



**TOWN OF HOLDEN BEACH  
BOARD OF COMMISSIONERS  
SPECIAL MEETING, RECESSED FROM JUNE 9, 2015  
TUESDAY, JUNE 9, 2015 – 5:00 P.M.**

The Board of Commissioners of the Town of Holden Beach reconvened their meeting recessed from the afternoon of June 9, 2015 at 5:00 p.m. on Tuesday, June 9, 2015 in the Town Hall Public Assembly (original meeting date was May 26, 2015). Present were Mayor J. Alan Holden, Mayor Pro Tem Ken Kyser; Commissioners Sandy Miller, Sheila Young, Dennis Harrington and Gina Martin; Town Manager David W. Hewett; Town Clerk Heather Finnell; Police Chief Wally Layne; Public Works Director Chris Clemmons; Shoreline Protection and Recreation Manager Christy Ferguson; and Fiscal Operations Clerks Margaret Lancaster and Mandy Lockner. Present from the public were Vicki and Tom Myers and Lou Cutajar.

**BUDGET WORKSHOP (REVIEW OF BUDGET MESSAGE)**

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Commissioner Harrington asked about the revenue from recreation programs. Town Manager Hewett stated that is from the various programs that generate revenue, like tie dye and exercise programs. The 50/50 raffles from the concerts would go under miscellaneous revenue in the BPART Fund. Commissioner Harrington stated that the accommodations tax exceeds the Town's tax base. Mayor Holden stated if the Town didn't have that, we would have to collect double in property taxes. Fiscal Operations Clerk Lancaster stated she goes on the rental websites a couple of times a year to make sure everyone is paying their occupancy taxes. Town Manager Hewett stated the Town did a complete sweep a few years ago to identify properties that were not paying. Mayor Holden stated one of his concerns is when a house changes hands people may not realize they need to pay. Fiscal Operations Clerk Lancaster stated they are working on creating a new application for water service that will have an information section on it. The information could be added to that. Commissioner Harrington asked if the Board is going to recognize the money from the Boating Infrastructure Grant. Town Manager Hewett stated that the line item is the federal amount for the project the Board approved. The Town would front the money for the FEMA Irene Grant and then the Town would be reimbursed.

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Commissioner Harrington asked about Personnel. Town Manager Hewett stated there is an equivalent of a Police Officer and one and a half Public Works employees, in addition to the Parks & Recreation Director in the BPART Fund.

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Mayor Holden asked who the overtime in recreation is for. Town Manager Hewett replied Shoreline Protection and Recreation Manager Ferguson. Commissioner Harrington asked about the Shoreline Monitoring line item. Town Manager Hewett stated it is for the annual survey. Commissioner Harrington asked if there is any revenue to offset concerts. Town Manager Hewett replied no, unless you count the 50/50 raffle or donations. Shoreline Protection and Recreation Manager Ferguson stated the total cost for the bands this year came to about \$23,000. There are two more concerts included because Memorial Day is early and Labor Day is late. Advertising on the radio is included in the line item. She explained the Town received \$1,000 from the Homeowners Association. Town Manager Hewett stated he cannot program in donations that haven't been made yet. If donations come in, they would be recognized in BPART miscellaneous revenue. Shoreline Protection and Recreation Manager Ferguson stated that this year, the Town received a donation from the Homeowners Association and the county. Commissioner Young asked if part of the Fire Substation line item is for the cost

of the repair to the driveway. Town Manager Hewett replied that we are estimating spending about \$12,000, but the work will not occur until after the season. Commissioner Young asked about the Rothschild Davis Park line item. Town Manager Hewett explained that is the amount of the previous appropriations for the improvements to the park. The amount under Playground is the amount that remains from the unspent donations the Town received for the playground equipment. The amount is being rolled forward and kept in the budget. Commissioner Harrington inquired if the Merchants Association contributes to the concerts. Town Manager Hewett stated it is his understanding they do have some residual funds, but we have not received a donation at this point. Commissioner Young stated the Merchants Association collects money for the booths during the festivals and the Town pays for the Police, so the Town doesn't receive anything for the festivals. Commissioner Harrington asked about Access and Recreation. Town Manager Hewett explained that line item is normally used to do maintenance on the accesses in the area. We believe we will have some expenses relating to the Starfish and pier accesses. Also, included is the startup cost of the beautification money for the other side of the bridge if the Board chooses to move forward with that tonight.

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Commissioner Harrington asked about the Property Acquisition line item. Town Manager Hewett explained what is reflected in the budget is the amount needed to close for the purchase of the access at 567 Ocean Boulevard.

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Commissioner Young asked if the leaders of the canal groups are satisfied with the amounts in the budget. Town Manager Hewett stated he meets with the working group frequently. They are in agreement with the proposed assessments. Town Manager Hewett stated that each canal area is on a different path, but it is coincidental that Harbor Acres and Heritage Harbor are both proposed at \$200 a lot. Holden Beach Harbor is \$325 a lot.

Town Manager Hewett stated the Board asked for follow up information this morning. He ran the calculation of what a \$0.127 tax rate would yield and included it in a memo for the Board. He also provided a copy of the administrative position for the Police Department and the paving survey.

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Commissioner Young asked if the donations listed are the usual ones. Town Manager Hewett stated they are the same as the last several years.

Commissioner Harrington stated the problem he thinks exists is staff hired in at a low point do not progress to the middle point of their salary range as compared to those that are hired in at a higher pay scale. He recommended rather than an across the board 5% increase, those below their midpoint receive an increase up to 7% and anyone over their midpoint receive up to 3%. He thinks that will start to bridge the gap. Chief Layne stated that when he worked in Lynchburg, they dealt with the same kind of situation. They ended up hiring a consultant for \$200,000, then ended up spending money to bring people to the midpoint. He stated the goal would be the midpoint. There would then need to be an effort to stay there. Commissioner Young stated she has talked about this for years. She stated the Town needs to look at individuals. Chief Layne explained it is tough to compete. It would be very hard to replace the quality of his people. Town Manager Hewett stated he has 24 full time employees and he does not see a lot of turnover. He can work within the existing structure. The Board has to decide where to go. Commissioner Harrington asked what happens when someone hits the maximum of their pay grade. Town Manager Hewett stated they are supposed to get a bonus in lieu of an increase. Commissioner Harrington stated his suggestion is to start with his proposal of 7% and 3%. Commissioner Young asked if the Board did something like that if it is enough to start with. Chief Layne stated he thinks it would be a sign the Board was trying to fix the problem. Commissioner Young stated other places are reducing health insurance coverage. She knows how important that is to people and it is a benefit to staff. Mayor Pro Tem Kyser stated if the Board did what Commissioner Harrington suggested, it would keep the average at 5%, so you wouldn't have to change what is in the budget. Commissioner Harrington stated that when you look at the amount of people under midpoint, there are only six people. Commissioner Martin stated that is the Town's midpoint, that is not taking into consideration what you can make

somewhere else. Commissioner Harrington stated the job requirements here are different. Chief Layne stated the expectations here are far above anywhere else. Town Manager Hewett stated the administration of this would be a deviation of an existing policy. He is okay doing that on a year to year basis, but asked the Board to understand that the Town would not be adhering to the policy. With a small workforce this could create some issues. Commissioner Young stated that they are just trying to bring some people up so they can make a decent living wage. Chief Layne stated the problem in the Police Department is that he has people who have been here for years, but they could make more money starting somewhere else. Town Manager Hewett stated he would need an appropriation to be made and he can administer it however the Board wants. Town Manager Hewett stated he wants to make sure that he understands that the amount is merit based. He stated the scale is going to be different even though the performance could be the same.

Commissioner Young stated she supports the up to 7% and 3%. Mayor Holden wanted to confirm they wanted to do that with the amount appropriated in the budget. Commissioners Young and Harrington replied yes. Commissioner Harrington asked when a study should be done that deals with job grades. He stated if you move the midpoint it would allow more people to have salary growth in future years. Mayor Holden stated he hears what they are saying, but he has a problem with trying to circumvent the real issue which is money. Mayor Holden stated if you have x dollars in the pot, that is all you are going to get. If you want people to have more money, you have to put more money in the pot. Commissioner Harrington stated you wouldn't even spend the amount in the budget if the Board moves forward with the 3% and 7%. Commissioner Martin inquired why the Board is trying not to spend what is proposed if they are trying to increase people's income. If people are being underpaid, the Board and citizens should care enough about them to help get them where they need to be. Commissioner Harrington stated you need to understand where the gaps are and where the adjustments should be made. Commissioner Martin stated she thinks the department heads have a good idea of where the money should go. The Board discussed how increases were done in the past and what to do in the upcoming year.

The Board took a short recess from 6:09 p.m. – 6:42 p.m.

The Board reconvened at 6:42 p.m. and agreed to meet again on Monday, June 15<sup>th</sup> at 10:00 a.m.

#### **ADJOURNMENT**

The Board of Commissioners adjourned at 6:47 p.m.

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J. Alan Holden, Mayor

ATTEST:

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Heather Finnell, Town Clerk