

MINUTES  
OAK ISLAND TOWN COUNCIL  
SPECIAL MEETING – BUDGET WORKSHOP  
May 1, 2019 – 1 P.M.  
COUNCIL CHAMBERS - OAK ISLAND TOWN HALL

Present: Mayor Cin Brochure, Mayor Pro Tempore Jeff Winecoff, Council members John W. Bach, Sheila M. Bell and Charlie K. Blalock, Town Manager David Kelly, Finance Director David Hatten, Public Works Superintendent Scott Thornall and Assistant Manager/Town Clerk Lisa P. Stites, MMC.

Mayor Brochure called the meeting to order at 1 p.m. The Mayor noted that Councilor Scott was unable to be present for the meeting.

Mr. Kelly started the discussion with Public Works, saying the streets and operations budgets had been separated. There are funds included for paving and sidewalk repairs; this is a new item. There is \$40,000 for paving and sidewalk repair. Mr. Thornall said that would cover approximately 250 tons of asphalt. He spoke about the equipment that would be used and the process for making repairs. Resurfacing will still be done by contractors through Powell Bill funds. Mr. Kelly explained the reorganization done in the Public Works Department; there will be a new crew leader and two new employees to make two crews be available for work on beach accesses, walkways, crossovers, etc. Councilor Bach asked for a list of the new staff to be added in the proposed budget. Mayor Pro Tempore Winecoff asked for a breakdown of the streets and operations budgets. Mr. Thornall said there was also \$12,000 included for a new mosquito sprayer. Mr. Kelly said there were additional charges expected from Waste Industries, so those pages in the budget will likely change. Mr. Kelly also explained why some of the numbers looked different, such as costs for tub grinding, due to the hurricane and the bridge closure. The Town is receiving reimbursement funds from FEMA, but we are still waiting for reimbursements from 2016 too.

Par 3 at South Harbour: Mr. Kelly said the course was also affected by the bridge closure and the storm and that he hoped revenues would pick up the next two months. The projected transfers for this year and next year are listed. One of the ponds will need to be dredged. The line item for professional services was increased due to storm clean up. Mayor Brochure noted that the amount needed to transfer is high due to the storm and the bridge closure, and that it was expected. Councilor Bach asked what was planned to increase revenues going forward. He suggested asking the Par 3 Committee for ideas on increasing membership. Mr. Hatten said the budget included \$25,000 for dredging a pond. Mayor Pro Tempore Winecoff asked if there was work to be done on the pond, why wouldn't an assessment be done like would be done for roads. Mr. Kelly said that we would do assessments for new road paving, but not repairs and resurfacing. Mayor Pro Tempore Winecoff said that he once got an assessment for repaving. Councilor Bell said that she didn't think that was correct. Councilor Blalock asked who would be assessed. Mayor Pro Tempore Winecoff said the homeowners. Councilor Blalock said that it was a stormwater issue. Answering a question from Mayor Brochure, Mr. Kelly said this expense would only be every few years, not every year. Councilor Bell said that before the bridge closed and that storm, the course was on an upward spiral and we shouldn't consider assessments. Council had additional discussion about increasing the number of memberships, increasing revenues, the fee schedule, etc. Councilor Bach said that the next years should be considered to see if the upward trend can start again. Councilor Blalock said this year's number were an anomaly. Mayor Pro Tempore Winecoff said that maintenance was a totally different issue. Answering a question from Mayor Brochure, Parks and Recreation Director Rebecca Squires explained the fee structure for the golf course. Councilor Bell said that if we do beach nourishment and use an assessment or tax, it will be for everybody, and that if there were an assessment

for work on the golf course, it should also be for everyone. Mayor Pro Tempore Winecoff said Council should hear back from the Committee. Mr. Kelly said that the Committee has a meeting Friday, and that the Committee has been working on marketing etc. Mayor Pro Tempore Winecoff said that Council should get information from the Committee. There was discussion about the Facebook page and the website for the golf course. Councilor Bach said that there hasn't been money spent on marketing and there should be a plan to get us to net neutral. He also said that he agreed with Councilor Bell that any assessments should be town-wide. Following additional discussion, Mayor Brochure noted that the majority of Council wanted to proceed with keeping the golf course expenses as part of the general fund budget.

Mr. Hatten spoke about Accommodations Tax, saying revenue continued to increase due to education efforts and enforcement. Mayor Brochure asked for more information about Beach Patrol. Police Chief Ingram said that they would be out on ATVs on the beach and also in cars doing parking enforcement. They would be out starting Memorial Day weekend. They would also address glass on the beach, dune violations, etc. Mayor Brochure asked if it was fair to say that we had stepped up enforcement of the beach rules; Chief Ingram that was true. Councilor Bach asked if the line item for \$10,000 for tourism/marketing could be used for marketing the golf course. Mr. Hatten said he thought it could. Mayor Brochure said that golf course expenses were removed from Accommodations Tax fund years ago. Councilor Bell said that she didn't think that marketing would bring tourists to the Par 3. The budget includes a transfer to the Pier fund for \$100,000 to cover any remaining costs for completing the project should any unanticipated costs arise. Councilor Bach said that it sounded like a lot of money budgeted for things that are yet to happen or that might happen. He asked specifically about professional services; Mr. Hatten said that he would provide more detail.

Council took a brief recess at 2 p.m.

Mr. Hatten also reviewed the sand fund (the 2-cent portion of the ad valorem taxes goes to this fund). The Beach/Sand fund includes a \$500,000 transfer from the General Fund, and there is an upcoming expenditure of \$1.8 million to complete the contract with Moffatt & Nichol. Councilor Bach clarified that there wasn't sufficient money coming in from Accommodations Tax revenue or from ad valorem taxes to cover the Moffatt & Nichol contract. Answering a question from Mayor Pro Tempore Winecoff, Mr. Kelly said that the contract with Moffatt & Nichol was for \$3.9 million. It had been separated out into phases. Councilor Bach said that there will be another \$2.1 million for this contract, and then Council has to make a decision about the project. He said it was clear that they needed to increase the sand tax. Answering a question from Mayor Brochure, Mr. Kelly said that Johnny Martin had been working on the overall project, the dredging and the emergency dune/FEMA projects.

Mr. Hatten reviewed the Pier Complex fund, which includes revenue for the lease and estimates for revenue from 801 Ocean Drive. Mr. Kelly said he would be speaking with a convenience store owner for ideas on what to stock, how to lay out the store, etc. Answering a question from Mayor Brochure, Mr. Hatten said he thought the revenue estimate for 801 is conservative. There are positions included for an 801 facilities manager and a pier manager. Councilor Bach said that he thought we needed an economic development officer to draw businesses to the Town, improve the business district, and run 801 and the Pier. He said the Town would be better off getting someone who can look at the overall picture for the Town and pay that person a salary of \$80,000. Following Council discussion on the positions planned, Mr. Kelly said he would change Pier Manager to Pier Crew Leader.

Mr. Hatten reviewed a list of the capital reserve funds; there were no questions.

Mr. Hatten also reviewed the Beach Preservation Fund; there were no questions.

Outside Agency Requests: Mr. Kelly said there is a request for funding toward a portion of the purchase of a new truck for Water Rescue. There is also an increase in funds requested for the Sea Biscuit Wildlife Shelter. Mr. Kelly said staff recommended \$15,000 for the airport; it is the same number as last year. There is also money included for the Beautification Club. Regarding the Senior Center and its request, Mr. Kelly said the Town does provide services for seniors and he wasn't sure if the services were different enough to warrant a separate donation. If the Town is providing a service, funds are not supposed to be contributed to another organization providing those same services.

Oak Island Water Rescue Chief Tony Young addressed Council. He said they have 24 volunteers. He said a few years ago, they lost a truck to rust. He asked Council for \$12,500 toward the purchase of a used truck. The Town loaned them a truck two years ago, but it is older and has broken down several times; they use it only as a backup now. The agency is also asking for an additional \$500 to cover fuel. The group had 53 calls last year, but there were only 3 following the hurricane. He anticipates 70 or 80 calls this year. Brunswick County gives Water Rescue \$9,000. Caswell Beach does not donate funds, but Water Rescue has not asked that town for funding. Mayor Pro Tempore Winecoff said he thought this was a necessary service for the Town. Councilor Bach said that it was an unusual situation in that this service is provided by volunteers. Consensus was to provide the money for the truck; it will be added as an agenda item to the May 7 budget workshop agenda. Regarding the Senior Center's request, Councilor Bell said she didn't think the Town should fund it. She said that the only difference she sees between the Oak Island Senior Center and the Town's Community Center is that the Senior Center sells crafts. Councilor Bach said that he wanted more information as to how the services were duplicated. Mr. Kelly said they would provide a copy of the Senior Center's request.

Mr. Kelly said they would add the Police Department vehicles on the May 7 budget workshop as well.

Mr. Hatten said that as of right now, the revenue-neutral tax rate would be 25.41 cents per \$100 of assessed value. The revenue generated from one cent of tax is increasing from \$266,000 to \$322,600 with the revaluation.

**Councilor Bach made a motion to adjourn at 2:50 p.m. Councilor Bell seconded the motion and it passed unanimously.**

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Cin Brochure, Mayor

Attested: \_\_\_\_\_

Lisa P. Stites, MMC  
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.*