

Town of North Topsail Beach

Daniel Tuman, Mayor
Michael Yawn, Mayor Pro Tem
Aldermen:
Richard Farley
Deborah Lanci
Richard Macartney
Robert Swantek



Steven H. Foster
Town Manager

Carin Z. Faulkner, MPA
Town Clerk

Board of Aldermen Special Meeting (Recessed Meeting of May 18, 2010) Thursday, May 27, 2010 1:00 P.M.

PRESENT: Mayor Daniel Tuman, Mayor Pro Tem Michael Yawn, Aldermen Richard Farley, Robert Swantek, Dick Macartney, Deborah Lanci, Town Manager Steve Foster and Town Clerk Carin Faulkner.

ALSO PRESENT: Randy Reeves of Wells Insurance and Pat Thomas of MAPS.

- I. **CALL TO ORDER:** Mayor Tuman called the recessed meeting to order at 1:00 p.m. in the North Topsail Beach meeting room.
- II. **APPROVAL OF AGENDA:**
 - Alderman Swantek made a motion to approve the agenda as presented. Mayor Pro Tem Yawn seconded the motion.
 - Alderman Macartney said that he would like to add a three minute briefing on the Federal beach nourishment project to the end of the meeting. Alderman Swantek amended his motion to include discussion of the Federal beach project as number seven on the agenda.
 - The amended agenda was approved unanimously.
- III. **PROPOSAL FOR TOWN PROPERTY AND PUBLIC OFFICIALS LIABILITY INSURANCE:**
 - Mr. Randy Reeves of Wells Insurance presented to the Board a proposal for the Town to consider as it decides which type of property and public officials liability insurance to purchase.
 - He gave the background of his company.
 - He explained the benefits that the various policies have and compared them with what the League of Municipalities offers.
 - The Board discussed the costs, the coverage, and the risks involved.
 - Mr. Reeves took questions from the Board.
 - Mayor Pro Tem Yawn asked the Town Manager to have the Town Attorney look over the proposal.

IV. PRESENTATION AND DISCUSSION ON TOWN PERSONNEL POLICY:

- Ms. Thomas summarized what she accomplished with the personnel policy and the classification and pay study.
- Ms. Thomas did a more in-depth review of the classification and pay study.
- Ms. Thomas took questions from the Board about the study.
- There was discussion on the personnel policy. Mayor Pro Tem Yawn made several suggested changes to the personnel policy.
- Mayor Tuman called for a 5 minute recess at 3:40 p.m.

V. CAPITAL FUND DISCUSSION:

- Mayor Pro Tem Yawn gave a brief recap on the situation.
- Mayor Pro Tem Yawn said that he has had several email and phone conversations with Sharon Edmundson at the State. She had written a letter to the Town several months ago saying that she has an issue with one of the comments in the auditor's report that states that the Town made a transfer from the Capital Fund to the General Fund to cover general expenditures. He said that when you look back at the budget documentation, Mr. Luxem's budget letter specifically states that a \$203,955 transfer was to be done to cover capital. He thinks he has enough documentation to justify the transfer. He said he is waiting to hear back from her on her final ruling.
- Mayor Pro Tem Yawn said he will propose that the Town pays off the fire truck.
- There was discussion on the fund balance.

VI. FINAL DISCUSSION OF FY2010-2011 BUDGET:

- Mayor Pro Tem Yawn made a motion to do Option One from the MAPS implementation of pay plan recommendations which is to move the salary of any employee up to the recommended hiring rate of the recommended new grade (this would effect 9 of the 30 full-time employees and will be a 1.2% cost as percentage of annual payroll or \$14,700). He added that the Board had a consensus in the past to delay any additional merit pay until January. Alderman Macartney seconded the motion.
- There was discussion about doing Option Two (moving the salary of any employee who has completed probation up to the probationary rate – this would effect 12 employees and will be a 2.5% cost as percentage of annual payroll or \$30,900) in six months and to also make merit pay part of the implementation of this option.
- The motion passed unanimously.
- Mr. Foster provided the Board with some information which compared the costs of the two options for the Town's property and public officials' liability insurance. He indicated that the premium for the League is \$42,000 less, but reminded the Board that if the Town has one occurrence that the legal fees will make the difference.
- There was discussion on the pros and cons of each option.
- Mr. Foster indicated that the Town Attorney will look over the proposal.

- There was discussion about including the Wells Insurance cost for the FY2010-2011 budget.
- The Mayor announced that the decision will be postponed until after the Town Attorney looks at the proposal. Mayor Pro Tem Yawn said that he is okay with going with Wells as long as the attorney does not have any concerns. He still has concerns about the tail coverage.
- Mr. Foster indicated that Staff will finish up the budget document tomorrow and get it to the Board with the Board Packet so that the Board can pass the budget at the June 3rd meeting.
- Alderman Farley was excused from the meeting at 4:02 p.m.

VII. DISCUSSION OF THE SURF CITY/NTB FEDERAL BEACH PROJECT:

- Alderman Macartney gave an update on the status of the Federal project (Coastal Storm Damage Reduction Project – Surf City/N. Topsail Beach).
- He indicated that the Civil Works Review Board meeting is scheduled for August 26th. He said that D.C. had problems with the four year nourishment cycle, they would prefer a six year cycle. He said that the project may not get into WRDA, if there is a WRDA.
- Alderman Macartney said that the Town will need to provide the Army Corps of Engineers with letters in support of the project.

VIII. RECESS:

- Alderman Lanci made a motion to recess the meeting. Mayor Pro Tem Yawn seconded the motion. The motion passed unanimously. The meeting recessed at 4:07 p.m.

APPROVED:

Daniel Tuman, Mayor

ATTEST:

Carin Z. Faulkner, Town Clerk

Approved on: 7/1/2010