

BOARD OF ALDERMEN MINUTES

APRIL 29, 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
Evan Morigerato, Asst. Public Works Dir.
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) budget overview; 2) revenue estimates and changes; 3) compensation and benefit changes; 4) capital improvement plan; 4) departmental budgets; and 5) general discussion

BUDGET OVERVIEW

Budget priorities and objectives were listed as follows: 1) create a budget that meets the current and future needs of the Town; 2) revamp the Capital Improvement Plan to be an accurate guide for current and future capital needs; 3) focus on "Quality of Life" factors for residents (public safety concerns, amenity improvements, and aesthetics); 4) maintain healthy reserve funds (Fund Balance); preparing for future challenges and threats (bridge replacement projects, disaster recovery, and beach nourishment); 5) implement operational efficiencies and ensure departments deliver high-quality services; 6) foster a workplace environment that recruits and retains quality employees that support the values and mission of the Town; and 7) budget is balanced, with no use of Fund Balance (reserve fund).

Brigman stated that the budget was based on a revenue neutral tax rate of \$.0531 per \$100 valuation, a reduction of roughly 42.5% from the previous rate of \$.0923. Brigman said the average property value increased by 77% based on the New Hanover County reevaluation. As a result, some property owners would see a reduction in their tax bill while others would see an increase. Specifically, 1,637 tax bills would increase, with 970 of those having an increase of less than \$150. 1,759 tax bills would decrease or experience no change with 1,185 of those having a decrease of less than \$150. It was noted that the property owners' overall tax bills will be reflective of taxes assessed by the Town plus taxes assessed by the County.

As a result of the County's sales tax distribution methodology and the Town's proposed property tax rates, the Town estimates it will receive reduced sales tax revenues of approximately \$200,000. Another major revenue loss to the General Fund is the loss of cost allocation revenues from the Water and Sewer Fund, which will result in a net reduction of \$205,000.

Increased operating expenses were listed as: 1) health insurance premium increase and benefit improvements (\$152,000); 2) IT managed service contract increase (\$45,000); 3) cleaning contract (\$45,000); 4) holiday beach trash collection (\$50,000); 5) credit card transaction fee increases (\$125,000); and 6) new positions (\$620,000).

Brigman reviewed the proposed use of capital reserve funds for \$4,360,000 worth of projects, as outlined in the previous budget workshop.

Major General Fund changes were: 1) moving all health insurance and fringe benefit expenses into the newly-created Human Resources budget; 2) moving all IT expenses into the Information Technology budget; 3) two new positions in the Public Works Department due to the loss of Water and Sewer employees who occasionally performed General Fund services; 4) three new positions in the Police Department to assist with quality of life concerns; 5) three fire fighter positions to add an additional staff member for each shift (from 3 per shift to 4); 6) relocation of the Park Rangers from Planning/Building Inspections to the Police Department; and 7) making the Parks & Recreation Manager a direct report to the Town Manager.

COMPENSATION AND BENEFIT IMPROVEMENTS

Brigman outlined improvements contained in the draft budget as 1) 2.6% COLA/CPI increase; 2) 0-4% merit pool for employees; 3) increase all Salary Grade Minimums by 2.6% (CPI/COLA), and increase the Salary Grade Maximum in all grades by 10%; 4) health insurance renewal and improvements (\$50,000 plus increasing the employer contribution to the HSA plan from \$600 to \$1,500 at a cost of \$49,500); 5) provide employer-paid vision insurance (\$14,500); 6) increase longevity pay by doubling the existing rates (\$16,500); 7) provide employer-paid short and long-term disability coverage (\$22,000); 8) implement an employee wellness program (\$1,500); and 8) implement 120 hours of paid parental leave. It was noted that, although there were no direct costs because of the implementation of paid parental leave, there would be indirect costs in dealing with the temporary loss of manpower to the departments as employees use parental leave. Brigman stated that a compensation analysis on all positions would be completed near the middle of the fiscal year with recommendations for adjustments being brought to the Board at that time.

DISCUSSION

There was discussion regarding changes in various line items from FY24-25 to FY25-26 and Brigman stated that the Board would be provided with information regarding individual line items which had changed by 5% or more.

In discussing the parking budget, it was noted that “incentive fees” were not actually based on the number of parking infractions but was the set fee contained in the contract with Pivot Parking to manage the parking program. Brigman stated that the line-item description would be changed to better reflect the cost item. There was discussion regarding potential changes to the parking program in which it was noted that any changes would be implemented following the parking season – not during the season itself. There was also discussion regarding problems with the text-to-park system because of limitations on cellular service bandwidth. Brigman stated that the Town was having discussions with cellular carriers regarding solutions to this problem.

ENTERPRISE FUND – WATER/SEWER

Brigman noted that the merger with CFPWA was on schedule to be finalized on 9/30/25 and that any capital needs prior to the merger would be brought to the Board on a case-by-case basis. Following the merger agreement, the Town has agreed to follow established CFPWA rates. CFPWA has proposed a 6.9% increase for FY25-26, therefore the Water and Sewer budget has been prepared with a 6.9% increase, which will result in an average 2-month bill increase of approximately \$20.

FEE SCHEDULE

Brigman briefly reviewed changes in the Fee Schedule from FY24-25 to FY25-26. Miller expressed concern with proposed increases to film permits

Brigman stated that a draft budget would be presented at the May 8 regular Board meeting. Following the meeting, draft budgets will be available to the public by contacting the Town Clerk. A public hearing on the budget will be conducted at the June 12 regular Board meeting, with final adoption following the public hearing.

It was noted that the Town had received the GFOA award for financial excellence and Board members expressed appreciation to Murray for his work.

The meeting was adjourned at 10:29am.

Respectfully submitted,

Lance G. Heater, Town Clerk