

MINUTES  
COUNCIL RETREAT  
JANUARY 22, 2019 – 9 A.M.  
TRAINING ROOM – OAK ISLAND POLICE DEPARTMENT

Present: Mayor Cin Brochure, Mayor Pro Tempore Jeff Winecoff, Council members John W. Bach, Sheila M. Bell and Loman Scott, Town Manager David Kelly, Assistant Manager/Town Clerk Lisa P. Stites, MMC and Finance Director David Hatten. Cape Fear Council of Governments Executive Director Chris May was also present as facilitator for the meeting. Councilor Charlie Blalock was ill and was not able to attend. Town Attorney was asked to attend the meeting later in the day and arrived at 11:30 a.m.

Mayor Brochure called the meeting to order at 9 a.m. Town Manager David Kelly described the process for the retreat.

Finance Director David Hatten reviewed the status of the current budget and the financials. He said going forward, he hopes to see the number for prior year tax collection reduce, as staff has increased efforts the last few years and there is less outstanding. The spring months are good local sales option sales tax collection months, so we should be on track there. The Town has received Powell Bill funding for the fiscal year; there is \$1.1 million available for the paving planned for this year and the Request for Proposals for paving is expected to go out this week. Mr. Hatten also spoke about collection of Sewer District Fees; the fee is not collected on unbuildable lots. Staff has also increased efforts for Accommodations Tax collection, and we have seen those numbers increase. Councilor Bach asked about economic planning, considering nationwide trends. Mr. Hatten said that the State did a good job projecting sales tax revenue and making adjustments to the national economic trends. Mr. Kelly said that another way they planned for that was by lowering the number of houses expected to be built this year; he expects they will again reduce the expectations for next year as well.

Mr. Hatten said that the golf course was not doing well, considering the closed bridge and all of the rain. Mayor Brochure said that one positive thing was that the communication had been improved. Councilor Bell said that she was thrilled with the progress. Mr. Hatten said he hoped play would increase and that the course is still in good shape.

Mr. Hatten said that a few years ago, there was an effort to build capital reserves in the various departments, and he thinks we are seeing the benefits of that.

Regarding capital outlay budgeted vs. actual spent, Mr. Hatten said that the Town needed to have money available to replace computers and related equipment. Councilor Bach asked why there was still so much remaining available; Mr. Hatten said that those funds may be needed before the end of the fiscal year. There is money in Parks and Rec capital, and some of that will be used for the Middleton Park improvements. The remaining balance for the Parks Master Plan (\$6,000) will likely have to carry over as the person doing the plan is still dealing with personal post-Hurricane Florence issues.

Mr. Kelly said that staff is planning an in-house portal to test the water usage viewing function and would then make it available to the public. Speaking about utilities, Mr. Kelly said that at some point we would have to decide what to do about the white house at Bill Smith Park. Work has begun on the remaining vacuum station air conditioners.

Mr. Hatten and Mr. Kelly also reviewed a “wish” list of capital items from the various department. A copy of the spreadsheet is attached and is hereby made a part of these Minutes. Regarding software, Mr.

Kelly said he had been reviewing some towns' live feed of meetings, where people could watch specific parts of a meeting without scrolling through the entire meeting video.

Answering a question from Councilor Bach, Interim Police Chief Ingram said that there would be additional needs in the coming years. He said that he hoped Council could approve the purchase of two vehicles within this budget year (to replace vehicles totaled after accidents). The Chief spoke about possibly leasing vehicles. He said there are another 10 vehicles that will need replacing, though he would try to build funds for that and not ask for new vehicles in the next three years. Mr. Kelly explained that several years ago, there was a plan to replace all vehicles within 6 years and that wasn't followed through. Citizen patrol employees have been driving the older vehicles. Mr. Kelly and Council discussed the Fire Department vehicles, including a diesel pickup; Mayor Pro Tempore Winecoff said he thought that truck was supposed to have been sold. He said if it had already been sold, we'd have the money toward a new truck. Councilor Bach asked that during the budget process, staff provide a list of vehicles and projected needs for vehicles. Mr. Hatten said staff had already been working on that as well as a plan to surplus vehicles no longer needed. In Public Works, there is a need for two backhoes; the ones we have need repairs often. The backhoes would be split between streets and stormwater. Councilor Scott asked how much money was being spent on repairing them. In the Parks and Recreation Department, there is a request for a new vehicle and a lighted Christmas tree for Middleton Park. In the enterprise funds, there is money requested for a new truck to pull a trailer, and a trailer for vacuum station 1, among other requests. Mayor Pro Tempore Winecoff asked for a breakdown of capital reserves to review.

Mr. Hatten also reviewed the debt service schedule. He said he'd looked into paying off the Town Hall/Police Station and fire department buildings early, but that the penalties make it not worthwhile. The wastewater system debt will be paid off in 2036.

Personnel: Mr. Kelly said that the Town is advertising for a number of positions: Within the Police Department, a Community Resource Officer position is being advertised, and there is a request to replace a Captain's position with a Lieutenant's position to be over the Detective Division. Adding the Community Resource Officer position would add a person, which could be paid with unused salary funds (from vacant positions) in this fiscal year. Councilor Bach said that last year, we had trouble filling police officer positions and said that he wanted the Town to be competitive. Chief Ingram said that was a statewide problem, but that the Town should be competitive with the neighboring towns. Oak Island is not the lowest salary in the area, but close to it. Councilor Bach said the salary levels should be reviewed. Mr. Kelly said that he needs to look at the whole Town workforce though, not just one department. Mr. May explained his process for doing a salary study. Councilor Bach said that would be helpful and spoke about the need to attract and retain employees.

Chief Anselmo said that the Fire Department's calls have increased steadily over the last several years, but the staff size has not increased. With the bridge closure, we have been manning all three stations, and the response times have decreased. The Chief is asking to add an employee per shift (three full-time employees). The Chief and Council discussed the types of calls the Department responds to, the average cost for taking a truck out, and why the Department responds to all calls in a fire truck (to keep the crew together with a truck). The Chief said there were between 350-400 fire calls in 2018 out of more than 1,500 total calls for the Department.

Council took a 10-minute recess at 10:30 a.m.

Mr. May did a review of conditions in the State, which he said he couldn't do without speaking about Hurricane Florence. Mr. May said that seeking federal money for beach nourishment will be more

difficult than ever. Mr. May said there is again a push to allow counties to keep more of the local option sales tax revenue. Regarding difficulty hiring employees, Mr. May said that it was being seen everywhere. Employees with trade skills are working in the building industry or other jobs, and then positions like town planner are being filled with recent graduates who expect a starting salary of \$40,000-\$50,000.

Mr. May led Council through listing the expectations and qualities of Mayor, Council members, Town Manager and Advisory Boards as follows:

Mayor: leader/consensus builder, flexibility, accessibility, good communicator across spectrum, impartial, willingness to see all sides of the issue, effective listener (reconcile divergent viewpoints), articulate the Board's vision, honesty and integrity, take the balcony view.

Council member: similar to roles of Mayor, corporate body, robust debate and debate-vote-move on, chain of command (Manager hires and fires/supervises all employees not specifically under the Council's purview, Council members should discuss issues with the Manager, not the staff), independent mindset (open to new ideas), availability, willing to advocate for your town, advocate for citizens.

Manager: communication, good judgment, good multi-tasker, even temper/steady, open to talk to employees/citizens/council, honesty and integrity, adapt to changes in leadership and flexibility with town, "go to" local government expert, acute situational awareness, effectively executes policy, good planner, works well with others, transparent.

Advisory Boards: advise on subject matter, research issues before advising, diverse make-up to reflect Town, serve Council.

Mr. May reviewed the Strategic Plan subjects and Council added input as follows:

Environmental: beach nourishment/funding (pending engineer report), stormwater management plan

Infrastructure: Pier Complex open ASAP (public/private management issue resolved), complete Middleton Park improvements by summer, scheduled street maintenance (Mr. Kelly reminded Council members that the engineer's report for paving recommendations is available in his office)

Economic Development: paid parking (yes or no)-decide and move on, fee-supported development implementation (review fees)

Councilor Bach said that he continued to see a need for an economic development director to guide development on the mainland.

Following a lunch break, Mr. Edes suggested calling a Closed Session. **Councilor Bell made a motion to go into Closed Session at 12:44 p.m. to consult with the Town Attorney pursuant to N.C.G.S. 143-318.11(a)(3). Councilor Bach seconded and the motion passed unanimously.**

Mayor Brochure called the retreat meeting back to order at 1:01 p.m. and noted that no action had been taken in Closed Session.

Beach Nourishment: Mr. Kelly asked Council for direction on how to proceed for funding beach nourishment. Mayor Pro Tempore Winecoff said that we should come up some numbers for various funding methods for a couple different costs for beach nourishment. Mr. Kelly reviewed the 4 districts discussed previously, but said it had never been finalized (Beach Drive, 2<sup>nd</sup> row, 3<sup>rd</sup> row to Oak Island Drive, and the rest of town). Councilor Bell said that by using Municipal Service Districts, it would

alleviate the issue with assessments not being tax-deductible. Mayor Pro Tempore Winecoff said that he didn't want to be in the situation of giving people very little time to collect the money needed for beach nourishment. Mayor Brochure asked if the money could be collected ahead of the project; Mr. Hatten said that if the money is collected ahead of time and then the project is not done, the money would have to be paid back with interest. Council asked for information on how to implement Municipal Service Districts. Councilor Bach suggested looking at the Carter report that included a tax increase as part of the equation; Mayor Pro Tempore Winecoff said that wouldn't be needed. Mayor Brochure and Councilor Bell questioned taxing citizens when it is not even known if sand is available. Mayor Pro Tempore Winecoff said that at least they could get the numbers together so people could know what to expect. Mr. Kelly said that he would get Doug Carter working on the numbers for Municipal Service Districts. Councilor Scott asked if it would be possible to use the money that becomes available when the general fund debt is paid off to pay the interest on borrowed money for beach nourishment; Mr. Hatten said he didn't see why that couldn't be done. Councilor Scott asked how much the Town could borrow. Mr. Hatten said he'd have to research that. Mayor Pro Tempore Winecoff said there would be that money, and also revenue from the Pier complex. Councilor Scott said that wouldn't make a dent in a \$20-\$30 million project. Mayor Brochure said that the FEMA money for projects would help. Councilor Bach suggested looking at Mr. Carter's hybrid approach. Mayor Pro Tempore Winecoff said it would be good to get the process started. Councilor Bach asked how difficult it was to implement a MSD; Mr. Edes said there were different steps to take for MSDs and assessments. Mayor Pro Tempore Winecoff said that the Turtle project would help. Mr. Kelly said that the 2 cents dedicated to the sand fund is not actually covering the engineering expenses, so that money will have to come from the general fund. Answering a question from Councilor Bach, Mr. Kelly said that four cents would cover the funds needed for engineering costs. Councilor Bell noted that this is a revaluation year for the County. Mr. Kelly said he would reach out to Mr. Carter about working with us to set up Municipal Service Districts.

Fees: Mr. Kelly said that stormwater fees would have to be increased to cover planned work. There is a plan for repairs, and staff is enforcing the requirement to have silt fends during construction. The System Development Fee (utilities) will also be incorporated into the Fee Schedule. There may not be any changes to the monthly utility rates, but that will be reviewed during the budget cycle. There will be changes to the Waste Industries fees as well. Mr. Kelly also discussed the location of an Emergency Operations Center, saying we didn't really have a fallback plan to deal with serious conditions. The Town had been talking with NCDOT regarding land at the Middleton intersection, and we'll have to start talking about what we would want in that building. Mr. Kelly also said he is getting quotes for purchasing some emergency signs we can put at the bridges. Council discussed the policy allowing people back onto the island following an evacuation. Mayor Brochure said that those details needed to be ironed out, and she suggested scheduling a symposium to educate people about what goes on during a hurricane. Councilor Bach said he had asked for a lessons learned briefing post-hurricane.

Mr. Edes left the meeting at 1:35 p.m.

**Budget Calendar: Councilor Bell made a motion to adopt the Budget Development Calendar as amended (moving the April 24 meeting to April 23). Councilor Bach seconded the motion and it passed unanimously.**

**Contract for Phase II of the Pier replacement project: Mayor Pro Tempore Winecoff made a motion to approve the contract with T.D. Eure Marine Construction as presented, pending final approval from the Town Attorney. Councilor Scott seconded the motion and it passed unanimously.**

Designating authorized agents to represent the Town with FEMA and the State of North Carolina:  
**Councilor Scott made a motion to adopt the Resolutions – Designation of Authorized Agents as presented. Councilor Bach seconded the motion and it passed unanimously.**

Police Department vehicles: Mr. Kelly said that there was \$107,000 available in the Capital Reserves fund that could be used. Councilor Scott asked if there were other vehicles that could be culled from the department, such as the chaplain’s car. Chief Ingram said that the chaplains can use a department vehicle, but that one is not specifically designated. He said they were thinking of just using a magnet to identify the car as needed. Councilor Scott said that he didn’t think the Chief was asking for anything extra with the request for vehicles. Mayor Pro Tempore Winecoff asked how much was available in Capital Reserves; Mr. Kelly said including utilities, it was \$2.2 million. Mayor Pro Tempore Winecoff suggested using Capital Reserves to purchase the needed items now so that would free up money in the budget toward beach items. Councilor Bach said he wanted to see a list of the fleet before making a decision about the vehicles. Mayor Pro Tempore Winecoff said he wasn’t including the cars, but mean the tractors that were needed, etc. **Mayor Pro Tempore Winecoff made a motion to approve the necessary equipment out of this year’s Capital Reserves and purchase it in this budget year. Councilor Scott seconded the motion and it passed unanimously.** Councilor Bach asked if there would be a list. Mayor Pro Tempore Winecoff said that the ATVs, the backhoes, whatever else was needed would be purchased now.

**Councilor Bach made a motion to adjourn at 1:44 p.m. Councilor Scott seconded and the motion passed unanimously.**

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Cin Brochure, Mayor

Attested: \_\_\_\_\_  
Lisa P. Stites, CMC  
Assistant Manager/Town Clerk

*Clerk's Statement: Minutes are in compliance with the open meetings laws. The purpose of minutes per the open meetings laws is to provide a record of the actions taken by a Council or a Board and evidence that the actions were taken according to proper procedures. All actions of the Council are recorded in the official minutes. Not all portions of Town of Oak Island meetings are recorded verbatim in the official minutes, with general discussion items, reports, presentations, and public comments being paraphrased or summarized in many instances. Public comments in writing should be submitted to the clerk via hard copy, electronic mail, or other means so as to ensure an exact verbatim account. The Town of Oak Island provides full coverage of meetings on Government Channel 8 so that the Citizens and the Public may view and listen to the meetings in their entirety.*