

**VILLAGE OF BALD HEAD ISLAND
COUNCIL MEETING
June 24, 2011
Bald Head Association**

COUNCILORS IN ATTENDANCE

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

STAFF PRESENT:

Calvin R. Peck, Jr., Village Manager
Chris McCall, Asst. Manager/ Shoreline
Protection Manager
Deb Straub, Finance Director
Lt. Scott Anderson
David Cox, Systems Administrator
Charles Baldwin, Village Attorney
Debra Talbert, Village Clerk

1. Call to Order / Approval of Agenda

Mayor Sayre called the June 24, 2011 Council Meeting to order at 3:00 p.m. Mayor Sayre entertained a motion to approve the agenda as presented. Councilor Douglas made motion, with all in approval.

(MOTION CARRIED 5-0)

2. Public Hearing

2.1 FY 2011/12 Budget

Calvin Peck gave a presentation on the FY2011/12 Budget. The Village is required to publish a Revenue Neutral tax rate. There has been a decrease in approximately 34% in property value and in order for the Village to generate the same amount of revenue and help fund the emergency situation with the erosion, there will be an additional 5 cents added to the tax rate.

Chris McCall spoke on the severity of the erosion at the point and gave a powerpoint showing the concerns. There has been a meeting with Division of Coastal Management and the Corps regarding the erosion. The guidance was given on what could be permitted under current permits, modifications and or variances. The staff has been working on lining up contractors and facilitating fabrication and ordering of materials.

The recommendation of the Finance Committee is to add 5 cents to the General Fund balance. Due to the erosion issues, the recommendation made is to add 3 cents to the Beach Fund to address West Beach and 2 cents to the General Fund balance. 1 cent equals \$119k.

Calvin reviewed the proposed design and estimate of repairing groinfield 16 with the possible extension to include sandbags.

Mayor Sayre gave the recommendation from Council to have an additional 3 cents to the recommended budget to address the emergency situation on the erosion issues.

Mayor Sayre opened the Public Hearing.

Richard Mesaris stated monies are being spent to place sand in areas that keeps eroding and reviewed the \$17 million borrowed for sand placement. Mr. Mesaris asked at what point does the Village stop spending monies and let nature take its course. What is the Village's interest in spending the monies now?

Mayor Sayre spoke on the erosion issues and the possible destruction of the groins. Mayor Sayre action should be taken quickly to repair the groins. This process is a band-aid and the Village will let the Division of Coastal Management know this information also. Mr. Mesaris asked on the lawsuit with the Corps of Engineers. Attorney Baldwin reviewed the process of the lawsuit and stated this is a long and lengthy process. Council and staff discussed the dredging by the Corps and the unknown timeframe of process.

Kit Adcock with the Bald Head Association asked if \$100k budgeted will be sufficient for the repair of the groins. Council and staff discussed with Kit the measurements and cost of the groins and sandbags. Kit stated she hopes the calculations are correct and there has been enough money budgeted.

Councilor Douglas asked to reply to Mr. Mesaris statement. Councilor Douglas stated the Village is trying to buy time and hoping to get sand on the beach. Councilor Douglas stated the Village is trying to save the groinfield in hopes to receive sand. Councilor Douglas stated the island is facing the loss of the Club, all the property on Cape Fear Trail, Seagull, and Green Teal. This is an effort to temporarily protect the island and hoping the Corps will settle this and receive some relief. This is not an ongoing process and feels this is the only thing to do.

Diane Mesaris stated she feels “the Corps is not going to do anything until the container ships become stuck in the channel or the river pilots state the channel is not at the depth for travel. At that time, the Corps will dredge due to the effect on North Carolina and the port. Up until then, the islands hands are tied. We know where the sand is going; they know where the sand is going, but until it starts to impede transportation on the river she does not feel anything will be done.” Mayor Sayre agreed with Diane and stated the river pilots and the Corps is calling the shots.

With no further comments, Mayor Sayre closed the Public Hearing.

3. Consent Agenda

3.1 Approval of Minutes

May 6, 2011 - Manager’s Budget Presentation

May 12, 2011 - Budget Workshop

May 13, 2011 - Council Work Session

May 13, 2011 - Council Meeting

May 25, 2011 - Special Meeting

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

4. Old Business

4.1 Consideration/ Adoption for the adoption of FY 2011/12 Budget

Mayor Sayre entertained a motion to approve the adoption of FY 2011/12 budget as presented.

Councilor Douglas made motion, with all in approval.

(MOTION CARRIED 5-0)

5. New Business

5.1 1st Reading/ set Public Hearing for amendment of Chapter 28 to Regulate the Use of Segways

Councilor Morris reviewed the proposed text amendment of Chapter 28 to Regulate the Use of Segways. Mayor Sayre entertained a motion to set a Public Hearing for July 15, 2011. Councilor Douglas made the motion, all voted in favor.

(MOTION CARRIED 5-0)

5.2 Proclamation for Lyme Disease Awareness Month

Whereas, infected ticks carrying the bacteria Borrelia burgdorferi, which causes Lyme disease, continue to spread across North Carolina; and

Whereas, the number of total number of Lyme disease and suspected Lyme disease cases reported to our state health department continues to rise each year with over 900 cases reported in 2010, yet the Center for Disease Control estimates that Lyme disease may be under-reported by a factor 10 to 1 over actual cases; and

Whereas, the North Carolina Division of Public Health now encourages physicians and health care professionals to consider the diagnosis of Lyme disease in patients who present the symptoms of infection; and

Whereas, Lyme disease is difficult to diagnoses because it imitates other conditions and no reliable laboratory test can prove who is infected or bacterial-free, which often leads to under-diagnosis or misdiagnosis; and

Whereas, early indicators of infection include flu-like symptoms, characterized by chills, headache, fatigue, muscle and joint aches and swollen lymph nodes; and

Whereas, weeks or months later, patients with untreated or under-treated Lyme disease can suffer from serious, permanent and sometimes life-threatening damage to the brain, joints, heart, eyes, liver, spleen blood vessels and kidneys. For this reason it is imperative that all who may be exposed to Lyme disease receive immediate treatment; and

Whereas, the best solution to the threat of Lyme disease is awareness and education about the seriousness of the illness and the need to practice personal preventive techniques when engaging in outdoor activities - such as frequent tick checks, use of tick repellent and proper tick removal; and

Whereas, the warm summer months are considered the most active time for ticks and when the majority of residents are exposed to tick during outdoor activities.

Now therefore, be it resolved by the Village Council of the Village of Bald Head Island declares the month of June Lyme Disease and Rocky Mountain Spotted Fever Awareness Month.

Mayor Sayre asked for approval of the Proclamation as presented. Councilor Douglas made the motion, with all in approval. **(MOTION CARRIED 5-0)**

5.3 Deer Referendum Study results

Tom Hayden, Chairperson for the Communications Committee stated the committee conducted a deer referendum survey. David Cox, Liaison for Communications Committee verified the count. The total amount of surveys sent was 1559 to all stakeholders. 815 surveys were returned at a 52.3%. The ballots with certification were 203 for immuno-contraception, 607 traditional culling, and 5 invalid responses.

Mayor Sayre stated Council is directing staff to proceed with the deer count and follow procedures for a cull as the result dictates.

5.4 Audit Contract for Fiscal Year ending June 30, 2011

Deb Straub reviewed the contract with Berry, Padgett & Chandler, PLLC for fiscal year ending June 30, 2011.

Mayor Sayre asked for approval of the Audit Contract as presented. Councilor Morris made the motion, with all in approval. **(MOTION CARRIED 5-0)**

5.5 Resolution- Establishing Fund Balance Policies as Required by GASB 54

WHEREAS, the Governmental Accounting Standards Board ("GASB") has adopted Statement 54 ("GASB 54"), a new standard for governmental fund balance reporting and governmental fund type definitions that becomes effective for the fiscal year ending June 30, 2011; and

WHEREAS, the Village desires to be in compliance with GASB Statement 54;

NOW, THEREFORE, BE IT RESOLVED, that the Village of Bald Head Island hereby adopts the following policy:

FUND BALANCE POLICY

Fund balance measures the net financial resources available to finance expenditures of future periods. To maintain the Village's credit rating, meet seasonal cash shortfalls, economic downturns or a local disaster, the Village shall maintain and present fund balance for the general fund in accordance with the requirements of GASB 54.

The Village Council shall take formal action to commit the use of fund balance for projects or purposes in any current year or future year's budget.

Where an expenditure is incurred for which restricted and unrestricted fund balance is available, the **Restricted** fund balance, to the extent feasible, should be used first.

When expenditure is incurred for which there is an unrestricted fund balance available, funds should be spent in the following order: committed, assigned and unassigned.

- a. **Committed** fund balances are amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision making authority. Commitments may be changed or lifted only by the government taking the same formal action that imposed the constraint originally.
- b. **Assigned** fund balances are amounts intended to be used by the government for specific purposes and so expressed by the governing body or by an official or body to which the governing body delegates the authority.
- c. **Unassigned** fund balance is the residual classification of the general fund that includes all amounts not contained in other fund balance classifications. Unassigned amounts are technically available for any purpose.
The Village's revenue spending policy for programs with multiple revenue sources shall be in the following hierarchy: bond proceeds, federal funds, State funds, local non-Village funds, Village funds.
The Finance/Budget Officer has the authority to deviate from this policy if he/she determines it to be in the best interest of the Village.

Mayor Sayre asked for approval of the Resolution as presented. Councilor Morris made the motion, with all in approval. **(MOTION CARRIED 5-0)**

5.6 Beach Fund Ordinance Amendment

Deb Straub reviewed the Capital Project Ordinance amendment to transfer 50% of FY 10/11 estimated accommodation tax receipts in the amount of \$395k and \$25,253 from FY 09/10 from the General Fund to the Shoreline Beach Renourishment Fund to total \$420,253.

Mayor Sayre entertained a motion to approve the amendment to the Beach Fund Ordinance as presented. Councilor Douglas made motion, with all in approval.

(MOTION CARRIED 5-0)

5.7 May Financial Statement Report

Deb reviewed the May financial report. The Ad-valorum taxes have exceeded expectations. The annual budget has met expectations. The collection rate for property taxes has exceeded expectations at 97.9%. Accommodation taxes at May 31st have exceeded the budget expectations at 17% ahead from last year. The total operating revenues for the General Fund is at 99% of budget. The General Fund expenditures are at 80% of budget with 99% of revenue. The Utility fund totaling operating revenue is at 82% at budget and 78% with expenditures. The Capital projects unaudited fund balance for May 31st is \$483,697, the Stormwater Management unaudited fund balance is \$67,664 and the Infiltration Ponds unaudited fund balance is \$192,213. The county revaluation for the island is currently -37.67% from the prior evaluation. Deb gave notification to Council of a budget transfer of a line item to another in the same fund. As a result of the emergency situation for the Shoreline project, the Council needs to authorize staff to enter into contracts to not to exceed the amount requested earlier of \$450k.

Mayor Sayre entertained a motion to approve the presented Ordinance to amend its Capital Project Ordinance regarding the stabilization of Village Beaches. Councilor Douglas made the motion, with all in approval. **(MOTION CARRIED 5-0)**

6. Committee Reports

6.1 Shoreline Protection- No Report

6.2 Finance- Barry Kane stated this has been challenging times. It was a difficult recommendation for the committee to make a 5 cent increase. Mr. Kane commended the staff of the Village with a very thorough budget process.

6.3 Public Safety & Transportation- Councilor Morris stated Chip Munna operated a CPR course for volunteers in the department. Councilor Morris made recommendation this course should be given to all residents on the island.

6.4 Public Works & Utilities- No Report

6.5 Communications- No Report

6.6 Parks & Recreation- Councilor Douglas stated the committee has met will have recommendations for the July Council meeting.

7. **Monthly Reports**

7.1 Manager's Report- Calvin stated Brunswick County is in a Severe Drought. Brunswick County has enacted a Voluntary Water Restriction. There are no other restrictions requested at this time.

7.2 Department of Public Safety Report- Lt. Scott Anderson reviewed the Public Safety monthly report. Wesley Mankin and Nick Terrell have graduated from Basic Law Enforcement Training and have returned to work.

7.3 Development Services Monthly Report- Stephen reviewed the monthly report. Stephen spoke on the CAMA LPO update training received. There is a new insurance program approved by North Carolina for high wind events and is called Safe for Living Program. Stephen reviewed the program. Stephen has received this training and will be able to give evaluations on pre-existing and new homes on the island. This certification of inspection can give a reduced rate for property owners and runs in 5 year increments and is state funded.

7.4 Shoreline Protection Manager Report

Chris McCall gave a follow-up on the current situation with the erosion issues. There has been a letter drafted to Congress for the support of the Terminal Groin legislation. The Mayor and Chris are currently trying to meet with the Governor in regards to the Federal funding for operation maintenance of the channel. Chris and Joe Brawner will be meeting with the River Pilot on Tuesday to receive education on how the channel effects operation.

8. **Comments, Reports and Questions**

8.1 Bald Head Association- No Report

8.2 Bald Head Island, LTD- No Report

8.3 Bald Head Island Conservancy- No Report

8.4 Bald Head Island Club- No Report

8.5 Citizens- No Comment

8.6 Mayor and Council- No Report

9. **Adjournment** -

Mayor Sayre entertained a motion to adjourn at 3:55 p.m., with Councilor Pitera made the motion with all in favor. **(MOTION CARRIED 5-0)**

Mayor Andrew Sayre

ATTEST:

Debra C. Talbert, Village Clerk