



# SUNSET BEACH

## *North Carolina*

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*August 2015*

## ANNUAL REPORT: 2014~2015

Welcome to the 5<sup>th</sup> edition of the Town of Sunset Beach Annual Report. This has been an exceptionally busy year for the staff. The second year of severe winter weather, coupled with record rainfalls caused numerous failures and exposed weaknesses in our aging infrastructure requiring the staff to respond and deal with many emergency situations to ensure the safety of our residents. These unplanned problems, while providing normal Town services and putting the finishing touches on some projects, required extraordinary effort and commitment from our staff. They also had to overcome many legal, regulatory, and technical obstacles in order to complete Phase I of the park in time for the annual Memorial Day ceremony. They got some last minute help from about 30 citizens who turned out at the park to clean-up debris on May 24<sup>th</sup>, the day before the soft opening of the facility. Since the opening we are pleased to see citizens enjoying the park on a daily basis.

Communications is a constant concern of the Council & Staff who again this year authorized the issuance of this report. Two Town Hall meetings were conducted to allow attendees an open forum to ask questions on any subject of their choosing. We continue to post informational and educational material on the Town Website and on ATMC

Channel 99. Our plan is to conduct a formal survey of all taxpayers in the FY16/17 year.

During the past budget year, the last of the major improvement projects begun in 2010 was implemented. These additions to our Town included: our high rise bridge, new sewer system, Fire Station #2, second water lines to Sandpiper Bay & the Island, the Boat Ramp, Streetscape, Roundabout & Bridge landscaping, Bird Walk, Gazebo upgrade, bike paths, and the Park. All these projects were part of the Town's long range plan and were accomplished using Federal, State, County, and Town funds. The Town's funding was set aside annually starting in 2005 in anticipation of the implementation.

Summary level details of the 2015–2016 budgets are included for your information on the following pages and the budget details are available on the Town Website.

The Annual Report provides you with just a snapshot of all that happened in the past year in the process of making our Town a better place to live. We want to thank our staff for all that they do and all the residents who served on committees, attended meetings and workshops, sent us e-mails, challenged our thinking, and supported our efforts.

*Mayor & Town Council*

## IF WE'RE IN SUCH GOOD FINANCIAL CONDITION... WHY IS A TAX INCREASE NECESSARY NOW?

In a word or two, the increase is required due to changes and uncertainty. As you know, we have just had a real estate re-evaluation which reduced the Town's taxable base by an average of 18%. In order to generate the same revenue as last year from this reduced base, a 2¢ increase in the tax rate is necessary (Revenue Neutral).

Based on guidance from our legal & financial authorities, we are taking a more conservative approach to the handling of accommodations tax income and expenses. This will result in a clearer accounting of the funds, a stricter interpretation, and more stringent controls over their use. This change will result in more than \$250k of these funds being placed into a restricted

beach re-nourishment reserve account. In lieu of this formerly available operating revenue a 1.7¢ increase is necessary.

The upcoming year's legal expenses are estimated at \$200k to provide legal support for the Board of Adjustment and to pay for expenses to pursue legal remedy for pending contractual failures. The \$175k increase in this expense category equates to 1.2¢ on the tax rate.

The Council and Staff have decided to include a contingency in the operating budget to protect the Town against the revenue loss impact of pending sales tax legislation being considered at the State level and other unforeseen occurrences. These concerns require adding another 1.3¢ to the tax rate.

### ROUNDABOUT

Our roundabout is just about a year old and we're pleased to report it has significantly improved the safety of the mainland bridge access intersection. The roundabout landscaping was completed last fall including holiday trees which were lighted during last December, providing some holiday spirit for all. A sidewalk extension along the south side of the roundabout intersection provides entry to the park for pedestrians and cyclists.



### PUBLIC SAFETY CHANGES

We've reorganized & reassigned the beach patrol operation under the leadership of the Fire Department and added part-time Fire personnel during the peak season. This results in faster response times and provides basic first aid in beach emergencies, while maintaining staffing at both fire stations.

The Police department has been re-organized to place more personnel on the street without any staffing additions.

The Council has strengthened and better defined the parking regulations to improve the safety in and around the beach. We have also amended the beach shading device ordinance in an attempt to improve emergency response capability while still allowing shading devices on our beach front. Everyone's cooperation and compliance with the new rules will help achieve both goals.

### STAFF NEWS

In November, Ms. Bonnie Schwerd joined the Town staff as our new Finance Director /Budget Officer. She previously served as Oak Island's Finance Director and has a varied background that includes being a business owner, a non-profit executive director, and a journalist. Bonnie earned a Masters degree in Accounting from Liberty University and is a graduate of the School of Government Municipal Administration Program at University of North Carolina at Chapel Hill.

In January, Mr. Rawls Howard III joined the Town staff as our new Director of Inspections/Planning Officer. His background includes various local, regional, and federal organizations in Florida, Texas, and North Carolina. He is certified by the American Institute of Certified Planners, American Association of Code Enforcement, Congress for New Urbanism, and the NC Association of Zoning Officials. Rawls was awarded his Masters degree in Geography from

Appalachian State University.

Due to our changing legal requirements, the Town has contracted the services of Grady Richardson, Jr., P. C. Attorney and Counselor at law for legal guidance and litigation representation services. Mr. Richardson is a graduate of Campbell University, and the Norman Adrian Wiggins School of Law, University of North Carolina, Wilmington.

**Retired Staff:** We wish our retirees well and thank them for their service: Police Officers: Joseph Adams and Matthew Herron.

**We mourn the loss of** retired Finance officer James Jones.

**New Staff:** We welcome Police Officers Kristen Thompson and Colby Bean, and Fire Fighter Alexis Yoho.

# TOWN PARK UPDATE

Construction work on the park was halted in August 2014 by CAMA because the Town's contracted engineer/construction management firm did not provide the appropriate materials for use in traversing within the 30 foot CAMA buffer areas and the area of disturbance exceeded what is allowable under the applied for Minor permit. Due to these significant issues with the contractor, the Town terminated the contract of the original firm and is seeking damages through the legal process. We engaged another engineering firm and committed numerous staff hours to develop a re-engineered solution, along with a mitigation plan in order to submit an application for the appropriate level of permit. This material was submitted to NCDENR and all appropriate permits were approved in April 2015. On May 25<sup>th</sup>, 2015 we had a soft opening of the park property and held our annual Memorial Day ceremony there.

The Memorial Day ceremony was followed by the ground breaking event for the future Veterans' Memorial being constructed and paid for by the Committee to Honor America's Veterans. (See details on page 7)



*Carol Grace helps clear debris in the Town Park.*

## JAGUAR'S LAIR

With more than 98% of Section 1 completed and some engineering for Section 2 near done, we have hit an impasse with Coastal Communities on this project. Despite a day-long mediation session where the Town offered to release nearly 98% of the Bond attached to Section 1, Coastal's representatives rejected the offer and demanded an additional three years to finish the community. The mediator declared an impasse and we have proceeded to call the bonds.

We know many of you might ask "why didn't we do this sooner?" Our rationale was simple: we wanted the infrastructure installed by the developer in the least amount of time as possible, while avoiding potential costs to you the taxpayer. Had we taken the route of calling the bonds at the outset, zero work would have been completed on any section in the project and we would have incurred multiple years of legal wrangling with all its associated expenses.

## COASTLINE CONCERNS

The Federal and State governments are moving to approve leasing areas of the ocean immediately off our coast for seismic oil exploration and future drilling, in addition to leasing areas for wind energy generation. The Town has passed resolutions and completed a letter writing campaign opposing these activities, requesting that the ocean be considered a National Treasure and be given the same protections as our National Parks.

Ocean Isle Beach is moving to install a terminal groin on its east end to stop the continual erosion that occurs there. We're concerned that the installation will start eroding our beach, which has historically added sand each year. The Council has passed a resolution and submitted comments to the authorizing agencies opposing this activity unless financial and legal assurances for the removal of the structure exist should we incur damages.



Mark your calendar — **Saturday, October 3** is the date for the 9<sup>th</sup> Annual Sunset at Sunset Community Festival. Held in front of the Ingram Planetarium, the day celebrates the end of the beach season and offers residents & visitors a day of music, food, crafts, and activities for children. Volunteers are always needed & welcome. Visit [www.sunsetatsunset.com](http://www.sunsetatsunset.com) for more information.

# THE TOWN BUDGET

The Town Budget is the culmination of a multi-month process starting in February at a day-long planning session to establish the plans and priorities for the coming year and beyond. Town services are reviewed for possible improvement and/or expansion. Current and historical information, economic trends, demographics, legislation, the environment, status of current and future projects and department needs are discussed.

Based on the results of the meetings, the Town Administrator and Staff develop the Town's budget through a multi-step process beginning with a review of the previous year's revenues and expenditures. They then meet with department heads to ascertain revenue and expenditure projections to support the anticipated service levels for the upcoming year. After developing a draft budget, Town Administrator and Department Heads meet with the Town Council to conduct a line-by-line review.

With guidance from Staff, data from the Capital Improvement Plan, and input from citizens, Town Council constructs a balanced budget.

From the Town's \$6,492,726 total budget net of transfers, \$787,000 is designated for capital expenditures: Street repaving; replacement of 4 town vehicles; bike path; beach crossovers; phone system upgrade at Town Hall; planning/engineering for storm water system; required Land Use Plan update; and dredging engineering study. Only \$412,000 of the \$787,000 will come from current revenues. \$325,000 for street repaving (see details on page 5) will be transferred from Capital & Powell Fund Reserves and \$50,000 for Bike path will be transferred from Capital Reserves that the Town has set aside for these purposes.

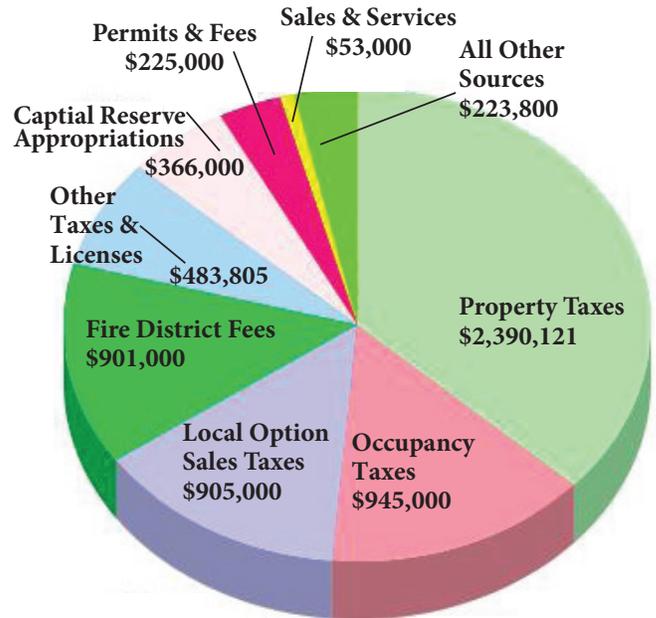
The largest portion of revenues is not derived from the collection of property taxes. More than 50% of the Town budget is supported by other taxes such as accommodations tax, beer and wine license tax, and local option sales taxes. The property tax is 31% of Town revenues.

By function, the largest portion of the expenditures budget (55%) is devoted to public safety (police, fire, inspections).

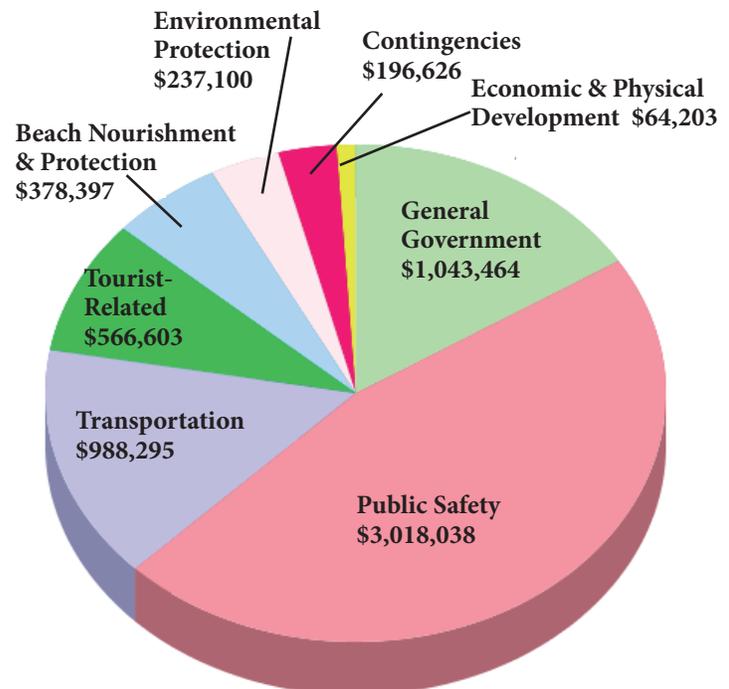
Once again, the Town's Auditors have pointed out that the Town's finances are in excellent condition. (The complete 2014 Town Audit is available on the website or can be viewed at Town Hall). The 2015 audit report will be available in October.

Thanks to the diligence of the Staff and Governing Body, as of June 30, 2015 the preliminary financial numbers for the 2014/2015 fiscal year indicate expenditures to be below budget and revenues to exceed budget estimates resulting in an increase in Fund Balance and adequate cash reserves set aside for anticipated future needs.

## 2015 - 2016 Projected Revenues



## 2015 - 2016 Budgeted Expenditures



# HOW YOUR TAX DOLLARS ARE SPENT

**T**own expenditures are categorized according to the financial rules set by the NC Local Government Commission as noted in the pie charts. Some expenditures like police and fire are obvious, but many are essentially behind the scenes projects that keep our Town safe and moving forward. Some projects are quite visible in different areas of Sunset Beach and some are never noticed by the average citizen. Here's a brief look at just some of the services included in Town expenditures.

**Transportation:** public works; street maintenance & paving.

**Human Services:** mosquito control.

**General Government:** governing body, administration, Town attorney, legal services, annual audit, finance, and elections.

**Environmental protection:** bulkhead and drainage repairs, sanitation services, storm water drain maintenance and repairs, beach re-nourishment, and hurricane protection.

**Economic & Physical Development:** planning and zoning, engineering services, beach strand expenses, and tourism-related outside agency funding.

**Public Safety:** police, fire and inspections.

## INFRASTRUCTURE IMPROVEMENTS AND REGULATORY COMPLIANCE

The past two severe and very wet winters have exposed weaknesses in our aging storm water control system throughout the town. This year's budget includes funding to have the entire system professionally evaluated to identify all problem areas and to develop a systematic plan to mitigate and/or eliminate the problems and improve the overall system performance.

We will also undertake a dredging study, evaluate improvements to Main Street, continue to evaluate parking solutions, and undertake the required 5-year update of the CAMA Land Use Plan.

## STREET PAVING SCHEDULE

**S**treet repaving is included in the Town's sustaining maintenance program. Roads are paved on a rotating basis unless a particular road needs immediate attention due to unforeseen events. The chart at the right includes all roads scheduled for repaving in this fiscal year and their total estimated cost. Residents will be notified in advance of beginning work.

Baroney Place	
Camelia Lane	
Crooked Gulley (from Baroney Place South to Clubhouse Road)	
Fairway Drive East	
Fairway Drive West	
Jasmine Lane	
Kings Court	
Live Oak Drive (Pineview to Park Drive)	
Wisteria	
<b>Total Cost.....</b>	<b>\$325,000</b>

## FAST FACTS

**E**ach month Department Heads provide reports to the Town Council outlining the previous month's activities. Since these reports are included in what is called the Consent Agenda, they rarely get discussed. Here's a quick look at just some of the services provided on a daily basis by Town staff over a twelve-month period.

	2013-2014	2014-2015
Police Calls for Service & Incidents .....	5,279	5,030
Public Works Leaf & Limb Collected (In Tons) .....	619	431.3
Trash Cans on Beach Collected .....	1,045	1,045
Trash Cans Pushed Back to Houses .....	12,556	12,585
Fire Incidents .....	1,174	1,194
Fire Department Training Hours .....	5,270	4,836.5
Permits Issued .....	2,234	1,410
Inspections .....	5,633	4,119
Average # of Inspections Per Day .....	22.7	14.8

# TOWN HAPPENINGS

## REMEMBERING LOVED ONES

Generous benefactors within our community have expressed interest in honoring their loved ones through the donation of memorial benches at various locations throughout the Town. Other civic minded donors have stepped up to provide funding for public items of particular interest to the donors.

Would you like to be included among those who have given back to the community through a public gift? Suggestions for possible donations appear below and on the Town's website. For more information about the program, contact Town Hall at (910) 579-6297.



EST: \$1,600



Commemorative plaques like the one pictured above can be added to your item at an additional cost.



Bike Rack  
EST: \$900



EST: \$1,400



EST: \$1,050

**Voluntary Curbside Recycling:** 791 households currently utilize this program at a significantly reduced rate because the Town acts as the clearing house. This service is available to all property owners on a voluntary basis annually. For property owners who have two trash pick-ups per week during the high season, a "weekly recycling option" is available. All property owners will soon receive this year's letter regarding the annual sign-up and the particulars are included in the correspondence.

## MOSQUITO CONTROL INFORMATION & HELPFUL TIPS



The Public Works Department sprays for mosquitoes within Town limits during the summer months. Spraying is typically done between 5 and 6 a.m. on this schedule:

**Monday** - Island

**Tuesday** - Shoreline and Seaside Station

**Wednesday** - Sea Trail (from Calabash River to Old Georgetown Road and Sugar Sands)

**Thursday** - Bonaparte, Oyster Bay, Lakewood Estate and the remainder of Sea Trail

**Friday** - Cape Side, Sandpiper Bay, and Wyndfall

Mosquito control by the Town will not get rid of every mosquito. Please visit Town Hall to obtain **free mosquito briquets** to place on your property to help reduce the mosquito population. The briquets can be tossed in the ditches and rain barrels, crushed and distributed in birdbaths, potted plants and around shrubbery or trees. Please visit the Town website and the Centers for Disease Control and Prevention at [www.cdc.gov](http://www.cdc.gov) for more information.

## TOWN HAPPENINGS



## VETERANS' MEMORIAL GROUNDBREAKING

More than 400 residents and Town officials observed the occasion in the park at the site of the planned Veterans' Memorial. Police Chief Lisa Joyner and Detective Joe Smith coordinated the day's events.

Mayor Ron Watts served as the Master of Ceremonies and Reverend Mary Jane Wilson-Parsons gave the invocation. Following the Pledge of Allegiance, Ms. Linda Ladrick sang the National Anthem and our guest speaker Superior Court Judge Ola Lewis addressed the attendees. Before ending her presentation she asked all the veterans in attendance to stand and tell everyone their name, branch of service, and theater of operation. More than 100 men & woman responded representing all branches of service spanning time from World War II to those on active duty today.

LTC (Retired) Gordon Coulson was joined by Susan Parker, Judge Lewis, and members of the Committee to Honor America's Veterans in the groundbreaking ceremony for the Memorial. The Memorial, which is totally privately funded, is scheduled to be completed and dedicated on Veteran's Day, November 11<sup>th</sup>, 2015.



## OUR VOLUNTEERS

Town government often relies on the spirit of volunteerism among residents. Following is a list of volunteers who were recognized at the Town Council's December 2014 meeting. We thank them for their service.

### BEAUTIFICATION COMMITTEE

Lynn Eriquez  
Katie Bodner  
Jean Hutchinson

### CONCERT SERIES

Fred Thorne  
Denise Williams  
Anita August  
Janie Withers  
Steve Mullins

### SUNSET AT SUNSET

Karen Joseph  
Lois McClellan  
Ann Bokelman  
Karen Dombrowski  
Jean Hutchinson  
Bev Williams  
Marci Berry

### TURTLE PROGRAM

Carmel Zetts, coordinator

### BIRD ISLAND PRESERVATION SOCIETY

Bill Ducker, coordinator

## CONTACT US

### HOW TO REACH TOWN HALL & COUNCIL MEMBERS

Town Hall: 579-6297 or 579-3808

Inspections Department: 579-0068 or 579-0075

Police Department (non-emergency): 579-2151

Fire Station #1 (non-emergency): 579-2456

Fire Station #2 (non-emergency): 579-8090

General e-mail: [sunsetbeach@atmc.net](mailto:sunsetbeach@atmc.net)

Susan Parker, Town Administrator

Lisa Anglin, Town Clerk

Bonnie Schwerd, Finance Director

Dustin Graham, Public Works Director

Rawls Howard, Inspections Department Head

Lisa Joyner, Police Chief

Kevin Dempsey, Fire Chief

**Mayor Ron Watts** ~ 910.880.1637

[rwatts@sunsetbeachnc.gov](mailto:rwatts@sunsetbeachnc.gov)

**Mayor Pro-Tem Lou DeVita** ~ 910.579.2780

[ldevita@sunsetbeachnc.gov](mailto:ldevita@sunsetbeachnc.gov)

**Councilman Terry Johnson** ~ 910.228.2241

[tjohnson@sunsetbeachnc.gov](mailto:tjohnson@sunsetbeachnc.gov)

**Councilwoman Carol Scott** ~ 910.579.9104

[ckscott13@sunsetbeachnc.gov](mailto:ckscott13@sunsetbeachnc.gov)

**Councilman Wilson Sherrill** ~ 910.575.3083

[wsherrill@sunsetbeachnc.gov](mailto:wsherrill@sunsetbeachnc.gov)

**Councilman Mike Williams** ~ 910.579.8066

[mwilliams@sunsetbeachnc.gov](mailto:mwilliams@sunsetbeachnc.gov)

Stay informed: Watch Channel 99 and visit the website: [www.sunsetbeachnc.gov](http://www.sunsetbeachnc.gov).

**Sign up on the website home page to receive meeting & emergency notices via e-mail.**

Town Council meets the 1<sup>st</sup> Monday of each month in the Council Chambers at Town Hall.

Meetings begin at 6:45 p.m.