

TOWN OF SUNSET BEACH
Budget Workshop/Special Called Town Council Meeting
June 10, 2009
1:30 pm

Members Present

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

Others Present

Gary Parker, Administrator
Larry Crim, Asst. Admin.
Kim Cochran, Town Clerk
Donna Rogers, Finance Officer
Chief Lisa Massey
Chief Chris Barbee
Dustin Graham, Public Works Superintendent

Others Present

Joe McCarthy, Waste Industries

The first budget item of discussion was the recycling. Parker stated that the carts would be best instead of bins. The pickup should be every other week on the mainland and weekly for the island in season. The yearly cost would be \$222,800, six months \$111,400 and a quarter (May –Sept.) \$55,700.

Mr. McCarthy stated they should look at rotation as it keeps the cost down. DeVita added that the bigger carts were not as unsightly. Steiner had a concern about storage. He stated in Sea Trail they have to be hidden and it caused problems as they also had their garbage bins in the garage and most people simply didn't have the room. There was also still hue and cry about the island cans being pulled.

DeVita stated we hadn't taken any action to take care of the first problem, which was the cans on the island. We had to enforce the ordinance or be benevolent and do it for them.

Watts stated Council recognizes we are in a resort community. We get accommodation tax and should use some of that to hire someone to pull the cans back. There was discussion of a roll back in price when gas went down.

Steiner emphasized the fact and wanted it to be very clear that he was not opposed to the concept of recycling. He just felt it was not a good idea to do this in a year by adding fixed costs. This topic also had other appendages such as cans on the island. He was in opposition to this not knowing what the state was going to do with their budget and the fact that they had cut our local option sales tax. We were not bullet proof and felt that the administrative position on local option sales tax was too optimistic. Adding a fixed cost when they and everyone else was holding the line tightly was not a good idea. What was the hurry? This was not the budget year to add this cost.

DeVita stated the people wanted this done. We were fortunate with the budget we had and we could always renegotiate the contracted tipping fees since there would be less garbage to pick up.

Watts asked Mr. McCarthy what was the decrease in garbage pick-up since they had started recycling in Leland. Mr. McCarthy stated he did not know the exact figures, but it had a little. They hadn't done calculations as of yet. Steiner asked which neighboring island towns did this....Ocean Isle Beach and Holden did not. Oak Island had the blue carts.

Bobinski stated 80% of the people he spoke to recycled, but would not pay for curbside pickup when they could go to Hwy #904. It was too much.

DeVita stated that in the survey, 64% of the people wanted this. Steiner said that did not represent the population as only 333 people responded.

Watts said if we did not take money out of the budget for this then maybe we could cut the tax rate by half a cent.

Parker pointed out that we may have a problem with that. Sherrill said people he had spoken to were tired of driving to the #904 center. There was more discussion of dates and times starting recycling. McCarthy confirmed there was a 90 day lead time to start this. Watts stated the good thing was if we found out later the revenue wasn't there we could push back the start date.

Steiner asked Parker what was the problem with the half a mil cut.

Parker began by addressing the issue of revenues. The state was having difficulties. The League had sent out a bulletin advising towns not to lock down local budgets too early. State income tax payments were down 40% though sales and property tax were not hit as hard. There were proposals on the table in the General Assembly that could affect our sales tax rates. They advised municipalities to be vigilant to ensure that any tax reform

does not result in decreases in local revenues. Parker had further reduced local sales tax projections, and stressed that he felt the projected revenue he entered would be exceeded. The General Assembly would be deciding on that very thing this week. Parker stated this was a balanced budget including the amounts for recycling and dropping the dump truck. It could be repaired to get a few more years out of it. Steiner asked about the Hold Harmless account. Parker informed Council that the State of NC had made changes. They removed the per capita basis they had always used in the past, and now will be using the “point of sale” method. The Hold Harmless account was guaranteed revenue in place of the per capita amount.

Fire:

Parker stated he had written in \$775,000 but was expecting 838,000 in fire tax. They had to take last year’s tax and apply their formula by law to get the amount listed. They were being overly cautious in his opinion.

Public Works:

Dump Truck Purchase removed. Council decided to allocate 5,000 to fix the old dump one to make it last several more years rather than purchase a new one so he reduced the Powell bill fund from 114,726 to 83,140.

Ponds:

There was discussion of the town conveying the ponds to the POA due to the potential liability to the town. If they didn’t, they may have to fence it in. If they conveyed to the property owners abutting the pond, then the Town would just donate money to the upkeep like they do with twin Lakes on Shoreline west. Sherrill stated he was working on the legal work and hoped to have it resolved by the 25th.

Parker added he had also asked Larry Crim to order Rip current warning signs to be posted on the island. They are free through the Sea Grant.

Copier:

Donna Rogers, Finance Director, stated she had gotten 11 quotes and done extensive research on which way to proceed with a new copier for the town: whether small ones for individual computers or one large copier in the work room. Due to the massive amounts of copies the town makes each year, her recommendation was to order a new color copier for \$6,000. She provided specs to Council. She stated we had to have a new one anyway as ours was getting old and now was costing more and more to fix.... this was the cheapest, most economical way to go. Council agreed to purchase the color copier.

Parker asked Council what they had decided on the shutters. The cost was fully funded by FEMA. Some questions were asked about the color and cleaning and having Rogers check to see if we received any reduced insurance premium benefit for doing this. Council also asked about the fire station windows. Parker replied that it had to be for the hurricane EOC building which was town hall, not the fire department.

Motion by Watts to file for the grant from FEMA for the shutters, Seconded by DeVita. Motion carried unanimously.

Planning and Zoning Fees:

Steiner felt the fees were too low compared to the surrounding towns and should be brought up to comparable standards. After more discussion, **Motion** by Steiner to adjust the planning and zoning fees in line with other towns and authorize Parker to make the fee decision based on comparative towns with the same population.

After more discussion and Council wanting to see the figures before hand and the need to contact the builders and contractors of the change Steiner **withdrew motion.**

Council will place this on the June 29th agenda.

Recycling:

DeVita stated we had to work all the side issues that will come with recycling. After some discussion, **Motion** by Steiner to approve the Recycling from April through June of 2010 in the amount of \$55,700, Seconded by DeVita. Motion carried unanimously.

DeVita stated the streetscape committee had made good progress. What was the game plan for implementing this plan. Should we start now budgeting money for plantings? Council said it would be after the bridge and sewer were in place. It was too early to do now and have it all torn up...we would have to wait at least another year.

Sherrill asked about the progress on the sound system. Crim replied it was already in. They had installed large speakers in the conference room for overflow crowds. Council instructed Crim to look into the three-sided microphones for better recording. The ones we had now didn't quite pick up everyone's comments. Another suggestion was just add more microphones.

Second Fire Station Update:

Parker reminded Council of the grant we could pursue for this station. If we proceeded, he felt we should contribute the \$600,000 they had started appropriating last year. He asked Council what they wished to contribute to the grant. Chief Barbee stated he was concerned about the grant because they stressed we had to already have land purchased to apply and we had not heard back from MAS, Inc. on the property bid. Council said they need to go into closed session to discuss the parameters of the dollar amount offered. Watts asked if the 1.5 million proposal included the land. Parker replied it did not, there would be additional money for the land, but his figures show that if we did go with a grant and start now, the completion date would be 2013 which was in line with the 5 year plan they had decided upon.

Motion by Watts to go into executive session to review the parameters given to Mr. Parker on negotiating with respect to price and other material terms of a proposed contract to purchase approximately 1.7 acres of parcel 22700039 on Hwy #904 belonging to MAS Properties. Seconded by DeVita. Motion carried unanimously.

Motion by DeVita to return to open session, Seconded by Wilson. Motion carried.

Council return to the subject of the second fire station. Chief Barbee said he was a little apprehensive about this now. The grant application required already purchased land and architectural drawings and we were nowhere near that. Watts asked if the property had to be zoned commercial. Barbee said no, but the greatest consideration was given to those already zoned. Parker said he didn't anticipate any problem with zoning as it was surrounded by commercial properties.

There was discussion of using a rendering of a substation already in existence for the application purpose. Sherrill stated we were not at the point of requiring a detailed drawing requiring an architect. Parker stated he would try to get a plan copy of a nearby substation already in use.

Parker then informed Council of the potential of another piece of property, 5 acres, belonging to Sammy Varnum and Greg Gore.

Motion by Steiner to add this topic as additional to this budget workshop based on the conversations they had had with Sammy Varnum and Greg Gore on 5 acres they would consider selling to the Town, Seconded by Bobinski. Motion carried.

Parker said Varnum may be interested in selling this to the town. It was originally 10 million dollars but they would consider possibly half that amount. They already had an existing dredging permit for Mary's Creek and the owners said it had deeper water that could be accessed at low tide. Parker said he was meeting with Tom Covington and Debbie Wilson with CAMA and he would show this property to them and get feedback. There was discussion of whether to keep the current proposed boat ramp the town had already purchased or trade them if allowed. He pointed out that the currently owned property at the footprint of the bridge clearly has some advantages but we still needed a variance. He had heard we can get one ramp without a variance on the existing site but two requires a variance. Council also didn't know if the county or wildlife would have a problem with switching properties. Parker said the main issue was the cost was quite a bit more than what we had already purchased. Steiner responded that the good point was they were willing to talk finance. Parker stated even if we received a combination of a PARTF \$500,000 grant, an LWCF of \$500,000 and a Clean Water Management Trust Fund grant for \$500,000 for land acquisition you're still looking at another 3 million dollars. There is also the issue of the land on the oceanfront for parking for 2.9 million that he had discussed with Mr. Gore. Both are equally important but Council may be more comfortable with picking one and not the other. Watts felt the parking was more important. Just acquiring one for a few million dollars would use some of our existing CIP, and 3.7 million out of 8 million of our Unappropriated Fund Balance was recommended by the LGC to be reserved for emergencies. He had not contacted the LGC about this yet, but in the 5 year time frame of that plan that may mean we'd have to go back up on the tax rate to the 11 cents to do that even though grants would help defray the cost. (Steiner excused himself at 4:20 pm.)

Watts asked if we would be risking the grants we had already received?

Parker replied no, that CAMA is okay with us using the money as long as it's for park purposes. It didn't have to be a boat ramp. DeVita stated that due to the fact these are large acquisitions we may want to do a bond referendum.

Watts suggested they wait and see how the variance played out with the land the town currently own. Council concurred.

Motion to adjourn at 4:45 by Watts, Seconded by DeVita. Motion carried.

Adopted this the 29th day of June 2009.

TOWN OF SUNSET BEACH

Ronald F Klein, Mayor

Attest:

Kim Cochran, Town Clerk