



Town of Southern Shores

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Town of Southern Shores

Budget Workshop

June 13, 2006

1:00 p.m.-Pitts Center

MINUTES

The Southern Shores Town Council met on June 13, 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.

Mayor Smith opened the floor to public comment.

Randall Wrenn, 133 S. Dogwood Trail, stated that he supports public safety and he does not support curtailing the fire department, or police department budgets, or decreasing the life guard service. He would support raising his taxes rather than to deny the requests proposed.

Carol Cowell, 134 Beech Tree Trail, stated that she presented two prior emails to council regarding the budget. She stated that she supports the police and fire chief and all the town staff and they should not be threatened or put in jeopardy. She would like the community to be maintained and the service delivery improved and does not want to see it dissembled for cost saving when the town already has the lowest tax rate. She stated that the people are the most valuable asset, staff and volunteers. She asked council to leave the 8.5 cent tax rate as is.

Ed Cowell, 134 Beech Tree Trail, stated that the public safety issue is very important, EMT service, fire department, and police department. He has had to use the EMT service on several occasions and he is glad they are there. He requested council maintain these services not to reduce them.

Ted Green, 171 Dogwood Trail, stated that Council Member Sanders asked "what do the people want?". He said they want council to live within the budget and reduce the taxes. The majority of the voters voted for the mayor and his platform was to live within the budget and reduce the taxes.

There were no other public comments made.

Council Member McDonald stated that the 23% increase in the FY2006-7 budget mainly is due to the canal dredging project with an \$800,000 grant and \$200,000 from the town. He would like to see the tax rate reduced. He suggested taking \$50,000 from the \$200,000 and adding it to the CIP. The town has not secured dredging spoil sites so it is unknown when the canal dredging will start.

The town manager stated that the State legislators would be approving the grant soon but all the requests the town has made for spoil sites have fallen through or been turned down. He stated the Chicahauk site is the best site but no agreement has been made.

Council Member Sanders stated that council have discussed all the issues over and over, we need to move ahead, make a motion, have discussion and vote up or down but approve a budget.

The town manager stated that once council has approved a budget they can look at all the programs and over the next 6-9 months present ways to cut next year's budget.

Council Member Sanders moved to accept a budget with 8.475 cents tax rate. No second was submitted.

Council Member McDonald stated that most businesses finance large purchases and he asked if the air compressor for the fire department could be purchased by a lease instead of cash.

Fire Chief Harvey stated that the estimated compressor cost is \$35,000 and there are purchase alternatives but the equipment is needed and he doesn't see how their budget can be reduced.

Council Member Hess stated that upon listening to the citizens she feels they want to keep the tax rate at 8.5 cents. She moved to accept Budget Ordinance 2006-06-02 with a tax rate of 8.5 cents. Mayor pro tem Shields seconded.

Council Member Sanders stated that he doesn't want to hear anymore discussion on public safety. He stated the police department cuts have been made, the fire department and life guard service have submitted their budgets. Council needs to address ways to reduce the budget for next year but not harm services and the quality of life the citizens expect. He thanked all of the citizens who presented their comments to him.

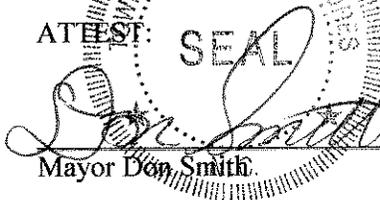
Council Member Hess stated if taxes are cut now taxes would need to be raised later. Mayor Smith stated that he has listened to everyone and the original proposed budget tax rate was 8 cents with no canal dredging project. He stated that he is dealing with the principle of the thing and over the prior two year period with a tax increase of 25% is unacceptable. He stated that when he was elected the majority of the voters wanted the tax rate to be reduced. He stated starting July 1 he wants council to take a stand and assess the town's operations and be financially sound.

Mayor pro tem Shields called to question the motion to accept Budget Ordinance 2006-06-02 as presented. The motion passed with Council Members Shields, Hess, and Sanders voting aye; Mayor Smith and Council Member McDonald voting no; and no Council Member absent or not voting.

[Clerk's Note: A copy of Ordinance 2006-06-02-Adopting a Budget and Tax Rate for FY 2006-2007 is attached hereto as Exhibit A and made part of these minutes].

Hearing no further business Mayor pro tem Shields moved to adjourn at 1:55 p.m. 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:

A circular seal with the text "TOWN OF SOUTHERN SHORES" around the perimeter. In the center, the word "SEAL" is written in a stylized font. Below the seal, the signature of Mayor Don Smith is written in cursive, followed by a horizontal line and the printed name "Mayor Don Smith".

Respectfully submitted:

A handwritten signature in cursive that reads "Carrie Gordin". Below the signature is a horizontal line, followed by the printed name "Carrie Gordin, Town Clerk".

**An Ordinance of the
Southern Shores Town Council
Adopting a Budget and Tax Rate for FY 2006-2007**

Be It Ordained by the Town Council of the Town of Southern Shores, North Carolina that the following be the budget for FY 2006-2007:

SECTION I, GENERAL FUND

A. Appropriations: The following amounts are appropriated for the operation of the Town government and its activities for the fiscal year beginning July 1, 2006 and ending June 30, 2007:

Administration Department	\$ 682,976	
Code Enforcement & Inspections Department	\$ 362,300	
Fire Department	\$ 286,771	
Ocean Rescue Department	\$ 139,000	
Police Department	\$ 828,650	
Public Works Department	\$1,546,200	
Sanitation Department	\$ <u>473,500</u>	
Total General Fund Appropriations		\$4,319,397

B. Estimated Revenues: It is estimated that the following revenues will be available during the fiscal year beginning July 1, 2006 and ending June 30, 2007 to meet the foregoing appropriations:

Property Taxes – Current Year	\$1,416,576	
Vehicle Taxes – Current Year	\$ 30,000	
Property & Vehicle Taxes – Prior Years, Penalties and Interest	\$ <u>10,500</u>	
Subtotal: Property and Vehicle Taxes	\$1,457,076	
Land Transfer Tax	\$ 278,000	
Local Option Sales Tax	\$ 540,000	
Occupancy Tax	\$ 520,000	
Other Intergovernmental Revenues	\$1,144,600	
Building Permits	\$ 145,000	
Other Land Use Fees	\$ 25,000	
Other Revenues	\$ 149,155	
Contributions from Capital Reserve Fund	\$ <u>60,566</u>	
Subtotal: Other Revenues	2,862,321	
Total General Fund Revenues		\$4,319,397

SECTION II, CEMETERY FUND

There is hereby created and the following amounts are appropriated within the Town of Southern Shores Cemetery Fund for its activities for the fiscal year beginning July 1, 2006 and ending June 30, 2007. It is estimated that the following revenues will be available during the fiscal year beginning July 1, 2006 and ending June 30, 2007 to meet the appropriations described:

Appropriations:	
Maintenance	\$ 1,080
Perpetual Trust	<u>5,000</u>
TOTAL	\$ 6,080
Revenues	
Cemetery Lot Fees	\$ 5,000
Appropriate Undesignated Reserve	<u>\$ 1,080</u>
TOTAL	\$ 6,080

SECTION III, TAX RATE ESTABLISHED

There is hereby levied a property tax of eight and one half cents (\$0.085) on each one hundred dollars (\$100) valuation of taxable property in the Town of Southern Shores, as listed for taxes for the current tax year by the Dare County Tax Department.

SECTION IV, SPECIAL AUTHORIZATION- TOWN MANAGER

The Town Manager shall be authorized to reallocate departmental appropriations among the various objects of expenditures as (s) he believes necessary. Changes shall be reported to the Finance Officer immediately, and to the Council at the next regular meeting.

The Town Manager shall be authorized to make interdepartmental transfers, within the same fund, not to exceed 10% of the appropriated monies for the department whose allocation is reduced. All such transfers shall be reported to the Council at the next regular meeting.

SECTION V, RESTRICTION- TOWN MANAGER

Council must prior authorize the use of any contingency appropriations.

Other than salary increases in the budget document, no salary increases may be made without the Council's approval.

Interfund transfers that are not established in the budget document may be accomplished only with the prior authorization of the Council.

SECTION VI, UTILIZATION OF BUDGET AND BUDGET ORDINANCE

This Ordinance and the Budget Document shall be the basis of the financial plan for the Town of Southern Shores, North Carolina Municipal Government during the fiscal year 2006-2007.

ADOPTED this 13th day of June, 2006.

Mayor Don Smith

ATTEST:

Carrie Gordin, Town Clerk

S E A L