

VILLAGE OF BALD HEAD ISLAND  
COUNCIL WORK SESSION  
October 17, 2008  
9:30 a.m.  
Bald Head Association Center

**Council Present:** Mayor Larry Lammert, Mayor Pro Tempore Andrew Sayre, Councilor Gene Douglas, Councilor Art Morris. (Councilor John Pitera was not in attendance.)

**Staff Present:** Village Manager, Calvin Peck; Assistant Village Manager/Director of Development Services, Chris McCall; Finance Director, Deb Straub; Human Resource Administrative Officer, Dawn Reno; Police Chief, Richard Herring; Chief Chip Munna; Public Works Director, Ben Liddle; Utilities Director, Ken Bowling; Systems Administrator, David Cox; Village Attorney, Charles Baldwin; Jason Kesler, Legal Assistant to Charles Baldwin; Village Clerk, Joy Davis (recording minutes).

**Others Present:** Joyce Fulton, BHI Limited Director of Communications.

**Residents:** Various residents.

1. **Call to Order / Approval of Agenda** - Mayor Lammert called the October 17, 2008 Council Work Session to order and entertained a motion to approve the agenda. Councilor Art Morris made the motion and with all in approval the motion was unanimously approved 4 – 0.
2. **Review of October 17, 2008 Council Agenda** -

No comments or discussion on Item #2.

No comments or discussion on Item #3.1 or #3.2.

**Regarding Item 3.4 Adoption of Identity Theft Program**, Mr. Peck explained that the FTC has required entities, financial institutions, and creditors who establish or maintain “covered accounts” containing customer “identifying information” to devise a policy which will protect said against identity theft and that this must take place prior to November 1, 2008.

**Regarding Item 3.5 Consideration of Task Order 2008-02**, Mr. Peck explained that this action would allow Olsen Associates to formulate design documents (plans and specifications) for the proposed Integrated Shoreline Project. Mayor Pro Tempore Sayre asked if the plans and specifications were needed in order to receive the obligatory DENR permit, with Mr. Peck replying that they are needed for bid purposes.

Mayor Pro Tempore Sayre then asked if the plans and specifications and associated \$130,000 cost could be postponed until the permit is in hand, with Mr. Peck stating that a delay would most certainly ensure *no* sand for the Village this calendar year.

Mayor Pro Tempore Sayre asked if there is a real possibility of receiving sand this year, with Mr. Peck answering that he was not sure but there is a possibility, and that the money the Village spends on this task will not be money lost.

Mayor Pro Tempore Sayre commented that money would not be lost *unless* the Village does not ultimately get the permit or in the event that a permit only allows 1M cubic yards of sand, and suggesting that these questions should be asked of Mr. Olsen.

**Regarding Item 3.6, *Consideration of Task Order 2008-03***, Mr. Peck explained that this action would authorize Olsen Associates to reinitiate design and permitting activities required to both initially dredge and maintain the entrance to Bald Head Creek.

Councilor Douglas commented that the main concern right now is the emergency placement of sand in order to save S. Bald Head Wynd and Cape Fear Trail. Mr. Peck assured Council that he would have answers to the questions raised by Mayor Pro Tempore Sayre by the 3:00 p.m. meeting.

**Regarding Item # 3.7 *Relinquishment of Phase I Drought Condition*** Mr. Peck reported that this action will approve an end to the Village's Phase I Drought Condition as the Village is not in a drought as designated by state or federal agencies.

There were no comments or discussion regarding Items #4.1 or #4.2.

3. **2008 – 2009 Budget Adjustments** - Ms. Deb Straub discussed the Village's recent decision to discontinue sewer and water availability charges therefore resulting in an approximate \$274K revenue shortfall. She further reported on the Finance Committee's recommendations as to how this shortage could be made up, with those being an increase in water and sewer tap fees, proposed reductions in Capital Outlay projects and Utilities Fund expenditures, as well as other possible recovery efforts which may afford a total shortfall recovery in the amount of \$664,000.

Referring to the financial statement, Ms. Straub stated that the Village had received 2 batches of ad valorem tax payments, one in September and another in October.

Explaining that the proposed increase in tap fees would require action, Mr. Peck informed councilors that the Finance Committee also recommended collecting all pertinent permit fees upon application for a building permit.

Mayor Pro Tempore Sayre commented that these proposals would be disadvantageous for builders in light of the current economic difficulties and he stated that he hoped at some point in the future the fees can be reduced.

Mayor Lammert asked Mr. Peck if the action is passed by Council can it go into effect January 1, 2009, with Mr. Peck answering in the affirmative. At discussion's end, Mayor Lammert asked the village clerk to add the proposal under new business for the afternoon session.

4. **Bald Head Creek** – Mr. Peck distributed survey maps provided by Eric Olsen of Olsen Associates indicative of depths of sand at the mouth of Bald Head Creek thus allowing Mr. Olsen to conduct engineering calculations in order to determine amount of sand. Mr. Peck explained that on October 28<sup>th</sup> Mr. Olsen will report his findings to Council during a 9:00 a.m. Special Meeting, followed by Peter Ravella’s last public Integrated Shoreline presentation and the Conservancy’s forum on sand placement and creek dredging, all of which are to be held at the Bald Head Association.
5. **Ravella Consulting Update** – Mr. Peck encouraged the residents to take the Integrated Shoreline Funding Survey composed by Peter Ravella and available on the Village website, and further explained that subsequent to Mr. Ravella’s recommendations and examination of the survey results, the Village Council would be considering municipal service district(s) at the November 14<sup>th</sup> regular monthly meeting.
6. **Proposed Village Hall Expansion** – Mr. Peck reported that the pre-bid conference for the proposed Village Hall Expansion project was held on October 16<sup>th</sup> with approximately 6 contractors attending. He further explained that the bid-opening originally scheduled for October 31<sup>st</sup> has been postponed until November 11<sup>th</sup> so as to refine bids and / or meet bonding requirements, with the bids being tabulated before the November monthly meeting in order for the Council to consider whether it will proceed with the project.
7. **Utilities / RO / Marina Update** – Pertaining to the RO line construction, Mr. Peck reported that the Village is awaiting a CAMA minor permit, adding that Limited has worked graciously with staff in order to submit a modification application for the Marina DENR permit which is under their jurisdiction. Mr. Peck stated that the contract has already been awarded and the approval from DENR Construction Grants and Loans should go through at any time, with Mayor Lammert asking him to make some phone calls in an effort to somewhat speed the process. Councilor Douglas referred to a question brought up at the last monthly meeting regarding the length of time it will take the Village to recover the cost of the RO project, and explained that the \$250K will be recovered within 5.9 years through saving \$42K per year by not purchasing 16.4mg of water from Brunswick County. He also reported that the purpose of adding the 3<sup>rd</sup> RO unit is to pump 7.5mg of water off Island as opposed to 2 units pumping 22mg of water off Island.

Regarding the 3<sup>rd</sup> RO unit, Mr. Peck reported that the Village has submitted a revised application subsequent to comments and questions received from DENR upon review of the original permit application. He stated that barring unforeseen problems a permit should be issued within an approximate 10-week window, with installation estimated at around the 1<sup>st</sup> of next year.

Mr. Peck informed the audience that the Village and Robert Norton met with the Division of Water Quality on October 10<sup>th</sup> and it was determined that the original design plan for one larger pond was not going to be able to infiltrate the required

400,000gpd without a de-watering process, thus requiring a major permit modification, which in turn is not allowable until the Village is in compliance.

He further reported that pursuant to these findings, Jim Cornette and Tim Cates are working closely to re-design pond(s) in order to achieve the 400,000gpd infiltration by the revised deadline of November 14<sup>th</sup>.

Regarding the Pond 5-A drainage evaluation, Mr. Peck reported that McKim & Creed have recommended the installation of a bio-retention area (rain garden) at an approximate cost of \$20,000. Mayor Pro Tempore Sayre suggested that the Village inquire as to who will be doing the design of the rain garden and that a conceptual drawing be provided to the affected homeowner.

8. **Creek Access Expansion Project** - Mr. Chris McCall reported that he had attended a parks and recreation trust fund grant workshop and is in process of completing the associated grant application for the Creek Access. He further explained that the Village will also apply for other possible grants inclusive of a CAMA Water Access Grant.

Regarding future expansion of the Creek Access, Councilor Douglas commented that although the expansion does not have to occur now, at some point in time it will be needed and that the Village had made a good decision when it bought the property at 2/3 of its value.

Mayor Lammert brought up the point that in the past couple of years there were as many as 40 people on the waiting list for boat storage, thus necessitating an addition of units and an audit resulting in the removal of illegally stored boats by individuals who are not property owners on the Island. Mr. McCall verified that at this time there are approximately 20 names on the boat slip waiting list.

9. **Discussion on Public Safety Center** - Discussion ensued on the high cost of the proposals submitted by ADW Architectural Firm with regards to the Village of Bald Head Island Public Safety Center which would house the police and fire departments.

Mayor Pro Tempore Sayre asked if the architectural firm had fulfilled its contractual obligation with regards to the proposals, with Chief Munna replying in the affirmative.

He also stated, and Council agreed, that this is a priority of the Village which should be dealt with at a later time, with Mayor Lammert suggesting a more in-depth discussion of the matter at the Council's next retreat session.

**Councilor Morris' Club Meeting Comments** - Prior to the Manager's Report, Mayor Lammert asked Councilor Morris if he had comments regarding the Club meeting.

Councilor Morris stated that he attended the meeting in order to "build a bridge" and a relationship between the Club and the Council as the 2 parties have a lot in common and there is a need to work together to build a bridge of understanding and a working relationship.

He went on to say that the Club election process went very well and that action plans were put in place to address financial issues, but that as the meeting drew to an end, in his mind there appeared to be a political bashing of the Village Council and its priorities.

He said he felt like he was on trial and that there was a lawyer on the Club Board of Governors saying “You answer that question, I want an answer to that question!” and he was afraid that if this is the type of action, [Councilor Morris stated to someone in the audience that they knew who he was referring to and that it was Joe Elrod – he pointed to me and said “You answer that question I asked you,” and I didn’t, and he said “You answer it!”] and that is not the way to build a bridge. He ended by saying that if this continues we will have a *bridge to nowhere* instead of a *bridge to cooperation*.

10. **Manager’s Update** – Mr. Peck reported that Brunswick County was one of a few counties receiving Presidential declarations of disaster areas due to Tropical Storm Hanna, therefore allowing for the Village’s eligibility for FEMA reimbursement of certain expenses up to approximately \$85K, with those being \$50K for the groin damage and equipment, personnel, and overtime.

He further explained that he had attended the FEMA applicant briefing the day before and pursuant to information received he would like to recommend that a new business item *FEMA Designation of Applicant’s Agent* be added for consideration during the afternoon session so that Ms. Deb Straub and Mr. Chris McCall may sign obligatory paperwork associated with reimbursement.

Mr. Peck also informed the audience of the October 16<sup>th</sup> completion of repairs to the groins damaged during *Hanna*. Regarding damages incurred during the recent nor’easter, Mr. Peck reported that the event occurred outside of the window of *Hanna* thus making the Village ineligible for reimbursement.

Mr. Peck asked for, and received, Council’s unanimous approval to execute the contract with low bidder, Wayne Krahn to perform the emergency sand push which will cover areas from just south of the beach access near 234 Station House Way, onward to 25 East Beach and continuing to the Capel property. He further explained that sand fence and poles for this area (purchased at a good price from BHI Limited’s surplus supply) will be installed subsequent to completion of the sand push.

Lastly, Mr. Peck reported that he has been notified that drought management legislation passed by the last session of the North Carolina General Assembly requires the Village to mandate that there be separate meters for in-ground irrigation systems which must be enacted before July 2009, thus staff will be making recommendations which will effect all *new* in ground systems. Council posed questions regarding costs and connection issues and asked Mr. Peck to collect more information on the matter.

**Mayoral Election** - Charles Baldwin, Esq. explained various aspects of the proposed direct general election of the Mayor and discussion ensued as to various

scenarios should this become a reality, with Mayor Pro Tempore Sayre stating that he felt a decision on this should be delayed until 2011 and Councilor Douglas disagreeing and basing his opinion on the comments made in favor of the proposal during the August 15<sup>th</sup> Public Forum on the matter.

Mayor Lammert stated that the specifics and technical aspects could be worked out at a later date and subsequent to the afternoon Public Hearing.

**Public Works Recommendations** - Mayor Pro Tempore Sayre discussed the Public Works Committee recommendations included in Council's packet, stating that he agreed with all but the decision to postpone work on South Bald Head Wynd due in part to the issue of palm tree plantings.

Mr. Mesaris answered that residents had expressed concerns because they felt the palm trees are not native to the Island, they require much care when first planted, and they are expensive. Councilor Douglas stated that palm trees are native to the Island. Mayor Pro Tempore Sayre said that he did not want to press the issue, but that maintenance work and some type of replacement plantings are needed in this area before winter.

Councilor Douglas commented that as of late all he has heard is how the Council irresponsibly spends money and if that position is representative of the taxpayers on this Island, then Council should not proceed. He further stated however that if this is not representative, then they should publicly state that it is o.k. for the Council to continue with the median project. Mr. Mesaris stated that he feels public sentiment is to replace plantings but not to spend additional money on unnecessary items. Discussion ended with Council agreeing with the Public Works recommendation as presented.

11. Mayor Lammert entertained a motion to enter into Closed Session pursuant to N.C. General Statutes 143-318.11 (a) (1), (3), and (5) with Mayor Pro Tempore Sayre making the motion. In a voice vote, all voted in favor.  
**(Motion Carried 4 – 0)**
12. Upon return to Open Session, and with there being no action or reporting on Closed Session, Mayor Lammert entertained a motion for adjournment, with Councilor Douglas making the motion and in a voice vote, all voted in favor.

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**Larry Lammert, Mayor**

**Attest:**

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**Joy Barrow Davis, Village Clerk**