

# Town of HOLLY RIDGE

PO Box 145 \* Holly Ridge, NC 28445 \* Phone (910) 329-7081 \* Fax (910) 329-1593

**HOLLY RIDGE TOWN COUNCIL  
SPECIAL MEETING BUDGET WORKSHOP # 1  
May 9<sup>th</sup>, 2012  
6:00 p.m.**

Mayor Padgett called the Budget Workshop Special Meeting of the Holly Ridge Town Council to order at 6:05 pm. at the Town Hall. Council members present were Councilwoman Dingler, Mayor Pro-Tem Edwards, Councilman Wright, and Councilwoman Stanley, and Councilman Hines. Also present were Manager Maiorano; Town Clerk, Heather Reynolds; Finance Officer, Karen Metz; Police Major, Gerald Bryant; Larry Willaford, Building Inspector; and Brandon Longo and Chris Gandy from the Fire Department.

### Invocation and Pledge

Councilman Hines gave the Invocation and Mayor Padgett led the Pledge of Allegiance.

### Revenues

The figures below are the projected revenues:

- |                                |              |
|--------------------------------|--------------|
| • Property Taxes-              | \$756,795.00 |
| • Property Taxes Prior Year-   | \$110,000    |
| • Housing Authority-           | \$3,500.00   |
| • Interest on Taxes-           | \$12,000.00  |
| • Privilege License-           | \$5,500.00   |
| • Interest Income-             | \$3,500.00   |
| • Mosquito Control-            | \$2,500.00   |
| • Miscellaneous Income/ONWASA- | \$45,000.00  |
| • NC Motor Fuel Tax-           | \$3,000.00   |

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• Utility Franchise Tax-	\$65,000.00
• Cable Franchise Tax-	\$15,000.00
• Local Option Sales Tax-	\$319,000.00
• ABC Revenue-	\$19,000.00
• Solid Waste Tax-	\$900.00
• Court Fees Charges-	\$2,500.00
• Civil Citations-	\$250.00
• Homeowner Recovery-	\$550.00
• Zoning Permits-	\$8,000.00
• Building Fee-	\$150,000.00
• Sale of Surplus Property-	\$1,000.00
• Garbage Collection-	\$133,000.00
• Sales Tax Refund-	\$7,500.00
• Fund Balance Appropriation-	\$301,491.00
• Community Building-	\$9,700.00
<b>TOTAL</b>	<b>\$1,974,686.00</b>

**Fire Department**

Manager Maiorano said the Fire Department has a meeting tonight at 1900. He said last year the Fire Department received \$175,256.00 and this year the proposed amount is the same.

Councilman Hines asked if a budget proposal from the Fire Department was received and Manager Maiorano stated yes. Manager Maiorano said the budget proposal was for \$5,000.00 more and he did not give the increase.

Mayor Pro-Tem Edwards asked Karen if she has looked over the Fire Department records and if she has found anything where they may have made a mistake. Karen stated under social security which includes FICA – there was an overage of around \$13,000.00.

Councilwoman Dingler asked the Fire Department how much money they have saved. Brandon said they have not found any money they have saved but they are cutting back on the payroll. Mayor Pro-Tem Edwards said the town pays for two employees and asked if the county is providing a part-time employee. Brandon said two days a week there is a part-time employee who works between 8 and 10 hours. Mayor Pro-Tem Edwards said since the county person works at the same time the town people do why can't the number of employees be reduced? Brandon said the county employees do not run medical first response, so that employee cannot go on an EMS call.

Councilwoman Dingler said she is aware that all the departments in the town received a 10% cut on their budgets and asked the Manager if the Fire Department received a cut as well. Manager



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Maiorano said no the Fire Department did not receive a cut and he has spoken with the Fire Department about the possibility of a 10% cut to their budget. Manager Maiorano said \$50,000 of their budget request is for the payment of the new fire truck and if the Council wishes to make a 10% cut for them to make the cut on \$125,256.00.

Councilman Hines asked if the Council should minus the \$13,000.00 from the \$125,256.00 and then cut the 10%. Karen said just 10% from the \$125,256.00. Councilman Hines said since their budget is over \$13,000.00 he didn't know if that should be deducted prior to making the 10% cut and wanted to know what figure to base the 10% cut on. Manager Maiorano said if it was a department that has an issue with the budget he would remove the \$13,000.00 and then make the 10% cut but it is up to the Council. Councilwoman Stanley asked the Fire Department if there was some way they could cut their expenses. Chris said there was no way to cut expenses any more than they have been. Manager Maiorano said the town wants to see the Fire Department put money in savings too. Brandon said with the cut on payroll hopefully the department will be able to save money. Chris said they understand all the departments have been cut and would appreciate the town making the 10% cut on the figure of \$125,256.00.

Manager Maiorano said in the recent turnover at the Fire Department there were thoughts that there would be cost savings and that is not the case.

Councilwoman Stanley asked Karen if she thought the Fire Department would be okay with the 10% cut. Karen stated if the Fire Department stays within their line items they should be okay.

Brandon said the department was able to repair a relationship with Turkey Creek and they were able to get equipment for the new truck from them.

Mayor Pro-Tem Edwards asked if the money that is saved on payroll could be saved for something the Fire Department needs or given back to the town. Mayor Pro-Tem Edwards said if the guys on the schedule do not show up for work he doesn't believe in creating work so they can receive their hours. Brandon said the way they bank accounts are setup for the department now – they will be able to see how much money is left over from the town. Chris said when the people call out, they usually call at 8:00 in the morning and it is too late to try to get someone to work for them. Chris said there isn't work being created for people who do not show up as scheduled.

Manager Maiorano said the town wants to see the Fire Department put money in their savings in the event they need to repair any equipment or if there is another big fire they will have funds to help with the expenditures.

***The decision was to budget the Fire Department \$112,730.00 plus \$50,000.00 for the fire truck for a total of \$162,730.00.***

*The new fund balance appropriation is \$288,966.00 – down from \$301,491.00*

**Budget Highlights**

Manager Maiorano went over the following highlights:

- Street Improvements - \$42,786
- The recommended property tax rate will remain at .415 cents per \$100.00 of assessed value for the fiscal year 2012-2013.
- Capital Outlay for the Police Department in the amount of \$28,824 as installment for the Police Department building which has 10 remaining payments.
- Street Improvement Bond, Series 2004, issue amount \$325,000.00, has 12 remaining payments. The payment for fiscal year 2012-2013 is \$26,257.50.
  
- Additional Personnel –
  - 1 Position in Maintenance - \$37,716
  - 1 Position in Police Department - \$48,865
  - 1 Position in Parks and Rec - \$46,153
  
- Manager Maiorano stated the position in inspections that was added in the middle of the last fiscal year is budgeted this year in the amount of \$42,392.00.

Manager Maiorano said when we go through this budget the town needs to prioritize which of the positions we want because they are attributing to such a high fund balance appropriation.

Mayor Pro-Tem Edwards stated he does not agree with taking money out of savings to hire personnel. Mayor Padgett stated the position in maintenance is going to have to be done. Councilman Hines said if the town doesn't want to take money from savings then the town needs to figure out how to bring in more revenues. Mayor Pro-Tem Edwards stated more revenues would not be needed if expenses were cut.

**Maintenance Expenses**

Councilman Wright asked when the town would begin maintaining the roadways in Neighborhoods of Holly Ridge. Manager Maiorano answered that Scott Cook could come in any day and ask us to take those streets over. Manager Maiorano also said Mr. Ottaway of Sages Ridge is ready for the town to take over his streets as well. Manager Maiorano stated the town needs a police officer but more importantly the town needs another maintenance employee more.

Manager Maiorano said there are projects that have been sitting for over a year because the maintenance department has so much to do. Councilman Hines stated that with the workload the maintenance department has, the town could use an additional employee and possibly a part-time employee as well.



There was much discussion about the duties and tasks of the maintenance department and if an additional employee in the department is necessary.

Councilman Hines said the town needs a skilled maintenance man that has an overall understanding of the tasks. He went on to say we do not need to hire a laborer but the town needs a jack of all trades. Councilman Hines said if he lived in Folkstone he would also want to see police protection in that area on a regular basis as well, so the town needs an additional officer too. Major Bryant said there have been three calls in the Village of Folkstone so far this month. Larry stated by July there should be around 50 houses closed on in Village of Folkstone and they will increase the population in that area. Manager Maiorano stated there is a lot going on down there in that area. Major Bryant stated it takes 40-45 minutes to drive through the town.

Councilman Wright said the town has to have the maintenance position. Councilman Hines stated not hiring a maintenance employee will put the town in debt later down the road because the streets need to be maintained. Councilman Wright said the further the maintenance department gets behind – the more money it will cost the town in the long run.

*A census of the Council was taken on adding an additional full-time maintenance position and a part-time maintenance position. The decisions were as follows:*

*Councilman Wright – yes*

*Councilwoman Dingle – yes*

*Councilwoman Stanley – yes*

*Mayor Pro-Tem Edwards – Wanted to withhold his opinion at this time.*

*Councilman Hines – yes*

It was agreed to add an additional full-time maintenance position for \$37,716 including benefits and a part-time maintenance position for \$10,000 which will allow for 750 hours to be worked at a rate of \$10.00 per hour.

### **Police Department Expenses**

Manager Maiorano explained the 10% cut that was made to this department in the following line items: training, M/R equipment, M/R auto, departmental supplies, and dues and subscriptions.

The proposed budget included \$13,000 to pay the town's portion of a possible grant for an additional officer.

Councilman Hines asked what the capital outlay was. Karen responded it is for the cars and the police department building payment.

Mayor Pro-Tem Edwards asked how many cars are operable. Manager Maiorano stated there are four Dodge Chargers and two Fords.

Councilman Hines asked Manager Maiorano if the figures are the bottom line figures. Manager Maiorano stated yes and nothing else can be cut.

The Council was in agreement to leave the police department figures as is.

There was discussion about the per diem allowed when employees are out of town training.

*Mayor Padgett called for a break at 7:25 p.m.*

*Mayor Padgett called the meeting back to order at 7:35 p.m.*

### **Other Expenses**

The proposed position in parks and recreation was removed from the budget for \$46,153. This deduction brings the fund balance appropriation to \$216,546. Parks and recreation was left with \$2000.00 and the community center was left with \$3000.00.

### **Inspections Expenses**

Manager Maiorano stated this year the amount requested for the inspections department is \$199,787 and there hasn't been anything added in to their budget. Councilman Hines asked if that figure was the bottom line. Manager Maiorano said yes the inspections department budget was cut as well.

### **Revenues Continued**

Councilman Hines asked why the increase was made to ONWASA funds under "misc. income/ONWASA. Manager Maiorano said because that is miscellaneous income and ONWASA funds as well.

Manager Maiorano said the town takes in more revenues than budgeted for and that is a good thing. He gave the example of the building fees and stated they doubled what was budgeted this past year. There was discussion about the growth within the town and future building revenues.

Karen said in 2009-2010 the town was running around \$14,000 less a month in sales tax.

Manager Maiorano said that is our second highest income and when the town lost that revenue,



the town didn't try to make the funds up and put it on the back of the people. Manager Maiorano also said now something needs to be done – maybe not this year but at some point.

Councilman Hines said revenues need to be increased somehow and if it isn't taxes, then the town has to find another way. Mayor Pro-Tem Edwards stated there is such a thing as reducing expenses. Councilman Hines responded all departments are bottom line. Mayor Pro-Tem Edwards said it can always go lower and we cannot keep taking money out of the general fund. Manager Maiorano said if the cost of business is increasing then at some point you either keep taking money from savings or you raise the price. Councilman Hines said he doesn't want anyone to walk out of the room saying he said raise taxes by four cents because that is not what he is saying. Councilman Hines said it might not happen this year but it will at some point and revenues will have to be increased. Mayor Pro-Tem Edwards said cut more expense. Manager Maiorano stated if more expenses are cut there will be no money in the operating fund for any departments. Manager Maiorano said when taxes were reduced to 35 cents per 100, it was too fast. Councilman Hines stated no one remembers when taxes are lowered – just when they are increased.

### **General Discussion**

Councilman Wright asked if the position for the police department could be held off until December or January if the grant isn't approved. Manager Maiorano said yes. Councilman Hines asked Manager Maiorano what else he could do to this budget. Manager Maiorano stated there wasn't anything else he could do with this budget.

Manager Maiorano also mentioned needing to add \$8000.00 to the budget for the restrooms at Morris Landing and the town is obligated for our portion of the grant.

Councilwoman Stanley mentioned merit and cola raises have not been discussed.

***Manager Maiorano asked the employees to leave the meeting room so the Council can discuss employee merit and cola increases.***

***The employees returned to the meeting room.***

Manager Maiorano said the Council was discussing the iPads and the cost savings and asked Heather to explain the savings. Heather stated the first year would be expensive because of purchasing the equipment but by the second year that money would be recouped in the cost of paper and time.

A consensus was taken about purchasing iPads and software within this budget. The decisions were as follows:

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*Councilman Wright – yes*  
*Councilwoman Dingler – yes*  
*Councilwoman Stanley – yes*  
*Mayor Pro-Tem Edwards – yes*  
*Councilman Hines – no*

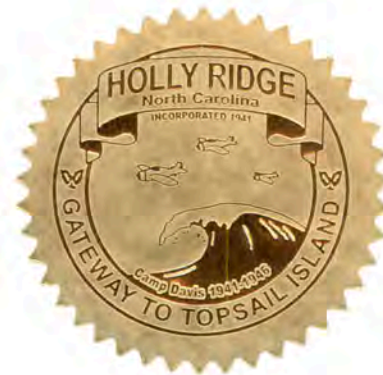
The consensus of the Council is to purchase the iPads and software this budget year for a total of \$8000.00.

A motion was made by *Councilwoman Dingler* and seconded by *Councilman Wright* to call for a Public Hearing for the proposed 2012-2013 budget to be held at the next regular meeting on June 12<sup>th</sup>, 2012 at approximately 7:00 p.m. *All Agreed.*

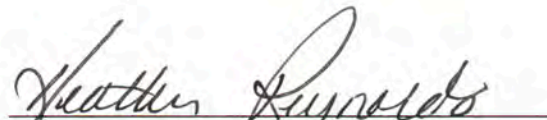
**Adjournment**

A motion was made by *Councilwoman Dingler* and seconded by *Councilman Wright* to adjourn at 9:40 p.m. *All Agreed.*

*Attest:*



  
\_\_\_\_\_  
*Mayor Elmer Padgett*

  
\_\_\_\_\_  
*Heather Reynolds, Town Clerk*

*These minutes were recorded and prepared by Town Clerk Heather Reynolds*