



Town of HOLLY RIDGE

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**HOLLY RIDGE TOWN COUNCIL
SPECIAL MEETING
BUDGET WORKSHOP # 1
May 23rd, 2024
4:00 P.M.**

Mayor Jeff Wenzel called the Regular Meeting of the Holly Ridge Town Council to order at 4:00 p.m. at the Holly Ridge Town Hall. Council members present were Councilman Hines, Mayor Pro-Tem Patti, and Councilman Misciagno. Also present were the Town Manager, Heather Reynolds; Deputy Clerk, Tracy Martin; Finance Director, Chuck Strickland; Public Works Director, Mike McFann; Police Chief Sorg; Holly Ridge Fire Chief Brandon Longo; and Turkey Creek Fire Chief Ricky Hardison. Councilman Parnian was absent as well as Councilwoman Stanley

Invocation and Pledge

Councilman Hines gave the Invocation and Mayor Wenzel led the Pledge of Allegiance.

Adoption of Agenda

A motion was made by **Councilman Hines** and seconded by **Mayor Pro-Tem Patti** to adopt the agenda as presented. **All Agreed.**

Workshop to Review and Discuss the Proposed Fiscal Year 2024-2025 Budget

Mayor Wenzel asked Manager Reynolds to go over questions that the Town Council had submitted to her. Manager Reynolds said Councilman Parnian had some comments as far as the two committees he proposed. Councilman Parnian would like to complete phase one of both approved committees by the end of fiscal year, first quarter, which will enhance requirements further. Councilman Parnian wants to combine grant writing, PR, and framing line items for projection purposes. Maybe keep the line items but consider combining the funds and hire an experienced communication marketing person to execute both grant writing and marketing communications for the next three quarters.

Councilman Parnian said increase in line item 10-140-11-0. Based on the three quarters of execution, there should be sufficient funds for fiscal year 2024-2025.

Councilman Patti said he sent Manager Reynolds an email just as a thought process and he would rather Manager Reynolds not go through the questions he asked because he just wanted Manager Reynolds to be prepared if any of the questions he asked came up.

Mayor Wenzel asked Manager Reynolds to speak about the \$300,000.00 for a new Town's website. Manager Reynolds said the Town Council approved hiring MUSE which is a consultant company. Town Council approved Muse to come in and take an assessment of all our current existing software and hardware. Manager Reynolds and staff have had multiple meetings with Scott and his team who are with MUSE. Manager Reynolds said Scott's recommendation was \$300,000.00 because it would include the new website, all the licensing for additional program modules such as the community development inspections so builders can check their inspection results and payments can be made. They will also code and build dashboards so that workflow can be used here in town.

Councilman Hines asked how much this will cost us over the years. Manager Reynolds said for Community Development, one cost is \$2200.00 per user per year and at this time that is the only one with a license. Councilman Hines asked how does this work into the \$300,000.00.

Manager Reynolds said the \$300,000.00 is for the initial setup. There would be some maintenance cost moving forward if we wanted to redesign the website. Manager Reynolds said Muse has engaged coders on the back end to create dashboards for us. Our program is putting different programs together but also uniting them under a dashboard. They will also provide in depth robust learning platforms. They will record videos for training so each time we have a new employee, it can be self-training.

Mayor Pro-Tem Patti said he spoke with Councilman Parnian, and this is his expertise and he felt \$300,000.00 is a lot and we can do better.

Councilman Misciagno said is works for Coldwell Banker which has 24 offices and 850 realtors, our expense in this would be astronomical. Councilman Misciagno said the \$300,000.00 should give us the baseline for at least twelve months, twenty-four months set up integration before they start charging us. Councilman Misciagno said the initial setup is the biggest expense.

Councilman Misciagno said this will be a revenue generator over time for Holly Ridge. As we grow, we're scale to 8,000 homes within the next four to five years, Holly Ridge does not even have an about me page. Councilman Misciagno said the webpage is so antiquated and this is an up-front expense that is going to be painful, but it is going to help Holly Ridge long term for industry to come into the marketplace. Councilman Misciagno said he is glad we did the consultant because Muse was a third party not tied to financial gain.

Councilman Misciagno said the website at some point is going to be a portal for emergency services as well. Councilman Misciagno said he would think between fire and police, our website must be above reproach.

Mayor Pro-Tem Patti said the budget looked good and staff did a great job. Mayor Pro-Tem Patti said he is concerned about a tax increase, and he does not want a tax increase. Mayor Pro-Tem Patti asked if the tax increase would generate about \$300,000.00 more in revenue and Finance Director Chuck Strickland said that yes, about \$76,000.00 per penny. Mayor Pro-Tem Patti said to take care of the \$300,000.00 he is nervous about the million-dollar investment and if we scale it back to see how it goes. Mayor Pro-Tem Patti said that will take care of the tax rate and leave us money for something else.

Mr. Strickland said the previous Council warned us to try and maintain a 40% reserve in our general fund.

Councilman Hines said over the past five to six years he has pushed for a decrease in taxes, but this year Councilman Hines did not ask for a decrease in taxes. Councilman Hines said we had a reevaluation two years ago and we are going to have another reevaluation in two more years.

Mayor Pro-Tem Patti said the reason he feels so strongly about this is because of the reevaluation. Some residents think we are double dipping the tax burden. We are not, but it feels like we are to them because of the reevaluation.

Mayor Wenzel asked if we were to not have to pull out of the fund balance, and we were to keep the taxes the same, what would that amount be? Manager Reynolds said \$1,695,511.54.

Councilman Misciagno asked what the American Rescue Act Plan is used for, and if it does not get used, is there a reallocation option? Mr. Strickland said that money was given a few years ago and there has not been any definitive use or plan for the money. Mr. Strickland said at one point last year, we were going to put the money towards repairing the streets, but we pulled the money back just in case we needed it for the situation at the Housing Authority. Mr. Strickland said if we do not use those funds by 2025, they can pull those funds back from us.

Councilman Hines asked if we are using those funds to balance the budget because we are not guaranteed those funds next year. Mr. Strickland said we are using those funds to go towards the street or the investment projects.

Mayor Pro-Tem Patti said he wants to see tangible results as far as upgrading the bathrooms, offering things that people can see, touch and feel. Mayor Pro-Tem Patti said the community wants to see some results of their tax money.

Mayor Wenzel asked what some of the things are that we can agree upon that we want staff to lower their amount for this next budget. Mayor Pro-Tem Patti strongly feels that anything that has to do with building something new such as a new fitness center, garage, and Town Hall Emergency Operations Center needs to wait. Councilman Hines said we have a maintenance building for the Police Department at the housing authority that could possibly work for the Police Department.

Councilman Hines asked Public Works Director Mike McFann about where he intends on building a new maintenance building. Mr. McFann said he was going to dismantle and see if we could surplus and build the new building on the same spot. Councilman Hines asked what the purpose of the new building is? Mr. McFann said we need to keep the equipment we have out of the weather. Mr. McFann said we have nearly three quarters of a million dollars' worth of equipment sitting out there getting birds nest on it as well as sun damage. Mr. McFann said he is just trying to protect the Town's investment.

Manager Reynolds said with the Emergency Operations Center, town hall municipal complex, Nate's department has submitted the RCCP grant for the feasible study, the design engineering of the EOC municipal complex. Manager Reynolds said there are some questions that the Town Council needs to answer for us to move forward with this project. Manager Reynolds said we need to know if we need to include a fire department and where the Town Council wants it. Manager Reynolds said before we can get to are we going to do it, those questions must be answered.

Councilman Hines said we need to know the intentions of the fire department and if they plan to eventually turn the fire department over to the Town and if the fire department is planning on doing this, we need a plan.

Mayor Wenzel said Mayor Pro-Tem Patti is suggesting that we take the \$110,000.00 out for the building for the Police Department. Mayor Wenzel asked if that included the equipment. Chief Sorg said typically you can find adequate gym packages for five to ten thousand dollars and that was included in the \$30,000.00.

Councilman Hines said he is in favor of letting the Police Department use the building at the housing authority without building a separate building before the police department. Councilman Hines has seen the wear and tear on this equipment sitting outside and most everything we have is new and it can get old quick sitting out in the sun.

Mayor Pro-Tem Patti said he did not know if we should appropriate \$180,000.00 right now for ballfield light, but we could revisit this later. Mr. McFann said the lights at first and third base go out all the time during softball games. Mr. McFann said eventually these lights will just stop working but we are trying to keep up with the need.

Councilman Hines said he is against spending \$180,000.00 for a small number of citizens to use the field. Councilman Hines said he is okay with removing this from the budget.

Councilman Misciagno said he does not like it and he knows it was a revenue thing that was keeping us from making money, and when Councilman Misciagno drove by, there is a lot of people playing at night. Councilman Misciagno said he thinks it would expand.

Mr. Strickland said he spoke with the Parks and Recreation Coordinator Audrey Madia about the lights, and she said they could bring in weekend tournaments if we made sure the lights were working. The referees and players that come out here all the time see the lights not working. Manager Reynolds said year to date so far just on the ballfields, the Parks and Recreation department has brought in \$7,335.00 on the rentals.

Mayor Pro-Tem Patti said he has a category listed as consultant happy. Mayor Pro-Tem Patti said he is up in the air about a fire consultant. Mayor Pro-Tem Patti said we have experts in town that will not be biased in giving their opinion. Mayor Pro-Tem Patti said the Ordinance Review Committee is supposed to be a collection of citizens who review and discuss different Town ordinances and bring their changes or recommendations to Manager Reynolds or Nate Rhue. Mayor Pro-Tem Patti said he did not know if we needed to pay Wes MacLeod \$22,000.00 to be a part of this or not.

Councilman Misciagno said we should set a baseline of \$20,000.00 for a fire department consultant third party not tied to Chief Longo's group in our group. Councilman Misciagno said it must be somebody that is independent in conjunction with Chief Longo and the Town. Councilman Misciagno thinks \$5,000.00 is sufficient for a consultant pertaining to the Community Development Department.

Manager Reynolds said going through the Council of Governments is a less expensive option than a private consultant. All the Town Council was fine with reducing the amount from \$22,000.00 to \$17,000.00 for a consultant.

Mayor Pro-Tem Patti asked Public Works Director, Mike McFann if the skid steer he has requested is a need or a want. Mr. McFann said it is more of a need now since there has been talk of adding more debris pickup. Mr. McFann said his department rents a skid steer maybe five to ten times a year. Mayor Pro-Tem Patti asked if it is worth spending \$96,000.00 for something that is used maybe five to ten times a year. Mayor Wenzel asked how much it costs to rent one for a week. Mr. McFann said around \$2800.00 plus \$3000.00.

Mr. Strickland said this could be one of the uses for the American Rescue Plan's money. Councilman Hines said you are still spending money on something we don't need right now. The ARP money could also be applied to the town's streets too.

Mayor Pro-Tem Patti asked for an explanation in the \$155,000.00 for a fire medic. Manager Reynolds said there was a miscalculation in her number. Manager Reynolds said when she and Chief Longo met, they discussed the salary, Manager Reynolds asked if the medic would work the same number of hours that a regular employee would work. What is calculated is not for a twenty-four-hour coverage, it would be approximately \$30,000.00 more.

Manager Reynolds accounted for three fire medic positions at a rate of \$21.00 an hour. Councilman Hines asked how you are going to have three in a 24- hour a day coverage when you have vacation and leave. Chief Longo said it will be more than three people covering this. Chief Longo said he was going to regulate it as if it was a part-time employee and paid by the hour. Chief Longo said this number just funds by the hour to cover twenty-four hours a day and that would not necessarily be one person. Councilman Hines asked if that person would be staying at the firehouse.

Councilman Hines asked if this person would respond to calls on Tar Landing Road. Chief Longo said if there is a call they would. Councilman Hines said that will leave us without coverage then.

Chief Hardison said this happens now when my medic comes to Holly Ridge. Chief Hardison said he has a medic four days a week for a ten-hour shift.

Mr. Strickland said the contract that we have with the fire department now, last year we increased above what the contract said and no matter what the Town Council says, Mr. Strickland would recommend that we look at modifying their contract and make it solid. Last year we gave them one hundred twenty thousand dollars and the contract say one hundred thousand dollars.

Mayor Pro-Tem Patti said he receives weekly calls about more services for our citizens. If we are just holding on to the \$220,000.00 for what ifs we are doing a disgrace to our citizens. Councilman Hines said we are not holding on to it for what if, we are holding on to it for the future. Mayor Pro-Tem Patti said he is in favor of using it because it provides direct targeted care right now.

Councilman Hines said you want to plan for a municipal fire department, but you are spending all the money you are receiving to do something else.

Chief Hardison said we need to be careful with the \$220,000.00. There is a difference between fire and medical service. The money was designed for fire service. Chief Hardison said by Chief Longo calling it a fire medic, he can put that in there. Chief Hardison said if there is a fire call that goes on during that time, that individual would need to respond to fire calls even if a medical call comes in. The county defined how those three cents was to be used.

Manager Reynolds said she would put the \$220,000.00 back under the future capital outlay fund and we are now at 1.2 million.

Chief Longo said the original request of the fire equipment line had the amount of \$5,840.98. Chief Longo said that was half of the annual payment for a new brush truck. When that amount was requested from the county, they did not recommend us financing so they gave us

the full amount of \$35,000.00 for half of the amount that would cost to purchase the brush truck instead of financing.

Manager Reynolds said that would increase Chief Longo's request from approximately \$5000.00 to \$35,000.00 to pay the other half of the brush truck.

Councilman Hines said ONWASA's rates are going up next year. Councilman Hines said one rate it is going up \$3.59 and the other one is going up \$6.44 so that is another \$10.00 for our residents. Councilman Hines said this is another reason why we need to cut the budget as much as we can.

Councilman Hines asked Chief Sorg if his request for new Glocks for his officers was a need or a want. Chief Sorg said it was more of a want than a need Councilman Hines said he know Chief Sorg asked for four officers and the finance group said two. Councilman Hines asked Chief Sorg to tell him about the officers.

Chief Sorg said the officer's ask was based upon the SWAT analysis and based upon the prior meetings he had been to. Chief Sorg said he had heard from the Town Council at these meetings that they wanted to officer to be more proactive with some community engagements where there could be some police sponsored events. Chief Sorg said since there will be an additional 408 apartments which equates to roughly 1200 more residents that will be here before next year. Chief Sorg said the call volume will increase and more than likely 10% of those new residents will have some type of interaction with the police department.

Chief Sorg said the interdiction team due to staffing never got up to full-time to do its job. It has been more of a part time job because of people leaving, people fired, squad shortages. Chief Sorg said he was trying to stay ahead of the population curve and be able to try and provide community involvement.

Councilman Hines said he would like to drop the request for the guns, but he was good with the two officers for the Police Department.

Councilman Hines said staff is asking for a 3% Cola and a 3% Merit. The state average for Cola is 3.5%. Councilman Hines said he is good for 3% Cola, but he thinks the 3% for Merit needs to be cut to 2.5%. Manager Reynolds said cutting the merit, which would save us approximately \$8800.00.

Councilman Hines asked about the \$150,000.00 for legal fees. Manager Reynolds said the \$50,000.00 is set aside for the general Town Attorney and the \$100,000.00 is for the special litigation.

Councilman Hines said he thinks we need to go with Withers and Ravenal for the Grant Writer position because they know what grants we could possibly obtain, Councilman Hines

said at this time he does not know why the Town would need a Public's Relations person because the two positions would be \$74, 814 plus benefits.

Manager Reynolds said these are not positions. Manager Reynolds said we put \$40,000.00 in to cover the previously approved salary of the grant writer that was set by the Town Council or \$40,000.00 would get us approximately ten applications to various grants with Withers and Ravenal.

Mayor Wenzel asked if we are allocating the streets out of this budget and Manager Reynolds said we are. Mayor Pro-Tem Patti said that is a chunk of change for this budget and that is why he thinks it is important to take from the appropriations savings for this year because we must keep that tax rate at thirty-four cents, and we should not increase the tax rate at the same time new evaluations happen.

Manager Reynolds said for transparency reasons, we do show two million as revenue because of the financing. Mr. Strickland said the impact of the tax rate is only \$150,000.00. Manager Reynolds said the \$150,000.00 is the note payment on the two million but that number is just an estimate and not a hard number.

Councilman Hines asked about the \$150,000.00 for the Community Development Department. Manager Reynolds said it covers the contracted services that we currently have, such as the commercial plan review that we contract with the County for that. Manager Reynolds said the increase is due to the Land Use Plan and the UDO. We reduced it to \$5,000.00 for the non-plan use ordinances.

Councilman Hines said when we adopt this budget, we need to immediately start working on our streets. Councilman Hines said last year we had a study done and so we have an idea of the cost, and we need to begin this project July 1st.

Mayor Pro-Tem Patti asked if that includes Smith Street and Manager Reynolds said Smith Street was included. Councilman Hines said Smith Street will cost about half of what all the paving is going to cost, and Councilman Hines thinks Smith Street does not need to be done now.

Mike McFann said when we received that pavement condition, it included Circle Drive. Mr. McFann said they are having replacing the underground infrastructure and the part where the Town is responsible for the center lane. Circle Drive is no longer in existence, and this will be a savings for the Town.

Mayor Wenzel said can we get a draft 1.1 budget sent out and figure a time when we can recess and come back to resume the meeting. Mayor Wenzel would like Manager Reynolds to present a budget with the Police Department gym removed, lights removed, fire consultant and drop \$30,000.00, seventeen out of the non-Land Use consultant. Mayor Wenzel said the Town Council has not decided on the Skid Steer. Add in the \$30,000.00 paramedic adjustment

and take out the forty-three for the Police Departments pistols. Councilman Hines and Mayor Pro-Tem Patti are not in favor of purchasing a Skid Steer. Mayor Wenzel asked Manager Reynolds to remove the \$96,000.00 for the Skid Steer.

Discussion and Possible Approval for date and time of Budget Workshop # 2

A motion was made by **Mayor Pro-Tem Patti** and seconded by **Councilman Hines** to recess this meeting until Tuesday, May 28th, 2024, at 4:00 p.m. **All Agreed.**

Attest:

Jeff Wenzel, Mayor

Tracy Martin, Deputy Clerk

These minutes were recorded and prepared by Deputy Town Clerk, Tracy Martin.