

MINUTES
TOWN OF SUNSET BEACH
Special Called Meeting & Work Session
July 23, 2008
3:00 p.m.

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, Town Administrator
Kim Cochran, Town Clerk

Special Guests

Jerry Peirce, Public Utilities Director
Ann Hardy, Finance Director
Marty Cooke, County Commissioner

6:45 PM Work Session

Brunswick County Staff members were present to answer questions and discuss the proposed sewer project for Sunset Beach.

Mayor Klein introduced Mr. Pierce, Ms. Hardy and Commissioner Cooke to everyone.

Mr. Pierce started by stating that their plan was to start the project in 2009 and be completed by 2011, which is when the assessments would be finalized. Until that date, when the project is completed and all cost are accounted for, they would not have a definite figure for individual assessments. He stated though, they were looking now at approximately a 31.5 million loan to initially pay for this. They would then assess each property owner their proportionate amount. They would be doing the project in sections so the whole town would not have to wait to go on at one time. Each section would go into service as completed.

Councilman Steiner asked specifically about the financing. His stressed that this was everyone's main concern. He inquired why it couldn't be done in a 30 year bond. He understood it would cost more but had it been thoroughly researched by the county?

Mr. Pierce explained they were looking at the fairest method of assessing. There are only 4 ways allowed by General Statute but it had not been decided upon as yet.

Ann Hardy, Brunswick County Finance Director, addressed Council and stated emphatically that NC General Statute 153-A-199 specifically limited a Special Assessment District to 10 years.

Steiner still felt that a 30 year term with an approximate yearly payment of 500-600 was “an easier pill to swallow”.

Ms. Hardy reminded Councilman Steiner that Sunset Beach was set up as a Special Assessment District and the longest option was 10 years.

Mr. Pierce stated that NC only allowed 2 Bond Options. One was a “General Bond” and the other was a “Revenue Bond”. He informed them that a SAD allowed them guaranteed payment. It gave them an option if someone didn’t pay. With bonds, the county had no assurance, and this 31 million loan had to be repaid. He reminded them that the County would be paying this up front for the citizens and it put the County in debt. They had to have a way of guaranteeing payment or they couldn’t get the loan. He informed Council that they had a person, Skip Green, who had been looking at all aspects of financing for them. He specialized in pursuing grants and has stated that it was very doubtful that Sunset Beach could get a grant because of the average income of its citizens.

Councilman Watts reiterated the above mentioned factors and inquired if any other grants were being pursued. He stated that if we couldn’t get a 30 year bond then the best option would be the 10 year assessment.

Steiner asked if a separate district could be created for those that could not afford the assessment. Ann Hardy stated under a SAD it was impossible. For a 30 year bond the Attorneys would have to discuss this option as 1.3 million had been expended toward the project. If they changed from an SAD, who would repay the 1.3 million? That was a question for the attorneys. Mr. Peirce would have Skip Green look into the requested creation of another special district.

Gary Park, Town Administrator, explained that pursuing grant dollars made consideration of income a factor. Even the area behind Town Hall would not qualify.

Ms. Hardy described the series of options:

- 1) 3 year assessment at 3%
- 2.) 6 years at 2.375%
- 3.) 10 years at 2.02%

She was hoping for a recommendation from Sunset Beach Council on what they would like so they could send it to the Local Government Commission for approval.

Mr. Peirce said they were there seeking guidance on what they wanted as the payback period so it could be recommended to their own Board of Commissioners.

Ms. Hardy described a 27% discount off of the total to those that paid in the first year of assessment. If, for instance, the assessment was 10,000, with interest over ten years would be \$13,000. The discount would be that they would only pay the \$10,000 if they paid in the first year.

Some Council and audience members stressed this was not a discount but just an alleviation of the interest due.

DeVita asked if they were considering linear footage as an assessment method. Pierce stated that General Statute allowed 4 different way of assessing: number of lots, value of lots, road frontage or square footage. They usually used a combination.

Bobinski asked if any thought had been given to getting a bond to cover all expenses, such as plumbing hookup, repairs, etc. that would be required by property owners after the sewer lines were installed. Peirce stated that couldn’t be done. Every home was different and there were too many factors such as concreted driveways, shrubbery, etc. The County however, would be offering training to licensed

electricians and plumbers to ensure the residents used someone that knew what they were doing. Once they completed the training, the list would then be given to the homeowners and the town could post the list also.

Someone asked about the abandonment of septic tanks. Pierce stated that was up to the town not the county.

Pierce firmly stressed that there was no required connection, but if they didn't, they would have to pay an monthly availability fee \$18.00. If they connected in the first year, the County would waive the tap fees.

Mr. Pierce also stated that now people were seeing a grinder pump "maintenance fee" on their water bills. There would no longer be huge bills for repairs. This was to cover all expenses if your pump broke down.

There was some discussion of what types of pumps there were, especially about the new grinder pump that holds 360 gallons above the normal range in case we had a disaster. Pierce also mentioned the new water tank being built for our area (Southwest) to be in place by 2010. Whatever they design, it will hold no less than ½ million gallons of water.

There were comments from the audience about why is cost so much and what could be done to alleviate the costliness. Parker explained everything once again and said he felt that Council would want to go with the 10 year assessment.

Council thanked Pierce, Hardy and Commissioner Cooke for attending.

No action taken.

Motion to adjourn by Bobinski.

Adopted this 4th day of August 2008.

TOWN OF SUNSET BEACH

Mayor Ron Klein

Kim Cochran, Town Clerk

