

Tacks in the Road

By Mayor John Brodman

My two-cents worth

April showers bring Mayflowers. Mayflowers bring pilgrims or, in our case, the start of summer vacation season when our population on the island literally explodes. We're looking forward to it. The seasons on the island have their own rhythm and, after two-plus years of the pandemic, it will be nice to get back into the swing of things. It's a busy time for all of us, with inflation and supply chain disruptions making our seasonal budget discussions interesting, to say the least. Hurricane season preparations are also about to get underway. For the time being, however, I hope everybody finds the time to enjoy the daffodils and the spring-like weather.

COVID update. In Pine Knoll Shores, we reopened town hall for walk-in service in February. We opened meetings of our commissioners and citizen boards and committees to the public, with limited seating, in March. At our March Board of Commissioners (BOC) meeting, we also agreed to reopen town hall as a meeting place for HOAs and other groups. The daily count of new cases has fallen to less than 40,000 for the country as a whole, and the caseload in North Carolina is following a similar pattern. Hopefully, the worst is behind us. We still encourage people to take whatever personal precautions they feel are necessary for their own comfort.

Challenges ahead. In Pine Knoll Shores we are in the middle of a somewhat divisive sidewalk debate, with many opposing points of view that will need to be reconciled. It's too early to say what the outcome will be. Our budget discussions include several new challenges this year related to wage and price inflation, and recruitment and retention of key personnel. Needless to say, wage and price pressures will have an impact on our tax rate and our ability to fund other projects, including sidewalks. It is clear that the business of managing a small-town government is becoming more demanding every day. Federal and state infrastructure, resiliency and pandemic relief funds come with strings attached, regulations and reporting requirements. Recruiting and retaining well-qualified senior staff capable of managing the increasing complexity of local government operations is a long-term challenge for small towns with limited resources.

In the short-term, our biggest challenge is finding the time and resources to manage our capital improvement plan that includes several relatively large-scale infrastructure projects during an inflationary period with labor (staff) shortages and supply-chain issues. Our projects include new roofs on town buildings, road repaving, storm water system enhancements, water main replacements, a new equipment barn for our Public Services Department, and a new fire truck. The timing of several of these projects is still up in the air and dependent upon receipt of federal and state grant funding, the availability of materials and equipment, and contractor schedules. We may have to hire project managers as consultants, on a temporary basis, for the duration of some of these projects.

In the longer term, our biggest challenge is managing growth and assimilating new residents, while maintaining the character of the town. Pine Knoll Shores is known as "a beach town in a forest." We have relatively little commercial development, and we hope to keep it that way. Preserving our maritime forest canopy and our small-town way of life is important to us. Change is inevitable—we can't

stop it—but while we are close to being built out, rapid growth of the area poses a challenge for all of us. Redevelopment of the town is occurring right now and will continue during the foreseeable future. Many of our new residents come from larger cities and towns, and they initially expect a higher level of services than what we provide. Fortunately, most of them adjust and adapt and come around to seeing the benefits of our small-town way of life.

One source of our strength is the active citizen participation of our residents in civic activities and in service to the town. Our citizens are a tremendous resource and complimentary addition to our town staff. Their insights and involvement help us stay on top of the constant changes we are experiencing. Community involvement and engagement not only contribute to our small town's sense of place, but they save us money and help us to keep our taxes low. The contributions of these citizen volunteers to our community and quality of life is something that strengthens our resiliency and sense of community. It deserves recognition every day.

Inflation, recruitment and retention of key employees. With inflation rising, we have been discussing the topic of inflation and employee compensation over the last few months. The latest Consumer Price Index (CPI) report, released on March 10, has inflation running at a rate of 7.9 % in the 12 months ending in February 2022. Nationwide, average hourly earnings increased by 5.1 % over the same period and, as a result, real wages (adjusted for inflation) have fallen behind by 2.6 %. Pine Knoll Shores depends on the same labor pool as the county and neighboring towns, so we have to remain competitive if we hope to attract and retain good people. This is reaching a critical stage as a result of COVID, resignations and early retirements that have shrunk the labor force. There is a shortage of qualified employees across the board, and we are having difficulty filling the vacancies we have. Some of our best people are being actively recruited with the lure of higher pay. We can't afford to lose key employees to other local governments or sacrifice staff continuity. The high cost of recruitment and training, and the loss of experience, is a blow to a town of our size. We want Pine Knoll Shores to have the best employees available, and we need to retain the unicorns we have.

Employees of small towns are probably some of the hardest working and versatile employees in any field. They have to be jacks of all trades, and they don't have layers of other employees to fall back on. We are a small town where our police, fire, emergency management, and public service managers and employees all have double, and sometimes triple, assignments compared with larger towns. We have six and one-half people in town hall to do operations, human resource management, planning, inspections, building/tree permits, tax collection, finance, budgets, contracting, applying for grants, preparing for emergencies, managing large infrastructure projects, complying with all regulations, records retention, dealing with citizen requests, communications, meeting preparations, etc., etc., etc. A lot goes into the business of managing a small town government, and staff retention and continuity are very important.

When Pine Knoll Shores completed its pay study two years ago, the board set the pay scale for a standard employee of each job classification at 100 % of the midpoint of the pay scale for the same job in our neighboring towns (Atlantic Beach, Emerald Isle, Beaufort and Morehead City), with adjustments above and below for an employee's experience, certifications, years of service and other distinctions. Since that time, we have fallen behind. The county, Atlantic Beach, Beaufort and Morehead City have all increased pay rates since last July, and Emerald Isle, whose pay scale is already higher than ours, is likely going to compare salaries in its ongoing budget discussions. We have recently lost two law enforcement

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