

**Town Council
Regular Meeting
May 16, 2014**

Council Members Present:

Mayor A.D. (Zander) Guy, Jr
Mayor Pro-Tem Douglas Medlin
Nelva Albury
Michael Curley
Don Helms
W.J. (Buddy) Fowler

Town of Surf City Staff:

Larry Bergman- Interim Town Manager
Jane Kirk- Assistant Town Manager
Stephanie Hobbs- Town Clerk
Todd Rademacher- Town Planner
Kristie Grubb- Parks & Recreation Director
Joseph Rivenbark- Fire Chief

Members of Public Present:

A. Call to Order

Mayor called the meeting to order 10:00am.

B. Invocation

Mr. Medlin gave the invocation.

C. Pledge of Allegiance

D. New Business

1. 2014-2015 Budget

Mr. Bergman stated that the budget process had already begun before he got here and all departments have worked together well. It has been a team effort. There has been input from both counties and the league from other areas and their trending. There have been updates from our Town Engineer as well. This is a year long process consisting of modifications throughout the year with each department with budget and revenues, taken that all in to effect we try to be conservative budgeting on historical numbers to be secure for the next year's budget. The overall financial stability of the Town is well, even with the loss in the Onslow County side, the overall development throughout the town does not

put us in a deficit. We are growing as a whole and moving in the right direction. Overall the budget operations have stayed relatively flat. There are many needs across the departments, and those have been tried to be added where needed or are affordable. The overall general fund increase is about 150k which is about 1.8% growth. The water sewer is about 189k increase which will include water and sewer rates and impact fees. The fire department shows an increase of about 150k because they did take over the north east Pender district. The coming next year any extra funds will be focused on the new Deer Run Fire Station. Personnel wise we are recommending a ½ year Human Resources person, hopefully adding them full time in the next budget. This would assist with insurance, policy, and personnel issues. Health insurance across the board has risen, not just here but nation wide. The recommended budget includes all three funds and there will be debt service payments that will be included in the final approved budget. In the coming years there will be some items paid off. In the coming times a budget retreat would give staff direction as to what as a whole the Council is looking for in planning for the financial assets.

Mrs. Kirk stated that water and sewer rates will go up this year due to our rate schedule.

Mr. Bergman stated that the state is regulating strictly our rate schedule. We must stay in compliance with state and federal regulations with our water and sewer. These increases in the rates are a stable way to insure that at the time that improvements are needed the funds will be there. The local government commission follows closely with rates, violations, and compliance.

Mrs. Albury asked how much are impacts?

Mr. Rademacher stated it dependent upon the location and the type of construction.

Mrs. Albury stated that our insurance is high for the rate of coverage is high. These workers do not have the financial needs to pay these high deductibles.

Mr. Bergman stated there are needs with insurance that need to be addressed. Having a human resources member on staff will assist the town as a whole.

Mr. Fowler stated health insurance is a big problem for all businesses. This is an issue that is not going to be easy to solve. When we made the water and sewer model we were anticipating a large number of tap fees. The slump of the economy has hurt the town and still is, right now we are in a recovery phase. We have a great rate schedule and we need to update and follow it.

Mr. Helms stated he feels that it is necessary that he brings the council up to speed on the Deer Run building. The building and the land was free and it was acquired at no cost to the town with a pumper tanker, a pickup truck, and an

AFG grant. All of these items would be very expensive to the town. First of all we need money from the town to finish the Deer Run station so that the building can be occupied. The satellite fire station on Hwy 210 will be given to the police station. We need 50k to finish the paving, 3500 to move a hydrant, 50k to furnish the building. The building was in bad shape when they acquired it. Lots of the items left behind were in awful shape and had to be thrown away. Most of the work has been done by the fire department members. Many items that were in the building, that were salvable, were given to other town departments for their use. The town has been talking about putting in a women's bath station upstairs at Deer Run, to be used by EMS or the town for their EOC. Just to finish the downstairs it would be around 50k for furnishings. Another issue is the 70k that the Town is paying out of the general fund for EMS in Onslow County, it is not fair to those in Pender County. Pender County residents pay a 7 cent tax for EMS and that will go up in to 8 cents in the next years budget and at this time those in Onslow County do not pay for their EMS service offered by Pender. The Town currently pays the whole 70k out of the budget. I don't think the Pender County residents in Surf City would not be happy to know.

Mr. Bergman stated all things that Mr. Helms has spoke of have been spoken of in house. These assets we have received are a great asset and are a great value. The money that we are getting from the north east fire district is about 150k and these are funds targeted towards salaries and the other amounts go to facilities and maintenance and repair. There are minimum requirements to get into the building. We are suggesting using the 50k that would be extra to do the minimum to get into the building. In future budgets we need to figure what are the operational cost going in to the new fire district. There are current year funds we are currently working on to see how much there will be left in this years budget. We feel pretty certain we can get the fire department moved in the building.

Mrs. Albury stated why does the paving have to be done now. They have been operating with no paving for years.

Mr. Bergman stated we are operating as a full force and covering all areas as we should. We just need to prioritize what needs need to be met to get into the building.

Mrs. Albury stated she was surprised that he you would take away the EMS from Onslow County. We worked as a whole and voted on by this council to keep EMS in Onslow County.

Mr. Helms stated he is not advocated to take the EMS from Onslow County. We at this time allow for a full time EMS employee at the Town fire station. What I am saying is the general fund should not be paying for those services for just Onslow County. There needs to be something worked out from Onslow County to get the 70k back to the Town.

Mr. Fowler stated that we are heading in the right track, both members have valid points. The work must be prioritized for the fire department when the funds are available to get those firemen in the building. I also think there should be some research into looking at recovering those 70k funds from Onslow County. Those EMS services are needed in Onslow County. Our new connection with ONWASA has fixed a bleed on our side and should help us out financially.

Mr. Bergman stated that the 70k that we pay as a contract with Pender EMS, there are about 755 utility clients in Onslow right now. For about 7 or 8 dollars a month the monies could be recovered. This fee is actual lesser than what Woody currently charges Pender County. Other towns have created tax districts. These might be some options the town wants to look at to cover the service for certain areas. Another idea is to create a user fee for the service rendered. This is possible, could be added to the monthly utility fee. There may be things we can do with our relationship with Onslow County tax office. Finally, we could just adsorb the monetary amount into our budget. This is a great value for what we get. Currently we are waiting on more legal options from the school of government at UNC.

Mrs. Albury stated the citizens are already taxed to death and user's fees do not fix the situation either.

A consensus of the whole board is to approve the budget before you for the advertisement of the pending 2014-2015 budget.

J. Adjournment

Mrs. Albury made the motion to adjourn the meeting. Mr. Medlin seconded the motion and it was carried.

A.D. (Zander) Guy Jr., Mayor

Attest:

Stephanie Edwards Hobbs, Town Clerk