

**TOWN OF DUCK
TOWN COUNCIL
MID-MONTH MEETING
April 17, 2024**

The Town Council for the Town of Duck convened at the Paul F. Keller Meeting Hall at 1:00 p.m. on Wednesday, April 17, 2024.

COUNCIL MEMBERS PRESENT: Mayor Pro Tempore Monica Thibodeau; Councilor Sandy Whitman; Councilor Brenda Chasen; and Councilor Kevin Lingard.

COUNCIL MEMBERS ABSENT: Mayor Don Kingston.

OTHERS PRESENT: Town Manager Drew Havens; Director of Community Development Joseph Heard; Police Chief Jeffrey Ackerman; Fire Chief Donna Black; Town Attorney Robert Hobbs; Public Information and Events Director Kristiana Nickens; Public Information and Events Coordinator Betsy Trimble; Finance and Human Resources Administrator Jessica Barnes; and Town Clerk Lori Ackerman.

OTHERS ABSENT: None.

Mayor Pro Tempore Thibodeau called the meeting to order at 1:00 p.m. She noted that Mayor Kingston was excused from the meeting.

Councilor Whitman moved to amend the agenda by adding Resolution 24-06 for consideration.

Motion carried 4-0.

CONSENT AGENDA

Approval, Subject to Fiscal Year 2024-2025 Budget Appropriation, of a Contract with Coastal Protection Engineering for Beach Monitoring Services; Resolution 24-05, a Resolution of the Town Council of the Town of Duck, North Carolina, in Support of a Parks & Recreation Trust Fund Grant to Replace the Playground Equipment; Contract with Flock Safety for LPR Services

Councilor Whitman moved to approve the consent agenda as presented.

Motion carried 4-0.

Discussion/Consideration of Resolution 24-06, a Resolution of the Town Council of the Town of Duck, North Carolina, Authorizing the Town Manager to Execute and File an Application on Behalf of the Town of Duck with the State of North Carolina for a Principal Forgiveness Loan and/or Grant

Town Manager Drew Havens was recognized to speak. Town Manager Havens explained that the Town of Southern Shores was submitting an application to the Department of Water Quality for approximately \$7 million worth of either a grant or a principal forgiveness loan to complete some stormwater improvements along NC 12. He stated that it was at three different locations that have been suffering from stormwater issues and ponding. He stated that it affects the Town at the Sea Oats and 13th Avenue intersection where they will be making some improvements that Duck could tie into as part of the improvements to the west side feasibility study that was identified as an issue, adding that the end of Charles Jenkins Lane West also receives a significant amount of stormwater ponding. He stated that this was an opportunity for the Town to partner with the Town of Southern Shores to handle some of Duck's and Southern Shores' stormwater. He added that Southern Shores was submitting an application for the grant and believes that application packets that include more than one local government receive more points in the scoring system. He noted that the Town of Southern Shores had asked that the Town adopt a resolution, adding that it does not commit the Town to any funding at this point.

Town Manager Havens pointed out that the reason the resolution came up very quickly was because the Town of Southern Shore was trying to submit an application by May 1, 2024 so it could not wait until Council's next meeting.

Councilor Chasen moved to approve Resolution 24-06 as presented.

Motion carried 4-0.

DISCUSSION OF FY 2025 BUDGET OVERVIEW

Town Manager Havens gave a presentation on a gross needs "budget" noting that it was not in balance, touching on revenues, new purchases/projects, department by department review of expenditures and the five-year forecast to Council and the audience. He noted that he was looking for direction from Council on getting the budget balanced so it can be put together in a draft ordinance to be advertised for the public hearing, which would be at Council's May 1, 2024 meeting.

Mayor Pro Tempore Thibodeau clarified that the sales tax was the only thing by State statute that the Town has to allocate a portion to the beach nourishment program. She noted that 19.6% of this revenue must pay for beach nourishment. Town Manager Havens stated she was correct, adding that it was one of the automatic transfers that will be reflected on the Expenditures side of the budget that goes into the beach nourishment fund.

Mayor Pro Tempore Thibodeau clarified that the sales tax, land transfer, and occupancy taxes all go with that formula of the Town's percentage of the Ad Valorem, so they were all part of a sliding scale depending on the other towns and their assessments as well as where Duck falls into that. Town Manager Havens stated she was correct. He explained that the percentage was based on the levy, which was the actual amount that was billed. He noted that it had something to do with the Town's property values but also has a lot to

do with the tax rate. He added that it was rate against property values which creates the levy. He stated that as the levy increases, compared to other communities, so does the percentage of the total of the shared revenue.

Mayor Pro Tempore Thibodeau pointed out that Occupancy Taxes were slowing down in terms of no one staying at that white hot rate, adding that occupancy levels will most likely decrease because they were unsustainable as well as the rates increasing quite a bit, which was where the Town could make up the difference. She stated that it was less people but higher values and higher dollars for the rentals would be what everyone will see. Town Manager Havens agreed, adding that Council will be discussing a tax increase during this meeting.

Mayor Pro Tempore Thibodeau stated that when Mayor Kingston had noted at Council's April 2023 meeting that the Town should make a defensive increase of the tax rate, Duck does not see the ramifications until a full year after. She added that, conceivably, it will be next year that one would see that, noting that if anything was done, Duck would not reap the benefits for another year. Town Manager Havens stated she was correct, adding that it would be the percentage difference plus revaluation.

Councilor Lingard clarified that the expenditure for Building Permits and Inspection Fees applied to Building Inspector Steve McMurray or if Community Planner Jim Gould and Senior Planner Sandy Cross factored in because he knew they complete a lot of inspections. Town Manager Havens explained that it was Building Inspector McMurray and half of Senior Planner Cross' salary, as well as some administrative overhead for Director of Community Development Joseph Heard's supervision, some of Deputy Town Clerk Melissa Felthousen as well as the cost of the permitting software. He added that he tried to put as much as possible in there as he could to be sure that the Town was not overcharging. He noted that staff look at the fees that the Town charges compared to other towns on the beach in order to be sure that Duck was not behind or ahead.

Councilor Whitman asked if Maintenance Technician Kim Pittman's salary was included in the Building Permits and Inspection Fees. Town Manager Havens stated that it was not. He explained that that department will pay for some training for him, adding that his involvement in this section was that he was in the process of obtaining his licenses for succession planning and back-up for Building Inspector McMurray.

Councilor Whitman asked about the \$124,000 for the new police vehicles. He asked if the vehicles could be moved up or held off on the replacement of the two vehicles for another year due to some officers resigning. Police Chief Jeffrey Ackerman was recognized to speak. Police Chief Ackerman stated that while it was possible, he thought one was more likely to see that the existing vehicles lasting longer. He explained that because it was so difficult to get the vehicles, he would be afraid that holding off would mean years of waiting on obtaining replacements.

Councilor Chasen asked what the lead time was for ordering police vehicles. Police Chief Ackerman stated that it has been 18-24 months. He stated that he has been told for

this year Ford will take orders on July 1 but there was no indication of when the vehicles would be built. He stated that it was possible that Duck receives model year 2025 vehicles that will be built sometime next year. He noted that Ford has told him when they are taking orders but will not give out any information on what their build lead times were.

Mayor Pro Tempore Thibodeau clarified that looking at 2023 and 2024's budget and estimate, the \$15 million up from \$12 million was because of the BRIC Project. She asked where the beach nourishment project was, adding that it would have been an anomaly. Town Manager Havens explained that beach nourishment was under Debt Service. He added that one does not see the entire cost of the project, just the debt service. Mayor Pro Tempore Thibodeau stated that the reason for her questions was to understand what a normal budget was for Duck, adding that there were spikes due to large projects. Town Manager Havens stated that the \$11 - \$12 million, if one discounts Fiscal Year 2024 with that large expenditure, the \$11 - \$12 million was the normal amount.

Councilor Chasen asked where Duck stood with the other municipalities as far as the ranges for emergency service personnel and staff. Town Manager Havens stated that one place where the Town could be a little better was on the hiring rate, which was 5% below minimum for the police officers. He added that there would be a restudy of all of the positions to realign things. He stated that he had asked Police Chief Ackerman to use the minimum and not the hiring rate when advertising for positions.

Councilor Whitman asked if the Town received approval for the stone revetment. Town Manager Havens stated that permits have been applied for.

Mayor Pro Tempore Thibodeau clarified that for beach renourishment, the figure for Fiscal Year 2028 was a placeholder and assumed that the Town would be completing another project in 2028. Town Manager Havens stated she was correct, adding that it was similar to the police patrol vehicles and the Public Safety building. He stated that it was taking what was in the Capital Improvement Plan and trying to amortize some debt. He noted that it was not a precise number and was a placeholder that reflected that the Town would have to incur or issue debt.

Councilor Lingard asked if reducing the scope of work on the Public Safety building design would delay the building of it or if there were other delays that would prevent the construction. Town Manager Havens stated that it would not, adding that the architect had said the same thing. He pointed out that this part of the process will take several months to get through. He added that he did not want to wait until the Town had in excess of \$600,000 in order to contract for all of it through the construction drawings. He stated that if the Town could get the architects started, it would get the project going instead of waiting until the money was available and show the staff at Public Safety that the Town was not just talking about it but actually doing something. He added that it will also get the Town to a point where staff will know what is needed, how big it will be, and

how much it will cost so when grants or loans are applied for, they will know what will be built.

Councilor Lingard stated that it seemed like a big jump from \$88,000 to over \$600,000. He asked if there was another step that could be taken, if there was more money or if that was that all the money available. Town Manager Havens stated that if there was more money, staff could continue to have the construction drawings completed. He stated that when staff is done with this piece of it, the architect will be coming to Council with a plan on what's next and if needed, an amendment could be done. Councilor Lingard stated that he was concerned since the project has been delayed multiple times and didn't want an action by Council to delay it any further.

Mayor Pro Tempore Thibodeau thought if Council had a commitment, then something could be built. She clarified that the process could take six to eight months, adding that Council has been through this process before. She asked if it was premature to do anything not knowing where the building could be built. Town Manager Havens stated that he was choosing to be optimistic that the Town would get across the finish line sometime this century with the land. He pointed out that Council knew roughly how much land was needed, it has been appraised, and if the Corps of Engineers would remove it from the appraisal process phase, it could move forward. He stated that he did not want to get to July, have a budget in place and tell the architects they were good to go with the land, but then have to wait another year to at least get the design started. He noted that Clay Dills of the architectural firm thought it was a good way to get things going even if it takes longer than expected for the Corps of Engineers to sign off on the final documents. He stated that staff needed to know what will be built. He stated that this was a way to get the project moving. Mayor Pro Tempore Thibodeau clarified that this was just a step toward that. Town Manager Havens stated she was correct.

Councilor Chasen asked if the Town would receive credit for the additional improvements. Town Manager Havens stated that the Town would.

Councilor Whitman pointed out that the building needed a roof and that the Town knew it was a five-year project if approval is obtained by July. He added that it needed to be maintained for the Public Safety personnel. Town Manager Havens agreed, adding that the effective date in the appraisal and forward, he was keeping track of what was being spent, including the roof and any other improvements made to the building. He stated that he could then tell the Corps of Engineers what the building was valued at and what the value would be after the improvements are made. He pointed out that the Town was not giving the Corps of Engineers a new roof, adding that they would have to pay for it.

Councilor Whitman pointed out that only half of the roof would be replaced. He asked if that would make the building secure for Public Safety and for emergency management for the Town if there was an emergency. Town Manager Havens stated that it would not in an emergency because the roof will blow off. Councilor Whitman asked if the building would be secure from water coming in. Town Manager Havens stated that it would.

Fire Chief Donna Black was recognized to speak. Fire Chief Black explained that her staff have been patching the roof, adding that she was asked to decrease the amount asked for because it's a moving target with regard to a price for a roof. She added that Deputy Chief Clarence Batschelet has a lot of construction background and he has done his best to give a reasonable number now to prioritize the north and east sides. She stated that they would do as much as possible, adding that there were more vulnerable areas to the east and the north. She pointed out that in a perfect world it would be easier to replace the whole roof at once, but they will complete the interior parts that need to be repaired. She stated that they will stretch it far as they can at this point. Councilor Whitman stated that he did not want the Public Safety employees living in a place where there is mold. Fire Chief Black stated that it was her concern as well and they will prioritize those sections.

Councilor Whitman pointed out that two Big Bellys were replaced last year, adding that the old ones were still being used. He asked if they could be put somewhere else instead since there were three in the Town park parking lot. Town Manager Havens stated that he would be happy to discuss them at another time. He noted that there were a lot of pluses and minuses with holding onto the old ones that needed to be replaced. He added that he didn't want people to be accustomed to having them and then going from having eight sets deployed to having 12 sets deployed that need to be replaced. He noted that he wanted to keep it at eight sets.

Councilor Chasen pointed out that the Town purchases the benches throughout Town. She asked if the public could donate them and have a plaque attached to them. Town Manager Havens explained that was what was currently in place as they were purchased by people. He added that there wasn't any more space to add more benches. He stated that these were replacements for when the existing benches with plaques rust out. He stated that the benches are replaced and the existing plaques are attached. Councilor Chasen asked if there could be a memorial plaque sign for when the plaques need to be replaced and allow someone else to sponsor the new bench. Town Manager Havens thought when they were initially sold, it was sold as a perpetual ownership.

Councilor Whitman clarified that some of the items that were deferred were also deferred last year. Town Manager Havens stated that that there were some items in total across all departments that were deferred last year. Councilor Whitman asked about the gym equipment for Public Safety. Town Manager Havens stated that it was a new request. Councilor Whitman asked if it was just half or the total for Fire and Police. Town Manager Havens explained that it was one third between Police, Fire, and the Volunteer Fire corporation.

Councilor Chasen asked if it was possible for Council to receive a list of items that have been deferred that shows how many times the item has been deferred. Town Manager Havens stated that the Town Park Shoreline and the boardwalk extension were the only two that have been deferred multiple times. Fire Chief Black stated that the Public Safety building was another one.

Mayor Pro Tempore Thibodeau pointed out that the roof repair to the Public Safety building was \$80,000 to complete half and \$160,000 for the entire roof. She wasn't sure why only half should be done. She asked if it was just to save money. Town Manager Havens stated that it was. Mayor Pro Tempore Thibodeau stated that the Town has been on a program of replacing Fire gear on a routine basis; however, she noticed that some of it was being deferred this time. She asked for a clarification. Town Manager Havens explained that the replacement of the Fire turnout gear in the Capital Improvement Plan was \$20,000. He stated that four were scheduled to be replaced, but only two would be replaced. He stated that with regard to the replacement of the SCBA bottles, they would be paused for a year and then continue in the next year. Mayor Pro Tempore Thibodeau asked if the Town ever paused a purchase before. Fire Chief Black explained that she made the choice to stay with what her staff has and purchased the 30-minute SCBA bottles which were more ergonomically positioned on the firefighter's back. She explained that the SCBA bottles have a lifespan so they should not be replaced all at once. She stated that she was making sure there was some phasing of those bottles, which would not hurt the department. She noted that turnout gear was more important because they would end up getting behind with the replacements due to their lifespan. She stated that with regard to hoses and appliances, they always have spare hose so it would not hurt them. She noted that if something has to be paused for a year, she would not be requesting more money for items. She reiterated that they needed to stay on a rotation with some things. Mayor Pro Tempore Thibodeau noted that she didn't understand a lot of the equipment that is used but knew that Council worked to keep it consistent and to keep a certain amount of equipment. Fire Chief Black pointed out that it will not hurt to defer things for one year.

Councilor Lingard pointed out that next year Council will be back with the Fire Department wanting \$16,000 for the SCBA bottles. Town Manager Havens disagreed. Councilor Lingard asked if only two sets of turnout gear will be replaced next year or if it would be four. He stated that Council could not keep deferring items. He asked if Council was saying from now on only two would be replaced. Mayor Pro Tempore Thibodeau stated that she had the same question. Councilor Lingard stated that there wasn't a stop gap. He added that if the Fire Department was going to request four sets of turnout gear next year, then Council would be having the same conversation they are having this year. Town Manager Havens explained that what Council will see when the Capital Improvement Plan gets published, they will see two sets for this year and next year it would be back on cycle. Councilor Lingard clarified that it would be back to four sets next year. Town Manager Havens stated he was correct. Councilor Lingard reiterated that Council will be having the same discussion next year. Town Manager Havens stated that there may be cuts to the budget next year, but his discussion changes with Police Chief Ackerman and Fire Chief Black and the other department heads with regard to items were deferred last year and what needs to be deferred. He added that he relies on the expertise of the department heads to let him know what they can and cannot do with.

Councilor Chasen asked if there was a lead time on being able to obtain the equipment and if it would cost the Town significantly more if they wait. Fire Chief Black explained

that turnout gear takes a while so as soon as the budget passes, she will be placing the order because it could take months to get. She stated that the other equipment comes in pretty quickly after being ordered.

Councilor Lingard clarified that none of it will compromise safety. Fire Chief Black stated that it would not. Town Manager Havens stated that he would never jeopardize the safety of the employees or the public.

Mayor Pro Tempore Thibodeau reiterated that Council has been conditioned that the Town will stay on a steady course to keep up with everything. She stated that it was difficult for her to understand when it doesn't happen. Fire Chief Black understood the concern. She noted that the only item in the budget that has to stay on schedule was the turnout gear.

Councilor Whitman asked if the extrication equipment were the items that Council approved to put on the new fire truck. Fire Chief Black explained that technology has changed and they went with battery operated tools that are on the engine that first responds to a call which was what Council had approved. She added that the \$10,000 in this year's budget would be to replace the strut system and would be an upgrade. Councilor Whitman asked if it was cut in last year's budget when Council approved only part of the money. Fire Chief Black explained that it was for the battery operated and not the Paratech Struts. Town Manager Havens noted that everything was funded last year.

Mayor Pro Tempore Thibodeau clarified that no area of the Duck Trail needs to be addressed. Town Manager Havens stated that there was no immediate need, adding that a year or so in the Sanderling area there were root intrusion on the sidewalk that was a trip hazard that needed to be addressed. Mayor Pro Tempore Thibodeau clarified that drainage was another reason for an improvement. Town Manager Havens stated she was correct.

Councilor Lingard thought the historic signage would be something that would be completed with a grant. Director Heard stated that he has not located any grants for the signage. Town Manager Havens stated that if Director Heard was able to apply for a grant, he could come back to Council to let them know that the signage project would be moving forward. Councilor Whitman asked if there was a suggestion at the Council Retreat that the Town could sell plaques to families that would sponsor them. He asked how many signs there were. Mayor Pro Tempore Thibodeau asked Councilor Whitman if he was referencing directional signs. Town Manager Havens stated that it was the interpretive historical signs that were in the Capital Improvement Plan. Director Heard noted that it would still be listed as an expense, adding that staff may be able to develop some means of offsetting it. Town Manager Havens suggested that Director Heard work with Community Planner Gould to see if there was a way to get people to sponsor the signs and he could come back in the next fiscal year with a plan that has revenue and expenditures and Council could amend the budget on both sides. Councilor Whitman clarified that it was like the Memory Lane brick project. Town Manager Havens stated he

was correct. Councilor Lingard thought people that already paid for a brick would be happy to contribute to a sign.

Mayor Pro Tempore Thibodeau asked where the Town was with regard to the directional signage. Town Manager Havens stated that he would have to get back to Council with an answer.

Mayor Pro Tempore Thibodeau clarified that, timing-wise, the Town could not spend the money this year for Phase 1 of the Town Park shoreline protection project. Town Manager Havens explained that if the Town had the money, it could be spent. Mayor Pro Tempore Thibodeau pointed out that it has taken so long and she was used to it being a slow project. She clarified that the Town was at the point where it could be designed and built this year. Town Manager Havens stated that what was funded in the current fiscal year was the design permitting and that work was nearly complete. He stated that the plans that were shown to Council at their Retreat along with the permit application have been submitted to CAMA and the public comment period is currently open. He expected that by the end of the fiscal year, the Town would have the permit needed to build. He added that the \$110,000 will allow the Town to build Phase 1. He noted that if the Town had another half million dollars, the entire project could be completed.

Mayor Pro Tempore Thibodeau clarified that Town Manager Havens and the consultants agree that it could be done in two parts. Town Manager Havens stated that she was correct. Mayor Pro Tempore Thibodeau thought it was more costly not to be able to mobilize and complete the project. She stated that it seemed like the Town needed to spend a little more money to defer it. Town Manager Havens stated that, marginally it was different types of equipment, so the things that will work on the shoreline were different than what will work in the water.

Town Manager Havens stated that the budget was \$594,804 out of balance. He stated that he needed direction from Council on what they wished to cut, what they wished to restore, and what to do about additional revenue. He noted that the only true lever Council had on the Revenue side was the Ad Valorem Tax. He explained that the tax rate was adjusted from \$0.225 to \$0.1964 which was with the last revaluation and was strict revenue neutral the year after at \$0.2200. He added that it has been that way ever since. He showed a chart showing where Duck was in comparison to the other towns and Dare County, pointing out that the Towns of Kill Devil Hills and Nags Head increased their tax rates in Fiscal Year 2024, which were tied to projects. He showed a table to Council and the audience showing what it would cost for a tax increase on homes of varying values if Council was to consider a tax increase.

Councilor Lingard stated that he feared that Council would be having the same discussion next year because of deferring projects. He stated that he would not want anything less than what was absolutely needed rather than have another two and one half or three cent tax increase next year. He thought Council should overshoot a little this year so they do not have to do this for the next couple of years. He pointed out that if Council increased taxes for multiple years, he thought it would be a hard pill to swallow than having a

slightly larger increase this year and not having to do it next year. He wondered if anything would change between now and next year.

Town Manager Havens stated that next year, Duck will be dealing with revaluation. Mayor Pro Tempore Thibodeau pointed out that Council needed to have that conversation. Town Manager Havens explained that he would be presenting the budget next year and, by law, give what the revenue neutral tax rate should be. He added that the \$0.1964 was the revenue neutral rate for Duck. He noted that typically during a revaluation year, a town has to publish the revenue neutral rate, discuss it, and make up for lost ground. He agreed with Councilor Lingard that Council will be having the same discussion next year, adding that there could be a need to come off revenue neutral in order to address some of the needs. He stated that the good thing about revaluation was that it should get everyone's values back in balance.

Mayor Pro Tempore Thibodeau explained that the values will increase to get to revenue neutral. Town Manager Havens pointed out that Duck has a tax rate ceiling in its charter where it would be no more than 30 cents. He stated that once revaluations happens, property values will increase substantially.

Councilor Lingard assumed that other Councils were having similar discussions, adding that even if Duck increased taxes, the Town will still be likely the lowest in Dare County.

Mayor Pro Tempore Thibodeau stated that she read in the paper that the other towns have to do something. She added that there was also the shared revenue part that Duck will benefit from. She pointed out that Duck has lost a little over the years with the shared revenue, but it wasn't a reason to raise taxes. She added that Duck did not raise taxes last year for that reason. She agreed that Council had to do something and the question was what makes the best sense for the community. She wondered if it was getting to the point where the Town needed to be or talking about the next year's revaluation. She stated that she worries about impacting people or raising taxes more than needed, but the Town has a lot of projects that will not be addressed in the Capital Improvement Plan because of this. She added that in two years, the Town will have the extra \$133,000 that has been spent on the Town park.

Councilor Chasen clarified that the options were that the tax rate could be increased, adding that three cents would probably cover the budget. She clarified that next year would be revaluation which will generate a significant income. She stated that Council could fix it all with one increase, bump it a little, or leave it alone, but either way the Town would still get more money based on the revaluation next year. She asked if the revaluation amount would fix the Town's issue if taxes are not raised. Town Manager Havens explained that revaluation will affect one part of the equation, adding that it affects what one multiplies the rate against. He stated that when he references revenue neutral, the Town has to publish that rate as it was a rate that would generate the same number of tax dollars as prior to revaluation. Councilor Chasen clarified that the number would decrease. Town Manager Havens stated she was correct, adding that the tax rate would decrease significantly. He stated that it was still a tax rate and was an effective tax

rate increase when a town moves off of revenue neutral as the actual rate drops but the effective rate increases. He did not see how the Town could get through next year without an effective increase based on what will be deferred this year. He added that in the future Council will have to go to the public to ask them for their authority to issue debt for the new Public Safety building, adding that for that discussion, he suggested that Council be completely transparent that when people vote for the general obligation debt to build the building, it will come with a certain number of cents of a tax increase.

Town Manager Havens presented Council with two scenarios – one with a two-cent budget increase and the other with a three-cent budget increase. He asked Council to decide what needed to be reduced or increased in order to balance the budget. After a brief discussion, Council made the following changes in order to balance the budget, with a three-cent tax increase:

- Updated the Workers Compensation insurance rates to reflect the renewal rate quote received - \$11,406
- Increased the merit pool from 5% to 6% for employees
- Corrected the contract cost in Police for the Flock ALPR system - \$2,880
- Restored the previously cut Vehicle Telematics/AVL in Police - \$5,000
- Increased the number of sets of turnout gear in Fire to replace from 2 to 3 - \$5,000
- Deferred the Playground Equipment to a future year - \$62,500
- Deferred the second phase of the Irrigation Replacement System upgrade to a future year - \$10,000
- Deferred the replacement of a Big Belly Trash/Recycling set to a future year - \$8,600
- Additional work on the Public Safety Building repair - \$2,000
- Reduced funding for Street Light replacement - \$3,000
- Increased Contingency to align with Town policy - \$17,806
- Increased the Ad Valorem tax rate from \$0.22 to \$0.25

Councilor Whitman asked Town Manager Havens if he had an idea of how much lifeguard services would cost next year. Town Manager Havens stated he did not know. Councilor Whitman pointed out that the Town was spending almost three quarters of a million dollars, which increased to almost \$200,000. Councilor Chasen asked if the Town was still exploring another option. Town Manager Havens stated that he was, adding that the Town was at the point where he needed to complete a Request for Proposals, but he was not optimistic about it. He stated that he has looked into self-performance where the Town could save approximately \$20,000, which was a push. He noted that there were things that Surf Rescue Director Mirek Dabrowski does that the Town can't such as providing housing for the lifeguards. Mayor Pro Tempore Thibodeau pointed out that the Police Department was having trouble recruiting officers, which was not the same as seasonal lifeguards, but there were so many logistics and Surf Rescue Director Dabrowski understands the economy of scale. Town Manager Havens noted that it would alter the Town's liability profile, which includes changes in liability insurance.

Councilor Whitman stated that if it comes to a vote on having lifeguards on staff, he would not be voting in favor of it. Town Manager Havens stated that he was not advocating for self-performance, but like any other service the Town contracts, he has to look at what could be done in-house. He added that Council will not get an argument from him in favor of having lifeguards on staff but thought the Request for Proposal needed to be done.

Mayor Pro Tempore Thibodeau clarified that the current contract will carry the Town through the end of Fiscal Year 2025 or 2026. Town Manager Havens stated that it was through the end of Fiscal Year 2025. He added that the budget Council was working on now would get the Town through this summer and into June of 2025. Mayor Pro Tempore Thibodeau asked if there was any adjusting of the cycle. She noted that terminating a contract in June would be impossible. Town Manager Havens stated that the Town could do an odd term of the contract, adding that it does not have to follow the fiscal year. Mayor Pro Tempore Thibodeau thought it would be helpful.

Councilor Chasen clarified that there was one more extension on the current contract. Town Manager Havens stated she was correct, adding that it was an unpriced extension. He noted that the Town was at the point where they could complete a Request for Proposal, adding that it was wise to do that.

Councilor Chasen moved to adjust the tax rate by three cents for inclusion of the draft budget.

Motion carried 4-0.

Town Manager Havens noted that Council will have another chance when the budget ordinance is adopted to let the public know about the new tax rate. Mayor Pro Tempore Thibodeau pointed out that the next steps will be the public hearing at Council's May 1, 2024 meeting and a work session, if needed, at Council's Mid-Month meeting on May 15, 2024.

Mayor Pro Tempore Thibodeau thanked Town Manager Havens for his presentation.

Mayor Pro Tempore Thibodeau noted that the next meeting would be the Regular Meeting on Wednesday, May 1, 2024 at 1:00 p.m.

ADJOURNMENT

Councilor Whitman moved to adjourn the meeting.

Motion carried 4-0.

The time was 3:30 p.m.

Approved: May 1, 2024

Monica Thibodeau
Monica Thibodeau, Mayor Pro Tempore

Lori A. Ackerman
Lori A. Ackerman, Town Clerk

