



REGULAR MEETING MINUTES

August 16, 2011 at 6:30 pm

The Kure Beach Town Council held its regularly scheduled meeting on Tuesday, August 16, 2011 at 6:30 pm. Attorney Canoutas was in attendance and there was a quorum of the Council present

COUNCIL MEMBERS PRESENT:

Mayor Dean Lambeth
Mayor Pro Tem Chuck Keener
Commissioner Emilie Swearingen
Commissioner Jim Dugan

COUNCIL MEMBERS ABSENT

None

STAFF PRESENT

Finance Officer – Arlen Copenhaver
Deputy Town Clerk – Nancy Hewitt
Building Inspector – John Batson
Fire Chief – Harold Heglar

CALL TO ORDER AND WELCOME

Mayor Lambeth called the meeting to order at 6:30 pm. Pastor Daniel Cook from The Sanctuary, delivered the invocation. Mayor Lambeth led in the pledge of allegiance.

RECOGNITION AND AWARDS

1. Mayor Lambeth presented a posthumous Proclamation of Appreciation to Kure Beach resident Mary Jane Schutta for Jim Schutta's service to the Town.
2. Mayor Lambeth presented a Resolution of Appreciation to retired employee Bill Letendre for his years of dedicated service to the Town.

Mayor Lambeth announced that retiring employee Pat Fortier wasn't able to attend the Council meeting. She will be given her certificate at a later date.

APPROVAL OF CONSENT AGENDA

1. Approval of estimate in the amount of \$970.00 from ATD Engineering for special inspections for the Ocean Front Park
2. Addendum to MOU for Carolina Beach Inspector to perform plan review for OFP to add that the Carolina Beach Fire Marshal will perform plan review, issue fire permits and conduct fire inspections for the OFP
3. Adoption of Proclamation P11-08 declaring September 17 – 23rd as Constitution Week



REGULAR MEETING MINUTES

August 16, 2011 at 6:30 pm

4. Memorandum of Agreement NC Dept of Crime Control and Public Safety regarding excess DOD personal property transfer
5. Resolution R11-10 appreciation for retiring employee Pat Fortier
6. Resolution R11-11 appreciation for retired employee Bill Letendre
7. Finance report – July 2011
8. Fire Department report – July 2011
9. Building Department report – July 2011
10. Police Department report
11. Meeting Minutes:
 - July 8, 2011 emergency – resolutions
 - ~~July 19, 2011 regular~~
 - July 27, 2011 emergency – OFP
 - August 10, 2011 emergency – CB inlet dredging

Commissioner Swearingen asked that the last Council meeting minutes be removed from the consent agenda until they can be discussed at the September meeting.

MOTION – Commissioner Dugan MADE THE MOTION to adopt the consent agenda with the amendments, as requested.

SECOND – Mayor Pro Tem Keener

VOTE – Unanimous

ADOPTION OF THE AGENDA

1. Move Discussion and Consideration of Department Head Business Item #1 to be handled after Commissioner Wilcox's presentation to Council, Item #1.
2. Add Dow Road Improvements and the MPO to Old Business as Item #3.

MOTION – Commissioner Swearingen made the motion to adopt the agenda, as amended.

SECOND – Commissioner Dugan

VOTE – Unanimous

PRESENTATIONS TO COUNCIL

1. Dan Wilcox, Carolina Beach Commissioner, on Carolina Beach inlet.

Mr. Wilcox handed Council an Economic Development Study that was completed in 2005 for the Town of Carolina Beach. He presented statistics from the study including the number of visitors to Pleasure Island and the impact of lost income for the Town.



REGULAR MEETING MINUTES

August 16, 2011 at 6:30 pm

- There are two things that we don't have an option to deal with: beaches and the inlet. People come to our island for beaches and boating.
- Within the last week, I've had the opportunity to reach out to local community non-profits including the Pleasure Island Chamber of Commerce, the Foundation for a Sustainable Community, the Carolina Beach Inlet Association, the Boardwalk Makeover Committee and the Got-Em-On-Live Bait Club, and we've received commitments for approximately \$13,000, combined.

Mayor Pro Tem Keener asked if Commissioner Wilcox had a final figure that Carolina Beach was going to contribute to which Commissioner Wilcox replied they were asked to contribute \$30,000 but had emergency funds available for up to \$55,000.

Mayor Lambeth commented that a local television station stated on its morning news program that Kure Beach Town Council had refused to support the inlet dredging. He stated that the resolution said that Kure Beach fully supported the emergency dredging of the inlet. However, because the Town was unable to use taxpayer funds, more time for research was needed to find available funds. Since then, Finance Officer Copenhagen has identified available funds received from the Town's cell phone tower rental income.

Mayor Lambeth opened the floor for comments to the public.

David Heglar, 413 E Avenue in Kure Beach, made three points in support of dredging the inlet:

- It's the closest outlet to the ocean for our citizens and we have a number of boaters in our community.
- The Got-Em-On-Live Bait Club's King Mackerel Tournament has supported the Kure Beach Fire Department for over 20 years. The proceeds from this tournament have directly supported the fire department to purchase two fire trucks and a rescue truck. The proceeds from the tournament also supported the building of Kure Beach's Police and Fire Department buildings in excess of \$1.5 Million that Kure Beach citizens didn't have to provide.
- It will soon be our turn for beach renourishment and we need our local Towns to help us. This is no time for Kure Beach to not support its neighbors.

Dennis Barbour, Carolina Beach resident, former Mayor of Carolina Beach, member of the NC Ports and Waterways Commission, board member of the NC Beach Inlets and Waterway Association serving on its subcommittee for shallow draft inlets.

- The association hopes to have a sustained, long-term funding plan in place before June 30, 2012.
- The inlet dredging is no longer a maintenance issue; it is an emergency issue.



REGULAR MEETING MINUTES

August 16, 2011 at 6:30 pm

Eric Vann, 733 Sailor Court, Kure Beach:

- He is a frequent user of the inlet.
- The economic impact would be huge.
- He urged Kure Beach's support of the inlet dredging.

Mike Robertson, 509 H Avenue, Kure Beach:

- He is in complete support of \$15,000 coming from Kure Beach toward this need.
- When Fort Fisher started closing at night, the island started losing a portion of its fisherman. That was a little piece.
- If the inlet closes, it will be a bigger piece and there will be a lot less money coming into the Town.

Craig Galbraith, 803 Boca Court, Kure Beach:

- He does economic impact studies and wants to voice his strong support.
- Coastal tourism is the most studied subject in coastal economics.
- Tourists come for the quality of beaches, the quality of commercial districts and the quality of amenities offered by a community.
- If we don't have this amenity (inlet), he estimates it could impact 200 to 300 jobs.

Cynthia Ramhal, Chairperson of the Pleasure Island Chamber of Commerce:

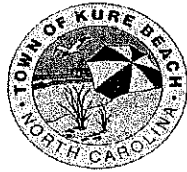
- If the inlet closes, there will be a large "trickle down effect" for boaters, fishermen and every business on the island.
- If we lose the inlet, we'll lose economic money to our island.
- A large part of our shoulder season income comes from the inlet. Fall is critical to fishermen as that is the best time to fish.

Bruce Holsten, President of the Pleasure Island Foundation for a Sustainable Community:

- Although there are two different townships, we are one big community.
- His foundation is contributing \$2,500 to dredge the inlet and is starting a long-range, non-discretionary fund to support the inlet dredging for the future.

Mayor Lambeth stated that it was never the Council's intent to not fund the dredging, but the Town needed to look into how it could fund the need within legal requirements. He then asked Finance Officer Copenhaver to present his Department Head information for discussion and consideration, as scheduled on the amended agenda.

Per the NC School of Government, ad valorem taxes may be used for dredging, using a very broad interpretation of the statutes citing it as a drainage improvement project if permitted under the State Dredge and Fill Act and the Corps of Engineers. Funding



REGULAR MEETING MINUTES

August 16, 2011 at 6:30 pm

would have to come from the \$75,000 contingency fund that the Town has which requires a resolution.

Finance Office Copenhaver:

- At Kure Beach Town Council's August 10 Emergency meeting, the question became statutory authority; in particular, using property tax revenues. Since that point in time, we've done research and found money in a contingency fund that is funded mostly by cell phone tower rental income that the Town receives at \$77,000 per year. The funds would be available for this need.

Commissioner Swearingen stated, I agree with Mayor Lambeth that it was never the Town's intention to not support the inlet dredging. However, as the Town's Finance Commissioner, I'm your main steward of Town funds. I need to look after the financial interests of the Town. She presented calculations on the cost to fund the dredging.

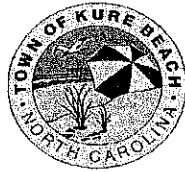
- Using figures she obtained from the news media, the contributions expected from the State, the County, the ports, Wrightsville Beach, Wilmington and Kure Beach would reduce the amount Carolina Beach would need to contribute to \$22,750 while Kure Beach's portion would remain \$15,000. The contributions from those entities would equal \$27,000 over what Carolina Beach would need. Adding the \$13,000 promised from the non-profits, contributions received would equal \$40,000 over what Carolina Beach would need.
- She broke down the cost of the inlet project per resident, as follows: everyone in New Hanover County would pay 84 cents apiece, residents in Wilmington would pay 5 cents apiece, residents in Wrightsville Beach would pay \$2.00 apiece, residents in Carolina Beach would pay \$4.00 apiece and Kure Beach residents would pay \$7.50 apiece.
- Kure Beach doesn't have revenue sources like the other towns have. All Kure Beach has is property tax.
- She asked Carolina Beach to reconsider its request for \$15,000 from Kure Beach and ask the Town to contribute something more equal to Wrightsville Beach's and Wilmington's \$5,000 contribution.

Mike Ritt, 213 Oak Outlook Way, Carolina Beach: Carolina Beach would contribute up to \$55,000 if Kure Beach didn't contribute.

Commissioner Wilcox stated that Carolina Beach Council appropriated more money because they couldn't afford to lose the inlet.

Commissioner Dugan:

- Kure Beach's emergency meeting on the dredging was a surprise, having to take place a day after Carolina Beach's meeting.



REGULAR MEETING MINUTES

August 16, 2011 at 6:30 pm

- We aren't going to be talking about this again because it needs to be done quickly.
- The private money that our fire department has received from a tournament that requires use of the inlet exceeds the amount Council wants to contribute.
- There is no Plan B for beach renourishment, it will cost us a lot of money and we need to cooperate with Carolina Beach's need.

MOTION – Mayor Lambeth made the motion to approve a resolution supporting the Carolina Beach inlet in the amount of \$15,000 from the contingency fund.

SECOND – Commissioner Dugan

VOTE – Unanimous

Finance Officer Copenhaver said that they would also need to approve resolution R11-14 to move the \$15,000 from the contingency fund.

MOTION – Commissioner Dugan made the motion to approve resolution R11-14 in the amount of \$15,000, transferring funds from the GF contingency fund to the GF Governmental Relations fund.

SECOND – Mayor Pro Tem Keener

VOTE – Unanimous

Dennis Barbour said New Hanover County will be the stewards of the municipalities' contributions, so a Letter of Intent, along with the check, needs to be mailed to the County. The County will send one check to the State.

Commissioner Swearingen asked where any excess money would go and who would be holding it.

Mr. Barbour stated that any excess funds would most probably be spent independently on education. The current need is supposed to come from the NC Ports and Waterway Commission. The county will not be holding the excess funds.

2. Tucker Square Resident to speak on behalf of property owners regarding the proposed bike path

Alicia Devereaux, 801 Alabama Avenue (Tucker Square), Kure Beach, read from a letter that she provided to Council. She also provided Council with a petition signed by Tucker Square residents:

- She wanted to be clear that their intention was not to oppose the bike path. But, they have a serious issue with the route that was proposed to run down Alabama Avenue to Fort Fisher Boulevard.



REGULAR MEETING MINUTES

August 16, 2011 at 6:30 pm

- The overwhelming majority of residents in Tucker Square signed a petition stating such. They feel the plan is not within the best interest of the residents.
- Their three main concerns are safety, security and privacy issues.
- She agrees with Mayor Lambeth's attempt to have the bike path built along Dow Road.

Mayor Lambeth said that he talked to representatives from Carolina Beach, and they don't plan to meet with Kure Beach representatives until after this year's elections. There will be a public notice posted when a public hearing is scheduled on the subject.

3. Roger Kelley, NHC Tax Administrator spoke regarding the 2012 revaluation and gave a PowerPoint presentation explaining the job of the county tax office and information on house values and the impact of taxes in different scenarios. He apologized to the Council for the mistake that was made with the tax bills that went out to Kure Beach residents and stated it was entirely his fault. He received an email from Finance Officer Copenhaver and got back to him immediately. We corrected the mistake the same day and the new tax bills were mailed out the next morning. Other comments were:
 - In 2007, we were against the wall and the revaluations needed to be done at the end of the 8th year, which was 2007. We caught the market at the peak for that revaluation.
 - Once the property values started falling, we decided that another reappraisal would have to be done in another 2 years. The next revaluation will take place January 1, 2012.
 - Kure Beach homes are valued 42% higher than current market price.
 - We had 12,000 appeals last time. Approximately 28% of the appeals resulted in adjustment to value. A total of 48 homeowners appealed to the state, and 35 of those bills were adjusted.
4. Albert Eby, Executive Director, WAVE transportation on proposed R11-10 to implement vehicle registration fee of up to \$7.00 for public transportation to three beach towns.

Mr. Eby provided Council with a handout. He stated that WAVE's mission is to provide services throughout the region.

- The goal isn't necessarily to bring people to the beaches as tourists. This is an economic development and job creation tool.
- This would not just be for people coming to the beaches, but it would also be for people on the island coming over the bridge to Wilmington and surrounding communities serviced by WAVE Transit.



REGULAR MEETING MINUTES

August 16, 2011 at 6:30 pm

- Bus service would operate 7 days a week for 26 weeks, beginning with the Azalea Festival. Bus fare would depend on the distance of the ride, but a reasonable amount would be \$1.50 per person.
- Bus service would be about every hour down to the Aquarium and back over the bridge.
- There would be a bus shelter built in Carolina Beach and they would need to talk with property owners before it is constructed.
- It would run from the bridge to Monkey Junction until 9:30 pm.

Mayor Lambeth asked if there were any people who wanted to address Council on this.

Anne Hope Marvin, 738 Sailor Court, Kure Beach. She is also the pantry chairman for the Federal Point Help Center. She introduced Rich Rogge, Vice President of the center and asked him to present information on local residents that use their services.

- From January through June of 2012, the center paid \$1,000 just for transportation to Wilmington for people who didn't have transportation but needed to go to doctors, dentists and other amenities.
- There might be businesses on the island that would like to increase their job pool by pulling people from Wilmington who don't have transportation to reach the island otherwise.

Commissioner Swearingen asked what percent of the people who used the transportation from the help center came from Kure Beach.

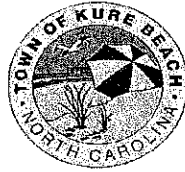
Mr. Rogge said he didn't have those numbers but could get them.

Ken Richardson, 632 Settlers Lane, Kure Beach asked for statistics from Mr. Eby regarding the survey that WAVE Transit conducted, and then proceeded to give the statistics he knew about.

- WAVE Transit sent out to 1,300 people and stated that 87% of the respondents were in favor of bus service to the beaches.
- Only 150 people responded to the survey and that is not a significant statistical number.
- Is that survey number was worth investing \$1.5 million from the assessments WAVE wants put add to the county's vehicle registration fees?
- There needs to be a survey that statistically supports the interest before investing in the service.

Joe Truelove, 512 Shell Drive, Kure Beach:

- People should stop saying "bus service to the beach."
- There are people in our Town that can't even get to the Snows Cut Bridge.



REGULAR MEETING MINUTES

August 16, 2011 at 6:30 pm

- Since we're already paying for transit service through our taxes to the rest of the county, why can't the rest of the county service us here on the island?

Commissioner Swearingen estimated that, from Mr. Richardson's figures, the positive response to the survey for bus service on the island is actually 10%.

Commissioner Swearingen stated the additional \$7 for vehicle registrations would come out to roughly \$1.1 million. How much of that would go to service the island?

Mr. Eby said that the seasonal service would cost \$155,000 annually, and permanent service would cost of \$334,000. The rest of the \$1.1 million would be needed to purchase more busses to use for the service.

Commissioner Swearingen asked if the fee on the vehicle registrations could be reduced and if there was a way to streamline the bus service to just service the help center. She asked whether people would have to continue to pay the additional assessment on their vehicle registrations if the service wasn't successful and was discontinued.

Mr. Eby said that the vehicle registration assessment could be reduced but, if the service didn't work out, the MPO and NTSA would have to decide the next step. He said WAVE could work with the help center to streamline the service.

Mayor Lambeth asked for a motion to approve resolution R11-12, requesting the \$7 vehicle registration assessment.

Commissioner Dugan said he felt, at this time, it's something the Town could do without.

Mayor Pro Tem Keener said he did a survey of his own and 100% were against it.

Commissioner Swearingen said she couldn't approve putting another \$7 on top of the people for whom she works after providing such a large amount of money to the inlet dredging. She would like WAVE to meet with the help center and come up with a plan.

Mayor Lambeth said he couldn't support the \$7 fee but he would like to meet together with Mr. Eby and the help center to talk about a smaller scale service.

No further discussion took place and no action was taken.

5. Bill Scott, Set Up Events, regarding Triathlon and SportsFest

Mr. Scott gave a brief history and overview of Set Up Events.



REGULAR MEETING MINUTES

August 16, 2011 at 6:30 pm

- We are Kure Beach based and do sports events from Maryland to Georgia.
- I have been a Kure Beach resident since 1994.
- Approximately 75% of this year's 550 participants coming to Kure Beach were from the outside. Most of them are affluent and spend money while in Kure Beach for this event.
- He'd like to do a sports event that could get more people in Kure Beach involved.
- The event would have a Bocce Ball tournament, a Disc Golf tournament, a corn-hole tournament, a softball tournament, and an ocean swim race.
- We would move the triathlon to Saturday morning. The ocean swim race would be on Sunday morning, finishing up at 4:00 pm, then there would be an awards ceremony and party from 4:00-6:00 pm.
- There would be very little inconvenience on residents and we wouldn't require any money from the Town to hold it.
- We'd form an organizational committee to plan and hold all of the activities.
- We would involve the Pleasure Island Disc Golf Association, recruit someone to organize the softball tournament and invite someone from the Town's Parks & Recreation board to sit on the organizational committee.

Building Inspector Batson stated that he thought it was a good idea and would be a lot of fun. As the triathlon takes place around the 4th of July, he doesn't like that one of the busiest weekends of the year would be tied up by such a big event. If you're going to tie up both Saturday and Sunday, the logistics would have to be figured out.

Commissioner Dugan suggested that Mr. Scott look into having some of their activities at the Fort Fisher Air Force Recreation Area to add more space to their events.

Commissioner Swearingen thought it would be a fantastic idea. She suggested that they could incorporate an event for people in wheelchairs.

Mayor Pro Tem Keener asked if the date could be changed from the holiday weekend.

Mr. Scott said that they could potentially have it take place in early June.

Mayor Lambeth said he had spoken with Parks & Recreation and they are on board with it. He invited Mr. Scott to attend an upcoming meeting of the board.

Mayor Lambeth called for a recess at 8:35 pm

Mayor Lambeth reconvened the meeting at 8:50 pm

DISCUSSION AND CONSIDERATION OF COMMITTEE BUSINESS



REGULAR MEETING MINUTES

August 16, 2011 at 6:30 pm

At this time, Mayor Lambeth asked that Item #3 on the agenda under Committee Business be moved up to Item #1. Council agreed to let him move this item.

1. At the August 2, 2011 meeting, P&Z requested Council include a discussion about whether to develop an ordinance dealing with alternative energy issues.

Mr. Galbraith, P&Z Chairperson, gave the following background on this request:

- Because solar panels and windmills are becoming more cost effective, we want to ask that you approve us to start looking at developing ordinances regulating these structures, as other communities are doing.
- These structures could create a lot of problems, aesthetically, if there are not ordinances regulating them. Right now we don't have any regulations for these structures. . It could depreciate surrounding properties if these structures aren't pleasing to the eye.
- There is no federal mandate to keep a community from establishing alternative energy regulations.

Building Inspector Batson said that it is good to start looking at this, especially for the aesthetic value and set-back issues.

Mayor Lambeth asked what business it was of P&Z to tell people whether or not they could have these structures or where they could be placed on their own property. He would rather P&Z continue to work on the Land Use planning of the business district. He said he would prefer that the Town Attorney designate where they could be placed.

Town Attorney Canoutas said that P&Z, the way it is set up under the laws of NC, is on its own for these issues. The commission can talk about their ideas and bring their recommendations to Council.

Commissioner Swearingen said that she agreed that this is part of the planning duties of the P&Z Commission.

COUNCIL CONSENSUS: They agree that the P&Z Commission can discuss this issue.

2. Interview Mr. Joseph Whitley to fill a vacancy on Planning and Zoning Commission

Mr. Whitley provided Council with the following information about himself:

- Vitals: Resident of the island for 16 years and of Kure Beach for 2-1/2 years. He is 22 years old.
- Reason for applying: He wants to become more involved in the community.



REGULAR MEETING MINUTES

August 16, 2011 at 6:30 pm

- Field of interest: Land Use and signage planning.
- Experience: Works for Verizon Wireless and deals with planning and zoning issues with the clients.

Mayor Lambeth said that another applicant for the vacancy, Dennis Clouse, wasn't able to attend the meeting. Council should interview him before making a final decision. He asked Mr. Whitley to come back to the September Council meeting and Mr. Whitley consented.

Commissioner Swearingen was excited that someone so young would be interested in getting involved in the Kure Beach community. She said that Anne Brodsky wants to resign and/or become an alternate of the P&Z Commission. If this happens, there will be two vacancies on the Planning and Zoning Commission.

3. Request from current member Anne Brodsky to become alternate member
(Currently an alternate position has not been adopted for P&Z)

CONSENSUS: The P&Z Commission should discuss this item themselves and bring their recommendation back to the next Council meeting.

At this time, Mayor Lambeth asked that another item be added to the agenda under Committee Business. Council agreed to let him add the following item

4. Request that two applicants be appointed as members of the Parks & Recreation Advisory Board.

Mayor Lambeth said that Ken Withrow and Karla King Lain have been interviewed and the committee asked him to have Council approve their appointment.

MOTION – Mayor Pro Tem Keener made the motion to appoint Ken Withrow and Karla Lain to the Parks & Recreation Advisory Board.

SECOND – Commissioner Dugan

VOTE – Unanimous

DISCUSSION AND CONSIDERATION OF DEPARTMENT HEAD BUSINESS

1. Admin and Finance – Finance Officer Copenhaver

- a. Add two banks to the list of depository institutions for the Town. Finance Officer Copenhaver provided Council with information on the different investment options available to the Town, as well as the Town's current investments.



REGULAR MEETING MINUTES

August 16, 2011 at 6:30 pm

- The Town has two official depositories: BB&T and the NC Capital Management Trust (NCCMT).
- He'd like to add two additional banks: Bank of America and First Bank.
- Currently, the \$750,000 Money Market account with NCCMT is only earning .0794% interest for the Town. In a different economic environment NCCMT may have had better deals, but it is limited in what it can invest in.
- He proposed taking all but \$250,000 out of the NCCMT account and moving it into CDs with Bank of America or First Bank.
- Bank of America has a 9-month Risk Free CD that earns .3% interest.
- First Bank offers Tiered CDs. He said that staggering the money into 4 different CDs, ranging in different maturity dates, was a good option because at different times funds would be available. The interest ranges from .3% - .45% interest, depending on the CD.
- We definitely need to make Bank of America one of our depositories because we already have money there.

Mayor Pro Tem Keener asked if it would be better just to close out the NCCMT account.

Finance Officer Copenhaver stated it would be better to keep a little money in the account to maintain the relationship with them, in case we wanted to use them in the future for bigger deposits.

David Heglar, Kure Beach resident, interjected that financial diversity is good and the Town may want to go back to them at some point in time. It's good to keep the relationship, even if we just keep \$25,000 to \$50,000 in the account.

Mayor Lambeth said that Bank of America never gave us the interest rates that they promised to give us.

Town Attorney Canoutas stated that he has been watching the business news on television and Bank of America is the largest bank in the U.S., but it is under-funded. If there was a financial crisis in mortgages, they could fold up.

MOTION – Commissioner Swearingen made the motion to add the two banks to our list of depositories and to use the tiered structure.

SECOND – Commissioner Dugan

Mayor Lambeth asked Mayor Pro Tem Keener to excuse himself from voting on the decision because his wife works for Bank of America.

VOTE – Unanimous



REGULAR MEETING MINUTES

August 16, 2011 at 6:30 pm

MOTION – Commissioner Swearingen made the motion to allow Mayor Pro Tem Keener back into the Council.

SECOND – Mayor Lambeth

VOTE – Unanimous

Finance Officer Copenhaver said that he would leave the minimum amount in the NCCMT account.

- b. Approval to change type of bank account with BB&T from a Public Special Money Rate account to a Public Funds Checking account to save on fees.

Finance Officer Copenhaver stated that due to changes in BB&T's banking accounts, we are being charged monthly fees for our Public Special Money Rate account that are more than the interest we earn. It is costing us about \$125 per month to maintain the account. BB&T has a Public Funds checking account where we wouldn't earn interest but we would get an earnings credit of .45%. It would be used to offset our bank fees. If we have a month where we earn more in earnings credit than your bank fees, the credit would roll over into the account. All the banks are going over to this for public fees. At the least we'd be saving \$125 per month.

MOTION – Commissioner Swearingen made the motion to change the type of bank account from the Public Special Money Rate account to a Public Funds checking account.

SECOND – Commissioner Dugan

VOTE – Unanimous

DISCUSSION AND CONSIDERATION OF OLD BUSINESS

1. Ocean Front Park Update

Commissioner Dugan said there was a slight delay with the start because of the special inspection issue. Since that's been cleared up, the pilings have been driven and they took only 1-1/2 days of a 2-week time frame. That will give us an overall savings. Footers were dug and will be poured on Thursday and the rebar is in place. We will be within the original proposed timeframe.

Building Inspector Batson discussed the retaining wall issue with Mike Robertson. The Town doesn't believe it's his wall, and Mr. Robertson is ok with the Town extending the wall to the west or building one continuous wall against the back of the property.

2. Private Funding Ocean Front Park



REGULAR MEETING MINUTES

August 16, 2011 at 6:30 pm

Mayor Lambeth asked Commissioner Swearingen where she was on the process of raising private funds for the park.

Commissioner Swearingen said that Mayor Pro Tem Keener has been working with BB&T and that she was supposed to be sending the city executive a proposal by August 1, based on educational things, but that got delayed. She said she is waiting to see what happens on Thursday to see how much interest we have from school teachers so we can put a proposal together for ask them for some educational programs. We've been to several other sources that turned us down.

Commissioner Dugan said they're also gathering information as far as selling the blocks (pavers).

Mayor Lambeth asked if they were getting any interest from the list of the 25 largest donors in the state. Had any more letters of introduction been sent?

Commissioner Swearingen said she has never seen the list.

Mayor Lambeth said he would give her the list tomorrow.

3. Dow Road Improvements and the MPO

Mayor Lambeth said that the MPO has every intention of dropping Dow Road from the list. This is because of the \$50 million underestimate for the land acquisition for the Military Cutoff Road extension. The small communities do not have the votes to change the way the MPO is operating. They are basing the status of Dow Road on a 2008 study. It did not take into consideration any of our recent issues with the Carolina Beach "Road Diet," or recent visitor and traffic statistics. I was informed today from Jill Stark that one of the administrations from Kure Beach told them to shelve that project. That is a shock to me. She is supposed to produce the minutes of the meeting to me. I want to see this in writing because I don't know any administration connected with this Town that would ever do that.

David Heglar, Kure Beach resident wondered if they were talking about when the MPO was talking about extending Dow Road south behind Kure Beach.

Mayor Lambeth said that he wasn't sure if that was the case, but that he had asked for the 2002 minutes from the meeting that are supposed to show this. He stated that he had talked with Representative Frank Iler who will be controlling the purse strings for the DOT. He also plans to send a copy of the letter to Senate President Pro Tem Phil Berger and all of our elected officials. He stated he put a letter into the agenda packets that he



REGULAR MEETING MINUTES

August 16, 2011 at 6:30 pm

would like to have permission to put on Town letterhead and mail, and then he proceeded to read the letter.

Commissioner Swearingen wants to correct some of the typos and incorrect spellings before it goes out.

CONSENSUS: Put letter on Town letterhead and mail it.
Said letter is herein included as part of these minutes.

DISCUSSION AND CONSIDERATION OF NEW BUSINESS

1. Accept resignation of Commissioner Barry Nelder effective August 8, 2011
Decision regarding filling of vacancy

MOTION – Mayor Pro Tem Keener made the motion to accept the resignation of Barry Nelder.

SECOND – Commissioner Dugan

VOTE – Unanimous

Mayor Lambeth asked what Council wanted to do about the vacancy.

Commissioner Dugan said that Council's options are to leave the vacancy open or to fill it from someone in the Town.

Discussion ensued about the different options, consequences, and the amount of time it would take to interview and appoint someone.

Patricia Bolander, 114 Settlers Lane, asked why they didn't make a decision tonight. She suggested appointing David Heglur to the vacancy tonight since he has been on Council before and he already has the experience.

Commissioner Dugan said that, in the past, they've always interviewed people for the position. We have no idea how many people would apply and they would need to be interviewed as we have done in the past.

MOTION – Mayor Pro Tem Keener made the motion to leave the position vacant.

SECOND – Dugan seconded

VOTE – Unanimous

2. \$500 to pay for Kure Beach photo layout at the Wilmington Convention Center



REGULAR MEETING MINUTES

August 16, 2011 at 6:30 pm

Mayor Lambeth said that he had received another email that the \$500 to pay for the photo layout didn't include printing and framing the photos. The frames have to meet certain criteria. He didn't realize that the \$500 didn't include the full price for everything.

CONSENSUS: Get the complete price of everything from the Cape Fear Convention Center before proceeding with the approval.

- 3. Bid opening and award of bid for purchase of new garbage truck and authorization to Finance Officer to acquire financing (budgeted item)

MOTION – Mayor Lambeth made the motion to continue the meeting on Wednesday, August 17, 2011 at 3:30 pm to award the contract for a new garbage truck and authorize the finance officer to acquire financing for it.

SECOND – Commissioner Dugan

VOTE - Unanimous

* * * * *

This meeting was continued from the Tuesday, August 17, 2011. Attorney Canoutas was in attendance and there was a quorum of the Council present

COUNCIL MEMBERS PRESENT:

Mayor Dean Lambeth
Mayor Pro Tem Chuck Keener
Commissioner Emilie Swearingen
Commissioner Jim Dugan

COUNCIL MEMBERS ABSENT

None

STAFF PRESENT

Finance Officer – Arlen Copenhaver
Deputy Town Clerk – Nancy Hewitt
Public Works Director – Sonny Beeker

Mayor Lambeth called the meeting to order at 3:30 pm.

- 1. Clarification on which Council meeting minutes Commissioner Swearingen wanted removed from the consent agenda at the 8/17/11 Council meeting.

Mayor Lambeth asked Commissioner Swearingen to specify which minutes of the Council meeting she wanted removed from the consent agenda, as she did not specify date-wise in her request.



REGULAR MEETING MINUTES

August 16, 2011 at 6:30 pm

Commissioner Swearingen stated she specifically wanted the minutes from the regular July 19th, 2011 Council meeting removed from the consent agenda to be discussed at the regular September Council meeting.

Mayor Lambeth said he thought she removed all of the minutes from the consent agenda.

Commissioner Swearingen stated that the only minutes she had requested be removed were the regular July 19th, 2011 Council meeting minutes, not all of the minutes.

Mayor Lambeth asked for a motion to be made to approve all of the minutes on the consent agenda except for the regular July 10th, 2011 Council meeting minutes in order to make the motion specific.

MOTION – Commissioner Dugan made the motion to approve all the minutes on the consent agenda except for the regular July 19th, 2011 Council meeting minutes.

SECOND: Mayor Pro Tem Keener

VOTE – Unanimous

2. Bid opening and award of bid for purchase of new garbage truck and authorization to Finance Officer to acquire financing (budgeted item)

Public Works Director Sonny Beeker thanked the Council for extending the regular Council meeting to allow him to review the bids earlier today and make a recommendation to award the bid for a new garbage truck. He stated that the one garbage truck was no longer useful, but that it had lasted for 15 years. His department had budgeted \$180,000 for a new garbage truck. We put together a bid package that contained the needed specifications and received seven bids. He stated his recommendation is to accept the bid from Carolina Environmental Systems for \$152,152. They met all of our specifications and our timeframe for delivery in 30 days.

Mayor Lambeth asked if there were additional costs or if the truck would be complete and ready to deliver for the amount of the bid.

Director Beeker stated that he had some additional items added to the truck which will be completed and the truck would be delivered within 30 days. The amount of the bid includes these add-ons.

MOTION – Commissioner Dugan made the motion to accept the bid for \$152,152.00 from Carolina Environmental Systems for a new refuse truck.

SECOND – Commissioner Swearingen

VOTE – Unanimous



REGULAR MEETING MINUTES

August 16, 2011 at 6:30 pm

Said bids received are herein included as part of these minutes.

Finance Officer Copenhaver requested that Council approve resolution R11-15 to allow him to get financing for the purchase of the truck.

MOTION – Commissioner Dugan made the motion to approve resolution R11-15.

SECOND – Commissioner Swearingen

VOTE – Unanimous

Said resolution is herein included as part of these minutes.

Before the meeting began, a Kure Beach resident requested approval from Council that he be allowed to address them on an issue from yesterday's portion of the Council meeting. Council agreed to let him speak at the end of the meeting.

Gilbert Alphin, 309 Fort Fisher, Kure Beach, stated he has asked Council in the past for funding for needs of the Town:

- He keeps being told that the Town doesn't have money for items for which he has requested funding. He said apparently there's more money than I was led to believe with the cell phone tower income.
- I am disappointed that you had \$15,000 to spend outside of Town for the Carolina Beach inlet dredging, but that you don't have money for your lifeguards, volunteer firemen or medical insurance for people who are self employed.
- I'm going to have to become a scholar of the Town and become educated on the Town's budget.

Commissioner Dugan asked what he would like to have considered for the lifeguards.

Mr. Alphin asked if they were being paid enough and why the lifeguards were on the beach at 10:00 am instead of 9:00 am. He said that it is not just that but other items he has asked for in the past.

Commissioner Dugan informed him that the payment for the lifeguards and the payment for the inlet were from two separate areas of the budget. If you look at any budget, you'll see a reserve fund in it. That's where we got that (inlet) money.

Mr. Alphin said he understood that the lifeguard money came from the Room Occupancy Tax. He also said, if he had gotten into the Carolina Beach Fire Department 30 years ago, he would have received health insurance. He said, when I come to the Saturday "Coffee with the Mayor," I keep hearing the Mayor say "find the money and we'll do it." It sounds like there's no money. But apparently, there is money that the Town has that



REGULAR MEETING MINUTES

August 16, 2011 at 6:30 pm

could be used to spend on some of the things I've asked for in the past. I need to look into the budget myself instead of taking Council's word on it.

Commissioner Dugan asked if he was aware that he could talk to Fire Chief Heglar who brings Council what he wants for the fire department.

Mr. Alphin says he has gone to Chief Heglar and he says there is no money. I'm just concerned that you had money that I was led to believe you didn't have.

Mayor Lambeth asked if Mr. Alphin understood why Council supported the inlet. The inlet is a crucial element in receiving funding from the fire department from the tournament already mentioned in the Tuesday Council meeting.

Mr. Alphin said he is aware of the tournament and has worked in it and knows all about it. He reiterated that he had no problem with the inlet funding. But he had a problem with being told there was no money for his requests and that the Town had \$15,000 he didn't know about.

Mayor Lambeth stated that there was a whole lot more in the reserve fund than that.

Finance Officer Copenhaver stated that the Town had \$75,000 in the contingency fund that came from the cell tower rentals and, after contributing to the inlet, the Town now has \$60,000 in the contingency fund.

Mayor Lambeth asked Mr. Alphin if he wanted Council to pay for full health insurance for the 34 volunteer firemen in the fire department.

Mr. Alphin said he wasn't asking for full insurance but for assistance with the insurance premiums.

Commissioner Swearingen asked Commissioner Dugan if he knew anything about this issue and if it had been discussed at the meetings with the volunteer firemen. Has anyone worked up the figures?

Commissioner Dugan said that it had been discussed with them. When the Town changed insurance companies, we offered health insurance to Council and the volunteers if they wanted to be a part of it. It would cost \$981 per month for the insurance. It's not that it hasn't been considered, but if you can't afford insurance on your own you might not be able to afford the insurance from the Town. Also, whenever Council says there is no money for an item, it usually means Council doesn't want it.



REGULAR MEETING MINUTES

August 16, 2011 at 6:30 pm

Mayor Lambeth told Mr. Alphin that, when Council was working on the new budget, he should have brought this up. The meetings are open to the public and anyone can attend.

Mr. Alphin said he understands that now and knows he needs to become a scholar of the Town to have the budget information in the future.

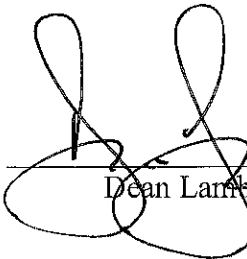
Commissioner Dugan told Mr. Alphin that he'd be happy to sit down with him any Monday night to discuss any issues he has.

ADJOURNMENT

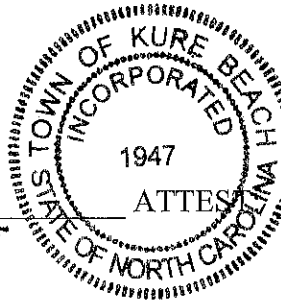
MOTION – Commissioner Dugan made the motion to adjourn the meeting at 3:50 pm.

SECOND – Mayor Pro Tem Keener

VOTE – Unanimous



Dean Lambeth, Mayor





Nancy Hewitt, Deputy Town Clerk

NOTE: These are action minutes reflecting items considered and actions taken by Council. These minutes are not a transcript of the meeting. Persons wishing to hear the recording of this meeting may request to do so by contacting the Town Clerk.