

OAK ISLAND TOWN COUNCIL  
SPECIAL MEETING – WORKSHOP ON REVENUES, PARKING  
AUGUST 4, 2016 – 10:00 a.m.  
OAK ISLAND TOWN COUNCIL

Present: Mayor Cin Brochure, Mayor Pro Tempore Jim Medlin, Councilors Sheila Bell, Charlie Blalock, Loman Scott and Jeff Winecoff, Interim Co-Managers Lisa P. Stites, CMC, and Rob Gandy and Administrative Support Specialist Debbie Lasek.

Mayor Brochure called the meeting to order at 10 a.m. and thanked everyone for attending this open discussion.

Discussion of potential revenue sources for beach nourishment (other than taxes, municipal service districts and assessments): Mayor Brochure reported that the Town had been sending small advocate groups to lobby in Raleigh for several months; the next plan in January is to go to Western NC to contact non-resident homeowners. The State is understanding of this situation, as each coastal community is concerned. Ms. Stites also reported that the State budget contains a dedicated person working on beach nourishment, and a mandated report of multi-faceted data is due November 1<sup>st</sup>. Those numbers should assist in making a case; not only revenue is involved, but the impact on the State budget itself. Councilor Winecoff was on that trip to Raleigh and said he was very impressed; everyone wants to listen and they realize the importance of tourism dollars and the effect these dollars have on their budget. They understand that the beach keeps the tourists coming, and keeps the taxes low. Ms. Stites added that the Town need to reach out to other beach communities. Mayor Pro Tempore Medlin added that in the last five years, the county has spent more than \$12,475,000 on acquisitions of land for parks; they must realize that the beaches of Brunswick counties are parks, too, and must be maintained by everyone. He said \$500 million in tourist income was spent in Brunswick County in 2014. Mayor Brochure added that Brunswick County has three of the top 10 accommodation-tax producing towns in North Carolina. Ms. Stites suggested that the Mayor reach out to other beach towns regarding advocating on state and federal levels. Mayor Brochure added that there is power in numbers and that a combined voice would produce more results. Ms. Stites added that they have been contacted by other beach communities regarding the lawsuit that Emerald Isle is facing and there is indeed power in numbers. Mayor Brochure suggested having a “Sand Day” for all the beach communities to go to Raleigh and lobby. Councilor Blalock added that there are already several coalitions involving beach communities in Raleigh, and Mayor Brochure agreed; the sand on the beaches is viewed in Raleigh as a “public trust” and as “sand”; the County may view it as a park but this subject must be approached properly.

Pursuing any avenues for Potential Federal Funding: Manager Stites said the BIC has looked into the environmental angle for the sea turtles, and it is worth asking about Federal monies. Mayor Brochure added that there are greater chances with Environmental grants, and Rep. Iler agreed when approached. Skip Cox, Beach Ambassador Coordinator for the Town, reported that there have been 109 nests, and that 60% have had to be relocated due to the high tides and limited survivability. In response to a question from the public regarding working with the Army Corps of Engineers, Ms. Stites said they have been talking with them for decades. The 50-year project has been discussed with them, and for \$200,000 they could have a plan but no funding for the project is available. Carol Painter said they have tried for more than 15 years to get a Federal Plan, but their plan was stalled. There are a number of towns that have had their plans approved but not funded, and that is why she feels the Federal funding source is not a viable option. Mayor Brochure said that U.S. Rep. David Rouzer has been contacted.

Accommodations Tax: Mayor Brochure introduced Tax Collector Katie Coleman and presented a graph that showed the amount of accommodations taxes collected by local beaches in 2015. Ms. Coleman presented a plan that involves notifying and educating new owners of the responsibility of the tax, putting

the information on Channel 8 and in the Tribune to educate the public and uncovering unpaid taxes. She and her staff have also investigated sites such as Airbnb, Home Away and VRBO; they sent more than 100 letters out, and she was contacted by more than 60 of the recipients in a week and has received new payments. She also visited all the rental agencies with Mayor Brochure and has contacted the NC Sales Tax department for cross-referencing tax lists. Mayor Brochure complimented Ms. Coleman on the program that she has implemented in a very short time to collect these accommodations taxes. Answering a question from a resident regarding the percentage of accommodations taxes collected, Mayor Brochure explained that this is a difficult number to gauge and to track down; she added that when comparing the numbers of Holden Beach to Oak Island, their figures are much higher and this is a red flag. After further discussion, Ms. Coleman explained that Airbnb submits accommodation tax checks with a lump sum and no record of what properties the taxes are for. Councilor Bell explained the difficulties in proving the taxable situation, and Mayor Brochure said the Town is doing everything they can. Councilor Blalock asked Ms. Coleman about the rental agencies and she reported that some companies have been most cooperative about reporting unreported accommodation taxes. Finance Director David Hatten asked about collecting “back taxes” and the difficulty in proving their existence; Mayor Brochure said that perhaps it is better to view it as “moving forward.” After continued discussion, Town Planner Jake Vares said that VRBO and Airbnb do not have to provide paying property addresses to the Town. There was further discussion regarding the reporting of non-paying rentals. Mayor Pro Tempore Medlin asked about sending a notice to closing attorneys regarding including information on the payment of accommodations taxes to the closing parties, and both Mayor Brochure and Ms. Coleman agreed that this was a good idea. Mayor Brochure added that other towns have had a tight plan in regards to collecting accommodations taxes, and the Town needs to as well. Ms. Stites suggested also looking at water bills as usage might show rental of the property. After further discussion with the public, Mayor Brochure explained to the public exactly what the 5% accommodations tax involved, along with the County portion of 1%, which was over \$1 million last year. Responding to a question from the public, Mr. Hatten reported that the Accommodations Tax Fund contained approximately \$2,847,000 in accommodations and over \$3 million in the beach/sand fund; this beach/sand fund is under “lock and key” and the Waste Water system still owes money to pay the accommodations fund back. The 2% beach tax fund cannot be used for anything else, and is dedicated by law. There was further discussion with the public regarding the accommodations taxes and the number of units; Ms. Coleman reported that right now there are 1,259 homes in town for which accommodations taxes are paid, and that earlier this year notices regarding accommodations taxes were sent out with the water bills.

Discussion of Potential revenue/money saving measures for the Town: Mayor Brochure said there is a loophole regarding civil penalties; civil citations are collected by the Town but the money does not stay in the Town. Ms. Stites explained that if the violation can also be enforced by State laws, the Town cannot keep the penalty fines. However, if it is for a Town violation, the Town can keep the penalty. Ordinances must be reviewed and defined as to whether it is also enforcing a State law. This would be important to consider, especially when looking at paid parking. Police Chief Greg Jordan confirmed that many people park in sticker-only spaces. Captain Burke explained that any fines/fees are set by judicial law, and that if an ordinance is enforced by State laws, then the money goes to the schools. Chief Jordan explained that there are two separate citations used, civil vs. State, and that civil citation penalties come back to the Town. There was further discussion regarding fees.

Mayor Brochure called for a ten minute break at 11 a.m. and the meeting resumed at 11:08 a.m.

Fees Schedules, Newsletters and Utility Billing: Ms. Stites reported that the in-house printing of utility bills has been considered; the Town pays \$4,700 per month for the bills, of which \$400 is for the Tribune. Several other options have been considered, such as emailing the Tribune with paper copies available at Town Hall or switching to postcards for billing. The Town has also compared fee schedules with other

municipalities. The Mayor also discussed several fee changes, including a change in Fire Department fees for false alarms and the addition of a fee for elevator calls. Mayor Brochure asked if other Council members would be interested in looking into this, and Mayor Pro Tempore Medlin and Councilor Winecoff offered to do so. Mayor Pro Tempore Medlin inquired about charging for duplicate calls; Chief Jordan answered that this would probably not be possible due to being sworn by the State to answer every call. As far as the utility billing, someone suggested going to e-bills only. Mayor Brochure advised staff to pursue investigating the costs of alternative billing solutions. Helen Cashwell advised not to do away with the Tribune, as many retirees enjoy getting that and use it to keep up with local events and that there are other places that the Town could save money. Councilor Bell added that she views this as going backwards, and remembers the many hours that it took to run the bills. Mayor Pro Tempore Medlin said he did not see any other way it could be more cost-effective considering that this figure also includes postage. The consensus was that staff should not even investigate other billing options any further. Bob Carpenter suggested selling advertising on the back of the Tribune; Public Information Office Kyle Thomas suggested the time involved in soliciting and collecting would be counter-productive cost wise. He suggested returning to a black and white Tribune. There was further discussion regarding the Tribune.

A-Frame, potential use of Bill Smith Park: Mayor Brochure provided a graphic showing there are two buildings on this property; this is a million dollar piece of property that could be used for special events and it is worth exploring the vision for this property. Every surrounding town has a local venue for events, and she suggested fund raising and involving the public to pay for improvements to this property. Ms. Stites added that they are looking for a go-ahead to take the A-frame down, and to use it for training for the Fire Department. There were several figures regarding the amount of money for repairs; the basement floods regularly and there is mold in the building. David Kelly said that contractors have come out and Mr. Hatten said mold abatement would probably be \$20,000. Mayor Brochure would like the details made available for the repairs. Mayor Pro Tempore Medlin said he was reluctant to burn the A-frame down; he would like to see an engineer's report on the building and that the reasons the buildings are in that condition is they have been ignored for so long. After further discussion, the consensus was to explore the possibilities before tearing the A-frame down. Mr. Kelly explained that the land was purchased for a disposal site; the A-frame was made ADA accessible downstairs but not up, and the white house is used for storage. There were several discussions in the past about how to use the property, but nothing was ever done. Both properties are still on septic systems. Drawings were done for possibly putting decks on the back of the white house several years ago. Mayor Brochure again said it is a stunning location, and the white building has good bones. Councilor Blalock would like to see a plan on how the Town could use this peaceful location. He also noted that the area will have a new kayak launch and many people are unaware of this location. Consensus was to have the potential repair costs brought to the Council for consideration, along with the engineering report on the two buildings at the Park.

Discussion of Parking Issues: Councilor Winecoff said that, with beach nourishment, the Town needs to explore paid parking as an avenue of revenue. The presentation made previously was one of the most impressive ones that Council had seen and uses a system that is good for everyone. If the Town is going to pursue paid parking and beach nourishment, they need to ensure all ordinances are in place so that they can proceed. He would like to see an ordinance/public meeting for September to have a plan implemented and time to get civil penalties in place. This way, by the time next year comes, everything will be in place and they can proceed smoothly. The timeline needs to be out there so that everyone can be involved and informed. He also mentioned using a citizens patrol to enforce the parking, which will increase revenue coming into the Town. He does not think people should be able to park in front of an owner's house without their permission, and the Town will need to address special events such as Beach Day. Councilor Winecoff said he would like to have the Public Hearing in September, to move forward with paid parking if there is a consensus. Ms. Stites said staff was looking for direction; Councilor Winecoff again said that the proposal was from a local person and that the Town needs to pursue this.

Mayor Pro Tempore Medlin said the Town owns many properties, and that he would like to see if they can be evaluated as paid parking lots and even investigate possible shuttle services. He mentioned a landowner that had offered to rent his land for \$1 per year to the Town for a paid parking lot. Answering a public comment, Councilor Winecoff said the Town had received bids for this service previously and that this recent proposal was the third one. There was discussion about the bid process, and Mayor said this would be a Council decision. She said that bids would have to include the scope of work and the same concept; she is not sure that they would be able to get bids that provide the same scope of work. Councilor Blalock added that he drove around other beaches to review their parking situations; parking accesses are much further apart at Pine Knoll Shoals. The suggestion of a parking lot was discussed; he believes that enforcement at accesses would be a nightmare. Ms. Stites said the 2014 proposals involved meters and were not of the same scope of work. Councilor Bell expressed her opposition to paid parking; after further discussion and getting a consensus of the Council, Mayor Brochure asked the Staff update those proposals to present at the September meeting. Mr. Gandy said Mr. Kelly would gather data on the available Town properties and potential land leases that could be used as parking lots. There was further discussion involving public comment on the potential review of parking proposals.

**Mayor Pro Tempore Medlin made a motion to adjourn the Special Meeting at 11:53 a.m.  
Councilor Winecoff seconded and the motion was passed unanimously.**

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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.*