

MINUTES  
OAK ISLAND TOWN COUNCIL  
SPECIAL MEETING – BUDGET WORKSHOP  
MAY 25, 2016 – 3 P.M.  
OAK ISLAND TOWN HALL

Present: Mayor Cin Brochure, Mayor Pro Tempore Jim Medlin, Council members Sheila Bell, Charlie Blalock, Loman Scott and Jeff Winecoff, Interim Co-Town Managers Lisa Stites and Rob Gandy, Finance Officer David Hatten, Assistant Fire Chief Steve Conway, Interim Police Chief Greg Jordan, Public Services Director David Kelly, Development Services Director Steve Edwards, Parks and Recreation Director Rebecca Squires and Administrative Support Specialist Debbie Lasek.

Mayor Brochure called the meeting to order at 3 p.m. and began the discussion on the proposed FY 2016-17 budget.

Accommodations Tax: Tourism Director (Part time) position will be removed from the budget; the Mayor is volunteering her time and feels that money would be served better in other areas. As far as marketing materials, she described a walking map that would be provided free to the thousands of visitors that come to the island. Funds spent on marketing will pay for itself with income for the town. After further discussion, Councilman Scott suggested waiting to make a decision on the \$45,000 proposed for marketing until after the budget discussion is further along in order to have a better idea of what would be available. Councilman Winecoff concurred.

Mayor Pro Tempore Medlin brought up the Oak Island Pier; technically, the Town is spending a great deal of money each year to keep the pier up. He said this does not equate to a good business practice; they need to find a way to make that pier self-sustaining. The lease is through 2018 per Interim Manager Stites. Mr. Hatten confirmed that there are two more \$90,000 payments after the one due this year. The cost to rebuild could be approximately \$1.25 million. Money could be put into capital reserves for improvements; it was suggested that the \$45,000 from the marketing budget may be better utilized for servicing the pier. Interim Manager Stites said she could explore renegotiating the lease and also the possibility of grants for historical status (if the pier qualifies). Mayor Brochure asked if the expenses of the pier could be itemized for the understanding of the general public.

Fire Department: Councilman Bell inquired about the department's budget for the current year; Mr. Hatten answered that there were some line item changes. Assistant Fire Chief Steve Conway said the requested SUV would replace a diesel truck that is over 10 years old, and the \$35,000 price includes the special lighting and radios. The truck is driven to Leland to pick up his personal car; he lives in Wilmington and this was approved by a previous Town Manager. Councilman Winecoff stated he believed that the Council had decided that no employee would drive over 10 miles; it appears a previous Town Manager went over the Council's wishes. The truck is a 2005 or 2004 with roughly 70,000 miles on it. There is really nothing wrong with it; it was purchased to drive down the beach but it is really not suited for that. The problem has been the maintenance, as the cost to replace the turbos has been around \$5,000 and it has been done three times. After some discussion, consensus was to pull this from the proposed budget.

Councilman Winecoff suggested moving \$100,000 into general Capital Reserves instead of the Fire Department to hold for a training center; this way it would not be designated to one area. There was consensus on this item.

The phone systems that are going in would be compatible with the Town's other systems.

Community Program expenses includes the Fourth of July Fireworks display of \$10,000. The Fire Department will now handle its own building maintenance expenses; Councilman Winecoff questioned where the checks and balances would be. Ms. Stites said there would still be purchase orders that would need to be approved by the Finance Director. The overtime request is now down to \$58,000, down from \$110,000. Overtime is not included in the line item for part-time employees; volunteer stipends are dependent on individuals' activity. There are four junior firefighters, and an application for a fifth is currently being reviewed. They do whatever training the law allows, and help check equipment, test fire hoses, etc. The department does pay for their uniforms but they are not paid.

Police Department: Interim Chief Greg Jordan explained that vehicle requests are for existing vehicles with over 125,000 miles on them; that is the threshold set a couple of years ago. This does not include the new narcotics officer Council previously approved; that vehicle was purchased out of this year's budget. If a second officer is approved, that would be four instead of three new vehicle purchases. The department currently has 31 vehicles, including the ATVs, the trailer and the ambulance for community policing. Capital Outlay includes purchasing eight radar units, but Chief Jordan said he can get by with five; they are \$2,000 each. During the summer, there is at least one officer on beach patrol on the ATV to enforce ordinances.

Parks and Recreation: There has been a lot of work going into the golf course, and Councilman Medlin said that it looks the best it has ever looked. He questioned the General Fund transfer of \$198,838 with the cost of the course going up every year. Ms. Stites commented that the superintendent spoke at the Citizens Academy session last week, and he said the goal is to have the golf course pay for itself. He also said he has to spend a great deal of time acting as a mechanic on the original, aged equipment. The difficulty lies in having a par 3 golf course pay for itself. There was a question of spending \$200,000 on a golf course that will never be profitable, when the Beach Renourishment is a long lasting, major issue for Oak Island. The Town has been unable to sell the golf course in the past. After further discussion, Council asked staff to schedule a meeting with the South Harbour POA.

Stormwater: Mr. Kelly explained the proposal for a new position to deal with ongoing stormwater issues with \$45,000 in the budget. This position would also involve review of the stormwater program to bring up to compliance, in order to stay in front of development. Councilman Medlin suggested including these services with the current engineering firm of Moffat & Nichol; Mr. Kelly said this is currently a per-item cost that may be transferable.

Wastewater Treatment: Meter readers went to part time last year. There is a meeting scheduled with the contractor for installing the air conditioning units; the numbers are the same, and the engineering firm has stood by the contract. There is also work being done on the odor problem at Middleton.

Development Services: If they get another position, Councilman Winecoff asked if there would be better enforcement with vendors. Mr. Edwards said the new position would be strictly zoning and code compliance issues. This employee would also review the island and take note of dilapidated properties. Mayor Brochure noted some success with the "Click it and Send it" program with Chad Staradumsky.

Councilman Winecoff noted there is still one fire truck that has not sold and is still for sale. He also noted that the County was going to do away with the \$25 prepaid as they are obsolete; he said the Council should look out for all of the taxpayers and possibly eliminate this. He suggested that they think about it for the next meeting. The actual cost for water installation is \$1,440 per Mr. Kelly. Mayor Brochure said that one of the major builders suggested enacting a capital improvement fee on all houses being built going forward. Mr. Kelly explained that we have impact fees and the additional \$880 for each bedroom over three; this could be reviewed. Councilman Bell asked about the tax collection rate; 97.66% was from

last year's audit per Mr. Hatten. She said she does not know if they should balance the budget when this figure is not the norm. Mr. Hatten said they have been very aggressive in collecting taxes.

Community Center: Ms. Squires explained that the request for a passenger bus would serve to replace an existing van. Councilman Medlin asked how many buses were already owned by the Town. Ms. Squires said there are two, and that the passenger van is used primarily for seniors with the bus being used when they need seating for more than 11. The problem is when there are programs at both facilities, and the buses are needed at the same time. Both buses are in good working order. The bus at the Community Center would basically be for transporting seniors. The Town has also been reimbursed \$20,000 for the last couple of years from a State grant; they received this year's check a couple of weeks ago. The Council expressed approval with the fact that they are actually talking about \$25,000, not \$45,000.

Administration: Mr. Hatten explained that increases in pay had included a 2% COLA and 2% merit, but after a discussion with Council, COLA was removed and the merit was included at 4% (based on an actual average estimated at 3.5%). The holiday pay proposed is the same; \$225 and \$108 for full and part time, respectively.

Ms. Stites noted that there is a van from the Animal Control transfer; she suggested transferring the van to the Parks and Rec Department and get the police department a pick-up truck instead of buying the Parks and Rec Department a new pickup truck. Councilman Blalock questioned what the Town pays for Animal Control; it is \$55,000 to the County, along with additional fees. The Town pays for the services even though we are in the County. Councilman Winecoff discussed that the 1.5 % increase in utilities is due to inflation, with no increase in Sewer District Fee. He questioned why the Town had not gone up on the charges to Caswell Beach for water; Mr. Kelly said there is a contract with the county that has 2 more years. The County has been paying a different amount from what they are charging; they will be conferring with the Town attorney on this situation.

The next special meeting is June 3<sup>rd</sup>, starting with the Beach Workshop with the engineers at 10 a.m. The Budget workshop will begin after that. Mayor Brochure suggested adding comments to the meeting for the Beach Plan. The public hearing for the budget will be June 14<sup>th</sup>. The mowing contract will not come in until June 10<sup>th</sup> per Mr. Kelly.

**Mayor Pro Tempore Medlin made a motion to adjourn. Councilman Bell seconded, the motion passed unanimously and the meeting adjourned at 4:40.**

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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.*