

***MINUTES OF THE REGULAR MEETING
OF THE TOWN COUNCIL
TOWN OF CAROLINA BEACH***

June 10, 2008

The Town Council of the Town of Carolina Beach met in regular session on June 10, 2008 at 6:30 p.m. in the Council Chambers at the Municipal Administration Building, 1121 N. Lake Park Blvd., Carolina Beach, North Carolina. The following were present: Mayor Joel Macon; Mayor Pro Tem (MPT) Dan Wilcox; Councilwoman Pat Efid; Councilman Jerry Johnson; and Councilman Alan Gilbert. Also present were Town Manager Tim Owens and Town Clerk Lynn Prusa.

Mayor Macon called the meeting to order.

INVOCATION

Mayor Macon opened in prayer.

PLEDGE OF ALLEGIANCE

Mayor Macon led everyone in the Pledge of Allegiance.

CHANGES TO THE AGENDA

Councilman Gilbert made a motion to adopt the agenda with the following changes:

Item #18 – Appointment to the Board of Adjustment

In addition to the applications that are already in your packet, include the attached applications from William E. Wells, Jr. and Michele Connett for consideration this evening.

Item #18(a) – Request for CUP Extension for Marina East, LLC

Request for a CUP Extension for Marina East, LLC for 1 Approximately 45,440 Square Foot Structure to Include 32 – 2 Bedroom Residential Units at 400, 400A, and 402 North Lake Park Blvd.

MOTION CARRIED UNANIMOUSLY.

RECOGNIZE EMPLOYEES FOR YEARS OF SERVICE

Larry Ward, Police Officer II, was not in attendance to be recognized for years of service.

INTRODUCE NEW EMPLOYEES

Scott Hettinger, Police Officer I, was unable to attend.

Mayor Macon introduced the new Town Attorney, Steve Coggins.

TOWN OF CAROLINA BEACH COMMITTEES' REPORTS

Shawn Underwood, Budget Advisory Committee Chairman, made his report. In preparation for the next budget process he presented some recommendations (Exhibit 1) For example, at the end of the first quarter there be a budget review of the ongoing budget to try to take a look at where it stands vs. where everyone thought it would be from both the revenue and expenditure standpoint to become more familiar with how the budget operates, how the town operates in order the have a better understanding of how the current budget is working - moving from the wish list to more of a revenue responsive budget and be able to set a goal.

Also representing the Budget Committee, Susan Baum, 923 Coastwalk Lane, said she was assigned to review checks and AR (accounts receivables) as part of the Budget Committee. She did the checks for the month of December 2007 and followed up the with AR report review for April 2008. After reviewing the payables from December 2007, she found the following overview of money saving possibilities: Verizon cell phone and data port services. The overview of the April 2008 bill is marked item number 1 in info given to Council. This plan is not in sync at all with usage. There are 39 cell phones, 25 data ports with monthly service fees. There are data lines and phone lines with zero usage that need to be investigated and disconnected for immediate savings. The minutes allotments are misappropriated, example: all tiers are 31 phones with 200 minutes. The spectrum is as follows: 6 phones use less than 30 minutes, 5 phones use over 1,000 minutes - they are all lumped in the same 200 minute plan. Moving up to the 450 minutes - 1 phone using 18 minutes, 2 using plus 700. If you go on and look at this, you have 3 phones at 900 minutes - one uses 210 minutes and the other 625 and 505 minutes. Two phones have 4,000 minutes - one uses 155 minutes and the other uses 722 minutes. A great deal of money is spent with nothing allocated. 21 of 25 data wireless ports and 4 cell phones are all listed to Tim Owens. This needs to have correct identification so that each data port and each cell phone is attached to the person using them and they have the responsibility of usage. With regard to criteria for a cell phone and wireless data port as a town employee, currently there are 110 employees with 1/3 having cell phones and 1/5 have a data port. Item number 2 is leased fueling which is also not in sync. There is listed 156 vehicles which we do not have and needs to be updated. There is also an unidentified assigned list that used almost 800 gallons to an

unassigned vehicle. One outstanding item on 12/21/07, the lake pump was credited with 180 gallons in one day. These are things she has found and would like some answers to so they know what is going on. Progress Energy is about \$40,000 a month which does not include the propane heating bill of over \$5,000 a month. She suggests going to Progress Energy and ask for an audit, there are things they will do for free. Regarding credit card usage, which was a subject of the 2006 audit management letter, in the error report of April in a 6 week period credit cards were used at Wal-Mart 19 times, also 19 uses with vendors whom we have accounts with. She feels usage should be reigned in. Accountability with regard to these top 4 items, it would significantly help the town with the new fiscal year.

Mayor Macon said there was a meeting about this earlier. Tim Owens said they are looking at the issue with Verizon and they are going to give them a better rate. The town has 11,000 to 12,000 pooled minutes and they are right around 10,000 - 11,000. The data ports there are some that went a couple of months and should have been cancelled. Staff is looking at all of it. Staff has contacted Progress Energy and will follow up on it. There was an energy audit through URS where they came in and changed some of the account codes and saved them significantly - not sure what Progress Energy's recommendation will be.

Councilman Gilbert asked if they are looking for town management oversight in spending oversight or do they have a budget analysis process - probably need both. He was wondering what the charge would be in the future. Also, how many budget committee meetings did Tim and Dawn attend? Mayor Macon said they attended the first meeting, but he is the contact person. They also met with Susan in reference to some of her specific questions. One of the biggest expenses is the town employees. Shawn Underwood said their concern is that unless there is a more strict policy for fueling and credit cards that there is too much potential for possible fraud. Councilman Johnson asked for clarification on the 156 vehicles. Mr. Underwood said that figure includes anything that uses fuel such as generators, weed eaters, etc. Councilman Johnson said he feels the committee should make that clear during public reports so there is not a misunderstanding by the public. Council would like a written analysis answering the questions in 30 days by the next meeting if possible.

Randy Simon, 1410 Snapper Lane, Police Advisory Committee Chairman, spoke about a couple of issues: (1) Steve Hall who fills the clergy spot on the board has asked to have his name withdrawn. He has been a very positive asset but needs a break due to his schedule. Last month Nick Nolan was appointed to fill an at-large spot; a couple of days later a judicial person put in an application and a female who will increase diversity, Kate Miller. He presented her application to Council for their review. He believes she will be a positive asset to the committee. There are no other applications at this time. The committee would like to put Ms. Miller in the judicial position and move Mr. Nolan to the clergy slot and make it an at-large position.

Councilman Gilbert made a motion to appoint Kathleen Miller to fill the judicial position and accept the resignation of Steve Hall to the Police Advisory Committee, and set the public hearing date to July to make the at-large designation for all standing committees' membership requirements. MOTION CARRIED UNANIMOUSLY.

Mr. Simon suggested sending a letter of appreciation to all members as they leave. Mayor Macon suggested a plaque for years on a board, also the boardwalk volunteers for their hard work - present a plaque at a meeting and send a letter if they fill a term. The town clerk suggested that committee members fulfilling a term of office receive a plaque, and Council was in agreement.

Mr. Simon said they do articles weekly in The Gazette for public awareness, introduce police officers, announcements of community watch programs, provide public service programs such as child ID and fingerprinting cards, etc. Their activities are tracked by the minutes they take but they do not have a secretary to take the minutes like other committees do, secretary being a town employee who comes to their meeting. They would like someone to do their minutes. They recently completed their skate park issue and they are concerned about the unsupervised environment and have been talking about it but have received very little feedback. They met with the Benton's regarding the noise after hours and the issue was discussed with the police chief. They may want to put a chain across when the park is closed to prevent it from being a gathering area for a negative environment. He asked Council if the Police Advisory Board is doing what they expect or can they do more. Mayor Macon said he feels that the committee is doing what is expected. He said it was suggested a couple of weeks back about an emergency phone being placed at the site that would automatically connect to 911 in case of injuries. Maybe that is something the committee can take a look at and advise Council. MPT Wilcox said he heard they still have enforcement issues there. They had discussed previously about having repeated enforcement visits and if that didn't work to take a period of time and shut it down and try and send a message. Where are we on that issue? Chief Younginer said that Margaret spends a lot of time there and it has been better. The night they had their meeting there he had to go over there repeatedly to tell them to put their helmets on. They have issued a few tickets, most of the people are young. They have taken their skateboards and had their parents come and get them. MPT Wilcox asked if there is some way to address repeat offenders. Mayor Macon said to start taking names. They have had some good luck with taking the skateboards, word is getting to other kids. MPT Wilcox asked about the after hours skating but Chief Younginer said they haven't had many calls on that. He has spoken to neighbors who say they gave up calling to not do that, to be sure and call if they see or hear anything. Mr. Simon praised Chief Younginer and his officers for their participation in the meetings, it has resolved a lot of issues due to communication problems.

Tom Scurzo, 900 Yacht Road, Harbor Management Commission member, said they have been trying to put together the ordinances for the harbor for some time. They have separate committees set up to do separate things. They have been working on additional dockage for transients so they can come to the marina. He presented a proposal for

transient dockage near the Winner Queen, no individual slips, just an open area which will be a prelude to a mooring field. They are also looking at sites at ends of streets for dinghy dockage. We want to be more boater friendly where people can stop and get out and visit Carolina Beach and spend some money. Tim Owens said the town has budgeted some money at the last meeting to do some work and more in upcoming budget to do what we can and maybe apply for a grant.

Adam Higgins, 615 Carolina Beach Avenue North, Arts and Activities Committee, gave a report. He said they met on June 5th and went over their primary goals. Their next meeting is on June 16th at 10:00 a.m. They met with some representatives of the Boardwalk Makeover group and Parks and Rec Committee with the primary focus of the budget for the Family Fun Activities at the boardwalk. He presented the proposed activities and budget. The proposed supplies budget is \$2,550 and the activities budget is \$3,950. The total proposed budget is \$6,500. Currently the Boardwalk Makeover Project has agreed to fund the entire cost of the Family Fun Activities. They would like to get approval from the town 20% of future donations be earmarked for arts and recreation to be standard. The May 3rd event was great. The bands on the gazebo have really been effective. They are working to include a small beer and wine garden. The first one was managed very well. Tuesday night is to be family fun night. Mayor Macon said there is definitely a lot of enthusiasm and he has heard a lot of positive comments. He said the town will put together a thank you. MPT Wilcox said it is important to keep it clean and in good condition, and he said the town manager has it scheduled twice a month during to summer to wash down the walkways. Mr. Higgins said they could always use more volunteers.

Alan Pacek, Business & Economic Development Committee gave report, and he recognized accompanying committee members. Mayor Macon recognized former Councilmember Jack Lynch who is also a member of the committee. Mr. Pacek passed out the committee's recommendations (Exhibit 2). MPT Wilcox thanked the committee for their hard work, they have been going at it strong and sometimes a meeting a week. H thanked them for their thought process and research which is important to the town's development and tax base and he is very pleased with the progress that has been made.

Councilman Gilbert asked Duke Hagestrom of the Ad-Hoc Tourism Committee if he has any account statements. Councilman Gilbert said they have received a 2008/2009 budget from the Coast and Convention and he was trying to figure out the \$639,068 spending and nobody has come before the last two Councils who could give them an overall view of the tourism dollar spending and what your group actually spends on. He asked if the committee could put something together in the coming year to educate Council on those funds. He said they have done a presentation to the mayor and one councilmember every year which explains what they have been up to and would love to come before Council and do that. He said the \$639,068 is split in half. Half is activities related that the town makes the decision in directing the funding of. The other half is for promotional activity. They just got their media plan approved and have doubled their investment in public relations dollars, \$50,000 for the coming year. They are continuing the TV campaign which did very well last year in Raleigh, Tri-Ad, different areas in the state - \$25,000.

Oprah magazine has been very good with over 8,000 inquiries from one ad, very expensive but paid off. They will make a presentation at the next meeting. MPT Wilcox asked if he would bring some of the material, they would like to see it.

PUBLIC DISCUSSION (Five minute time limit per person)

No one signed up to speak.

ADOPT THE CONSENT AGENDA

The Town Clerk, Lynn Prusa, said that Council may want to consider Items (f) and (g) first with regard to setting dates. Mayor Macon explained that a new restaurant is trying to open by July 4th. Gary Ferguson said they are asking for additional seating from 46 to 90+ seats and will be increasing the capacity of the restaurant and parking. Staff has a proposal in front of Council next month that will perhaps make restaurants a permitted use with new definitions for what restaurants, coffee shops, ice cream centers are so they can start making some distinctions between typical sit-down restaurants and other types of eateries. Tim Owens said they are asking for an additional waiver of parking which will require them to come before Council. They are expanding into the old Island Colors which makes it a modification to a CUP. It was also mentioned that the Master Plan meeting will be held on June 24th. Council agreed to meet on June 30th at 7:30 p.m. for Items (f) and (g).

Approve the minutes of the following meetings:

Regular Meeting	
Recessed from 4/8/08	April 22, 2008
Special Meeting/Budget	April 22, 2008
Regular Meeting	May 13, 2008

Approve the year-end transfers as presented.

Set a public hearing date on July 7, 2008 at 7:30 p.m. or soon thereafter to consider amending the Zoning Ordinance to allow up to 50% efficiency units in hotel rooms in the T-1 Zoning District.

Set a public hearing date for July 7, 2008 at 7:30 p.m. or soon thereafter to consider amending the Zoning Ordinance to revise the standards for parking drive aisles and parking space sizes and to allow a maximum of 15% of parking spaces to be designed for compact cars.

Set a public hearing date for July 7, 2008 at 7:30 p.m. or soon thereafter to consider adoption of the Official Zoning Map for the Town of Carolina Beach.

Set a public hearing date for June 30, 2008 at 7:30 p.m. or soon thereafter to consider a modification to a CUP to expand the former Gyro's Restaurant located at 6A N. Lake Park blvd. (PIN #313011-55-1294-000) into the adjacent unit, increase seating and rename the restaurant The Dive.

Set a public hearing date for June 30, 2008 at 7:30 p.m. or soon thereafter to consider amending the Zoning Ordinance to change "Standard Restaurants" from a conditional use to a permitted use in the MX, CBD, NB, HB, MB, T-1 AND I-1 Zoning Districts.

Adopt Resolution No. 08-920 (Exhibit 3) in support of an application to participate in the NC Small Town Main Street Program 2008-2009.

Adopt Resolution No. 08-921 (Exhibit 4) amending the 457 Retirement Plan to permit loans.

Approve the 2007/2008 auditing contract with Goodson and Taylor, CPA's in the amount of \$7,450.

Approve the budget amendment and transfer for federal grant for purchase of police boat.

Councilman Gilbert made a motion to approve the Consent Agenda as presented with direction to meet on June 30, 2008 at 7:30 p.m. to consider the proposed changes to the CUP to expand the former Gyro's Restaurant and to consider amending the Zoning Ordinance to change "standard restaurants" from a CUP to a permitted use in the MX, CBD, NB, HB, MB, T-1 and I-1 Zoning Districts.
MOTION CARRIED UNANIMOUSLY.

CONSIDER ADOPTING BUDGET FY 2008/2009

The town manager presented the final draft of the proposed budget for FY 2008/2009. He said that on May 30th the proposed budget was sent to Council. He thanked everyone involved in its making. The actual FY 08/09 budget incorporates how the town sets their fees and tax rates for the upcoming budget year and is a guide to how they spend revenue generated throughout the year as well. Staff looks at the budget on a daily basis. He and the Finance Officer, Dawn Johnson, try to get together on a quarterly basis as well. Ms. Johnson also provides Council with budget information on how the town is doing quarterly. Mr. Owens reviewed the budget process for preparing the budget and the proposed budget.

Mayor Macon said he would like to get a handle on the revenue vs. expenditures with regard to parking as there have been some concerns expressed to him in reference to the parking. Mr. Owens said he could tell him that shortly.

Councilman Gilbert asked if they were just looking at O&N, did staff have a number for water and sewer as a total. Mr. Owens said yes.

Mayor Macon made a motion to open the public hearing. MOTION CARRIED UNANIMOUSLY.

Susan Baum, 923 Coastwalk Lane, asked if the overall budget is a 15% increase over last year. Mr. Owens said if you look at the proposed budget, it is not. The General Fund is a little over 2% increase over last year's budget proposal. The Water and Sewer Fund was a little over 2.5% above and the Tourism Fund is up 11%. He said they are not large amounts. A large percentage of our budget is employee related and increases in health insurance. The Tourism Fund the budget is \$172,938 more than last year. The total budget is \$1.6 million. A good percentage of that was a project that wasn't necessarily in the budget last year so that one is a little skewed. Ms. Baum said that when they went over the budget in the budget meeting and did numbers, last year's budget vs. this year's budget proved to have a 15% increase. Mr. Owens said he was not at that meeting and he has no idea. Council and staff said that the percentages cannot be added up, they are not cumulative.

Tom Scuorzo, 900 Yacht Road, asked the manager where he came up with the number of \$36,000 for marina dockage. Mr. Owens said that will pay for some of the surveying and some of the dredging and was basically some of the leftover funds the town had to put to that project. It was a lot more than that, about \$97,000, so they started going through the budget process and got down to \$36,000. Mayor Macon said they are hoping to get a grant for the rest of that. Mr. Owens said they talked to a contractor this past week to get started on the permitting, to get some of that done, torn out and replaced. The bidding has not been opened.

Councilwoman made a motion to close the public hearing. MOTION CARRIED UNANIMOUSLY.

Councilman Johnson said that for the record he would like to make a few comments regarding the budget. He knows staff has worked very hard on it. He has had a lot of problems with it because he hates to see the increases. Due to the increase in property taxes last year due to the evaluation by the county, increases in homeowners insurance and flood insurance which are drastically going up for a lot of people, gas and its side effects, and possibly another county property tax increase - people can only handle so much and he does not agree with the rate increases. He has asked about this in the past, talked to the Town Manager, and something is still going to be looked at - it's not in this budget and it's something citizens have asked about over the past few years. We talk about water conservation yet we give no credit to instill in anyone to try to conserve water. He is disappointed the town does not do that. He thinks they need to strongly consider some of the recommendations made by the Budget Committee although he knows it is too late for this budget process. He does not agree with the increases for the Council's salaries. He feels they need to look at the number of employees they have and the tasks they perform or the tasks that have to be performed and look at deeper cuts. Mayor Macon said that is right in line with the Budget Committee's recommendations.

Councilwoman Efirm made a motion to adopt the 2008/2009 Budget Ordinance No. 08-743.

Councilman Gilbert said one of his biggest concerns and what sidetracked him in this whole process was talking about the TIF financing and how we fund our storm water. He really thinks they need to rethink about putting this on the back of the utility customers. If you are truly considering designating 106 acres and setting aside any potential revenues and in this document that was presented to them, it talks about taking Drifter's Reef and the Hilton, taking that money and sidetracking it from the General Fund. The potential is up to almost 30 years. He went back and looked at this budget and said "what if". What if they took the entire business district and sidetracked those funds and that became his big challenge. Stormwater is under funded. Digging into every article he could find on stormwater equity formulas, they all say that utility customers should not be the source or sole source of funding. You are missing out on a number of funding sources and he thinks they have been remiss in digging into this over the last few years. He thinks they have some great projects - the EQ basin, parking decks, lift stations, new water tanks but if you are truly looking at TIF funding, may be that is their project list. If they have an opportunity to go forward with the engineering on those projects and they have the money in their reserve fund, he would be more comfortable doing that - not raising our water and sewer rates for this potential future expansion to cover it and maybe consider if TIF financing is the magic wand that heals our ills, then maybe consider this the list of your projects. Definitely the operations and maintenance, he respects that they need to raise that because they have been bleeding ever since speculative real estate market has fallen off. He feels they could do better, that this budget didn't take into regard possibly removing some funding opportunities.

MPT Wilcox said that Councilman Gilbert makes the point about TIF financing covering these projects and he is right but that is precisely what the TIF financing is for, to cover some of these infrastructure improvements. Many things, if you go through our budget line item, that would fall under TIF categories, especially in that TIF designated area, that would typically fall on the backs of the taxpayer, but with TIF financing we would have county funds to help pay for those improvements instead of all of it falling on the backs of the taxpayer. He has been sitting in the audience for the last 6 years watching these budgets and he recalls staff and Operations Department coming every budget year and warning them and requesting that the water and sewer fees need to go up and on some percentage go up incrementally every year. Most times in the early days they were being offset by the impact fees. After that, they basically were denied or reduced to far less than what was requested based on projection. He thinks they are dealing with a byproduct and, at the same time, development has slowed down. Our infrastructure has continued to aged and we continue to pick up expenses for water and sewer. No one wants to raise anything. He is pleased they are not having to raise taxes. No one wants to raise water and sewer fees but this is not a new thing. He is pleased that it is not more than it is. We need to work hard to try and offset some of this in the next budget year and the year after that so they can get proactive and they can start dealing with some of these things. The stormwater issue is not intended to be a revenue producer. Our stormwater commitment, Phase II, mandates that we improve our stormwater quality. The fact that

builders and people who are building homes are actually doing their own stormwater and maintaining it on site and not pay us a fee. This was the overall objective. Overall, he is generally pleased they are not having to raise taxes and that they amount they are having to raise utility fees is less now than had they done it incrementally.

Mayor Macon said they are definitely going to take a hard look at staff and how many staff they have vs. the need for those staff and the positions and activities that take place. They have lost 5-7 positions from last year that were not replaced. Those are the kinds of things that can constitute savings and we can also look at doing some part-time positions. That is the thing they have to look at as staff, what resources they are using because you can't keep going to the well and pulling more money out of the taxpayer.

MPT Wilcox agreed but they also need to remember the fact that this is a projected budget which means it is projected expenditures and revenues. Between staff, the finance director and the Budget Committee, they have time to work on a lot of these issues they are talking about and try to lower some of those expenditures. Just because it is a projected budget doesn't mean all those funds have to be spent. We have time in this budget year to lower some of those things. He is encouraged to know they are moving forward in a positive direction and they are taking some corrective action or getting some corrective actions in place for the upcoming budgets.

MOTION DENIED 3-2 WITH MAYOR MACON, COUNCILMAN JOHNSON AND COUNCILMAN GILBERT VOTING NO.

The town manager asked direction from Council as to what he needs to do. They have sat through numerous meetings and this budget really hasn't changed in the past two meetings they have been through. He has trimmed the budget as he best saw fit. He didn't like the rate increase but it is something that had to happen if they want to do those projects. It is up to Council if they do not want to do some of the projects. They can take those out and keep the rates the same.

Councilman Gilbert said he has asked for a number of things. Because of the rising cost of fuel he asked for an accounting by department, by user. A lot of citizens share with him their opinions of use of vehicles. If they need to go into a moratorium to get a handle on it, see if they can go into a conservation mode. He knows the Police Department uses their vehicles as an incentive and would probably be very difficult, on a retention level, but if they can start somewhere with the Operations Department. They are in a federal, state and local crisis with funds. The grant money is not there, it is a challenge. Discuss the moratorium, and what are we talking about number wise. Then go back and stop the bleeding and get ahead on the fees and if you have reserves, let's do it. You know where he is on stormwater and he thinks there is an opportunity for you and Brian to get together and really do an audit of those fees and making sure the biggest polluters are being charged for that and bring a fee schedule to make sure the biggest polluters and the biggest runoff - we'll be able to capture that.

Tim Owens said the fuel consumption was ok at \$2.50 a gallon and now it is up to \$4.00 a gallon, honestly, that is a small part of this. He needs direction from Council as to what you want to do with tax rates and water and sewer rates and projects. We have to have an adopted budget by June 30th. We can do an interim budget, but he needs direction from Council. We can go through this line item by line item and cut it tonight if you want to or we can set a meeting for tomorrow night or the next day. But he needs some direction from Council. He presented what he thinks is a fair and decent budget based on some of the input he received from Council - we need to do these projects, we need to do these projects. He hasn't filled positions, positions that are directly affecting him. They haven't filled an assistant operations director, didn't fill a PIO, code enforcement officer, and probably at least 3 or 4 positions in the water and sewer fund. He has looked at, basically, employees for other towns and can give you numbers on that and we're not overstaffed compared to other towns. Some would say those towns are overstaffed. In comparison we are pretty-similar, budget-wise pretty similar, population-wise pretty similar. In short, he needs some direction from Council.

Mayor Macon said this is in no way, shape or form a reflection of the work he has been doing with the budget. It is just a matter of principal and point.

MPT Wilcox said he is confused. They have sat through these budget meetings and all of Council was there and we have talked about all of these items and it is no surprise to anybody where we are. If there was a problem with the budget, we should have given the Town Manager an earlier heads up so he had some time to work with this. In his opinion, it looks like we have a \$500,000, if Council is not going to vote for this budget, that we need to cut projects and services. That's what it boils down to. You are either going to deal with the reality of our increased costs of our water and sewer or we're going to cut services and projects for our community.

Councilman Gilbert said he absolutely communicated with the town manager and he doesn't think he can deny that he didn't communicate his challenges with the budget. Mr. Owens said Councilman Gilbert's concerns were with stormwater being in the water and sewer fund and gas mainly. Councilman Gilbert said also some staffing issues, management staffing issues and supervisory issues that were brought to their attention - that's a personnel issue. He shared more than those 2 or 3 concerns but he didn't go line through line with him trying to get your budget. He looked at his budget and basically said stop the bleeding on your water/sewer, stop taking revenues from water and sewer and supplementing storm water, figure that one out, and then with respect to the employee issue - he went back and looked at the 2001 budget and looked at the increases from the 2001 to date and we went from an analogy that was shared with him a \$50,000 a year income for a family to \$100,000 and we spent every penny of it. So we got fat in a number of years when the speculative real estate market was going on and all he has said from the very beginning of the last three years he has been involved with these budgets is go back to 2001 and figure out how they did it on that budget. Pretend in 2001 we didn't have a speculative real estate market and our revenues where they were because we're going that way. Houses that are taxed at \$500,000 are appraising at \$388,000 right now so there are a lot of challenges. He says go back to 2001, how did you do it then on a

very trim budget and, then, how do you go forward with it.

Tim Owens said Councilman Gilbert was here in 2001 and some things have changed since 2001. Our water and sewer department is a lot larger, we now have a stormwater department that we didn't have in 2001, debt service on a new town hall, debt service on Carolina Sands. There has been a lot new infrastructure water and sewer-wise, lot of new infrastructure general fund-wise. There is absolutely no way to go back to 2001. At this point there are 65 employees in the general fund, 31 employees in the water and sewer fund and 9 in the tourism fund for a total of 105.

MPT Wilcox said this is not productive. They need to have another meeting and figure out what to do. They have plenty of time to start dealing with and be proactive after this point. If they can't come to an agreement on budget then they need to have a meeting tomorrow night and go at it. Does anyone know where they are going to cut \$500,000?

Councilman Johnson asked if the proposed rates were cut in half, what cannot be done? When they raised rates last year they got chastised for raising rates and they thought they were being very responsible then. They raised them \$5 and \$1, now we're talking about raising them almost \$9.50 and people are getting bled to death. For those that can afford it, that's wonderful, but people who are on fixed incomes, there comes a drawing line, they can't bleed anymore.

Councilwoman Efird said she voted to approve the budget. Nobody likes to raise fees of any kind but she thinks they have worked pretty hard on this budget and they have all been at the budget workshop, everyone of them, and if they had all these questions and things they thought were unanswered, they should have come long before now with the Town Manager, as hard as his group has worked on this budget. It is time for the rest of Council to go ahead and make their decisions, whether she is here or not.

Council decided to continue the meeting on June 16th at 8:00 a.m.

Mayor Macon made a motion to take a 5 minute break. MOTION CARRIED UNANIMOUSLY.

Mayor Macon called the meeting back to order.

CONSIDER AMENDING THE CODE OF ORDINANCE; CHAPTER 8 LICENSE AND BUSINESS REGULATIONS; ARTICLE III PEDDLING AND SOLICITING, SECTION 8-47 ALLOWABLE VENDING AND SOLICITING; RESTRICTIONS

Tim Owens made the presentation. There was a request by two of the beach vendors for the town to consider amending the ordinance to allow for some storage of mainly chairs and umbrellas out on the beach front. They advertised for a public hearing and the language they chose was provided to Council. He used the word product (storing a product on the beach) but they may want to narrow that down. This really gives the

majority of the say so with the Council and the town manager to suspend the materials if something gets out of whack and also requires the vendor to submit a notarized agreement holding the town harmless for any theft, loss of material, damage or injury that might occur to them as a result of the licensing of the operation as well. The amendment is Ordinance No. 08-745. There has been a presentation in the past which showed the various sites where some of the vendors would like to have boxes and storage of chairs - mainly the Marriott, Cabana Suites, Golden Sands, and Atlantic Towers. Pictures of the types of boxes used elsewhere were shown. Any type of proposal would have to go through the Division of Coastal Management to see whether it is a temporary use but if it is a temporary use he believes they will allow it.

Councilman Johnson suggested making one change in the second line of the ordinance and strike the word “product” and identify what the request was for. Mr. Owens suggested rental chairs and rental umbrellas. The size of the units will be worked out. His concern is that they don’t block people’s views or placed in a position where lifeguards can’t get to were they might need to go and that they are not unsightly.

Councilman Gilbert made a motion to open the public hearing. MOTION CARRIED UNANIMOUSLY.

There being no public comments, **Councilman Johnson made a motion to close the public hearing. MOTION CARRIED UNANIMOUSLY.**

MPT Wilcox made a motion to approve the request for the amendment, Ordinance 08-745 (Exhibit 5) striking the word “product“.

One final comment was made by Sean Cook, 2 N. Lake Park Blvd., Pleasure Island Rentals. He said that nothing is defined, theft is a main concern and would prefer to use the box type and can be locked down but will work together to do something unobtrusive. They don’t want it to be an eyesore and to be able to get it off the beach as quickly as possible.

Mayor Macon called for a vote. **MOTION CARRIED UNANIMOUSLY.**

CONSIDER AMENDING THE CODE OF ORDINANCES, CHAPTER 9 MOTOR VEHICLES AND TRAFFIC; ARTICLE VI SCHEDULES; SCHEDULE C NO PARKING, LIMITED PUBLIC PARKING, POLICE PARKING, HANDICAPPED PARKING, LOADING/UNLOADING AREAS

Tim Owens made the presentation. The Harbor Point HOA has requested “no parking” signs. The language proposed is in Ordinance No. 08-744 and would amend the parking schedules, and would say Spencer Farlow Drive from the intersection of Risso Lane extending west 150’ and located on the southern side of Spencer Farlow. There was a question about whether the entry sign to Harbor Point is within the existing right-of-way. Staff believes that it is but they have not done a survey. He took the plans and scaled off

the existing power poles and generally they are right on the edge of the right-of-way, generally the fence line is right on the edge of the right-of-way and the hydrant, if it was placed in the correct position, is basically at the corner of those two roads - Risso and Spencer Farlow. Staffs suggestion is that it needs to be removed from the existing right-of-way. It is a permanent structure in the existing right-of-way. The town should not allow or permit it. There is some liability in that situation plus it sets precedence as well. It is his recommendation that it be removed from the existing right-of-way. As far as the no parking sign goes, he will leave that up to the discretion of Council. He does not believe there is a real need for a no parking sign but he doesn't see the real harm either. One no parking sign that designates from that point to the corner, may not be inappropriate. The only problem is there are a couple of duplexes that from time to time may have some need to park on that side. He has no feeling one way or another as far as the no parking sign goes.

Councilman Gilbert made a motion to open the public hearing. MOTION CARRIED UNANIMOUSLY.

Ed Jones, 114 Green Turtle, said he initiated this for the HOA. He previously pointed out to Council that when the sign itself had stakes put out by the developer he came to the Planning Department and asked them to please not allow that because it was an obstruction to vision around the corner. Planning didn't think it was a problem because he was told, at that time, it was within the sign ordinance requirements. He went to the Police Chief and said, from a safety perspective, could he do something about it. The same Police Chief we have right now told him he thought it was safe like it was. So the sign was erected. So now one of the two proposals tonight is that they approve a "no parking" sign, which is what he requested recently and certainly hope they will do, and the other recommendation is that the sign be moved. He doesn't know when the right time to address that but he did everything in his power to keep it from being a problem and hopes they will not ask the HOA to solve the problem.

Mayor Macon made a motion to close the public hearing. MOTION CARRIED UNANIMOUSLY.

Mr. Owens said he doesn't know if there was ever a permit, it is not uncommon for some developments, we just don't have a provision in our ordinance. Carolina Sands is an example of where there is a sign in the existing right-of-way. He does not know of any provision that would allow it at this point. The sign was erected in 2004/05 time frame. Councilman Gilbert said he didn't think a no parking sign would help because they still have that sign there. He suggested making it a 4-way stop.

MPT Wilcox said that a sign in the right-of-way is a code enforcement issue, we are only dealing with the no parking sign issue. This sign is as much of a fence as it is a sign and in our ordinance a fence is considered a structure and could go either way whether it is a non-conforming structure and if it were torn down it wouldn't be allowed in the future but that it would not be requested to be removed or if it solely falls into a sign. It is a beautiful community and would hate to create a hardship on those folks unnecessarily.

He would like to hear from the chief. Chief Younginer said they could probably do a 4-way stop or something like that. When he got here they were planning the sign and the only thing he asked them to do, since Planning told him it was ok and they were going to approve it, was to cut the edges off the sign so people could see and they did. Then the HOA planted those 2 big palm trees so that took care of those edges on the sign. He didn't say it was safe. He asked them to change it and they did. As long as those trees and bushes keep growing, they are going to have a problem there. The parking was an issue. There was a gentleman across the street who was parking a van there all the time. He has since left but someone else could do that and may be a problem. He does not see any harm in having the sign. Mayor Macon asked Ed Jones if a 4-way stop would also improve the situation. Mr. Jones said that one of the 4-way's is on a dirt path that is almost never used. The other one that you are suggesting putting up a stop sign, that is going to add more confusion to that corner, in his opinion. This past weekend, and that is when it happens, they had cars parked there. The issue is being able to see around the corner with cars in the way. If you are driving a sedan, it is a whole lot different than driving a SUV or truck. It is not a speed issue.

MPT Wilcox made a motion to approve amending the Code of Ordinances, Chapter 9 Motor Vehicles and Traffic addressing the no parking signs as presented by staff by approving Ordinance No. 08-744 (Exhibit 6). Councilman Gilbert said that if they are going to leave the sign there it is still an unsafe intersection.

MOTION CARRIED 4-1 WITH COUNCILMAN GILBERT VOTING NO.

CONSIDER AMENDING THE ZONING ORDINANCE; TO INCREASE ALLOWANCES FOR GOVERNMENTAL SIGNS IN ORDER TO PROVIDE MORE OPPORTUNITY FOR THE TOWN TO ADVERTISE ACTIVITIES, EVENTS, AND CHARITABLE CAUSES THAT WILL ULTIMATELY BENEFIT THE WELL-BEING OF THE TOWN

Ed Parvin presented. He said this is a town driven amendment for allowance of governmental signs and is to address three goals: (1) Emergency events, hazardous areas, other safety concerns, unimproved access ways, boundaries, hurricane evacuations, etc. to clarify the ordinance for the allowance of these types of signs to be put out. (2) Town events, festivals, revitalization efforts, charitable causes - this gives the allowance for flexibility for putting these signs out as well. (3) Way-finding signs for defining gateways and directional signage throughout commercial areas. Staff is proposing to allow governmental signs with no limits or restrictions. He discussed examples and long range planning. Staff provided two options: (1) Maintain existing regulations which leaves the town with the problems they are having now with allowance with these types of signs. (2) Allow governmental signs throughout the town with Council's approval, town manager approval and his/her designee in all zones.

Councilman Johnson asked for clarification on information included in the packet and what was to be included in the amendment. Steve Ferguson said a building permit will be required if it is a permanently mounted sign and will have to meet the wind load

requirements of the state. Governmental signs will be added to the table and definitions. Councilman Gilbert asked if the special event signs are permitted and allowed in the public right-of-way. Staff said they do require permits and they have been putting them in the public right-of-way at the Federal Point Medical Center. They cannot permit anything in DOT right-of-way but historically they have. Once they switch to the entry way project, they probably will not longer do that and will find another location for them.

Mayor Macon made a motion to open the public hearing. MOTION CARRIED UNANIMOUSLY.

There being no public comments, **Councilman Johnson made a motion to close the public hearing. MOTION CARRIED UNANIMOUSLY.**

Councilwoman Efirm made a motion to adopt Ordinance No. 08-746 (Exhibit 7) and finds that it is in conformity with the Land Use Plan. MOTION CARRIED UNANIMOUSLY.

CONSIDER AWARDING BID FOR VEGETATIVE AND C AND D DEBRIS 2008

Tim Owens said this is something they do every year. The bids are very similar to last year. This is where you bid cleanup and sand sifting projects. If Council chooses they have to issue a primary award and a secondary award. This is done in case the primary is not there, the secondary person can fill in. The town's consultant, Barry Johnson, recommends Council consider awarding the primary bid to BAMACO, Inc. and designate DRC Emergency Services as the secondary contractor on call (Exhibit .

Mayor Macon made a motion to award the primary bid to BAMACO, Inc. based on the recommendations from Johnson Environmental & Disaster Consulting Services and DRC Emergency Services, LLC as the secondary contractor on call for Vegetative and C and D Debris 2008. MOTION CARRIED UNANIMOUSLY.

CONSIDER AWARDING BID FOR SAND DEBRIS REMOVAL, SIFTING AND BERM REPLACEMENT CONTRACT

Tim Owens said this is also done yearly. There were a lot of bidders and quotes were similar to last year. Staff recommends Council consider IED, Inc. of Foley and designate Secof Construction of Carolina Beach as the secondary contractor on call. IED, Inc (Exhibit 9).

Mayor Macon made a motion to award the primary bid to IED, Inc. of Foley and designate Secof Construction of Carolina Beach as the secondary contractor on call for Sand Debris Removal, Sifting and Berm Replacement based on the recommendations from Johnson Environmental & Disaster Consulting Services. MOTION CARRIED UNANIMOUSLY.

UPDATE CONCERNING THE HILTON GARDEN INN AND REMOVAL OF TRAFFIC SIGNAGE AT INTERSECTION OF HARPER AVENUE AND CANAL DRIVE

Tim Owens presented. The Hilton Garden Inn is under construction, mainly the water and sewer infrastructure at the moment. There have been some temporary closures of roadways, particularly on Canal. Harper will be the next one and will have to be closed for a week or so. In addition, there will be some temporary traffic patterns for about 18 months during construction of the project. The staff presented what they felt was the best route. The Fire Department and Police Department have looked at it. He said there is currently a traffic signal at the corner of Harper and Woody Hewett and Canal intersection. As part of the construction process that light system will have to come down and, at a minimum, the control box moved over to the other corner. The developers of the site would like for Council to consider removing it altogether. Wilbur Smith, at the request of the developers, sent a letter stating that this intersection can work fine without lighting. He tends to agree with them. Woody Hewett/Canal, after the construction would be a free moving situation. There would be some stop signs at Harper that would direct traffic in either direction. The new intersection of Carolina Beach Avenue North would be controlled by stop signs. If the light has to be put back and Council wants to remain with the light there and it is warranted, that would be something the developer would have to take care of.

TIF FINANCING AND TIF DISTRICT

Tim Owens said that he and the finance director will be discussing the TIF process and the pros and cons of TIF financing with County staff, BB&T, LGC, town attorney and representatives from the School of Government. Currently he does not have anything to base an opinion on. They can continue to explore it and plan to do so and will come back with a staff recommendation. With regard to hiring someone to begin looking at TIF financing, that is up to Council's discretion. There is a lot of work that is going to have to be done to the Master Plan and will have to summarize it. Council will have to get on the same page. He suggest that at some point in July that they have a series of meetings where they sit down and look at all different parts of the Master Plan and decide which route they want to go. The most attractive part of TIF financing for him is if the county would agree to use their part of the windfall from the redevelopment to go back towards streetscapes or any kind of public infrastructure. That is yet to be determined, but all we can do is ask. TIF financing may be a good tool that we might want to use at some point but we are not sure yet.

Councilman Gilbert made a motion to instruct staff to begin exploring the pros and cons of TIF financing and contact the County to determine if they are open to TIF financing and allocating their portion of revenue proceeds from redevelopment to the TIF district and put off the other actions until they get some feedback on that and a budget in place that might include this person.

Mayor Macon said his problem is if it is a tool they need to use, you can't start once you decide to do it. There are things you can put into place that would have it available to us should we need to use it. But if you start from scratch you would be a year behind..

MPT Wilcox said there is no real benefit to using TIF financing if the county doesn't participate. Council needs to have more information about the TIF - will the county participate in it and bring those county dollars back here to the projects and also to look at the differences between TIF financing and more conventional forms of financing and grants. We need to get to a point whether TIF is available to us or not. In order to that someone has to prepare this information and get to the LGC and have some further discussions with the County before we know if it is a valid option. If the process is not started now we will not know if it is a valid option before the end of the year and may leave behind a bunch of money on the table for improvements that have been done this year that would be retroactively included. He doesn't feel staff has the time and we really need someone who can focus on this and make a determination if this is a tool we want to use. This is the foundation for the Master Plan and having a master development come here.

Mayor Macon agreed.

The Town Attorney, Steve Coggins, said he would be pleased to meet with the county attorney and talk with them about their experiences or at least the attitude of the current commissioners about it, if it is Council's pleasure. He feels optimistic that, upon inquiry by Council or staff, that there will be funding sources or grants available to fund such a position they are talking about here and could move on a more expedited basis than a RFP for this type of thing. He believes that Mr. Wilcox's suggestion about proceeding forward with designating TIF districts, you lose nothing but you expedite the process in the event the Council decided in the future that this is something good to do. If not, there is no harm in already having designated the TIF districts but you do avoid the delay. He is offering to take advantage of whatever communications he has or enjoys with the county and also with some other economic development entities or they can actually loan you the personnel to assist in this process.

MPT Wilcox said, additionally, he had talked with Alan Pacek who has had his feet on the ground on this from the beginning and has collected an enormous amount of information on it and it is not a function of being bias or not but a function of not starting from ground zero where he would be starting from now to get us to a point simply to provide us with information and options and then Council could make the decision on what they want to do with it. He understands that it is less than 10,000 hours estimated to put into it so it is not a major expenditure in that respect. Councilman Gilbert asked if he was proposing they hire Alan Pacek. MPT Wilcox said he is proposing they hire someone and because Alan Pacek has been involved in the TIF since the beginning and has done more investigation - met with the county, School of Government, is working on the Economic Development Committee, working with the Chamber and is well positioned to be that person.

Councilman Gilbert said his biggest concern is, of the four options, establishing the district isn't one of the four options that they are talking about here. So determining if the town wishes to hire someone to explore TIF financing and bring a recommendation and consider holding a separate Town Council meeting to discuss the implementation of the Master Plan and TIF financing in July, his biggest concern, 106 acres, which visually appears to encompass our entire business district where a lot of our commerce is and the comments on go ahead and put a TIF district in to get the Drifter's Reef revenue. That is diverting it from the general fund, and that is the biggest scary thing for him. That we have a development going on in a time when development is off and we are talking about diverting those almost realized funds away from the general fund. When he read that if a piece of property has enough profit potential to be developed without TIF, then it seems little reason that a local government should give up many years of future property tax revenues to pay for a portion of the development. But if the recommendation is still go forward to try to get the Drifter's Reef money, that is a big concern for him, that we are hijacking funds with the intent of doing it now so that we get the Drifter's Reef funds and it doesn't go in the general fund.

MPT Wilcox said there are some designation of funds for only the improvements but we would have to look at the fact that we're bringing back twice the county dollars for every dollar that we are redesignating and it is going towards projects that are currently either going to be funded now or funded in the future by the citizens. We need to get to the point to find out if the county will give up the revenues for this.

Councilman Gilbert said he would like to see an unbiased opinion that comes in and looks at Carolina Beach, the potential development and says what can be done. He said Alan Pacek told him and specifically pointed to the Jubilee Park area and said we can capture this revenue and put it where we need it over here. That is what bothers him.

Steve Coggins asked whether or not the designation of an overlay district of TIF automatically means that TIF financing is automatically then implemented on a particular business. He was under the impression that you merely, geographically limiting areas where it is possible to do so, not automatically implementing TIF financing in the district.

MPT Wilcox said it would make a business a candidate to do so.

Mayor Macon said if we want to do something about the Master Plan instead of it being another plan that sits on the shelf where nothing happens because you don't want to raise taxes to pay for it. This is a different mechanism that would allow the construction that takes place in that area to pay for those improvements that constitute the Master Plan. If you decide in December that it is a feasible way, you're already a year behind. You have to put some of these things in place and be ready to move in case it is a possibility. During this time we will look at all the options and all the options will be considered but if it turns out that TIF is the way to go, you don't want to have to start from scratch.

MPT Wilcox said he appreciates the town attorney's offer to go to the county commissioners and thinks all the contacts we have would be important but doesn't want

to underestimate the need for council members to meet with the commissioners and to groom this process and bring them on board, show them how we feel about our community, what's going on. These are things he feels need to come from the elected officials and this person would be able to arrange those meetings and we could stay on track, we would have a timeline they would be dealing with and trying to meet with as many people and to purvey this information in the most effective and efficient way.

Steve Coggins said he is correct. His remarks were more pointed to the county attorney's office.

Councilman Gilbert asked what the present property value of the 106 acres that have been defined with the potential TIF district.

Tim Owens said he does not know as they haven't been tasked to find that out. He said TIF financing may be a super thing and may allow county funds to come back, he doesn't know enough about it. It will be a flat line rate, the revenue for new construction will go to do sidewalks or whatever it might go towards. It does not go to the general fund but to projects

Councilman Gilbert said they have 30 years for that development revenue to come in when those property are realized. If we go ahead and fund it, finance it, that is the risky end of it, if we go ahead and sign off on this and finance it and put together \$32 million worth of projects hoping that infrastructure or whatever it is going to be is going to be coming up, then, if we don't have the development partners then someone is going to hold the bag and it may take 30 years to realize it. So we are sidelining potentially 30 years of general fund revenues put on hold and some of that area that we would be setting aside has development potential and it is happening now. Yes, do we need to hire somebody? Maybe. That is his biggest concern now. We can go forward with items (1) and (2) and then when we meet with the Master Plan Development group on the 24th, then we talk to them about it. Maybe they have some experience in it. Maybe they can walk in with an unbiased opinion and say this is where you go. He thinks it is premature if they are going to vote tonight to hire someone. We don't even have a budget.

MPT Wilcox said Peter J. Smith has already spoken to the benefits of TIF financing. Any kind of economic development has its pros and cons. We want to research the pros and cons and put someone in place so this Council collectively can charge them with finding out answers so that when it is time to make a decision, we know what we're making a decision on.

Councilman Johnson asked if Council had any idea what they were going to pay this person, how much money they are talking about spending right now for this person to do what they are talking about.

Mayor Macon said you're talking about money that would be coming to the general fund for 30 years, you would be paying for 30 years out of the general fund. It doesn't matter how you do it, whether you use TIF financing or you do a bond. It is going to get paid

out of the general fund. Either it doesn't make it to the general fund to get paid out of the general fund or it's going to get paid out of the general fund. That argument just doesn't make sense.

Councilman Gilbert said he thinks it makes sense with respect to, if it's a bond it has to go to referendum - at least the voters and taxpayers have an option to vote on that bond. This is a back door to it. The taxpayers don't get an opportunity to vote if you want TIF or not. If you are going to fund in a traditional way like we have done on smaller projects, maybe it doesn't go to a referendum, but if we have to go out and secure a bond, then it may have to go to ballot on what we are doing.

MPT Wilcox said then with a general application bond the taxpayers pay back a 100% and TIF financing they might pay back 30%. We have to work with these numbers. What is not speculative is the fact that we haven't done anything proactive in the last couple of years and we are suffering the consequences of it. We need to move forward.

Mayor Macon called for a vote. **MOTION DENIED 3-2 WITH MAYOR MACON, MPT WILCOX AND COUNCILWOMAN EFIRD VOTING NO.**

Mayor Macon called for another motion.

MPT Wilcox made a motion to hire a consultant to explore TIF financing and bring forward a recommendation and information to Council and address questions Council has about TIF financing and other types of possible financing.

Councilman Gilbert said he would like to amend it to include items (1) and (2), as follows:

- (1) Instruct staff to begin exploring the pros and cons of TIF financing.**
- (2) Instruct staff to contact the County to determine if they are open to TIF financing and allocating their portion of revenue proceeds from redevelopment to the TIF district.**

Mayor Macon said the thing for him is that we have momentum, interest, we have created a buzz, there are things happening in our community. We either break new ground and be prepared to deal with all this and to make it happen or instead of paying \$190,000 for a Master Plan, 30 years from now we are going to be paying \$500,000 - \$600,000 for another Master Plan that never gets implemented because people weren't bold.

Mayor Macon asked if there is any further discussion on Councilman Gilbert's amended motion.

MOTION CARRIED 4-1 WITH COUNCILMAN JOHNSON VOTING NO.

Mayor said now we will vote on Mayor Pro Tem Wilcox's motion. **MOTION CARRIED 4-1 WITH COUNCILMAN JOHNSON VOTING NO.**

CONSIDER HIRING A PART-TIME CONSULTANT TO COORDINATE AND STEER THE MASTER DEVELOPMENT PLAN PROCESS

Tim Owens said they have talked about hiring someone but haven't talked about any rates or fees or job description or duties. There are several elements to this, there is the TIF part of it and there is the master development side of things. He did try to flesh out what he thought could be a possibility of a job description if Council wanted to hire someone to do the master development part of this. Staff needs direction. Someone would have to be solely dedicated to this either part-time or full-time to help in implementing the Master Development Plan whether it is a consulting or engineering firm or Peter J. Smith or whomever. Council will have to be intimately involved and will need to get Planning staff together to map out what they need to do and priorities. It will entail a lot of people being involved in the process.

MPT Wilcox said he doesn't want to waste another 3 months looking for someone who has to be brought up to date and start from the beginning. Alan Pacek is a qualified person, has the skill set to find the information Council needs and provide Council with options. He can provide both sides of the issue and, more importantly, he can help coordinate meetings to promote the Master Plan concept with commissioners and other people. He proposed hiring Mr. Pacek, find out what his rate is and give him a job description and move forward and groom it as they go. He also proposes they establish a fund balance of \$10,000 as a fund pool from the general fund.

Mayor Macon said he feels

Councilman Gilbert said he feels we are undermining the hiring process. He would like to interview some people. MPT Wilcox said this is just one of the options, we know what traditional financing is, but we need to get all of the information together on TIF financing so this Council can make an informed decision. Councilman Gilbert said he feels the decision to hire Alan Pacek happened a long time ago and it doesn't seem to be the best hiring process for the taxpayers. He may be the best candidate, but we are not opening up the hiring pool and there may be some people out there with more experience that can bring in an unbiased opinion. Mayor Macon said when you hiring a part time consultant I don't think there are boundaries you are restricted to. MPT Wilcox said he feels that Mr. Pacek can give an unbiased opinion. Councilman Gilbert said he feels that he already gave us his opinion.

Mayor Macon asked Mr. Pacek if he would like to address Council.

Alan Pacek said he came here two years ago and feels he has always tried to look at both sides of all issues. He has counseled members who are no longer on Council and would like to see what is right for Carolina Beach. This is an opportunity that is relatively new. One of the strongest advantages of pursuing TIF financing is to introduce a progressive, harmonious Carolina Beach to the development community in New Hanover County and the state. Working through the process will sort out what will be the best. The

information that is needed to pursue and go before the LGC Commission is the same information that you would need to do a general obligation bond, basically. You would need the TIF overlay district but you would need to have a lot of the same demographic information. Part of the stuff that is not being considered here is just to build a consensus within the community that this is something that is in fact good. We need to do some team building and make sure all of the various organizations, all of the stakeholders - not just the developers but the average person can see the advantage of pursuing Master Plan principles. However the Master Plan ultimately shapes up, he would like to is work to make sure they are getting the best quality development. The town was very excited about a proposed Hampton Inn. A Hampton Inn on the beach is the low end. The Town of Carolina Beach deserves far better than that. Textbook cases of tax increment financing show how you can build, how a community, how Council, working with private developers can build something better than what either of them thought was possible. That is one of the reasons he would like to pursue this. He would definitely like to work on a broader scope than just TIF financing because if it is limited to just pursuing whether or not they are going to do a TIF, you're missing an opportunity as they are building, collecting everything that is needed for TIF - you would be missing other opportunities. In terms of working for you, the going rate is easily \$75 an hour and up. He is used to making more but he has some allegiance to his home town and has liked working as a volunteer for a number of months and has a head start. The rate he would be interested in would be \$65 an hour. He thinks he could get it done. He feels this is the point in his life that he has been preparing his whole life for this. He suggested that the town also look at other purchase financing for some vehicles, a synthetic TIF financing, as well as general obligation bond. The scope of work should include working with the Finance Officer and the CPA. There is some grant potential and some foundation potential for some of the elements of the Master Plan. That might be found money. Feels there wasn't a strong enough buy in of the community at large. Feels they need to reach out to some other organizations on the island as well. Some of the organizations have splintered between now and before. Marketing studies and some of the former studies always relate back to organization. That is the most critical thing. They need to approach things from an island consensus.

MPT Wilcox made a motion to hire Alan Pacek to perform these duties and the town manager and Mr. Pacek provide a description of job duties back to Council and to provide a fund pool of \$10,000 and engage Mr. Pacek at a rate of \$65 an hour.

Councilman Gilbert said he thinks Alan Pacek is a fine guy and has a lot of community spirit but feels they are going in the back door of the hiring process.

Mayor Macon asked if he could hit the ground running? Mr. Pacek said he can. Mayor Macon asked the town manager if the \$65 a reduced rate from what he expects. Mr. Owens said it was less than what he expected and it is reasonable. Mayor Macon said he is willing to put himself out on the line and take full responsibility if we are making a mistake.

Alan Pacek said he has a very supportive committee with a wealth of knowledge and have been brought up to speed. Hopefully he can still liaison, should the motion go through, with them.

MOTION CARRIED 3-2 WITH COUNCILMAN GILBERT AND COUNCILMAN JOHNSON VOTING NO.

APPOINTMENT TO THE BOARD OF ADJUSTMENT

Councilman Gilbert made a motion to appoint William Wells and Michelle Connet to the Board of Adjustment. MOTION CARRIED 4-1 WITH MAYOR MACON VOTING NO.

CONSIDER A REQUEST TO EXTEND THE CUP FOR MARINA EAST, LLC

Tim Owens said this was a request from the last meeting in May and he neglected to place it on the June agenda. The holdup was that they needed to get some letters from property owners that basically said they did not mind having the CUP extended. The request is for a year. The CUP is up June 13th and they are requesting to extend to June 13, 2009. The CUP is for Marina East, LLC and the proposal, at the time, was 32 two bedroom residential units. He hasn't had a whole lot of time to review it, what property owners were there or not. He will have to take their word. One of them is the Domino's Pizza tract with the other being the larger tract for Tri-Coast.

Mayor Macon made a motion to extend the CUP for Marina East, LLC for one year. MOTION CARRIED UNANIMOUSLY.

NON-AGENDA ITEMS

Councilwoman Efird said she still wants to have some lights on the other side coming up to the bridge. They do have permission to use the right-of-way. The town manager said that is correct. The cost would be \$40,230 but they could cut that in half. Tim Owens said they might be able to eliminate the cost altogether, they believe that they will. Progress Energy said they would work with our staff and the \$40,000 was a projected budget for basically tamping and seeding of the lines they would have to run there and they think they can cut that drastically or reduce it totally. The cost is \$1,000 a month for the lights. They are not inside town and feels it would be a welcome project coming across the bridge. The town manager said he felt that it would be a welcome addition.

Councilwoman Efird said she does too and she would like to make a motion that we do it.

Mr. Owens said it would be cobra lighting like you see on the other side of the bridge. He has the plans which have been approved by DOT. There is a limited lifespan on the permit so, if they want to do it, they need to go ahead and do it. They can budget for it next year, \$12,000 hopefully at a maximum. Commissioner Johnson said he and Mayor Macon had concerns about residents over there being notified and asked if they had. Mr. Owens said no. Councilman Johnson said they have to take them into consideration. Mayor Macon agreed. Councilman Johnson said he is not necessarily against it but would like to hear how those residents feel about it. Tim Owens said he cannot remember if that was part of the original letter that was sent about the entryway project. Councilwoman Efirm said they took it out. MPT Wilcox asked if they could schedule a public hearing for July and in the meantime send out letters and see if there is a response. Mayor Macon said he is concerned because a lot of citizens don't like it when they cross the bridge. Councilman Gilbert said something other than cobra lights might look better but Mr. Owens said they already have it on the other side and something else would cost more.

Councilwoman Efirm withdrew her motion.

Councilwoman Efirm made a motion to notify the residents and hold a public hearing in July to consider this. MOTION CARRIED UNANIMOUSLY.

Councilman Johnson requested that 5 copies of the budget be given to the Budget Committee as soon as possible so they can give feedback at the meeting. He also asked Council whether or not they want to send a letter to our house members concerning Senate Bill 1507 Housing Conditions/Inspections. The committee is asking them to contact to oppose this effort. This bill would prohibit local government periodic inspection programs and require probable cause to inspect any residential or non-residential building. It would broadly preclude routine inspections for unsafe, unsanitary or hazardous conditions that may exist in housing as well as in stores, schools, daycare centers, churches, factories, offices and other buildings. Local governments are given the duty and responsibility to protect the public by enforcing the state's building and fire codes. In fact, state fire code has for some time required periodic inspections by local governments. Local governments are also authorized to protect the public by enforcing minimum housing codes with the adoption of legislation last season, minimum residential code. This bill right now is currently assigned to the House. If it passes it will take away our ability to do that. Mayor Macon said he would like to have the Town Attorney take a look at it and advise Council/staff. MPT Wilcox said he would like to take a look at the bill.

Tim Owens said that part of the budget process was to purchase some computers for our file servers - need new file servers. Our contractor, Hook Systems, said they are having to piecemeal the file server. He would like to handle this now. It was part of the fiscal year budget.

Councilman Gilbert asked Council if they would allow him to draft a letter of recommendation for one of their local citizens who just got their master's degree in history. She works at the Sea Merchants and she is very passionate about Carolina Beach and she has really impressed him over the past 6 years. Council agreed.

***REQUEST FOR CLOSED SESSION TO DISCUSS REAL ESTATE
(NCGS 143-318.11(A)5)***

Mayor Macon made a motion to go into closed session to discuss real estate according to NCGS 143-318.11(a)5. **MOTION CARRIED UNANIMOUSLY.**

Mayor Macon made a motion to go back into open session. **MOTION CARRIED UNANIMOUSLY.**

MPT Wilcox made a motion to hire Colleen Kochanek to serve as the attorney to the Board of Adjustments. **MOTION CARRIED 4-1 WITH COUNCILMAN JOHNSON VOTING NO.**

Councilwoman Efird made a motion to purchase Mary Keplinger's property at 811 Cape Fear Blvd. to be used for a public purpose in the amount of \$350,000. **MOTION CARRIED UNANIMOUSLY.**

Mayor Macon made a motion to enter into contract to purchase the car wash site on South Lake Park Blvd. across from the lake for \$650,000 to be used for a public purpose, purchase subject to obtaining a grant for the purchase of the property and other improvements. **MOTION CARRIED UNANIMOUSLY.**

***REQUEST FOR CLOSED SESSION TO DISCUSS PERSONNEL
(NCGS 143-318.11(A)5)***

Mayor Macon made a motion to go into closed session to discuss personnel according to NCGS 143-318.11(a)5. **MOTION CARRIED UNANIMOUSLY.**

Mayor Macon made a motion to return to open session. **MOTION CARRIED UNANIMOUSLY.**

RECESS

A motion was made by Councilwoman Efird to recess the meeting to Monday, June 16, 2008 at 8:00 a.m. to consider adopting the proposed Budget FY 2008/2009. MOTION CARRIED UNANIMOUSLY.

Respectfully submitted,

Lynn N. Prusa
Town Clerk

Approved: _____