

CITY OF BOILING SPRING LAKES
MINUTES
BUDGET WORKSHOP
MAY 23, 2012
CITY HALL – 3:00 p.m.

Purpose: The purpose of this workshop was for the Board of Commissioners to discuss the 2012-2013 Budget.

Attendance: In attendance were Mayor White, Commissioners Carroll, Commissioner Caster, Commissioner Forte and Commissioner Glidden. Also in attendance were City Manager Jeff Repp, City Clerk Susan Hartman, and Finance Director Karen Thompson.

Mayor White called the meeting to order at 3:00 pm.

Mayor White asked how the Board wanted to go through the Budget. He said we can start at page 1 and go through it that way if you want to.

City Manager Jeff Repp reported that the only changes to the revenues are that staff did removed the yard sale, tree removal fees, and the fire inspection fees since it was consensus from the Board that they didn't want them in there.

Mayor White asked if there were any other changes to the Budget.

Commissioner Carroll commented that he had something he'd like to discuss about the tax rate but that he would discuss it now or later on in the meeting.

Commissioner Forte wanted to know why line item 10-324-00 was budgeted \$75000. more this budget year.

Mr. Repp reported that we are probably going to come in about \$50,000 more that we budgeted this current year in sales tax revenue, and with the economy looking up it is projected that sales tax revenues will be higher next year.

Commissioner Caster commented that there is no revenue line for the Bike Runs. I believe that the seed money should be paid back.

Commissioner Carroll commented that he will get back to line item 10-301-81 later in discussion.

Commissioner Forte commented that the ABC store profits, we had it last year at \$6000. and we have it year at \$6000. Is the fact that they were closed 2/3 of the year going to change that. Cheryl Riker commented that insurance will cover 2 months loss of business, and at this point we anticipate opening July 2, 2012.

Commissioner Carroll reported that he will be discussing line item 10-301-81 Board salaries later in the discussion.

Mayor White asked if we should put out for bid the City Auditor fees since it's so high. Mr. Repp stated that it is a little late to put this out for bid this year. I can take a look at it and get back to you as far as what is customary.

Mayor White commented that he would like to purpose that an employee has to work at least 100 hours before they are eligible for Christmas Bonus. He would like staff to develop a policy accordingly.

Mayor White commented that he thinks we need to develop a policy for cell phone reimbursement. He doesn't think that just anybody should get the cell phone reimbursement. He commented that all 3 employees in the Buildings and Grounds Department receive the cell phone reimbursement and only 3 Police Officers receive the same. Ernie Siriani asked the Board if something happens and we need to get in contact

with someone, how we are supposed to do it. If something happens at the Community Center and I need to get my crew there how do you purpose I do that? Mr. Repp reported that he hasn't seen a problem with the number of cell phone reimbursements in the City, but believes that not every employee should get it.

Commissioner Caster commented that it was his understanding that Chief Ballree had another proposal. Is that in this package? Mr. Repp stated that it was not.

Commissioner Caster reported that we have all talked to Chief Ballree about combining the Animal Control, Parks Patrol and Police back-up into one position. Since Chief Ballree isn't here, maybe Rick Spencer could talk about this. Mayor White commented that no one has spoken to him about it and that he thinks this late in the game that it needs to be presented to the City Manager and let him present it to the Board in writing.

Mayor White asked Mr. Repp to explain what Chief Ballree had proposed.

Mr. Repp explained that what Chief Ballree had presented to some of the members of the Board was that he could combine the Animal Control position with the Parks Patrol position and put a sworn Police Officer in that position. He would make it a full time position, and eliminate 1 police car from the Budget, that combination of positions would show a savings of about \$7000.00 from the proposed Budget this year. However, next year it would probably show an increase in the operating expenses, because that position would still be in the budget but there wouldn't be a police car to off set it. There's no doubt it's going to be more expensive to do what the Chief is proposing, the question for the Board is what quality of service are you going to get with the current situation, with the person working 10 hours a week or whatever that number is, versus a full time position doing both the animal control and the parks enforcement on the weekend. I think you would get a better quality of service with this a fulltime position, but ultimately that's a judgment that each individual Board member will have to make. Commissioner Carroll commented that once you do it it's year after year and there are other things here that need to be looked at, if you're talking about \$12.50 an hour then that \$12.50 a hour plus FICA and that's it but then if you go to a fulltime position then you're talking about maybe \$15.00 an hour plus the FICA, the insurance, retirement, 401K built on there. That's the very reason that Municipalities use part time positions because they can get the hours covered at a substantially reduced rate. Commissioner Glidden commented that if Chief Ballree comes over and would like to present his proposal that would be fine.

Commissioner Forte commented that he is all for cutting the Budget when necessary but public safety is job #1. I would like to see this position filled. It's 1 guy wearing 3 hats. Money well spent.

Mayor White asked Mr. Repp if there is a revenue line for the Bike Run in Special Events. Mr. Repp stated that there is not. There is an expense line of \$1500.00, but the revenue line is zero.

Commissioner Caster commented that he is still opposed to that, he still believes that this is misappropriation of funds.

Commissioner Carroll commented that the funds that are donated are from the money collected from the riders that day, not from the City money.

Commissioner Carroll commented that on line item 10-630-74, the mini van purchase for \$12,500.00, I was going to include that in some other stuff that I want to talk about, but I have a couple of concerns. I'd rather do it next year, but we have a situation where we are going to have to comply with the ADA and become handicap accessible in a few areas due to some new regulations.

Commissioner Caster asked Mary Green what is the need for the van.

Mary Green commented that this is the third year in a row that she has asked for additional transportation. We have more children and more seniors that we need to transport from point a to point b.

Commissioner Forte asked if the floor could be put off for another year to purchase the van. Mary commented that she will say yes, but Ernie Siriani will say no. Unfortunately when the floor was put in the quality of tile was poor.

Mayor White asked Chief Ballree to present his proposal to the Board. Chief Ballree reported that he proposes to make animal a full time position and to add the duties of the parks patrol during the summer. By doing this we could eliminate the parks patrol part time salary and reduce the regular part time police salaries and we would be able to give up 1 of the 2 new police vehicles proposed in the budget. This would reduce the police department budget by approximately by \$30,000.00; it would increase the animal control budget by approximately \$30,000. In the long run overall if you add the 2 budgets together it will save the City approximately \$7500.00 this budget year. That doesn't include revenue that was projected this year that we're not going to see of approximately \$4,000.00 because there wasn't adequate manpower to help generate the revenue. Mayor White asked Chief Ballree if he has taken into consideration that would actually be filling the police officer position that was proposed. In other words you have 2 positions that position would fill. We have 1 police officer position that we all agreed we would wait until July to fill, then this would be an additional full time position, but it would not be a police department position it would be an animal control position. Commissioner Carroll commented that this is based on the assumption that the 2 police vehicles proposed were going to be approved. I like the idea of combining the animal control and the parks patrol, but leaving them as a part time position. Commissioner Forte commented that he is all for cutting the budget as much as we can, but public safety is job #1. We are not broke, we're actually doing ok, but it seems to me like we're trying to run the city like a Mom and Pop store. We're arguing over \$5,000 or \$10,000 back and forth when the money is available. I would like to see this position filed. We can revisit it next year if it's not working out we can then eliminate the position and turn it over to the County. In the meantime we have nobody doing animal control. Commissioner Glidden commented that we can review this and have another budget meeting to discuss it further.

Commissioner Carroll commented that he has a proposal for a property rate tax cut, I mentioned at the last budget meeting that I would be bringing one before you. The current property tax rate is .17 cent per 100.00 the proposed tax rate would be .15 and ½ cent per 100.00. That would reduce our property tax revenue by \$67,250. How do we pay for that? I propose to pay for it with budget cuts and adjustments. We can cut 1 police car \$27,000.00, cut the used mini van \$12,000.00, cut Parks and Recreation senior assistance, I've got \$12487.00, but Mary green has made us aware that number is actually \$4000.00 because \$8000.00 is actually the other job this person does. I had proposed to give that \$8000.00 back to Mary Green toward the purchase of the mini van. The money needed to cover the tax cut now becomes \$16250.00. I had proposed to take that money out of the from the \$500,000.00 that came as a windfall from the water assessment excess. I was \$8000.00 off on my figures there but I have found that \$8000.00, which will put my figures right back where they were. The reason I have wanted to do this is because it gives our citizens some relief. We have given some of the citizens some relief in the water assessment refunds, but that only affected the ones with property that was assessed for the water. Last year we did a revenue neutral property tax increase, but that did in fact increase some citizen's taxes. I'd like to see every citizen out here get a little bit of a break. Would we be able to do this again, not sure? Will we have to come back and get it back next year, maybe? But, we have the avenue right and we've got the way to do this, and right now as hard as people are being hurt we can help them. I think the money in the pockets of our citizens is much stronger than over here in the bank. Ok, the \$8000.00 that I'm missing, 2 years in a row I've said that everybody in the City including the employees of the City have suffered, that they have gone without raises, they've gone without breaks from the City back to the citizens, and Council has remained

the exact same. This is kind of a surprise to Commissioners Forte and Glidden. We as council make \$8000.00 in a fiscal year, It's time that we bite the same bullet that we ask everyone of our employees to do, that we have asked all the citizens to do and man up and be just as giving of the wealth or un-wealth to ourselves. Twice I have brought it up and twice it was defeated and said it need to be brought up in a budget meeting, so I propose that the \$8000.00 come from our pay for the fiscal year and help us do this tax break, and tell these employees and the tax payers that we're not better than they are that we will take a hit also. Commissioner Glidden stated that she doesn't have a problem not accepting the pay. Jeff Repp commented that he will check with Elva Jess on this, but that is an individual decision as a council member you can choose to give your check back to the community you can do that, but as a group you can't mandate that you're going to do this. You can agree to give your money back, but we can not withhold the money from you. It's all set by the charter so you are going to get the money, what you do with it is up to you individually. You could make a charter change but it doesn't take affect until the next election. Commissioner Caster commented that it goes back to what we talked about before, you can't speak for the Board and ask them to give up their money, you can donate \$600.00 a month to the City if you want to, but you speak for Charlie and that's what you need to do. I call that showboating. You are trying to put the Board on the spot. If this was going to be brought up in this meeting then I should have had it a month ago. Commissioner Carroll commented that he didn't have it then, but even today's Pilot has it listed that I was going to talk about it. No disrespect to you or to you Mr. Mayor but (Commissioner Carroll commented that when you say that I'm showboating it is disrespectful) you're asking for a 1 and ½ cent tax cut and we have a .17 cent tax rate right now, and we're trying to find \$8000.00 to give to the police to give them the tools to do their job. We were talking about the mini van and it still isn't decided whether we are going to get a mini van. Everybody has been working on a .17 cent tax rate for this whole budget, and the budget is done and on the last day of budget meetings you are talking about a 1and ½ cent cut when we can't even find the money to do what we want to do now. Commissioner Forte commented that he has to agree with Commissioner Caster that this comes up after we have been through all budget talks. I don't even understand the point of trying to get a tax reduction. We are trying to get the money for the mini van and trying to get the money for Chief Ballree to have the ability to do animal control and at the 11th hour you hit us with this. I knew nothing of this, I would liked to have been privy to this a day or two ago so I could have studied it and gone through it. I don't see the logic in doing a tax reduction, we're ok, why would we put ourselves behind the 8 ball. We have a budget that is based on .17 cent and we just have to try to fine tune a thing or two, and now to come in and say let's take away almost \$70,000.00 it's like going back to square 1. Commissioner Carroll commented that there is a proposal for a tax cut and a method to pay for it and there's 5 of us that will either say yes or no. Tax rates are looked at by every municipality every year. Commissioner Glidden commented that she thinks this is something that since we've all just been handed and that we meet again and discuss it further.

Adjourn-

A motion was made by Commissioner Caster and seconded by Commissioner Carroll to reconvene May 29, 2012 at 12:00.

Vote 5-0

Susan Hartman City Clerk

Richard White, Mayor