fire Department request, the Fund Balance would equal 71% of total budgeted expenditures, or approximately \$ 1,700,000.

Commissioner Carroll disagreed with Commissioner Troscianiec and suggested that the City should have at least one year's budgeted expenditures in reserve.

**Discussion of Proposed \$ .17 Tax Rate**

Commissioner Carroll was concerned that the tax rate had been increased to \$ .17. He checked with several citizens and found that some would experience a property tax increase, even with the new lower property values.

Commissioner Troscianiec explained that after the last revaluation in 2006, when property values increased, the City reduced the tax rate accordingly.

Commissioner Kinney commented that the City must be doing well and referred to a newspaper article from 1989 that announced the City's tax rate had been set at \$ .37.

**Discussion of 5% Cost of Living Increase for Staff**

Commissioner Caster commented that staff does a good job and deserves an increase. They have not had an increase in three years.

The Mayor commented that state employees have not received an increase in six years. The 5% increase will cost the City \$ 65,381.

Commissioner Carroll suggested a one time bonus, eliminating the need to pay retirement. The Finance Director explained that retirement must be paid on all compensation to staff.

**Adjourn**

The Mayor adjourned the workshop at 8:22 p.m. There will be a public hearing on the proposed budget on Tuesday, June 7, 2011 at 6:30 p.m. at City Hall.

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Linda Merry, CMC, City Clerk

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Richard White, Mayor