

Town of Southern Shores Mayor's Chat July 3, 2007

Here are the questions and comments from this months chat. In *Italic* are the answers received after the meeting.

Mayor Smith, thanked every one for coming, even though it was a small group due to the 4th of July Holiday it was actually a larger group than he thought would attend.

He explained the recent vote for the FY 07-08 budget was approved 3 to 2. He stated the headlines of the Coastland Times title stated a "small increase". He does not consider it to be a small increase as it was 15% bringing an overall increase of 40% over the last 4 years. There is a letter to the editor that also agreed it was not a small increase and states how disappointed the writer was. The Mayor read a letter he had received today from a taxpayer who was very disappointed in the council. Now Southern Shores does not have the lowest tax rate in the County, Duck's taxes are the lowest. Tomorrow is Independence Day for the Country and November 6 can be Independence Day for Southern Shores taxpayers with the fact that the three council folks who supported this tax increase are up for re-election.

Mayor opened the floor to questions.

Pat Storey, 362 Sea Oats Tr., asked if this is the place for campaigning. Mayor stated yes, he is a tax payer and he keeps getting phone calls from citizens, disappointed by the tax increase and citizens need to know who supported this increase. The Mayor added the government is not your friend and does not run anything efficiently.

Pat stated we have a Town Manager who needs additional money to run the Town, why doesn't the mayor give him a chance.

Mayor gave an example of a response to a budget question he asked the Fire Chief. Last year the Fire Department asked for an additional \$35,000 for a one time expense to replace an air compressor. The town was told this would pay the total cost and the majority of the board was not interested in having the SSVFD finance the purchase compressor. We were further told this year's budget increase of 20% would be lower next year and in fact it was not. This year their budget came in with \$35,000 plus and no explanation as to why they are requesting the money again. The Mayor further stated that he was a past fire fighter for 13 years and his wife for 12 years; he deeply appreciates and knows the hard work that is done by the volunteers. However, he has a fiduciary responsibility to inquire why money is needed. He stated if a contractor was building him a home and stated he needed an additional \$35,000 he would certainly ask why and so would everyone else he knows. He stated the chief has failed to answer this simple question and this deeply concerns the Mayor and should be a concern to all council folks and taxpayers.

Pat Storey asked the Mayor why he left the fire department. The Mayor also stated after his wife and he were in a burning building surrounded by flames after that incident his wife said that was the first time she was really scared and said she felt since we were both over 50 we were too old to be doing this. After a period of reflection the Mayor and his wife decided to retire from the fire department. The Mayor's Dad was also a member for about 8 years and also is retired. He stated the Southern Shores Volunteer Fire Department regardless of leadership will always be deeply respected and appreciated by us.

Fire Chief Harvey asked to be recognized and the Mayor granted him time to respond. He stated the Mayor left the department three months after the fire when he lost the election. The Chief stated anyone can make an appointment to see the budget and the audit report and he will answer any questions. He stated he will not answer specific questions on the budget in public. The fire department has a contract with the Town and is only required to submit a budget. He stated their budget did not go up. They are audited every year by the same auditor the town has.

Mayor stated it was a very tough decision to quit the department. The Mayor again stated the Chief is still refusing to answer a simple question. The fact is that their budget has gone up and it should be explained why.

Jim Harris, 92 S. Dogwood Tr., stated there is a difference between being fiscally responsible & irresponsible, referring to the Fire Chief answer to the Mayor's question.

Jim stated had volunteered to help with the stormwater issue, but staff would not take him up on it and told him they would have to hire someone. He wanted to cut some branches down on a tree in the Row and town told him not to.

Kevin Stroud, 157 Wax Myrtle Tr., asked what is in the current unreserved fund balance and what percentage of the budget is the fund balance. The Town Manager answered unreserved fund balance is 2.4 million which is 58% of the budget and the goal 75%.

Kevin asked do we need 75%. The Mayor stated he still feels we don't need that much in reserve and if politicians have that much of the taxpayers' money they will find ways to spend it. He further stated the town attorney informed the council there was no way to have money set aside for emergencies only, no lock box, and future councils could spend these funds for anything they want. The Mayor is deeply concerned with leaving millions of our tax dollars in the hands of politicians. Kevin feels 3 to 6 six months worth of funds would be comfortable to have in savings.

Mayor stated the Town found out Red Bay Lane was a town road, not a private road and it needed to be paved. He felt that was an emergency and we should have used the emergency funds to pay for it. Kevin thought that would have been the right way to go. Kevin asked why the council did vote for the increase. Mayor stated he needs to ask those that supported the increase.

Councilman Sanders asked the Mayor to please pay me the respect of using my name when referring to these matters. Mayor stated those that voted for the increase were David Sanders, Dan Shields and Jodi Hess.

Pat Storey asked why the Town Manager hasn't been answering many questions tonight. Town Manager stated he stays out of political discussion if it is an administration question he will answer.

Jim Conners, 83 Duck Woods Drive, stated Duck charges all kinds of fees can't compare with their low tax rate. He doesn't have a problem with the tax increase but has a big problem with the high cost of insurance, is there something we can do about the increases. Mayor answered he would like to see the insurance premiums come down but there isn't anything we can do about it.

In addition the Mayor stated, one cannot argue with the following facts our tax rate has now been increased 40% over the last four years. People can not sell their homes even if they want to move because the slow down in the real estate market.

Jim feels Council wanted to maintain the services people have gotten use to. He stated he feels roving life guards are needed.

Al Smith, 279 Sea Oats Tr., stated he was at the beach for three hours and never saw a roving life guard.

Mayor stated Sunday morning many people were in the water early in the morning, when there is no life guard service and again after 6PM and these folks were swimming at their own risk. If we removed roving life guards and the supervisor from the contract we could save \$38,000.

Jim Pfizenmayer, 4 Loblolly Dr., stated he also has not seen the roving life guard. He asked if anything could be done about all the cars blocking the intersections at NC 12 and US158. The Town Manager answered technically it is Kitty Hawks road but we can work with them. Lights need to be synchronized and Town Manager will contact DOT along with talking to Kitty Hawk and the Police Department about what can be done regarding cars blocking the intersections.

Jim Pfizenmayer, also asked about the dredging project, how are we doing. He stated a boat ran aground yesterday afternoon in the channel and after getting him back to the dock, the next day it sunk. The Town Manager explained they had a meeting with all the agencies that went well. Some of the agencies have been getting phone calls from residents about concerns on the environment. We should be applying for the permit in about two weeks. Environmental Professionals (EPI) is doing all the permits. EPI has been told not to worry about small cost, just what you have to go ahead with the permit.

Al Smith asked if next year when the Council gets together and talk budget, can they talk to the department heads and ask them to cut their budgets, then negotiate with the

department heads. The Town Manager answered the town faces all the increases that the public faces insurance, gas etc. The town is growing and we can't do the same thing as we had been. Trash is the biggest cost increase; we are at the whim of the County. The Mayor agreed with Al Smith and stated he had previously asked Mike Hejduk if he could reduce his budget by 10% and he said yes however the majority of council did not force him to do so, business as usual.

Kevin Stroud asked is the trash something we can look at and shop each year. The Town Manager answered we are in an agreement with the County and must place trash in Bertie County. Duck is not in that agreement. Leo Holland asked when we can get out of that agreement, Town Manager stated; 2010.

Town Manager explained the unreserved fund balance that the State law recommends 8% of operating expenses; however the local government association recommends the smaller the government and dangers the larger amount; 100% of operating expenses. Town Manager feels, if you have a capital improvement budget, then you can have unreserved fund balance at 50%.

Mike Stone, 8 Sandfiddler Ct., stated we need to investigate what figures we need to work with if we have something like a Katrina and what a storm like that would do to this area. He also commented that Duck does not own any road, or have public works either and you can't compare towns.

Mayor stated the roads overall are in good shape based on a recent study done by Mike Hejduk. This does not mean there are no problems but simply our roads overall are in good shape.