

**TOWN OF SUNSET BEACH**  
**Special Called Meeting/Recycling Workshop**  
September 2, 2009  
3:00 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. Administrator  
Kim Cochran, Town Clerk  
Donna Rogers, Finance Director  
Chris Barbee, Fire Chief

The workshop was called to order at 3:00 pm by Mayor Klein for the “Discussion of Capital Projects, Fund Balance and Debt Service Scenarios”.

Parker began a discussion of land acquisitions, CIP funds, Fund Balance and Debt Service requirements. He stated he had the desire to purchase both properties, the five acres near the bridge and a lot on the island beside the gazebo for parking and restroom facilities. He explained his spreadsheet, showed examples, and stated he felt they both could be done without affecting the tax rate, utilizing long term grants, freed-up debt service and using the funds Council had historically put back into fund balance. His opinion was that if the town had to choose, the most likely purchase would be the five acres...he had no exact asking price but this was under the assumption that the town would receive a grant of three million dollars. They could then just borrow under two million, with the debt service payment being around \$300,000.

In consideration of the beachfront property, he figured it would cost around three million or around that amount and may have to borrow all because of no availability of grant monies that soon after getting grant money on the other. He stated he knew the Council was wondering how we could get all these grants, and he informed them that water access was a huge goal of the state and was confident the town could get a grant on one, if not both. If they borrowed three million, the tax rate would have to go up two cents to eleven cents for the \$400,000 debt service yearly payment. Yes, they property could go to

private industry for condominiums, etc.....but surely they did not want every acre to be covered with buildings? He felt it was important to keep open space, and more importantly, shoreline space (which was the goal of the LUP and water access plan of the state) He felt confident they would get grant dollars.

Steiner emphatically stated he was in favor of purchasing the five acres site. It was a beautiful site and since the town had no "central gathering point" this was the perfect opportunity. Parker stated he was confident we would get grants, but wouldn't know until late this year. Council stressed the town's offer would be grant dependent for those numbers to work.

Watts felt there should be no rush in purchasing these sites right now. He felt they were leap-scotching their priorities. There was no way they could have purchased the other property saying we knew we could get a variance, and now say we may not get it.....Sherrill agreed and pointed out that if they did that, then they (Council) had failed their fiduciary responsibilities.

Watts felt the most important priority was the parking on the beach and asked if it was our ordinance only that kept them from adding to the current parking. Parker replied yes, us and CAMA.

DeVita went over important points on his notes, such as putting off the Veteran's Memorial costing \$100,000, putting off the brush truck would knock off \$90,000, putting off the 2<sup>nd</sup> fire station until 11/12 or 12/13 would help cover about \$700,000. He stressed to Council that if the Town received no grant, there should be NO fire station. Steiner agreed and reiterated his conversation with the Fire Chief that the Town was not supposed to start the fire station until 2014-2015, as that was the original plan. That way they would pick up the \$300,000 planned each year for it in the CIP funding. When the fire station is built, it did not have to be manned immediately. This was *not a contingency* in the grant application. Chief Barbee stated it was inferred but not required.

Steiner then stated that we have 11 firemen and were getting ready to hire three more.....in the second fire station that's built with grant money, the town could very easily take 2 per shift from station #1 to station #2. They could also move a couple of trucks instead of purchasing more. The additional cost and transfer of gear and equipment would be a wash. He also stated if the town built it without a grant, we did not need nine additional men. His point was, if there was no grant, then it should not be built until 2014-2015. This would free up the debt service monies to use for the second fire station.

Bobinski asked why couldn't they get more than three million dollars in grant funds. There was money flying all over the place and we were getting nothing, it seemed. Watts stated they needed to think about priorities and the likelihood of grants. Why were they so anxious to purchase now? Steiner stressed this property was not likely be this low in cost again and it was the only suitable place for a park. Watts felt the pressure they were receiving was on the beach for parking was more important and it would behoove Council to tie down something on beach property instead. His (Watts) concern was that

there were 17 other projects that (other towns) had applied for the same grant money. He felt sure we were *not* going to get three million dollars.

Watts, DeVita, Steiner and Wilson all agreed: “If there was no grant money, there would be no purchase”.

DeVita reminded them that if they made no acquisitions, there would be no tax increase. That couldn't be argued. Steiner argued that they had the opportunity to purchase property at a reasonable price with a minor tax increase.....we would have more amenities and it would make the town more desirable.

Watts asked what the purpose of this meeting was. He felt it was based on the consensus that they would purchase property, when in fact there was not a consensus. Parker replied it was for Council to decide whether or not they wanted to purchase the property, and if so, what steps they wanted to take toward that? The Mayor added that he felt that it would be good to go over all this before having the decision item on the September Council Agenda.

Sherrill looked at our town as an economy based on two items, tourism and construction. Both have been down. They should look at which items provide a service to their residents and their visitors. There was no “payback” from a park. Sherrill stated that with sewer coming in, the citizens would be stretched to the limit and they need to do everything they could to reduce expenditures and lower the tax rate to decrease the burden on them. He stated if they wanted to go forward on some of these purchases, they'd better be willing to tighten their belt and make some cuts throughout the town in other areas. They needed to come to common ground and look at reality and what was coming in the economy in the next few years. He stated they all agreed it was a pretty piece of property, but pretty wasn't reality when it came down to spending the citizens money.

Watts felt they should get more feedback from the residents.

After more discussion, Mayor Klein concluded that everyone agreed that if we did not receive a grant, there would be no purchase. Did they wish to table it and mull it over more? Council agreed to place it on the agenda for September, and they would decide then whether to go ahead or table it.

**Motion** to adjourn by Steiner, Seconded by Sherrill. Motion carried.

Adopted this the 5<sup>th</sup> day of October, 2009.

TOWN OF SUNSET BEACH

*Ronald F Klein, Mayor*

Attest:

*Kim Cochran*  
Town Clerk