



Town of HOLLY RIDGE

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**HOLLY RIDGE TOWN COUNCIL
SPECIAL MEETING
BUDGET WORKSHOP # 2
May 28th, 2024
4:00 P.M.**

Mayor Jeff Wenzel called the Regular Meeting of the Holly Ridge Town Council back to order at 4:02 p.m. at the Holly Ridge Town Hall. Council members present were Councilman Misciagno, Councilman Hines, Councilman Parnian, and Mayor Pro-Tem Patti. Also present were the Town Manager, Heather Reynolds; Deputy Clerk, Tracy Martin; Finance Director, Chuck Strickland, Public Works Director, Mike McFann, Fire Chief Brandon Longo, Fire Chief Ricky Hardison, Community Development Director Nate Rhue, Parks and Recreation Coordinator Audrey Madia, and Police Chief Mike Sorg. Councilwoman Stanley was absent.

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

Manager Reynolds said last week we lowered the tax rate back down to .34 cents and we increased the tax collection rate from 97% to 98%. The five hundred thousand for investment services was solved by taking it from the CD balances that we currently hold that are gaining less than 1% interest. Manager Reynolds said as they come due for renewal, we will not renew them, we will roll them over to something else that is paying a higher interest rate.

Manager Reynolds said we added \$500,000.00 that we expect to receive following the close of the fiscal year for the industrial development funds. This will be a final reimbursement from the IVF.

Manager Reynolds said the ballfield lights were removed from Parks and Recreation, but Rachael was able to find a grant. The grant is through MLBPA Youth Development Foundation and Manager Reynolds said we can apply for them to pay 50% of the \$180,000.00. It is a rolling schedule, so they accept applications all year and there is no deadline. Manager Reynolds said the first step would be allocating that first half, the \$90,000.00 for the ballfield lights if that is something the Town Council is interested in.

- Police Department gym building was removed from the Police Department.
- The fire consultant line item was reduced to \$20,000.00.

- Skid Steer purchase for Public Works was removed for approximately \$96,000.00.
- Purchase for new handguns, rifles, dot red sites were removed from the Police Department in the amount of \$43,430.00.
- The request in the amount of \$35,000.00 from the Holly Ridge Volunteer Fire Department is on hold for the brush truck request.
- The contracting services line item for the Community Development Department was reduced by \$22,000.00 to remove the consultant for the non-land use ordinances.

Manager Reynolds asked the Town Council to reconsider the consultant for the land use ordinances for \$22,000.00. Manager Reynolds said we will have the land use plan and the UDO going on and that will wipe out all the ongoing projects that Nate and his team have going on. Manager Reynolds said this would stretch our staff too thin. In Manager Reynolds' opinion it would be worth it to have someone that is up to date on all the surrounding areas within our region, current practices, acceptable practices, and what is legal and what is not legal. Manager Reynolds said we can also take the \$6,000.00 out for elections.

Manager Reynolds said the potential salary increase, which was a line item we added last year to help with compression in the Police Department this year, this year Chief Sorg has requested the second half of the original request because counsel only granted the first half. Manager Reynolds said it would have been \$4000.00 for each position throughout the police department. Manager Reynolds said that is not included in this proposed budget. Manager Reynolds asked the Town Council if they would consider a pay study for the whole Town. The reason is if we adjust one department, we create compression throughout all the departments but the whole Town would be compressed salary-wise. Manager Reynolds said we have not had a pay study since 2019.

Councilman Hines asked how much will a pay study cost? Manager Reynolds said we have attempted to obtain a quote from the MAPS Group, and they have not responded yet. They are the ones that did our pay study last time and they are affiliated with municipalities.

Mayor Pro-Tem Patti asked if this is something that could wait until next year. Manager Reynolds said that would be up to Chief Sorg. Chief Sorg said that would bring us up to the average of our area competitors such as Topsail Beach and Surf City. Chief Sorg said the average is around \$47,000.00 to \$48,000.00 for starters. Chief Sorg said he has heard Pender County is possibly going to have a starter salary of \$60,000.00 and if that happens, we will have a problem with hiring new people.

Mayor Wenzel asked what is included in that line item. Manager Reynolds said it would include the longevity, cola, merit, base salary, holiday pay, and the \$600.00 that the Town reimburses each employee for their health insurance. Councilman Hines said the salaries are misleading because benefits are always included in the salaries.

Mayor Wenzel called for a recess at 4:22 p.m.

Mayor Wenzel called the meeting back to order at 4:40 p.m.

Manager Reynolds said the formula had included the longevity twice, so we pulled that out. This year the proposed base salary, which includes the Cola, and the Merit is \$992,895.23. Last year's base salary with Cola performance was \$807,442.32 which is a difference of \$185,453.00. Of the \$185,453.00, \$140,000.00 is the base salary for the new two positions and the overlap for the admin. Manager Reynolds said that is an additional \$40,000.00 and the holiday pay is an additional \$10,000.00 over last year. This is the difference for the positions. \$10,000.00 in holiday pay and \$1800.00 in additional healthcare benefits.

Mayor Wenzel asked Ms. Madia what her confidence that we will get the \$90,000.00 grant for the ballfield lights. Ms. Madia said Rachael has found a second grant as well, but the MLB, we fit right into the requirements. Ms. Madia said 50% would need to be dedicated for the grant application.

Mayor Pro-Tem Patti asked Ms. Madia if she is getting inquiries from people and is she seeing an increase in revenue because of the lights. Ms. Madia said the ballfield lights are being rented Monday thru Friday, but right now we don't need the lights because of late the sun is still out, but in the off season, it will push them into November which would bring in revenue. Ms. Madia said we also rely on the lights for special events such as the Liberty Festival.

Councilman Misciagno asked what it cost to rent the field now. Ms. Madia said \$10.00 for residents and \$15.00 for non-residents per hour. Ms. Madia said when people are using the lights, there is an additional fee of \$10.00. League rates would be if we held a league.

Councilman Hines said he is trying to weigh is if there is something else to benefit the citizens more. Councilman Hines said we had nine citizens that were in those leagues. Councilman Hines said programs that could benefit the citizens of Holly Ridge is what Councilman Hines is more interested in. Ms. Madia said she is not sure where the number of nine citizens came from. Councilman Hines said that is what he was told last year. Ms. Madia said the people the teams are run through a Holly Ridge resident and that is the only information we require.

Mayor Wenzel asked Mr. Strickland to explain what Powell Bill is. Mr. Strickland said that is a fund that the State gives the Town on an annual basis to help maintain streets, roads, which includes equipment and material. Mr. Strickland said our carryover from the Powell Bill is \$267,435.42 and we are expecting an allocation this year from the State in the amount of \$66,854.78. We are expecting the total Powell Bill Budget to be used at our discretion at \$334,290.20.

Mayor Wenzel asked what the advantage would be to hold onto the Powell Bill funds. Mr. Strickland said the thought that was behind it originally was that would be part of the funds we would use to maintain the roads. Mr. Strickland said if we are taking out a note, then that could be used for minor repairs and equipment. Councilman Hines said it could also be used to help with the drainage off the roads. Mike McFann said we do have a lot of drainage issues, but we need solutions. Mr. McFann said we have ten times more development dumping into the same retention ponds. Mr. McFann said there are some pipes that could be replaced but the problem is with the growth. We have everything being directed to the same infrastructure and it is all we can do to maintain what we have.

Councilman Hines said he agrees Turkey Creek Fire Department needs some type of increase, but from \$21,000 to \$60,000 is steep considering our budget. Councilman Hines said he would agree to a \$10,000.00 increase.

Fire Chief Ricky Hardison said when he had this conversation last year with the Town Council, the three cents that Onslow County gives is totally separate than what the Town takes in. Just Summerhouse is over \$80,000.00. Chief Hardison said he thought the Town was going to work towards a long-term plan of having a Town fire department. Since then, the Town has gone back and distributed some of the \$220,000.00. Chief Hardison said if the Town is not going to work towards that goal, Chief Hardison is going to get his share. Councilman Hines said it is up to the fire department as to what they want to do, and we must find if the Holly Ridge Volunteer fire department is going to turn themselves over to the Town. Chief Hardison said it is less than what Onslow County is giving you for the coverage in that area and Turkey Creek is covering it.

Councilman Hines asked Chief Longo if there is going to be fire and medic or is it going to be just medic. Chief Longo said they would be a firefighter paramedic. Councilman Hines said if that is the case and they are on a fire scene and we have a medical call, they are not going to be able to leave that fire. Chief Longo said the structured fire is a medical call as well. Councilman Hines said the idea was to get these people when we have a medical call. Chief Longo said that one person will not be on the fire call by themselves and at some point, that person will be able to leave.

Mayor Pro-Tem Patti said his thinking is, is it better to have a paramedic or not at all. Mayor Pro-Tem Patti asked if this paramedic would be able to leave if there is an emergency someplace else. Mayor Pro-Tem Patti said we are not getting a true ambulance paramedic. This is a stop gap in between as a fire medic, so Mayor Pro-Tem's thinking is it is better to have a paramedic because we can offer more care, more medicine than we did before.

Councilman Hines said he thought the idea was to have a medic and not a fire medic, so why would we need to buy any turnout gear? Chief Longo said he would have the turnout gear for the new person. Councilman Hines said Chief Longo does not provide the other firemen with 401K's and Councilman Hines is not sure why we would provide the new

personnel with a 401K. Chief Longo said he would like to keep an employee and to be able to offer some type of benefit.

Chief Hardison understands there is a plan down the road, but you are asking us to operate of below par funding while the Town makes up their mind what they are going to do. Chief Hardison said you are giving over a million dollars to the police and fire department. Chief Hardison said we saved the taxpayers money on their insurance. Chief Hardison said he is just telling the Town Council what Turkey Creek's feelings are.

Councilman Hines asked Chief Hardison if he thinks \$60,000.00 is justified. Chief Hardison said he does, and Turkey Creek has been treated wrong the whole time they have had the agreement for what money the Town takes in. Chief Hardison said he pulled the tax values, and he knows what Summerhouse is saving for insurance because of Turkey Creek's rating.

Manager Reynolds said she included the turnout gear and the air packs for the fire medics. Manager Reynolds asked Chief Longo to explain the difference between the staff he has now and what is being proposed. Chief Longo said the staff that we have now are just firefighters EMT's and they cover eight hour shifts a day. Mr. Strickland asked what additional medical services they would provide as opposed to what the EMT side is. Chief Longo said they provide a higher level of care to the patient.

Mayor Pro-Tem Patti said his fear is if we start nitpicking and take equipment away, we are not providing the service we need to be providing. Chief Longo said and all this is over one position.

Councilman Misciagno asked if the scope of work warrants a paramedic level in our area based on the call volume. Chief Hardison said from Turkey Points standpoint there is an ambulance station at his station and one at Holly Ridge Fire Department, but they are not up half the time because they can't get paramedics. Chief Hardison said the county provided a fire medic, but their priority is fire.

Councilman Hines' recommendation is to reduce Turkey Creek's request to \$31,000.00 and take the turnout gear away. Chief Hardison said he covers all of Summerhouse fires, not EMS but fires.

Mayor asked the Town Council their thoughts and two Councilmembers do not want to provide the turnout gear and two want to keep the turnout gear.

Councilman Parnian asked Chief Hardison what the impact would be if we changed his request of \$60,000.00 to \$45,000.00. Chief Hardison said he would have to take this to his board to see if they would be even interested in covering your area. Chief Hardison said they feel like they have been shafted. Turkey Creek does not receive any grants because

they say we cover too big of an area. Chief Hardison said we covered this area for \$7,000.00 for years and \$5,000.00 for years.

Chief Hardison said Councilman Hines talks about always wanting to be fair to the citizens of the Town, he also needs to treat Turkey Creek Fire Department as fair as Holly Ridge Fire Department. Chief Hardison said they are providing that fire service down there. Chief Hardison said if the Town does not want Turkey Creek to provide that service, it is no skin off their back because there is plenty of area to cover.

Mayor Pro-Tem Patti said when we are seeing the jump from \$22,000.00 to \$60,000.00, he thought a good compromise would be \$45,000.00.

Manager Reynolds said Chief Hardison's request was as follows:

- \$15,000.00 for PPE for pagers
- Subsidizing the staffing over the weekends for Turkey Creek
- Upgrade the breathing apparatus

Chief Hardison said he has no paid staff that work weekends. It is strictly volunteer. Chief Hardison said he is only asking to have two people on Saturday and two people on Sunday, paying them \$15.00 an hour which comes up to forty hours a week which comes to regular salary position and Chief Hardison put \$35,000.00 to make sure we have trucks rolling and someone to drive them to get to the calls.

Mayor Pro-Tem Patti asked what the ramifications would be if Turkey Creek Fire Department pulled out. Chief Longo said that would be bad because Holly Ridge Fire Department would not be able to cover it because Summerhouse is outside of the five-mile radius. Chief Hardison said that is the whole reason the Town has a contract with Turkey Creek because it is too far for everybody to get the rating and be first responding to the fire side of it. Chief Hardison said the reason Holly Ridge does the EMS is because Holly Ridge responds to all EMS calls. Turkey Creek responds to high level EMS calls and the Town wanted the same service for all the Town people and Turkey Creek could not provide that service to this little area if Chief Hardison is not going to provide to the rest of his district.

Chief Hardison said he would ask something from the Town and the Town Council because Chief Hardison knows the \$220,000.00 last year was put aside and then Chief Longo came back and requested some of the money to pay off some debt. Chief Hardison said he has debt, does that mean he can come to the Town and ask for some of that money to pay some of his debt off. Chief Hardison said he came into this to try and help the Town, but at some point, and time, Chief Hardison feels like he is helping and helping and all he is, is the red headed stepchild when you need somebody to help clean the mess up.

Mayor Pro-Tem Patti said he is trying to compromise between Chief Hardison and Councilman Hines and whoever else is trying to save money. Mayor Pro-Tem Patti said this money is already budgeted and Mayor Pro-Tem Patti does not want to take away services

from people. Mayor Pro-Tem Patti said so let's keep it at \$60,000.00 to make sure Chief Hardison is covered as well as the people of Holly Ridge.

Councilman Misciagno asked Chief Hardison if the \$60,000.00 request is just to serve the residents in Summerhouse. Chief Hardison said no they cover the entire county. Chief Hardison said he has an automatic aid agreement throughout the county. Chief Hardison said the key is based on the contract for us to be considered the primary response there to help lower the citizens insurance rates.

Mr. Strickland said both contracts we have with both fire departments are out of date. Chief Hardison said his contract does not have a dollar amount and they will request annually.

After much discussion, Town Council agreed to pay Turkey Creek Fire Department \$52,878.00 in the upcoming 2024-2025 fiscal year.

Mayor Wenzel asked the Town Council if they wanted to set aside \$90,000.00 for the ballfield lights. Councilman Misciagno said he would like to because he sees us making money and using the park for a lot of opportunities. Ms. Madia said if the grant is applied, we can increase the cost of the lights or the rentals to make up for that.

Councilman Hines said when it comes to reassess the fees, we need to redefine what leagues are that use the park. Councilman Hines said a league is a league regardless of how you do it.

After some discussion about the park's restrooms, Manager Reynolds suggested adding a revenue line item for the State's allocation and then adding the bathroom expense on the parks and recreation side under capital improvements.

Ms. Madia reached out to Surf City and found out Surf City paid \$15,000.00 per pay study and a pay study for the whole Town was between \$15,000.00 and \$20,000.00. Town Council agreed to keep \$15,000.00 out for a pay study for Holly Ridge.

A motion was made by **Mayor Pro-Tem Patti** and seconded by **Councilman Parnian** to call for a Public Hearing at our regular meeting on June 11th, 2024, for the 2024-2025 budget approval. **All Agreed.**

Adjournment

A motion was made by **Councilman Misciagno** and seconded by **Councilman Parnian** to adjourn at 5:51 p.m. **All Agreed.**

Attest:

Jeff Wenzel, Mayor

Tracy Martin, Deputy Clerk

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

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