

**TOWN OF DUCK  
TOWN COUNCIL  
MID-MONTH MEETING  
April 21, 2021**

The Town Council for the Town of Duck convened at the Paul F. Keller Meeting Hall at 1:00 p.m. on Wednesday, April 21, 2021.

**COUNCIL MEMBERS PRESENT:** Mayor Don Kingston; Mayor Pro Tempore Monica Thibodeau; Councilor Nancy Caviness; Councilor Sandy Whitman; and Councilor Rob Mooney.

**COUNCIL MEMBERS ABSENT:** None.

**OTHERS PRESENT:** Town Manager Drew Havens, Director of Community Development Joseph Heard; Police Chief Jeffrey Ackerman; Fire Chief Donna Black; Town Attorney Robert Hobbs; Director of Marketing and Special Events Christian Legner; and Town Clerk Lori Ackerman.

**OTHERS ABSENT:** Deputy Town Clerk Kristiana Nickens and Public Relations Administrative Assistant Betsy Trimble.

Mayor Kingston called the meeting to order at 1:03 p.m.

**DISCUSSION/CONSIDERATION OF APPROVAL OF THE FIRST AMENDMENT TO THE CONTRACT FOR SOLID WASTE AND COMMERCIAL RECYCLING COLLECTION BETWEEN THE TOWN OF DUCK AND WASTE MANAGEMENT OF VIRGINIA, INC.**

Town Manager Drew Havens was recognized to speak. Town Manager Havens stated that the amendment to the contract was to alter the collection schedule from where the entire Town is serviced either once or twice per week to a schedule where the Town was split into two zones with each service on different days. He noted that the shift would change the off-season schedule from Mondays for the entire Town to Monday or Tuesday depending on which zone the property was in. He added that for in-season pickup, it would change from Monday and Thursday for the entire Town to Monday and Thursday and Tuesday and Friday depending on the zone the property was located.

Mayor Pro Tempore Thibodeau thought there was going to be a trial period, but the contract states it was for three years. Town Manager Havens stated that the contract was a three-year one and this would amend it. He added that if it was found after the trial period that the altered schedule was not working, staff will come back to Council to go through the same process.

Mayor Kingston clarified that it would be through the end of September. Town Manager Havens stated that it will be until the Town changes it back.

Councilor Whitman asked if in September, the trash pickup days would still be on Monday and Tuesday. Town Manager Havens stated that it would be a single pick up but would continue with the two zones for the entire year. Councilor Whitman asked if the collections would be completed in one day. Town Manager Havens stated that staff was holding weekly meetings with Waste Management and will continue them through the roll out of the new schedule.

Councilor Mooney asked if the recycling would be altered as well. Town Manager Havens stated that there was no alteration for Tidewater Fibre to change their schedule. Councilor Mooney asked if staff could look into a change. Town Manager Havens stated that Tidewater Fibre was asked but they wanted to stay on the existing schedule they've been on; however, if this is something that will become permanent, staff will continue that conversation with Tidewater Fibre.

Councilor Whitman moved to approve the contract amendment as presented.

Motion carried 5-0 via roll call.

### **FOLLOW UP DISCUSSION AND POSSIBLE ADOPTION OF FINANCIAL POLICES**

Town Manager Havens stated that in order to bring together all current financial policies and expand current policy to incorporate best practices, Town staff prepared a Financial Policies document for Council's review and consideration, which was presented at their April 7, 2021 meeting. He stated that a revised draft was created based upon feedback at that meeting with the following two changes:

1. Page 6 – Section VI.3.c: Changes the “triggers” for fund balance replacement to remove the 75% total fund balance trigger and replace it with a 50% total fund balance trigger. Essentially it removes the requirement for 50% of the total fund balance to be unassigned and shifts the focus to ensuring the total fund balance does not fall below 50% while maintaining a goal of having it between 75% and 100% of total expenditures (less debt service for beach nourishment).
2. Page 9 – Section IX.6.b: Changes the debt service as a percentage of the operating budget from a limit of 10% to a new limit of 15% to ensure the Town does not violate the policy with planned debt issuance following the current draft CIP.

Mayor Pro Tempore Thibodeau moved to approve the policies with the two changes noted, to become effective July 1, 2021.

Motion carried 5-0 via roll call.

### **DISCUSSION OF FY 2022 BUDGET OVERVIEW**

Town Manager Havens gave a presentation on a gross needs "budget" noting that it was not in balance, touching on the Chart of Accounts, revenues, new positions/purchases/projects, department by department review of expenditures and the five-year forecast to Council and the audience.

Mayor Kingston suggested that Town Manager Havens take a look at moving the current tax rate from 19.06 to 22 cents to deal with the revenue side. He thought the Town should defer one police and fire position for one year while allowing one police and fire position for the coming fiscal year as well as giving Community Development and Administration the staff they were looking for. He pointed out that by eliminating one police and one fire position as well as one vehicle, it brought things down to approximately \$300,000. He added that Council could look at the \$450,000 to see what they wanted to move forward on since the Fund Balance was always there, which was proposed to be increased this year and could always bring it back. He thought Council could set up a reserve fund or move a figure that was less than \$450,000 to get the budget balanced. He thought it was difficult for Council to pick and choose a lot of the other items since personnel and the tax rate were big items. He noted that raising the tax rate will protect the Town's shared revenues since there will be a lot of tax activity happening with regard to the MSDs in the other towns. He reiterated his suggestion of moving the tax rate up to 22 cents.

Councilor Caviness asked what a one cent increase would be equivalent to. Mayor Kingston stated that it was \$185,000. Town Manager Havens stated that it was \$183,000. Mayor Kingston stated that the Town would pick up close to \$400,000 by moving the tax rate as well as deferring one police and one fire position as well as one vehicle for a year. He stated that Council could then take a look at the \$450,000 with respect to what was needed to move forward to get a balanced budget.

Mayor Pro Tempore Thibodeau asked if Council could live with deferring the maintenance on the existing Public Safety building. Town Manager Havens stated that Public Safety can live with the existing building. He explained that the \$6,000 was to temporarily fix the roof which needs to be replaced. He added that to replace the roof, it would cost about \$50,000, which he was not in favor of since the building would either be demolished or given to someone in the future.

Fire Chief Donna Black was recognized to speak. Fire Chief Black explained the roof was the biggest issue, adding that the \$6,000 was a decent fix for the roof. She stated that they can make the space in the building work, but her concern was more maintenance related.

Mayor Kingston stated that he was not proposing delaying the Public Safety building but moving the \$450,000. Mayor Pro Tempore Thibodeau thought by the time the Corps of Engineers are ready to move forward, four years would be a quick speed at the rate the Town was going.

Councilor Caviness clarified that Mayor Pro Tempore Thibodeau were referring to the slow pace of the Corps of Engineers and getting the project started. Mayor Pro Tempore Thibodeau stated she was correct, adding that the Town has a long way to go with the Public Safety building regardless of what happens with the Corps of Engineers.

Councilor Whitman asked about the long range with regard to the air conditioning system and generator since the Public Safety building was used as back-up location. Fire Chief Black stated that they have multiple HVAC units and have replaced the majority of them by absorbing them in their maintenance fund. She stated that they were replacing at least one unit per year. Councilor Whitman asked about the emergency generator. Fire Chief Black explained that they have a maintenance contract on it. Mayor Kingston stated that the reality was that the building has to be maintained since there wasn't a short-term solution. Mayor Pro Tempore Thibodeau agreed. Mayor Kingston asked for Council's thoughts on a tax increase.

Mayor Pro Tempore Thibodeau stated that she would be in favor of exploring a tax increase based on the fact that it has been revenue neutral. She wasn't sure if everyone could easily absorb the increase, adding that she would like to see how the average affects the mean and median household value. She stated that since the Town had a revaluation recently, it was beneficial for the taxpayers since their property values have increased due to supply and demand. She stated that she would be interested to know that the average would be for oceanfront and soundfront properties as they were helpful in the past.

Mayor Pro Tempore Thibodeau stated that with regard to the personnel requests, she needed to think about it because she heard from both chiefs that additional personnel was needed for the shifts. She thought there may be some economies of scale with hiring two. She added that she wanted to hear about the actual availability of people and wondered if it was hard to get people. She thought the Town could budget for additional personnel but not fill the positions. She stated that personnel was a big expense and with all of the other proposed personnel increases, there comes a point where it needed to be decided how many people were needed to run a town the size of Duck. She noted that the services have continued to increase and improve, the Town continues to do great things, and everyone is working very hard as the Town grows.

Mayor Kingston thought the Town has become more complex as it continues to grow as well as costs increasing. He suggested that Town Manager Havens could model a couple of tax increases to see what it generates. He added that it needed to be dealt with on both ends with regard to revenues and expenses. He noted that personnel is the Town's biggest expense, adding that in the past Council has delayed personnel decisions through the year. He wasn't sure what the projection on the Fund Balance will be but thought it was going to be pretty healthy. Town Manager Havens stated that the guess on the Fund Balance was approximately \$800,000.

Councilor Caviness thought modeling would be helpful with regard to the tax increase to see the impacts. She noted that it has been nominal in the past. She stated that with

regard to personnel, Duck has done a great job in building and taking on projects with the focus not being on personnel. She stated that she would like to see personnel be a top priority and let the projects take the hit instead. Councilor Whitman felt that since Duck was a growing town, people expected services and the Town has to provide those services to them.

Mayor Kingston noted that a one cent increase equaled \$65.00 per home. Mayor Pro Tempore Thibodeau pointed out that there were a lot of retired people that live in Duck that may not be able to afford the tax increase. Mayor Kingston stated that Council has to be reasonable with respect to revenues and expenditures. He felt that the revenues needed to increase while decreasing the expenditures.

Councilor Mooney thought Council needed to face the fact that things were getting more expensive, adding that there has to be change. He thought a tax increase would not be that bad for the citizens of Duck. He stated that with regard to the personnel, it was an expense, but this was a new era and the Town needed to be prepared. He stated that if it meant there needed to be more personnel, he was in favor of it. He added that it was all about safety and the Town needed to protect the citizens.

Town Manager Havens stated that he had conducted employee interviews and stated that Duck has great employees but the majority that work in Public Safety wanted more employees for safety reasons.

Mayor Kingston asked Town Manager Havens if he had any insight from the other towns with respect to what they were doing with taxes. Town Manager Havens stated that he did not.

Councilor Caviness thought she needed to better understand the implication of the Public Safety building and something different being done with it from a budget standpoint. She stated that she knows the building is falling apart. Mayor Kingston pointed out that nothing was going to be done. He explained that the Town was taking the \$450,000 and rather than putting that amount in the budget, Council could put \$150,000 in with the \$300,000 in the General Fund. Mayor Pro Tempore Thibodeau thought it could be taken out. She stated that she would be in favor of taking it out and pulling it from the Fund Balance when it was needed. Councilor Caviness stated that she did not want to get rid of it because she doesn't want to hurt the people that work in the Public Safety building. She felt Council was hurting the Public Safety staff by not getting them adequate staffing. She stated that she needed a better understanding of the impact if something was done with regard to the line item for the Public Safety building and what it really meant.

Councilor Whitman asked if Council carried that line item for the past five years. Mayor Pro Tempore Thibodeau stated that Council has, adding that it was reallocated each year.

Mayor Kingston stated that he was proposing 3.5 people, adding that the Town's charter states that the tax rate could not go above 30 cents without a referendum, so Council needed to be careful. He suggested that Town Manager Havens model some tax rates,

have a more detailed discussion with Fire Chief Black and Police Chief Ackerman with regard to their personnel requests, and what could be done with regard to the Public Safety building. Mayor Pro Tempore Thibodeau thought there was room on the occupancy tax. She thought the CIP has shown debt service in the past. Town Manager Havens state that it has.

Councilor Caviness stated that there was no value put on anything with regard to whether it was a high or low priority. She thought when Council was looking at things, they needed to get a sense of the priorities with regard to people versus stuff. Town Manager Havens stated that if he could get the people, the rest could be figured out later.

Councilor Whitman asked if financing was still available for the radios. Town Manager Havens stated that the expenditure is in red in the draft budget because of the loan proceeds, adding that he could cut the radios but there were loan proceeds for them. Councilor Whitman asked if the Town could get the money back from selling the radios. Town Manager Havens stated that it could. Councilor Whitman asked if there could be some kind of balance.

Police Chief Jeff Ackerman was recognized to speak. Police Chief Ackerman explained that the radios have surplus value and that he could come back with something. He noted that the longer it was delayed, the lower the revenue would be. Councilor Whitman asked if \$100,000 could be deducted from that price. Police Chief Ackerman did not think it was that significant. Town Manager Havens stated that they will have some value.

Councilor Caviness asked if The MAPS Group will have a presentation at Council's next mid-month meeting. Town Manager Havens stated that The MAPS Group and Ken Willson from Coastal Engineering will give a presentation on additional sand at Council's May 19, 2021 meeting. He stated that the goal was to have the next draft of the budget including the actual budget document at Council's May 5, 2021 meeting.

Mayor Kingston thanked Town Manager Havens for his presentation.

Mayor Kingston noted that the next meeting would be the Regular Meeting on Wednesday, May 5, 2021 at 6:00 p.m.

**ADJOURNMENT**

Councilor Caviness moved to adjourn the meeting.

Motion carried 5-0 via roll call.

The time was 3:33 p.m.

  
Lori A. Ackerman, Town Clerk

Approved: June 2, 2021  
  
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Don Kingston, Mayor

