



Town of Southern Shores

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Council Meeting

May 18, 2010

8:00 a.m.-Pitts Center

The Southern Shores Town Council met on May 18, 2010 at the Pitts Center.

The following Council Members were present: Mayor Hal Denny, Mayor pro tem Jodi Hess, Council Members Kevin Stroud, Jim Pfizenmayer and George Kowalski.

Also present were: Interim Town Manager Chief David Kole, Town Attorney Ben Gallop and Town Clerk Carrie Gordin.

Mayor Denny called the meeting to order at 8:00 a.m. and led the Pledge of Allegiance. He held a moment of silence.

APPROVAL OF AGENDA

Mayor Denny moved to amend the agenda to include under New Business, Item B. Webb Fuller, Consultant, contract extension. Council Member Hess seconded. The motion passed with Mayor Denny, Hess, Stroud, Pfizenmayer and Kowalski voting aye.

GENERAL PUBLIC COMMENT-None

Approval of Minutes-April 6, 2010

Council Member Hess moved to approve as presented. Council Member Stroud seconded. The motion passed with Mayor Denny, Hess, Stroud, Pfizenmayer and Kowalski voting aye.

CONSENT AGENDA-None

REPORTS

Planning Board

Nancy Wendt, Planning Board Chair stated the Planning Board usually reports once a month at the night meeting. She has nothing to report at this time except that Council will be discussing the Land use Plan at this meeting.

PROPOSED FY 2010-2011 BUDGET

Interim Town Manager Kole presented the FY 2010-2011 Budget Message and proposed FY 2010-2011 Budget with a Power Point presentation. In the proposed budget is a tax increase in the amount of eleven cents from the current nine and three-quarter cents in the General Fund with the recommended operating revenues of \$3,704,400 for FY 2010-2011. The additional revenue per one cent of Ad Valorem tax is \$172,000. Also the Town Manager is recommending a three cent Ad Valorem tax rate to create Capital

Improvement Plan (CIP) funding as a recurring dedicated stream of revenue for Capital Improvement Projects beyond FY2010-2011.

[Clerk's Note: A copy of the Budget Message is hereby attached as Exhibit A. A copy of the Budget Message and the Power Point Presentation can be found on the Town's website].

The Town Manager requested Council set the FY 2010-2011 Budget public hearing for June 1, 2010. Mayor Denny so ordered the budget hearing be held at the regular Council meeting June 1 at 7:00 p.m.

Mayor Denny stated the proposed budget will be made available to the public.

Council agreed to hold a budget workshop on June 7 at 7:00 p.m. in the Pitts Center to further discuss the budget before approval on June 30.

OLD BUSINESS

Revised Land Use Plan (LUP)

Sam Williams, LUP Committee Chairman provided a Power Point presentation. He provided history on the preparation of the LUP and stated this is an on-going project since 2006. If the Town doesn't have an approved LUP then the Town falls under the county's LUP, which he doesn't recommend. The plan was submitted to the State for review (2008) and was returned to the Town requesting corrections and additional information. Required maps are needed to be updated and fortunately for the Town, staff was able to do this.

Council Member Kowalski stated he has some questions and would like to meet with Sam.

Mayor Denny stated he admires the amount of work put into the plan and he would like to meet with the team to discuss individual issues before the plan is presented to Council for approval.

NEW BUSINESS

Planning Board Member Reappointments- Nancy Wendt and Bob Palombo

Mayor Denny stated he asked the Town Clerk if there were any applications on file for boards and he was told there were none. The current terms of these members expire on June 30. He feels in fairness to the citizenry he would like to advertise to see if anyone is interested in being on the Planning Board before any action is taken. Hearing no objections from Council he requested the Town Clerk advertise accordingly.

Consultant Contract Extension-Webb Fuller

Mayor Denny stated Webb has done yeoman service for the Town in the selection process for the Town Manager position and he thanked him. He stated his current contract expires May 19 but Council desires him to stay on during the transition period of the new Town Manager coming in. He moved that the consultant contract with Webb Fuller be extended for thirty (30) days to June 19 at the current rate not to exceed three days a week. Council Member Hess seconded. The motion passed with Mayor Denny, Hess, Stroud, Pfizenmayer and Kowalski voting aye.

OTHER ITEMS

Town Manager -None

Town Attorney -None

Mayor

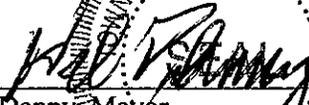
Mayor Denny reminded everyone there would be a NC Turnpike Authority meeting with elected officials today at 1:00 p. m. in the Pitts Center to discuss the Mid-Currituck Bridge Environmental Impact Study. He stated there will also be a meeting at the Ramada Inn in Kill Devil Hills from 3 p.m. to 6 p.m. with a public hearing to follow at 7 p.m. on the same subject. He encouraged everyone to attend and to support the bridge construction.

Council -None

GENERAL PUBLIC COMMENT -None

Hearing no other comments Mayor Denny move to adjourn the meeting at 9:05 a.m. Council Member Hess seconded. The motion passed with Mayor Denny, Hess, Stroud, Pfizenmayer and Kowalski voting aye.

ATTEST:



Hal Denny, Mayor



Respectfully submitted:



Carrie Gordin, Town Clerk

Exhibit A

To: Town Council
From: David M. Kole Interim Town Manager
Date: May 18, 2010
Re: FY 2010-11 Budget Message

The Town Manager's recommended budget for the fiscal year beginning July 1, 2010 and ending June 30, 2011 is hereby submitted for the Town of Southern Shores. This budget has been prepared in accordance with the Local Government Budget and Fiscal Control Act. The 2010-11 recommended budget not only allows for the ongoing operations to continue but also addresses some of the Town's infrastructure which includes Capital Improvement Projects and funding for the same.

General Fund

REVENUES

The General Fund is balanced with a property tax rate of \$0.11 per \$100.00 of valuation, which is an increase from \$0.0975 in FY 2009-10. This assumes \$172,000 in additional revenue per 1 cent of Ad Valorem tax. A \$0.11 cent tax rate will generate \$1,929,800 in Ad Valorem tax revenue in FY 2010-11.

All other FY 2010-11 operating revenues are recommended at \$1,724,600. This represents an increase of \$5,150 or 0.3% over Projected FY 2009-10.

Recommended total FY 2010-11 operating revenues of \$3,704,400.

EXPENDITURES

I recommend operating expenditures of \$3,704,400 in FY 2010-11, an overall increase of \$377,421 or 10% over Projected FY 2009-10 expenditures.

Salaries and fringe benefits are recommended to increase \$223,080 or 14% over Projected FY 2009-10 expenditures.

Public Safety – Police Department represents one additional Police Officer position to fill a vacancy that occurred in 2005-2006. Fire Department an increase for \$0.02 to \$0.0275.

A cost of living (COLA) adjustment of 2.5% for each employee has been included in each department in General Fund totaling \$23,282.00. There is also \$15,000 in funding for a Merit Plan which will be allocated to recipient departments as appropriate when merit raises are given in January 2011.

There are several expenditures that have increased that staff has limited or no control over. One example is health insurance for the employees which is projected to increase by 18% (\$26,000), another is a 13% increase in FICA, and \$27,000 in unemployment compensation, and \$21,000 increase in State Retirement system.

All Contracted Services are recommended to increase 25% (\$233,000). Another expense that staff has little control over is sanitation cost. The rate for trash has continued to increase each year and this year

reflects an 8.8% (\$43,000) increase over FY 2009-10. There is also an increase of \$27,000 in the recycling program to expand weekly service all year long and another \$6,000 increase in commercial and residential collection fees.

Ocean Rescue services recommended increase of \$17,000 or 13% which extends the towns coverage for the "shoulder season" spring and fall.

Fire Department contract recommended increase is \$173,000.

All other operating expenditures are recommended to increase by \$104,341 or 6%.

CAPITAL IMPROVEMENT FUND

I RECOMMEND A THREE CENT (\$0.03) Ad Valorem tax rate increase to create a Capital Improvement Fund. This will generate \$516,000 in FY 2010-11. If continued, \$0.03 will create a recurring dedicated stream of revenue for Capital Improvement Project beyond FY 2010-11.

I recommend \$2,192,250 in capital improvement projects which include canal dredging phase I, police vehicles replacement and 800mz radios, Poteskeet Trail/Loop, Gray Squirrel Lane, Old Passage Road projects that include full depth rebuild.

I recommend \$50,000 "Special Appropriation" for the Fire Department to acquire 800mz radios over a five (5) year period.

SUMMARY

This recommended budget was carefully prepared; it was based upon the needs of the town; with special concern to an acceptable level of service by our public safety people. This recommended budget also addresses our towns' infrastructure and the need for funding Capital Improvement projects.

I would like to thank the council for allowing me to participate in the budget process. I would also like to thank all the staff and department heads that assisted in the process. I'm pleased to present this budget to the Mayor and Council in an attempt to better serve the citizens and visitors of Southern Shores.

David M. Kole