

CAROLINA BEACH

Town Council Budget Workshop

Tuesday, May 3, 2022 - 9:00 AM

Council Chambers, 1121 N. Lake Park Boulevard, Carolina Beach, NC



MINUTES

CALL TO ORDER

Mayor Barbee called the meeting to order at 9:00 AM.

PRESENT

Mayor Lynn Barbee

Mayor Pro Tem Jay Healy

Council Member Joe Benson

Council Member Mike Hoffer

Council Member Deb LeCompte

ALSO PRESENT

Town Manager Bruce Oakley

Town Clerk Kim Ward

BUDGET DISCUSSION

1. Fire Department Budget Presentation and Discussion

Fire Chief Alan Griffin presented the proposed Fire Department and Ocean Rescue 2022/2023 budgets.

Fire

	FY 20/21	FY 21/22	FY 22/23	Change
Personnel & Benefits	\$1,246,148	\$1,336,714	\$1,707,543	+\$370,829
Maintenance & Operations	\$181,092	\$316,550	\$296,700	-\$19,850
Capital Outlay	\$3,556	\$33,000	\$76,000	+\$43,000
Total Budget	\$1,430,807	\$1,686,264	\$2,080,243	+\$393,979

Highlights/Cost

- Additional three shift personnel, volunteer incentives, and cost of living adjustment (COLA): \$370,829
- Decrease in communications budget: \$19,850
- Self-contained breathing apparatus (SCBA) upgrade and new apparatus equipment: \$43,000

Personnel Need

Call volume steadily increasing

- 1995: 76 calls
- 2005: 515 calls

- 2015: 619 calls
- 2021: 1,029 calls (135 overlapping calls)
- 2022: 20 calls ahead of 2021 (14 overlapping calls)

Proposing going to five personnel

- Engine three personnel
- Ladder truck with two personnel

Future needs

- Engine three personnel
- Ladder truck with three personnel

Mayor Barbee asked Chief Griffin to explain the types of calls the Fire Department services. Chief Griffin said there is a running joke that if 911 can't determine which agency to assign a call to, it goes to the Fire Department. He said in addition to fires and fire alarms, the Fire Department responds to car wrecks, some medical emergencies, water rescues, and hazardous material situations. Chief Griffin said some of his staff recently helped someone load a pet into a vehicle for a trip to the vet.

Chief Griffin said having additional personnel would be important for the Town's Insurance Services Office (ISO) rating. He said the Town is currently a Class 2, which is considered a great achievement for a municipality of this size, so ensuring an optimal level of staff would help solidify this rating and therefore save taxpayers money through better insurance rates.

Council Member LeCompte asked how many volunteers the Fire Department has. Chief Griffin said there are about 15, but many of them have full-time jobs and are limited on the times they are available to respond to calls.

Council Member Hoffer asked where vehicles are in the budget if not in Capital Outlay. Chief Griffin said Finance Director Debbie Hall included these types of items in her previous budget presentation. He said this includes debt service for the building, engines, and boats.

Council Member Hoffer asked for more information about the ISO rating. Chief Griffin said this number can range from Class 1 to Class 10, with Class 1 being the highest rating possible. He said only a small percentage of departments in the state and even the nation achieve a Class 2 or better. Chief Griffin said the Town was previously a Class 5, then a 3, and now a 2, so the rating has continually improved since the mid-2000s. Mayor Pro Tem Healy asked if the Town could ever be a Class 1. Chief Griffin said he would hate to commit to that because it could be hard to maintain, but it's possible. He said the Town is now a strong Class 2.

Ocean Rescue

	FY 20/21	FY 21/22	FY 22/23	Change
Personnel & Benefits	\$413,832	\$439,129	\$539,145	+\$100,016
Maintenance & Operations	\$31,674	\$63,100	\$62,100	-\$1,000
Capital Outlay	\$11,727	\$27,500	\$32,500	+\$5,000
Total Budget	\$457,232	\$529,729	\$633,745	+\$104,016

Highlights/Cost

Payroll increase: \$100,216

Maintain current: \$1,000

Additional radios: \$5,000

Mayor Barbee asked how lifeguard recruiting is going. Chief Griffin said there are now about 40 to 42 lifeguards, which is the bare minimum. He said he is seeing more lifeguards seeking part-time hours than in past, so there will have to be a core group that wants to work a lot or the Town will need to run more trials. Chief Griffin said the Town has struggled with lifeguard recruitment in the past couple of years due to competition from other job opportunities.

Council Member Hoffer asked what the optimal number of lifeguards is. Griffin said the minimum is 40, but if a lot of those are part-time then the number would need to be more like 45.

Council Member Benson asked about flying a drone to look for rip currents. Chief Griffin said this has been done in the past and they are revisiting the program. He said there is still a drone available for use, but this requires a lot more training than in the past so they are working to get some staff back up to speed on that.

2. Budget Discussion

Town Manager Bruce Oakley reviewed the overall initial 2022/2023 budget proposal. He went over upcoming key milestones, including an open house, public hearing, and budget message. Budget adoption is scheduled for June 14.

Council Goals

Infrastructure

- Water engineering report/permitting: \$250,000
- Lake Park retention and stabilization (already funded via grants, with more details coming on at the next Council meeting)
- Wastewater treatment plant (WWTP) headworks (seeking grant from N.C. Division of Water Infrastructure)

Communication

- Now seeking a Communications Coordinator position rather than Public Information Officer (Mr. Oakley said staff has reviewed roles across the state and thinks this title more accurately reflects the overall need the Town has for someone to manage all communications, including social media, press, coordinating with Council and staff, and helping with audio/video needs.)
- Community room enhancements
 - Audio/video upgrades
 - Remodel of Town Hall lobby

Quality of life

- Pedestrian plan

- Focus on family beach
 - Brandy Myers playground and Lake Park improvements (State budget funding)
- Parks and Recreation master plan: \$25,000

Fiscal responsibility

- Fund balance: \$150,000 for contingency fund
- Grants
- Taxes (no increase currently proposed)

Mr. Oakley said the current draft of the budget reflects a shortage of \$105,808 in the General Fund, so staff will need to do further review of expenses. He said a balanced budget is attainable.

Mr. Oakley said the biggest issue is the Utilities Fund, which is short \$918,435 in the current draft of the budget, which includes a 2% rate increase. He said most of this is inflationary, and rates can't keep up. Mr. Oakley said he is looking at various options to help soften that and limit what will need to be transferred from the Utilities Reserve Fund.

Mayor Barbee asked Mr. Oakley to do whatever is possible to minimize the utilities rate increase. He said a 10% increase, which is more like what it would take to balance the Utilities Fund budget without any other options, would be tough for some residents.

Council Member LeCompte said a 10 percent utilities rate increase would be tough for all residents.

Mr. Oakley said if money must be transferred from reserves, the intent would be for this to be a one-time measure that would no longer be necessary when inflation goes back down. He said the Utilities Fund is supposed to operate like a business and fund itself.

Mayor Barbee pointed out that no property tax increase is being proposed. He said this didn't happen by accident and is a result of funding sources such as the parking program. He gave praise to Mr. Oakley, other staff members, and past Council Members, including Steve Shuttleworth, for executing a plan to hold the line on property taxes.

Mayor Barbee said he's not sure what the best route is for the Utilities Fund shortage. He said any increase, especially a double-digit increase, would be bad. Mayor Barbee asked Mr. Oakley to look at all possible sources.

Council Member LeCompte said when department heads have made budget presentations, some of them are showing the difference between the current fiscal year and the proposed next fiscal year as a percentage while others are showing the dollar amount. She said she would like to see both. Council Member LeCompte also said she wants benefits and payroll for proposed new positions broken out as two separate line items.

Council Member Benson asked where the Town is with the U.S. Army Corps of Engineers on resubmitting for the permit to dredge. Mr. Oakley said he should be getting an update this week and will present details at the next Council meeting.

Mayor Pro Tem Healy asked if there will be portable restrooms at Mike Chappell Park during the time between the demolition of the current restroom facility in early June and the completion of the new facility in July. Mr. Oakley said he will get with the Parks and Recreation Department to work out a plan.

COUNCIL COMMENTS

Council Member LeCompte presented the official logo for the Town's centennial celebration.

Council Member Hoffer said due to inflation, the Town should look at making purchases and doing some projects, such as the Ocean Boulevard sidewalk, sooner rather than later. He said money for these items is not going to be worth as much next year.

Mayor Barbee said this logic applies to most of the Town's projects. He said there should be a sense of urgency, and Council and staff should be constantly pushing these endeavors.

Council Member Benson asked about additional parking spaces. He said Pivot Parking had identified 73 additional spots, but he thought that number was going to be 105. Mr. Oakley said some changes were necessary.

Council Member LeCompte asked for clarification about how Pivot Parking arrived at the figure of \$218.63 for the March average revenue per parking space.

Mayor Pro Tem Healy asked about scheduling meeting with the new colonel from Military Ocean Terminal Sunny Point (MOTSU) to begin creating a relationship. He said he is eager to do this soon.

Mayor Pro Tem Healy asked if there is a program for volunteer parking passes. Mr. Oakley said he has been granting these for non-profit organizations via case-by-case request. He said staff is working on a way to handle volunteer passes for fireworks and other activities. Mr. Oakley said the Town has most recently been using a laminated placard that sits on a vehicle's dashboard.

Council Member Hoffer asked what other municipalities the staff uses for comparisons with the Town. Mr. Oakley said while the Town is unique, staff often looks to Oak Island, Emerald Isle, Atlantic Beach, and towns in the Outer Banks. Council Member Hoffer asked if Leland is comparable. Mr. Oakley said there are some key differences, but the Town does look to Leland for ideas. He said the main difference is that Leland has a static population, while the Town's fluctuates widely.

Mayor Barbee said it was difficult to determine a population figure to use for the Town at any given time.

Mayor Barbee said he wanted to apologize to Council Member Benson for being too aggressive during the discussion about portable restrooms at the last workshop.

Council Member LeCompte said she has some interesting research on comparisons with other beach towns that she will share in the future.

Council Member LeCompte asked for an update about the Freeman Park grant. Mr. Oakley said staff met with a representative from the grant organization and gave him a tour of Freeman Park. He said the representative gave feedback and shared that he was optimistic about the Town's chances for some funding.

Council Member LeCompte said she hopes everyone will come to the budget open house later today.

ADJOURNMENT

Mayor Barbee adjourned the meeting at 10:07 AM.