

Minutes
Town of Atlantic Beach, North Carolina
FY07-08 Budget Work Session
Monday, May 14, 2007

The FY07-08 Budget Work Session of the Atlantic Beach Town Council was held Monday, May 14, 2007 at 4:00 p.m. in the Atlantic Beach Town Council Boardroom

Members Present: Mayor Joyce Vinson; Council members Jim Bailey, Ruth Barnes, Eddie Dawkins, Joe Tarascio, and Michael Warren

Members Absent: None

Others Present: Dave Harvell, Town Manager; Scott Kilpatrick, Chief of ABPD; Capts. A. K. Miller and Jim Willard, both of ABPD; Adam Snyder, Chief of ABFD; Marc Schulze, Director of Public Works; Donna Turner, Inspections Director; Laura Buda, Tax Collector; Kelly Nash, Administrative Assistant

CALL TO ORDER AND ROLL CALL

Mayor Vinson called the meeting to order at 4:00 p.m.

APPROVAL OF THE AGENDA

Councilmember Barnes made a motion to approve the agenda as written. Motion was seconded by Councilman Dawkins, vote was unanimous, 4-0.

1. DREDGING CONTRACT REVISION DISCUSSION: Dave Harvell and Derek Taylor

Dave Harvell, Town Manager advised the dredging project was proceeding without any signed document at this time, but there is a letter from former Town Manager, Chuck Cooper, which advises the dredging company is working under the auspice of being compensated by either hourly or cubic yard. Mr. Harvell was concerned about signing any type of document that did not have any checks and balances in the contractual language and the lack of a performance bond. He asked Derek Taylor, Town Attorney to be in attendance to explain the risks and liabilities involved in working with this company without any signed contract. Mr. Taylor explained that the original bid documents basically asked for cost quotes per cubic yard to move sand out of the channel and move it to the spoils area. The response proposals came in with two (2) aspects: 1.) all mobilization costs included in a per unit cost; and 2.) a per unit cost with mobilization costs separated out. He stated that out of the three (3) bidders, two (2) were eliminated due to lack of a contractor's license. *Councilman Bailey arrived at this time. It was 4:08 p.m.* Councilman Bailey reviewed the \$28.50 per cubic yard and determined that this calculated out to be a rather large sum of monies. Therefore, Councilman Bailey and former Town Manager, Chuck Cooper met with the selected contractor to discuss the possibility of joint funding for the project. The response from the contractor was that he would agree to lower some of the costs if the Town would agree to absorb some of the risk. The proposal from the contractor was to charge by the hour. The Town would pay \$475.00 per hour for every hour dredging was being done. According to Mr. Taylor, there are several factors that were not made clear from the offer that was made. But one issue that was made clear at that time which is if there is a thirty (30) minute breakdown, the Town will assume that cost and anything over that thirty (30) minute time period would be considered a major breakdown and the company would assume that cost. Mr. Taylor advised the issues that were not clarified at the time of offer are: a.) what would happen due to "an Act of God". Mr. Taylor stated that the wording as it stands, appears to say that "if the wind blows hard, we can't pump, but still on the clock"; b.) there was not any guarantee of a production amount in the hourly program. It has been calculated that approximately 11,000 cubic yards is the amount that would have to be moved out to get to the eight foot (8') depth and width specified. Without a quantity guarantee in the language, Mr. Taylor is concerned regarding what was requested in bids that came in and adjusting that to an hourly rate is going to be problematic. He states that he, himself has not spoken with the contractor and that his recommendation is for the Town to finish the project with the hourly program at \$475.00 per hour. Mr. Harvell stated that the current hourly contractual language reflects that the Town can be charged \$3,000.00 per day if the company is unable to pump anything due to "an Act of God". Marc Schulze, Public Works Director took the floor at this time and advised that currently there is a

proposed contract that is not signed. He stated that the real decision before the Council is that they must choose one (1) of two (2) options and that option three (3) is the hourly rate that has the potential for some savings, which means the Town will be sharing some risks. Mr. Taylor stated that if the Town can get a guarantee of quantity for the same or less price, the Town will be fine, but if unable to get the quantity, the Town is absorbing the risk. So Council needs to decide if they are willing to take that risk.

Councilman Tarascio made a motion to clarify our by the hour contract to reflect that that the Town will get the 11,000 cubic yards regardless of weather conditions for a cost not to exceed \$28.50 x 11,000 cubic yards or go back to the original contract which stated the company would dredge 11,000 cubic yards at the rate of \$28.50 a yard. Motion was seconded by Councilman Bailey. Vote was unanimous, 5-0. Motion was carried.

Mr. Taylor stated that he is awaiting a phone call any time now regarding the Special Legislation on Limiting Building Heights in Atlantic Beach. He handed out copies of two (2) versions of "An Act Limiting Building Heights in Atlantic Beach" which he considers what will be asked of the Legislature.

(Clerk's Note: a copy of Mr. Taylor's handouts are attached and hereby made a part of these minutes.)

At this time, Derek Taylor, Town Attorney left the meeting. The time was 4:33 p.m.

2. BUDGET DISCUSSION: Dave Harvell

Mr Harvell took the floor and briefly summarized the status of the budget process thus far. He then began his presentation starting with local Tax Rate comparisons and Cost Of Living Adjustments (COLA) comparisons and concluding with discussions on the departments. The following conclusions on each aspect of the presentation are as follows:

COLA – show comparisons using the Southeast Consumer Price Index for the previous year as an indicator
Departmental Programs:

Animal Control – will mirror Emerald Isle's Animal Control Program

Emergency Communications – continue to maintain the Town's own emergency communications

Lifeguards – continue to maintain program

Water Meter Reading – research various meter replacement systems

Planner – Town business requires a full-time Planner

Undesignated Fund Balance – implement a five (5) year financial plan that will increase revenues

(Clerk's Note: a copy of Mr. Harvell's Powerpoint presentation and handouts are attached and hereby made a part of these minutes.)

ADJOURNMENT

There being no further business before the Town Council, Councilman Tarascio made a motion to adjourn the meeting, seconded by Councilman Bailey. Vote was unanimous, 5-0. It was 6:14 p.m.

Submitted by:

Kelly L. Nash, Administrative Assistant

These minutes were approved at the June 18, 2007 meeting of the Atlantic Beach Town Council.

Joyce Vinson, Mayor