



County of Dare

P.O. Box 1000 | Manteo, NC 27954

MINUTES

DARE COUNTY BOARD OF COMMISSIONERS

SPECIAL MEETING – BUDGET WORKSHOP

Dare County Administration Building, Manteo, NC

9:00 a.m., April 17, 2024

Commissioners present: Chairman Robert Woodard, Sr., Vice-Chairman Wally Overman, Commissioners Rob Ross, Steve House, Bea Basnight and Ervin Bateman

Commissioners absent: Danny Couch

Others present: County Manager/Attorney, Robert L. Outten
Deputy County Manager/Finance Director, David Clawson
Asst. Finance Director, Sally DeFosse, Clerk, Skyler Foley,
Internal Auditor, Carter Nahm, Public Information Officer,
Dorothy Hester, Accountant, Janet Midgett, Special Projects
& Purchasing Manager, Dustin Peele,
Susan Bothwell, Mary Helen Goodloe-Murphy,

At 9:02 a.m. Chairman Woodard called to order the Special Meeting with appropriate prior public notice having been given.

All referenced handouts and summaries reviewed during this meeting are incorporated and made a part of these minutes. They are available at the Clerk's and Finance Offices.

ITEM 1 – FY2025 BUDGET DISCUSSION:

Mr. Outten explained that the county is currently in the second year of a two-year budget cycle and during this meeting, they would be reviewing the changes that have occurred since last year. For instance, there has been an unexpected increase in software pricing, COLAs, changes in salary line items, and additional funding requests that were not originally allocated. He noted that himself, along with Dave Clawson, Sally DeFosse, and staff members, have worked diligently to create a balanced budget without any tax increases and have successfully managed to fund nearly all of the requested items.

Mr. Outten reviewed the potential new positions which include: an IT Infrastructure Security Administrator, a part-time role at the library, three new advanced EMT positions to accommodate the opening of new stations, and an Aircraft Mechanic position with an overlap to ensure a smooth transition due to an upcoming retirement. Discussions were had with Environmental Health regarding certification pay, but this was not finalized and is not reflected in the budget at this time. Salaries for an

Advanced Practice Provider and Preparedness Coordinator increased. Additionally, a new full-time role of Leisure Activity Specialist for Roanoke Island was requested within Parks and Recreation, along with an increase in part-time employees. The Sheriff Department requested new Admin Assistant, and the Water Department requested a WTP Operator. In total, the cost of these potential new positions amounts to \$485,927.

Mr. Outten discussed various Special Appropriations, such as \$25,000 for the Arts Council's Anniversary Celebration, \$25,000 for The Room at the Inn, \$18,000 for Hatteras Meals on Wheels, \$2,000 for the League of Women Voters, \$50,000 for Jockeys Ridge State Park Celebration, \$223,500 for The Children & Youth Partnership, \$30,000 for Interfaith Community Outreach, and an additional \$50,000 allocated for Parks & Recreation Programming Plan. He noted that the budget for our Recovery Court and Probation Officer has remained unchanged. Lastly, after discussions with the Board of Education, the county had an increase of \$1,637,841 for pay supplements. Noting that this additional amount is expected to place Dare County Schools in the top 20 percent of North Carolina school systems for pay supplements as well as within the top two county school systems in North Carolina in local funding per pupil.

Mr. Outten clarified that the coverage ratio indicates the amount of money the county possesses to cover the debt service. This coverage ensures that even in unforeseen circumstances, the debt service can still be met. He discussed various scenarios involving debt interest rates issued within five years and issued after five years, as well as the land transfer growth rate outlined in the handout. Mr. Outten asked everyone to focus on the last column of the handout. For example, if we assume that debt can be issued at 3.75% within five years, with a debt interest rate after five years at 4%, and a land transfer growth rate of 2%, it is possible to withdraw \$950,000 and still maintain a sufficient coverage ratio. This is supported by the data in the last column, which shows that the coverage ratio never drops below one.

Mr. Outten noted that in order to fund the additional request and maintain a balanced budget, Mr. Clawson calculated our sales tax to determine our interest investment income, which resulted in additional revenue in the interest that goes into the General Fund.

Chairman Woodard exited the room at 9:51 a.m., he returned at 9:53 a.m.

Chairman Woodard discussed the school supplement and its potential to assist with teacher recruitment, but emphasized that housing is still an issue. Commissioner Ross mentioned hearing at the Early College meeting that the Dare Education Foundation was considering a two-phase project at Run Hill to construct and additional 24 units. Chairman Woodard mentioned that the county is currently turning over 40 teachers a year. Commissioner Bateman reported that an individual working in property management shared with him their belief that 20% of Airbnb's and VRBO's are transitioning back to long-term rentals due to lack of occupancy. Mr. Outten added that if these properties are still being rented at prices between \$2,800 and \$3,000, they are still unaffordable for many individuals.

Mr. Outten referred to the FY 2025 General Fund Budget handout. He explained that the FY24 Original budget was the first approved budget, with no grants, revenues, or

amendments included. The FY25 Planned column represented the agreed-upon budget for the second year unless changes were made. The FY25 Requested column showed what staff requested for in FY25. The Requested Increase (Decrease) column indicated the difference between the requested and planned amounts. The FY25 In Progress column contained the recommended balanced budget, considering all requests and funding decisions, noting that the total for the FY25 Managers Budget was \$136,165,205. The In-Progress Increase column displayed the total increase from the FY25 planned budget. Mr. Outten then gave a brief description on each department's requests noting that the most significant change in each department is salary and benefits.

WATER FUND

Mr. Outten discussed the Water Fund and noted that no significant changes have occurred other than the rate study recommends the county implement a 5% rate increase for Fiscal Year 2025 for both volumetric charges—usage/consumption charges that are over the 3,000 gallons allotted with the base rate—and base charges, which are fixed fees that cover the costs associated with providing water service, such as maintaining infrastructure and administrative costs, regardless of the amount of water consumption.

COLA & MERIT PAY

Mr. Outten stated that the COLA increase for FY25 is 4%, and then discussed the Merit pay and stated that it is currently paid out as a bonus. He explained that if Merit pay was added into the employee's salary it would help move individuals through their salary grade.

*The Clerk exited the room at 10:14 a.m., she returned at 10:17a.m.
Commissioner Bateman exited the room at 10:33 a.m., he returned at 10:35 a.m.*

Sanitation Fund:

Mr. Clawson mentioned the Sanitation Truck Repairs and Maintenance Handout, stating that in the spring of 2022, the county started purchasing higher quality trucks that come at a higher cost. The budget for this year is \$300,000, which is lower than in 2023. This has helped avoid costly repairs in the range of \$30,000 to \$40,000.

*Chairman Woodard exited the room at 10:47 a.m., he returned at 10:49 a.m.
Vice-Chairman Overman exited the room at 10:58 a.m., he returned at 11:01 a.m.*

In conclusion, the Board recapped the budget discussion and had a conversation in regard to possible pickleball court locations throughout the county, including the Baum Center, Recreation Park in KDH, or the Kitty Hawk Park.

MOTION:

Commissioner House motioned to adjourn the meeting.

Commissioner Ross seconded the motion.

VOTE: AYES unanimous

At 11:02 a.m., the Dare County Board of Commissioners adjourned the Special Meeting Budget Workshop.



APPROVED:

Respectfully submitted,

By: *Skyler Foley*
Skyler Foley, Clerk to the Board

By: *Robert Woodard, Sr.*
Robert Woodard, Sr., Chairman
Dare County Board of Commissioners