

**TOWN OF DUCK
TOWN COUNCIL
REGULAR MID MONTH MEETING
June 16, 2010**

The Town Council for the Town of Duck convened at the Duck Municipal Offices at 1:00 p.m. on Wednesday, June 16, 2010.

COUNCIL MEMBERS PRESENT: Mayor Dave Wessel; Mayor Pro Tempore Don Kingston; Councilor Neil Morrison; Councilor Monica Thibodeau; and Councilor Chuck Burdick.

COUNCIL MEMBERS ABSENT: None.

OTHERS PRESENT: Town Manager Christopher J. Layton; Director of Community Development Andy Garman; Town Attorney Robert Hobbs; Police Chief Phillip Ferguson; Deputy Fire Chief Bill Walker; Public Relations Coordinator Kathy McCullough-Testa and Town Clerk Lori Kopec.

ABSENT: Fire Chief Donna Black.

Mayor Wessel called the meeting to order at 1:02 p.m.

DISCUSSION/CONSIDERATION OF THE FY 2011 BUDGET

Town Manager Layton gave a short summary of the budget discussion at Council's June 2, 2010 meeting. He noted that he had made the changes as directed and reduced the budget by \$64,551. He went on to review the spreadsheets that were in Council's packets that showed the reductions to the budget.

Councilor Thibodeau asked if Town Manager Layton had used a formula to reduce the Real Property Sales and Occupancy Tax. Town Manager Layton stated that the cuts allowed him to be even more conservative on the Revenue side. He added that he made minor changes in the formulas.

Mayor Pro Tempore Kingston suggested a merit increase supplement proposal. He explained setting aside an additional 1.5% as a one-time payment to employees based upon merit. He added that it would not have an impact on the bottom line of the FY 2011 budget. He stated that he had informed the other members of Council on his suggestion and wanted their thoughts.

Councilor Burdick clarified that Mayor Pro Tempore Kingston was proposing a bonus. Mayor Pro Tempore Kingston stated that it was a merit plan supplemental one-time payment based upon performance that would have to be earned. He stated that he had discussed it with Town Manager Layton and they thought it would be approximately a \$19,000 to \$20,000 impact to the Contingency Fund.

Town Manager Layton stated that he had discussed the suggested modification with Town Attorney Hobbs. He stated that the difference between the merit increase supplement and a bonus was that the supplemental increase was available to all employees. He added that it was based on a merit system with set criteria. He stated that it wasn't something that was given to one set of employees and not another set; it was purely a merit supplement. He stated that there were some concerns that Town Attorney Hobbs wanted to research fully. He thought the proposal would

work and suggested if Council wanted to move forward with it, staff would come back in a couple months with an actual plan of how it would work. He stated that it would give Town Attorney Hobbs enough time to complete his research to make sure the Town was not crossing any lines. He noted that if the proposal was approved, Council would not have to consider it until after January 1, 2011.

Councilor Burdick asked if the issue needed to be put aside or not have it as a supplemental appropriation at this time. Town Manager Layton stated that there wouldn't be any money set aside, but it was earmarking part of the Contingency. He added that it would be a self-balancing formula. Councilor Burdick thought it was in harmony with what Council had started out with. He stated that whether it was called a bonus or a merit supplement, the idea was to reward performance. He stated that he was comfortable with it and asked if a resolution was needed. He thought there needed to be a committee consisting of Mayor Pro Tempore Kingston, Town Manager Layton, Town Attorney Hobbs and one other person to come up with a plan.

Town Attorney Hobbs recommended that Council not have a resolution until the issue was totally researched regarding the legality of it as well as to make sure Council has the authority to do it. He added that it should be done in such a way so it minimizes any potential liability. He stated that he would research the issue and contact the School of Government. He recommended that it not be a line item in the budget, but that the budget could be amended later. He thought that having a committee would be premature. He suggested that until he could give Council the legal basis and Council determines that they want to proceed, a committee could then be made up to decide how to implement it and what procedures or criteria they would want Town Manager Layton to use.

Councilor Morrison asked if Council moved forward with it, there would be no effect on the fringe benefits. Town Manager Layton stated he was correct, adding that the appropriate taxes and supplemental retirement benefits would be required to be taken out.

Mayor Wessel stated that it was recognized as income with the exception that it did not become part of the base budget for future years. Town Manager Layton stated that the goal was to slow down the salary increases and would not increase the base salary. Mayor Wessel agreed, noting that it was a large part of the goal of Council. He asked if a motion was needed. Town Manager Layton stated that an appropriate motion would be to direct the Town Attorney to research the legality in conjunction with researching the issue and coming back to Council with a report on the legality of it and a proposed plan for Council to consider.

Mayor Pro Tempore Kingston moved to direct Town Attorney Hobbs and Town Manager Layton to research the legality and authority for Council to implement a merit supplemental contingency plan and report back to Council at a future date with the intent to adding a 1.5% merit increase in the FY 2011 budget.

Motion carried 5-0.

Councilor Morrison noted that in the past, the Town Manager's possible merit or COLA increase was included in the budget. He asked why it was \$0 for this year's budget. Town Manager Layton stated that he had pulled it out so it would not interfere with other merit discussions. Councilor Morrison asked if it would not preclude Council from putting it back in. Town Manager Layton stated that it did not, adding that he felt that he wanted to pull it out and leave the rest at the discretion of the Council.

Mayor Pro Tempore Kingston clarified that the current impact on tax increases from other towns ranged from \$90,000 to \$100,000. Town Manager Layton stated that he was correct. Councilor Burdick felt that Duck was escaping reasonably well considering it was only \$100,000. Town Manager Layton agreed. Councilor Thibodeau felt it gave the Town something to forecast and that it was great to see how things looked for next year. Town Manager Layton stated that it would impact Duck in FY 2012.

Mayor Wessel asked if Town Manager Layton had included himself in the 3.5% salary increase. Town Manager Layton stated that he had originally. Mayor Wessel clarified that Town Manager Layton was proposing taking his increase from the 1.5% down to \$0 which would be discussed in December. Town Manager Layton stated that he was correct. Mayor Wessel stated that he appreciated the gesture and thought behind it, but was more comfortable with pegging the Town Manager's salary with the same 1.5% increase.

Councilor Morrison stated that he appreciated the gesture but thought it would be more accurate to put it back in. Councilors Burdick and Thibodeau agreed. She added that it wasn't reasonable to think that there would not be any kind of increase at all. Town Manager Layton stated that he would make the adjustment.

Mayor Wessel moved to have Town Manager Layton be directed to re-adjust the proposed new budget proposal to reflect a 1.5% merit increase for the position of Town Manager.

Motion carried 5-0.

Mayor Pro Tempore Kingston moved to accept the FY 2011 budget as presented with the modification as previously approved.

Councilor Burdick congratulated Town Manager Layton for putting together a budget Council could work with and giving Council reasonable projections for the future so they have a means of managing where the Town was headed.

Councilor Morrison stated that he was pleased with the original budget that called for a decrease of expenditures of 6.31%. He thought that Town Manager Layton's revenue estimates were always conservative and by reducing them further, it made it even more conservative. He hoped it would result in a good contribution to the Fund Balance. He appreciated the efforts of Council to hold down expenditures, but thought the proposed expenditures were reasonable. He added that he was opposed to some of the cuts that Council had made and would not be voting in favor of the budget.

Councilor Thibodeau thanked Town Manager Layton for his thorough work. She stated that she had always appreciated the conservative take on the current situation, but also the ability to look into the future with an analysis that Council could wrap their heads around. She stated that she was disappointed to see the push back that was received at the last Council meeting. She understood that it was the function of the Council, but also appreciated the thoroughness in which Town Manager Layton took Council's suggestions and managed to work within the new parameters.

Motion carried 4-1 with Councilor Morrison dissenting.

UPDATE ON TOWN HALL – MEETING HALL CONSTRUCTION

Discussion/Consideration of a Special Reconvened Meeting of the Town Council to Discuss the Town Hall – Meeting Hall Construction

Town Manager Layton stated that he had hoped to have the architect and engineers present to review the final specifications in order to bid out the Town Hall project. He stated that there was a scheduling conflict and they were not able to present the specifications at this meeting. He stated that the architects and engineers were working diligently and there will be some key items to relay to Council prior to the specifications going out. He proposed that Council hold a special meeting the week of June 28, 2010.

Town Manager Layton stated that there was a scheduled meeting with the permitting agencies to amend the park permit for the Town Hall project as well as the boardwalk project. He added that staff would be meeting with the agencies on July 13, 2010 to review all of the permit applications. He stated that he did not expect there to be any major issues. He thought it would allow the Town to complete an express permit, which would mean that the permit would go through faster without holding the Town up.

Town Manager Layton stated that staff would be meeting with the architect and engineers on June 24, 2010 to review where the Town was as well as the key items that need to be brought forward to Council for their review prior to the bid document going out.

Town Manager Layton suggested that Council look at their calendars to come up with a date to recess this meeting to reconvene during the week of June 28, 2010.

Councilor Thibodeau stated that she would not be available on June 30th, but was open any other day that week. Councilor Burdick stated that he was available Tuesday June 29th, Wednesday, June 30th and Thursday, July 1st. Councilor Morrison stated that he was available the entire week.

Mayor Wessel stated that he was available in the evenings of the week. He suggested holding an evening meeting. Councilor Thibodeau stated that she could not attend an evening meeting on Wednesday, June 30th. Mayor Pro Tempore Kingston stated that Wednesday, June 30th would not work for him. Mayor Wessel stated that Monday, Tuesday or Thursday evenings was open for Council. Mayor Pro Tempore Kingston stated that he would be working the Town's concert series on Thursday, July 1st and would not be available.

Councilor Thibodeau asked Councilor Burdick if he would be available on Monday, June 28th for an evening meeting. Councilor Burdick stated that he was not available during the day but was for the evening. He added that he was available the entire week if the meeting was held in the evening. Councilor Thibodeau suggested that the meeting be held on Monday, June 28, 2010.

Mayor Wessel suggested Monday, June 28, 2010 at 7:00 p.m. He asked if that was enough time to advertise the meeting. Town Manager Layton stated that advertising was not needed since it would be a reconvened meeting. Town Attorney Hobbs added that it would not be considered a special meeting, but a continuation of this meeting without any new agenda items.

Councilor Burdick suggested that Council tentatively schedule the next meeting for Monday, June 28, 2010 at 7:00 p.m. Town Attorney Hobbs explained that Council could not set a tentative meeting; it would have to be set for a certain date and time. Otherwise, a special meeting day would be needed at a later date and would require advertising.

Councilor Burdick moved to set the date of Council's next meeting for Monday, June 28, 2010 at 7:00 p.m.

Motion carried 5-0.

Councilor Thibodeau asked if Barry Moss would be coming back with decisions for Council to make or definitive updates that would be specific to the request for proposal. Town Manager Layton stated that most of it would be specific to the request for proposal. He added that some of the final decisions would be made after the project is bid out. He stated that there will be a review of exactly where the Town was and that there may be a few items for discussion regarding keeping costs down.

ADJOURNMENT

There being no further business to discuss, Mayor Wessel recessed to reconvene the meeting until Monday, June 28, 2010 at 7:00 p.m.

The time was 1:36 p.m.

/s/ Lori A. Kopec, Town Clerk

Approved: July 7, 2010 _____

/s/ Dave Wessel, Mayor