

**VILLAGE OF BALD HEAD ISLAND
COUNCIL WORK SESSION**

June 24, 2011

Bald Head Association

COUNCILORS IN ATTENDANCE: Mayor Andrew Sayre
Mayor Pro Tempore John Fisher
Councilor Gene Douglas
Councilor Art Morris

STAFF PRESENT: Calvin R. Peck, Jr., Village Manager
Chris McCall, Asst. Manager/ Shoreline
Protection Manager
Deb Straub, Finance Director
Charles Baldwin, Village Attorney
Debra Talbert, Village Clerk

1. Call to Order/ Approval of Agenda

Mayor Sayre called the June 24, 2011 Council Work Session to order at 9:33 a.m. Mayor Sayre entertained a motion to approve the agenda as presented. Mayor Pro Tempore Fisher made motion, with all in approval. **(MOTION CARRIED 4-0)**

2. Review of Council Meeting Agenda

- 5.1 Calvin reviewed the recommendation from the Public Safety Committee for the amendment of Chapter 28 to Regulate the Use of Segways.
- 5.2 Mayor Sayre spoke on the presented Proclamation for Lyme Disease Awareness Month.
- 5.3 Mayor Sayre spoke on the Deer Referendum Study results. Mayor Sayre stated Communications Chairperson Tom Hayden would be providing those results and Council would direct staff to proceed with the deer count and proceed accordingly.
- 5.5 Deb Straub reviewed the presented Resolution to establish fund balance policies as required by the Governmental Accounting Standards Board.
- 5.6 Deb Straub reviewed the request for a Capital Project Ordinance amendment to transfer estimated accommodation tax receipts from the General Fund to Shoreline Beach Renourishment Fund.
- 5.7 Deb Straub reviewed the May Financial report. The Ad Valorem tax and Accommodation taxes year to date collections are exceeding projections. There will be a budget transfer in the Utility fund to cover expenses.
- 7.1 Calvin stated Brunswick County is in a severe drought. This has placed the county in a voluntary restriction to save water.

3. Review of Proposed Budget

Calvin gave a powerpoint presentation on the proposed budget. The rate will be 56.1 cents which adds 2 cents to the Fund Balance/Capital Project. The Harbour Groins have been paid for in this fiscal year. In the presented 2011/12 budget, the monies are allocated for the creek dredging, Cape Fear Trail erosion.

Chris McCall explained where the extensive erosion is taking place. The 16th groin is the closet to the channel. By placing sandbags in this area, it should protect the structure. Attorney Baldwin is working on the request for the variance packet and coordinating with the Division of Coastal Management staff attorney. There will be further discussion with Erik Olsen concerning the

dimensions of the repair. Chris reviewed the cost and construction of repair of the groin and sand bag placement. The total is approximately \$464k to include an additional groin placement. Chris has communicated with the concerned property owners.

Calvin stated the Finance Committee has made recommendation for the Village to implement a 5 cent increase in taxes in order to increase surplus. This surplus increase will be needed if the Council approves emergency measures to combat erosion at the southwest point. Calvin stated Council can amend anything in the budget throughout the year; except the property tax rate. This rate is set for June 30th and cannot be changed. Mayor Pro Tempore Fisher spoke on the Finance Committee concerns and budget recommendation. The Finance Committee has concerns to build the fund balance to have a reserve for emergency issues and increase credit ratings.

Mayor Sayre reviewed the budget issues and the proposed increase in the budget. Council and staff discussed the emergency issues and the justification for the 5 cent tax increase. With guidance from Council, Calvin confirmed 3 cent will be added to the Beach Fund to make the tax rate to be set at 59.1 cents.

Mayor Pro Tempore Fisher reviewed the concerns of the Finance Committee. There has been a suggestion to form a sub-committee to research further means of revenue income to report back to Council with suggestions.

Council and staff agreed to prepare a letter addressed to the Governor. This letter would be in support of the groin structures and the concerns Bald Head Island is facing.

4. Financial Report

Deb reviewed the financials for May. The collection rate for the ad valorem taxes is 97.9%. The accommodation taxes have exceeded projections. Deb reviewed the collection process and investigation operation of the Utilities/ tax collector and the effectiveness.

The operating revenues are 99% of budget. The operating expenditures are 80% of budget for May 31, 2011. The projection of year end is \$102k of excess revenue. Deb reviewed the Utility fund revenues are down slightly due to low activity. The revenues are at 82% of budget. The revaluation for Brunswick County is at 37.6% in reduction.

Calvin stated Stephen Boyett has received additional training on a required fire inspection for commercial properties and will be charging \$75 for the inspection fee for a 2 year period. Stephen has attended a Fortified for Safety program. This program requires additional training by the building inspector to inspect properties to verify the certification for Wind and Hail insurance cost reduction. The fee for this service is \$150. This program is for existing and new construction. A presentation will be given at the Council meeting.

5. Manager's Report

Calvin stated Bald Head Island is at a voluntary water restriction. This asks for the limiting of lawn watering, and washing of vehicles. If there is a mandatory water restriction, watering of grass is prohibited at the golf course (tees, fairways and greens) between the hours of 6 a.m. and 8 p.m. There is no current restriction on the amount of irrigation. Calvin will communicate this information to the Club.

The barge service has been interrupted due to the weather. Calvin has granted permission for ICE vehicles to transport deliveries to the Maritime Market during this weekend.

Mayor Sayre reviewed a letter received from NCDENR in reference to the Bald Head Creek boathouse. This letter will be reviewed by Council and will discuss the intent of direction.

6. Closed Session Pursuant to N.C. General Statutes 143-318.11 (a)(1),(3), and (5)

- ❖ Village of Bald Head Island vs. US Army Corps of Engineers

Pursuant to N.C. General Statutes 143.318.11(a) (1), (3) and (5), Mayor Sayre entertained a motion to enter into Closed Session at 10:25 a.m., with Councilor Morris made the motion with all in favor.
(MOTION CARRIED 4-0)

Mayor Sayre entertained a motion to come out of Closed Session at 11:18 a.m., with Councilor Douglas made the motion with all in favor.

(MOTION CARRIED 4-0)

7. **Adjournment**

Mayor Sayre entertained a motion to adjourn at 11:19 a.m., with Councilor Douglas made the motion with all in favor.

(MOTION CARRIED 4-0)

Mayor Andy Sayre

ATTEST:

Debra C. Talbert, Village Clerk