



Town of Southern Shores

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Town of Southern Shores

Budget Workshop

June 1, 2006

1:00 p.m.-Pitts Center

MINUTES

The Southern Shores Town Council met on June 1, 2006, at the Pitts Center.

The following Council Members were present: Mayor Don Smith, Dan Shields, Jodi Hess, David Sanders, and Brian McDonald.

Also present were: Webb Fuller, Interim Town Manager; Carrie Gordin, Town clerk; and Bonnie Swain, Finance Technician.

Mayor Smith called the recessed FY2006-07 Budget workshop to order at 1:00 p.m.

The town manager stated that he would implement a procedure to submit budget amendments monthly or as needed.

Mayor Smith stated that he is very concerned with the 15% increase in the ocean rescue service contract as well as the cost of \$140,000 for four months. He suggested having a life guard station posted at Hillcrest and Chicahawk (beach accesses) signs posted "swim at your own risk" along the rest of the oceanfront. He stated that he would not support a budget that continues to increase the tax rate and spending.

Council Member Hess stated that there are times when life guards are so busy and to have only one who would watch everyone if he was rescuing someone. The cost of this service will increase as the need increases.

Mayor pro tem Shields stated that the town is under contract at this time and any changes that are to be made should be addressed at the next contract renewal and next year's budget.

Mayor Smith presented several ways that if applied, would reduce the budget. He began by eliminating two positions (police dept. administration and fire inspector) at a cost of \$66,000, cut police department ammunition cost \$9,000 to \$6,000, eliminate the purchase of two police vehicles (\$70,000), reducing the SSVFD budget by \$50,000, reducing the chipping service to twice a year or quarterly instead of year round, not approving the additional roving patrol for the life guard service (\$11,000), and not allowing police cars to be driven home by the officers.

Mayor pro tem Shields stated it is not the town's place to tell the SSVFD how to run their business. Council approves their budget and they spend it the best way for them.

Fire Chief Harvey explained that the fire department did not receive \$50,000 in last year's budget, that is why it is in this year's budget. He stated that the fire department budget was submitted to Council in November.

Mayor Smith stated that he could approve a 3% budget increase but not a 20% increase as reflected. He stated that the fire department does a great job but that the numbers are high and he is questioning them.

Mayor pro tem Shields stated that Southern Shores is the only town to provide chipping and he supports the program as is. He stated discussion can be held on reducing the service to quarterly for the next year. He stated that a one cent tax rate equals \$167,000.

The town manager asked that Council review their expectations of staff and the level of service expected. Do we need more staff? Are we expected to immediately react to citizen's request? He stated that several staff members are affected just by one person walking into town hall. He stated that duties in departments need to be evaluated.

Council directed the town manager to research the time needed on fire inspections and could the inspections be done by Mike Hejduk (commercial) and David Cowan (residential).

Mayor Smith stated that he supports the Red Bay road improvements. Since it was recently learned that it is not a private street, it should be addressed as an emergency and funds should not be used from the general fund. He stated that he does not support using the fund balance to balance the budget.

Council Member McDonald stated that he would not support the budget if no money is placed in the Capital Improvement Plan (CIP).

Cheryl Byrd, Dare County Commissioner, advised Council not to reduce taxes this year and then come back the next year and need to raise taxes. She stated setting up a CIP over a 5-10 year period provides the guidelines for future budgets. She stated that establishing a CIP that includes the maintenance of roads, construction of multi-use paths, dredging, and other projects that support the quality of life expected by the citizens are to be considered.

The town manager reviewed the process for approving the budget. He stated that a public hearing would be held on June 6 and following that hearing Council could adopt the budget but the budget needs to be adopted by June 30. He stated that additional budget workshops could be held if needed.

Mayor pro tem Shields and Council Member Hess supports the town manager accessing what impact there might be of eliminating positions and come up with a recommendation.

Council Member McDonald asked if we reduce the budget by \$100,000, what do we want to do with the money lower the taxes or put it in the CIP.

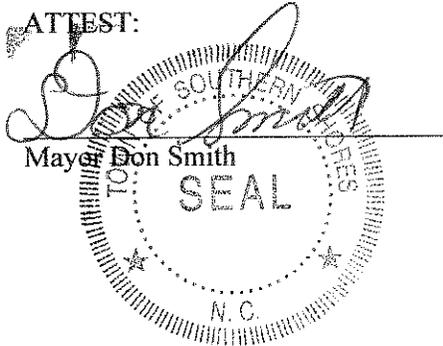
Mayor pro tem Shields, Council Member Hess and Sanders support the tax rate remaining at 8.5 cents and if anything is able to be saved put it in the CIP.

Council Member Sanders stated that he wants the current quality of life to be maintained. He doesn't feel there has been adequate time to study the impact of the proposed cuts (eliminating positions, changing chipping program, and police vehicle use and shift changes) to make a good decision.

The town manager stated that he could present a proposed budget with an 8 cent tax rate but there would be no CIP funding.

Mayor pro tem Shields moved to recess the workshop to June 13, 2006 at 1:00 p.m. in the Pitts Center. Council Member Hess seconded. The motion passed with Mayor Smith and Council Members Shields, Hess, Sanders, and McDonald voting aye; no Council Member voting no; and no Council Member absent or not voting.

ATTEST:



Mayor Don Smith

Respectfully submitted:


Carrie Gordin, Town Clerk