

VILLAGE OF BALD HEAD ISLAND
MONTHLY COUNCIL MEETING
December 14, 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
Ben Liddle, Public Works Director
Ken Bowling, Utilities Director
David Cox, Systems Administrator
Charles Baldwin, Village Attorney
Debra Talbert, Village Clerk

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

Mayor Sayre called the December 14, 2012 Council Session to order at 2:30 p.m. Mayor Sayre entertained a motion to approve the amended agenda as presented. Councilor Helgesen made motion, with all in approval. **(MOTION CARRIED 5-0)**

2. **Public Hearing**

Proposed Utility Rate Changes

Deb Straub reviewed the concerns from the Local Government Commission for the year end June 30, 2010 audit. Suggestion was made that the utility rates should be increased due to lack of funds for expenditures. A water and sewer rate study was implemented for the proposed schedule. Deb and Ken Bowling began working on the study early 2012 with a consultant. The Public Works/ Utilities committee did a rate structure with the recommendation from the Local Government Commission of a 4% increase. Deb stated an average full time resident would see approximately \$10 increase per monthly utility bill.

Mayor Sayre opened the public hearing.

A gentleman stated he had purchased a house recently and asked if he would be charged \$10k for sewer connection if he hooked up to the system. Ken Bowling asked if he was paying a sewer charge now. The gentleman stated yes. Ken stated no he would not be charged. This would be reviewed for each partial prior to charges are made.

Mayor Sayre asked if there were any other comments. With no comment, Mayor Sayre closed the public hearing.

3. **Consent Agenda**

- 3.1 Adoption of minutes on November 13, 2012 Work Session
- 3.2 Adoption of minutes on November 13, 2012 Council Meeting

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

4. **Old Business**

4.1 Adoption of Utility Rate Changes

Mayor Sayre entertained a motion to approve the updated Schedule of Water and Sewer rates. Councilor Douglas made motion, with all in approval.

(MOTION CARRIED 5-0)

This rate change would become effective January 1, 2013.

4.2 2012/2013 Deer Cull

Councilor Douglas spoke on the request from citizens to have an alternate management for the deer herd on Bald Head Island. The Conservancy has done an indebt study and has recommended that the Village cull 20 does this January 2013 to bring the size of the herd down to a manageable size for the immuno-contraceptive program. The immunizations will start in late 2013 early 2014. Councilor Douglas stated he feels this will have a good chance to succeed provided the group that is sponsoring is able to provide the necessary funding.

Calvin stated based on the recommendation from the Conservancy, the Village will take 20 does. There is a big difference between what the Villages is doing this year and hunting. Hunting regulations do not allow baiting, hunting at night, and taking deer out of season. The North Carolina Wildlife Resources Commission has issued a State permit to the Village of Bald Head Island to destroy or remove wildlife injurious to agriculture or personal property and has included the authorization for the use of lights at night. Permissions have been given from BHI Club and Bald Head Association in order to use their properties for culling purposes. The first full week of January the deer cull will begin and should take approximately 2 weeks. The permit expires January 31, 2013.

Marilyn Ridgeway stated an email was sent to Mayor Sayre, Calvin Peck and Suzanne Dorsey. Mrs. Ridgeway stated she forwarded information concerning the NC Wildlife site. Mayor Sayre stated he believed this information to be on hunting regulations. Mrs. Ridgeway stated this is a State law and hunting and/or culling according to the Executive Director of the North Carolina Wildlife, the cull permit can't violate any North Carolina State law. Mrs. Ridgeway suggested for the permit to be reviewed prior to culling. Councilor Douglas told Mrs. Ridgeway she needs to understand this cull must be done to be able to begin the immuno-contraceptive program. Mrs. Ridgeway stated she understood but suggested further research should be done on the permit due to involving other entities on island and confirm this is in compliance with State law. Councilor Douglas and Mrs. Ridgeway disagreed over the issued permit and the authority given. Mayor Sayre suggested ending the conversation and moving forward to the next agenda item.

5. **New Business**

5.1 Budget Amendment- Public Works Position

Deb Straub reviewed the action agenda item to appropriate General Fund balance for the addition of 1 full-time employee in the Public Works department as a result of the acquisition of The Common and Whale Head Park. Calvin made recommendation to approve the budget amendment to add on Public Works employee for ½ year for the Village Common and Whale Head Park for \$27,500. Mayor Sayre entertained a motion to approve the above amendment. Councilor Douglas made motion, with all in approval.

(MOTION CARRIED 5-0)

5.2 Budget Amendment- Transfer of Utility Fund

Deb reviewed the action agenda item to appropriate the Utility Fund balance for FEMA monies that were received in FY 11-12 which are expended in FY 12-13 which are expended in FY12-13 for the repair of the Utilities Lab roof damaged in Hurricane Irene in August 2011. Calvin made

recommendation to approve budget amendment of \$16,629. to account for FEMA and insurance dollars received last year and spent this year. Mayor Sayre entertained a motion to approve the above amendment. Councilor Morris made motion, with all in approval.

(MOTION CARRIED 5-0)

5.3 November Financial Statement Report

Deb reviewed the November Financial report with Council. The General Fund Revenues and Expenditure are within budget. Deb stated the Ad Valorem Taxes are being received for 2012 taxes. The Village has received \$1.7m for November collections. The Utilities Fund Revenues and Expenditures are slightly below budget. The fund balances for the Beach Fund is \$1.3m, Stormwater Management is \$61k and the Infiltration Pond System fund balance is \$82k.

5.4 Presentation & Approval of FY 2011-12 Audit

Wayne Berry, Auditor for Berry, Padgett & Chandler presented the audited financial statements ending June 30, 2012. The FY 2011-12 Audit will be with the approved Council minutes.

5.5 1st Reading/ Set Public Hearing for Ordinance Creating the Harbour Village Parking

Calvin reviewed the proposed ordinance. This ordinance would empower the municipality to regulate vehicle parking on public streets and alleys in the Harbour Village area.

Calvin recommended setting the public hearing for the January 18 Council meeting. Mayor entertained a motion to set a public hearing for January 18 Council meeting. Councilor Douglas made motion, with all in approval.

5.6 Discussion of Village Island Parcel Service

Mayor Pro Tempore Fisher presented the below statement.

At various times the Village has explored with Bald Head Island Limited, LLC ("Limited") the possibility of consolidating the Island's US Postal Service and commercial parcel service functions into one operation under the auspices of the Village of Bald Head Island. It remains evident that there are advantages to exploring such a consolidation of functions in the interest of the long term efficiency and viability of these services; and the related benefits to Island property owners, businesses and visitors. In consideration of the foregoing, I make the following motion:

- 1. That the Mayor Pro Tem be authorized to enter into CONFIDENTIAL formal negotiations with Limited for the acquisition of the existing IPS operation within the parameters of the following general terms:
 - a. Limited will sell and convey the existing IPS business to the Village for the sum of \$1.00.*
 - b. Limited will agree to rent to the Village the current space occupied by the IPS at Unit 6A Merchants Row for \$1.00 per month for a term of seven months; and on a month to month basis thereafter, if needed, until the IPS operation can be relocated to Village property.**
- 2. That the Mayor Pro Tem be authorized to study and report back to Council regarding a preliminary design and the costs involved in expanding the existing Village US Postal Service quarters to approximately 2700 square feet, configured in a manner to house both the US Postal and IPS operations.*
- 3. That the Mayor Pro Tem be authorized to undertake initial contacts with architects and or other design professionals with respect to expansion of the Village Postal complex with an initial budget not to exceed \$5,000; and that he be further authorized to consult as necessary with the Village attorney with regard to this project.*
- 4. That the Mayor Pro Tem negotiate with the CEO of Limited the release, wavier or other modification of any current deed restrictions or covenants that would prohibit the expansion and use of the Village postal complex as described herein; and in addition any changes to existing practices and policies related to the carriage of courier service mailers, envelopes and parcels from the mainland to Bald Head Island.*
- 5. That the Mayor Pro Tem be authorized to meet and discuss with the Island's primary courier and*

parcel service providers (UPS and FedEx) the terms of existing service agreements and any available revisions thereto that would improve service and otherwise benefit the Island.

6. That the Mayor Pro Tem shall undertake to report back to Council the results of these initiatives and submit discussion drafts of any relevant agreements and documents not later than March 31, 2013; and periodically update Council with regard to any significant interim developments.

Respectfully submitted on December 14, 2012:

Mayor Sayre stated this is not the final action and is a feasibility study only.

Mayor Sayre entertained a motion to approve. Councilor Douglas made motion, with all in approval.

(MOTION CARRIED 5-0)

6. Committee Reports

6.1 Shoreline Protection- No Report

6.2 Finance- Mayor Pro Tempore Fisher stated the committee has been working on the 5 year plan. The committee has been discussing obtaining information from each department for the next 5 year budget versus a yearly budget.

6.3 Public Safety & Transportation- Councilor Morris stated the interview process will begin for the Public Safety Director.

6.4 Public Works & Utilities- Joe Ridgeway, Committee Chair has requested for additional volunteer committee members. Mr. Ridgeway stated the difficulty of having a quorum for monthly meetings. Mr. Ridgeway suggested if anyone is interested to see the Clerk at Village Hall and stated the committee meets the 1st Friday of each month at 9:30 at the Utilities Department.

6.5 Communications- No Report

6.6 Parks & Recreation- No Report

7. Manager's Report

Calvin reviewed the beach issues for the island and the Minor Modification permit for the Revetment Wall. Once the Corps dredging is complete and a contract has been issued, the Village feels the dredge will begin by the end of January. After the dredging is complete, the 5 groins will be replaced and Sea Oats will be planted on the beach. There should be 1.7m yards of sand placed during the placement from the channel.

8. Comments, Reports and Questions

8.1 Bald Head Association- No Comment

8.2 Bald Head Island, LTD- No Comment

8.3 Bald Head Island Conservancy- John May stated there has been an autopsy started on the beached Pygmy Sperm Whale. No reports at this time.

8.4 Bald Head Island Club- No Comment

8.5 Citizens

Mayor Sayre stated prior to citizens comments the Council has a statement. Councilor Helgesen read as follows:

The Village Council received a document dated September 20, 2012 entitled "Petition of No Confidence in Manager" asking that an inquiry of Village Manager Calvin Peck be undertaken

by Council. The Village Council carefully and diligently reviewed the allegations in the Petition and the other documents received.

By unanimous agreement, the Council declares the matter closed and reaffirms its full confidence in the Village Manager.

Jane Johnson stated as follows:

Mr. Mayor, Council members,

Gentlemen, You have a communication problem. You have not provided a satisfactory method of input and your method of output is flawed.

You have stated repeatedly that the Council will not take questions at these Board meetings. The Council also does not take questions at the work sessions. Trying to track each of you down and verbally ask each of you questions is unproductive. US Postal and Email gives the questioner no assurance that you received, read or acknowledge the questioner's concern.

The Village's communication output is flawed in that it is unevenly available. Karen's Village Voice is emailed only upon request, and then for some, that request is not honored. (By the way, the name Village Voice was lifted from an alternative newspaper published in Greenwich Village and should they know of the Village's use of the name, they might be very unhappy. Just another opportunity for more litigation.) Facebook and Twitter accounts are high maintenance and an ineffective use of staff time. The Village website is unevenly maintained, but it is available for use by all who are interested.

My recommendation is that the Council recommend, as you can not require, to the Village Manager that an easily assessable and clearly labeled form be placed on the website for questions and comments by residents and property owners relating to the Village's policies and procedures – as that is all responsibilities you have allowed yourselves to decide upon – and for all council members in weekly or monthly rotation to take on the duty of reading the questions, acknowledge the concern, and replying to that taxpaying citizen within 5 working days either by directing them to the a written policy and/or explaining in writing or by phone call what the Village can or can not do. Concerns and complaints not dealing with policy and procedures should still be read very carefully and should be directed to the correct department or administrative agency.

Sometimes problems can be defused quickly and simply by common courtesy. Ignoring taxpayers concerns is not courteous.

As for output:

Continue to use the flyers in public places. I do believe that everyone on the island is literate.

Restore the monthly department updates from Public Utilities, Public Works and Public Safety to the monthly Council meetings and the Bald Head Association Newsletter. We prefer to hear information from the persons who are responsible and who are knowledgeable in their field rather than receiving the information second hand and edited.

Notify all taxpayers by notices placed in the water bills and tax bills that Village Information will be placed on the website under News & Events.

Update the News & Events page weekly, or even daily or hourly when needed.

Drop the Twitter and Facebook accounts and the email newsletter, and concentrate on the Webpage. This will allow for time to research and verify information before it is published.

As for our questions:

All citizens have the moral and ethical obligation to question any and all actions taken by those in political positions. Government is truly made up "of the people, by the people and for the people." The Council has a legal responsibility to accept any petition presented to them. It also has a moral and ethical responsibility to listen to the concerns of the citizens and respond.

Your doors of communication are shut. Pick up the keys and open them

Marilyn Ridgeway stated as follows:

So far I have discussed the past, let's look to the future. Much of your Special Statement talked about what you could not do as a Council to govern. Let's look at what you can do. We certainly agree with your statement: "Governing sometimes requires the Village Manager and the Council to make decisions what are believed to be in the best interests of the Village as a whole/" It is our contention that the

Village Manager is not performing his duties in the best interest of the village. How can you as a Council help him do a better job?

- 1. Put into place a formal grievance procedure for citizens to lay their grievances about the Village Manager in front of the Council. To this date, a grievance I made to Council last spring about the lack of planning, lack of due diligence, and illegal activities directed by the Village Manager during the deer cull has received no comments from any of the Council. Put a policy in place so that citizens can receive a response. This should be a written response. We expect that of our Public Safety department when they answer a complaint, should we expect less from our Council?*
- 2. Put into a place a formal grievance procedure for employees to make appeals directly to Council if they are mistreated or unheard by HR or the Village Manager. Re examine the personnel policy and grievance procedures that are in place now and ask for monthly reports if any grievances have been filed. Track those reports and verify. The Village Manager's final decision should be reviewed by the Council and if needed, the charter should be changed, to allow the Council to intervene if they believe it to be " in the best interests of the Village."*
- 3. Put the Village Manager under the same personnel policy that his employees must follow, particularly the bullying directive made in April. If he is to be a respected leader, his behavior should be an example for his staff to follow, not fear.*
- 4. Review the use of questionable HR procedures directed by the manager. For example, when interviewing employees to obtain statements about other employees, the employee should have the right to read what the HR Director has written down and sign that statement as an accurate representation of their answers. Employees should have the right to have a copy of this document. Did the Council "supported the process undertaken by the Manager and HR Director in the investigation" as your Special Statement remarked." Did you understand that the HR Director wrote down something on a document, the employee did not see what she wrote, nor was not given the opportunity to read what she had written as their statement? That is not the "human resources protocols used by industry and government" or at least governments that act on democratic principles.*
- 5. Stop paying dues to ICMA. They have demonstrated poor practices and should not be supported by tax payers monies.*
- 6. Go back to the original charter which had the Village Clerk report directly to Council so that Council has an extra ear and eye to see the workings of the Village government. Otherwise, you are blinded. Further since a charter change will require State approval, considering making the Director of Public Safety also report directly to the Council. Public Safety is valuable commodity to all island property owners. We want to know that our property and more importantly our lives are in capable and knowledgeable hands as they were under Chief Munna's direction. In our Village's governance history, we have faced two conflicts between the Village Managers and Chiefs of Public Safety resulting in losing both the managers and chiefs. This seems to be an organizational structure problem. While you are asking for charter change, consider following Oak Island's example of openness and write a change that would allow for a recall of the Mayor and/or Council members.*
- 7. Take this petition seriously. We plan to continue to collect signatures until you do so. You can use your subpoena power to reach truth. Doing nothing is not leadership. This island right now needs you leadership.*

Nancy Giacci stated as follows:

I speak to a lot of people who work for the Village and per conversations if they could find jobs at other locations they would be gone. They are very unhappy and state the Village is a toxic work place. I am not talking of a few employees; I am talking about a lot of employees. So for whatever it is worth, the employees cannot place a complaint because they are in fear of their jobs.

John May stated as follows:

I have been on this island for 6 years and for 5 of those years I have served on the Public Works Committee, volunteered with the Conservancy, and a Board Member for the Club. And in that environment, I have had frequent chats and work with each of the Council members whom I know on a personal basis.

I've had numerous occasions to work with Calvin and staff. And I feel like we are dealing with a situation of a "blind man who approaches the elephant and where he grabs the tail and thinks it is a rope". My perception is 180 degree different as to what you have heard here. Things are not perfect by no means because I have been in position of similar responsibilities. I have made mistakes but I have always approached my jobs with good will with intent to do the best for the organization. I will tell you that with my experience in working with the Council, Calvin and with staff that they also approach me about their jobs with the intent to do the best they can for the Village. And in the spirit of the coming season, I suggest that all of us look ahead with a since of forgiveness for whatever procedure. And with the spirit of what is ahead, we can do together to move the coming forward. I will close with an observation of what happens when a sudden cold snap and the affects a bee hive. The bees become immobile when the temperature is below 30* degrees and if there is a sudden cold snap they go into hibernation mode. They will be immobilized and defecate. What I am saying is it is time for us to stop shitting in the hive!*

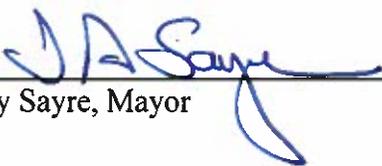
Marilyn Ridgeway stated as follows:

This would fuel the ignorance and there is a difference. You have to look at the mistakes made and make good of those mistakes or you lose faith and trust in people. And that is basically what has been done. Now John was not here as I have been here longer so I know of other Village Managers and have worked with them; so I can move forward but I need to see some action taken on the concerns that have been mentioned before prior to giving forgiveness.

8.6 Mayor and Council- No Comment

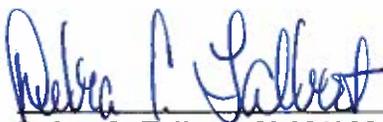
9. Adjournment -

Mayor Sayre entertained a motion to adjourn at 3:20 p.m., with Councilor Douglas made motion with all in favor. **(MOTION CARRIED 5-0)**



Andy Sayre, Mayor

ATTEST:



Debra C. Talbert, CMC/ NCCMC

