

**MINUTES**  
**TOWN OF SUNSET BEACH**  
**Special called Meeting/Sewer Assessment Workshop**  
April 20, 2009  
6:45 p.m.

**Members Present**

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

**Others Present**

Gary Parker, Town Administrator  
Kim Cochran, Town Clerk

**2:00 pm**

Mayor Klein explained they had called the workshop to look at various schedules and methods available to assess for the proposed sewer.

Parker gave some brief background information on where the town stood. He provided an informational sheet showing the various methods . They could break it into two projects, the island and mainland. They had a meeting with the county staff and explained the cost for the island was approximately one and a half times the mainland. The total project was 35 million with 21 million belong to the island and the mainland being 14 million. That's why they had discussed dividing it into two projects; to make it more equitable and fair when dividing the cost.

There was a wide range of methods available, among them being a 75/25 split (75% based on parcel and 25% based on value). If it were to be divided, the approximate amount would be \$6,363 for the mainland and \$11,831 for the island.

Mayor Klein stated pending the stimulus package, it might be enough to cover the mainland overall if we qualified, but if they busted it into two it had to be fair, it needed to affect the whole project. Therefore, it would be fairer to keep it as one and whatever monies became available, they would then take the remainder and apply it to all properties.

Parker stated they should know at the end of April if we qualified.

Watts stated that in the past, when we had assessments, they were assessed on frontal footage- why weren't they talking about that? Parker replied because that method worked better on the island where the lots were more uniform than the mainland where there were odd shaped lots. Watts stated that conversely, condominiums would not be paying for their fair share. Could the town use differing methods for each project? Parker said if he understood the county correctly, they should be able to. However, if it were up to him he would want to do the same method for the whole project even if it were divided into two; he believes people accept it more readily and understand it better when everyone is treated the same.

Steiner believed the county would be more receptive to a per parcel basis. It was the fairest, cleanest method and everyone got the assurance of a reasonable cost. A question was asked about acreage...if it's per parcel, what happens to, for instance, a 30 acre parcel? Steiner said the owner was responsible for installing trunk lines and developing the rest of the acreage. They had to take into consideration of the "total build out"...based on the water system we gave the county in exchange for capacity at the plant.

There was discussion of the 75/25 split. Bobinski was in favor of land value for the people in mobile homes...they would not have to pay as much as a million dollar home on the island. Steiner replied it made no difference; everyone will have equal access to *one pipe*.

The question of a 10 year or 30 year payback was broached. The council discovered that choosing a 30 year option was more expensive and would cost the taxpayer an average of \$230-\$270 per year extra. Watts stated that also, at the end of 10 years they would still owe 60-70% of the base assessment. It just wasn't as good a deal as they thought.

The county had already voted for a 5% discount up front for those that went ahead and paid it. If a home were sold or transferred, the assessment would have to be satisfied at that time. Council knew there would be no decision today but they had to be well versed in all aspects and methods in order to make a fair decision for all.

After more discussion, Council decided to wait first and find out if the County was capable of billing various options and then see if they got stimulus money to help take the pressure off.

Mayor Klein informed all that there was program available for those that had a hard time paying to help them with the hookup fees. CDBG had a hookup program for those households that had no more than a \$36,000 income.

Mayor Klein said he also understood the lean towards per parcel instead of land value. This was infinitely more fair. Watts asked about the financing...he felt they should stick with the 10 years.

Carol Scott spoke of the petitions she sent out and that 80% wanted the 30 year pay plan. She said that reflects people were concerned about the ability to pay this assessment because it was so high. The county keeps saying the interest was higher on a 30 year plan; however, she was not convinced this was true. She had not seen any efforts by the county to make this workable. She said one concern was that the interest between 10 year and 30 year was a point and a half difference. She felt it was illogical as bonds had a lower interest rate. She said another reason the county says it's higher is they have to have a 2.5 million reserve built in to cover people that fail to make their payments. What happens to that 2.5 million reserve at the end of the program? They're building that in at the beginning of the program and that is affecting the cost. Council explained that 2.5 million reserve becomes the final payment on the bonds. Scott said she was just not convinced that the numbers were what the county was telling us they were. She said she would like Council as a whole, go to the county and say "we would like you to try and make that 30 year effort work". She said she hasn't seen that on the part of the county *or* the Council.

Steiner replied that was absolutely not true. That's where these figures *came* from, the *County*. On top of that, there is a difference of about \$240-\$270 dollars more that you will pay each year.

Scott asked if there would be ample opportunity for persons to speak on this subject before they decided what they would recommend to the county. This was a very important issue and she wanted to make sure they had adequate time to speak and that council took into consideration their views. Mayor Klein replied yes they would at the next meeting. Tonight was a Council work session to deliberate.

Watts asked that at the May meeting they put the assessment comments at the beginning of the meeting to give people time to talk before they got into the regular meeting.

Council agreed to start May's meeting at 6:30 to hear comments beforehand.

Work session adjourned by Watts, Seconded by Bobinski. Motion carried.

Adopted this 1st of day June of, 2009.

**TOWN OF SUNSET BEACH**

*Kim Cochran*, Town Clerk

*Mayor Ron Klein*

