

Town of HOLLY RIDGE

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HOLLY RIDGE TOWN COUNCIL SPECIAL MEETING BUDGET WORKSHOP # 2

May 25th, 2011

6:00 p.m.

Mayor Padgett called the Budget Workshop Special Meeting of the Holly Ridge Town Council to order at 6:00 pm. at the Town Hall. Council members present were Councilman Edwards, Councilman Wright, and Councilwoman Stanley, and Mayor Pro-Tem Hines would be coming in a few minutes late. Also present were Manager Maiorano; Town Clerk, Heather Reynolds; Finance Officer, Karen Metz; Bill Maiorano; Maintenance Supervisor; Larry Willaford, Building Inspector; and William Arnold, Fire Chief. Councilwoman Bragg was absent due to a scheduling conflict and Major Bryant was absent due to a family emergency.

Invocation and Pledge

Mayor Pro-Tem Hines gave the Invocation and Mayor Padgett led the Pledge of Allegiance.

Adoption of Agenda

A motion was made by *Mayor Pro-Tem Hines* and seconded by *Councilman Edwards* to adopt the Agenda. *All Agreed.*

Discussion of the 2011-2012 Budget

Manager Maiorano stated the fund balance appropriation is at \$140,852.00 and we are going to try to bring that down to \$115,000.00. He said the first item to address is insurance for the employees and it costs \$8,400.00 per employee per year. Manager Maiorano stated in the past we have talked about offering a buyback for employees that have alternate insurance that is equal

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to the policy we have. He said the Town would have a 50% savings on insurance for these employees who wish to not use the Town insurance and we would change the personnel policy to reflect this change. Manager Maiorano said we can legally do this as long as we have less than 20 employees and the money would be taxable. Mayor Pro-Tem Hines said a lot of other Town's have switched to different plans where the Town's pay a portion of a deductible in order to increase the deductible and lower the premiums. Councilwoman Stanley asked what would happen if we add additional personnel. Manager Maiorano said we have only decided to add a part-time maintenance worker and he will not be eligible for benefits. Councilwoman Stanley asked about hiring additional police officers. Manager Maiorano said we applied for the grant for an officer and we found out the cut-off for the grant was 9 p.m. tonight. Manager Maiorano said we would have immediate savings this year if the Council decides to proceed with the insurance buy back. Councilman Wright asked if the money for insurance would be showed as salaries and Karen said it is taxable as W2 wages.

Employee Assistance Program

Manager Maiorano stated the next issue is the employee assistance program and it is something the County and ONWASA offer their employees. He said this program would cost the Town \$3,264.00 a year and that breaks down to \$16.00 per employee per month. He also said this program offers help with legal issues, child care, elder care, and face to face consultations.

Vehicles

Manager Maiorano said he wanted to address the vehicles that we need to sell and said he looked up the Kelly Blue Book value on the vehicles and that helped determine the minimum bids requested on each vehicle. He said the reason to put a minimum bid on the vehicle is because we have an obligation to get the most money possible for these vehicles. Manager Maiorano suggested the minimum bids on the following vehicles:

- 2005 Ford Crown Victoria- \$4000.00
- 2007 Ford Crown Victoria- \$5000.00
- 2000 Chrysler 300 M- \$1500.00
- 1999 Chev Silverado- \$1500.00
- 1999 Chev Silverado- \$1500.00

Manager Maiorano said we are putting a lot of money into these vehicles with keeping the maintenance up on them and repairing parts. He said the two work trucks were already used when we got them from a utility company. Councilman Wright asked if these vehicles would be worth anything as a trade-in towards the new vehicles. Manager Maiorano said they do not accept trade-ins of this type because they are not negotiable because they are so old. Manager

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Maiorano said we would keep one of the maintenance work trucks which only have 102,000 miles on it currently. Manager Maiorano said we were able to get the financing down on the vehicles so we were able to drop the capital outlay expense for maintenance and inspections from \$10,700.00 to \$9,000.00. Manager Maiorano stated First Citizens is offering financing of the vehicles at 3.2%. Manager Maiorano said we need to add to our revenues \$13,500.00 for what we can get for the vehicles we are selling. Councilman Edwards asked what type of cars the police cars will be and Manager Maiorano answered they will be dodge chargers. Manager Maiorano said our savings so far is about \$25,000.00.

Christmas Decorations and Bucket Truck

Manager Maiorano stated the bucket truck is not included in the budget because we found out it would cost between \$30,000.00 and \$80,000.00 to purchase one. He said the trucks are hard to find to rent because of liability because they are a vehicle as well as a lift. Manager Maiorano stated if we find one to purchase for a good price we would bring the request before the Council.

Manager Maiorano said if we bring the Christmas tree up to 22 feet from 18 feet it will cost \$3,000.00 and if we bring the height of the tree to 26 feet it will cost \$6,680.00. Manager Maiorano asked if we wanted to hold the height at 18 feet with the 4 foot star. The board was in agreement to keep the Christmas tree at the current height.

Summary

Manager Maiorano said so far we have saved about \$25,000.00 on the budget. He said if we go with the insurance deal the personnel policy would be changed immediately to reflect the change. Councilwoman Stanley asked if the Town would see the policies of the employees. Manager Maiorano said we would have to see an employee's insurance policy to make sure it has the same coverage as the Town insurance policy. Karen said if someone was to lose their private insurance they can be added back to the Town's policy.

Fire Department Request

William Arnold said since the last meeting there has been one change and since we are piggy backing with Wake County the delivery date has changed. He said the truck would be delivered this December or early January. William said the financing has also been negotiated and a \$50,000.00 down payment at delivery is required. William said there are two options for financing either a 7 year term or a 10 year term. Manager Maiorano stated if we go with the 7 year term we will save \$32,000.00. Manager Maiorano said the payment is more but in the long

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run it saves money and staff's recommendation is to proceed with the 7 year term loan. William said the first payment would be \$50,000.00 and six payments annually of \$48,074.25. Manager Maiorano said we have already budgeted the \$50,000.00 we were planning on holding that in savings, but the \$175,256.00 includes the \$50,000.00 so we will be okay with that. Manager Maiorano said any delivery date after July 1st, 2011 will be good because it will be in the new fiscal year. Councilman Edwards asked about the ownership of the truck. William said ownership will be addressed at the next meeting and will reflect in the by-laws and the new contract that way it is covered in two separate documents.

Manager Maiorano asked William to explain to the Council how staffing at the Fire Department works. Manager Maiorano said the last thing he remembers was negotiating in 2005 or 2007 for paying the fire department more money for more staffing and that was for five days with two guys for so many hours and now it has been moved to seven days. Manager Maiorano said the reason for bringing this up is because he doesn't want the Town to lose touch with the Fire Department.

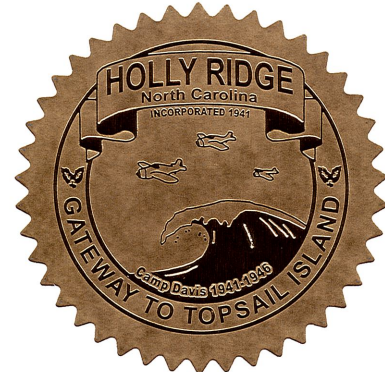
William said the County doesn't pay for any staffing and we have one full time person working from 6 a.m. to 2 p.m. and at 9 a.m. there are two part-time people who come in, so that is three people from 9 a.m. to 2 p.m. William said the Town is paying for two part-time positions that are covered by 14 people. He said he can't put full-time people on because of all the benefits and they cost too much. William said he receives funding in two areas from the County one for fire and one for rescue. He went on to say the Town funding and the County funding all goes into one account and he is able to pay one full-time person that works Monday to Friday, 6 a.m. to 2 p.m. William said two more people come in at 9 a.m. and that gives us three people depending on scheduling and people calling in sick. He said when someone calls in sick that position is not filled at that particular time and then on another day you may have four people working because that person would be working. William said the people don't get to pick when they want to work they are told when they are working. He said the Fire Department doesn't have the same luxury as the Police Department with scheduling.

Mayor Pro-Tem Hines said usually there is only one person on a weekend so if a person called in sick then that person should be put on a day they are actually needed. William said that issue has definitely been addressed but the current funding and people having full-time jobs at other places make it hard.

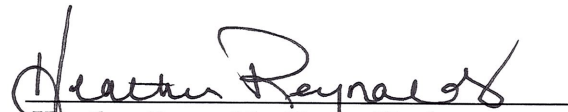
Manager Maiorano said he just wants to make sure there is adequate coverage for the Town.

Mayor Padgett continued the Special Meeting at 6:55 p.m. to the May Regular Monthly Meeting.

Attest:




Mayor Elmer Padgett


Heather Reynolds, Town Clerk

These minutes were recorded and prepared by Town Clerk Heather Reynolds