Board of Aldermen Minutes

April 15, 2025 9:00AM

Town Hall Conference room, 321 Causeway Drive, Wrightsville Beach

A duly-noticed special called meeting of the Board of Aldermen was called to order at 9:00am by Mayor Mills. The following were present:

Board of Aldermen

F. Darryl Mills, Mayor
Hank Miller, Mayor Pro-tem
Jeff DeGroote, Alderman
Ken Dull, Alderman
Vivian (Zeke) Partin, Alderman

Staff

Haynes Brigman, Town Manager
Lance G. Heater, Town Clerk
Matt Holland, Fire Chief
Brian Murray, Finance Director
Bailey Hartsell, Communications Manager
Jason Bishop, Police Chief
Bill Fay, Public Works Director
Katie Ryan, Recreation Programs Supervisor
Sam Proffitt, Ocean Rescue Director
Tony Wilson, Director of Parks & Planning

BUDGET WORKSHOP

Brigman reviewed the agenda as follows: 1) compensation and benefit recommendations; 2) capital improvement plan; 3) revenue estimates; 4) departmental budget review; and 5) general discussion.

COMPENSATION AND BENEFITS

Brigman stated that he had previously informed the Board that staff would be conducting a compensation study for all employee classifications. This study is ongoing, using the City of Wilmington, New Hanover County, and the Towns of Leland and Carolina Beach as comparisons. Brigman reported that the study was not yet complete, and that he hoped to have recommendations for the Board by the middle of the fiscal year. The budget has been created using a CPI/COLA adjustment of 2.6% and merit increases of 0-4% based on performance appraisals. It was also proposed to increase salary grade minimums by 2.6% and increase the salary grade maximum in all grades by 10%. DeGroote requested that the study include a comparison of Board pay, stating that enhancements to such pay would attract candidates to seek office. Brigman stated that this would be an easy thing to add to the study.

With regard to benefits, health insurance was budgeted to increase 18% for plan renewal, at a cost of $150,666. Brigman recommended that the HSA contribution be increased from $600 to $1,500 per plan year, the implementation of paid parental leave of 120 hours per year, implementation of an employee wellness program at a cost of $1,500, and an increase in longevity pay, doubling the current rates, at an estimated additional cost of $16,100.

Other compensation and administrative changes noted were: 1) reclassifying the Parks & Recreation Supervisor to a director-level position reporting to the Town Manager; 2) moving the Park Rangers from the Planning/Inspections Department to the Police Department; 3) shifting payroll responsibilities from the Human Resources Manager to the Accounting Technician position in Finance; 4) eliminating the “hiring rate” from each salary grade; and consider closing Town Offices at 4:30pm through the reduction of the lunch break from one hour to 30 minutes. It was the consensus of the Board that the office hours issue could be dealt with by the Town Manager either on a pilot program basis or otherwise.

CAPITAL IMPROVEMENT PLAN

Brigman reviewed a total Capital Improvement Plan in the amount of $4,973,156. Brigman noted that the Town currently had a balance of approximately $11 million in a Capital Project Fund. Historically, the Town had saved up for capital projects, with departmental budgets containing contributions to the Capital Project Fund annually. Brigman stated that the Town was transitioning away from that model with capital funding being taken either from the General Fund or Capital Project Fund. The plan is to spend down the Capital Project Fund to where all capital projects would be funded through the General Fund. Brigman reviewed each of the proposed capital expenditures, with the most notable being 1) dune walkover replacement in the amount of $250,000 which would replace the walkover at Beach Access #3; 2) Town Hall Renovation Phase I in the amount of $877,212, which would represent approximately 1/3 of the total renovation cost; 3) Multi-Use Path connecting the pickle ball courts and Causeway Drive in the amount of $632,000; 4) Christmas Tree replacement and Christmas street lighting in the amount of $200,000; 5) Loop Improvement design in the amount of $300,000; 6) annual CIP contribution of $157,000; 7) fuel system replacement of $500,000; 8) Fire pumper apparatus at $1,075,000; 8) Police records software at $100,000; 9) Police vehicle replacement at $100,000; and 10) beach access improvements/trash can enclosures at $100,000.

REVENUES

Brigman and Murray reviewed budgeted revenues, noting that the property tax was budgeted at $.05 per $100 in assessed valuation for a total budget of $3.5 million. It was noted that the line item for local sales and use tax had been combined from several line items into one line item. Parking revenues were budgeted at $6.7 million. It was noted that parking enforcement expenses were approximately $1.5 million. Brigman reported that there was $1.4 million in ROT funds that have not been utilized. Murray stated that there were opportunities to request these funds for purposes already identified in the Town's budget.

Brigman noted that overall, the proposed budget consisted of total expenditures of $22,046,979 and revenues of $23,660,412, resulting in a net difference of $1,613,433.

DEPARTMENTAL EXPENDITURES

Brigman noted that, overall, it was difficult to compare departmental expenditures from year to year due to the reallocation of certain major expenditures from departmental budgets, such as moving health insurance expenses to the Human Resources budget and IT expenses to the IT budget. The Mayor stated, and Brigman agreed, that it was difficult for the Board to make comparisons when major expenses are shifted and asked that this be limited in future budgets.

Regarding Flotilla expenditures, Brigman noted that the Flotilla Committee had asked the Town to manage the fireworks and Day in the Park event. After discussion, it was the consensus of the Board that the Town not accept any partial responsibility for the Flotilla—either the Town could completely take over the event or the Flotilla Committee could continue to manage the event.

In reviewing the IT budget, Brigman stated that he was recommending that the Town continue to contract with Infranet for the services that were previously provided by a Town employee due to the increase in costs that would be seen if the Town were to hire an IT Manager. Brigman stated that he would revisit the issue in the next budget year. Brigman reported that a large expenditure in this year's budget would be for the purchase of devices that could not run Windows 11, as Microsoft would no longer be supporting Windows 10 after 10/25.

Reviewing the Public Works Streets and Facilities budget, Brigman noted that the budget combined the functions of street maintenance and facility maintenance because the two divisions often shared resources.

In reviewing the Police Department budget, it was reported that funding was included to account for the additional officer, which resulted from the Board's approval of the command structure reorganization at its last meeting (2 lieutenant positions were added to replace a captain position) and one additional officer position. Miller requested that at the next budget meeting information be provided as to what was planned by the department to improve the quality of life for residents.

Brigman reported that the Fire Department budget included funding for 3 additional fire fighter positions in order to allow for one additional fire fighter on each shift (for a total of 3 on each shift). Chief Holland stated that he would eventually like to have a total of 4 fire fighters on each shift, noting that the department was not able to rely as much on volunteers as it had in the past.

Brigman noted that one of the costs to the General Fund of the merger of the Town's water and sewer functions with the CFPUA was that the Water & Sewer Fund had been paying an administrative fee to the General Fund of $230,000 and these revenues will no longer be available to the General Fund. Another increased cost for the General Fund is in replacing work that had been done for General Fund operations by water and sewer employees. The Town is reducing its workforce by 7 water and sewer employees in the merger. Therefore, two additional employees are being budgeted for Public Works: one in the Environmental Services Division and one in Parks Maintenance in part to assist with the loss of that labor with the goal of maintaining quality of life for the residents.

Brigman also reminded the Board that, due to the Board's adoption of a revenue neutral budget, the Town may end up receiving a lower allocation of sales tax monies, depending on what other localities in New Hanover County do with property tax rates.

Brigman reminded the Board that the next budget workshop will be held on April 29 at 9:00am. The budget calendar calls for a final draft budget to be presented at the May 8, 2025 meeting, with a public hearing and final adoption at the June meeting.

DeGroote stated that Pivot Parking had the capability of implementing incremental parking times (less than one hour in duration) and asked the Board if it would consider allowing a pilot program to assess the effect of the implementation of such times in the busier business districts. It was the consensus of the Board that the pilot program be explored. Brigman stated that he would follow up and report back to the Board.

The meeting was adjourned at 11:16am.

Respectfully submitted,

Lance G. Heater, Town Clerk