



TOWN OF SOUTHERN SHORES
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Council Meeting
April 19, 2011
8:00 a.m.-Pitts Center

Mayor Denny called the meeting to order, led the Pledge of Allegiance and held a Moment of Silence.

The following Council Members were present: Mayor Hal Denny, Mayor pro tem Jodi Hess, Council Members Jim Pfizenmayer, Kevin Stroud and George Kowalski. Also present: Town Manager Peter Rascoe, Town Finance Officer Bonnie Swain and Town Clerk Carrie Gordin.

APPROVAL OF AGENDA

Mayor pro tem Hess moved to approve the agenda as presented. Council Member Kowalski seconded. The motion passed with Mayor Denny and Council Members Hess, Pfizenmayer, Stroud and Kowalski voting aye.

APPROVAL OF MINUTES - March 29, 2011

Mayor Denny moved to approve the minutes as presented. Mayor pro tem Hess seconded. The motion passed with Mayor Denny and Council Members Hess, Pfizenmayer, Stroud and Kowalski voting aye.

BUDGET OFFICER PRESENTED PROPOSED FY2011-2012 BUDGET AND BUDGET MESSAGE

The Budget Officer (Town Manger) presented the draft proposed FY 2011-2012 Budget and Budget Message. He stated this budget is the same as was presented to Council at the March 29 budget work session meeting. He stated the proposed budget reflects a \$4,874,150 balanced budget with the tax rate remaining the same (.014) per \$100 valuation of taxable property and no use of the Town's undesignated fund balance to balance the budget.

The Budget Officer, during his presentation, stated the biggest budget concern is the constantly changing and unknown fuel costs for our vehicle operations and service contractors. Due to that concern, he stated he will recommend to Council a review of the budget performance of all fuel expenses after the first quarter of the next fiscal year.

[Clerk's Note: A copy of the Budget Message is hereby attached as Exhibit A. A copy of the FY2011-2012 Proposed Budget can be found at Town Hall and on the Town's website].

REQUEST COUNCIL SET PROPOSED FY2011-2012 BUDGET PUBLIC HEARING-MAY 3, 2011

Mayor Denny moved to set the proposed FY2011-2012 budget public hearing for May 3rd, 2011 at 7:00 p.m. Mayor pro tem Hess seconded. The motion passed with Mayor Denny and Council Members Hess, Pfizenmayer, Stroud and Kowalski voting aye.

THIRD QUARTER FINANCIAL REPORT-BONNIE SWAIN, FINANCE OFFICER

The Finance Officer reviewed the report with Council and explained the increases and decreases. The Finance Officer explained that the line items from within the Police Department have been decreased (training, travel, O/T) to allow for the fuel increase in vehicle operations.

The Town Manager reminded that all inter-Departmental line transfers have been approved by Council upon its initial adoption of the FY 10-11 Budget Ordinance.

In reviewing the report on cash flow for the General Fund, the Finance Officer stated that certain journal entries for transfer of funds from capital projects have not yet occurred and thus the revenues figures for the past three months do not yet reflect the adjustment.

PUBLIC COMMENT - None

OLD BUSINESS - None

NEW BUSINESS - None

OTHER ITEMS

Town Manager

The Town Manager stated that he and Mayor pro tem Hess will be attending a meeting tonight in Kitty Hawk with CAMA representatives who will explain the Coastal Resources Commission's current position on encouraging coastal local governments to consider sea level rise in their Land Use Plans.

Mayor

Mayor Denny stated he would be attending the annual Town Hall Day in Raleigh on May 4. He encouraged others to consider attending.

Council

Council Member Kowalski stated, as a member of the Southern Shore's Fire Department, he thanked the Town Manager for spending time at the East fire station following the storm event on Saturday evening.

The Town Manager stated from his perspective the Fire Department did a great job on the storm clean up in the Town of Duck, and the Police Department also did a great job in assisting the Town of Duck during the storm's response period.

Mayor pro tem Hess reported the Town Manager spoke at the SSCA Boat Club meeting and that he provided a detailed explanation on how a Town budget is prepared. She felt the group appreciated and understood his presentation.

Hearing no other business Mayor Denny moved to adjourn the meeting at 9:55 a.m. Mayor pro tem Hess seconded. The motion passed with Mayor Denny and Council Members Hess, Pfizenmayer, Stroud and Kowalski voting aye.

ATTEST: SOUTHERN SHORES, N.C.


Hal Denny, Mayor

Respectfully submitted:



Carrie Gordin, Town Clerk

In accordance with the *North Carolina Local Government Budget and Fiscal Control Act*, submitted today for filing with the Town Clerk is the proposed Town of Southern Shores operating budget for upcoming fiscal year 2011-2012.

During the current fiscal year 2010-2011, the local development and construction economy has continued to remain slow in growth, which translates into limited increase in taxable property. The other major sources of revenue for the Town of Southern Shores, being occupancy tax, sales tax, and land transfer tax, did show some increases during the current year resulting in more favorable revenue projections. Regardless of the current economy and the Town's good financial status, the overall fiscal goal of Town administration is to provide the best possible delivery of authorized Town services in an economically feasible manner. By successfully accomplishing this goal each year, end-of-year budget savings and any realized unbudgeted or unanticipated revenues are transferred into the Town's fund balance for future budgeting as appropriate.

During the months of January and February of this calendar year and in accordance with the *Budget and Fiscal Control Act*, the Town's Budget Officer gathered from Department Heads the estimated costs of continuing to provide the same services next fiscal year that have been provided to citizens during the current fiscal year. Some of those projected costs have increased, and some have been adjusted to indicate decreases. Some necessary adjustments were made in operations during the current year which have resulted in proposed departmental costs being lowered for next year. There are other expenses for services which cannot be adjusted due to firm legal contractual obligations (i.e. fire protection, lifeguard services, solid waste collection, etc.). One significant expense is not projected for the upcoming year - the cost to dredge remaining canals which have not yet been addressed in the ongoing canal maintenance dredging project. Only the cost to acquire a permit to dredge those remaining canals in the future is projected. As a result, this year's proposed budget of \$ 4,874,150 differs significantly in amount from last year's initially adopted budget of \$6,404,650. This year's proposed budget is balanced without the use of any fund balance nor any property tax increase.

For this upcoming fiscal year, several open-meeting Budget Workshops were conducted by the Town Council, the Budget Officer, and the Finance Officer. Citizens and local press attended each workshop. Each line of the projected operating expenses for next fiscal year was reviewed at each of the workshops. The draft proposed budget has been accessible on the Town's website throughout the process. Consensus was reached by the Council at the workshops on several expenses projected by the Budget Officer, including several projects recommended by the Capital Improvement Projects Committee. One directive was enacted by Council in a regular Council Meeting to propose the Chicahawk Trail rebuild capital improvement project.

The proposed budget has now been filed and remains available for public inspection. The Town Council may deliberate on it proposed components at its discretion, will hear public comment, and may take any number of actions, such as either adopt as proposed, or amend the proposed budget and adopt as amended. An operating budget must be adopted no alter that July 1, 2011.

Peter Rascoe
Budget Officer
Town of Southern Shores, NC