

VILLAGE OF BALD HEAD ISLAND
COUNCIL MEETING
September 21, 2012
Bald Head Association

COUNCILORS IN ATTENDANCE

Mayor Andrew Sayre
Mayor Pro Tempore John Fisher
Councilor Gene Douglas
Councilor Art Morris
Councilor Bob Helgesen

STAFF PRESENT:

Calvin R. Peck, Jr., Village Manager
Chris McCall, Asst. Manager/ Shoreline
Protection Manager
Deb Straub, Finance Director
Karen Ellison, HR/ Communications
David Cox, Systems Administrator
Charles Baldwin, Village Attorney
Debra Talbert, *recording minutes*

1. **Call to Order / Approval of Agenda**

Mayor Sayre called the September 21, 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 5-0)**

2. **Consent Agenda**

2.1 Adoption of minutes on August 17, 2012 Work Session

2.2 Adoption of minutes on August 17, 2012 Council Meeting

2.3 Adoption of minutes on August 24, 2012 Special Meeting

Mayor Sayre entertained a motion to approve the above consent agenda as presented. Councilor Douglas made motion, with all in approval. **(MOTION CARRIED 5-0)**

3. **Old Business**

3.1 Stage II Common Area discussion

Deb Straub reviewed the outline for the estimated costs for the Village of Bald Head Island to maintain the properties at The Common- Cape Fear Station and Whalehead Park. The Village's Building Inspector, the Public Works Director and a roofing contractor inspected the properties and make the following status report and/or recommendations:

- Overall property at Cape Fear Common is in good condition
- It is recommended that all the white trim be cleaned and painted on the Lookout Tower and that the door to the tower be locked
- The gazebo has trees that need to be cut back as they are leaning on the roof
- The roof on the gazebo has damaged shingles that need replaced. The Lookout tower roof is in good shape. Both structures are estimated to last 5-8 years. Roof replacement costs are estimated at \$2-\$4k for the gazebo and \$10- \$12k for the tower due to the height of the structure.
- There is one section of railing at the stairs and along top of walkway at the intersection of S.E. Beach Dr. and Chicamacomico Way that needs replaced
- Mulch needs to be added to walkway at Whalehead Park

- The staff recommends the above work to be completed prior to acceptance of the properties with an estimated cost of \$5140.

Deb reviewed the cost estimate for the Common, Cape Fear Station and Whalehead Park for outside contract verses the Village staff providing the landscaping and maintenance. The cost for outside contract would be approximately \$46,950. The cost for Village operation would include a onetime fee of \$8415 for equipment to total \$54,910.

3.2 Resolution Regarding Stage II Common and Whalehead Park

Mayor Sayre reviewed the presented Resolution.

WHEREAS, the Stage II Common and Whalehead Park recreational areas in the Cape Fear Station Subdivision are of use and benefit to many Bald Head Island residents and visitors; and
WHEREAS, the Stage II Home Owners Association desires to dedicate the Common and Whalehead Park to the Village of Bald Head Island for public use and maintenance; and
WHEREAS, the Village desires to accept the dedication, subject to satisfactory resolution of an amendment to the Restrictive Covenants to allow municipal uses not inconsistent with recreational uses and resolution of immediate maintenance needs; and
WHEREAS, Bald Head Island, Limited, LLC, as successor in interest to the Declarant, is amenable to an appropriate amendment of the Restrictive Covenants; and
WHEREAS, certain maintenance is required to the Common as detailed in a report by Village Staff presented to Council this date ("Required Maintenance"); and
WHEREAS, the Village is willing to perform the Required Maintenance and bear any extra costs, provided the Village receives from the Stage II Home Owners Association the funds in its Common funds reserve, totaling approximately \$4,580.00; and
WHEREAS, provided the foregoing matters can be timely resolved and performed, the Village desires to receive by public dedication the Common and Whalehead Park by December 31, 2012.
NOW THEREFORE BE IT RESOLVED by the Village of Bald Head Island Council that Village Staff and the Village Attorney are instructed to negotiate and work with the Stage II Home Owners Association and Bald Head Island Limited, LLC, towards the resolution and performance of the foregoing matters so that the Village may receive by public dedication on or before December 31, 2012 the Stage II Common and Whalehead Park. This the 21st day of September 2012.

Mayor Sayre entertained a motion to approve the above Resolution as presented. Councilor Helgesen made motion, with all in approval. **(MOTION CARRIED 5-0)**

3.3 1st Reading/Set Public Hearing for Home Occupation/ Amend Definition of Employee

Calvin reviewed the proposed home occupation ordinance amendment. This recommendation was presented by the Planning Board. Calvin recommended setting the public hearing for the October 19 Council meeting. Mayor entertained a motion to set a public hearing for October 19 Council meeting. Councilor Douglas made motion, with all in approval.

(MOTION CARRIED 5-0)

4. New Business

4.1 Proclamation- Always Remember 9-11 Day

Mayor Sayre reviewed the presented Proclamation.

WHEREAS, people across our great Nation and the entire Globe, collectively witnessed an event of immense tragedy on September 11, 2001, when terrorist attacks took the lives of almost 3,000 innocent people on American soil; and
WHEREAS, the events of that day instantly transformed the lives of Americans, through both personal experience and an unfamiliar sense of individual and national vulnerability; and
WHEREAS, an unprecedented, historic, nexus of Americans arose from the tragedy, unifying the Country in an outpouring of national pride, selflessness, generosity, courage, and service; and

*WHEREAS, many first responders and civilians, tirelessly and courageously participated in dangerous rescue and recovery efforts, risking or forfeiting their lives for the safety of others; and
WHEREAS, the brave men and women who serve in our nation's military were called upon to leave their families and risk their lives to fight and defend America; and
WHEREAS, Tuesday, September 11, 2012, will be the 11th anniversary of the 9/11 tragedy;
NOW, THEREFORE, I, Andy Sayre, Mayor of the Village of Bald Head Island, do hereby proclaim a "Moment of Remembrance" on SEPTEMBER 11, 2012 IN THE VILLAGE OF BALD HEAD ISLAND
This 21st day of September 2012.*

4.2 Proclamation- Remembrance of Brooke Williams

Mayor Sayre reviewed the presented Proclamation.

*WHEREAS, on behalf of the Village of Bald Head Island, we wish to extend our sincere sympathies over the passing of Brooke N. Williams.; and
WHEREAS, Brooke Williams served this community in various capacities, which include serving as a Board Member for the Conservancy, volunteering on the Development Committee and environmental supporter for the development of the Barrier Island Center for the Bald Head Conservancy. Brooke also served as a member of Bald Head Island Club and served on numerous committees with the Village of Bald Head Island to include the Beach Committee, Liaison Committee; and the Shoreline Protection Committee.
WHEREAS, Brooke Williams' death leaves the community with a deep feeling of sorrow for the loss of such an honored and respected person; and
WHEREAS, Brooke Williams earned the respect, admiration and high regard of all with whom he came into contact; and our community has sustained a great loss in his death;
NOW, therefore, on behalf of the Village of Bald Head Island, the Village Council extends its sincere sympathies to the family and friends of Brooke N. Williams, upon his passing on September 13, 2012.
This the 21st day of September 2012.*

4.3 Personnel Policy Change

Calvin reviewed the updates for the personnel policy. Calvin stated there are 3 personnel changes to the policy. This would include a title change from Chief of Public Safety to Director of Public Safety. This would include updating the title on the job description. The Deputy Chief title will be amended to Senior Captain. The job description has been amended. The Pay and Classification Schedule will be amended by classification title only. A copy will be with approved minutes.

Mayor Sayre entertained a motion to approve the Personnel Policy change as presented.

Councilor Douglas made motion, with all in approval.

(MOTION CARRIED 5-0)

4.4 August Financial Statement Report

Deb Straub reviewed the August financials with Council. Deb stated there is nothing unusual for the financials for August. The Accommodation taxes for July and August collections are about 5% higher than last year. Government revenue includes \$10,360 in grant revenue for thermal imaging camera for Public Safety. The Capital Projects beach fund balance at end of month is \$1.5m. The Stormwater Management fund balance at end of month is \$60k and the Infiltration Pond System fund balance at end of month is \$90k.

4.5 Sponsorship of NCBIWA 2012 Annual Conference

Calvin stated the Village is a member of the NCBIWA. Chris McCall serves on the board of directors. There is a conference on November 19 & 20, 2012 at Wrightsville Beach, NC. The Village sponsored \$2k at last year's conference for the annual awards luncheon. Calvin made recommendation for sponsorship of \$2k. Calvin stated this is a budgeted item. Councilor Douglas stated this is an important organization and a great benefit to the island with beach nourishment issues.

Mayor Sayre entertained a motion to approve sponsorship of \$2k to NCBIWA. Councilor Douglas made motion, with all in approval. **(MOTION CARRIED 5-0)**

5. **Committee Reports**

5.1 Shoreline Protection- Calvin reviewed the Terminal Groin project issues and concerns. The draft EIS report should be ready for internal review with the project review team in January 2013. This will give better knowledge of the Corps of Engineers intentions. Fiscal year 2014-2015, the island is scheduled for sand placement from dredging in the channel. The plan is to do a terminal groin project in conjunction with the dredging. Staff continues to work with the local staff at the US Army Corps of Engineers on 3 specific projects; the 2012-2013 dredging, the environmental impact statement for a proposal terminal groin structure, and a feasibility study by the Corps to investigate possible improvements to the shipping channel. Calvin stated he spoke with the representative for the Corps of Engineers today with anticipation of next week for bid on the above projects. Mayor Sayre stated he would be in Washington, DC the following week to express the concerns of Bald Head Island.

5.2 Finance- No Report

5.3 Public Safety & Transportation- No Report

5.4 Public Works & Utilities- No Report

5.5 Communication- No Report

5.6 Parks & Recreation- Councilor Douglas spoke on the survey and response. This will be discussed at the next committee meeting.

6. **Manager's Report**

Mayor Sayre read the following statement:

Council Statement re: Resignation of Public Safety Chief Jerome "Chip" Munna, Jr.

There is understandable public interest concerning recent changes in the Public Safety Department and, particularly, the resignation of Public Safety Chief Jerome "Chip" Munna, Jr. However, for the Island to move forward, it is the judgment of the Village Council that this matter is concluded.

Governing sometimes requires the Village Manager and Council to make decisions which are believed to be in the best interests of the Village as a whole. Under our Council-Manager form of government, it is not the role of Council to micro-manage Village Departments or second-guess personnel decisions made by the Manager within the scope of the Manager's authority.

The Village Charter provides:

Section 4.2. Village Manager; Appointment; Powers and Duties.

The Council shall appoint a Village Manager who shall be responsible for the administration of all departments of the Village government. The Village Manager shall have all the powers and duties conferred by general law, except as expressly limited by the provisions of this Charter, and the additional powers and duties conferred by the Council, so far as authorized by general law.

Section 4.3. Manager's Personnel Authority; Role of Elected Officials.

As chief administrator, the Village Manager shall have the power to appoint, suspend, and remove all officers, department heads, and employees in the administrative service of the Village ... Neither the Council nor any of its members shall take part in the appointment or removal of officers and employees in the administrative service of the Village, except as provided by this Charter. ... The Council and its members shall deal with the administrative service solely through the Village Manager ... and neither the Council nor any of its members shall give any specific orders to any subordinates of the Village Manager ... either publicly or privately.

Under our form of government, the role of the Council is to consider and pass ordinances and set priorities for the administrative personnel to carry out. In this case, the Village Manager, Calvin R. Peck, Jr., and Human Resources (HR) Director, Karen J. Ellison, Ph. D., after substantial investigation and deliberation, concluded that new leadership was needed at the Public Safety Department. This is a decision with which the Chief agreed and he voluntarily resigned and mutually separated from the Village.

The investigation was detailed and thorough. The Chief was placed on administrative leave with pay on Friday, August 17 through Friday, August 31. An investigation was conducted confidentially and expeditiously by the HR Director. Beginning on August 17, each member of each shift (16 officers and the Administrative Assistant) was

interviewed. The Chief also was interviewed.

The Manager properly kept the Council informed throughout this process and met with the Council several times about the Public Safety Department. Council supported the process undertaken by the Manager and HR Director in the investigation and in reaching a mutually agreed resolution with the former Chief of Public Safety. The process was lawful and followed human resources protocols used by industry and government.

Council recognizes the decision of the Chief to resign is not popular with a number of the public, as he was highly involved in the community. Chip worked closely with the public and Public Service Auxiliary (PSA) and Council appreciates and thanks him for his many years of service to Bald Head Island.

There has been a lot of misinformed speculation on the Island about the nature and circumstances of the Chief's separation from the Village. The separation was voluntary and arose from a recognized need for new leadership in the Department at this time. Inter-departmental matters, employee performance evaluations and personnel decisions cannot be handled in the court of public opinion. That would violate the rights of Village employees and impede the proper functioning of the Village government. The Village has shared with the public all documents and information which it can without violating employees' rights and applicable law.

The Council wants to be clear that it supports the Village Manager and all Village employees, each of whom does challenging work on a daily basis. The Council considers the Manager knowledgeable and capable, and supports his work in carrying out the Council's priorities. The Council also wishes to express particular support for the Assistant Village Manager, Chris McCall, who does important work on the Shoreline Protection Committee and now as interim Director of the Public Safety Department; and the acting Assistant Director of Public Safety, Shawn Freeman.

The Village has begun the task of selecting a permanent Director of the Public Safety Department. The process will involve identifying the qualifications of a successful candidate; forming a Selection Committee; advertising the position; and interviewing qualified candidates. Councilor Art Morris, the Council liaison to the Public Safety Committee, will be a member of the Selection Committee, as will an emergency management professional outside the Bald Head Island community, and representatives of the Village administration and Island community.

Also, the Village will fill the two open positions in the Public Safety Department. As we move forward, Council asks Bald Head Island residents, stakeholders and the public to show support for the Village and the Village Staff through committee participation and volunteering to assist with the many areas and important work being done by the Village. We also thank those members of the community who have supported the Village and Council in their management of the Public Safety Department.

Mayor Andy Sayre, John Fisher, Gene Douglas, Bob Helgesen, Art Morris

7. Comments, Reports and Questions

7.1 Bald Head Association- No Comment

7.2 Bald Head Island, LTD- No Comment

7.3 Bald Head Island Conservancy- Suzanne Dorsey stated there is ongoing monitoring on the beaches with the support of the Village efforts. The Conservancy is working on proposals for the Water Resource Commission.

7.4 Bald Head Island Club- No Comment

7.5 Citizens- Mayor Sayre stated "The Council has received from the public much input from the resignation of the Chief of the Public Safety Department and Village Manager. Council will not take questions and considers this a closed matter. Therefore public comments today will be limited to a total of 30 minutes and 3 minutes per person. If there are comments you wish to make and time does not permit, you may submit to the Village Clerk who will provide them to Council and has been done consistently over the past several weeks."

Marilyn Ridgeway read the following:

Today I present a petition signed by over 100 citizens as a vote of no confidence in our present Village Manager. Council members have been presented with the petition informally and over 400 property owners have received copies. This will be an ongoing petition as signatures are still coming in and we have left room on our concerns for investigations for new developments as more concerns are brought to us by citizens.

It is interesting that a few confidential remarks made by employees during a study focused on organizational structure could elicit an inquiry by Council of our Public Safety Chief. We trust that the concerns of the citizens hold equal weight and that the Council will allow other points of view and facts to discover what is happening in our village. And act on the state mandated right to investigate city affairs.

Several patterns of behavior have emerged as we decided on this course to express our lack of confidence in Mr. Peck role as Village Manager.

Mr. Peck seems to thrive on discord under his reign. He has extended his bullying ways across the island. We have had lawsuits against or pending with other island entities, with the Corps of Engineers. We have had island wide discord over dog ordinances and deer issues. We have employees turn on employees in an effort to save their own jobs. We have had citizen against citizen and friends against friends. I do not remember in the 12 years I have been here that its always been under other city manager this type of problem. One employee, when they were allowed to talk to citizens, said it best: "Bald Head Island used to be a fun place to work until Calvin Peck came." It used to be a fun place to live as well.

Now we have employees who have been bullied into submission or worse. I would like Village employees to know that they need to contact NC Department of Labor if they have faced retaliation because they spoke up or if they were asked to do something that was illegal or unethical, or falsify or destroy documents for fear of losing their job. Of course, Mr. Peck's management style places the Village at risk for more law suits. While this may keep Charles Baldwin in full time employment, it does nothing to retain quality personnel, maintain Village services at a high standard, or create a work environment that fosters creative problem solving. When there is only one voice in the room allowed to have an opinion, how can Village employees work as a team to solve problems?

We have also observed management that would not be tolerated in most businesses. Mr. Peck receives ample compensation and the citizens should expect more that shoot then aim planning and questionable business practices and bullying behavior.

As citizens, we have only our voices, votes, and our pens. All of which we plan to continue to use until an investigation is conducted, using Council's subpoena power to protect the employees. At our first meeting with Council the words "trust" was used a lot. Trust us you said and we lost the best employee on the island. Trust is a fragile item. We are giving the Council an opportunity to earn back our trust.

I do not know if trust in Calvin Peck can be rehabilitated. The 23 petition items demonstrate to us that he has not changed negative behavior patterns that seemed to have been established in his previous places of employment and continue to this day. In our opinion and if you proceed with the subpoenaed investigation and if Council opens its ears and eyes to other voices besides Calvin Peck's, it will discover that Mr. Peck is not an asset to this island, but a liability.

Jane Johnson read the following:

Mr. Mayor, Council Members:

I am here to express my concern over the loss of checks and balances in the current governmental system of the Village of Bald Head.

The Council itself is checked in its decisions simply be being a group of 5 individuals each with your own view point and each with, I hope, an ear to hear and listen to your constituents.

We, as voters, can, and do, check the Council with our ballots.

As the Council, you hire a manager to carry out the decisions your make. He/she has a voice and thus gives a check and balance to the Council's decisions also. As Council, you may delegate your authority, but you cannot delegate your responsibility.

There are other checks in our government. There is a Financial Officer who oversees revenue and expenditures. That person is checked by a yearly audit. There is a Clerk, who records all documents and keeps the legal records of all actions taken by the government. And there is a Chief of Police or Public Safety who is responsible for the adherence to all laws by all people. Together these groups see to the maintenance of our government. But if too much power is granted to any one of these six entities, the balance is lost.

In granting the manager the authority to terminate the Financial Officer, the Village Clerk and the Chief of Public Safety, without any approval of the Council, the integrity of their work is compromise, for they become susceptible to coercion. In simple language, they can be blackmailed into doing something morally, ethically or legally wrong in order to keep their job. These positions should not be overseen by the Council which by its number of members checks itself and its action; these positions should not be overseen by an individual who might be tempted into unethical behavior.

It is not enough to avoid doing evil, but we should avoid also the appearance of evil and the potential for doing evil. In speaking to members of the Council individually I have been told, among other things, that this is the way our charter now reads (to have a strong manager rather than a strong council) and that this type of government is legal in North Carolina. I was also told that any change would require that the charter be rewritten and resubmitted to the Legislature. I noticed in my reading of the charter, that there were changes made to that section, 4.3, dated July 7, 2008 which is in the current manager's tenure. Therefore, as changes to the charter have been made in the past, they certainly can be made again.

We are the Bald Head Community. We have the intellectual resources, the time, and, I hope, the humility not only to recognize our mistakes, but to correct them. As a community we do appreciate the fact that each of the Council volunteered to run for a thankless, unpaid job that put them back into the stress of the workforce. We all came here to retire, not spend 6 and 7 days a week dealing with issues foreign to our backgrounds. But, this is our community,

our island, and we each must give to it. Almost every able bodied person on this island volunteers in some capacity. You put your name on the ballot. We elected you. You represent us.

We are not happy with decisions to which you have allowed. Listen to the voice of the people. Correct these decisions. Restore the balance of power. Right the wrongs that have been done and the wrongs that are still being done.

My Recommendations

Change the charter to allow for a more ethical balance of power

Replace the current Village Manager due to a lack of confidence in his decisions and performance, a lack of trust in his intentions, and for his unacceptable behavior toward women of the community.

Delete the position of Communication Director. We do not need a Facebook or Tweeter account. With the merger of Stage I and Stage II associations, the weekly Newsletter set out by the Bald Head Association will reach all those who are interested. Restore the columns by Village Departments to that newsletter which is already in place. Use an employee already on payroll to work as Human Resources representative or hire an outsider on an as needed basis. Restore the Department of Public Safety to its previous organizational status and leadership.

Temporarily hire a psychologist trained in office place dynamics to work with all employees on good communication and restoration of trust.

Bring in an outside legal authority to investigate all possible and potential irregularities in the Village Government. With these actions, you will show that you hear the community and that you are making an attempt to restore our trust in you.

Brenda Quanstrom read the following:

I am speaking to you as Council Members as well as friends and as neighbors.

A previous Council Member approached me and said while on BHI Council; two Village employees came to him extremely distressed for the way they were being treated by Calvin Peck. They also went to one other member of Council and two are sitting on Council right now. And you know who you are. They were seeking help from the manner in which they were being bullied by the Village Manager. Because the employees would not file a formal complaint (fearing loss of their job or further repercussions) the Council members felt they could not take necessary action. Many Village employees have also confided directly in me over the years about the abusive way in which they have been treated by the Village Manager. They seem to work in an arena of fear. Allegedly one employee resigned due to the way she was treated. When the original survey was given regarding the merger of fire and police a few years ago, I was on the Public Safety Committee and saw the results of the survey. The page referencing the Village Manager had a number of negative responses. I have been informed that this page was deleted from the final report that went to Council. Only you could check on that. If the page is not there, I hope you will seek a copy of that page.

You have the authority and responsibility to investigate complaints about the Village Manager. Perhaps the complaints by citizens and employees reporting how they've been treated are all untrue. But there is a pattern. The only way we will know the truth is to protect the confidentiality by subpoenaing employees to determine if there is a problem causing a negative atmosphere. The State Legislature gives you the authority to do this. You see I still have faith that you are not ignoring this situation that you are going to investigate these complaints. I know each of you individually and I have to believe that you will be closely attuned in the future. And that you are going to investigate these complaints. But I am telling you from this date forward, citizens will report directly and publicly to the Council if they are treated with disrespect. Perhaps something good will come out of losing Chip, because now we are not going to stand for it any longer. We cannot protect the employees- but you can.

Diane Mesaris read the following:

Mayor and Councilmen, The prior and current event reminds me of a Roman or a Greek tragedy, where the ruling emperor was increasingly jealous of a young centurion who has won the hearts and respect of the populous. The emperor has a plan devised with the help of an accomplice and after substantial investigation and deliberation; they conclude new leadership is needed. The young centurion is vanished to an outlying area so is not to be heard from again. The populous of a hue and cry, they cry unity and support goes out to the Council of elders. The life can return to some sense of normalcy. But the seeds of discontent have fallen on fertile soil and it may take a year but the populous in a democratic way will oust the emperor.

Mr. Peck with Chip Munna in a position that he himself was displaced when he was Carolina Beach, he knows full well what it feels like to be given the option of choosing to be fired or resign. He like Chip Munna chooses to resign. Calvin Peck may have won the battle, but he has not won the war. As far as Karen Ellison, PhD., being the 3rd party and doing the investigation on Chip Munna, I will forever think of you as a Judas. And you have certainly earned the 30 pieces of silver that you so richly deserve. Congratulations to both of you, great job, very well done.

Jane Oakley stated the following:

My question will be very short and very easy. Mayor Sayre stated we are not answering any questions.

Mrs. Oakley stated: Well you can ponder it. If you had an employee that bullied your wife, assaulted your wife, would you keep that employee employed?

7.6 Mayor and Council- No Comment

8. Adjournment -

Mayor Sayre entertained a motion to adjourn at 3:25 p.m., with Councilor Douglas made motion with all in favor. **(MOTION CARRIED 5-0)**

Andy Sayre, Mayor

ATTEST:

Debra C. Talbert, CMC/ NCCMC
Village Clerk