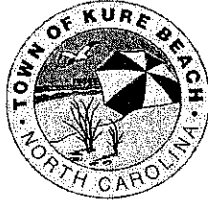


MINUTES

TOWN OF KURE BEACH TOWN COUNCIL

117 Settlers Lane ■ Kure Beach, NC 28449



Mac Montgomery, Mayor
Jim Dugan, Mayor Pro Tem
Dean Lambeth, Commissioner
Barry Nelder, Commissioner
Jim Vattrt, Commissioner

Michelle James, Town Administrator ■ Kaysie Pralle, Town Clerk

WORK SESSION
NOVEMBER 17, 2009 AT 5:00 P.M.

COUNCIL MEMBERS PRESENT:

Mayor	Mac Montgomery
Mayor Pro Tem	Jim Dugan
Commissioner	Dean Lambeth
Commissioner	Barry Nelder
Commissioner	Jim Vattrt

COUNCIL MEMBERS ABSENT:

None

STAFF PRESENT:

Town Administrator	Michelle James
Police Chief	Dennis Cooper
Fire Chief	Harold Heglar
Public Works Director	Sonny Beeker
Building Inspector	John Batson
Town Clerk	Kaysie Pralle

Town Attorney A. A. Canoutas was in attendance. There was a quorum of the Town Council present.

CALL TO ORDER AND WELCOME

Mayor Montgomery called the meeting to order at 5:02 pm.

Administrator James distributed packets to Council and Council-elect. The information in the packets are incorporated by reference and made a part of these minutes.

Administrator James began her transition presentation by noting that the League of Municipalities issued a letter today for retirement. Retirement contributions will increase 2% of total payroll. Increases are expected to reach 20% by the year 2016. There are two rates, one for law enforcement and one for local government.

Administrator James said "I have enjoyed the opportunity to work for the Town Council. I am parting with lots of good information that I hope to use in the future." In regards to the staff at Town Hall she noted "the bottom line is getting their work done on time and with accuracy."

She explained one side of the packet contains the organizational chart, job descriptions for the Town Administrator, Town Clerk and Finance Officer.

Town Administrator's Duties –

- ☞ The department director over finance and administration
- ☞ The role has been one of communication
- ☞ To be a mentor to the Town Clerk
- ☞ Reports directly to the Council

Town Clerk –

- ☞ The current clerk was hired with no experience
- ☞ She is now a certified clerk
- ☞ It is typical for the duties of the Town Administrator and Town Clerk often overlap causing tension, but this has not been the case with the current clerk
- ☞ Provide the best information to the Council for decision making

DELEGATION OF DUTIES

Town Clerk –

- ☞ Census contact
- ☞ Provide guidance to Customer Service & Marketing Coordinator for news releases and other announcements shared over the email distribution list, twitter and website.
- ☞ Provide administrative support to Council.
- ☞ Administrative support for committees.
- ☞ Take Minutes and support the Economic Development and Park Utilization Committee
- ☞ Oversee the foyer makeover project with Mo Linquist and staff

Mayor –

- ☞ Assist Clerk by reviewing the minutes.
- ☞ Officiate the Department Head meetings.

Attorney –

- ☞ Delegate the contracts

Clerk & Finance Officer –

- ☞ Work with Street Festival.
- ☞ Ensure an event rider for insurance for the event.
- ☞ For alcohol sales, make sure they are permitted by the State

Beautification Committee –

- ☞ Tree City Ordinance, Due on December 1, 2009
- ☞ If Council chooses to move forward, there will need to be a budget amendment for the Zoning Department.

Disc Golf and Bocce Ball reimbursement for Parks & Rec. –

- ☞ Finance Officer will process the reimbursements.

Planning & Zoning Committee –

- ☞ Building Inspector Batson and Clerk to the Board, Aimee Zimmerman, are a great team and run their department effectively.

Front Desk (Customer Service and Marketing Coordinator) –

- ☞ Doug Martin is contracted and is paid hourly.
- ☞ He is eager to work for the Town. He has a marketing background.
- ☞ He is the main contact for the Twitter account, the website and email distribution list.
- ☞ He does a great deal of finance work for the Town Administrator and Finance Officer.
- ☞ Today this position was delegated to Pat Fortier in the billing department.
- ☞ He will be the contact for facility maintenance, the main contact for recycling.
- ☞ He tracks all recycling bins.
- ☞ He will be the main contact for Waste Management.
- ☞ He will help with the education on recycling.

IT Projects –

- ☞ The Town Administrator and Fire Chief Heglar have been in communication with wireless provider, Comspeco. They would put up antennae's on the Town's water towers.
- ☞ Town Administrator and IT Professional, Steve Woodard, to recommend Council contract VC3 as email and website host for the Town at the Council meeting later this evening.
- ☞ Steve Woodard and Doug Martin to administrator contract.

Online Payments –

Finance Officer Watson and the Town Administrator met with BB&T to discuss online payment options. Council will decide if they want the Town to absorb the fees or if they will pass it on to the resident.

Finance –

This department also handles personnel, disability/liability and worker's comp insurance. Jason Keller, CPA was hired to help get a starting balance for the Town's financial statements. The Finance Department is now able to give Council real time figures which were not possible before. Check reconciliations, postings and financial reports are up to date.

The LGC states there must be separation of duties. In finance you need to have an accts payable manager and an accts receivable manager. Mandy Cummings is responsible for Accounts Payable and Pat Fortier does Accounts Receivable. Erin Dineen processes payroll and benefits. Erin has been cross trained to assist in Accounts Receivable and Mandy is cross trained on payroll.

Jason Keller randomly pulls statements for reconciliation process. He also prepares and presents the financial statements at the end of the year.

Administrator James recommends Finance Officer Watson becomes a department director over the finance department.

Finance Officer –

- ☞ Disability, Workers Comp and Property Liability
- ☞ Online payments contract with BB&T
- ☞ Act as TDA contact (TDA is charged against the lifeguard program. There will be another reimbursement coming up in June.)
- ☞ Administers Debt set-off program recently approved by Council.
- ☞ Reviews financial contracts
- ☞ Create budget calendar.
- ☞ Reimburse current grants
- ☞ Review invoices for accuracy
- ☞ Troubleshoot financial concerns
- ☞ Advise Council on financial status of the Town
- ☞ Works to meet the regulations of the LGC
- ☞ Make reimbursements for Disc Golf Course
- ☞ Assist Personnel Officer negotiate State Healthcare Plan in accordance with GASB.

Administrator James recommends the delegating the following duties to the Finance Officer:

- ☞ Be appointed the Budget Officer
- ☞ Create budget calendar with Finance Officer
- ☞ Review financial report
- ☞ Review debt schedule
- ☞ Direct payments for committees
- ☞ Sign checks
- ☞ Work with committee chairs to develop budget
- ☞ Work closely with Finance Officer for grant reimbursement
- ☞ Work with LGC as to not supplement budget

Delegations to Council, Finance Officer, Public Works Director and Finance Commissioner –

- ☞ Review of revenue and expenses in the Water/Sewer Fund to ensure enterprise fund is covering its expenses. This is mandated by the LGC.

The Town needs to have Chris May from the Cape Fear Council of Governments to present the Water Rate Study.

Council would need to determine if the Town needs a rate increase come January. The Town will have a full six months of expenses to review. The LGC is currently monitoring the Towns finances. If the Town does not comply the LGC will issue a cautionary report.

Council, Finance Officer and Finance Commissioner –

- ☞ Need to develop a plan to pay for the park.
- ☞ The Town Administrator will leave marketing information
- ☞ Council should assign someone to work with Withers & Ravenel to move forward with Phase II of the Park. Brian Cox is engineer over the park.

Miscellaneous Grants & Administration –

- ☞ Atlantic Avenue delegated to Building Inspector Batson and Finance Officer Watson for construction and reimbursements with TDA.
- ☞ Sewer Rehab is delegated to Public Works Director Beeker and Finance Officer Watson to work with Brian Cox at Engineering Services.

Park Acquisition & Development Grants -

- ☞ Fire Fighters Grant – The Town Administrator and Finance Officer hope to have accomplished by Friday
- ☞ Acquisition grants are closed out.

Development Grants awarded and utilized based on reimbursement:

- ☞ Parks and Recreation Trust Fund - \$456,233 (contract signed)
- ☞ NC Division of Coastal Management - \$200,000 (contract not received)
- ☞ Clean Water Management Trust Fund - \$204,000 (contract signed)

Ocean Front Park Status -

- ☞ Amortization schedule
- ☞ Loan payment on 12/19/2008 247,000 took this from reserve funds
- ☞ Loan payment is prepaid from grant funds, not from reserve funds.
- ☞ \$2,251,827.00 in grants have been paid towards loan
- ☞ \$1,168,269.43 is the balance due
- ☞ Loan Payment due in December 2010 - \$114,000

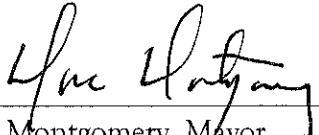
Personnel –

- ☞ Recommends appointing Mayor Pro Tem Dugan as the Personnel Officer
- ☞ Conduct orientation with new staff
- ☞ Renegotiate contract with State Health Care Plan in May/June 2010
- ☞ Oversees health fair with Mandy Cummings
- ☞ Work with Finance Commissioner and Finance Officer to oversee the 4.1 percent of active payroll paid to the State Health Care Plan.

Mayor Montgomery emphasized the Council should realize the Town staff is capable of functioning with very little supervision.

ADJOURNMENT

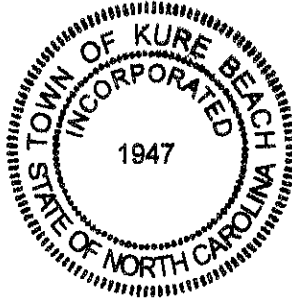
ACTION - Commissioner Nelder MADE THE MOTION to adjourn the meeting at 6:07 pm. THE VOTE OF APPROVAL WAS UNANIMOUS.



Mac Montgomery, Mayor



Kaysie Pralle, Town Clerk



NOTE: These are action minutes reflecting items considered and actions taken by Council. These minutes are not a transcript of the meeting. Persons wishing to hear the recording of this meeting may request to do so by contacting the Town Clerk.

ITEMS
INCORPORATED BY REFERENCE
AND MADE A PART OF THESE
MINUTES

OR

SIGNED AND SEALED
ORDINANCE
RESOLUTION
PROCLAMATION
CONTRACT

Transition Workshop

Town Administrator Duties, Grants & Projects

Opportunity to Work for Kure Beach

- I have enjoyed the opportunity to work for this current Council which hired me unanimously in December, 2007. It has been a pleasure to work with all of you. I have learned about beach renourishment and other coastal issues as well as learned about NC law governing municipalities. It has been fun and definitely exciting despite all of its challenges.
- I appreciate the positive evaluation of my work. I have received two outstanding written performance appraisals. However, the work I have accomplished here is only a testament to the professionals I work with daily. Much of what I have accomplished is because of harmony and good teamwork from Erin, Pat, Jennifer, Mandy and Doug as well as Kaysie in the Town Clerk's office. I will miss working with this team. They know the real me – They know the goofball who is passionate about local government. They know that what we do here every day is about making history and providing the best, efficient services to the public in which the Town can afford. They know my bottom line is getting their work done on time with accuracy and quality... not punching a time clock. You can count on this team to continue to produce outstanding work. They are dependable and consummate professionals. But, mind you – they will speak their mind and protect the Town – just as good employees should with tact and graciousness.
- What I am leaving you with and I am probably most proud of are the sound procedures, operations and systems I've been able to put in place with the Town. While it may not sound significant, having items streamlined to the right department or with the proper professional assists greatly with communication and the overall function or capacity of the Town.

Current Job Description & Organizational Chart

- **Current Organizational Chart**
While my title is Town Administrator, I am really the department director over finance and administration. I report to the Council as do all the department directors. My position is on equal footing with the director of Public Works, the Police and Fire Chief as well as the Public Works Director and the Zoning/Code Enforcement Officer. I have no authority of the overall operations of the Town. Each department director operates its own department and seeks guidance and input from his or her Council liaison. The Mayor is the liaison for Administration while Finance Commissioner Jim Vattr is the commissioner over finance.
- One of my duties was to mentor the Town Clerk as seen by the dotted line on the Organizational Chart. Kaysie Pralle was hired a year ago without any direct clerk experience. With my assistance, the mayor's and her attendance of clerk classes, Kaysie does not need mentoring any more. She is a certified clerk and continues to progress in her current duties which are outlined in her job description. She reports to Town Council and mans the Office of the Town Clerk which is required under NC State Statute. I appreciate Kaysie's working relationship with my

office. It has been a pleasure to work with her. It is not often that Town Administrators and Clerks work well together because their jobs overlap as they both report to Council on similar subject matter and sometimes get told to do that same thing. But, we were able to form a good bond and working relationship where we wanted to be in step together and support each other. Our main job together was to work with the Mayor to prepare the agenda and provide the best knowledge and facts available in order for decisions to be made on a monthly basis by Council. Kaysie is organized, reliable and a very capable and strong Town Clerk. She will be an asset to the future Council.

Administration

- I have delegated the following to the Town Clerk:
 - becomes the contact for the Census
 - will provide guidance to the Customer Service & Marketing Coordinator on news releases and other announcements shared over the email distribution list, twitter and website.
 - will continue to provide administrative support to Council as needed.
 - will continue to be the main contact and provider of administrative support to the committees.
 - will take minutes and support the Economic Development Committee and the Park Utilization Committee.
 - will finish the renovation of the front foyer with Mo Linquist and staff.
- The mayor will need to review/edit minutes and review the agenda packets each month before Council meeting.
- The mayor to officiate department director meetings if the Town decides to continue with them. We met on the first and third Mondays.
- Attorney will need to review contracts as needed by departments and continue to write ordinances and policy as needed.
- Kaysie and Jennifer have contracts for the Street Festival bands. Kaysie is working with the Street Festival Committee to guide them administratively. They have questioned her about their budget. However, Jennifer has their budget request and they actually receive more money than they did last year. Both Jennifer and Kaysie will need to ensure that an event-rider on all events is provided as well as those selling alcohol are permitted appropriately with the state.
- I have notified Beautification that I will not be able to complete the Tree City USA application or ordinance. The ordinance is currently with the committee. Robert Falco, Commissioner Nelder and Ken Withrow were emailed a copy of the ordinance. It has been with the committee since their meeting in October. They will need to work with the Public Works Director and the Code Enforcement Officer as I have to put this ordinance in place. Funds will need to be allocated in the next budget to cover expenses incurred by a Tree City Ordinance. SLAP was interested in finding grants for solar lighting. Someone will need to research grants for this specific request. Reimbursements for Disc Golf/Bocce ball with NHC Parks & Rec Bond will be completed by Jennifer.

- Planning & Zoning Commission – most of my duties have already been delegated to John Batson. He is currently researching and recommending policy for them. Aimee Zimmerman who works for John is their support staff person. Commend John...
- I recommend hiring Doug Martin as a full-time Customer Service & Marketing Coordinator. He is currently in charge of the email distribution list. He has been sending out announcements and news releases since Monday. He is also maintaining the website and the twitter account. So much of what Doug completes on a daily basis is finance related. He also does finance research for me, especially service/fee comparisons and direct work for Jennifer and Pat. He manages the front desk, taking water/sewer payments, etc.
- Doug is the main contact for recycling. He will also be in charge of the “green ladies.” This group is interested in hosting a day twice a year where WM and the Town will allow for the pick up of items which cannot be recycled or go to the landfill.
- In light of my departure, Doug will report to the Accounts Receivable Manager who is Pat Fortier. He will also be the main contact for facility maintenance items such as the air conditioning, Tru Clean, and pest control...
- Jennifer will code and manage the Administration departmental budget.

Projects related to IT and other departments

- Conspeco.com/wireless vendor (Attorney, Sonny, Harold, Steve & Jennifer)
- Email and Website Host/VC3 (Steve Woodard & Doug – completion can be one week from date contract is signed)
- On-line Payments (Jennifer, Doug and Steve Woodard)

Finance

The financial work of the Town is now contained in one department. It also houses personnel and disability/liability and worker’s comp insurance. With the help of Jennifer, Finance Officer Jim Vartt and CPA Jason Keller, there is a professional system in place with internal controls which monitors and records the operations of the Town’s finances timely and accurately.

This system allows for the finance officer to give oversight to the work of her department. She is no longer completing the work and then checking it herself. (LGC – separation of the duties) Mandy completes accounts payable while Erin operates payroll/benefits and Pat manages accounts receivable to include water, sewer billing and other payments to the Town. This system also has allowed us to cross-train. Mandy is cross-trained on payroll where Erin is cross-trained on billing. If someone is absent, one of the professional members of the team can jump in and perform their job with quality performance.

Jennifer oversees postings, checks reconciliations, accounts payable and payroll while Jason randomly pulls operational statements for an objective monthly check and balance. She also utilizes Jason as a sounding board professional services. He also presents

financials at the end of the year which is an item small towns should have in place since your auditor can no longer perform adjustments to your ledger and also audit the work.

It is important this professional system stay in place in order for your finance department to stay current and have an accurate, real time understanding of its financial position monthly. I am proud to say that today the Town's check reconciliations, postings and financial reports are up-to-date. Your reserves are consolidated with cash management for a higher yield and \$250,000 is in a CD with Bank of America. Your cash reserves are on hand and available at any time without penalty.

I recommend that Jennifer become the department director of the finance department. I am delegating the following duties to Jennifer:

- Will manage Disability, Worker's Compensation and Property Liability
- Will negotiate on-line payments contract with BB&T
- Acts as TDA contact and manages reimbursements – lifeguard expenses totally funded against TDA
- Administers Debt set-off Program
- Reviews financial contracts
- Works with committees to answer financial questions
- Works with budget officer to create and review budget
- Creates budget calendar with budget officer
- Works to reimburse current grant contracts with Harold, Sonny and John
- Reviews all invoices for accuracy
- Holds staff meetings weekly with her area
- Troubleshoots financial concerns and develops policy accordingly
- Advises Council on financial status of the Town and recommends budget amendments or solutions to areas of concern.
- Writes internal and external financial policies as necessary
- Works with finance officer to meet the regulations of the LGC to include rate increases if necessary to avoid supplementing the budget with reserve funds.
- Works to make reimbursements for Disc Golf with NHC Park Bond funds
- State Health Care Plan contract negotiation/GASB retirement liability

I am delegating the following duties to the finance officer who I recommend be appointed the budget officer:

- Creates budget calendar with the finance officer
- Reviews financial report prior to monthly Council meeting
- Reviews debt schedule monthly
- Directs payments as necessary from committees, grants, agencies, etc.
- Signs accounts payable checks with finance officer
- Works with committee liaisons and committee chairs to process their budget and provide solutions to financial concerns.
- Works closely with finance officer and other department directors to process current reimbursement of grants.

- Works with the finance officer to meet the regulations of the LGC to include rate increases if necessary to avoid supplementing the budget with reserve funds.
- State Health Care Plan contract negotiation/GASB retirement liability

I am delegating the following to the Council/Finance Officer/Public Works Director & Finance Commissioner

- Review of revenue and expenses in the Water/Sewer Fund to ensure enterprise fund is covering its expenses. This is mandated by the LGC which required the Town to perform an audit of its enterprise funds and perform a water/sewer rate study.
- Meet with requirement of the LGC. They are currently monitoring the Town by way of a required monthly financial statement Jennifer email monthly to them.

I am delegating the following to Council/Finance Officer & Finance Commissioner

- Plan to pay for the Ocean Front Park
- Marketing Plan and Development Brochure
- Work with Withers & Ravenel to move to Phase II of their contract – construction of OFP.

Miscellaneous Grants Administration

- Atlantic Avenue Walkway is delegated to John and Jennifer for construction and reimbursement with TDA. I will have the CAMA portion closed out prior to Friday.
- Sewer Rehab is delegated to Jennifer and Sonny who will work with Brian Cox at Engineering Services. Mark Bacon administers this grant for the Town.

Park Acquisition & Development Grants

- Acquisition grants are closed out:
 - Parks and Recreation Trust Fund – received \$500,000
 - Natural Heritage Trust Fund – received \$500,000
 - Division of Coastal Management – received \$600,000
 - Division of Water Resources – received \$300,000
 - New Hanover County Commissioners - \$500,000
- Development Grants Awarded and utilized based on Reimbursement (two years close-out):
 - Parks and Recreation Trust Fund - \$456,233 (contract signed)
 - NC Division of Coastal Management - \$200,000 (contract not received)
 - Clean Water Management Trust Fund - \$204,000 (contract signed)

Ocean Front Park Status

Loan payment made 12/19/2008 from reserve funds in the amount of \$246,954.78

(Interest \$131,954.78; Principal \$115,000)

Loan payment pre-paid this fall from grant funds in the amount of \$148,173.29 (Interest \$83,269.43; Principal \$64,903.86)

Grants applied: \$2,251.827.00

Balance Due: \$1,168,269.43

Loan Payment Due in December, 2010: \$114,000

Personnel

I recommend appointing Commissioner Dugan as the Personnel Officer. I delegate the following duties to the Personnel Officer:

- Conduct orientation with new staff or have Erin & Jennifer complete it
- Renegotiate contract with State Health Care Plan in May/June 2010
- Oversee planning of health screenings/educational events with Mandy
- Meeting with staff as necessary as an objective party to hear employment concerns
- Work with finance commissioner and finance officer to oversee the 4.1 percent of active payroll paid to the State Health Care Plan. Per Government Accounting Standards (GASB), retirement liability must be booked at the Town of encumbered with your health care plan. Afterward, all retirees will be moved over to the State Health Care Plan.