

**VILLAGE OF BALD HEAD ISLAND
COUNCIL BUDGET WORKSHOP**

May 12, 2011

1:00 p.m.

Bald Head Association Center

COUNCILORS IN ATTENDANCE: Mayor Andrew Sayre
Mayor Pro Tempore John Fisher
Councilor Art Morris
Councilor John Pitera

STAFF PRESENT: Calvin R. Peck, Jr., Village Manager
Chris McCall, Asst. Manager/ Shoreline
Protection Manager
Lt. Tom Cannon
Debra Talbert, Village Clerk

1. Call to Order/ Approval of Agenda

Mayor Sayre called the May 12, 2011 Budget Workshop to order at 1:00 p.m. Mayor Sayre asked for a motion to approve the agenda. Councilor Pitera made the motion, with all in favor.

(MOTION CARRIED 4-0)

2. Budget Discussion

Calvin presented a handout and reviewed with Council as follows.

As previously reported, new revenue neutral rate is 51 cents/\$100 valuation (\$25 million drop in value due to appeals).

1. General Fund Budget Summary- Shows that an increase in 2.5 cents (bringing the rate to 53.5 cents)- [attached]
 - o Adds \$250,000 to GF Unrestricted Fund Balance- new total is \$4.069 mil
 - o Pays for 80% of Director of Conservation position to BHIC
 - o Funds lobbying at 100% (\$150,000)
 - o Does not fund Bald Head Creek Dredging (\$886,324 est. avail in Beach Fund)
 - o Due to drop in Prop Value- still leaves budget \$20,000 out of balance
2. 4 Day Work Week-
 - o Recommend Village close ALL offices (inc Village Hall and P/S admin) on Wednesday and move to 4ea 10hr days.(everyone works M/T & Th/F)
 - o Village Hall, P/W and P/U schedules [attached] in 2 versions:
 - Closed Wed with minimal coverage (similar to weekend)
 - Rotating day off on T/W/Th. Major down side-
 - Not having full staff avail except Mon and Fri. In the event of sickness, training or vacation= very minimal staffing
 - o Benefits of 4 day schedule:
 - More hours avail per employee per week: 1/2 hour ferry, 1/2 hour travel to work, 1/2 hour travel to ferry in afternoon = 32.5 hrs avail out of 40. One day fewer travel = 34 hrs avail.
 - Increased benefit to employees (who support the new schedule):
 - Day off during week to run errands, medical appts., etc

- Gas saving for commuting (20%)
 - \$20,000 savings in Ferry costs
 - 4 other attachments:
 - 3 articles previously sent on 4 day week
 - NCACC report on 4 day week.

Mayor Sayre asked for clarification on the Shoreline/Beach expenditures. Calvin stated the cost consist of an average annual of routine beach maintenance costs, additional costs for Lobbying and additional costs for Legal.

Calvin reviewed the proposed 4 day work week with Council. Calvin stated employees have saved the Village approximately \$60k with reduction in benefits. This proposal would allow the employees ability to complete errands off island and make more efficient use of their time. Council has concerns with the schedule and productivity of employees. Calvin stated next Wednesday, May 15th begins the new payroll period and suggested a pilot project with Public Works department for a 2 payroll cycle. This would see if there was a drop in services or quality of work. Calvin believes this will show progress in the efficiency with the extra time on a job. Mayor Pro Tempore Fisher stated he is not fearful of change, yet for the amount of savings for the Village, which is minimum; this would be disruptive to a customary island work week and would not be beneficial. Councilor Morris agreed with statement. Calvin asked for the opportunity to prove the proposal. Councilor Pitera stated he was in favor of a 4 day work week. There is a huge benefit towards the employees with an extra day off with a 20% savings on their traveling cost. Calvin stated this point will not be pushed however the operational side of this does not change the budget and services will still be provided by Public Works. "I would like to demonstrate with Public Works for 28 days and see if there is a change in service. "

Barry Kane stated the 5 day work week is a service to the citizens of the island. \$20k to a 5 or 6 million dollar budget is not a financial issue. This would only be a reduction in service. Diane Mesaris asked if the employees have been approached with this proposal. Calvin stated yes.

Joyce Fulton stated people are very adaptable and may not work immediately, but basically finding a way to make it work. Regardless of the decision made, you want to do something for the employees. It seems like they have gave a lot to assist in the budget. From BHI Limited, with the plan we set, it has balanced out. Councilor Morris asked if Limited closes any department or cut services. Joyce stated approximately 3 years ago Limited had financial issues and had asked different departments a chance within their section for people to have reduced in pay with a reduction in hours worked. This was a cost savings put in place. Joyce explained the operation of each department with the reduction.

Calvin explained the work schedule and the busiest times of operation.

Mayor Pro Tempore Fisher stated his concerns of winter work hours and a 10 hour day is not that productive. Mayor Pro Tempore Fisher agrees with Barry Kane concerning the service on the island and not a large savings. It is a work week and has reservations with past history of prior situations not being beneficial. One of the options that Joyce Fulton mentioned does work, that you cut peoples pay and cut their hours, they still work and use to an 8 hour day. With this day's economy, I don't know too many people who would want to work 1 less day and lose pay. Councilor Morris asked if the Post Office would be closed. Calvin stated there is a contract with the Postal Service and hours of operation are a 5 day work schedule. Councilor Morris stated his biggest concern is Village Hall with the office being closed and someone trying to do business.

Mayor Sayre stated you are talking about employees and the contributions they have made, but the Council is also raising taxes. To raise taxes and reduce service seems unfavorable.

Barry Kane stated he has concerns with going into the busiest season. Suggest study this proposal further and possibly resubmit in the fall.

Councilor Pitera stated if employees really would like the 4 day work week there will be a larger effort and keep eye on the productivity.

Calvin stated with the provision of the 4 day/ 10 hour work week, the budget is balanced.

Without the provision, the budget is not balanced and state law requires a balanced budget to Council.

Councilor Morris stated he does not approve of the 4 day work week. However, if next year economy is improved, the employees should be treated better with benefits or a raise.

Mayor Sayre stated Brooke Williams would like to step down from the Shoreline Protection Committee. Brooke would like to pursue individually investigation for alternative funding for beach. The Mayor reviewed the availability of the research to be done. Calvin stated he applauds the efforts of Brooke and ask for close communications with the Village.

Mayor Sayre reviewed a meeting with the State on the boat house. The State does own the boat house and has presented with two options. The Village can have a 50 year lease at \$1 a year, or the state can board up the building. The state claims to have no money for this project. If there was a lease, the organization would be non-profit and be responsible of the restoration and maintenance. There is a program "Gift in Place", where a non-profit entity completes the restoration and this would be the gift to the state. The state at that time would be responsible of the maintenance. Chris Webb, with Old Baldy will speak tomorrow on the issues on hand.

3. Adjournment

Mayor Sayre entertained a motion to adjourn at 1:25 p.m. Councilor Pitera made the motion, with all in favor.

(MOTION CARRIED 4-0)

Mayor Andy Sayre

ATTEST:

Debra C. Talbert, Village Clerk