



Town of Southern Shores
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Corrected

Budget Workshop
June 9, 2010
7:00 p.m. - Pitts Center

The Southern Shores Town Council met on June 9, 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: Peter Rascoe, Town Manager, Chief David Kole and Carrie Gordin, Town Clerk.

Mayor Denny called the meeting to order at 7:00 p.m. led the Pledge of Allegiance and held a moment of silence. The purpose of the meeting is to discuss the proposed FY2010-2011 budget.

Mayor Denny stated as the first order of business the Town Clerk will swear in Peter Rascoe as the new Town Manager.

Mr. Rascoe stated he is looking forward to working with everyone.

Mayor Denny asked Bonnie Swain, Finance Officer, to present changes to the proposed budget.

- Administration: Council compensation in the amount of \$18,600 was re-instated from the original Town Manager's proposed budget
- Police Dept. Original holiday/overtime reduced from \$40,000 to \$32,000
- \$177,000 for 800 MHz radios for Police Dept increase from \$125,000
- Fire Dept. original \$50,000 for the 800 MHz radios moved from operating budget to capital improvement budget

Council Member Hess stated she reviewed the budget looking for reductions and could see around \$35,000 in reductions. One of the reductions she supports is removing Council compensation. She stated she does not take the compensation and if cuts are needed that should be one.

Council Member Pfizenmayer stated everyone did a good job on the budget but he is not sure that a police car is needed or that ocean rescue needs to be increased at this time. He stated the fire department is his biggest concern and the Town should live up to the ten-year contract. He wants to see the CIP funded but he thinks 2 cents is the right amount. He is against the Town buying the radios for the fire department, an independent contractor.

Council Member Kowalski stated he has compared tax rates with other states and North Carolina cities. Our tax rate is miniscule and nothing has been done to the infrastructure for many years. With the tax rate at 9.75 cents for 3 years and at 8.5 cents for 2 years the infrastructure is failing. To fix the roads, bridges, and to continue with the canal dredging project money is needed. He wants to see accomplishments; we can't wait one more year. He stated the fire department did not ask for the radios they are mandated. He supports the budget as presented.

Council Member Stroud commended the budget preparation and he agrees with Council Member Pfizenmayer. The CIP does need funded and taxes do need to be raised some. We must keep in mind how

bad the economy is and he doesn't support a 40% budget increase. He knows the radios are needed but he doesn't agree with the proposal being made with the fire department and he doesn't agree with a 57% increase in their first year of a ten year contract. There needs to be some kind of control and will not vote for the budget.

Mayor Denny commented if the CIP means nothing if it is not funded. He supports the three cent for the CIP. He stated the increase in the tax rate is a beginning for the town to recover some of those revenues lost from the occupancy tax distribution. The fire department costs have been underfunded for the last four years and the fire department recommended increase is justified. The Town has purchased equipment for the fire department over the years and the radios are no different.

Council Member Hess supports the CIP and now is the time to start planning.

Mayor Denny stated if the Town would take over the fire department the tax rate would increase by seven to eight cents. We have a volunteer fire department and we should keep it that way.

Council Member Hess stated homeowner's insurance would increase also.

Council Member Stroud stated part of the funds to the fire department is to pay for debt service and there is no control.

Mayor Denny stated the fire department contract can be reviewed after July and the relationship between the volunteer fire department and the Town will return to the partnership like before the last four years.

Mayor Denny asked if Council would like to discuss any comments made at the budget public hearing. Council Member Pfizenmayer stated there was no need.

Mayor Denny moved to direct the Town Manager to prepare the FY2010-2011 Budget Ordinance with 1.25 cents for the Operating Budget and 3 cents for the Capital Improvement Plan. (This increases the Town's tax rate from 9.75 cents to 14 cents). Council Member Hess seconded. The motion passed with Mayor Denny and Council Members Hess and Kowalski voting aye; Council Members Stroud and Pfizenmayer voting no and no Council Member absent.

Council Member Hess stated she would like to see Council compensation removed from the budget.

Council Member Stroud stated the \$300 a month is not a money issue. It is a nominal fee to help cover costs for Council time and the cost of running for Council. He thinks it encourages citizens to consider running for Council.

Mayor Denny stated he has not taken any of the Council compensation.

Council Member Kowalski stated he does collect the compensation.

Hearing no other business Mayor Denny moved to adjourn the meeting at 7:55 p.m.

ATTEST:


Hal Denny, Mayor



Respectfully submitted:


Carrie Gordin, Town Clerk