



# Town of HOLLY RIDGE

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

**HOLLY RIDGE TOWN COUNCIL  
CONTINUATION OF  
SPECIAL MEETING BUDGET WORKSHOP # 1  
May 11<sup>th</sup>, 2015  
9:00 A.M.  
HELD ON MAY 19<sup>th</sup>, 2015 at 5:00 p.m.**

Mayor Dingler called the Budget workshop of the Holly Ridge Town Council back to order at 5:05 p.m. at the Town Hall. Council members present were Mayor Pro-Tem Hines, Councilwoman Stanley, Councilman Lang, Councilwoman Bragg and Councilman Woman Hill. Also present were Manager Pierce; John Maiorano, Chief of Police; Heather Reynolds, Town Clerk; and Christina Austin, Finance Officer.

### **Invocation and Pledge**

Councilwoman Bragg gave the Invocation and Mayor Dingler led the Pledge of Allegiance.

### **Review and Discussion of Salaries**

Mayor Pro-Tem Hines stated he would like to see a 2% COLA and 1% Merit. Then on the Police Department side the patrol officers making \$33,987.20 currently, they would continue to make that for the first year and then move it up to whatever the percentage would allow it to be. He went on to say the Corporal should be at least 5% more than the Police Officers; the Sergeant should be 5% more than the Corporal. Mayor Pro-Tem Hines stated a merit increase would be fair to the employees based on performance.

Councilwoman Stanley asked how much money would be available for the merit increases. Manager Pierce stated the bottom line would basically stay the same but the numbers for each department would need to be re-worked.

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Manager Pierce stated merit increases will help maintain the separation between positions.

There was continued discussion about pay increases for various positions.

Mayor Pro-Tem Hines stated there should be a step program for salaries implemented.

Councilwoman Bragg gave an example of step programs.

Mayor Dingler stated the Town could get started now on fixing the problem and then next year have a plan in place.

Mayor Dingler asked the Town Council what they want to do for the 2015-2016 budget. She asked do we want to do a 2% with 1% into merits to be decided after July 1<sup>st</sup>, and with the Police Officers starting at the current salaries and then one year waiver going to the new salary.

Mayor Pro-Tem Hines said to take the COLA and Merit first and then the Police after that.

Councilwoman Bragg said COLA percentage in the past budget years has been one percent, two percent. Mayor Pro-Tem Hines stated there was only so much money in the pot that the Town Manager has to deal with and when the money is gone, the money is gone. Mayor Dingler asked which way the Council wants to go. Councilwoman Stanley said she did not understand the merit system. She asked if it is one person doing the evaluation and then they decide if the person gets a raise or not. Manager Pierce stated there are multiple channels involved. The supervisor does the evaluation and then the supervisors hand them over to the Town Manager to review. Councilman Lang stated he does not like the word merit but he likes the idea of write-ups. Councilwoman Hill asked Councilman Lang why he does not like merit pay. Councilman Lang stated it could be a personality problem or anything else and he said he just did not like the word merit. Councilwoman Hill stated that is why you hire a good Town Manager so they can distinguish. Mayor Pro-Tem Hines stated in the future if we went to a different system, it could be a step increase system.

Councilwoman Stanley stated she has a problem with a 2% and if that is going to be John's problem, the employees are going to be the same rate. She stated she wants to make sure John's problem is fixed so he will have a differential between the employees.

Heather ask Mayor Dingler if 2% COLA across the board is correct and then take the extra 1% and put into a separate line item was correct. Mayor Dingler stated this is correct.

Mayor Dingler stated specifically the Police Officers section, the salaries will be different because we are doing 2% instead of 3% and we need to make sure the new hires do one year at the current salary, it will be plus the 2% and then go up to the new salary.

Mayor Pro-Tem Hines stated the only other discrepancy would be getting the 5% from Police Officer to Corporal and Corporal to Sergeant.

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Chief Maiorano asked if the 5% will go to the Sergeant, but the other guys will not get this until two years. He wanted to know if he hires a new guy, that person will not be eligible for the 5% but for only the COLA. Mayor Dingler stated it would be a bigger increase than what is showing on the paper. Manager Pierce stated the new number after July 1<sup>st</sup> will be a little bit less. He stated this would bring the Corporal's pay to \$36,400 which is a 7% total. This includes a 2% COLA and 5% difference between the Corporal and a Police Officer. Mayor Dingler stated the one percent is pulled back and put in a separate line item. She said there has to be an evaluation to get that money. Chief Maiorano stated he thought the total would be 8 for budgeting. Mayor Pro-Tem Hines stated it was \$35,686.00 and now its \$35,346.00. Chief Maiorano wanted to make sure of the figures because he has to take the information back to the Police Department.

Councilwoman Hill stated if the Council adopts the increases for those positions, that salary becomes effective July 1<sup>st</sup>, 2015 as well as the COLA. The merit increase will applied whenever the Town Manager and the Chief of Police turn in the evaluations and make the recommendations for the 1% merit increase. She said she would recommend the Council or the Town Manager and the Chief of Police get together and decide a date.

Chief Maiorano stated this is a funding question. Councilwoman Hill stated she has a problem with the funding issue as well because one of the issues that was presented to the Council included the sale of property and then there was comment that we were going to hold on to the property. She stated this was like counting your chickens before they hatch. She stated we can put that property up for sale and it not sale, then there would be a shortage of \$10,000.00. She stated she believed that is what Chief Maiorano was saying was that he found \$10,000.00 when they met. Chief Maiorano stated he said he thought they could get \$20,000.00. Chief Maiorano stated then they went back and calculated the revenues and his concern is this chart will not be reflected of the difference of what we put in. Chief Maiorano stated we will have to find the money from somewhere else. Councilwoman Hill stated there is \$26,000.00 in miscellaneous.

Mayor Pro-Tem Hines stated the difference between Corporals is going to be 5% more than the \$35,346.00 what is that going to be. Mayor Dingler stated this new salary will be current salary plus COLA, then the 5%. Chief Maiorano stated it will be their salary plus the 2%, plus the possibility 1% that we have to budget for, and then if they get the step of 5% they will be reflected of 7%. Mayor Pro-Tem Hines asked who we were given the 5% to Sergeant and Corporal or all of them. Chief Maiorano said your suggestion was 5% of Corporal, Sergeant and he believes 5% for bottom line officers.

Mayor Dingler stated no bottom line add 5% for Corporal and add 5% for Sergeant. Mayor Pro-Tem Hines stated so from the \$35,346.00 5% more would go to the Corporal and 5% more would be going towards the Sergeant.

Councilwoman Bragg said it would have been brought up more than that. She stated if you give someone a 5% to bring them up to market, which is still an increase in their pay. She stated then when you give them a 2% COLA they have really received a 7% increase in pay. Chief Maiorano stated he was mistaken, he thought it was 5% across. He said he did not want to come under budget. Mayor Dingler stated she just did the math on the \$35,346.69 plus 5% that would

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bring it to \$37,114.00. Mayor Dingler stated this is what the Corporal would be and 5% over the Corporal would be over \$38,000.00. Mayor Dingler stated everyone else is being brought up to \$30,000.00 and everything else would be performance based.

Councilwoman Stanley asked how the time off is for employees calculated. Manager Pierce stated it is based on so many weeks for the time the employees have been employed. Chief Maiorano stated the average is two weeks paid off.

A vote went around the Council for a 2% COLA and a week off for employees. This vote did not pass and Mayor Dingler stated it would be a 2% COLA plus the performance evaluation of 1% that the employee can receive.

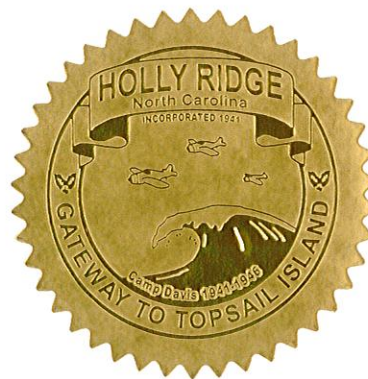
Mayor Pro-Tem Hines stated when we did the Town Manager evaluation, the Town Council did a 3% COLA and that amount needs to be backed down. Councilwoman Hill stated no this was discussed and it is a separate issue.


Manager Pierce stated we need to put the \$19.00 in contingencies to balance the budget.


A motion was made by **Mayor Pro-Tem Hines** and seconded by **Councilman Lang** to call for a Public Hearing to be held at the June 9<sup>th</sup>, 2015 Regular Meeting with the surplus or decrease to be reflected in Contingencies. **All Agreed.**

A motion was made by **Mayor Pro-Tem Hines** and seconded by **Councilwoman Bragg** to adjourn at 6:05 p.m. **All Agreed.**

**Attest:**



  
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**Anita Dingler, Mayor**

  
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**Heather Reynolds, Town Clerk**

***These Minutes were Recorded by Town Clerk, Heather Reynolds and Prepared by Deputy  
Town Clerk, Tracy Martin***