



TOWN COUNCIL MINUTES

FINANCE RETREAT

JANUARY 19, 2011 at 9:00 am
National Guard Training Facility

COUNCIL MEMBERS PRESENT:

Mayor	Dean Lambeth
Mayor Pro Tem	Chuck Keener
Commissioner	Jim Dugan
Commissioner	Barry Nelder
Commissioner	Emilie Swearingen

STAFF PRESENT:

Public Works Director	Sonny Beeker
Fire Chief	Harold Heglar
Police Chief	Dennis Cooper
Building Inspector	John Batson
Finance and Budget Officer	Arlen Copenhaver
Town Clerk	Nancy Avery
Deputy Town Clerk	Nancy Hewitt

COMMITTEE MEMBERS PRESENT:

Beach Protection	Sandy Cox, Chairperson
Citizens Finance and Budget	Grace McGee, Chairperson
	Bill McGee, Member
	Vinnie Doran, Member
Community Center Committee	Jean Gordon, Member
Parks and Recreation Advisory	Bob Fitzsimons, Chairperson
Storm Water and Environmental	John Gordon, Interim Chairperson

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

CALL TO ORDER

The Mayor called the meeting to order at 9:05 am.

OPENING REMARKS

Nancy Avery, Town Clerk, made sure everyone had the handouts that were provided. She briefly explained the order of the agenda.

FINANCE DEPARTMENT PRESENTATION

Arlen Copenhaver, Finance Officer, reviewed Town revenue and expenditure information for the current fiscal year in graphs and charts, as well as comparative charts for Fiscal Year 2005 through Fiscal Year 2010. A review of Town debt, General Fund Services, comparisons of



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similar beach towns and Town investments was included, as well. All of this information was presented via PowerPoint slides.

Brief synopsis of points made:

- The Town's finances are on track for this budget year.
- Our TDA reimbursement is higher than what was originally expected because it included TDA money from last year that we didn't receive.
- Property taxes are the bulk of the revenue for the General Fund and Water and Sewer fees are the bulk of the revenue for the Water Fund.
- Most of the expenses for the Town are employee-related items. This is normal for a service-related entity such as the Town.
- The Shoreline Access and Planning Committee and the Annual Street Festival Committee are the only two committees that have had expenditures, so far this fiscal year.
- The Parks and Recreation Advisory Board's revenue and expenses are being accounted for as a Town department similar to that of the Community Center.
- Finance Officer Copenhaver will continue to look for better investments with higher yields for the Town.

Commissioner Dugan requested that Finance Officer Copenhaver provide him with a chart comparing revenue from Fiscal Year 2010 against revenue from Fiscal Year 2011 for grants, loans and TDA reimbursements.

Commissioner Swearingen asked what kind of effect a devastating hurricane could have on the Town's funds.

- Finance Officer Copenhaver stated that it could greatly deplete the funds if a large amount of Town property was destroyed. He suggested that Council set a guideline of how much should always be available in the Town's reserves since there isn't a fund balance policy at this time. He stated that the Town could most probably get short-term financing to make other repairs until the FEMA funds were received.
- Commissioner Dugan said that, even if the Town was awarded FEMA funds, they wouldn't be available immediately.
- Public Works Director, Sonny Beeker, said that FEMA might not provide the funds immediately, but a portion would be provided to get the rebuilding effort started. He agreed that it could take a few years for completion of paperwork and complete reimbursement.
- The Town has an insurance policy on both water towers.

Finance Officer Copenhaver suggested that when Council begins planning for the next fiscal year, the first thing they should appropriate for the debt service.

ADMINISTRATION PRESENTATION

Town Clerk Avery talked about retiree health insurance and the GASB 45 liability, including the number of retirees, current costs and future projections of retirees and costs.



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- Back in June of 2009, Council made the decision to enroll the Town's retirees in the State Health Plan as part of the adoption of Fiscal Year 09-10 budget. But, for whatever reason, this was never carried out.
- Town Clerk Avery explained the current process for retirement eligibility and for a retiree to receive health benefits. She provided handouts of the personnel policy and of the NC State Retirement requirements.
- If the Town joins the State Health Plan, the Town will pay a percentage to the State each year to cover all of its retirees. It won't cost the Town anymore to pay for 10 retirees than it will for 2.
- Currently, the Town has 4 employees who will meet the Town' retirement eligibility requirement in the next 5 years.
- Once Town retirees are entered into the State health Plan, they will be irrevocably enrolled in the plan.
- Discussion ensued regarding what guarantee a Town employee has to receive the retirement benefit from the Town if an administration comes along that wants to take away that benefit.
- Town Clerk Avery will seek advice from an outside source regarding this issue. It was suggested she find an independent source or contact the Local Government Council.

Town Clerk Avery also reviewed a list of current Town projects from 2004 until present and their status. These were General Fund projects, Water Fund projects and Storm Water Fund projects. Also included was a list of Town studies that were conducted in 2007 & 2009 and a list of project goals that were established at the 2010 retreat.

TOWN COMMITTEES REVIEW

Commissioner Dugan reviewed the list of Town committees by reading each of their mission statements before discussion.

ANNUAL STREET FESTIVAL – Commissioner Dugan asked if, according to the operating rules of Town committees, this committee is still considered a committee; there's a gray area regarding quorum. Mayor Lambeth said he would talk to the committee and get clarification.

BEACH PROTECTION - Sandy Cox, chairperson of the committee, said that her committee always prepares a year-end report to show what they've accomplished within the year. She suggested that all Town committees be required to submit the same type of report.

BEAUTIFICATION – Commissioner Dugan questioned the word “implementation” in the committee's mission statement. He doesn't think that any Town committee should be implementing anything. He and other commissioners thought the word “recommendation” should take its place.

Mayor Pro Tem Keener said that there needs to be a way for committees to communicate with each other and suggested setting up meetings for the chairpersons of each committee to meet quarterly. Commissioner Nelder agreed. Sandy Cox suggested a memo be sent to all chairpersons to set a date for this meeting.



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CONSENSUS – Council agreed to have the Town’s committee chairpersons meet together quarterly.

Commissioner Dugan said that committees need direction from Council and their liaisons regarding which projects they should be working on.

CITIZENS FINANCE AND BUDGET ADVISORY – Grace McGee, chairperson of this committee, says that the original mission statement was put in place based on financial controls and systems that were available at Town Hall when the committee was created. Since Finance Officer Copenhagen has come to work for the Town, the financial information is coming out of his department, so they no longer need to provide it. The committee’s role is to put more emphasis on the debt and capital side of the Town’s finances in order to monitor where the Town is with Capital projects and long-term debt. The committee will slightly modify its mission statement to reflect this.

COMMUNITY CENTER COMMITTEE – Town Attorney, Andy Canoutas explained how the committee first came into being and why the committee was by Town ordinance. Discussion ensued regarding revenue and expenses of the building. Mayor Lambeth commended the ladies on the committee for their hard work. There are some proposed projects to improve the center that will be discussed during the upcoming budget cycle.

ECONOMIC DEVELOPMENT – Commissioner Dugan stated that the committee was put on hold and the functions of the committee were parceled out to other committees. There has been no recent action taken as to what to do with the committee. Mayor Lambeth and Commissioner Nelder want it to be disbanded. Commissioner Nelder said it could always be brought back. Commissioner Swearingen asked who was examining the business district. Mayor Lambeth said the function was given to the Town’s Planning and Zoning Commission.

CONSENSUS – Council agreed to disband the Economic Committee.

HALL OF FAME – Commissioner Swearingen stated that this committee’s task was completed last spring when they handed over their recommendations to Council. The members have not met since then. They recommended that Council choose a person each year to be recognized in the hallway. They provided a blank application that could be filled out to suggest people for recognition.

CONSENSUS – Council agreed to disband the Hall of Fame Committee.

MARKETING ADVISORY – Mayor Lambeth commented that he feels the current committee has done more work in the last 2 months than any marketing committee has done in the past. Commissioner Swearingen asked if the Community Center could be marketed through this committee. Mayor Lambeth agreed that something needed to be done to help advertise the Community Center but that the Marketing Committee was related to tourism in Kure Beach and wasn’t responsible for this type of marketing.



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OCEAN FRONT PARK UTILIZATION – Commissioner Dugan suggested that this committee has served its function, according to its mission statement. Commissioner Swearingen asked who was going to advise Council how the park would be utilized and who would make sure the utilization was implemented after the park was completed. Commissioner Dugan said that these duties would be folded into the Parks and Recreation Advisory Board (PRAB). Commissioner Swearingen asked if the Community Center should also be taken care of under the PRAB since 99% of what is done at the center is recreational. Sandy Cox suggested that this would be a good topic of discussion at the meeting of all the committee chairpersons: whether the Community Center rental and the Annual Street Festival would eventually be handled under the PRAB.

CONSENSUS – Council agreed to disband the Ocean Front Park Utilization Committee and that the PRAB handle the recreation at the Ocean Front Park pavilion.

PARKS AND RECREATION ADVISORY BOARD – Bob Fitzsimons, chairperson of the committee, said the board might want to change its mission statement.

SHORELINE ACCESS AND PARKING COMMITTEE – After discussion with Tony Gonsalves, chairperson of the committee, it was agreed there would be no change.

STORM WATER AND ENVIRONMENTAL – This committee is required by State Statute to provide education to the community. Commissioner Dugan asked if its mission statement was reflective of the statute or was the statement formulated by the committee. John Gordon, interim chairperson of the committee, said that it is basically a new committee with the addition of environmental concerns being added. Not long ago, it was known as only the Storm Water Committee. The storm water portion of the committee is driven by Sonny Beeker and the committee will be there to help obtain grants to support Public Works and the Town's storm water system. The environmental portion will concentrate on educating the public. John said he had a lot of people asking questions about recycling during Island Day last fall, so this will be a subject on which they can educate the public. The committee may work with the New Hanover County government on recycling things that the commercial recycling companies won't assist with like disposing of oil, paint, household batteries, etc. The committee will rewrite its mission statement and Commissioner Nelder will bring it to Council for approval.

EMERGENCY OPERATIONS COMMITTEE (EOC) – This committee is under the control of the Town's Emergency Management Director, David Heglar. No change was suggested for this committee.

FIVE-YEAR CAPITAL STRATEGIC PLAN

Commissioner Swearingen introduced the topic of working on the 5-year Strategic Plan for Kure Beach. She asked Council if this was something they wanted to do or if they wanted to just do the budget as it has been done in the past. Commissioner Nelder and Mayor Pro Tem Keener stated they would like to do it. Mayor Lambeth stated he liked long range planning, but he didn't want it micro-managed. Commissioner Dugan said he wanted a long range plan in order to keep staff focused when Council changeovers occur. Commissioner Swearingen said she met with all of the committees, their chairpersons and Town department heads to get their feedback.



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Commissioner Swearingen stated a facilitator needs to be chosen to help with this plan. The person would have to have a neutral relationship so there wouldn't be any conflict of interests. She made suggestions as to who would qualify as a good facilitator.

CONSENSUS - Council agreed to have Commissioner Swearingen be the facilitator.

To formulate the plan, the following topics were discussed.

- Rules to be followed by all contributors
- List of formal and information mandates of the Town
- Define the town's geographic area
- Define the stakeholders of the town
- Define the core values of the Town of Kure Beach

CONTINUATION OF MEETING

MOTION – at 4:20 pm, Mayor Pro Tem Keener made the motion to continue the meeting on Wednesday, February 2, at 1:00 pm.

SECOND – Commissioner Nelder

VOTE – Unanimous

CONTINUATION OF FINANCE RETREAT FEBRUARY 2, 2011 Town Hall

COUNCIL MEMBERS PRESENT

Mayor Pro Tem Chuck Keener
Commissioner Nelder
Commissioner Dugan
Commissioner Swearingen
Mayor Lambeth – arrived at 1:30 pm

STAFF IN ATTENDANCE

Nancy Avery, Town Clerk
Arlen Copenhaver, Finance Officer

COMMITTEE MEMBERS IN ATTENDANCE

Citizens Budget and Finance Committee: Grace McGee, Vinny Doran and Mark Ferrer
Storm water committee - Tom Moffitt
Shoreline Access and Parking – Tony Gonsalves
Beach Protection – Sandy Cox

CALL TO ORDER

Mayor Pro Tem Keener called the continuation of the financial retreat to order at 1:05 pm.

1. Consideration of pre budget work session for February 23, 2011

Discussion:

Finance Officer Copenhaver requested Council schedule a pre- budget work session for February 23, 2011 at 2 pm. He stated the pre- budget work session will be general in nature to set procedure for the budget process and no actual numbers will be discussed.



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MOTION – Commissioner Dugan made a motion to schedule a pre- budget work session for FY11-12 for Wednesday, February 23, 2011 at 2 pm at Town Hall.

SECOND- Commissioner Nelder

VOTE –Unanimous

2. 5 YEAR CAPITAL PLAN, MISSION STATEMENT, STRATEGIC PLAN

Commissioner Swearingen stated she is acting as the facilitator for this session, not a member of Council and reviewed the rules:

- Speak clearly
- No frogging
- No hogging
- No political statements
- Be courteous and treat others with respect
- Don't take comments personally
- No bad language

MISSION STATEMENT

Facilitator Swearingen reviewed stakeholders determined earlier in the retreat and read proposed mission statements submitted by Council members.

- To provide safe, friendly, green, financially solvent community that is seen as a small town vacation destination and encourages business, recreational and small town living (Dugan)
- To provide the necessary and desired public services required to maintain a safe, clean and enjoyable community, and to provide a balanced and prudent system of laws and regulations that afford all resident and visitors the opportunity to pursue private and public ventures in an effective and responsible manner (Keener)

There was general discussion about whether it was the Town's mission to provide laws and regulations and that a mission statement should be clear, precise and essential. Suggestions were made to the two mission statements provided and they were changed to read as follows:

- To provide a safe, friendly, green, financially solvent community that is seen as a small-town vacation destination; and to encourage business, recreation and small-town living.
- To provide the necessary and desired public services required to maintain a safe, clean and enjoyable community for residents and visitors...in an effective and responsive manner.

No decision regarding a mission statement was reached.

STRENGTHS, WEAKNESSES, OPPORTUNITIES, CHALLENGES

Facilitator Swearingen separated the attendees into four groups to make recommendations on the following items regarding the town:

List of strengths – recommendations were:

- Safe place to live
- Clean place to live



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- Residential feel –family style community
- Small town feel
- Tourist friendly
- Transplanted residents with different talents
- Volunteers
- Town Employees
- Beach
- Nearby attractions

List of weaknesses

- Need more businesses in B1
- Need to clean up B1 district
- Lack of growth of services – population has increased by 44% but Town hasn't increased expanded services/staff to cover
- Power lines – should be underground
- Zoning problems – Council and P&Z don't communicate – ordinances not enforced
- Bird problems – poop
- Parking and transportation – needs more parking and public transportation from parking at Joe Eakes Park to beach
- Unfair county tax burden for quality services – pay same taxes as everyone else in county but get none of the services
- Barrier island – at mercy of mother nature
- Communication
- Committees that focus on pet projects

Opportunities in next five years to build on strengths and overcome weaknesses

- Grants – public and private
- Staff training – opportunities to add training over and above what departments have now to enhance services performed. A lot of training is mandated by the state
- Marketing – the Town has the most active marketing committee ever. The Community Center is under used and could use a marketing plan. New residents should be given a form when they come in to set up water bill with list of all committees. Need to market Parks & Recreation programs and Community Center activities

Challenges the town is facing in the next few years

- Limited tax base – physically small community
- Attracting appropriate businesses
- Address environmental and storm water issues
- How to maximize resources to pay for resources used by visitors
- Large number of non resident property owners. They have conflicting interests from those of residents and different motivations and interests. Large transient population using resources.
- To encourage high level of citizen involvement in community affairs, especially new people moving into the community. Important to thank volunteers



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STRATEGIC PLANS

Facilitator Swearingen read the five year strategic plans submitted by Department Heads and committees and discussed each one.

Said five year strategic plans are herein included as part of these minutes.

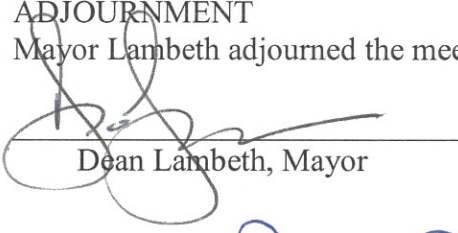
Facilitator Swearingen handed out colored dots to everyone and asked them to place them on their priority items on the five year strategic plans presented.

Results were as follows – costs are estimates:

1. Maintain a 10-year rotation for fire engines (next one due 4-4-2014; \$425,000)
2. Tied: Replace or rehab storm water piping in Kure Beach Village area (Phase II 2013-1; \$750,000)
Put power lines underground (research)
3. Replace chairs in Council Chamber
4. Tied: Storm water piping in original corporate town limit – E to N avenues (engineering and construction started; complete 2015; \$1 million)
Total replacement of lift station...serves KB treatment plant (2012-13; \$500,000)
5. Tied: Complete storm water projects...ocean outfalls (11 more to do; 2013; cost?)
Maintain police vehicle rotation (\$55,000 - \$65,000 annually)
Increase KBPD staffing (first officer 2011; second officer by 2013; \$55,000 each)
6. Construct second customer service window in town hall (2011; \$5,000)
7. Tied: Survey entire town for storm water services/construction (20??; \$100,000)
Complete Ocean Front Park (cost undetermined)
8. Complete storm water Phase III – Hanby Beach to river (engineering and construction)
9. Tied: Police Department in-service training requirements (annual \$9,000 - \$12,000)
Police Department replace defibrillators (2012-2013; \$5,000/year for three years)
Fire Department implement sleepover program (\$35,000 - \$40,000 annually)
Hire part-time Parks and Recreation supervisor (cost undetermined)

ADJOURNMENT

Mayor Lambeth adjourned the meeting at 4:50 pm.



Dean Lambeth, 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.