

MINUTES
OAK ISLAND TOWN COUNCIL
SPECIAL MEETING – BUDGET WORKSHOP
May 1, 2018 – 1 p.m.
COUNCIL CHAMBERS – TOWN HALL

Present: Mayor Cin Brochure, Mayor Pro Tempore Loman Scott, Council members John W. Bach, Sheila M. Bell, Charlie K. Blalock and Jeff Winecoff, Town Manager David Kelly, Assistant Manager/Town Clerk Lisa P. Stites, CMC, Finance Director David Hatten, Development Services Director Steve Edwards and Public Works Superintendent George Napier.

Mayor Brochure called the meeting to order at 1 p.m.

Development Services: Mr. Edwards said that he was requesting a new building inspector. The biggest complaint that contractors have is the turnaround time for permits. He plans to move a field inspector to plan review and hire a new inspector. He reviewed recent increases in the number of permits and revenue. So far this fiscal year, there were 279 new house starts and 259 the prior fiscal year for the same period. In 2018, there have been 124 new home starts, versus 116 this time last year. Pine Forest Plantation is starting its first residential phase. Mayor Pro Tempore Scott asked what the turnaround time was for a permit approval; Mr. Edwards said it can occasionally take up to 2 months if the lot is in an environmentally-sensitive area. A regular permit can be issued in 2 days. There have been 58 new home starts for the month of April. Councilor Bach asked if the projected revenue would pay for the new employee; Mr. Edwards said he thought it would. Councilor Winecoff asked what the starting salary was; it is \$37,400 for someone without certifications. Councilor Winecoff asked what cell phones were used for; Mr. Edwards said that employees are in communication with the office, with contractors and the public. The in-office administrative employees do not get a cell phone stipend. Returning to Mayor Pro Tempore Scott's question, Mr. Edwards said that he hopes by hiring an additional inspector, the turnaround time for a building permit will be reduced to 5 days. There is also a transfer of \$10,000 to capital reserves to start planning for vehicle replacement. The proposed budget also includes a computer for the new inspector.

Facilities Maintenance: Mr. Napier reviewed the changes in the proposed budget (from last year's numbers). There is an increase in vehicle supplies to account for the additional maintenance technician. The facilities maintenance line item is reduced to \$90,000. Contracted services will be reduced from \$100,000 to \$75,000. Mr. Hatten explained that a couple of years ago, the facilities maintenance costs were included within the individual departments and this line item continues to decrease in Public Works.

Public Works Operations: There are reductions proposed in departmental supplies, staff development, vehicle maintenance, and contracted services. There are increases proposed in equipment maintenance, street end maintenance, paving, and sidewalks. The Town should get another \$300,000 in Powel Bill funding from the State and the plan is to spend \$800,000 on paving, leaving a reserve of approximately \$90,000. The sidewalk line item includes possibly adding some sidewalks near the Oak Island Pier.

Public Works Administration: There are planned reductions in supplies, fuel tank maintenance, telephone and postage. If there is money left in this year's budget for fuel tank maintenance, it will be rolled into reserves for future replacement.

Fleet Maintenance: Vehicle maintenance is increased slightly.

Stormwater: There are reductions in departmental supplies, vehicle supplies, professional services, public education, and discretionary water quality testing. There is an increase in contracted services, drainage projects, and some funds placed into reserves. Mr. Kelly said there is a proposed stormwater fee increase of \$.14/month for residential properties. Councilor Bach asked about the water quality testing. Mr. Kelly said that the stormwater citizens group kept asking for additional studies and more money, and that they were trying to work toward opening up Davis Canal for shellfish, which is not likely to happen.

Solid Waste: There is a planned increase of \$30,000 in this budget. Staff has been getting numbers from Waste Industries, looking at numbers for tub grinding and considering if it is more economical to take the yard debris to Brunswick County. Mr. Kelly spoke about the need for the dumpster and polycarts behind Town Hall, due to the ordinance requiring the polycarts being pulled back on Beach Drive. Mr. Napier said that every Monday, they're picking up at least 5,000 pounds of trash from there, including fencing, mattresses, etc. He also said he will likely recommend simply taking yard debris waste to Bolivia when the bridge is closed. Mr. Napier also said that there were going to be problems with where to send materials after tub grinding. Mr. Kelly said that for next year, we should consider an RFP for debris pickup and outsource it.

Council took a recess from 1:57 p.m. until 2:07 p.m.

Town Council: There is a proposed 20% increase in Council/Mayor salary. When looking at other towns, the salaries are all over the place, Mr. Kelly said. Councilor Bach asked when the last time an RFP was done for legal services. Ms. Stites said she thought it was possibly in 2006.

Administration: There have been some positions moved, job descriptions changed. The water billing position is under utilities. There had been money included for a possible redesign of the website; that can be removed.

Water Administration: The billing position was moved out of Admin into water. There will be 2 meter technicians instead of 3 part-time meter readers. The hope is that the electronic meters will be installed by June 30. There will not be any increases for water and sewer rates.

Water Maintenance: A utility maintenance mechanic will be added at some point this year once water tap requests increase further. Councilor Bell asked about the Christmas holiday; there was not a consensus to pursue changing this. Councilor Winecoff said that it was time to reconsider the whole benefits package. Mr. Kelly will collect data from Southport and Brunswick County as to salaries and benefits offered.

Wastewater Treatment: The electrician was moved back into the wastewater budget. Regarding the Fish Factory Road plant, Mr. Kelly said it was still more economical to maintain this plant rather than send that flow to the West Regional plant.

Wastewater Collections: This budget is down for the proposed budget. Councilor Bach asked about the numbers for overtime; Mr. Kelly said they had spent more in the last couple of years because one employee had been out of work and there was a hurricane. There is money for a building with offices so we can vacate the white house in Bill Smith Park, and for a clarifier. Answering a question from Councilor Winecoff, Mr. Kelly said that right now, it was still cheaper to operate our two treatment facilities, but that eventually we might want to look at sending all of our flow to the County.

Answering a question from Mayor Brochure, Mr. Hatten said that last year, some extra was paid to the Accommodations Tax Fund as repayment for the loan for the fund; there may be additional funds to do that again this year.

Par 3: Mr. Hatten said the staff was doing a great job. A Public Works employee does help out at the golf course but that is paid for out of Public Works. Mr. Hatten also said they were looking at fees, and would try to present a clearer fee schedule. Councilor Bach said that the bottom line is that all of the costs are down and revenue is up. He said the wild card is what will happen when the bridge is closed. Mr. Hatten reviewed the transfers made the last couple years. In the current budget, year-to-date, \$50,000 has been transferred. He said that he didn't think the course would ever break even, but at least we were going in the right direction.

Animal Control: Mr. Hatten said that we saved approximately \$15,000 - \$20,000/year when we switched to Brunswick County for animal control.

Mr. Kelly noted that the budget included part-time help for trash collection during the summer (beach accesses). Council also asked for numbers for increasing parking enforcement by hiring part-time employees (not police officers).

Councilor Bell made a motion to recess until May 11th at 10 a.m. Councilor Winecoff seconded and the motion passed unanimously. The Unified Development Ordinance review meeting that was originally scheduled for May 11 will now be June 15 at 10 a.m.

RECONVENED SPECIAL MEETING – BUDGET WORKSHOP
May 11, 2017 -- 10 a.m.
COUNCIL CHAMBERS – TOWN HALL

Present: Mayor Cin Brochure, Mayor Pro Tempore Scott, Council members John W. Bach, Sheila M. Bell, Charlie K. Blalock and Jeff Winecoff, Town Manager David Kelly, Finance Director David Hatten and Assistant Manager/Town Clerk Lisa P. Stites.

Mayor Brochure reconvened the meeting at 10:05 a.m. Mayor Pro Tempore Scott arrived a few minutes late to the meeting.

Mr. Hatten began by reviewing the budget for the Beach Preservation Trust Fund (as presented by the Advisory Board). There were no questions.

Mr. Hatten also reviewed further changes to the proposed budget for the fire department, made to account for extra travel and staffing to accommodate for the temporary closure of the G.V. Barbee Bridge this fall. The extra staffing will cover additional part-time personnel. The plan is to staff each station with two full-time people and one part-time employee while the bridge is closed. Councilor Bach said it appeared the budget increase for staff and vehicles is \$85,000 and asked if there was a firm plan in place for addressing the bridge closure. Mr. Kelly said the agencies were still discussing a plan. Councilor Bach said that unless there was a plan in place, these numbers were just a guess. Councilor Winecoff suggested putting the additional funds in reserve; Mr. Hatten said that they had already discussed moving that money out of the fire department budget if the project were delayed. Councilor Bell asked if a separate line item could be added to track the bridge closure expenses. Council concurred that would be the preferred method of tracking bridge closure expenses and ensuring the additional funds are not just an addition to the budget. Council and staff discussed progress on the planning process thus far. Councilors Bach and Blalock will work with staff on the Town's plan and a report will be presented to Council at the July meeting. Councilor Winecoff said that Caswell Beach needs to be contacted again, because if Oak Island is expected to be a first responder in that town during the bridge closure, then they need to share the financial burden.

Police Department: Regarding the beach patrol, Mr. Kelly said that these people would not be sworn officers. Police Chief Greg Jordan said that civilians can write civil citations for certain violations, such as general parking and dune violations, and that those fines would be paid to the Town. Only sworn officers can write State citations for violations on a State road or for parking by a fire hydrant. If there were a situation with someone being violent, a police officer would have to be called. Answering a question from Councilor Bach, Chief Jordan said that he had not changed his opinion about whether a civilian beach patrol would be effective; he said sworn officers are able to handle more situations. Mayor Brochure asked if having the additional beach patrol would translate into additional enforcement. Chief Jordan said that there is only so much time and that if officers are on Beach Drive, they can't be enforcing on Yacht Drive, for example. He acknowledged that the ordinances are more strictly enforced during the season, and more in the beach areas. Councilor Bell asked what the best way to report a violation was; Chief Jordan said it was to call 911. He explained that calls have to be sent through 911 so they can be logged. Council and the Chief had further discussion about the logistics of having officers and the civilian beach patrol dispatched to specific situations. Councilor Bach asked if this program would pay for itself through fines collected, or if the benefits would be intangibles; Mr. Kelly said the benefits would be in terms of controlling illegal parking, keeping people off the dunes, etc. Councilor Winecoff asked if the costs for the program would include a radio or cell phone; Mr. Hatten reviewed the estimated expenses.

Mr. Hatten reviewed the Accommodations Taxes fund. His estimated revenue is conservative at \$850,000. Council consensus was to pay the balance owed to the fund for the loan to the wastewater fund and to put that money in the sand fund. Councilor Bach asked about the numbers for dune maintenance and beach access maintenance; Mr. Hatten will provide more detail. He also reviewed numbers for rebuilding the Pier.

Regarding beach nourishment, Councilor Bach said that something was needed in the budget to start paying for it. Councilor Bell said that she was not in favor of an across-the-board sand tax. She said that she realizes that the beach is our economic driver; she said she would prefer an assessment or a municipal service district tax instead. Councilor Winecoff said that we have to get the Pier and businesses there up and running and generate revenue for the Town that can go toward beach nourishment. Answering a question from Councilor Winecoff, Mr. Kelly said that the engineers said the Town should have numbers from the engineer in December. He also said we need to prepare zones and proposed amounts so that the citizens can have time to prepare for what they'll have to pay. Councilor Bell said her understanding was that once a taxing district is set up, a new tax rate could be set every year. Councilor Bach said he would like to see the numbers to be able to formulate a plan as well. Councilor Bell noted that there will also be more money available in the coming years when the General Fund debt is paid off. Mr. Hatten said that the annual debt service for General Fund debt is \$1.7 million and that there are two more years of that. Mr. Hatten also said that one penny in the tax rate generates approximately \$257,000 in taxes. The next revaluation is next year.

Mr. Hatten also reviewed General Fund Revenues. Mr. Kelly asked Council to make a motion to suspend the rules to add a Closed Session. **Councilor Bell made a motion to suspend the rules to add a Closed Session and to go into Closed Session (at 11:08 a.m.) to consult with the Town Attorney (via conference call) to discuss Potential Litigation pursuant to N.C.G.S. 143-318.11 (a)(3). Councilor Blalock seconded and the motion passed unanimously.**

Council returned to open session at 11:46 a.m.

Mayor Brochure noted that no action had been taken in Closed Session.

Fee Schedule: The tax rate is proposed to stay the same, 29 cents for ad valorem and 2 cents for a sand tax, for a total of 31 cents per \$100 of assessed value. Mr. Hatten said that anything colored red indicates a change. There is a new charge for renting the pickleball court/tennis courts for the whole day. Council consensus was to only charge resident and non-resident fees, rather than having a separate rate for other Brunswick County residents; this would apply to any fees. There are proposed changes to the rate schedule for the golf course. The Par 3 Committee supports the proposed charges; Council consensus supported the proposed rate changes. Councilor Bach asked if the rates were high enough for solid waste collection fees for rentals and if we should raise the infrastructure reimbursement fee. Mr. Kelly said that Waste Industries said that at this time, they would not hire additional personnel to roll polycarts back for the Town for the coming year, but it could be considered for the following year. Councilor Bach said he thought they still ought to consider raising the collection fees for rentals. Mr. Kelly said that the infrastructure reimbursement fee was at the level we needed to do the work required, and said that it is comparable. He said when the fee was changed to be charged per habitable room instead of per bedroom two years ago, an analysis of the fees was done at that time.

Councilor Winecoff suggested raising the fine for parking in a restricted space to \$50 to match the other parking violation fines. He also suggested raising the dune, turtle and sand project violations from \$50/\$100 to \$100/\$200 for first and second violations. Council asked what the maximum penalty for a sex offender in a park; Chief Jordan said that we had not had that situation come up, but that it would be dealt with through criminal charges and not a civil penalty.

Councilor Bach said he was still looking for a comparison of the Town's salary scale and other municipalities.

Mayor Pro Tempore Scott asked Chief Jordan for statistics for charges filed, etc. for just the narcotics division. Chief Jordan said that most of the drug charges did go through the narcotics officers at some point but that he could break the numbers down. Mayor Pro Tempore Scott also asked where his statistics had come from for the number of drug-related deaths in the last few years. Chief Jordan said that came from the records of deaths investigated by the department. The department only has records for deaths that occur on the island itself, not those that occur after someone is transported out of town. Mayor Pro Tempore Scott said that the office of the chief medical examiner would have numbers for Oak Island deaths. Mayor Pro Tempore Scott said the numbers he got previously from the Fire Department were higher than what the Police Department was showing. Mayor Pro Tempore Scott asked if the department had a drug interdiction officer. Chief Jordan said that as of January, we did. Chief Jordan said that he had been told that it was not an investigative position. He said that he called him an interdiction officer, but no one else does. Mayor Pro Tempore Scott asked what his assignments were. Chief Jordan said that he works with the narcotics detective, he will stop cars coming and going to a house if drug activity is suspected there, etc. Councilor Bach asked how many vehicles are in the department; there are 29, counting the animal control truck. Chief Jordan said that it was a benefit for officers to take their cars home and that in the long run, cars last longer if they are assigned to just one officer. Councilor Blalock said it was also a benefit to have patrol cars parked in the community. Answering a question from Mayor Pro Tempore Scott, Chief Jordan said that 6 of the 22 officers live in town. The maximum range to take the vehicles home is 20 miles outside town limits. Councilor Bach asked how long the policy to assign one vehicle per officer had been in place; Chief Jordan said since 2003 or 2004. He also confirmed that the replacement of vehicles has slowed down.

Mayor Brochure asked if there were any departments Council wanted to revisit. Councilor Bach asked if we were filling vacancies at the fire department. Mr. Kelly said there were some applicants being considered for those positions, and that the same was true for the police department.

Regarding the planned work for the Pierhouse and restaurant at the Pier, Council consensus was for Mr. Kelly to proceed with renovations in an amount not to exceed \$80,000.

Mayor Pro Tempore Scott made a motion to adjourn at 12:22 p.m. Councilor Bach seconded and the motion passed unanimously.

Cin Brochure, Mayor

Attested: _____

Lisa P. Stites, MMC
Assistant Manager/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.