



TOWN COUNCIL MINUTES

COUNCIL RETREAT

**January 26 & January 27, 2015
@ 8:00 a.m., or soon thereafter**

The Kure Beach Town Council held a Council Retreat on Monday and Tuesday, January 26 and 27, 2015; both days beginning at 8:00 a.m.

COUNCIL MEMBERS PRESENT

Mayor Pro Tem Craig Bloszinsky
Commissioner Emilie Swearingen
Commissioner David Heglar
Commissioner Steve Pagley

COUNCIL MEMBERS ABSENT

Mayor Dean Lambeth

STAFF PRESENT

Town Clerk (TC) Nancy Avery, Finance Officer (FO) Arlen Copenhaver, Public Works Director Sonny Beeker, Police Chief Dennis Cooper, Fire Chief Harold Heglar, Deputy Town Clerk Nancy Hewitt, Building Inspector John Batson (on 1/26/15 only), Police Captain Mike Bowden (on 1/26/15 only), Assistant Fire Chief Ed Kennedy (on 1/26/15 only), and Event Coordinator Nikki Keely (on 1/27/15 only).

CALL TO ORDER

Mayor Pro Tem Bloszinsky called the meeting to order at 8:00 a.m. on Monday, January 26, 2015. The Town Attorney was present and there was a quorum of Council present.

MOTION – Mayor Pro Tem Bloszinsky made the motion to excuse Mayor Lambeth from the meeting.

SECOND – Commissioner Pagley

VOTE – Unanimous

1. Mid-Year Financial Review

The Finance Officer presented Council with a mid-year Financial Review for the July 1 through December 31, 2014 time period. The following important points were made:

- Currently, the Town is at about 58% of the budget on General Fund revenue.
- There has been a steady growth in the General Fund Balance each year and, since 2011, we've increased the General Fund balance by \$1.1 million.
- The Storm Water fund is in a good position for any potential projects.
- There has been a decrease in Water/Sewer usage, so Council should consider if they want to increase the fees in order to make up for it.

Commissioner Heglar asked Director Beeker to look at what projects Public Works has done in Beachwalk and Kure Dunes since 2011, since more discussion may have to take place about storm water at the February or March Council meeting.



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Answering questions from Council, Director Beeker said the following:

- He has a priority list for resurfacing certain streets that can be paid out of the Powell Bill fund.
- The water towers should be good for another 20-30 years to provide water to the Town, but he's not sure they would support putting out fires if the Town grows too much, building-wise.
- He said there is a plan to replace a lift station and do a by-pass for the sewer system.

The Finance Officer summarized that the Minimum Fund Balance Policy is to maintain an Unrestricted fund balance in Governmental Funds of no less than 32% of the total projected expenditures. He said that at the end of 2014, the Town was at 60.9%. He said that the Unassigned balance is at 39.4%.

Commissioner Heglar stated that Council may need to change the policy to increase the percent of Unrestricted Fund Balance because the Town is way above the policy. He said it makes it look like the Town has too much money and can afford to pay for its own beach nourishment.

Commissioner Swearingen said that the money is to pay our expenses in the Town for emergency situations. She said there's a beach town in Brunswick County whose reserve is set at 96%, which seems outrageous; but beach towns need to be higher because we have different types of emergencies.

The Finance Officer said that, when the Citizens Finance and Budget Committee was in place, the Town was well below 32 percent; it helped that we had a few tax increases.

CONSENSUS: Council asked the Finance Officer to look at other towns to see at what percent their minimum Unrestricted Fund Balance is set. He is to recommend to Council either what percentage the policy should be revised to, and then Council should vote to revise the percent or revise the policy from "Unrestricted" to "Unassigned" funds. The revised policy should be voted on sometime in the spring.

2. Five-Year Capital Plan

FO Copenhaver showed Council the Capital Projects submitted by the Department Heads of Public Works, the Fire Department and the Police Department.

Fire Chief Heglar explained that the old Castle Hayne Volunteer Fire Department donated air packs to Kure Beach which saved his department \$86,000. He said that they will need to buy a lot of 5-inch hose to replace the hose they've been using since 1976,



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but the trucks should be good for about 20 more years, if the next Chief will take care of them.

Commissioner Swearingen asked Director Beeker if there was any way to divert storm water runoff coming parallel to Cutter Court on Bluefish; to which he responded that some of the storm water runoff goes to an existing pond, but he would shoot some grades to see if there is anything else he can do.

FO Copenhaver said he projected Revenue versus Expenses from 2015 to 2020 and, if things continue in the current vein, the General Fund will be at a negative \$362,027 of net recurring revenue by 2020, the Water/Sewer Fund will be at a negative \$165,871 by 2020 and the Storm Water Fund will be at a negative \$47,398 by 2020.

Commissioner Heglar said it shows that, by about 2017, there's going to need to be another tax increase and, if Council doesn't want to address taxes, then he and Director Beeker need to look at the Water/Sewer fees this year.

When asked for information on projected building over the next two to five years that could affect the Finance Officer's estimates, Inspector Batson said the following:

- There are 15 houses that will be built on the corner of Kure Beach Village and Fort Fisher Boulevard this fiscal year and another 4 before the year is out.
- About 15-20 percent of the vacant lots will be built upon and another 400 to 500 small houses could be torn down and rebuilt, possibly, as larger homes.
- If you put a house on a lot, you may be looking at about \$1,000 revenue extra, per year.

Commissioner Heglar said that expansion will never cover the costs in Kure Beach because there's not enough expansion that can be done.

FO Copenhaver projected the outstanding debt from 2014 to 2020 for the General, Water/Sewer and Storm Water Funds saying the biggest debt, which won't be paid off until 2028, is for the Ocean Front Park, since the Town owes about \$900,000 for the land and \$300,000 for construction over and above all of the grant funds received.

A 15 minute break was taken at 9:20 a.m.

FO Copenhaver reviewed the positives and the concerns for FY15-16, as follows:
POSITIVES FOR REVENUE

- Expect a continued high tax collection rate



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- Maintain higher collection rate for vehicle taxes due to Tag & Tax together program
- Revenue sources relating to the Ocean Front Park
- July-September 2014 electricity sales tax was \$8,100 greater than franchise tax (HB 998).

POSITIVES FOR EXPENDITURES

- Reduction in the cost of fuel
- Initial funding of unemployment insurance reserve is complete

CONCERNS FOR REVENUE

- Limited new revenue opportunities
- Loss of privilege license revenue
- Limited availability of grants
- Continued low investment returns
- The impact on the sale tax distribution when another town in the county raises its property tax rate.

CONCERNS FOR EXPENDITURES

- Beach nourishment (what is the funding source)
- Future funding requests for Carolina Beach inlet dredging projects
- Increases in day-to-day operating costs
- Funding future capital projects

3. Mid-Year Status of Council Goals for FY14-15

FO Copenhaver reviewed the status of the six, current Council Goals, as follows:

- **COMPLETED:** The litigation on the Ocean Front Park is completed.
- **IN PROGRESS:** Develop a long term plan for funding beach nourishment including three new funding streams independent of property taxes.
- **IN PROGRESS:** Review opportunities for dune infiltration systems. Director Beeker said that there wasn't enough room for Seawatch to install one, even if they purchased the property next to the pond; but he can start looking at the top five smaller projects.
- **COMPLETED:** Maintain the current tax rate, if possible.
- **IN PROGRESS:** Determine the storage and office space needs for the next five years for each Town department.
- **COMPLETED:** Investigate the "live-in program" for the Fire Department which was implemented in August 2014. As of 12/31/14, the actual expenses total \$7,383 and the Town should be on budget for \$15,000. The benefit is considered taxable income to the recipients.



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4. Adoption of FY 2015-2016 Budget Calendar

FO Copenhaver presented his proposed budget calendar.

COUNCIL CONSENSUS – Council directed FO Copenhaver to email Council and the Department Heads the proposed calendar so they can check their calendars, and then he is to present it to Council at their February meeting for further discussion and consideration.

A 10-minute break was taken at 10:00 a.m.

5. Salary Study Results

Town Clerk Avery listed the data sources she and the Finance Officer used to determine the recommended salaries. She listed the conditions they considered when doing the study and the 13 summer resort towns used in the data gathering which have similar populations and services. She said the current pay grade/classification table adopted in 2001 has 32 pay grades, but the 39 FTE for the Town are assigned to only 12 of them. Comparisons were made with the average salary for each position for all towns, excluding Wilmington, to come up with a “Benchmark” recommendation. Additional averages were calculated that included Wilmington, and also included the statewide average for 2013.

Commissioner Heglar asked for the Finance Officer to determine what rank Kure Beach is compared to the 13 towns, pay-wise, and he asked the Department Heads which of the three sets of data they feel should be used: Benchmark averages, averages that include Wilmington, or the 2013 statewide averages.

Police Chief Cooper said that Council has always been the one to decide what salary the employee gets, whether it went along with the current salary grid or not, so Council needs to set a benchmark and stick to it.

Discussion ensued about the right course to take and comments were, as follows:

- If there's not a problem getting or keeping employees with the current pay scale, then maybe it doesn't need to be fixed. (Heglar)
- Averages can be dangerous because they can be too low or too high. (Bloszinsky)
- Benefits packages should also be considered in the determination of salaries. (Bloszinsky)
- Council should make sure the leadership hiring salaries are adequate to replace outgoing Department Heads in order to get quality leaders. (Swearingen)
- If an employee is making a salary at the top of their salary range, the supervisor can always give the employee a bonus rather than a raise. (Pagley)



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Town Clerk Avery said that Kure Beach department heads tend to be more hands-on than Carolina Beach due to the lower number of employees in each department. She said that, if Council wants a more in depth study, they may have to hire a professional firm to do it.

Commissioner Heglar said Council just needs the data sheet that was used to determine the Benchmark so they can look at it.

FO Copenhaver said he'd like to know from Council what they would like for a calculation so he doesn't have to tailor their data five separate ways.

The Town Clerk asked Council what they wanted their pay philosophy to be: to lag behind the market, to meet the market or to exceed the market. She said that 25 of the 39 salaries are below the Benchmark and 14 are above the Benchmark. She said it would take a total amount of \$104,424 additional money to bring the 25 employees up to the Benchmark; inequities are most likely due to no COLA raises in 2009, 2010 and 2011. She said that more recent hires were probably hired in closer to the market rate and pointed out that 34 of the 39 Town employees have 10 years or less service.

Commissioner Swearingen said she'd like to see exit interviews performed before an employee leaves, to which the Town Clerk responded that could be done if Council wanted it.

FO Copenhaver's grid showed that the current minimums and maximums on all pay grades is lower than the Benchmark minimums and maximums.

Commissioner Heglar said he'd like the Finance Officer to provide him with the names of those employees who would be below or above the minimum range and below or above the maximum range, if Council were to move the recommended range.

The Town Clerk and Finance Officer proposed the use of salary bands rather than pay grades, and the Town Clerk reviewed the benefits of the band structure.

Commissioner Heglar said that the problem with the band system is that a large range of employees are put together in one band. He proposed that, within the bands, there needs to be a break-out of the jobs, and the employees outside of the salary bands need to be flagged.

Mayor Pro Tem Bloszinsky and Commissioner Swearingen agreed that there needs to be job codes within the bands.



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CONSENSUS – Council asked the Finance Officer to tell them the cost to bring all employees up to minus five percent below or above the Benchmark, and to gather from the Department Heads whether employee pay has created a retention or recruiting issue within their departments; the information is to be forwarded to Council as he gets it.

Commissioner Heglar said he asked the Town Clerk to add an Elected Officials Salary Comparison to the salary study and asked if the lower salary, compared to other town councils has something to do with people not running for Kure Beach Town Council.

Comments made were, as follows:

- Council salaries shouldn't be adjusted this year. (Swearingen)
- Salary wasn't considered when running for Council. (Bloszinsky)
- Things have been going smoothly in Kure Beach which may be why people aren't putting themselves in the race. (Cooper)
- A lot of people move to Kure Beach to retire. (Pagley)

A 20-minute lunch break was taken at 12:05 p.m.

6. Review of Land Use Plan excerpts

The Town Clerk presented excerpts of the plan to Council to allow for discussion on whether or not they still applied to Kure Beach, currently. Topics that sparked large discussions were, as follows:

- Parking and traffic, especially on Route 421 and around vacation rental properties and intersections.
- Burying additional power lines over the next few years.
- Ways to manage crowds and pay for summertime services.

A 10-minute break was taken at 1:25 p.m.

7. Staffing Levels

The following comments were made:

- Police Department: No additional staff needed, but may need in FY16-17, depending what impact the Ocean Front Park has on the department.
- Public Works: No additional staff needed, but may need in FY16-17, depending what impact the Ocean Front Park and downtown has on the department.
- Building Inspections: No additional staff needed.
- Fire Department: No additional staff needed, as long as the department retains its 24 volunteers.



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- Administration/Finance/Recreation: No additional staff needed, unless Council makes any changes during the discussion tomorrow about making Recreation a separate department.

The Town Clerk said Boogie in the Park will be scaled back to the first and third Sundays this year. She asked Council if they would support not letting a popular band perform on the July 4th holiday in order to minimize congestion downtown.

CONSENSUS – Council will support the Town Clerk’s recommendation to not book a popular band on the July 4th weekend.

Commissioner Heglar suggested that there should be no band at all on July 4th, since the town is already maxed out that weekend.

8. Facility needs

The following comments were made about facility needs over the next 5 to 10 years:

- Police Building: Chief Cooper said he had an architect look into adding space onto the west side of his building, but the cost per square foot wasn’t feasible; he may look at doing something jointly with Town Hall. He needs about 1,000 square feet additional space.
- Building Inspections: No facility needs.
- Fire Department: Chief Heglar said he needed a new firehouse with six bays. The kitchen, offices and quarters can all be upstairs.
- Administration/Finance/Recreation: The Town Clerk said she needs another office, another file room and another vault.
- Public Works: No facility needs, although there may be some storage needs in the future if MOTSU runs Public Works entirely off their land.

Commissioner Heglar said that he and the Finance Officer should be able to take the plans and estimates made in 2006 and estimate the new cost to present to Council in a separate meeting for further discussion.

Town Clerk Avery suggested building the firehouse, and then the Police and Town Hall staff can branch out into the vacant areas left behind, to which Commissioner Heglar said he can’t see how the Town could finance a new firehouse in the next three years.

Commissioner Swearingen said the Town should get an estimate on building a new firehouse anyway because it still needs to go on the plan for the future. She said just talking about it every day won’t make it happen. She suggested Commissioner Heglar, the Finance Officer and the Building Inspector get together and come up with current



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estimates on building new and expanding the old, so that Council can have a serious discussion and not just keep putting it off.

Commissioner Heglar said he thought Town Council should meet separately to talk about how much they are willing to support a large capital expansion for space, to which Commissioner Swearingen asked him to set a date for the meeting so the planning could begin.

FO Copenhagen said he could work on the estimated costs, but he doesn't even know how to put a dollar amount to some of the suggestions.

COUNCIL CONSENSUS: The 2006 plan estimates will be updated with current numbers by Commissioner Heglar, the Finance Officer and the Building Inspector, and those estimates will be discussed during the budget planning sessions.

9. Other departmental needs/projects not included in 5-year Capital Plan

- Public Works: Possibly replace the water meters with new technology.
- Finance/Administration/Recreation: None
- Fire Department: None
- Police Department: None
- Building Inspections: None

10. Parking on Fort Fisher Boulevard and elsewhere

Mayor Pro Tem Bloszinsky gave a review of the discussion Council members had with City of Beaufort, NC, officials on their paid parking, as follows: their total expense for the first year was \$25K, and total revenue after expenses was \$47K with a projected revenue of \$100,000 next season; they are renting 12 solar parking kiosks on a 5-year trial lease; the kiosks need to be emptied twice a week with labor provided by their Police department. He said that this shows there is a real-time solution for paid parking in Kure Beach, but he doesn't see it being implemented this year.

Commissioner Swearingen added that Beaufort employees are not supposed to park in the areas with kiosks, so that the spaces are used by visitors which has pleased the business owners by increasing business.

A 10-minute break was taken at 2:30 p.m.

11. Council determination their FY15-16 goals, as follows:

1. Resolution of outstanding issues relating to the Sandman properties
2. Develop a short-term and long-term space plan for Town departments



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3. Maintain the current tax rate, if possible
4. Develop a long-term plan for funding beach nourishment, including one new funding stream independent of property taxes
5. Prioritize potential dune infiltration system projects
6. Review, decide and implement the salary study and any potential salary adjustments
7. Monitor potential revenue shortfalls that may occur in future years

MOTION TO CONTINUE RETREAT

MOTION – At 3:00 p.m., Commissioner Heglar made the motion to continue the retreat at 8:00 a.m. on Tuesday, January 27, 2015.

SECOND – Mayor Pro Tem Bloszinsky

VOTE – Unanimous

Mayor Pro Tem Bloszinsky resumed the meeting on Tuesday, January 27, 2015 at 8:00 a.m.

12. Succession Planning/Discussion with Department Heads

Mayor Pro Tem Bloszinsky stated that Council will talk with the following Department Heads about Succession Planning in this order: Director Beeker, Chief Heglar, Chief Cooper and Town Clerk Avery.

Commissioner Heglar said that there are three stakeholders that Council needs to consider during the discussions: Kure Beach citizens, Town employees who report to the Department Heads and Town Council as a whole; and there's a fourth stakeholder for the Fire Department. He said that there are two things to look for in filling the jobs that will be vacated: 1) the required piece of the job needed before an application is even considered, including legal and critical requirements; and 2) the desired person who will be important to stakeholders. He said that, if anyone wants to recommend and discuss an internal person to take their place upon their retirement, it would be considered a confidential personnel matter and the Department Heads could request a Closed Session; this was the consensus.

Mayor Pro Tem Bloszinsky said, before going into Closed Session, he'd like the Department Heads to consider whether there will be employee "fallout" in their departments with the replacement they are planning to recommend.

MOTION – At 8:10 a.m., Commissioner Heglar made the motion to go into Closed Session, per G.S. 143-318.11(a)(6), for personnel reasons.

SECOND – Commissioner Pagley

VOTE – Unanimous



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MOTION – At 10:15 a.m., Commissioner Heglar made the motion to return to Open Session.

SECOND – Commissioner Pagley

VOTE – Unanimous

A 10-minute break was taken at 10:15 a.m.

13. Discussion and Consideration of a separate Finance Department

Mayor Pro Tem Bloszinsky said that he and Commissioner Heglar have spent a lot of time discussing the topic with the Town Clerk.

The Town Clerk gave an overview on the topic. She said she is not a finance person, but she can go into the Finance software to see if things have been done and deadlines have been met; but she said that the Finance Officer usually doesn't need her to do that.

FO Copenhaver said he used to have fifty people under his supervision at his previous job. He said he would like to grow in his job, and he's done a lot to improve Finance since coming to work at Town Hall.

Points made about the establishment of a separate Finance department are, as follows:

- There was weakness in the Finance department a few years ago which is why it merged with the Administration department. (Avery)
- As long as we have good people like our current Finance Officer, it will be good to have Finance as a separate department. (Swearingen)
- Council didn't do a good job overseeing the Finance department previously and we will need to directly oversee it again if we vote to make it a separate department. If Council is going to oversee this, we need to figure out who the Council liaison should be. The reason for a separate Finance Department should be to move someone up and for the future good of the Town. (Heglar)
- The Town has great audits now because everything is organized, ready and correct. (Bloszinsky)
- If we make the Finance Officer a Department Head, I don't see a raise in it right away. Let's give him a title and move on. (Pagley)

Discussion ensued on employees reporting to their respective departments and whether there would be territorial disputes between any future Department Heads in the two separate departments; but, currently the working relationship between the Town Clerk and Finance Officer is a good one.



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Town Clerk Avery recommended splitting the departments stating that she never wanted to be over Finance since she isn't qualified, and she would ultimately be responsible for anything that could go wrong by having it under her as a responsibility.

Mayor Pro Tem Bloszinsky said he has heard from two people who are extremely important to this Town, who take responsibility off of Council, and they've both said they'd like to have separate departments; so his expectation is that it should work seamlessly and, if it doesn't, Council will look at it again. He pointed out that immediate compensation to the Finance Officer would not be realized at this time.

The Town Clerk said the Finance Officer should get some immediate compensation since he's taking on more responsibility.

Commissioner Pagley asked to see how the Organization Chart would look with the separate department.

Commissioner Heglar said that there may be some additional money, depending on how the budget plays out, pointing out that the Finance Officer is a little below the Town Clerk, salary-wise, but he's even more below the Benchmark.

The Finance Officer said that he knows more than anybody that it will take some time to adjust his salary in this process.

CONSENSUS – Job descriptions and a proposed Organizational Chart will be presented to Council at their February meeting for further discussion and consideration before any decisions are made.

14. Discussion and Consideration of a separate Recreation department

Points made about the establishment of a separate Recreation department were, as follows:

- It should stay under Administration as a division where whoever is the coordinator is responsible for interns and volunteers, and the Town Clerk shouldn't have to get involved in the day-to-day work. (Swearingen)
- Doesn't think it warrants a separate department. (Bloszinsky)
- It should stay under Town Clerk Avery. (Pagley)
- If we make it a separate department, it says to the Town that we're growing recreation, and he's not sure that's where the Town should be going. We're not going to increase taxes to bring in more bands. (Heglar)



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The Town Clerk asked if Council sees value in more recreation coming to the Town without the committee volunteers doing the work.

Mayor Pro Tem Bloszinsky said the Town has invested in the Ocean Front Park, the baseball field, a disc golf course and other recreational venues, but we have to operate activities within the available resources.

Commissioner Heglar said the Town invested in an employee to handle recreation, and the employee should recommend, through the Town Clerk, how to handle things with her available resources.

Commissioner Swearingen said she'd like the recreation employee to find funding from resources like grants to pay for activities such as after school and summer programs, to which the Town Clerk made the point that staff is needed to submit the grant applications and handle additional programs.

Mayor Pro Tem Bloszinsky said he'd like to hear from Event Coordinator Keely on what is the best utilization of her skills.

Commissioner Swearingen said maybe there needs to be a new Council liaison to the Parks and Recreation Advisory Board to beef it up and get the volunteers to participate, and maybe someone else can be found to write the grants.

A 10-minute break was taken at 11:25 a.m.

15. Convention and Visitors Bureau (CVB) and Marketing Committee presentation and ROT Rollover Funds

Mayor Pro Tem Bloszinsky told the Marketing Committee that Council appreciated their service to the Town and proceeded to ask Shawn Braden and Kim Hufham from the Wilmington and Beaches CVB to present their information to Council.

Ms. Hufham reviewed how Room Occupancy Tax (ROT) is distributed, including the amounts distributed to Kure Beach which led to further discussion among the participants about the use of ROT funds.

Commissioner Heglar asked TDA Board and Marketing Committee member, Anne Brodsky, to take back to the TDA Board that Kure Beach Town Council is hanging on to the funds in order to someday be able to use that money for Beach Nourishment. He said that the CVB's ads are almost all about the beaches, and if we don't keep sand on the beaches, there's not going to be a beach to visit.



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Ms. Brodsky reminded Council that they gave specific questions to the Marketing Committee to be answered at this retreat. She asked Council to patiently listen to the presentation and their questions would be answered.

Ms. Hufham said she understands Council's position on needing beach nourishment, but the legislation has mandated how the ROT funds are to be spent and the CVB's job is to protect the marketing money. She proceeded to show the results of funds used for marketing during different times of the year, how the rollover funds are calculated and fund balances for Kure Beach.

Ms. Braden showed how they measure and track campaigns, and how the marketing campaign was performed in FY13-14.

Commissioner Heglar asked why they were concerned about drawing visitors from Raleigh since they are usually day trippers, and Kure Beach residents and some business owners dislike day trippers.

Ms. Brodsky explained that they're trying to get Kure Beach to grow healthily and, speaking as a business owner, Raleigh is very important to her. She said the CVB and the Marketing Committee do a lot of research and know what marketing works and what doesn't work.

Christine Avery from the Marketing Committee said they've had Raleigh people who stay the entire week, and business is definitely growing in the shoulder season.

Ms. Braden reviewed the volume of website visits due to paid ads, and stated that this demonstrates that there is a limited volume of website visits in the fall if you don't have paid advertising in the shoulder season. She noted there was a large volume of ROT collected during the 150th Anniversary of the Battle of Fort Fisher.

Commissioner Heglar said that the amount received during the event didn't cover the amount the Town spent on Fire and Police coverage; it was a net loss for the Town.

Ms. Avery said that it will still have positive repercussions as visitors will most likely come back to Kure Beach in the summer, now that they've seen the area on their visit for the anniversary celebration. She said that, in the long run it is a benefit; not necessarily to be seen now, but to most likely be seen later in increased visitation.

Discussion ensued about the financial benefits and drawbacks of special events that involve Kure Beach resources.



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Ms. Braden said that she believes she has answered Council's questions and proceeded to say there are looming deadlines that need to be met to spend the rollover money.

Commissioner Bloszinsky said he wants to know if the benefits are growing at the same rate the investments are growing. He said the Town would like to focus some of the extra rollover money toward particular Town events, to which the Marketing Committee pointed out that those funds should come from the Activity fund balance that was shown to Council earlier in the presentation.

Ms. Hufham said they've been mandated by the legislation to spend the rollover money for marketing and we have to live by those rules. She said it's not you against us; we want to work out the best for all of us, but when we're operating out of compliance and breaking the law, if we don't follow the mandate.

Ms. Avery said she's been with the Marketing Committee for a very long time and the Town has been steadily growing in ROT, which means there's more money for everyone. She said that this money could best be used now instead of held for something in the future that may or may not come.

MOTION – Commissioner Heglar made the motion to approve spending the \$41,100 rollover ROT funds, as presented by the Marketing Committee, with the understanding that Marketing will include beach renourishment in the campaign, however possible.

SECOND – Commissioner Pagley

VOTE – Unanimous

ADJOURNMENT

MOTION – Commissioner Heglar made the motion to adjourn.

SECOND – Commissioner Pagley

VOTE – Unanimous

The meeting adjourned at 1:11 pm.


 Craig Bloszinsky, Mayor-Pro-Tem
 

 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.