Town of Southern Shores

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April 21, 2020- WORKSHOP MEETING MINUTES

April 21, 2020 Minutes: Council Budget Work Session

[This Budget Workshop is being held for a preliminary review of the Budget Officer's draft projected General Fund Expenses and Revenues to be subsequently included in his Proposed Annual Operating Budget. The Budget Officer will submit his Proposed Annual Operating Budget to the Council in accordance with NCGS §159-11 on May 5, 2020; and on same day and pursuant to NCGS §159-12, the Budget Officer will file a copy with the Clerk where it will remain available for public inspection, and receipt of written comments. Also, on that same day, the Budget Officer will recommend the Town Council set a Public Hearing for June 1, 2020 at which time, and after required advertisement/notice of the Public Hearing, any persons who wish to be heard on the Proposed Budget may submit comment. Subsequent to the Public Hearing and as required by NCGS §159-13, the Town Council must adopt a Budget no later than July 1, 2020. The Town Council's enactment of an Ordinance adopting a Budget may, pursuant to NCGS §159-13, make appropriations and levy taxes in such sums greater or less than those recommended by the Budget Officer.]

COUNCIL MEMBERS PRESENT: Mayor Bennett, Mayor pro tem Elizabeth Morey, and Council Members Jim Conners, Leo Holland and Matt Neal.

OTHERS PRESENT: Interim Town Manager Wes Haskett, Finance & Human Resource Officer Bonnie Swain, Town Clerk Sheila Kane, Public Works Director David Bradley, Police Chief David Kole, Fire Chief Ed Limbacher

CALL TO ORDER / PLEDGE OF ALLEGIANCE / MOMENT OF SILENCE

Mayor Bennett called the meeting to order at 9:00 A.M., led the Pledge of Allegiance, and held a moment of silence.

Adoption of Agenda

Councilman Holland moved to approve the agenda as presented. The motion was seconded by Councilman Conners. The motion passed unanimously (5-0).

General Public Comment

Mayor Bennett called for comment and the following citizen's spoke:

Public Comment- Burnham Gould-submitted by email- forego beach nourishment and any increase in taxes.

Public Comment- J. Charles Smith-submitted by email- opposed to providing any funds in the town budget for anything to do with beach nourishment. This is a time for fiscal conservatism, not for new adventures.

Public Comment- John Ruggiero-submitted by email- town should put a halt to any non-essential purchases and programs, every department should submit a 10-20% way to decrease the budget, town should be building up a reserve fund.

Mayor Bennett closed public comment.

Review of Draft Projected General Fund Revenues for FY 20-21

Mr. Haskett stated this budget work session is being held for preliminary review of draft projected general fund expenses and revenues. The proposed budget in its current form is unbalanced and we will be seeking your input on how to move forward. Unless directed otherwise by council, we will use your input and provide you with a balanced budget on May 5, 2020 and subsequently request a public hearing be scheduled for June 1, 2020.

Finance Officer Bonnie Swain gave an update to the current years budget. The Town has collected 70 % of occupancy tax that was budgeted for this year, 73% sales tax, and 78.38% land transfer tax. Due to COVID 19 there is a possibility that the next four payments (2 of which are received next Fiscal year) could be flat. If the town receives no further payments this year, the worse case scenario is a shortage of $595, 048. in loss of revenue. The town is still in good shape with a little over a million in expenditure savings this year, due to work not being done, coming in under budget, or just freezing that expense line. In addition to that, there is another $260, 993 from the Tourism Bureau grant for South Dogwood Trail that was not recorded as a revenue for this year.

Finance Officer Bonnie Swain also explained that you cannot get a true snapshot of the fund balance, except for once a year (June 30th) when all receivables and payables are documented. Last year the fund balance was $4,173, 321.00, not inclusive of the $1,325,614.00 used to adopt the FY19-20 budget. That 1.3 million was above and beyond the 4.1-million-dollar fund balance. Essentially, there could be just over a million ($1,097,000.00) that could roll back to the unassigned fund balance from savings this current year. Ms. Swain stated she provided this info to Council, so they could have the numbers when directing how to balance the FY20-21 budget.

Interim Town Manager, along with Finance Officer Bonnie Swain, reviewed the projected revenues and expenses for FY 20-21 with Council. The following are highlighted areas:

Attached is the first draft of the proposed budget for fiscal year 2020-21 [Exhibit A]. This budget has been prepared with minimal increases where needed (most increases are contracted services where there is a CPI adjustment within each contract) to keep services running at the current level. No new positions have been added and no new expenses (such as beach nourishment and No Left Turn costs).

The following are the major changes that are being proposed due to the unknown financial results with the COVID-19 virus:

REVENUES

Ad Valorem Revenues shown are the Revenue Neutral Rate of 0.1958. One penny of revenue generates $156,617 (real estate and vehicles).

Occupancy Tax shows an overall 20% reduction. Projections for FY 20-21 are as follows:

July Receipts -50%

August Receipts -30%

September Receipts -20%

October Receipts -10%

All other months are flat as compared to last year's numbers. This is also assuming that travel patterns will return to normal.

Sales Tax shows a 5% decrease from last year's actual numbers. By the late fall/early winter, we should have a better idea of where we are with sales tax. Should we not bring in as much as expected, we could do a budget amendment if needed at that time.

Land Transfer Tax shows a 2.5% decrease from last year's actuals.

Interest rates are dropping drastically. Interest is budgeted based on those lowering rates.

EXPENDITURES

Employee Costs

There is no COLA or performance increases included in this budget for Town staff. The final rates have not been released for health insurance yet, but a 5% increase is included for budgeting purposes. Quotes on health insurance have been requested but the other quotes we have received to date have been higher than our current plan.

State Retirement rates have been increased by LGERS and those numbers are reflected in the retirement lines in each departments retirement line item. The rate for Law Enforcement Officers (LEO) is 10.95% and the rate for General Employees is 10.2%. The Town also contributes 5% to 401k for all employees.

Administration

Legal Fees have decreased in line with our actual costs for this current fiscal year.

Contracted Services have decreased because the Town Manager search will be complete this fiscal year.

Planning

The position for a full time Building Inspector/Code Enforcement Officer has been removed from FY 20-21 budget. A budget amendment will need to be done when that position needs to be filled.

Police

The 2 new Police Officers have been eliminated.

Streets, Bridges, Beaches and Canals

CIIP money of $662,340 is still in the budget for FY 20-21.

Public Works

The part time employee who was originally hired at 2 days is working 3 days a week to clean all town owned buildings. The 2 part-time employee's hourly rates must be raised to be at the minimum of the current starting salary for maintenance technicians.

Sanitation

The number in the budget for recycling is the cost of collection and taking to Wheelabrator. Increase in the limb and branch removal is a CPI adjustment that is in the contract.

Fire Services

Increases are due to the need of purchasing thermal engine cameras and inflationary costs in most expenses. This will be the first year ·in the new building, so the actual costs of utilities, etc are not known and have been estimated. As a reminder, the same amount was paid to SSVFD in FY 19-20 for fire service as FY 18-19.

Ocean Rescue

A CPI adjustment, as allowed by contract has been added for FY 20-21.

Options to Balance FY 20-21 Budget

- Cut expenditures/services
- Use unassigned Fund Balance
- Tax Increase (should you keep the current tax rate at 0.22= $379,013 additional revenue)
- Combination of any of the above

DRAFT Budget
4/21/20

GENERAL FUND SUMMARY	FY 17-18 Actual	FY 18-19 Actual	FY 19-20 Amended	FY 20-21 Requested	FY 20-21 Recommended	FY 20-21 Adopted
Revenues:						
Ad valorem taxes	3,030,645	3,064,445	3,081,460	3,104,936		
Occupancy, Sales Tax & Land Transfer Tax:	2,227,618	2,200,084	2,165,590	1,946,028		
UNRESTRICTED Intergovernmental Revenues	453,294	461,463	450,200	448,415		
RESTRICTED Intergovernmental Revenues	639,141	235,748	664,382	253,264		
Permit and Fees	156,815	139,324	129,000	126,000		
Other revenues	81,833	234,125	147,674	74,600		
SubTotal:	**6,589,346**	**6,335,189**	**6,638,306**	**5,953,243**		
Transfer IN from Other Funds	22,000	-	-			
Appropriated-Undesignated Fund Balance	-	-	1,406,411			
Total:	**6,611,346**	**6,335,189**	**8,044,717**			
Expenditures:						
Administration Department	944,656	1,004,062	1,080,656	1,010,014		
Code Enforcement Department	245,974	300,597	270,673	272,257		
Police Department	1,468,688	1,621,713	1,768,688	1,751,272		
Streets, Bridges and Canals	1,419,636	1,078,281	2,355,404	832,067		
Public Works Department	389,150	513,722	752,469	543,208		
Sanitation Services	650,166	685,046	742,863	767,700		
Fire Contracted Service	691,767	633,240	890,464	939,378		
Ocean Rescue Contracted Service	161,550	163,500	163,500	166,200		
Total Operating General Fund Expenditures	**5,971,587**	**6,000,161**	**8,024,717**	**6,282,096**		
Transfer OUT to Capital Reserve Fund- Canals	20,000	20,000	20,000	20,000		
Transfer OUT to Capital Reserve Fund	254,019					
			8,044,717	**6,302,096**		
REVENUES OVER (UNDER) EXPENDITURES	**617,759**	**335,028**	**-**	**(348,853)**		
.01 = $156,617						

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GENERAL FUND REVENUES	FY 17-18 Actual	FY 18-19 Actual	FY 19-20 Amended	FY 20-21 Requested	FY 20-21 Recommended	FY 20-21 Adopted
AD VALOREM TAXES:						
Property taxes - current year	2,885,427	2,920,081	2,936,160	2,961,936		
Property taxes - prior years	10,210	9,775	5,000	5,000		
Vehicle taxes - prior years	42	58	2,300	-		
NCVTS	101,506	100,228	105,000	105,000		
Tax penalties and interest	3,460	4,303	3,000	3,000		
Special Assessment	30,000	30,000	30,000	30,000		
Total Ad Valorem Taxes	**3,030,645**	**3,064,445**	**3,081,460**	**3,104,936**		
Occupancy, Sales Tax & Land Transfer Tax:						
Occupancy tax	1,014,531	1,001,880	958,000	801,504		
Local option sales tax	964,512	948,993	961,619	901,543		
Land transfer tax	248,575	249,211	245,971	242,981		
Total Occupancy, Sales Tax & Land Transfer	**2,227,618**	**2,200,084**	**2,165,590**	**1,946,028**		
UNRESTRICTED INTERGOVERNMENTAL REVENUES:						
Utilities franchise tax	259,893	271,200	263,000	264,315		
Video Programming Tax	68,982	66,316	65,000	63,900		
Telecommunications tax	24,875	23,193	23,000	21,000		
PEG Channel Revenue	27,031	26,893	26,000	26,000		
ABC revenues	57,717	58,947	58,000	58,000		
Beer and Wine Tax	12,786	12,837	13,000	13,000		
Solid Waste Disposal Tax	2,010	2,077	2,200	2,200		
Total Unrestricted Intergovernmental Revs	**453,294**	**461,463**	**450,200**	**448,415**		
RESTRICTED INTERGOVERNMENTAL REVENUES:						
Powell Bill	119,139	117,888	118,000	118,000		
COPS Grant- DOJ	15,869	-	-	45,000		
GCC Grant	21,486	-	18,632	61,264		
GHSP Grant	-	-	18,750	-		
Dare County Tourist Bureau Grant	-	86,938	-	-		
Controlled Substance tax	1,775	922	-	-		
Government Access Channel Grant	7,424	6,000	10,000	5,000		
Shoreline Stabilization	24,000	24,000	24,000	24,000		
US Dept of Homeland Security- FEMA	-	-	475,000	-		
Dare County Beach Nourishment Grant	449,448	-	-	-		
Total Restricted Intergovernmental Revs	**639,141**	**235,748**	**664,382**	**253,264**		

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REVENUES	FY 17-18 Actual	FY 18-19 Actual	FY 19-20 Amended	FY 20-21 Requested	FY 20-21 Recommended	FY 20-21 Adopted
PERMITS AND FEES:						
Building permits	128,873	117,621	105,000	105,000		
Plan review fees	12,376	10,356	10,000	10,000		
CAMA fees	4,615	3,415	2,500	2,500		
Planning board fees	4,775	3,050	3,000	2,500		
Court costs and fees	777	882	1,000	1,000		
Parking and other fines	5,399	4,000	7,500	5,000		
Total Permits and Fees	**156,815**	**139,324**	**129,000**	**126,000**		
Other Revenues:						
Interest income	68,955	122,608	100,000	65,000		
Sale of fixed assets	2,074	31,700	4,280	-		
Rental Income	3,000	1,600	2,400	2,400		
Miscellaneous	6,054	66,203	5,500	5,000		
Body Armour Grant	750	-	1,200	1,200		
Outer Banks Community Foundation	1,000	1,000	1,000	1,000		
Insurance proceeds	-	11,014	33,294	-		
Total Other Revenues	**81,833**	**234,125**	**147,674**	**74,600**		
Total Other Revenues	**1,331,083**	**1,070,660**	**1,391,256**	**902,279**		
TOTAL REVENUE BEFORE TRANSFERS						

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ADMINISTRATION DEPARTMENT	FY 17-18 Actual	FY 18-19 Actual	FY 19-20 Amended	FY 20-21 Requested	FY 20-21 Recommended	FY 20-21 Adopted
Salaries	370,844	375,442	364,150	369,009		
FICA	26,243	26,820	30,887	28,229		
Retirement	46,572	48,057	50,324	56,089		
Group Health insurance	43,044	47,119	53,845	47,360		
Council Compensation	18,600	18,600	18,600	18,600		
Council Travel & Training	2,394	3,123	5,000	5,000		
Unemployment Payments	-	761	1,000	1,000		
Legal services	59,251	102,702	100,000	60,000		
Audit services	16,000	17,000	17,000	17,000		
Payroll services	8,511	7,017	8,200	8,200		
Computer services	53,455	61,512	75,000	72,127		
Insurance and bonds	70,230	73,681	75,000	75,000		
Advertising	725	1,616	1,000	1,000		
Travel	8,490	8,860	15,000	15,000		
Telephone	29,845	30,842	31,500	31,500		
Utilities	22,822	22,592	25,000	25,000		
Dues/subscriptions	8,240	8,191	10,000	10,000		
Training	5,731	7,267	13,500	13,500		
Supplies	7,378	6,443	10,000	12,000		
Postage	1,286	1,754	2,000	2,000		
Equipment lease & maintenance	8,291	14,091	16,000	16,000		
Municipal Elections	4,280	-	5,000	-		
Dare County & NCVTS tax collection	47,540	48,168	50,000	54,000		
Gov't. Access Channel (PEG Channel)	27,031	26,893	26,000	26,000		
Gov't. Access Channel Membership	1,000	1,000	1,000	1,000		
Municode publishing	3,706	1,175	5,000	5,000		
Vehicle Operations	386	438	500	500		
EE Recognition & Appreciation	9,258	6,841	8,500	8,500		
Wellness Initative	2,862	1,935	3,000	3,000		
Contracted Services	3,630	3,580	30,100	4,000		
Misc.	7,286	4,905	10,000	10,000		
Technology Update- Pitts Center	7,424	6,000	10,000	5,000		
Recording of Meetings	5,681	4,437	7,550	8,400		
Cleaning of Town Buildings	16,620	15,200	1,000	1,000		
Total	**944,656**	**1,004,062**	**1,080,656**	**1,010,014**		

PLANNING & CODE ENFORCEMENT	FY 17-18 Actual	FY 18-19 Actual	FY 19-20 Amended	FY 20-21 Requested	FY 20-21 Recommended	FY 20-21 Adopted
Salaries	152,443	177,390	184,009	184,009		
FICA	10,793	13,141	14,077	14,077		
Group Health insurance	21,901	22,677	25,862	27,076		
Employee retirement	16,419	19,675	21,425	23,295		
Contracted Services	9,267	9,800	3,600	3,600		
Printing	561	1,337	1,000	1,000		
Advertising	1,317	1,562	1,000	1,000		
Travel	123	4,829	1,500	1,500		
Dues/subscriptions	105	170	350	350		
Training	562	4,050	2,000	2,000		
Supplies	334	990	3,000	1,000		
Uniforms	198	-	200	200		
Medical Testing	66	-	-	-		
Capital Outlay- Vehicles	-	27,775	-	-		
Vehivle Maintenance	-	-	1,000	1,000		
Vehicle operations	630	565	1,000	1,000		
Homeowners Recovery fee	558	495	1,000	1,000		
Historic Landmarks Designation	-	1,728	1,500	1,000		
Flood Zone Map Mailing	1,797	1,602	2,000	3,000		
Misc	-	1,094	1,000	1,000		
Town Code Update	27,600	11,717	5,150	5,150		
BOA Meeting transcription	1,300	-	-	-		
Total Code Enforcement	**245,974**	**300,597**	**270,673**	**272,257**		

POLICE DEPARTMENT	FY 17-18 Actual	FY 18-19 Actual	FY 19-20 Amended	FY 20-21 Requested	FY 20-21 Recommended	FY 20-21 Adopted
Salaries	871,532	850,576	887,575	876,130		
Holiday	30,775	31,190	25,000	25,000		
Overtime	14,247	12,209	20,000	20,000		
FICA	67,569	66,923	71,343	70,466		
Group Health insurance	119,430	117,529	129,191	131,690		
Employees retirement	120,389	118,746	135,041	144,722		
Career Development	1,000	-	1,500	1,500		
Computer services	9,649	675	13,700	11,000		
Printing	-	100	1,000	1,000		
Advertising	707	1,712	-	1,000		
Travel	9,400	3,931	7,300	10,000		
Dues/subscriptions	790	566	1,500	1,500		
Training	7,439	9,562	4,000	12,000		
Medical testing	269	676	1,000	1,800		
Uniforms	9,709	10,602	20,000	20,000		
Supplies	33,208	20,984	37,200	28,000		
Contracted Services	15,412	22,767	25,000	35,000		
Equipment lease & maint.	7,588	-	5,000	5,000		
Equipment purchase	55,543	77,773	100,780	97,200		
Vehicle maintenance & repair	29,891	28,404	28,000	28,000		
Vehicle operations	30,199	31,626	35,000	35,000		
Misc.	3,095	67	3,475	10,000		
Capital Outlay- Vehicles	-	191,511	124,819	95,000		
GCC Grant- BWC cameras	7,264	-	37,264	37,264		
GCC Grant Thermal Cams	-	-	-	24,000		
GHSP Grant	-	-	25,000	-		
Total	**1,445,104**	**1,598,129**	**1,739,688**	**1,722,272**		
Sep. Allowance Transferred to Pension Fund	23,584	23,584	29,000	29,000		
Total Police	**1,468,688**	**1,621,713**	**1,768,688**	**1,751,272**		

Streets, Bridges, Beaches and Canals	FY 17-18 Actual	FY 18-19 Actual	FY 19-20 Amended	FY 20-21 Requested	FY 20-21 Recommended	FY 20-21 Adopted
Street Sign Maintenance	743	1,586	5,000	5,000		
Engineering & Arborist Services	5,850	7,408	5,000	5,000		
Street Maintenance	20,633	10,605	57,202	57,202		
Brush Trimming	5,245	8,300	20,000	20,000		
Bridge Maintenance	-	-	2,125	2,125		
Beach Profile Study	33,106	-	45,000			
Financial Planning-Beach Nourishment	-	-	35,000	35,000		
Beach Nourishment	889,048	70,557	-			
Beach Surveys	-	-	3,337			
Osprey Lane	338	-	-			
Juniper Trail	2,418	315,501	-			
Fairway Drive	225	-	-			
N.S & E Dogwood Intersection	5,025		-			
Yaupon Trail	4,669	461,687	-			
Wild Swan Lane	113	-	-			
Hollow Beach Court	2,688	-	-			
Palmetto Lane	162,310	-	-			
Clam Shell Trail	185,006	-	-			
Skyline Dr. Intersection	52,557	-	-			
East Dogwood Bike Path	-	181,733	-			
Dogwood Bike Path Phase 2	-	8,624	-			
FY 19-20 Infrastructure Projects	-	-	322,910	-		
Hillcrest Drive	-	-	22,000			
Sea Oats Trail	-	-	16,000			
Dewberry Lane	-	-	10,000			
East Dogwood Trail	-	-	291,430			
FY 20-21 Infrastructure Projects	-	-	-	662,340		
Waterway Maintenance and Repair	400	400	400	400		
Storm Debris Cleanup	-	11,880	20,000	20,000		
Bulkhead Maintenance and Repair	38,857	-	25,000	25,000		
NC Hwy12-E. Dogwood Stormwater Floodin	10,390	-	-			
South Dogwood Walkway	-	-	1,000,000			
Hurricane Dorian Recovery	-	-	475,000			
Total	**1,419,636**	**1,078,281**	**2,355,404**	**832,067**		

PUBLIC WORKS DEPARTMENT	FY 17-18 Actual	FY 18-19 Actual	FY 19-20 Amended	FY 20-21 Requested	FY 20-21 Recommended	FY 20-21 Adopted
Salaries	204,882	272,355	303,306	320,888		
FICA	15,995	20,579	23,203	24,458		
Group Health insurance	26,017	31,274	35,489	32,701		
Employee retirement	24,794	32,249	38,221	45,916		
Training	573	1,485	3,000	3,000		
Printing	-	72	600	200		
Travel	560	1,031	2,000	2,000		
Uniforms	3,484	3,292	3,500	3,500		
Dues and Subscriptions	385	-	350	350		
Supplies	9,884	6,814	8,500	9,000		
Advertising	1,530	985	500	500		
Safety Compliance	878	905	1,500	2,000		
Town buildings maintenance & repairs	12,700	22,230	33,300	33,300		
Beautification-grounds	4,245	3,750	5,000	6,000		
Equipment lease & maintenance	3,697	5,368	6,500	8,000		
Building Upgrades	-	-	220,000	-		
Vehicle maintenance & repair	1,386	2,306	3,500	4,500		
Vehicle operations	6,239	8,537	9,000	10,000		
Misc	549	328	1,000	1,000		
Capital Outlay- Equipment	39,378	-	-	-		
Capital Outlay- Vehicle	-	33,524	-	-		
Medical Testing	132	168	150	150		
Equipment Purchase	-	16,100	27,850	9,745		
Contracted Service	5,236	-	-	-		
Shoreline Stabilization	26,406	24,000	24,000	24,000		
Facilities Assessment	-	26,370	-	-		
Parking Lot Maintenance	-	-	2,000	2,000		
Total	**389,150**	**513,722**	**752,459**	**543,208**		

Sanitation	FY 17-18 Actual	FY 18-19 Actual	FY 19-20 Amended	FY 20-21 Requested	FY 20-21 Recommended	FY 20-21 Adopted
Residential Collection	170,976	170,976	180,225	184,730		
Commercial Collection	43,890	43,889	46,300	47,460		
Landfill Tipping Fee	172,563	179,659	200,000	200,000		
Recycling Collection	139,849	152,833	172,980	189,500		
Misc.	926	689	500	500		
Large Item Pickup	6,462	7,000	10,258	10,258		
Limb and Branch Removal	115,500	130,000	132,600	135,252		
Total Sanitation	**650,166**	**685,046**	**742,863**	**767,700**		

Fire Services	FY 17-18 Actual	FY 18-19 Actual	FY 19-20 Amended	FY 20-21 Requested	FY 20-21 Recommended	FY 20-21 Adopted
Contract Fire Protection	481,925	545,914	545,914	625,358		
Architectural Services- New Station	209,842	87,326	20,530	-		
Construction Debt Service	-	-	314,020	314,020		
Fence	-	-	10,000	-		
Total Fire Dept	**691,767**	**633,240**	**890,464**	**939,378**		

Ocean Rescue	FY 17-18 Actual	FY 18-19 Actual	FY 19-20 Amended	FY 20-21 Requested	FY 20-21 Recommended	FY 20-21 Adopted
Ocean Rescue	161,550	163,500	163,500	166,200		
Total Ocean Rescue	**161,550**	**163,500**	**163,500**	**166,200**		

CEMETERY FUND	FY 19-20 Amended	FY 20-21 Requested	FY 20-21 Recommended	FY 20-21 Adopted
Revenues				
Cemetery lots	1,240	1,240	1,240	
	1,240	**1,240**	**1,240**	
CEMETERY FUND				
Expenses				
Beautification-Wreaths	600	600	600	
Software License	640	640	640	
	1,240	**1,240**	**1,240**	
Balance in Cemetery Fund as of 6/30/19:	558,378			

Capital Reserve Fund	FY 19-20 Amended	FY 20-21 Requested	FY 20-21 Recommended	FY 20-21 Adopted
Revenues				
Tr IN from GF	20,000	20,000	20,000	
Total	**20,000**	**20,000**	**20,000**	
Expenses				
Channel and Canal Maintenance	20,000	20,000	20,000	
Total	**20,000**	**20,000**	**20,000**	
Balance as of 2/29/20	187,144			
Reserved for Canals	(98,000)			
Balance for Other Capital Projects	89,144			

COUNCIL DIRECTIVES- ACTION TAKEN

(Any formal action of the Council to direct addition, deletion, or modification of any projected expense and/or projected revenue to be included in Budget Officer's draft proposed budget to be filed May 5, 2020.)

MOTION: Councilman Conners moved to hold off on Dewberry Lane road improvements, and revisit in November. The motion was seconded by Councilman Holland. The motion passed unanimously (5-0).

Discussion prior to the vote:

- o It was consensus of Council to hold off any road improvements until Council could get a clearer picture of revenues for FY20-21.

MOTION: Mayor pro tem Morey moved to stay with Bay Disposal (Wheelabrator option) with the goal of a clear contractor (recycle) vision from RDS or another contractor. The motion was seconded by Councilman Holland. The motion passed unanimously (5-0).

Discussion prior to the vote:

- o Councilman Conners was concerned with the contract provided by RDS. He suggested going to subscription service and let the property owner decide if they will recycle or not.
- o Councilman Neal stated the numbers for recycling were encouraging, but how do we control the contaminated products into the recycling stream, per RDS contract request. He stated he would rather pay more money to RDS for true recycling.
- o Mayor pro tem Morey stated she would hope that true recycling will be available sometime soon, but for now, the Town should continue with what it is currently doing.
- o Councilman Holland stated he had a problem going to subscription service but was not comfortable with the 24hr. response time (removal of contaminated goods) that RDS is requiring in the contract.

MOTION: Councilman Conners moved to pull the budget shortfall of $348,853 from the CIIP line to reduce the deficit. The motion was seconded by Councilman Holland.

Councilman Neal moved to amend the motion to include a onetime bonus of $1000 to Full time/ $500 Part time employee bonus and inclusion of a building inspector salary for a new total of $418,853 from the CIIP line. By consensus, all Council agreed to the amendment and Council voted on the original motion with amendment. The motion passed unanimously (5-0).

Discussion prior to the vote:

- o Finance Officer Bonnie Swain stated the current building inspector will be retiring and the cost to bring in a new employee in that position (December-June) will be approximately $35,000.
- o Since road improvement for FY 20-21 were being cut/ and or delayed until revenues could be confirmed due to COVID-19, it was consensus of Council to use the allocated money in the CIIP line to cover the budget shortfall.
- o Councilman Neal stated the employees are not receiving a cost of living, nor a merit bonus this year and regardless of the uncertain times right now, staff should still be recognized and provided at least a onetime bonus. He was willing to forgo his Council compensation, if needed, in order to see staff receives a bonus.
- o Councilman Holland stated he didn't feel it was the proper time to be providing a bonus due to the uncertainty of revenue during COVID19.

MOTION: Councilman Conners moved to delay action on the pay study until the new Town Manager is hired. The motion was seconded by Mayor pro tem Morey. The motion passed unanimously (5-0).

Discussion prior to the vote:

- Consensus of Council to delay any action and allow the new Town Manager to revisit the study.

MOTION: Councilman Neal moved to direct staff to apply for beach nourishment grants, using option #4 for the basis of the grant application & nourishment at Pelican Watch (two grants total). The motion was seconded by Councilman Holland. The motion passed unanimously (5-0).

Discussion prior to the vote:

- Interim Town Manager Wes Haskett briefed Council on the available beach nourishments grants. The cost to have APTIM do the grant application and provide all the needed documents will be $4970. The grant award has a potential 2.5 million per project (two projects-entire beach and Pelican Watch re-nourishment). The deadline to apply is April 30th and there is money in the current budget line to cover the cost of the APTIM pursuing the grant for Southern Shores.

MOTION: Upon receiving notice that a police department grant has not been approved, Mayor Bennett moved to use $45,000 from the CIIP line to cover the police department salary line shortage caused by the grant not being received. The motion was seconded by Mayor pro tem Morey. The motion passed unanimously (5-0).

Discussion prior to the vote:

- During the Council workshop, Police Chief Kole received notice that a grant he had applied for and perspective revenues reflected in the draft budget, was not approved.

MOTION: Mayor pro tem Morey moved to put the Town Engineer contract out for RFQ. The motion was seconded by Councilman Neal. The motion passed unanimously (5-0).

ADJOURN

MOTION: Mayor pro tem Morey moved to adjourn. The motion was seconded by Councilman Conners. The motion passed unanimously 5-0.

ATTEST:

Thomas G. Bennett

Thomas G. Bennett, Mayor

TOWN OF SOUTHERN SHORES
SEAL
NC

Respectfully submitted,

Sheila Kane, Town Clerk