

# *Town of North Topsail Beach*

Daniel Tuman, Mayor  
Michael Yawn, Mayor Pro Tem  
Aldermen:  
Richard Farley  
Deborah Lanci  
Dick Macartney  
Robert Swantek



Steven H. Foster  
Town Manager

Carin Z. Faulkner, MPA  
Town Clerk

## **Board of Aldermen Regular Meeting Thursday, June 3, 2010 7:00 P.M.**

**PRESENT:** Mayor Daniel Tuman, Mayor Pro Tem Michael Yawn, Aldermen Richard Farley, Robert Swantek, Dick Macartney, Deborah Lanci, Timothy Smith (for Town Attorney Brian Edes), Town Manager Steve Foster and Town Clerk Carin Faulkner.

- I. **CALL TO ORDER:** Mayor Tuman called the meeting to order at 7:00 p.m. in the North Topsail Beach meeting room.
- II. **PLEDGE OF ALLEGIANCE:** Mayor Tuman led those present in the Pledge of Allegiance.
- III. **APPROVAL OF AGENDA:**
  - Mayor Pro Tem Yawn made a motion to approve the agenda as presented. Alderman Lanci seconded the motion.
  - The agenda was approved unanimously.
- IV. **PUBLIC HEARINGS & PRESENTATIONS:**
  - A. **Public Hearing – FY2010-2011 Budget:**
    - Mr. Foster thanked the Board and Staff for their hard work. He read the budget message aloud.
    - Alderman Swantek made a motion to open the public hearing. Mayor Pro Tem Yawn seconded the motion. The motion passed unanimously.

**Gary Rowland of 127 S. Permuda Wynd** – Mr. Rowland commented that there are areas of the budget that the Board needs to look at. He said that it has been a number of years since the employees had received pay increases and he thinks the Board should do that. He also pointed out that the Town is contributing less this year to the beach nourishment fund than last year because of the revaluation and he thinks the Board should make it revenue neutral.

**Larry Hardison of 533 Ocean Drive** – Mr. Hardison asked about the part of the budget message which indicates that there may be a pick up in the economy. Mr. Foster said that the Town hopes that there will be a pick up in the economy to help stimulate revenues. He asked about the paving of Gray Street. Mr. Foster indicated that it is Chestnut Street

that is scheduled to be paved. Mr. Hardison asked if the Ocean City association has been contacted about the paving. Mr. Foster said that they will be contacted before the work begins.

- Mayor Pro Tem Yawn made a motion to close the public hearing. Alderman Lanci seconded the motion. The motion passed unanimously.
- Mayor Pro Tem Yawn made a motion to adopt the FY2010-2011 budget with a few minor typos which he listed. Alderman Macartney added a few other minor edits.
- There was discussion about adopting the budget message.
- Mayor Pro Tem Yawn accepted Alderman Macartney’s edits.
- The motion was revised by Mayor Pro Tem Yawn to adopt the budget and in addition the corrected budget message.
- Alderman Macartney seconded the motion.
- Each Board member made comments and some had questions for the Town Manager.
- The Board adopted the FY2010-2011 budget unanimously.

**TOWN OF NORTH TOPSAIL BEACH  
BUDGET ORDINANCE  
FISCAL YEAR 2010-2011**

**BE IT ORDAINED** by the Governing Board of the Town of North Topsail Beach, North Carolina:

**GENERAL FUND**

**SECTION 1:** The following amounts are hereby appropriated in the General Fund for the operation of the Town government and its activities for the fiscal year beginning July 1, 2010, and ending June 30, 2011, in accordance with the chart of accounts heretofore established for this Town:

**Appropriations**

GOVERNING BODY	\$164,745
ADMINISTRATION	356,822
POLICE DEPARTMENT	865,116
PLANNING & ZONING	158,385
BUILDING INSPECTIONS	119,679
PUBLIC WORKS	233,057
STREETS	94,000
PUBLIC BUILDINGS & GROUNDS	139,900
SANITATION COLLECTIONS	411,518
RECREATION	39,750
ELECTIONS, SALES TAX PAYOUT & COMMITTEES	8,700
TRANSFER	0
CONTINGENCY	6,327
INSURANCE	223,759
FIRE DEPARTMENT	517,408
	<b>\$ 3,339,166</b>

**SECTION 2:** It is estimated that the following revenues will be available in the General Fund for the fiscal year July 1, 2010, and ending June 30, 2011:

**Revenues**

STATE	\$	982,703
TOWN		54,800
OUTSIDE SOURCES		0
PROPERTY TAX		1,903,186
REFUSE		382,654
INTEREST		10,000
TRANSFER IN		5,823
GRANTS		0
		<b>\$3,339,166</b>

**SECTION 3:**

There is hereby levied a tax at the rate of \$.2355 (\$.2255 General Fund and \$.01 Beach Nourishment Fund) per one hundred dollars (\$100) valuation of property as listed for taxes as of January 1, 2010, for the purpose of raising the revenue listed as "Ad Valorem Taxes" in the General Fund in Section 2 of this ordinance. This rate is based on a total estimated valuation of property for the purposes of taxation of \$834,228,998.00 and an estimated rate of collection of 95 percent. The estimated rate of collection is based on the fiscal year 2009-2010 collection rate of 95.62 percent.

**SECTION 4:** The Town Manager is hereby authorized to transfer appropriations as contained herein under the following conditions:

- (A) Town Manager may transfer amounts between line-item expenditures within a department without limitation and without a report being required.
- (B) Town Manager may transfer amounts up to \$500 between functional areas, within the same fund. He/she must make an official report on such transfers at the next regular meeting of the Governing Board.
- (C) Town Manager may not transfer any amounts between funds, except as approved by the Governing Board in the budget ordinance as amended.
- (D) Capital Purchases in excess of \$5,000 shall first be approved by Board of Aldermen, and registered as a fixed asset.

**SECTION 5:** The attached Schedule of Fees is hereby adopted for the fiscal year beginning July 1, 2010, and ending June 30, 2011. These fees may be amended during the fiscal year by Board action.

**SECTION 6:** Copies of the budget ordinance shall be furnished to the Clerk to the Governing Board and to the Town Manager and Finance Officer to be kept on file by them to be used in the execution of their duties regarding the disbursement of funds.

**ADOPTED THIS 3<sup>rd</sup> DAY OF JUNE, 2010.**

\_\_\_\_\_  
Daniel Tuman, Mayor

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Carin Z. Faulkner, Town Clerk

V. **MANAGERS REPORT:**

- A. **Employee Recognition- Planning Director Deborah Hill Received Certifications:** Mr. Foster announced that the Town's Planning Director Deborah Hill has received three certifications, she is now a certified flood manager (CFM), she also is a certified zoning officer (CZO), and she passed the written exam and is a certified planner according to the American Institute of Certified Planners (AICP).
- B. **Update on Local Beach Nourishment Project Permit:** Mr. Foster reported that he attended a meeting with the U.S. Marine Corps and the U.S. Army Corps of Engineers in order to discuss general concerns about the Town's beach nourishment project. The Mayor also attended and he said that he does not anticipate any real objections to the Town's plan but that they will be providing their comments in writing. Mr. Foster said that there may be some sub aquatic vegetation in the project area but that it will be taken care of in the next week or two but the permit for the project is on track.
- C. **Update on Capital Improvement Plan:** Mr. Foster indicated that he had originally scheduled a meeting about the CIP for June 15<sup>th</sup> and that he would like to move it to some time in July.
- D. **Update on Combining Planning & Zoning Department with Inspections Department:** Mr. Foster reported that he is planning on combining the planning and zoning department with the inspections department. He said one of the main reasons for doing it is to improve customer service. He thinks that combining the two departments will improve the process. He hopes to do this by the end of August. Alderman Farley indicated that he was not in support of this. Mr. Foster indicated that his final plans will go before the Board of Aldermen.
- E. **Update on Collection of Solid Waste Cart Fees:** Mr. Foster reported that there are quite a few solid waste carts that have not been paid for. He indicated that there are taxpayers out there who have not paid their taxes who are still getting garbage service. He said the Town is going to begin collecting solid waste carts in order to prompt property owners to pay.
- F. **Hurricane Season Announcement:** Mr. Foster reported that Town Staff will be meeting with the County at the Emergency Operations Center (EOC) on June 17<sup>th</sup> to discuss evacuation procedures, traffic, debris disposal and other hurricane related items. He announced that it is also an individual's personal responsibility to track the storms and prepare.
- G. **Minutes on Disk:** Mr. Foster reported that the Town has received disks from the NC Department of Archives which include scans of most of the Town's meeting minutes. He said the Town Clerk will be working on getting these posted to the website.

VI. **OPEN FORUM:**

**Richard Morrow of 1156 Henderson Road** – Mr. Morrow said he has owned property in Winterhaven since 1967. He said he wanted to express the concerns of the residents in that area about the Town's recent opinion that the Town owns the property at the sound end of Reeves Street. He said that the residents are concerned that they have lost rights to use this property and that they will not get it back. He said that what one Board may allow the next may deny. The overall consensus of the residents is to ask the Board not to do anything until the group of residents has the opportunity to get together. They want to make improvements to the area without cost to the Town. He said that they have always been able to go to this property and they fear that they will lose that right.

Mayor Tuman asked Mr. Morrow to contact the Town Manager if he has any questions about the Town's position on Reeves Street. He said that this is a public street just like any other street and the Town's responsibility is to promote fire and safety issues. The Town is not going out of its way to limit access to this street.

VII. **CONSENT AGENDA**

- Alderman Macartney made a motion to approve the consent agenda as presented. Mayor Pro Tem Yawn seconded the motion.
- Alderman Farley indicated that he would like the Finance Department report and Budget Amendments 7, 8, and 9 taken out of the Consent Agenda and moved to New Business.
- Alderman Macartney moved to approve the Consent Agenda with Alderman Farley's amendments. Alderman Lanci seconded the motion.
- The motion passed unanimously.

**Consent Agenda items:**

- A. **Request to Approve Tax Refunds**
- B. **Request to Adopt Resolution 2010-13: A Resolution Authorizing Funding for the Assistance to Firefighters Grant Program**
- C. **Call for Public Hearing: Amend Sec. 7-132 (b) OUTDOOR SWIMMING POOLS, SPAS, AND HOT TUBS**
- D. **~~Budget Amendment 7,8,9~~**
- E. **Approval of Minutes: May 4, 2010, May 6, 2010, May 13, 2010, May 18, 2010**
- F. **Department Head Reports : Finance, Fire, Inspections, Planning, Police**
- G. **Committee Reports: Planning Board, Board of Adjustment, TISPC, ONWASA, Government Advocacy Committee**

VIII. OLD BUSINESS

A. Request to Pay Off Fire Truck, Possible Purchase of 800 MHz Radios, and Justify Elimination of Capital Fund:

- Mayor Pro Tem Yawn made the following motion:  
 “I move that the town purchase thirteen 800 MHz portable radios and other necessary components as outlined in the low bid (of 3 bids received) from Com-Tech Electronics for a total cost of \$27,754.35. Further, the funding for this purchase shall be accomplished by reducing the contingency line item in our amended budget, which currently stands at \$492,157.03 due to the large transfer of funds from the Capital Fund earlier in FY2009-10. Finally, this transaction shall be completed before June 30, 2010 so that it is in FY2009-10.”
- Alderman Swantek seconded the motion.
- There was discussion about the need for getting the radios at this time.
- The motion passed unanimously.
- Mayor Pro Tem Yawn made the following motion:  
 “I move that the town pay off the last remaining loan on a fire truck, at a total expenditure of approximately \$234,000. This saves the town approximately \$33,689 in interest payments as we are paying a much higher interest rate on this loan than we are earning on our investments. Further, the funding for this transaction should be accomplished by reducing the contingency line item in our amended FY2009-10 budget, which stood before this meeting at \$492,157.03 due to the large transfer of funds from the Capital Fund earlier in FY2009-10. This transaction shall be completed before June 30, 2010 so that it is in FY2009-10. With the payoff of the fire truck, the purchase of 800MHz police radios, and other capital spending as detailed below, we will have spent a total of approximately \$906,261 on capital in FY2009-10.”

Account	Name	DEPT	Spent thru 5/26/2010
10-690-75	FCB Loan - Truck	Fire	38,241
10-690-75	Payoff FCB Loan	Fire	234,000
10-690-74	Capital Outlay	Fire	31,624
10-510-74	Capital Outlay	Police	74,805
10-510-xx	800 MHz Radios	Police	27,754
10-510-75	Lease Purchase Agreements	Police	15,481
10-560-74	Capital Outlay	Streets	82,500
10-620-74	Capital Outlay	Recreation	285,000
10-420-76	Lease Purchase Agreements	Administration	40,536
10-545-75	Lease Payments	Pub Works	76,320

906,261 TOTAL

- Mayor Pro Tem Yawn said that this total capital expenditure in FY2009-10 fully justifies the transfer of \$792,157 from the Capital Fund that occurred earlier this fiscal year, and keeps us within the rules of the LGC.

- Mayor Pro Tem Yawn further moved: "That the current Capital Fund be dissolved, as there is a zero balance in this fund, and there are no funds to be added to the Capital Fund in the FY2010-11 budget. This is in accordance with the original motion creating this Capital Fund, which stated: "This fund will remain operational until dissolved by the North Topsail Beach Board of Aldermen." If a Board of Aldermen wish to create a new Capital Fund at some point in the future, in full accordance with state statutes, that is possible."
- Alderman Swantek seconded the motion. There was discussion.
- The motion passed 4 to 1 with Alderman Macartney voting against.

**B. Request to Award Audit Service Contract:**

- Mr. Foster reported that the current auditor is no longer going to do local government accounting. Mr. Breck Smith reported that he sent a Request for Proposals to twelve CPA firms and received proposals back from four firms. Mr. Smith requested that the Board award the contract to the lowest bidder, S. Preston Douglas & Associates. He explained that he checked the firms' references and they were very good.
- Alderman Macartney made a motion to award the audit services contract to S. Preston Douglas & Associates. Alderman Lanci seconded the motion.
- There was discussion. Alderman Farley indicated that he would have liked to have interviewed the auditors since they would be working for the Board.
- Alderman Macartney withdrew his motion.
- Mayor Pro Tem Yawn made a motion to table this item to the next meeting which will be on June 14<sup>th</sup>. Alderman Lanci seconded the motion.
- The motion passed unanimously.

**C. Request to Approve Supplemental Mowing Contract:**

- Mr. Foster explained that this item came up during one of the budget workshops and that the Board was concerned about the appearance of the entrance to the Town on the Sneads Ferry side of the bridge. Public Works Director Thomas Best asked the DOT if the Town could mow the approximately 300-400 feet on the other side of the bridge on a more frequent basis than the DOT. The DOT agreed to let the Town do the work and this is a supplemental mowing contract which will be added to what the Town already does for DOT.
- Alderman Farley asked if there is a potential liability.
- Mr. Foster indicated that he spoke with the Public Works Director and he said that the truck follows behind the mower with a light bar.
- The attorney made comment and he and Mr. Edes believe that there are no new liability issues involved with the addition of the work as the town is already mowing other areas of the Town. He said that he looked at the contract.
- Alderman Swantek made a motion to approve the supplemental mowing contract with NCDOT. Alderman Lanci seconded the motion. The motion passed 4 to 1 with Alderman Farley voting against.

IX. **NEW BUSINESS:**A. **Request to Approve Letters of Agreement from the Army Corps of Engineers for Federal Project:**

- Alderman Macartney explained that the Federal project is moving ahead. As a condition of it moving forward the Town needs to provide three letters to the Army Corps of Engineers' Public Works Review Board in D.C. The date the project will go before the review board is August 26<sup>th</sup>.
- Draft letters were provided to the Board which indicate the Town understands the financial commitment necessary to do the project, that the Town will come up with the non-Federal share of the money, and that the Town will provide the required public accesses and parking spaces.
- There was discussion.
- Alderman Macartney moved that the Board approve the letters. Mayor Pro Tem Yawn seconded the motion.
- The motion passed 4 to 1 with Alderman Farley voting against.

B. **Budget Amendments 6,7,8:**

- Alderman Farley had questions about the salaries for the fire department. There was discussion on what happened with the line items.
- Alderman Macartney made a motion to approve budget amendments 6, 7, and 8. Alderman Lanci seconded the motion.
- The motion passed 4 to 1 with Alderman Farley voting against.

C. **Finance Report**

- Alderman Farley asked Mr. Smith how much money the Town has invested.
- There was discussion on investment options.
- Mr. Foster said that it can be looked into.
- Mayor Tuman suggested that Alderman Farley and Mr. Foster discuss the matter and come up with options that can go before the Board.
- Mayor Pro Tem Yawn made a motion to accept the finance report. Alderman Macartney seconded the motion.
- The motion passed unanimously.

VIII. **OPEN FORUM:**

**Richard Peters of 601 New River Inlet Road** – Mr. Peters described what the parking situation was like in his area of Town during the Memorial Day weekend. He said that there were 50 cars parked in front of his house and that there were several cars parked at the site where the old Baptist church was located. There are not public access entry points there. He wants the Town to reconsider purchasing this property.

- IX. **ATTORNEY'S REPORT:** Mr. Smith said he had nothing to report. He thanked the Town for having him. Alderman Macartney said that he had not heard the attorney's feedback on the Town's insurance. Mayor Pro Tem Yawn indicated that Mr. Edes had looked it over and that it was acceptable including tail coverage. The Mayor announced

that there will be a meeting with the Town Attorney on June 11<sup>th</sup> and asked the Board to submit any questions or agenda items prior to that meeting.

X. **MAYOR'S REPORT:** Mayor Tuman read the following report (with some editorial comments added and not included):

I want to reinforce what I asked Town Manager Foster to include in his report that you heard earlier. The experts, NOAA, the National Oceanic and Atmospheric Administration, is forecasting, based on scientific evidence, that we expect a bad hurricane season. The Town has plans it developed awhile ago to respond to such an emergency. I'm not here to alarm you but I am asking you to reexamine your personal situation and make necessary preparations to protect your property and make plans now as to where you might go should you need to evacuate.

In a matter related to Beach Nourishment, I was in Raleigh on Tuesday, along with many others from around Coastal Carolina. We were there to meet with Joe Hackney, the NC Speaker of the House, to request that SB832 come to the House Floor for debate. SB832 deals with terminal groins. This structure is very important to our inlet management plan here in NTB Beach. I, Steve Foster and Deb Lanci spoke and lobbied for this legislation. In the end, the Speaker said he couldn't say what action he will take for the future. Our comments addressed his concerns that beaches are indeed available to everyone, their continued existence is important to the local economies and that we don't advocate hardened structures on the beach. We and others stated that terminal groins are confined to inlets, probably no more than 4 are required in NC, and the CRC has said that they work. I also commented on the financial payouts and hardships that our town has already experienced and the potential financial destabilization that our town faces because of our inlet problem. I just don't know what Speaker Hackney will do. This bill has already passed the Senate and there is a high degree of confidence that it will pass the House if the Bill is allowed to come to the floor.

FYI, I have had internal communications with the Town's beach committee which is made up of the BOA. They understand that I don't like the information package and the plan that is being presented to you. I can assure that my concerns are valid and my only interest is that the town be presented a complete and competent package of information and options so that you, the citizens and property owners, can make an informed decision. I have recommended what more they need to do and strongly suggested that they get outside help. As your Mayor, I will have more to say later if things don't improve.

Finally, I just want to comment that the Town has put together a reasonable plan and budget for the coming year. A lot of work goes into preparing a town plan and budget. I am disappointed that this budget again has a further cut in the amount of money going to the beach fund. This distinguishes us from the other towns on Topsail that have held the line on their respective contributions over the years. To me, this arouses further skepticism about the real motives of this board and town. I'm concerned and also should you.

XI. **ALDERMEN'S REPORT:**

**Alderman Lanci:** Ms. Lanci added to the Mayor's comments and said that Harry Simmons said that the meeting with Speaker Hackney went better than he had anticipated. The Speaker was willing to listen and a smaller group of people will be meeting with him again next week. She indicated that only certain inlets would be getting a terminal groin and that NTB is number three in line to get one. She said it is a large initial investment but less than the cost of the NTB phase one project. She said it holds the sand in place and would be a viable option in the Town's toolbox and worth lobbying for.

**Alderman Macartney:** Mr. Macartney resonated with Mr. Peters’ statement about parking. He said that he met a vendor at the Mayor’s meeting in Richlands that did parking for several large events and works with Wilmington, Emerald Isle, and Carolina Beach. He said that the Town needs to look into this option and he will give the vendor’s information to the Town Manager.

**Mayor Pro Tem Yawn:** Mr. Yawn said that he was asked to attend the Ocean City HOA meeting the Saturday before Memorial Day. He said they were appreciative that he came. They were appreciative and supportive of the Board’s direction on beach nourishment. They want tourists and visitors to pay more of the share of beach nourishment. He said they were concerned about the BP oil spill and said that the Town needs an action plan. The discussion also focused on trash, parking, and dune ordinances. He recommended that they attend the beach nourishment informational meetings and to volunteer on the Town’s new committees. He announced an NC Coastal Federation event that was taking place that Saturday. He congratulated Ms. Hill for her certifications.

**Alderman Swantek:** Mr. Swantek said that he thinks the Mayor has a different attitude than this Board has and that the slide presentation on Beach Nourishment was a lot of work and that the Board approved it. He asked the Mayor to stop broadcasting his own opinion.

**Alderman Farley:** Mr. Farley followed up on Alderman Swantek’s statement and indicated that if the project is expensive and ineffective the people need to know. He said that the roads in the Town are getting increasingly dangerous because of the traffic; he advised people to pay attention and said that there may need to be more signage. He congratulated the local girls soccer teams for winning the State championships (Swansboro and Southwest).

XII. **ADJOURNMENT:** Mayor Pro Tem Yawn made a motion to adjourn. Alderman Lanci seconded the motion. The motion passed unanimously. The meeting adjourned at 8:59 p.m.

**APPROVED:**

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Daniel Tuman, Mayor

**ATTEST:**

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Carin Z. Faulkner, Town Clerk