



# Town of Southern Shores

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Town of Southern Shores  
FY 2007-08 Budget Workshop  
April 3, 2007  
8:00 a.m.-Pitts Center

## Minutes

The Southern Shores Town Council met on April 3, 2007 at the Pitts Center to discuss the FY2007-08 budget.

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

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

Mayor Smith called the meeting to order at 8:00 a.m.

The town manager began by asking council for guidance during the budget process. He asked that council discuss what level of service they would like to maintain.

He stated that revenues (land transfer taxes) are down by \$275,000 and it looks bleak. He stated that if the tax rate stays the same then there will be less shared revenues. He explained the levy rate and stated that the other towns levy is high because of growth in their commercial district.

Discussion was held regarding the other towns raising their tax rate as well as Dare County and how that impacts the shared revenues.

The town manager stated that in lowering the tax rate by ½ cent the town could lose up to a \$150,000 in expected shared revenues.

The town manager stated that with no change in services the town is over ten cent on the tax rate. He stated the tipping fee for solid waste is increasing 2.4% and additional increase in the hourly rate for solid waste collection and has increased 13% over the last two years. He stated the town has no control over these increases. He stated that the service from the county is not the issue but the cost is. He will investigate if the town were to pickup garbage does it need to be taken to Bertie County.

He stated there will be a notable increase in personal property and liability insurance.

Mayor Smith stated that the bad financial outlook did not happen overnight that is what he has been saying. He stated that raising the taxes when revenues are falling off is not the answer.

Mayor Smith stated that he will not support a budget that increases the tax rate. He stated that he provided the town manager a long list of ways to cut the budget.

Council Member McDonald stated that all the towns have depended on the revenue sharing. He stated that the town can't afford to lose \$150,000 in revenues with all the other increases and not raise taxes. He stated by his calculations cutting services and dropping the tax rate or keeping it the same the town loses.

Council Member Sanders stated that being frugal may not always be the right thing. He stated that projects should be addressed with a plan. He suggested a cafeteria budget may be something council should review.

The town manager stated that in the proposal presented it requires a little less than a four cents tax increase. He stated that he can develop various budgets for council consideration.

Mayor pro tem Shields stated that the storm water report will be given to council soon and it will tell what the town needs to do to address storm water issues. He stated that the roads are going to deteriorate and need repaired and the citizens like the chipping program. He stated that taxes need to be raised.

Council Member Hess stated that the citizen comments made at the recent Land Use Plan meeting didn't have anything to do with cutting taxes. She stated that to not do anything from the storm water report would be a waste of money that was spent on the study.

Mayor Smith asked the council to tell him what they would cut from the budget. He asked what percentage of a person's income should the government take.

Council Member McDonald stated that in cutting out the chipping program the town still needs to have the tree canopy and the rights-of-way trimmed so how much can be saved, possibly \$70,000. He stated that to remove a roving life guard the contract is reduced by \$11,000. He stated that it has already been established that the town is losing \$150,000 off the top. He stated that no one has come to him and asked him to lower taxes.

The town manager stated there will be an increase in the cost for recycling.

Mayor Smith stated that he would like to see what the cost would be for a manned recycle center.

Chief Kole stated that he is looking into putting his vehicles on a one-year replacement schedule and to recycle all the vehicle equipment as applicable. He stated that it would take two to three years to get the schedule to work.

The town manager stated that he is working on replacement schedules in all areas i.e. vehicles, computers.

He asked council where they see public works in the future. He asked do we see more contract work being done.

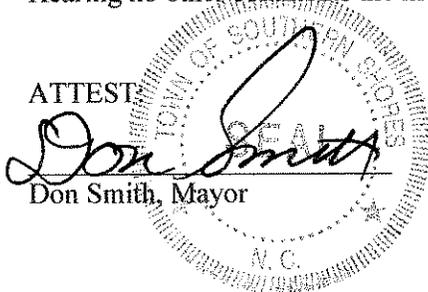
Council Member McDonald stated that contracting some work out gives public works more time to do other things.

The town manager stated that hearing no consensus from council he will submit a budget with some council values, he will try to keep the tax rate down, reduce where he can and provide a cafeteria style draft budget.

The finance officer provided council with budget sheets for their review.

Hearing no other comments the meeting adjourned at 9:45 a.m.

ATTEST



Don Smith, Mayor

Respectfully submitted:

  
Carrie Gordin, Town Clerk