

VILLAGE OF BALD HEAD ISLAND
COUNCIL MEETING
November 13, 2012
Bald Head Association

COUNCILORS IN ATTENDANCE

Mayor Andrew Sayre
Councilor Gene Douglas
Councilor Art Morris

STAFF PRESENT:

Calvin R. Peck, Jr., Village Manager
Chris McCall, Asst. Manager/ Shoreline
Protection Manager
Ken Bowling, Utilities Director
Deb Straub, Finance Director
Karen Ellison, HR/ Communication Director
David Cox, Systems Administrator
Charles Baldwin, Village Attorney
Debra Talbert, Village Clerk

1. Call to Order / Approval of Agenda

Mayor Sayre called the November 13, 2012 Council Session to order at 2:30 p.m. Mayor Sayre entertained a motion to approve the amended agenda as presented. Councilor Morris made motion, with all in approval. **(MOTION CARRIED 3-0)**

2. Consent Agenda

- 2.1 Adoption of minutes on October 19, 2012 Work Session
- 2.2 Adoption of minutes on October 19, 2012 Council Meeting
- 2.3 Approval of Planning Board Committee Member- *David Wray*
- 2.4 Approval of Finance Committee Member- *John Gottshall*

Mayor Sayre entertained a motion to approve the above consent agenda as presented. Councilor Douglas made motion, with all in approval. **(MOTION CARRIED 3-0)**

3. New Business

3.1 1st Reading/ Set Public Hearing for Utility Rate Changes

Calvin reviewed the 2011/2012 audit on the Village with the financial weakness on the Utility rate charges and the proposed Utility rate adjustments for the water and sewer service. The recommendation was presented by the Public Works/ Utilities Committee. Calvin recommended setting the public hearing for the December 14 Council meeting and become effective January 1, 2012. Mayor set a public hearing for December 14 Council meeting.

3.2 Proclamation- In Honor of Veterans Day

Mayor Sayre reviewed the presented proclamation.

WHEREAS, it has long been our custom to commemorate November 11, the anniversary of the ending of World War I, by paying tribute to the heroes of that tragic struggle and by rededicating ourselves to the cause of peace; and

WHEREAS, in intervening years the United States has been involved in other great military conflicts, which have added millions of veterans living and dead to the honor rolls of this Nation; and

WHEREAS, the Congress passed a concurrent resolution on June 4, 1926, calling for the observance of November 11 with appropriate ceremonies, and later provided in an act approved May 13, 1938, that the eleventh of November should be a legal holiday and should be known as Armistice Day; and

WHEREAS, in order to expand the significance of the commemoration and in order that a grateful Nation might pay appropriate homage to the veterans of all its wars who have contributed so much to the preservation of this Nation, the Congress, by an act approved June 1, 1954, changed the name of the holiday to Veterans Day.

THEREFORE LET IT BE KNOWN, that the Council of Village of Bald Head Island, in keeping with the time honored tradition of recognizing and honoring our veterans, do hereby call upon the citizenry of Bald Head Island to participate in services and to observe the eleventh hour of the eleventh day of the eleventh month with expressions of gratitude to all veterans known to them and to sacrifices of all those who fought so valiantly, on the seas, in the air, and on foreign shores, to preserve our heritage of freedom, and let us re-consecrate ourselves to the task of promoting an enduring peace so that efforts shall not have been in vain.

Mayor Sayre entertained a motion to approve the above Proclamation as presented. Councilor Morris made motion, with all in approval. **(MOTION CARRIED 3-0)**

3.3 Resolution- Loss of Transitional Hold Harmless Reimbursement Funds

Calvin Peck reviewed the presented resolution.

Whereas, in 2002 the General Assembly authorized an additional local option sales tax, and repealed existing reimbursements to local governments resulting from earlier repeal of the inventory tax base of local governments; and

Whereas, as part of the 2002 repeal of reimbursements, 122 municipalities and 17 counties were had negative budget impacts from the combined repeal of reimbursement and new sales tax have received transitional hold harmless payment for ten years, and

Whereas, the growth in sales tax over the ten year period of reimbursement is less than projected, resulting in continuing losses to local governments receiving “transitional hold harmless” payments unless the ten year period is extended; and

Whereas, the 2011 – 2012 State Budget does not include extension of the “transitional hold harmless” period to protect those local governments from losses caused by the 2002 repeal of reimbursements; and

Whereas, the Village of Bald Head Island will lose approximately \$30,000 in its 2013-2014 budget year due to the failure of the General Assembly to extend “transitional hold harmless” payments for a reasonable period of time to allow sales tax revenue to grow to replace the “transitional hold harmless” payments, and

Whereas, the town budget shortfall will shift the burden to the General Assembly’s inaction on extension of “transitional hold harmless” payments to the Village of Bald Head Island citizens and taxpayers.

NOW THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE VILLAGE OF BALD HEAD ISLAND that the North Carolina General Assembly is urged to restore “transitional hold harmless” payments to local governments for a reasonable period of time to allow growth in sales tax revenue to replace “transitional hold harmless” payments, as envisioned in 2002 when reimbursements to local governments were repealed.

Town or City local delegation to the General Assembly is urged to support restoration of “transitional hold harmless” payments to local governments for a reasonable period of time.

The North Carolina League of Municipalities is urged to make restoration of “transitional hold harmless” payment one of its highest legislative goals in the 2013 Session of the General Assembly.

PASSED AND ADOPTED this 13th day of November 2012.

Mayor Sayre entertained a motion to approve the above Resolution as presented. Councilor Douglas made motion, with all in approval. **(MOTION CARRIED 3-0)**

3.4 October Financial Statement Report

Deb Straub reviewed the October 2012 financial statements. The Accommodation taxes for the first quarter are 6 ½% higher than last year. The General Fund total operating expenditures are below budget. The capital outlay has purchased a thermal imaging camera and ATV for the Public Safety. This is funded with grant monies at 95% reimbursement. The Utilities fund revenues and expenditures are slightly below budget. Deb stated the Beach Fund balance at end of month is \$1.4m. The Village Facilities Construction balance at end of month is less than \$1k. The Stormwater Management fund balance at end of month is \$61k. The Infiltration Pond System fund at end of month is \$84k.

4. Committee Reports

4.1 Shoreline Protection- Calvin reviewed the Corps of Engineers project for the 2012 Wilmington Harbor Channel Project. There has not been an award given for the project. Calvin reviewed the upcoming projects for sand placement.

4.2 Finance- No Report

4.3 Public Safety & Transportation- No Report

4.4 Public Works & Utilities- Councilor Douglas stated he attended the Public Works Committee meeting in Councilor Helgesen' absence. Councilor Douglas thanked the committee for all the hard work and dedication on the Utilities study.

4.5 Communications- No Report

4.6 Parks & Recreation- Joyce Douglas, Chairperson stated the committee has been working on the master plan. The committee will strategize for how the Village should manage the additional park resources.

5. Manager's Report

Calvin stated 64 applications for the Public Safety Director position has been received. Calvin reviewed the process for the interviewing of applicants. Calvin stated he would like to have the position filled by December 31, 2012.

Calvin reviewed the upcoming meetings and conferences for Council and staff.

Chris McCall reminded that yearly golf registration has begun. There will be an Annual Volunteer Christmas party held on December 6, 2012. This will begin at 8:30- 10:30 a.m. and will be held at the Bald Head Association building.

6. Comments, Reports and Questions

6.1 Bald Head Association- No Comment

6.2 Bald Head Island, LTD- No Comment

6.3 Bald Head Island Conservancy- No Comment

6.4 Bald Head Island Club- No Comment

6.5 Citizens-

Jane Johnson presented a citizen comment to Council and read the following:

In September the Council made a statement that offended me very much.

In reference to the removal of the Public Safety Chief and in changing the position of one of authority to one without authority, you said that "this will not be decided in the court of public opinion."

Legal cases are tried in a court of law. Political decisions are tried in the court of public opinion because your constituents are the court of public opinion. These are the people that you are supposed to be representing.

That statement is disrespectful to the people of this community. You have allowed, and are allowing decisions, to be made that cause distress in the community and yet you, basically, tell us that we have no right to speak out or dissent.

The last I checked, we are a democracy, not a dictatorship. We have the right to protest. Read the First Amendment- freedom of speech, freedom of the press, freedom of assembly and freedom to petition are guaranteed.

You need to respect your constituents.

We are your peers, your equals, not your chattel. No matter what any of us did before we came here, or how outstanding we were in that profession, in the area of community government, we are all equal. We are all novices.

I believe that the trust and good faith that you placed in a hired manager has been misused to build neither an individual platform of power that does not reflect the desires nor the standards of the community as a whole.

We the People, the Court of Public Opinion, are telling you, our elected Council that we disagree and disapprove of the actions taken by the manager and his human resource hire on your behalf and you need to make corrective actions.

As an elected Council, you have the responsibility, even if you have no authority, to obey all laws, but to also assure that all employees obey laws, especially those laws put in place to protect those under their jurisdiction.

Ignorance of the law is not an excuse for misuse of power.

To retain employment of those who knowingly break the law, or who exercise authority in ignorance of the law, puts the Village in jeopardy of law suits and the imposition of fines by state and federal authorities- something neither our stressed budget nor reputation needs. You need to respect the law and insure that the law is not being broken in the name of the Village.

You also need to respect the rights, the abilities and the personage of those that are employed on this island. All work is of equal importance and equality is a basic platform of a democratic society. As a community we are hard pressed to survive without these well trained and conscientious people who come each day to keep the infrastructure of the island functioning.

As their employer, you, the Village Government, have both a legal and moral obligation to see that all these employees are respected and work in a harassment free environment.

You remain loyal to your employee, the Village Manager, who has taken a large load of work off of your backs.

Loyalty is commendable trait, but it does not take prescient over your responsibility to those you represent. Respect and listen to the community. We are not happy with the changes that you have allowed and are still allowing. We are not happy with the changes that you have allowed and are still allowing.

You do have one piece of authority left- and that is the power to hire and fire the Village Manager. Do it.

The timer was set for 3 minutes and Mrs. Johnson was stopped by the Mayor. Mrs. Johnson stated she would finish the statement at the December Council meeting.

Marilyn Ridgeway concluded her comments from the October 19 Council meeting as presented: Another troublesome event has occurred since we last talked. When Attorney Andy McVey obtained Chip Munna's personnel file, items were missing. First, all the letters of support for Chief Munna were not in his file as everyone had requested. Second, Chief Munna's letter of refutation of the charges against him was also not in his file. I warned Council at the last meeting that I feared that documents were being destroyed. I remind you of the General Statute, "Whoever unlawfully removes a public record from the office where it is usually kept, or whoever alters, mutilates or destroys it will be guilty of a misdemeanor and upon conviction will be fined." This removal of documents from personnel files needs your immediate attention and investigation.

We, the signers of the petition, agree with the Council of TopSail, that a Village Manager should "demonstrate composure under pressure" and should not the F bomb at residents or make threatening gestures to citizens or employees. We are not a neutral third party commenting, and you allowed Mr. Peck to proceed with an investigation based on disputed charges. Why then would you be unwilling to investigate charges by citizens that may also prove untrue? Are you afraid they are not?

Look at number 3 under the directive. Some of our concerns deal with just that type of behavior, but that is right, the Council only directs policy and you exempted the Village Manager from the personnel policy. So is that what you meant when you said. "The Council considers the Manager knowledgeable and

capable.” We believe he is knowledgeable about how to skirt the law and capable of controlling Council. The citizens really want to know what you mean by “knowledgeable and capable.”

So it seems our concerns are not unreasonable expectations for a Village Manager after all.

On September 29, 2012 the Council and citizens attended a meeting to discuss what the citizens wanted in a Public Safety Director and ended up also listing what we did not want. This was a positive move or so I thought. Ironically, the list of what we wanted in a Director of Public Safety reflected the personality and capabilities of our past Chief, Jerome Munna. Did you notice that what we did not want reflected the personality, background and management style of our current manager? Since we had been asked to prepare our input, I prepared a statement of 14 items. One of these items was that the ICMA and the prospective candidate have no connection with the ICMA. Imagine my surprise when researching the City Managers openings online when I found the Village of Bald Head Island Public Safety Director opening listed on the ICMA web page. Considering that the current Village Manager has funneled over \$80k to ICMA through his affiliations with other organizations, and since ICMA was instrumental in the inquiry of the Chief according to the manager “based on their assessment we are conducting an internal inquiry.” (email, August 17, 2012, Calvin Peck) and since ICMA refutes this by stating “We were not hired to do an investigation of personnel; we were actually to review the operations of the Public Safety Department...

The timer was set for 3 minutes and Marilyn was stopped by the Mayor. Mrs. Ridgeway stated she would finish the statement at the December Council meeting.

Diane Mesaris presented a citizen comment to Council and read the following:

I want to express my gratitude to those who provided the Public Safety Department volunteers the opportunity to purchase our Fire Chief's Jerome “Chip” Munna, fireman's helmet for \$75. Chip Munna's white Chief helmet with the eagle emblem is the professions symbol of bravery, integrity, honor and pride that dates back to the early 1800's. It was with heartfelt thanks for his fourteen years of service that the residents presented it to him on Friday evening.

Members of the emergency services are a very close knit family and what happens to one of our member's creates a ripple effect that is far reaching. A recent incident involving a part time fire fighter/ paramedic staff member has made Bald Head into two four letter words identified with very negative connotations. How the Village of Bald Head Island Director of Human Resources interacts with the Public Safety Department staff has had and will continue to have profound repercussions in regard to the staffing of fire fighters/ paramedics from Brunswick and New Hanover counties. Not only is the reputation of the department to be considered but also the safety and protection of life and property if we are unable to attract qualified certified/ trained individuals.

6.6 Mayor and Council- No Comment

7. Adjournment -

Mayor Sayre entertained a motion to adjourn at 2:55 p.m., with Councilor Douglas made motion with all in favor. **(MOTION CARRIED 3-0)**

Andy Sayre, Mayor

ATTEST:

Debra C. Talbert, CMC/ NCCMC