

MINUTES
OAK ISLAND TOWN COUNCIL
SPECIAL MEETING – BUDGET WORKSHOP
APRIL 6, 2016 – 2:30 P.M.
OAK ISLAND TOWN HALL

Present: Mayor Cin Brochure, Interim Town Managers Lisa Stites and Rob Gandy, and Council Members Jeff Winecoff, Charlie Blalock, Loman Scott and Sheila Bell. Department Heads Steve Edwards, Rebecca Squires, David Kelly and David Hatten, Fire Chief Chris Anselmo, Interim Chief of Police Greg Jordan and Administrative Assistant Debbie Lasek were also present. Mayor Pro Tempore Jim Medlin was excused from the meeting.

Mayor Brochure called the meeting to order at 2:31 p.m.

Ms. Stites said this meeting would give the staff a chance to discuss capital items or expenses with the Council. Finance Dave Hatten said he appreciated this opportunity to address the Council on behalf of the staff. They want to hear Council's vision for the next year in order to assist the department heads in preparing the budget.

Development Services Director Steve Edwards: Mr. Edwards said the department is getting more nuisance complaints, and the sole zoning administrator cannot handle the demand. They are asking for a zoning technician in order to deal with this increased demand.

Mayor Brochure said she has always worked with a "wish list" for budget workshops. Councilman Winecoff said that in previous years, the Capital Improvement Committee would meet with each department head and then present the wish list to Council, but that the CIC had lost its way. Mr. Gandy said that he and Ms. Stites suggest that the Council review the capital outlays/needs rather than review historical or daily items. This would provide an opportune way to reconnect with the department heads and make the final budgeting process easier.

Mr. Edwards said that along with a new employee comes new equipment, such as a truck and computer. His department runs well and generates a great deal of revenue with collected fees; they are up 63% in fees collected. There are a great deal of nuisance complaints, and the department needs the staff to adequately handle them. The Zoning Technician could handle the nuisance complaints. Mr. Gandy asked if the Zoning Technician couldn't handle other responsibilities. Mr. Edwards said the Code Enforcement officers are extremely busy and currently one position short in the department due to the recent resignation of an employee. Mr. Gandy asked about putting on additional responsibilities that would not step into building codes. Mr. Edwards said a zoning technician could go out to a dilapidated structure and bring in a Code Enforcement Officer if needed. Councilman Blalock clarified that the Zoning Enforcement employee would be the one riding around in the community; a Zoning Technician would allow them to get a lot more work done. Councilman Scott asked about the possibility of dividing duties, and not adding another position. Mr. Edwards said he himself shares responsibilities with another inspector/CAMA LPO, who does inspections, CAMA permitting and other duties. One other person is strictly a Code Enforcement Officer. They have assigned other duties; Mr. Edwards also does zoning work. Getting that position filled will not completely handle the workload, as the department is up 13.64% just in comparison to 2015 in single-family building permits, and inspections are up 11%. Everything is up, including sewer permits. Councilman Scott then asked about increasing permit fees. Mr. Edwards answered that they have increased both in fees and in the number of permits. They had to revamp the permitting procedure; that generated quite a bit of revenue itself. Councilman Scott asked if the amount of work would equate to another position; Mr. Edwards said this would cover some of the

expense. Councilman Blalock asked about Code Enforcement Officers and their certifications; Mr. Edwards said the Zoning Technician would not need to be certified to that level. If Brunswick County takes over the utilities systems, it would not alleviate the amount of work in inspections and that the new position created last year also covers vendors. Councilman Winecoff said they need to get these vendors in control, as new vendors are coming in every weekend. Mr. Edwards said the department could work with law enforcement on this situation. Also, it is getting to be time to rotate out the department's trucks, and he provided a five-year plan.

Fire Department Chief Chris Anselmo: The Chief said he does not need fire trucks or personnel, and about 80% of his list is operational. He has a request for an SUV to replace one of the support vehicles; this would run around \$25,000-28,000. In regards to a training center; when Station 2 and 3 were built, there was a training facility to be purchased and built at that time that would have cost \$350,000-375,000. St. James was asked at that time to consider a dual effort and they declined. About 4 months ago, the Chief from St. James approached and asked if a training facility would be considered again, as they would be willing to contribute to the cost of this venture. Chief Anselmo said he feels that St. James will proceed to build something with or without us. He wanted to address this with Council now with the potential of another town to go into this effort with us. Councilman Winecoff asked about the funding for the volunteer fire departments; after Chief Anselmo replied it was the County, Councilman Winecoff said that the County is who should be approached. Chief Anselmo said the County has one facility in Shallotte, and he cannot send staff there and that the only training they get is with voluntary burns. Councilman Winecoff said he cannot see 7,000 taxpayers in this town paying for a training facility; we are not a big city and he just cannot see the tax payers' money going there. Councilman Blalock asked about the availability of other training facilities; Chief Anselmo said there was one in Sunny Point, but they are not allowed to use it. Mayor Brochure then asked if the Town would be able to use St. James' facility if they paid a fee. Chief Anselmo said he is sure they would be able to use it, or Shallotte, but again said Shallotte is too far. This is a very large county; they cannot always wait for the county to do something, as they may be waiting for a very long time. Councilor Bell asked if St. James was a volunteer department; Chief Anselmo answered that it is. The surrounding counties train in their own stations. Councilman Blalock then asked about the number of hours needed for certification; Chief Anselmo then explained how they went about obtaining hours for certification and the need to do so with facility training. The only other item that he would like to request is a phone system. Currently, the Fire Department is using the old systems from Town Hall and the Police department, and all three systems are outdated and need to be replaced. He doesn't have a dollar amount at this time, but he can email it to Council when they get the numbers. The Chief is the only person in his building with the ability to have voicemail. Councilman Bell asked how he was left out when the new system was ordered; Chief Anselmo said that he asked but didn't receive any information on the new system at that time.

Greg Jordan/Police: Interim Chief Jordan said he is need of three replacement cars; all three have at least 125,000 miles or will be there soon. The cost is roughly \$35,000 per car, complete. He also has 5 radar units that have been in service since 1990. The State is requiring replacement of them by June 2017, at a cost of \$2,000 per unit. These are the items he has to have. He would like to have two new officers—one for narcotics and one as a patrol position to do mostly community policing; bicycle, beach patrol and special events as well as when the department is short-shifted. The final wish list item is a bar coding system to assist in keeping track of evidence; the \$6,000 cost would pay for itself in 6-8 months in that officers would spend about 5 hours per week instead of 15 hours when cataloging evidence. Mr. Gandy reviewed; 3 additional cars, in addition to 2 cars for the additional positions. Councilman Scott asked how many people died of drug overdoses last year; from March to February 2016 they have had 8 deaths. Some were prescriptions, some were heroin. Mayor Brochure said the narcotics officer would allow them to look for dealers; Chief Jordan said the new position would be working a combination of narcotics and property crime. Councilman Scott asked how much money is allocated for confidential informants; Chief Jordan said somewhere around \$10,000. Councilman Scott then stated he would like the heroin dealers to

know that Oak Island is not the place for them to come do business. The deaths really bother him, and he thinks the Council is ready to help in any way. Mr. Gandy agreed and referred to recent discussions in assessing the drug problem here on the Island. Councilman Winecoff said he would like the police department to look into purchasing a car or two if there are additional funds in the General Fund; in order to fight drugs, he doesn't see why they should wait until June to get a narcotics officer for the Town. Interim Chief Jordan said that he does have \$35,000-40,000 left in the gas budget due to falling gas prices. There was some discussion, and the Council agreed that a vehicle could be purchased with those funds. Councilman Bell then said that the police vehicles that were being replaced could then be dispersed to other departments. Councilman Scott added that they would not increase fleet size unless they are increasing by a new person, and that the Council should have the Finance Director look into this. Interim Manager Gandy was glad that they had discussed the drug problems prior to this meeting. Councilman Bell said that the Sheriff's Department held a public meeting on the ongoing drug problem, and they said they are looking into this as well as addicts do not value needles and will throw them out on the beaches. If addicts are able to trade in for clean needles, this can eliminate the potential danger. Mr. Gandy agreed and said these kind of implications may need to be considered. Interim Chief Jordan said he would support a needle exchange.

Rebecca Squires, Parks and Recreation: Ms. Squires said the first item she is requesting is a full-time position of Program Supervisor, in charge of special events such as festivals, fishing events, Farmers Market and so on. The Parks and Rec department keeps experiencing growth and demand for programs. They are trying to maintain, but it is getting to the point where they will have to pick and choose what programs they will be able to provide to the citizens. There has been an increase of 3,000 participants from the year 2015 to 2016. Some of their events provide revenue and they charge for a majority of programs. The Rec Center is open 6-7 days a week for a total of 3,666 hours per year. The Center employs part time staff at night; they also double as cleaning staff and many times are in fact cleaning when customers come in. On Saturdays and Mondays, the Rec Center is slammed with visitors and they serve as the unofficial information sight for those visitors; in fact, the rec center staff may be the only Town staff visitors see during their visit. Councilman Scott then asked Ms. Squires what she would expect for this position; she would like the applicant to have a college education and be certified, with an average salary of \$36,000-38,000. If they hired a full-time person, she believes that the part-time staff could cover. The seasonal part-time person for the market manager could be replaced with the full-time position. Another budget item is the grounds side of the golf course. The equipment was present when they acquired the course; pieces are 10-16 years old, and are used 7 days a week. She is requesting a blower and mower. Since they have taken over the grounds, play and revenue is up, and for the first time ever they will have sponsors for each hole. However, they must have equipment to keep up the grounds. A new green mower is about \$29,000, the tee mower is about \$26,000 and the Blower is about \$7,000. Councilman Scott asked how long the sponsorships are good for; Rebecca answered for 3 years, and they would like to increase them. Mayor Brochure said they are missing a golden opportunity to do corporate events on small scale; Ms. Squires said they have already had several local businesses do outings. She sets the fees for these events, and thinks now they can go up on those fees. Councilman Scott noted equipment leasing fees of \$7,500; Ms. Squires said this was for additional seasonal golf carts that are rented from April through September. Councilman Blalock asked about sponsor fees, and Ms. Squires said they paid \$300 per hole for their tee signs. She said they sold all 18 sponsorships in one month. Councilman Blalock then asked about the availability of golf lessons; Ms. Squires said they do offer them and they charge for all of them. Moving on the Community Center, Ms. Squires said they are using an 11-year-old van for transportation, and would like to replace it with a minibus. This van is mainly used for elderly; 3,406 participants were carried in 2015. They have also received a \$20,000 grant in the past for this and they anticipate getting it again; the bus would cost \$45,000. They don't charge the seniors for the nutritional program, but they do charge for the shopping trips and outings. Councilman Bell then asked about page 78 and the purchase of a mower for \$28,000; Ms. Squires explained that this was for a rough mower, and that it cannot be used to cut a green or a tee. Councilman Winecoff said he thought they had

approved the purchase of a van a year or so ago; Ms. Squires said they had not purchased a vehicle and that the Rec Center has a 24-passenger bus and a mini bus that was purchased 6 years ago that are used year round, but they cannot share them. The heaviest usage is the day camps June through August. One more item; a small truck is needed to replace the 2005 Ford Ranger that was handed down from Public works, which has severe rust issues. The odometer shows 57,000 but she knows it has tripped a time or two. They only need one small truck.

David Kelly/Public Works and Public Utilities: Mr. Kelly provided Council Members with a handout. The first item was an extended armed bush hog at about \$60,000. Contracting out these services would eliminate this item. They are meeting with Greenman to address Council's concern about services. Councilman Winecoff asked if they were looking at in-house vs. out sourcing; he doesn't believe that hiring 4 people would provide the same service that the contractor does. Councilman Bell asked about how many people the vendors use; Mr. Kelly answered that all 3 vendors said 11-14 persons would be needed. The Town does do some cutting for the State, and they do get a small reimbursement of approximately \$7,000. Mr. Kelly then added a small towing trailer and a tamper to do street work would be needed, along with a new mosquito machine. Councilman Scott asked about mosquito machines, and Mr. Kelly said they cost about \$1,700 each. They will also be looking for money to pave streets; Mayor Brochure asked why they had not done streets if they had money sitting in the accounts. Ms. Stites said she could not answer that, but said they could have been waiting to have enough to do the work. Mr. Hatten added that they have \$300,000 for that. Councilman Blalock then asked who paid for the paved strips; Mr. Kelly explained. Also, with the large amount of rain the Town has received, they currently have one person in stormwater and they need more. They are complying with the State, but they could do more. Councilman Scott said he has spoken with Moffatt & Nichol and they are going to work up some plans for us to consider, perhaps pump stations or discharge ditches. Larry Sneed, another engineer, is working with Steve Edwards to address this issue. Councilman Scott asked about the stormwater portion of the utility bill, and Mr. Hatten said those funds are in an account. Mr. Kelly added that this had been addressed by John Michaux two years ago, but they were in a drought then. He then said of the two positions requested, one could be in the streets to work on projects. Also, he and Mr. Hatten are looking at making every department pay for its utilities, electric, etc. Currently, utility and works pay all the bills, such as buildings, lights, etc. and that his department gets charged for many items. Mayor Brochure said they will wait to roll out the beach campaign until after the season ends in September; this will require additional enforcement. Mr. Kelly said he just needs people that can work. Councilman Bell said she had no interest in bringing back the brown/white goods pick up; she explained the Town would go and pick up items and, at one time, they actually billed for it. Obviously, this wasn't cost effective and they stopped that many years ago. Mayor Brochure said she has concerns about the elderly on the island, as they would have difficulty taking heavy items to the dump. Councilman Bell said they could hire someone with a truck, and that there are free dump days. Councilman Scott said they could utilize the Airport facility on Friday mornings and one Saturday a month at no charge for Town residents. Mr. Gandy added that there is also free dump day at the Brunswick County landfill. Mr. Kelly said that if the Town utilities do go to the County, there is one vacancy in the street department and one temporary position and that these could be filled by current staff. Councilman Scott asked about leaf pickup; Mr. Kelly said they are about 2.5 weeks behind on leaves. He explained that no one sees them picking up stuff at 5 am, and that he loses 4 employees around 1:30 p.m. when their day is done and loses another at 2:30 p.m. He has equipment, but he does not have people. He is working on a spreadsheet to show the Council what these people are doing, and how they take care of the beach and are not able to provide other services. He is asking for one stormwater and one public works position, and he has two open vacancies also. His department gets calls all day; he has even been sending public utilities personnel out to do the work. Councilman Scott said they had discussed going private for leaf pick up, and they were told that a new truck would be able to handle the leaves. Mr. Kelly answered that he could do that, with a person to drive the truck. He explained that he needs employees with a CDL; he has four dump trucks with only one

CDL licensed employee. Mayor Brochure suggested using volunteers as a possibility, and Mr. Kelly said he would need them to be there at 5:00 a.m.

Public Utilities: Mr. Kelly said last year they set money aside to make improvements to the system and paid off membrane replacement. They still had to plan a budget even with the County proposal for this year. In capital improvements, they require modification of the dated drum screen with an estimated cost of \$350,000-500,000. Current improvements were then listed out by Mr. Kelly, along with routine maintenance that was already in the budget. On the Collections side, Mr. Kelly reviewed a list of items on the handout. Middleton Pump Station and the odor problem was discussed; they may or may not get to this before June 30th. Councilman Winecoff asked about the A/C equipment; Mr. Kelly answered they had 3 scheduled to be done this year, and had met with the engineering firm to discuss modifications to the installations. The electrician that has been hired does all the control panel rehabs, and takes care of the facilities with George Napier. The County has a position for this electrician, but right now the Town could keep him, as he does about 65% facility work and about 35% for Utilities. Councilman Winecoff agreed that someone like that is valuable to the Town. The only additional thing is having a part-time person to rebuild controllers, as he has about 1,000 that will need to be rebuilt at about one hour each. Councilman Scott said he is not happy with the leaf situation, as they have an expensive piece of equipment just sitting there. Mr. Kelly said they will ask the vendor to come in and help with leaf collection, as they are about 2.5 weeks behind. He has 3 people on vacation now, so the lead truck is sitting idle for about 4 days. He only has those CDLs, with one person in training. Councilman Blalock asked if they could not just hire a person to drive the truck; not an employee but as a contractor. Councilman Scott asked about the costs of contracting that work; Mr. Kelly said he was not sure. Mr. Hatten suggested contacting a temporary agency, as the liability would be with them and not on with the Town. After some discussion and clarification by Ms. Stites, Mayor Brochure said that there is a consensus to check with a temporary agency to find a contractor with a CDL to drive the leaf truck.

Dave Hatten/Administration: Mr. Hatten said that the Council may not be aware that the former manager wanted to add an HR Generalist, but he and Ms. Stites do not feel the additional position is needed. Mayor Brochure said she knows there is money that was not collected; accommodations taxes. Mr. Hatten said they had talked of moving a billing employee over (if Brunswick County takes over) to accommodations tax collection. They are at the mercy of anyone who rents out their house on the island, and they depend on the big rental companies to pay their customer's accommodations taxes. However, Mr. Hatten said there are people out there, they feel, who are not paying their accommodations taxes. Mayor Brochure said that Ocean Isle and Holden Beach collect a great deal higher amount of accommodation taxes than the Town does. Councilman Bell said VRBO has increased steadily; Mayor Brochure agreed and said they are easy to track via computer. Mr. Hatten said he had made it clear to the employee that she would need to work and they would need to see results in order to keep her in this position. The Mayor is going to visit Holden Beach and discuss this with their mayor; she cannot understand how they are \$800,000 ahead of Oak Island in accommodation taxes. Both Councilman Bell and Scott agreed that this was an area that had not been worked on strongly enough. There was some discussion regarding the price of rentals on Oak Island. Mayor Brochure said that the Town just needs a good detective with a laptop to investigate this situation. Mr. Hatten said that last year they started driving out more costs, and they continue to do that to get a truer picture of what their costs actually are by department. Councilman Winecoff asked about putting money into the Capital Reserve; Mr. Hatten answered that they put money in for the firetrucks and stormwater and also wastewater for the membranes. Councilman Winecoff said they need to continue to do this for items such as police cars. Mr. Hatten added that the General Fund debt was refinanced and he feels that the Town is in a much more positive position. Mr. Hatten then said there are outside agencies that the Town has given money to in the past, and 2-3 agencies have already submitted applications for funds. The Mayor expressed concerns about this, and asked Ms. Stites to investigate this with the School of Government to ensure this is allowed. Mr. Hatten reviewed the list from last year; Councilman Bell said she does not want them

choosing who receives funding. Mr. Gandy said this was an issue for 28 years. Mr. Hatten said, for example, The Beautification Committee is on the list and gets \$1000; at most, all of the requests total about \$21,000. Mayor Brochure said \$21,000 would pay for a part time position. Mr. Hatten said the Chamber of Commerce requested money; the Mayor said this could come from Accommodations Tax, because they bring "heads to beds." Mr. Hatten added that he is preparing a budget as if the utilities will not be transferred, as they do not know at this point and that the Town can adjust as needed.

Mr. Hatten said he appreciated the Council meeting with the staff; the last year everyone has been in the dark, and he thinks the Council would agree with him. Councilman Blalock said he gets a lot out of these presentations, and as a citizen he is finding a totally different outlook from what is actually happening. There was some general discussion among council members. Councilman Winecoff asked Mr. Kelly about a discussion from 2 years ago regarding someone inspecting buildings and bringing back repairs as needed. He feels that this needs to be done, and is a valuable service. For example, the Fire Department roof leak ended up costing the Town a great deal of money. Mr. Kelly also said that the contractor they had hired was for yard debris, not leaves; they will need to find another person to assist in collecting the leaves.

Councilor Scott made a motion to adjourn the meeting at 4:27 p.m. Councilor Bell seconded, and the motion passed unanimously.

Cin Brochure, Mayor

ATTESTED: _____
Lisa P. Stites, CMC
Town Clerk

Clerk's Statement: Minutes are in compliance with the open meetings laws. The purpose of minutes per the open meetings laws is to provide a record of the actions taken by a Council or a Board and evidence that the actions were taken according to proper procedures. All actions of the Council are recorded in the official minutes. Not all portions of Town of Oak Island meetings are recorded verbatim in the official minutes, with general discussion items, reports, presentations, and public comments being paraphrased or summarized in many instances. Public comments in writing should be submitted to the clerk via hard copy, electronic mail, or other means so as to ensure an exact verbatim account. The Town of Oak Island provides full coverage of meetings on Government Channel 8 so that the Citizens and the Public may view and listen to the meetings in their entirety.