

**MINUTES OF THE SPECIAL MEETING FOR THE PURPOSE OF  
A BUDGET PUBLIC HEARING FOR THE BUDGET YEAR 2001-2002  
FRIDAY, JUNE 28, 2001 – 7:00 P.M. – TOWN HALL** Mayor Barbara Harris called the meeting to order at 9:00 A.M.

Present were Commissioners Wootten, Farmer, Trainham, McElraft, Murphy, Mayor Harris, Town Clerk Carolyn Custy, and Interim Town Manager Mitsy Overman.

Mayor Harris announced that the meeting tonight was for the purpose of holding the Public Hearing for the Budget 2001-2002 year. She asked that the public who had comments to address the full Board. Statements or questions would be strictly on the Budget and there would be no conversing back and forth. The Board would write down the questions and would answer them later in the meeting.

*Motion was made by Commissioner McElraft, Seconded by Commissioner Murphy to open the Public Hearing. The Board's vote was unanimously. Motion carried.*

Mr. Jack Siekman, 218 Sandfiddler West, commented that for 5 or 6 years he was involved in developing the flood control systems for Lands End. He was interested in the presentation that Moffat and Nichol made and questioned how they were going to handle the amount of water experienced during the last hurricane after taking a look at the size of homes they had for this particular area and with a 500 gallon minimum pump in place. Moffatt and Nichol said they were not going to stop flooding. All they were going to do was alleviate it. It might take a week or two to stop the flooding. Mr. Siekmans pointed out that a lot of colliform tests done by the Shellfish sanitation group initially, before Mr. Siekman and others got as active as they are now, indicated that once there was flooding at least in Lands End in the ponds, the colliform content went over 2,000 count. Mr. Siekman's said the specifications for water going into the sound is a colliform content of 14. The problem is you are going to have flooding by definition and you are going to have high colliform content based on the data that was gathered by the Shellfish Sanitation people. Mr. Siekman said "We have run a lot of colliform content counts ourselves". He said he was not going to get into what he would suggest as an alternate to the Moffitt Nichol study but he thinks there is a serious question as to whether you get a permit to do that. He has had conversations with the Shellfish people, the Division of Water Quality and, unofficially, they say they don't think there is much chance of ever getting permitted to put that system in. He sees there is \$260,000.00 budgeted out of the tax money to buy the land to do this. His only comment is, let's get a permit before we start collecting money.

**Mayor Harris** asked Mr. Siekman if he realizes there is a workshop on stormwater on July 2<sup>nd</sup>? He indicated he did not.

**Commissioner Wootten** asked if he could go ahead and do his presentation on the budget now before the public hearing is done?

*Motion was made by Commissioner Farmer, Seconded by Commissioner Murphy, to close the Public Hearing and re-open it after the budget presentation. The board voted unanimously. Motion carried.*

**Commissioner Wootten** commented that the staff and board have gone up and down the sides of this budget and have gone through spread sheet after another spread sheet and probably spent at least a dozen hours to reach the point that we are at now. He said he wishes people could

appreciate the amount of work that gets done by the staff in putting this all together. It is unbelievable, the rules they have to follow and the things they have to go through. It amazes him.

**Commissioner Wootten's** report compared three fiscal years, the year ending in June 2000, June 2001 and the budget year for 2002. His report included a graph of Revenue by source, Town Reserves projected through June 30, 2001, Expenses by Department graph, Expenses by Category graph, Significant Budget Year Expenses, and Stormwater Mitigation Project. A copy of the report is attached at the end of these minutes.

He explained that the year we are about to close is a break even-year but in the budget last year the board budgeted to eat into the reserves by \$99,000. We did not have to do that, and in addition to that we were able to absorb the \$30,000+ for the sandbagging on the Point and the two traffic studies that were done on the property at the intersection of route 58 and Coast Guard Road. Although it shows break-even, it in fact shows that the staff saved by control some \$150,000 within that budget year. This is a credit to the staff. They spend money like it is their own. Another point made was there was a property tax evaluation.

**Commissioner Wootten** said this year we are going to dip into the reserve. We are planning to use the reserve to the tune of \$319,000. He commented on the Occupancy Tax that is still kind of up in the air. The legislature is still working on this issue. Projected Town Reserves June 30, 2001 are Storm Water Project \$220,000, Beach Renourishment \$219,000 and Debt Payment \$75,000. General Cash is \$1.825 million, Reserved as Accounts Receivable \$211,000, Reserved by State Law \$431,000 (minimum required by State, which is 8%), Undesignated Reserve Available of 22%, \$1.183 million which far exceeds the State requirement and \$319,000 taken out of reserved for finance in the next budget year. The budget year undesignated Reserve is 16%, \$864,000.

**Commissioner Wootten** went on the discuss expenses by department. The total budget is broken down as follows: Governing Body is 7%, Administration 6%, Police Department 22%, Fire Department 15%, Inspections 4%, Public Works 22%, Parks/Recreation 8%, Powell Bill 3%, and Special Appropriations 13%.

He made a note that Public Works looks like a huge chunk of the budget but this department includes \$700,000 for Garbage Collection. If this is taken away, it narrows the department down to \$400,000 which is more like the Inspections Department.

Governing body expenses include legal, accounting, audit, and donations. \$100,000 for EMS, \$25,000 donation to the library. Due to the fact that the EMS is spending more time trying to collect donations to fund the EMS, they have asked the board to consider funding them. The amount for this year is \$100,000 for one-half year because they have enough money to carry them through to December 2001. The cost next year will be in the range \$200,000. EMS will be treated like a contract. They will not be town employees. There will be a sharing of financial information and there will be a contract.

Special Appropriations handles funds as it goes from the General Fund over to storm water or over to beach renourishment.

Expenses by category is 35% salaries, 11% fringe benefits, 13% garbage collection, 11%

operating expenses, 7% legal/auditing, 5% debt service, 5% storm water, 3% road maintenance, 3% maintenance, 2% capital outlay, 2% beach renourishment and 3% miscellaneous. Significant budget increases are Emergency Medical Services, \$100,000, Donation to Library \$25,000, Gym Floor and Equipment \$38,000, FireRescue and Public Works Dump Truck \$95,000, Fire Engine Replacement Set-Aside \$50,000 and Storm Water Project \$260,000.

Stormwater Mitigation Project is as follows: Basic elements – purchase of 42 acre parcel of land for treatment and infiltration system, \$3.2 million, installation of eight

pump stations and piping, \$1.6 million for a total of \$4.8 million. Clear Water Management has committed to fund \$2.4 million for land acquisition. The town has a reserve of \$240 thousand for this project.

The Project Plan is to purchase land in 2001 at a cost of \$3.2 million - \$3.5 million, Incur debt of \$600-900 thousand as required in 2001. Retire debt service of \$260 thousand per year for three to four years. Continue to seek funding grants for pumps and piping. Incrementally fund pumps/piping at \$260 thousand per year.

After Commissioner Wootten concluded his report the Public Hearing was re-opened.

***Commissioner Farmer moved, Commissioner Murphy seconded and the board voted unanimously to re-open the public hearing.***

**Mr. Jack Siekman, 218 Sandfiddler West**, asked, “How long is the estimated time to get permitting for this?” Commissioner Wootten answered, “If successful, we will have in writing from everyone of these permitting agencies their nod within a week’s time after the meeting.” He said he is not saying the permits will be signed but we will have agency’s agreement in writing that the process will work.

**Mr. Siekman** said the specification into the Sound is 14 colliform count. He asked, “What if we put \$4 million into this project, cannot meet specifications and they shut it down?” **Commissioner Farmer** said we are not directly discharging directly into the Sound. You have to understand that unlike the ponds in Lands End, it will be going into a stream of wetlands. **Mr. Siekman** said he is familiar with what Moffatt and Nichol recommended and it is going through a pipe and discharged into the Sound. **Commissioner Farmer** said it is actually going into the marsh but when it gets to the march point, it should not have a high colliform count.

**Mr. Siekman** asked again, what if that 14 colliform count can not be met when it comes out of the pipe into the marsh? They will shut it down.

**Commissioner Wootten** said you will not know that until the appropriate time. We will have an agreement with the appropriate agencies and they are not going to permit something that will not work. **Mr. Siekman** said he has had long conversations with the agencies on this subject and he is a fairly decent engineer and he does not see how that thing is going to work unless you try it. He said you have 2 cents in the tax base here and no permit yet. Are you going to take that 2 cents off the tax base if you cannot get a permit? This is really why he is standing here. Commissioner Wootten said they could consider the alternative, do nothing and wait and let the property disappear from the town. **Mr. Siekman** asked how much economic damage occurred during the last hurricane? He has not been up and down coast guard road that much but

in Lands End very little was done. We are talking about investing over \$4 million into a project to prevent very little economic damage. **Commissioner Wootten** replied he is sure if you look back into the appendices of Moffat Nichol study, the damage is there. Commissioner Wootten indicated he has gone over these numbers with FEMA in detail. **Mr. Siekman** asked again, "Are we still going to put this in the tax structure for next year without a permit? What happens if they come along and say we are not sure if we are going to permit it? He cannot imagine the agencies permitting this thing "cold turkey" in two weeks." He does not know what they will use to prove it will work.

**Mayor Harris** interjected "We will not be permitted in two weeks. We do not know the time limit on it, but if we don't have something there to show them, money wise, that we are serious, they will not give us anything." **Mr. Siekman** asked, "Why don't you apply for a permit?" You don't need any money to apply for a permit. **Mayor Harris** said they seem to think we need to show that we can go forward with it. **Mr. Siekman** said he still questions putting it on the taxes before you get a permit.

**Commissioner Trainham** said the question is which comes first, the chicken or the egg? He said you have a situation here that if you don't have the money situation in the picture, they are not going to permit it. We have to show that we can do something.

**Mr. Siekman** said the permitting procedure for something like this is well established. Many people apply for permits with no money. At the meeting on the 18<sup>th</sup>, he thinks this question should be asked.

**Commissioner McElraft** said she appreciates Mr. Siekman's point. She thinks this should be asked at the meeting, if there is a higher colliform count than 14 at the end of the procedure, the what? This is a good point to bring up. **Mr. Seikman** said he has already asked them that and they did not have an answer. **Commissioner McElraft** said she would like to have an answer from them on the 18<sup>th</sup>. **Mr. Seikman** said it does not have any business being in the tax structure without permitting.

**Commissioner McElraft** said, even if the permitting does not go through, we need to purchase areas with holding ponds. We still have a storm water problem. Putting the 2 cents in there now might have to go for purchasing holding pond areas or whatever because the storm water problem is not going to go away even if Moffat and Nichol cannot be permitted. The money can always go back into the General Fund. Taxing right now starting in July is preparing for the future and also being able to get this grant. She agrees that some questions need to be asked.

*Commissioner Trainman moved, Commissioner McElraft seconded and the board voted unanimously to close the public hearing.*

Commissioner Wootten moved, Commissioner Trainham seconded and the board voted unanimously to adopt the Budget Ordinance for Fiscal Year 2001-2002 in the amount of \$ 5,849,736.00.

#### ENVIRONMENTAL ASSESSMENT/POINT

Mrs. Overman, Interim Town Manager, said CSA Baird has informed us that tasks 1 through 4 have to be completed before you can get to task 5 that is the environmental study. If

you add all of the costs for these tasks it comes to approximately \$86,000. They have been told to put this on hold pending the outcome of this meeting because she did not have authorization to proceed because of the amount. This money was going to be taken from Beach renourishment. There is a couple hundred thousand dollars in that account. Moffat & Nichol's amount was approximately \$74,000 and she used the high side of the amounts for the tasks categories. She suggested, after talking with the new Town Manager this afternoon, to put this on hold until he has a chance to go over all the documentation and maybe come back in July for a recommendation.

Mr. Frank Rush, new Town Manager, indicated he would like to explore a couple of ideas a little more after he comes on board and could possibly bring something back to the board at the July meeting and if not July, maybe in August.

Commissioner McElraft moved, Commissioner Murphy seconded and the board voted unanimously to table this item until a later date.

### PHASE III, WESTERN ACCESS

**Mrs. Overman** reminded the board that some months ago the board gave Alesia Sanderson, Director of Parks and Recreation, permission to proceed with the construction of the Western Regional Access. CAMA did not like the way the motion was made. They would like to have the motion be a little more specific. **Commissioner Wootten** said if he remembers right the first motion was "telling Alesia to do what she needs to do."

*Commissioner McElraft moved that the Emerald Isle Board of Commissioners support the submission of a final application for CAMA funding for Phase III of the Western Ocean Regional Access for grading and rocking the parking area and reconstruction of the Wyndtree walkway with a handicapped parking space. Commissioner Murphy seconded and the board voted unanimously. Motion carried.*

**Commissioner McElraft** understands that the board has to have, by the 29<sup>th</sup>, anything for the Island Review. She asked if anyone has written anything? No one had. **Commissioner McElraft** said she has a person on the reforestation and revegetation committee that would like to do a series of articles on reforestation, how to care for trees, what grows on the ocean front, why you don't want to clear cut, and a lot of different things. Her name is Ginny Godwin and she is very knowledgeable. She is willing to work up a series of articles 50 to 250 words, whatever the board wants her to do. **Commissioner McElraft** asked for the board's permission to "fill some space." The board all agreed.

**Commissioner Wootten** suggested writing an article on Alice McCormick, a town employee with Parks and Recreation Landscaping Division, for the Employee of the Month Spotlight.

## **BUDGET AMENDMENT 6/30/01**

**Mrs. Overman** read the attached Resolutions, 01-06-28-01, 01-06-28-02, 01-06-28-05. These amendments are for cleaning up the fiscal year ending June 30, 2001 for things like needing \$150.00 in the Regional Access Parking Fund for over-expenditures, funds to cover booking of vacation and salaries for the last two or three days of June, and receipt of grant money from the State for NC State Kids, a grant for Police Department to buy speed trailer, additional \$5,700.00 in Powell Bill money and money taken from Fund Balance in the amount of \$16,300.00 because Fund Balance is restricted money and in order to take care of expenditures this year, part of that Fund Balance is being used.

*Commissioner Trainham moved, Commissioner Farmer seconded and the board voted unanimously to approve Resolutions 01-06-28-01, 01-06-12-05 and 01-06-28-02. Motion carried.*

## **COMMENTS**

William Walker, who has been the Town's Emergency Management Director and Safety Director for the last 4 years without compensation, approached Commissioner Murphy. These duties are above his normal assigned duties as Fire Chief. **Commissioner Murphy** indicated a desire to compensate Fire Chief Walker. He would like to get with Interim Manager Overman and Town Manager Frank Rush to see what compensation can be worked out. **Mr. Rush** said he would like to review Chief Walker's salary in comparison with some other Fire Chiefs and bring back in the July meeting. **Commissioner Wootten** cautioned Mr. Rush to keep in mind that we just went through a salary review for the Chief and here we are a day later.

There were no comments from Commissioners Murphy, McElraft, Farmer, Trainham, Wootten, Interim Manager Overman, Town Clerk Carolyn Custy.

*Commissioner Murphy moved, Commissioner McElraft seconded and the board voted unanimously to adjourn at 7:50 P.M.*

*Respectfully submitted*

*Carolyn K. Custy  
Town Clerk*