



# TOWN COUNCIL MINUTES

## COUNCIL RETREAT

January 26, 2018

Continued to February 20, 2018 at 5:00 p.m.

The Kure Beach Town Council held a retreat at the Community Center on Friday, January 26, 2018 at 9:00 a.m. The town attorney was present and there was a quorum of council members.

### COUNCIL MEMBERS PRESENT

Mayor Craig Bloszinsky  
Mayor Pro Tem (MPT) David Heglar  
Commissioner John Ellen  
Commissioner Allen Oliver  
Commissioner Joseph Whitley

### STAFF PRESENT

Building Inspector – John Batson  
Finance Officer (FO) – Arlen Copenhaver  
Fire Chief – Ed Kennedy  
Police Chief – Mike Bowden  
Public Works Director – Sonny Beeker  
Public Works Crew Leader – Jimmy Mesimer  
Town Clerk – Nancy Avery  
Recreation Manager – Nikki Keely  
Administrative Assistant – Nancy Applewhite

### CALL TO ORDER

Mayor Bloszinsky called the meeting to order at 9:00 a.m. and presented the changed agenda.

MOTION – MPT Heglar moved to adopt the new agenda, as presented.

SECOND – Commissioner Ellen

VOTE – Unanimous

The mayor provided an overview of the Kure Beach Community Survey Final Report issued September 1, 2017 stating it was skewed to the older population, and there was a receipt of 467 responses out of 2,200. The responses included statistics from visitors as well as property owners.

### 1. DEPARTMENT HEAD PRESENTATIONS

#### a. Building Inspections

Building Inspector Batson made the following points:

- One man department with one part-time employee
- Past year history of permits written:
  - 2014 - 102 permits were issued, of that 26 were for new units
  - 2015 - 88 permits were issued, of that 32 were for new units



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- 2016 – 107 permits were issued, of that 37 were for new units
- 2017 – 106 permits were issued, of that 24 were for new units
- FY 16-17 Revenue \$302,620 includes storm water fees, water/sewer tax, permitting fees
- Average total permit cost for a new house in 2017 was \$9,469
- Average total permit cost for a duplex \$9,469 for the first unit, and \$5,469 for the second unit
- Revenue to decrease as lots are built out
- Redevelopment ordinances do not cover fees to capture new storm water fees and impact to the system
- Residential parking - 2 parking spaces for the first 3 bedrooms, one additional parking space for each additional bedroom
- Various issues involved with new construction, duplexes and parking
- Restrictions should be imposed on duplex units
- Complaints received from residents on a daily basis ranging from noises due to children playing to broken down cars parked in neighbors' yards
- Meet with residents face to face regarding complaints instead of sending certified letter

Revaluation of fees was discussed. Building Inspector Batson said currently new houses have a straight fee. FO Copenhaver provided suggestions for fees per bedroom. MPT Heglar suggested fees covering the square footage of a home. Mayor Bloszinsky stated that storm water fees would be added to the action list for assignment and review.

MPT Heglar requested an update on the matter regarding complaints received pertaining to the new outdoor drinking area for one of the establishments downtown, and how the complaint was handled. Building Inspector Batson advised that he met with the property owner and advised him of his non-compliance. He also told the owner that a revision needed to be submitted to the ABC Commission to allow drinking outdoors on the property. The property owner said that he met with his attorney, and he was not in agreement with the information that was provided to him. Building Inspector Batson offered the property owner his assistance to complete the compliance process. Documentation was requested to be provided within a week's time. The property owner has yet to submit the proper correspondence. Police Chief Bowden stated complaints had been received regarding drinking outside requiring police to be dispatched. He also communicated that the ABC Commission had been to the property regarding the matter.

Building Inspector Batson stated flood zone maps will be released in approximately 6 months. Maps are reverting back to the way they were prior to 2006. Flood ordinance changes and approval of maps will be brought to Council at the appropriate time. He attended a CRS User Group (Community Rating System for Flood Plans) meeting that assists with keeping premiums down. Receipt of lower ratings results in better assistance with insurance premiums. Kure Beach has been rated a Class A. Building Inspector Batson reported that Kure Beach currently has 192 properties with mandatory flood insurance policies. This matter was highlighted and



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noted for further discussion. Mayor Bloszinsky requested Building Inspector Batson to send Council the figures reported in his presentation regarding permits.

### b. Finance Department

FO Copenhaver made the following points:

- Current staffing of three including self
- Additional staffing not anticipated
- Qualified audit and timely filing of regulatory reports to NC State Treasurer's Office, IRS and Department of Transportation accomplished
- Excellent customer service provided by staff
- Complaints received are few
- Future need of new software, what is being utilized is outdated
- Payroll outsourced, recommendation for this to stay in place
- Plans to coordinate with Public Works for new software package when meters are replaced - timing approximately one to two years
- There was a change in regulatory requirements of accounting process in amounts paid to retirees for medical, dental and vision insurance to go into effect this fiscal year
- Impact not known, guesstimate it increases liabilities approximately \$500,000 to one million dollars - NC State pays an actuary and provides Kure Beach with an actuarial study
- Austerity measures difficult to provide in finance as there aren't any projects that are worked on
- Complaints received concern garbage stickers, water bill amounts, garbage not picked up accommodated by staff
- Comparisons state wide for water and sewer costs show ours in the reasonable rate category
- Request timely submission of information for town credit card purchases, payroll paperwork, and documentation of new employees

### c. Fire Department

Fire Chief Kennedy made the following points, providing a year review of significant details:

- Call volume increase from 280 to 330 – 20% increase consistent with past 10 years
- Volunteer turnout increased to 3.7 per call from 3.1
- Change in technology allows firefighters to receive text messages of exact problems so volunteers respond to only certain types of calls
- Lost two part-time staff members
- Added 3 volunteers increasing number on roster to 42 members
- Fully staffed with 8 full time fire fighters
- Restructured organization to better meet needs



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- Decision reached to not hire an Assistant Fire Chief
- Duties distributed to Captains
- Hired Director of Ocean Rescue
  - on the beach strand 40 to 50 hours a week May through September
  - off season he will ride on the fire truck
- Met with FO Copenhaver prior to new hire
  - numbers kept the same on the TDA Fund
  - matched days per year Director of Ocean Rescue would be on the beach strand
- Response time remained the same, difficult to improve due to the speed limit
- Researching value added services to the community without any additional costs
- Firefighters to conduct testing as opposed to hiring a third party, examples are:
  - Fire Hydrant Program
  - Preplan Program - fire fighters physically going to commercial buildings to complete preplanning
  - Completion of firehose testing
- Finalizing 5 year strategic plan - met with community, Board, Fire Department members
- Meet with Council for presentation of 5 year plan, to be scheduled
- Met with Commissioner Ellen to establish and cultivate working relationship
- Changes in regulatory requirements
  - State of North Carolina has added more classes for fire fighters
  - Certification, currently 24, last year 23, making it more difficult to receive the 1 and 2 certifications
  - Staff is attending classes within department and outside as well
  - North Carolina transitioning EMT Program to national registry:
    - staff holding an EMT certification must complete 24 hour transition course
    - practical to be completed with physical site attendance
    - both must be completed by the end of 2018
  - 19 EMT out of 42 members on staff
  - All paid staff members EMT certified with one exception
- Met with FO Copenhaver on vacation and sick pay for firefighters changed from 8.4 to 10.6 per month
- Change based on the hours worked per month averaging 212 hours working a 24 hour shift
- Fire Department – no complaints received
- Complaints received by lifeguard staff - noise, pets on the beach
- New hire possesses excellent leadership philosophy to assist with handling complaints
- Upcoming Needs
  - slight increase in volunteer drill pay to match call response



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- slight increase in part-time pay to match the increase in vacation and sick time
- unused vacation time rolled into sick time, which then gets rolled into retirement with a maximum of 30 days
- Steve Zwally passed the Fire Inspector Test, and he is a fully certified Level One Fire Inspector
- Fire Inspector to attend four educational programs this coming year with no added cost
- Coordinating a Community CPR day to be held at the new fire station at the grand opening depending on completion of construction
- Implementation of a Smoke Detector Program
  - install smoke detectors for residents who do not have them
  - cost of program approximately \$1,000 to \$2,500
  - trying to obtain a grant for smoke detectors for this program to subsidize costs

### Budget Items

- Lifeguards at Carolina Beach receive \$12.00 per hour starting pay
- Wrightsville Beach Lifeguards receive \$10.25/\$10.50 per hour starting pay
- Kure Beach Lifeguards current starting pay per hour is \$10.25
- Carolina Beach Lifeguard pay will affect Kure Beach, possible increase to be looked into
- Kure Beach has one set schedule; Carolina Beach has two schedules 9:00 to 5:00 and 11:00 to 7:00.
- Capital expenditures equipment – Fire Department has purchases every year; working to keep expenses consistent
- Consideration given to the acquisition of new radios

Fire Chief Kennedy reported that lifeguard rescues were 27 this year as opposed to last year's 67 rescues in one weekend. He stated that it was a very slow summer for lifeguards.

### d. Police Department

Police Chief Bowden made the following points for the year 2017:

- Tsunami cameras are up and running working well, solved a few crimes for the department
- Body armor vests and new rifles purchased
- Narcotics Officer assisted with narcotic arrests and overdoses
- Wilmington and New Hanover County experiencing the same problems with narcotics
- Purchased lock boxes for automobiles for home guns due to break-ins and theft of guns from vehicles
- Lost one part-time police officer working two days per week, reviewing budget to hire an additional part-time officer for daily duties



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- Applied for a grant for \$24,500 non-matching funds for cameras to be installed in the downtown park area and downtown area
- Notification of award to be advised in March/April with monies to be received in August/September if grant award received

### Budget Items

- Reception problem with radios
  - working with New Hanover County for a remedy
  - looking into purchasing cheaper radios at half the price of current ones
- Body cameras reaching life expectancy - updated version now available at a cost of approximately \$400 each, with a need for 10
- Request for one new vehicle for the current year versus purchasing two per five year plan
- Narcotics - Heroin is being laced with fentanyl and other drugs
- Change in policy regarding field testing
  - unable to conduct testing within the department
  - testing sent to Wilmington due to grant they received
  - grant in the process of running out
  - once grant is exhausted contract negotiations will commence imposing costs of approximately \$250 to \$400 per testing
  - a review of this process needs to be done for the future
  - test results take approximately one week to be received from Wilmington and saves officers' travel time
  - testing sent to North Carolina State is not received in a timely manner and officers have to transport testing up to Raleigh
  - costs related to testing involves purchasing different types of masks and gloves geared specifically toward these narcotics
  - purchases required due to the hazards imposed on officers if exposed to even a minute amount
- Narcan opiate antidote has been administered to individuals by officers
- Specialized Narcan Kits for police officers due to the life threatening effects of exposure to laced narcotics during searches
- Partnership with Carolina Beach Police Department on narcotics working well
  - assistance with back-up, information shared, equipment, computer and cell phone forensics
  - Kure Beach sharing in the expense for schooling of officers in certain areas because of the assistance provided to the department





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- officers will continue to assist Kure Beach having access to the new police lab upon construction completion
- Active Shooter video released to WECT when advised by the judge, as Kure Beach is the owner of the video
- April 7<sup>th</sup> scheduled for “Public Safety Day”
  - several different agencies to be present from federal, state, and local agencies
  - CPR certification may be completed on this day
- Largest amount of complaints received - parking and dogs on the beach
- Looking into possibly staffing beach with police officers on their days off
- Main goal for 2018 – staffing of two officers per shift, one additional officer required to meet goal

Mayor Bloszinsky asked about break-ins and DUIs. Police Chief Bowden reported break-ins were few and were resolved without incident due to the patrolling of the area by the department. DUI resulted in a bad crash in which assistance was provided. Public Works helped in providing signage to area for accident prevention. The mayor also inquired about the possibility of canines for the department. Police Chief Bowden advised that he is looking into canines; however, the right person is not yet in place. He stated that canines are a big responsibility at a cost of approximately \$10,000 with additional expenses imposed relating to training and equipment. MPT Heglar offered support of Council to the department to ensure the continuation of a strong message to criminals of no tolerance. Police Chief Bowden stated a serious reputation precedes the Narcotics Officer which assists in providing an excellent message to the narcotics community.

### e. Public Works

Director Beeker stated the current Council Retreat would be the last one he is attending. He turned over the Public Works reporting to Crew Leader Mesimer, who made the following points:

- Water meter change out is needed, current meters are 12 years old
- Change out will reduce labor costs
- Currently takes 6 men 3 days a month to read meters
- New meters will provide a savings of \$30,000 in man hours per year and will conduct hourly readings
- Residents will be able to read their meters via online and know their immediate consumption
- This is a vacation town, residents owning a secondary home will be able to view their usage on line
- Estimated cost of a new meter will be \$240 per meter with an installation cost of approximately \$40 per meter



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- New meters to contain a GPS and will assist with the ease of repairs during and after storms
- Project to be tied in with Town Hall new software for water billing system
- Improved meters with no parts to wear out will assist with the reduction of meter re-reads
- Low volume water indication which will increase revenue for water lost
- Cost of system to be decided by Town Council, spread out as a multiple year project or establish a separate project fund
- Additional discussion earmarked for later in the meeting

### Projects

- Water tower maintenance scheduled for this year, exterior painting, etc. We have as a 10 year agreement with Southern Corrosion
- Water line replacements started on Third Avenue from E Avenue to F Avenue this past year
- Plan to continue on water line replacement this year ending at H Avenue

### Capital Projects

- New lift station in operation approximately 2 ½ to 3 months - will be very cost efficient for many years to come
- Lagoon bypass has worked well on two separate occasions during bad rainstorms
- Three new air release valves added to assist air pump efficiency and air pressure against Carolina Beach
- Investigating replacement of the sewer line on 7<sup>th</sup> Avenue
- Manhole assessment conducted for air filtration
- Plans to conduct smoke testing this year
- Generators to be replaced at a couple of the lift stations
- Pump upgrades to Riggins and Ocean Dunes, i.e. new pumps and guiderails, etc.
- Install pinch valve treatment plant to assist with water control through bypass eliminating any spillage at plant – operating valve in place not designed to handle process

Discussions were held with regard to the replacement of the sewer line on 7<sup>th</sup> Avenue. Director Beeker advised cost estimates would be received from the company installing the pinch valve, and money may be available in the budget to handle both the replacement of the sewer line on 7<sup>th</sup> Avenue along with the pinch valve. Commissioner Whitley inquired about the pipe on Carolina Beach. Director Beeker stated that the engineer for both Carolina Beach and Kure Beach communicated that a plan was in place to contain the damaged pipe for protection, and we will be advised of estimates and cost.





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### Storm Water

- Provided maps of storm drain realignment
- Phase 2 completed – standing water accumulating as a result of tight seal
- Complaints received from customers about standing water
- Drains to be added to the lines to address the problem
- No new projects scheduled for storm water due to the work completed over the past few years
- Plans in place to budget for storm water maintenance

MPT Heglar asked about the status of the two year plan. Director Beeker advised everything has been completed with promise to Mr. Wooten to be completed by February 28. MPT Heglar then inquired about the wash over from MOTSU onto Assembly Avenue, and if the assistance of MOTSU would be needed. Director Beeker stated that it would be helpful to receive assistance from MOTSU to complete. He distributed color prioritized maps indicating proposed work split up over the next few years, along with documented streets that need to be paved at some point in time using Powell Funds.

### Personnel

- Working with 14 staff members
- Need to hire one employee to replace the one who has retired out on disability, and one additional person
- Department has been working with the existing number of staff members for 10 years

### Sanitation

- Request for a new sanitation truck
- A new truck will make process easier and faster allowing manpower to be used elsewhere

#### f. Recreation & Administration

Recreation Manager Keely made the following points:

- One full time staff member with 2 seasonal part time volunteers
- Provided handout of Calendar 2017 Recreation Year in Review outlining various programs:
  - Classes offered at the Community Center – Yoga, Stretch & Restore Yoga, Aikido, etc.
  - Recreation Programs free to the public (i.e. Boogie in the Park, Turtle Talk, Market, Story Time by the Sea, Up and Active, Halloween Story Time by the Sea)
  - Town sponsored Special Events – 70<sup>th</sup> Anniversary Celebration, Island Day, Jazz Funeral, Holiday Market, Fantasy Christmas Show



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- Participation in special events Olympics Polar Plunge and Carolina Beach Marathon
- Town facility private rentals listed below produced a total revenue of \$16,858 for the Fiscal Year to date; on track to bring in more revenue than anticipated
  - Community Center
  - Ocean Front Park
  - Recreation Programs (Ocean Front Park & Joe Eakes Park)
- Community Center costs for renovations have resulted in rental revenue
- Instructors pay the town to use the center for their classes
- Assets are producing entertainment for residents and visitors, generating revenue for the town

Town Clerk Avery advised that direction is needed from Council because Recreation Manager Keely is running at full capacity completely managing everything involved within the program herself. She stated more could be done within this area, but not with just one person and two volunteers. She would like to see Recreation split off into its own department, hiring a part-time employee for the development of additional programs. Commissioner Oliver stated what is provided to the citizens is tremendous, but the program can be better. He confirmed that it is difficult for Recreation Manager Keely to develop programs and continue to uphold the programs already in place without the recruitment of additional staffing. He said there are other areas in which growth can be pursued, and he is in agreement with Town Clerk Avery regarding the need of a part-time staff member. MPT Heglar stated that the taxpayers are spending more than the revenue acquired. Mayor Bloszinsky acknowledged that a strategy needs to be put in place. Discussions continued regarding the potential for better utilization of the Recreation Programs, and how to communicate programs to citizens and visitors. Commissioner Oliver recommended contacting ECU for information on their Student Internship Program opportunities.

### Safety Concerns/Maintenance

- Parks & Recreation budget does not have a maintenance line item for Ocean Front Park
- Items listed are not within the boundaries of normal routine maintenance budgeted by Public Works:
  1. Concrete work needed for the pavilion flooring at the meeting of covered and uncovered areas to assist with hazard prevention. American Patio, Drive & Walk provided a quote of \$3,100. Said quote is herein incorporated as part of these minutes.
  2. Installation of two decorative lights to provide much needed lighting on the dark area at the fence/gate between the Ocean Front Park and the Pier



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Motel/Beach House Burgers. In addition, Commissioner Oliver requested all the exterior lights to be checked at Ocean Front Park.

3. Replacement and repair of the wooden bollards that run parallel to Atlantic Avenue.
4. The addition of steps to the pavilion stage on the west side near the water fountains. Adding steps would increase safety and provide easier access to water fountains.

MOTION – MPT Heglar moved to award the \$3,100 contract for concrete repair at Oceanfront Park to American Patio Drive Walk. Facilities Manager Sanders to take the lead on the Oceanfront Park concrete repair project, with Public Works Director Beeker providing assistance. FO Copenhagen to complete a Budget Amendment for funding.

SECOND – Commissioner Whitley

VOTE – Unanimous

Deliberation and consideration of handling the additional maintenance items continued with them being listed for department follow-up and to also be added to the Budget Workshop Agenda. Estimates to be obtained by Public Works for the completion of Budget Amendments by FO Copenhagen. Mayor Bloszinsky said the park needs to be kept in the best condition possible; therefore, maintenance is to be budgeted for work to be completed by Public Works. Budget and financing to be managed by FO Copenhagen.

*At 10:57 a.m., the mayor called for a break*

*At 11:02 a.m., the meeting resumed*

## 2. MEETING WITH COLONEL MUELLER AND Military Operations Terminal at Sunny Point (MOTSU) STAFF

Mayor Bloszinsky welcomed the staff members from MOTSU and introductions were exchanged. MOTSU staff provided their background and professional career history.

Colonel Marc Mueller	MOTSU Commanding Officer
Mr. Steve Kerr	Deputy to the Commander
Alicia Dunn	Command Sergeant Major
Mike Brown	Command Sergeant Major
Michael Fuller	MOTSU

Colonel Mueller explained the geographically dispersed command he is responsible for, the 596 Transportation Brigade of which MOTSU is one installation, MOTCO located in Concord, CA (the West Coast version of MOTSU), a battalion, a joint base force in Florida and Washington State and a detachment in Alaska. He stated he appreciates and is dependent of the mutual assistance and support provided by the town’s Fire and Police Departments on this side of the river, as MOTSU’s response time is considerable.



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The following points were made:

- Council acknowledged the value of MOTSU property
- The town's Fire Department training is allowed on MOTSU land
- Changes in MOTSU policing strategies to be confirmed and communicated to Council and Town Hall for relay to citizens via e-mail system
- MOTSU land areas and property policed and closed at times due to explosive safety and blast zone area
- Notices regrading closings limited to communities and neighbors
- Designed patrol plans are not connected to operations
- Any activities conducted in the areas while ammo is loading puts citizens at risk
- Threats, surveillance and additional threats present the need for MOTSU to control and understand what is happening in the land space
- Compliance responsibility of MOTSU to government agencies - problematic issues (i.e., citizens dumping, people camping)
- Town supports the needs and requirements of policing by MOTSU
- Tickets issued on Dow Road by MOTSU brought forth an adjustment for the citizens and the town
- MOTSU Police Chief instructed not to police speed unless recklessness endangerment observed or incident occurrence directly involved with MOTSU
- Trespassing enforced on MOTSU land
- Council will assist with any communications to help preserve the relationship with MOTSU
- MOTSU communicates Emergency Management Procedures through the North Carolina Department of Transportation
- Individuals needing to be on MOTSU land (i.e. looking for lost dog), should be coordinated by the Police Department with MOTSU
- Request from Council for MOTSU to provide guidelines to be used by Police Department

## Joint Land Use Study

- Department of Defense (DOD) brings together Kure Beach, neighboring towns and counties and MOTSU
- Joint Land Use Study (JLUS) is managed by the Office of the Secretary of Defense (OSD), headquartered in the Pentagon by the Office of Economic Adjustment where the Project Manager for the project works and functions
- Study conducted and managed by Cape Fear Council of Government (COG)
- Reason for the study is to enable the neighbors around the installations to conduct long term planning for the understanding of what would and would not be approved if requested, and to examine compatible use for the land



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- Studies normally completed by the installation to create greenways and buffers, in this case buffers have already been established
- Study being done to request the utilization of satellites in the undeveloped land
- Numerous operating challenges presented for MOTSU:
  - Approval must be received from the DOD Explosive Safety Board (DDESB) out of the Pentagon
  - DDESB provides MOTSU with operating license and defines their capacity based on the deviations to explosive safety existence
  - The more deviations the greater the reduction is to capacity for MOTSU
- MOTSU's interest is in protecting their ability to operate by looking at what is compatible and what is not compatible
- The study will assist in defining a process for a comprehensive long term plan to be obtained for the installation and the neighboring communities created, instead of fulfilling individual requests
- A formalized process should be in place accounting for explosive safety on the front end rather than the back end
- In the past, approval would be submitted to the United States Army Corps of Engineers, and then the impact to the communities would be observed resulting in a loss of operating capacity
- After completion, the study will return to the Pentagon for review and follow-up on the implementation of things that were deemed compatible and not impact munition processes
- An implementation strategy will eventually be completed under a separate study – two part process
- DOD currently in the process of writing drone policies for the use of MOTSU by first responders
- Drones to be purchased within the next 6 months for the MOTSU Fire Department
- The other change in this year's National Defense Authorization Act:
  - Protection of critical government facilities giving MOTSU the authorization to dismantle drones
  - Policy defining the rules for the uses of force against unmanned aerial systems still in development
  - Federal Aviation Association (FAA) already marked on charts the restricted area of MOTSU for unmanned aerial systems
  - Air space not closed for planes
- An Executive Committee or Policy Committee will be established along with an Advisory Committee
- The Town Council will be represented on the Executive Committee with COG running the study through Benchmark Planners





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- Town staff will be on the Advisory Committee and will receive surveys and master plans requiring active participation of the committees formed
- Subject matter experts will be called in from the military and civilian sides forming four to five committees to discuss the different problems and issues
- MOTSU will be an active participant in the study
- If study is done correctly it will open up continuous dialogue between MOTSU and the communities requiring adjustments to be made
- Results of study to provide a clear set of rules and guidelines for the request of land use

Discussions regarding the relationship between MOTSU and Kure Beach continued with additional communication regarding the JLUS. Mr. Fuller said there will be a learning curve on both sides. The process will not be streamlined and many signatures will be required for real estate transactions with MOTSU. Mr. Fuller reported that all Kure Beach leases are current and on task for renewals. Clean-up completed behind the Fire Station is very positive. He explained the relationship with Savannah, MOTSU and Kure Beach. He stressed that the attentions of the Sergeants and Colonel should be focused elsewhere, he is focused on real estate management. Arrangements to be coordinated with Mr. Fuller for a visit and tour of MOTSU by Town Council.

*At 12:00 p.m., the mayor called for a lunch break*

*At 12:53p.m., the meeting resumed*

## MID-YEAR FINANCIAL REVIEW

FO Copenhagen provided an overview of finances for the middle of the fiscal year:

- Review of Fiscal Year 2018 goals
  - Work smarter to maintain and improve our quality of life in Kure Beach
  - Ensure the integrity of Town financial data and maintain financial stability in all Town funds
  - Enable an optimum working environment for staff to produce high levels of service to the public
  - Provide all departments with the support to maintain a safe working and living environment
- General Fund Budget
  - Revenue and expenses by category are in line for the time of year
  - Original Budget \$4,607,417 – Amended Budget \$5,067,803
  - Actual Revenue \$2,748,003 – 54.2 percent of budget
  - Actual Expenses \$2,382,871 – 47.0 percent of budget
  - Transfer of \$81,000 to Capital Project Fund for the Town Hall Project
  - Estimated relocation costs of \$176,000





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- First debt service payment for Town Hall Fire Station loan due in June
- Major revenue outlined by category
- Property Taxes collected since December 31<sup>st</sup> almost \$646,000
- Re-entry decal sales \$117.9%
- Motor Vehicle Tax 100%
- General history of revenue provided over a five year period
- Expenses reported to be on track for 6 month period
- Major variance in lifeguard expenses resulting from short staffing on rainy days, lean staffing from Memorial Day to the first 2 weeks in June
- Steady growth shown, Department Heads doing well in suspending and not utilizing all of contingency

Discussions evolved regarding taxes and how to address citizens. MPT requested FO Copenhaver to provide Council with the appropriate verbiage when speaking to residents concerning the use of property taxes and sand on the beach. He stated the information would be a valuable tool when talking with the citizens of Kure Beach.

- Storm Water Fund
  - Budget \$630,094
  - Actual Revenue \$186,574 – 29.6 percent of budget
  - Actual Expenses \$403,587 – 64.1 percent of budget
  - Revenue appears not in line because \$300,000 was appropriated out of last years' fund balance for capital project use
  - Review of expenses provided over the last five years
  - Storm water fees major source of revenue
  - \$138,000 FEMA funds received due to Hurricane Matthew
- Power Bill Fund
  - Budget \$65,070
  - Actual Revenue \$65,338 – 100.4 percent of budget
  - Actual Expenses \$1,174 – 1.8 percent of budget
  - Balance of budget for 2017 - \$290,056
  - Balance to date - \$354,000
- Other Governmental Funds July through December
  - Beach Protection
    - Established 4 years ago
    - Related to the fortification of the beach; nourishment, signage on beach, repairing accesses
    - Primary resource transfer from General Fund in addition to some interest



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- Budget \$47,090
- Actual Revenue \$47,069 – 99.9 percent of budget
- Actual Expenses \$0
  
- Federal Asset Forfeiture
  - Police Department work completed with Federal Agencies
  - A share of assets forfeited are allocated to the town when a case is settled
  - Budget \$50,000
  - Actual Revenue \$0 – zero percent of budget
  - Actual Expenses – 24.6 percent of budget
  
- Water & Sewer Fund
  - Budget \$2,150,655
  - Actual Revenue \$1,076,982 – 50.1 percent of budget
  - Actual Expenses \$957,375 – 44.5 percent of budget
  - Tap and connection fees ahead due to building activity
  - 2013 - Loan provided a 50 percent loan forgiveness; due to the type of loan, monies recorded as income
  - 2014 - Received refund from Carolina Beach in excess of \$400,000.
    - transferred some money to General Fund to pay for Oceanfront Park Settlement
  - 2016 - Lowered minimum gallons from 3,000 to 2500 and raised the rate for going over the minimum
  - 2017 - Added a second tier for residential customers exceeding 7,000 charging a higher rate
    - transferred funds from the Water & Sewer Fund to the Pump Station Capital Project Fund.
    - removal of sludge – lagoon cleaning
  - Fluctuations in operations over five year period resulting from Capital Expenditures

FO Copenhaver explained that the Water and Sewer Fund should be at 60% at this time instead of 50%. This could pose a potential problem because there are 3 additional months remaining in the budget year, and they are the slowest months. The difficulty is that expenses will jump ahead of revenue. The subject to be discussed in detail at the Budget Workshop. Money remained in the fund will be allocated to fund balance and be used for potential future Capital Projects. The expenses result from the Public Works Department and what they are going to need for operations.



# TOWN COUNCIL MINUTES

## COUNCIL RETREAT

January 26, 2018

Continued to February 20, 2018 at 5:00 p.m.

- Sewer Expansion Reserve Fund (SERF)
  - Budget \$30,330
  - Actual Revenue \$322 – 1.1 percent of budget
  - Actual Expenses \$0 – zero percent of budget
  - Below budget – unable to charge user fee
  - Interest received is the only income reported
  - First Systems Development Fee received January 25, 2018
  - 2017 - monies utilized for sewer by-pass and transfer for Pump Station Capital Fund
  - Follow-up by Council for a five year plan to be instituted for the System Development Fee

FO Copenhaver gave a breakdown of the Governmental Funds. He also reviewed the Minimum Fund Balance Policy that went into effect January of 2012. The policy states that the Town is to maintain an unrestricted fund balance in the Governmental Funds (General, Storm Water, Powell, Beach Protection, Federal Asset Forfeiture & Capital Project) of no less than 32% of the total projected expenditures. Unrestricted fund balance is the total of all Committed, Assigned and Unassigned fund balance, as reported in the Annual Financial Report.

- Looking Forward
  - A 5 Year Capital Plan was created for the General Fund with input obtained from the Department Heads for FY 2019 to 2023
  - MPT Heglar requested street paving to be allocated in the corresponding calendar year
  - Vehicle requests not received from the Police or Fire Departments
  - 5 Year Capital Plan presented for the Water/Sewer Fund with water meter replacement as the largest expenditure
  - MPT Heglar requested discussion of the water meter replacement be noted, moved to FY 2018/2019 with the subject scheduled for the Budget Meeting to be held in April
  - Five Year Capital Plan was provided for the Storm Water Fund.
  - Projected revenue and expenditures were presented for the following funds with no tax increase approach for FY 2018/2019: General Fund, Water/Sewer Fund, and Storm Water Fund
  - A graph outlining the projected outstanding debt over five years was presented
  - Additional information, graphs and overview provided with potential rate increases for FY 2017 to 2023



# TOWN COUNCIL MINUTES

## COUNCIL RETREAT

January 26, 2018  
Continued to February 20, 2018 at 5:00 p.m.

- Finalization of 2018 budget calendar
  - Dates and outline of activity description given for the proposed FY 2018/2019 Budget Calendar
  - First Budget Workshop scheduled April 6<sup>th</sup>, with second to be scheduled April 20<sup>th</sup>

### 1. Quick Hits

Mayor Bloszinsky provided an overview

#### a. Community Education Plans

- Coffee with the Mayor/Council last Saturday morning of the month after Town Council Meeting
- Institute monthly letter to residents from Town Council
  - Mayor Bloszinsky to write the first letter with Commissioners to alternate subsequently
  - Letters will begin February electronically through website and e-mail
- Regular meeting with business owners of Kure Beach before and after the major season

CONSENSUS – Council agreed to have two members of Council meet with downtown business owners in April prior to the major season.

#### b. Regular Communication with Carolina Beach Town Council

- Normally meet with Carolina Beach at various meetings, but nothing official
- There is value to meet with them concerning specific topics
- Need to meet with them prior to the season regarding bridge change plans, emergency management

Commissioner Whitley reported that Carolina Beach is going to reach out to Council to establish quarterly meetings, more if necessary, prior to the major season to discuss, dogs on beach, golf carts, speed limit, and to establish relationships. Initial meeting to be scheduled February of 2018.

#### c. 2018 Town Council Regular Meeting Schedule

- Best night for Council meetings discussed proposing a change if necessitated
- Six rescheduled meetings in 2017
- Council meetings to remain the third Tuesday evening of the month



# TOWN COUNCIL MINUTES

## COUNCIL RETREAT

January 26, 2018

Continued to February 20, 2018 at 5:00 p.m.

- d. Council use of Laptops or Tablets
- Town Clerk Avery reported shortage of one laptop for Council
  - Request of preference prior to purchase
  - Tablets requested for Commissioner Ellen and Commissioner Oliver

## 2. Parking

Commissioner Whitley gave a report on the current parking meeting held. Ordinances are in the process of being cleaned up and worked on to establish consistency for enforcement to be presented to the Planning & Zoning Commission. Paid parking is not in the foreseeable future. Plans are in place to taper the parking issues. MPT Heglar asked what the issues are regarding parking. Commissioner Whitley will forward parking issue details to MPT Heglar. Commissioner Whitley stated that the parking issues are town wide with some being; parking in right away, parking over the line, beach access parking, etc. MPT Heglar advised that clear guidelines need to be provided to the Police Department for enforcement.

CONSENSUS reached for paid parking to be taken off of the table for the 2018/2019 Fiscal Year Budget.

## 3. Reinstatement of Longevity Benefit for Employees Hired after June 16, 2015

- Nine employees do not participate in the Longevity Benefit
- Employee morale and retention is affected
- Expense of approximately \$2,700
- Benefit is dispersed prior to the Thanksgiving Holiday
- Consideration of benefit to be given during budget process and planning for discussion and decision

CONSENSUS – Council agreed to add the cost of the Longevity Benefit for all employees to the FY 18/19 budget process for discussion and consideration or reinstatement for those hired after June 16, 2015.

## 4. Future Building - Vacant lot status and projected potential population growth

- Presentation by Building Inspector Batson
  - 266 vacant lots at Kure Beach
  - Zoning would allow duplexes to be placed on 153 lots (306 units)
  - Acreage available (land close to the Trading Post, zoned RB1) would allow an additional 28 extra units
  - New Units 334
  - Single family lots 113
  - Total structures 447



# TOWN COUNCIL MINUTES

## COUNCIL RETREAT

January 26, 2018

Continued to February 20, 2018 at 5:00 p.m.

- Actual structures in place are approximately 2,192
- Ability to add 25% more units

Discussions points were:

- To sustain 447 additional units, a 25% increase will be required for Police, Fire and Public Works
- Possible changes to setbacks, zoning and parking

MOTION – At 3:21 p.m., MPT Heglar moved to recess the meeting addressing the remainder of the agenda items from 5:00 p.m. to 6:30 p.m. prior to the February Council Meeting.

SECOND – Commissioner Whitley

VOTE – Unanimous

Agenda items to be finished:

5. Determination of FY18-19 Council goals
6. MOTSU/DOD Land Use Plan goals and expectations
7. Other Council items for discussion
8. New Building Schedule/Progress and challenges
9. P&Z goals for 2018

## CONTINUATION OF RETREAT – FEBRUARY 20, 2018

The Kure Beach Town Council held a continuation of the retreat of Friday, January 26, 2018 at the Temporary Town Hall on Tuesday, February 20, 2018 at 5:00 p.m. The town attorney was present and there was a quorum of council members.

## COUNCIL MEMBERS PRESENT

Mayor Craig Bloszinsky  
Mayor Pro Tem (MPT) David Heglar  
Commissioner John Ellen  
Commissioner Allen Oliver  
Commissioner Joseph Whitley

## STAFF PRESENT

Finance Officer (FO) – Arlen Copenhaver  
Fire Chief – Ed Kennedy  
Police Chief – Mike Bowden  
Public Works Crew Leader – Jimmy Mesimer  
Town Clerk – Nancy Avery  
Personnel & Facilities Manager – Mandy Sanders  
Administrative Assistant – Nancy Applewhite





# TOWN COUNCIL MINUTES

## COUNCIL RETREAT

**January 26, 2018**  
**Continued to February 20, 2018 at 5:00 p.m.**

### CALL TO ORDER

Mayor Bloszinsky called the continued council retreat to order at 5:00 p.m.

### 5. Determination of FY18-19 Council Goals

Mayor Bloszinsky presented suggested goals using the categories from 2017 goals and requested input.

- a. Work smarter to maintain the quality of life in Kure Beach
  - Improve parking situation
  - Upgrade systems such as water meter and billing
  - Work on the DOD JLUS to the retain assets town of:
  
- b. Ensure the integrity of the Town financial data, maintain stability of all Town funds
  - Bring in facility construction project on time and at cost
  - Be fiscally responsible
  - Improve long term planning
  - Review ordinances for enforcement process, look at penalties
  - ROT maintenance, letter to property owners and follow-up
  
- c. Enable an optimum working environment for the staff to produce high levels of service to the public
  - Town Hall space (physical)
  - Ensure policies to remain fair (morale)
  
- d. Provide all departments with the support to maintain a safe working and living environment
  - Support Camera Program
  - Use technology to multiply abilities

CONSENSUS – Council agreed to have the goals distributed for additional comments and edits for finalization at the March meeting.

### 6. MOTSU/DOD Land Use Plan goals and expectations – ranked in order of priority

1. Lagoon – ensure lease, current five year lease expires December of 2019
2. Water tower – ensure the lease, current lease expires April of 2019
3. Recreation area (JE Park), lease is \$1,000 for 6.5 acres
4. Water diversion – Camp Wyatt, keeping water out of the streets of Kure Beach
5. Garages – Public Works, replacement of the garages lost



# TOWN COUNCIL MINUTES

## COUNCIL RETREAT

January 26, 2018

Continued to February 20, 2018 at 5:00 p.m.

6. New egress process – access to Dow Road
  7. Bike path options – Carolina Beach is in the process of building bike path
  8. Maintain good relations
  9. Land behind fire station to be utilized for training and volunteer parking during calls
7. Other Council items for discussion
- MPT Heglar requested permission from Council to re-engage concerning the Sandman lots
    - Mayor Bloszinsky to work with MPT Heglar on the Sandman Project
    - History concerning Sandman to be forwarded to Commissioner Whitley by MPT Heglar

CONSENSUS – Council agreed for MPT Heglar to work on the re-engagement of the Sandman lots with the assistance of Mayor Bloszinsky.

- Commissioner Ellen discussed the Committee Policy requirement for residency for appointment to a non-town Committee. The matter was tabled as it was on the agenda for the regular meeting later in the evening.
8. Follow-up Items from Council Retreat Highlighted for further discussion
- Commissioner Whitley and Building Inspector Batson
    - Storm water fee for new development/construction, working with FO Copenhaver
    - Changes to ordinances supporting fees for new structures and redevelopment to capture new storm water costs and impacts to the systems
    - Parking per bedroom regulations
    - Flood zone maps
  - MPT Heglar and Public Works Crew Leader Mesimer
    - Check lights/timers at Oceanfront Park for repair
    - Estimate cost to repair wooden bollards running parallel to Atlantic Avenue and include in FY 18/19 budget
    - Develop 5 year water/sewer infrastructure plan
    - Work with FO Copenhaver to keep calculation of System Development Fee current
  - Commissioner Oliver and Town Clerk Avery
    - Recreation strategy – grow or maintain status



# TOWN COUNCIL MINUTES

## COUNCIL RETREAT

January 26, 2018

Continued to February 20, 2018 at 5:00 p.m.

- Oceanfront Park safety concerns regarding lighting and access to private property
  - Mayor Bloszinsky and MPT Heglar
    - Work with Carolina Beach on the process for allowing property owners to return to the island after emergency
8. New Building Schedule/Progress and challenges
- Tabled to February meeting.
9. P&Z goals for 2018
- Parking
  - Review of outdated ordinances tightening up language and definitions

MOTION – Commissioner Ellen moved to adjourn the meeting at 6:10 p.m.

SECOND – Commissioner Whitley

VOTE – Unanimous

  
\_\_\_\_\_  
Craig Bloszinsky, Mayor

  
\_\_\_\_\_  
ATTEST: Nancy Avery, Town Clerk

NOTE: These are action minutes reflecting items considered and actions taken by Council. These minutes are not a transcript of the meeting.