

MINUTES
TOWN OF SUNSET BEACH
Annual Retreat Workshop/Special Called Meeting & Executive Session
February 11, 2009

Members Present

Mayor Ron Klein
Mayor Pro Tem Len Steiner
Councilman Ron Watts
Councilman Bob Bobinski
Councilman Lou DeVita
Councilman Wilson Sherrill

Others Present

Gary Parker, Town Administrator
Larry Crim, Asst. Admin
Kim Cochran, Town Clerk
Jeff Curtis, Building Inspector
Chris Barbee, Fire Chief
Donna Rogers, Finance Director

Call to Order:

Mayor Klein called the annual retreat to order at 9am.

Parker began by stating that as mentioned in the last council meeting, this meeting was set to discuss budget items and some capital improvement projects. They would discuss what was needed and go over plans. He had worked with various department heads and they had looked at expenses and made suggestions which would be discussed. This will all be reviewed in March and then in April we'll put together a proposed budget for the May Council meeting. The first thing I wanted to go over was Capital Improvement Projects. What other towns have in place, what adjustments may be needed here, and discuss specific projects already in place. In addition, if there was time they may want to brainstorm on items that were not on the agenda.

Capital Improvement Projects:

Parker said the packet they had before them was for the 5 year plan they had seen previously. The town hall and fire dept. buildings are debt service items and have been on the CIP for some time. The ladder truck loan is a debt service item also. We have on this plan Fire station number #2, and the land acquisition showing cash infusion of \$500,000 in this 08-09 fiscal year...Donna and I will tweak the format to make it clearer to the public. The list of past items also has the veteran's memorial and fire dept. vehicle apparatus replacement program. Both of which I think should be part of the CIP. In addition to the plan itself, are expenditures on the second page as well as a list of funding sources which are revenues. As far as expenditures, some of these would be on a pay as you go manner. We've made use of borrowing as funding sources, such as the ladder truck, the fire dept. and town hall. We also have a capital reserve fund which is a wise practice. That CIP has some dedicated funding as you know; at the end we have a section just for Capital Improvement Projects., such as bike paths and fire station #2. We contribute to that CIP annually during the budget process. Lastly the town has a healthy fund balance that could be used on some

of the capital projects. The unappropriated fund balance as reported in the audit has a figure of somewhere between 150 and 200% of our annual operating budget. Of course, that has been reduced by the acquisition of the boat ramp site. Concerning the Capital Improvement Projects, before we get into discussion of any specific items, I want close by saying we will look at each year. It's a very useful tool and while it commits us to funding these projects, it's certainly a living document and can be adjusted for changes in economic conditions.

Steiner asked why we had nothing yet from Angel's Trace Road, which needed to be considered. Also, parking on the beach.

Parker commented that he would go over that later in the meeting. Regarding road improvements, Larry Crim had gathered estimates on repairing after sewer was in place. Just to refresh Council's memory, Larry got an estimate for paving Angel's Trace road. Being it was such a significant road as a thoroughfare in Sunset Beach, he anticipated acquiring a right of way of the road. We expect to be able to achieve this acquisition in this current year....it is an important project and the acquisition was in the area of \$350,000.

Watts asked about the item showing replacement of trucks for police and fire and public works..... what's the breaking point on the cap that goes in the budget? Parker replied that some do both ways...they will rotate out 2 or 3 old vehicles or if they have a fleet they may do it by auction. On the other hand, if you have a major acquisition like a fire truck you're talking approximately half a million dollars or more which would go on the CIP.

DeVita said there were a lot of expenditures we didn't reserve for, such as a new roof on the town hall or public works or fire station....or maybe a fleet of vehicleshe raised the idea of creating a reserve allocation each year to create a flatter budget planning process. Was that something that we could put money aside for?

Rogers, Finance Director, stated it certainly wouldn't hurt to set aside money like we do for other things, but do it for such things as major repairs and maintenance. DeVita said he didn't know if anyone had looked at how much these things would be or what the life expectancy was or how much we would need to bank for maintenance and replacement.

Rogers said Council would need to implement ranges of use and costs.....such as a police car. Five years it's completely depreciated, but some can go longer depending on how many miles it has been used. Public works trucks may get used more than inspections as they are constantly on the road and being bumped and beat up by usage. Some regular inspections trucks may get used more than the Inspector as he's not always on the road. Fire vehicles useful life is typically 15-25 years, but then you have to look at how many hours of usage are used. How much are repairs? Fire equipment is a much higher cost and has to go out for bid and through the LGC.

Watts injected that we already had a reserve if it came to that and we could use it. So we have a game plan in essence... really were already addressing that in case something came up. It may not stand out to us now, but in two or three years it will.

Parker stated things like the Veteran's Memorial may be impacted due to the economy. We may have to do this at a later date. DeVita said we may get funding help by different organizations.

Steiner said much of what we have will be affected by the next year's economy. He felt we'll still be \$250,000 to \$300,000 short on accommodations tax alone. Building permits were down also.

DeVita asked about the bike path funds that had been allocated each year. Parker said he had underestimated the paving which he has set at \$30,000 every year but it was going to be roughly double that. On the island, the resurfacing set for fiscal year 2011-2012 would be roughly 2 million dollars..... half of which would owner assessed.

Parker stressed to them to keep in mind this was only a starting point. There would be many discussions and changes throughout the process.

There was discussion of the Unappropriated fund balance, which Steiner stressed he felt they should keep what the LGC recommends, which is 75% because we are a coastal community. Parker reiterated that the statute says fund

balance should be 8%, which is roughly one month of the operating budget. If you drop and you're in the interior of the state, you'll get a letter from the LGC demanding it be brought back up.....The LGC had recommended a balance of 75% for us as a beach town. If we changed undesignated funds to 3 million, that would be 60%. If we are able to budget over the next five years several hundred thousand dollars annually to the unappropriated fund, the balance will be higher....He felt this CIP, based on primarily using fund balance as a source to fund capital projects was a reasonable one. He felt that way because it would put us in context with other beach communities as they maintained approximately less than 60%.

Steiner replied that he was sorry, but he was here when they got the letter from LGC scolding them about the fund balance, and to which they had to reply. They were okay but he didn't want to see it slide below what it is now. Parker said then if they decided to make a purchase such as parking for the beach, then they could borrow and pay debt service, which is more manageable.

Watts stated that 1) we're not growing enough for a 1.4 million substation and 2) in the last couple of years our total budget was really 80% of operating cost and 20% of saving, so 75% of total budget would cover true expenses in a terrible situation. Our current budget could sustain us during hard economic times, but felt they would have a hard time convincing the public to go below the 75% mark. There's still plenty of room between that and what we have, so he thought we'd have plenty of flexibility. We'll just have to go through it each year and be vigilant. He felt that in the next couple of years we're not going to have the ability to plug an additional 20% into savings. Parker added that was what he was trying to stress..... the fact that we *do* have the flexibility, in his opinion, to reduce the fund balance and still be secure. After more discussion, Council moved on to next subject.

Bike Trails/Pedestrian Walkways:

Parker stated the draft plan from the planning board will be coming to council at the March meeting. You can see the recommendations. DeVita asked if there was paths to the bridge and Parker confirmed. They could see more in March when the plan was completed. Parker pointed on the map that each side of the road demarks an additional 3' to 5' feet of asphalt. DeVita said they had discussed earlier trying to get it past the lakes but this map showed it stopping at Sea Trail.

Parker explained that constructing bike trails can be either adding asphalt at the cost of several hundred thousand dollars, striping sides of the roads, or merely signage. Adding pavement in his estimation, means adding a minimal few feet to existing streets in town on both sides. If they wanted a safe bike path it should be marked with white line and signage, and the only way to do it is to add (depending on how wide they want it to be) the 3 to 5 ft. of asphalt. He stated that he and Larry Crim rolled Shoreline Dr. and when we moved out off the edge of the existing pavement just 2 ft, the driver side is now on the centerline and it's too risky.

DeVita asked wouldn't it contribute to more stormwater runoff? Mayor confirmed it would and due to new storm water rules it may be difficult and they were looking at many permits. Parker's recommendation was that they build sidewalks that can be used by cyclist and pedestrians, and designate bike paths by signage.

If they added pavement on island streets would cost \$250,000. Striping another \$2,000 and signage \$ 3000 if you did the same to Shoreline and Park it would be \$73,000 and \$75000, so just those roads would be well over \$500,000.

Steiner asked if the DOT was still doing both sides of the bridge and causeway to accommodate bikes. Parker confirmed.

Watts asked if Parker visualized concrete or asphalt side walk paths. Parker stated concrete, though asphalt was an alternative and is more common for greenway construction, but this plan would be more cost effective with concrete.

After more minor discussion of waiting to pave and install sidewalks after the sewer was installed, Council went into executive session.

Executive Session: (Also in attendance: Jeff Curtis, Building Inspector)

Motion by Steiner to go into executive session with the Town Attorney to get legal advice concerning the development agreement with Coastal Communities at Ocean Ridge Plantation. Seconded by Sherrill. Motion Carried.

Motion by Steiner to return to Open Session, Seconded by DeVita. Motion Carried unanimously.

Motion by Steiner to reconvene the Budget Retreat, Seconded by Watts. Motion carried.

Road Improvements:

Bobinski inquired if the economic situation would affect our Powell Bill Funds. Parker replied that no, they could not as they had done in the past. The State could not hold our State shared revenues. The Powell bill revenues will not be reduced either. However, sales tax revenue *will* be affected.

Parker stated the CIP did not include the \$370,000 of roadwork for Angel's Trace Road but they would tweak that accordingly. If a bike path was put in it may throw it up close to \$500,000.

Parker asked Crim if he recalled Barnhill's discussion on the better part of Angel's trace....Crim stated the worst part was from #179 to the power station. Parker said before they would do anything they would core it and test it and if worse comes to worse they may have to tear it up and bring it up to standards. On the other hand if it's okay we'll just resurface it. Watts asked that if he, for instance, lived in Sandpiper and wanted the town to take them over and was told it was inferior and had to be brought up to DOT standards, how was he supposed to feel when he finds out that the town took over an inferior road and paid for it to be corrected.? Steiner said it was part of the transportation plan. Mayor Klein and DeVita argued that it was being done for *their* good.....for emergency personnel use to get to them quicker. They would be one of the beneficiaries of that expense.

Beach Public Facilities:

Parker said Curtis had brought up the increase of traffic, greater usage of the beach, and more now with the bridge, we needed restrooms ...not port-o-johns. They were not attractive. Parker felt our beach should have nice restrooms and building facilities. If we did that it would be on the "green" zone next to the gazebo halfway up the parking lot (see map). If we put it on the existing lot, there would be a loss of eight parking spaces. Would it make more sense for the town to acquire the lot next to it from Mr. Gore? He's indicated he would be willing to talk to us about it.

Watts said this was a double lot which would be roughly 2 million. He knew there were other communities that got involved with their local county to develop a park...an ocean front park. Playground facilities, bathroom facilities, changing facilities and a nice park....these may be something we could look into. We've also been asked about life guards, but this would include additional liabilities. With the county helping and not having another beachfront park, there might be some appeal to it. Maybe involve the pier somehow.

DeVita asked if we would have to provide free parking? Watts said no, DeVita asked why we needed beachfront property to park cars when they could park a block away. Why were we making it so convenient? Watts said that 1) people were coming to the ocean and 2) we didn't have a lot of options in our small commercial area. DeVita said we had talked about shuttle service to the island. Parker said staff would pursue more information on this.....maybe acquiring this property since CAMA dollars and PRTF funds may be available. We could talk to McIntyre and get the ball rolling.

There was some discussion with Curtis of the elevation of that lot and what exactly could be placed on it.

DeVita asked about using the gazebo parking lot. Watts reminded Council that the gazebo parking was an easement on loan from Mr. Gore and was actually an extension of Sunset Blvd and if it were no longer used for that purpose it has to revert back to Mr. Gore. Watts said rather than spend three million on over run parking, he'd rather spend 4-5 million on a true functioning park that would be the envy of this part of the state and he did believe there were funds out there to do this. The next question was what would go alongside the pier? Maybe Mr. Gore would be willing to deal with that lot instead of the other? It would be a cooperative effort. It could be the Gore Bridge and the Gore County Park.

Bobinski said we were a small beach. Did we really need a park? There was more minor discussion on this then council moved on to the next subject.

Boat Ramp Facility:

Parker reported that he and Larry Crim were still working on this. They had to get the Jurisdiction of Determination from the Corp of Engineers. There were questions of D.O.T. rights of way and whether their 15 year old JD was still effective.

Larry Crim reported he had been trying to get someone to come here from the Corp of Engineers to go ahead and delineate and deed our portion of the bridge to the town, and determine what type of ramp will be determined—single or dual. Parker said as they were aware, this was a long range project. We can't even begin construction until after the bridge is completed and wildlife resources are putting final touches on their facility design. Questions were asked about coming off the wooden portion or beside it. Parker said it hadn't been determined yet whether it would be one or the other or a dual ramp. There was more discussion of spaces and parking and how it would be managed.

Nothing had been confirmed yet.

Meeting broke for lunch at 11:55 am.

Meeting resumed at 1:00 pm.

Recycling:

Parker introduced Greg Brinkley of Waste Industries, whom he had invited to explain the management and process of curbside recycling.

Parker asserted that recycling was very important. It would save natural resources and make a contribution to the future. It would keep from filling up landfills and create new products. There was discussion of using roll carts and having 2 curbside pickups a week during the summer.

Mr. Brinkley said aluminum and plastic were co-mingled. He separates it and sends it to Sunoco. Numbers 1-6 include cans, plastic bottles, phone books and papers. He provided a listing of what he would do, just like he did for Leland last year. If the county decided to do this, then he would forgo his contract. Participation was the key. He has to invest in containers for each house and make a stop whether they recycled or not so the cost can't be reduced by who does or doesn't recycle.

DeVita felt if people recycled then the garbage would decrease. If that happens, then the tipping fees would go down so the bill would be less....therefore, it would be a wash.

Parker read the quotes from Waste Industries and to provide typical curbside service, it would cost \$200,000 per year. That was a cost of one cent added to the tax rate. It was weekly pickup of 18 gallon bins. Alternatives were roll carts which may be a better solution for the island. He felt the roll carts were better. Pickup could be every other week for roll carts. Reactions varied. DeVita disagreed. Steiner resisted the idea. He felt there was no way to prove the cost would not go up. Sherrill favored curbside....he felt it was just a better idea and they could be put back in the garage.

Watts declared "just hire someone to push the cans back".....He stated they could hire 2 guys for a couple of hours a week for a lot less.

After much debating, Motion by Watts to authorize the negotiations for a recycling contract starting as early as May 1, 2009 and thereafter for the rest of the community, Seconded by Sherrill. Council felt it should match the current pickup schedule on the island now..... (They preferred roll carts on the island and bins on the mainland) no call for votes but Steiner abstained from voting which is an affirmative. Motion carried.

Fire Apparatus Program:

Chief Barbee said his letter laid everything out. He spoke on spreading out their apparatus purchase because these things are more expensive. Other things may be shifted if it's not used as much. The vehicles were different than public works for instance, and they needed to be in top notch shape. Steiner asked why they wanted to replace the brush truck with only 14,000 miles on it.....Barbee stated they may be obsolete so they may not need a one. He would move older stuff to the new station and put the newer in the current station.

Barbee stated he got his figures by having to visit other substations and most were at a minimum of 6,000 sq. ft. There was much discussion about the 6,000 s/f needed, but Council said this project was much further down the road. . Council concluded the problem was the machinery *on* the trucks, *not* the trucks themselves....DeVita stated the easiest thing to do was replace the item on the truck not the trucks themselves.

Watts asked Barbee if fixing Angel's Trace road provided him with quicker access to Georgetown road could that delay the having to build a new fire station. He had a hard time visualizing this second fire station...he was visualizing a garage type building for a couple of trucks and an office. He said this was not a "monument" to the community. He could not justify 1.4 million in these economic times. Barbee explained that he had to do his homework and give them something accurate, so he had visited other substations. DeVita asked did he check to see what kind of equipment they have, what areas they cover, or how many staff members these different places were responsible for ?compared to what we were planning? After much discussion, Council moved on. No decision was made.

Sunset Blvd. Enhancements:

Curtis explained the mission statement of the Streetscape Committee. He said on February 17th, the Dept. of Transportation would be coming to help come up with a plan. They were considering other areas also, not just the

boulevard.

Veteran's Memorial:

Was addressed this morning. No Comments.

ETJ Expansion Update:

Curtis stated he had filed everything with the county and town staff on Feb. 24th to go over this proposal. From there, the County staff will make a recommendation to *their* Planning Board that will then make a recommendation to the County Commissioners before our staff can make a recommendation. We will have to go through a rigorous process...public hearings, send letters to all owners, etc. He showed a new map of boundaries. There was discussion about the 1 mile of ETJ and where it lies now and where Calabash was.

Proposed Personnel Policy:

Parker explained this was not ordinance and did not have to be adopted by Council, but they needed to be involved in approving policy. In his review he came up with recommended changes and wanted to make sure they had no issues or questions.

Article 1 Section 5. - should make clear that Town Council adopts a pay classification and pay plan and when it is appropriate, to make changes.

DeVita asked about COLA adjustments.....how do you adjust salaries with COLA's? Parker stated that the minimums and maximums chart changed with COLA's. They had to do this to keep the ranges from being so far out of whack. There was general discussion of ranges and fluctuations. He reminded them that once they reached the cap of their pay range, they were no longer eligible for merit raises, only cost of living. Additional points were deleting the probationary period and the automatic 5% pay increase, discussion of vacation time accruals and payouts and pay cycles.

Parker stated the other matter was the recommendation at some point and time, to do a compensation plan and study. Steiner reminded them that Anita August had done this previously before Linda left. Parker stated they would get into this more as the budget sessions went on. After some discussion, Council moved on.

The Mayor brought up the status of the permits on the sewer project and the firms that could do it. The County found four firms that could do lateral bores, thereby bypassing the marshland. This reduced the number of permits they needed. They would be ready to go out for bids for the mainland in June and then turn soil in the summer. Then go for bids on the island mid-summer and turn soil around September.

Mayor asked for motions on taking care of the bonding issue with Ocean Ridge (Angel's Trace).

Motion by DeVita to authorize the Town Administrator to negotiate completion dates and required improvements on Ocean Ridge Phase VI. Seconded by Sherrill. Motion carried.

Meeting was adjourned at 4:30 pm.

TOWN OF SUNSET BEACH

Attest:

Mayor Ron Klein

Kimberly Cochran, Town Clerk