

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

June 14, 2011

The Town Council of the Town of Carolina Beach met in regular session on June 14, 2011 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) Pat Efird; Councilman Dan Wilcox; Councilman Bob Lewis and Councilman Lonnie Lashley. Also present was the Town Manager Tim Owens, Town Clerk Lynn Prusa; Finance Director Dawn Johnson and Town Attorney Steve Coggins.

Mayor Macon called the meeting to order.

INVOCATION

Jerry Bigley opened the meeting in prayer.

PLEDGE OF ALLEGIANCE

Mayor Macon led everyone in reciting the Pledge of Allegiance.

Mayor Macon asked for a moment of silence to remember John Wrenn, an employee who recently passed away.

Mayor Macon recognized former Mayor Dennis Barbour, and former Councilman Alan Gilbert, both in the audience.

ADOPT THE AGENDA

Mayor Macon made a motion to adopt the agenda with the following changes: move Item #17, Lake Park Traffic Committee Meeting Discussion, up to Item #13, and make Chappell Park Project Update Item #13a. MOTION CARRIED UNANIMOUSLY.

UPDATE ON THE REVOLUTION FESTIVAL HELD IN MAY AND REQUEST TO HOLD ANOTHER FESTIVAL IN THE FALL ON SEPTEMBER 9-11, 2011

Michael Oliver presented this item. Mr. Oliver said they budget for this event was \$2,000 but they actually used \$1,420 and raised \$1,240 which put them in the red by \$180. He thinks there are a couple of things they could do to fix that. He bought \$600 worth of t-shirts because they sold out last year and this year they only sold about 30. Had they bought only half as many then they probably would have been in the green. The town manager said he thought that maybe they should do fewer bands since they had

15 this year. Also they were trying to get more vendors and only ended up with four and that was another financial problem for them. Hopefully this year they will have the ones they had last time and get some new ones too. They are proposing to do it again September 16-17 and use the same spot, etc. They are hoping Council is willing to support it again. He also mentioned that the money came from a raffle, t-shirts and vendor money.

The town manager added that the money came from the Arts and Activities account which was leftover farmer's market money.

Mr. Oliver said September 18th will be the breakdown and cleanup day.

Mayor Macon made a motion to approve the Revolution Festival to be held on September 16-17, 2011. MOTION CARRIED UNANIMOUSLY.

The town manager said the Arts and Activities Committee should come before Council in July or August to establish a budget and set the details.

INTRODUCTION OF NEW EMPLOYEES

Gene Gurganious, Public Utilities Director, introduced new employees: Eric McHorney, and Timothy Hall, utility maintenance workers for the town.

CAROLINA BEACH COMMITTEE REPORTS

The town manager said he would like to move up two items on the agenda, the Marketing Advisory Committee and the Lake Park Traffic Committee.

Randy Simon reported on the Police Advisory Committee. He said they currently have a full membership of 9 and 1 alternate. He spoke concerning an upcoming event that is sponsored by Target stores called National Night Out and it involves the Sheriff's Department and the officers at Kure Beach. The equipment is brought down to the boardwalk. He asked for permission to move their monthly meeting (first Monday) to the boardwalk to Monday, July 11th, and Tuesday, August 2nd, to recognize the National Night Out and Community Watch Program. They will contact the Island Gazette to advertise changes. He said they discussed two issues at the last meeting: (1) economic needs and Freeman Park's growing popularity and the need for dollars to make it operate. They would like for Council to consider, if you are looking at avenues to generate funds and promote boat safety and to address a crowding park area that if you do look at the pay scale schedule of Freeman Park would you consider dividing it into three different categories. They were adamant that they want to protect residents of Pleasure Island and if we do a graduating scale that the locals be given consideration. In addition to the local category, recognize active military personnel and treated the same as a local resident. The second category would be county residents and the third category would be all others. (2) the road diet and the problems the town has had with it - the committee was never brought into the loop in any of the changes and they have a vast amount of

knowledge and are a valuable resource.

***PRESENTATION BY KATHLEEN RILEY, GOVERNMENTAL AFFAIRS
DIRECTOR FOR THE WILMINGTON REGIONAL ASSOCIATION OF
REALTORS REGARDING LEGISLATION CURRENTLY PENDING IN THE
GENERAL ASSEMBLY***

Kathleen Riley presented an update of events in the General Assembly with regard to coastal issues, most importantly, homeowner's insurance. In 2008, Commissioner Long put forth a consent order to raise the rates for coastal property homeowners approximately 30% and at the same time decreasing the rates 6%. When they put forth an overall increase, they were by territory as well. The increase was a 4% increase statewide but when you look at the charts, we on the coast were hit with a 30% increase while the Charlotte area got a 6% decrease and out of the 100 counties in N.C., 32 counties got a decrease. She asked, why is a fire or theft more expensive in New Hanover or Pender County than Union and why are our rates subsidizing wind and hail? Upon further research, she got hold of the actuarial data and found out that 78% of the claims paid for wind and hail damage came from hurricane damage from the gulf hitting Charlotte and Raleigh, not the east coast. Why is it that the Commissioner for the Department of Insurance can go ahead and raise and increase rates by territory and not look at the actuarial data, not look at the information put in front of them? If you read the statutes, you will find out that our statutes in N.C. are written so that he has that authority. What came out of that was a law suit filed by Dare County and other counties against the Department of Insurance in regard to this issue. It goes through the Superior Court, Court of Appeals and the Supreme Court and basically what the judge says is, we don't care if you are grieved, we don't care what the facts are and we're not going to look at the merits and the substantive issues. We are going to do a strict statutory interpretation and what that says is that five statutes, the only entity that can challenge the commissioner of insurance is the North Carolina Rate Bureau, which is the insurance company. So if the insurance company says they want to raise rates by 50% and the Department of Insurance says, no, we're going to do 20%, they can fight it, but we can't as common folks. So we did some research on Virginia, Florida and Texas. One of the things she found was that we are very unique in that we have the North Carolina Rate Bureau which represents all of the insurance companies and they negotiate directly with the Department of Insurance. So, if you want to sell insurance in the State of North Carolina, you have to go through the North Carolina Rate Bureau unlike Virginia, Florida and Texas - they have direct filing so anyone can file directly with the Department of Insurance. You can't do that here, you have to go through the rate bureau and they negotiate your rates which makes it less competitive. The other thing she found out was that all these states have some kind of body, some kind of committee or group that advocates on behalf of property owners. Citizen's Property Insurance Board is what we created in the bill. The first, Senate Bill 395 is actually modeled after Virginia, Florida and Texas. She took a little bit of all of it, put it together and, with the help of drafting and Senator Goolsby, they introduced this bill. What this bill does, it creates an 11 member board which consists of everybody around the state and acts like a third party in the negotiations. Right now it's just the Department of Insurance, the commissioner, and

the rate bureau and they decide everything. By putting a third entity in there who can sit in and look at the data, the modeling, and can question what is your merit, what is the reason why people here in Carolina Beach have to pay 30% while you are giving Charlotte a 6% decrease. That's what this board does. The second bill, Bill 820, was introduced in the House by Representatives McElraft, Hamilton and Justice and that dealt with the Beach Plan. That is a whole separate entity. They determine how the rates are on the 20 coastal counties and what she wants, basically, is a study commission to study the composition of the Beach Plan because what we found out is that you have a board that consists of people making decisions in regard to your rates that aren't even from the coast. I think out of a 12 member board, 2 are from the coast. They have the authority, by their plan of operation, to make that board what they want. So, that study commission bill came out to study it. Senator Brown introduced Bill 716 and one of the things in there is getting rid of the rate bureau and going to a direct filing. It is basically Bill 395. She is here to inform them of this legislation and to tell them how important this is. If we can get these study bills passed and we don't know yet, but if we can get a study commission to study how the insurance rates are made and do an interim report and report back May of 2012, we will be making some kind of headway. The problem we have is, if you look at the composition of the General Assembly, most of the people on the General Assembly are from Raleigh and Charlotte. It's a numbers game and a voting game and getting them to support these bills is difficult. Here's the argument that I made to them, and this is important because this is what it might take. I had a senator from Charlotte saying, Kathleen, I can't vote for this bill. I can't go against what my constituents want. I said that the way the statutes are written now, what is so weak and fragile, is that position and there is an election in 2012 and what it might take is an election, someone running from the coast to beat the commissioner and become the commissioner and this whole thing flips because as long as one person, the Commissioner of Insurance, has this unfettered, unchallenged authority given to him by statute, he or she can make any decision they want in raising and lowering rates territorially. Maybe that is what it will take. The authority is only as fragile as an election. When I was talking to democrats, and I'm non-partisan, it's not a partisan issue, I said elections are funny, one day the General Assembly could become all republican. You don't know who's going to be in there and this could flip on you and unless the statutes are written so that every N.C. citizen is protected from arbitrary and capricious decisions made by the Department of Insurance, nobody is safe. These three bills are very, very important and I urge you as elected officials and representatives of this town to go up and, when you get an opportunity to read these bills and really work on them. We really need the commission to put together an interim study so we can make some changes to the statutes. She said that Bill 716 is kind of the whole kit and caboodle. Senator Brown threw everything in there to be studied including whether North Carolina citizens and policyholders should be given a voice in rate appeals through creation of a board or office independent of the commissioner with standing to advocate on behalf of citizens and policyholders. This means if the commissioner makes a decision to whack everybody again then this board has a right to take it to a court of law and challenge that decision. Right now there is no standing, we can't challenge anything. That item incorporates Bill 395. Bill 716 throws in the elimination of the rate bureau, with the direct filing, market competition, buying across state lines and exposes the way the rates

are being made now and offers another opportunity to research better ways. The House bill is different. It is going to study the Beach Plan, which are the North Carolina Underwriters and North Carolina Joint Underwriters. That board determines wind and hail policies, the surcharges that we are hit with, that board should be mostly coastal. These are going to work in tandem. If we got rid of the rate bureau and went with direct filing system and got rid of the territories, we won't have a problem. The other thing is the catastrophic fund. The wind damage done by tornados in the center of the state is being supplemented by the backs of coastal folks who have gotten an increase. Another study that we have proposed is to have a catastrophic fund that would cover hurricanes, tornadoes, everything but floods. The biggest hurdle that we have to overcome and it is one I did not want to use is this east of 95/west of 95 fight. It has to be fair to all North Carolina citizens. We have been whacked unfairly. If we get rid of the rate bureau, get rid of the territorial designations and go with another system, like a file and use, we will naturally get more fairness and you eliminate that polarizing east of 95/west of 95. Does that mean our rates will be equal or lower? I don't know. What it will be based on is more facts and circumstances and it will be challenged. It is a very complex issue but I really wanted you to know - talk to people and keep up on this. If this interim study gets going, we need the input of our coastal representatives. You have the power. The website is www.cfc.org and it was created with all the information. It is a hard and long fight and I think there is power in numbers but if you look at the whole picture and look at the State of North Carolina and what we represent, it is still, unfortunately, a small group. The other group whose board I am on, their legislative liaison is nc20. I work with Willow Kelley, the governmental affairs director and lobbyist for the northern realtors. I am the southeast N.C. realtors representative. We try to get the information out there as well but it is getting the ears of Charlotte and Raleigh and maybe what is going to have to happen is to have a commissioner from the coast or Asheville or somewhere other than that area get in there and look at it or just change the system. Go with the file and use and put less emphasis on territories. We are lucky to have Senator Brown, he is from Onslow and is the majority leader. Hopefully he can get some momentum on this and get these study commissions formed because I think we have a much better chance having an interim study and a report from a non-partisan, varied study commission than just to go up there and have a bill. In the composition of that board she put an actuary on there, a climatologist with expertise in hurricanes - these are the people who should be assisting in making the decision, not a politician. We want some scientists on there to challenge what they are doing and that is what we hope to accomplish.

The town attorney asked how much time is left because he understands they are trying hard to go home.

Ms. Riley said it doesn't apply to the study bills. They can still put those through and do interim studies. They are still planning to go home on June 17th. Hopefully the study bill will continue on.

PUBLIC DISCUSSION

Jerry Bigley said we need to take the heat off of our town manager. He has done an excellent job. All he does is get the reports from the engineer and the Department of Transportation and give it to you people. He asked the manager to hang in there because he is doing a good job and people need to take the heat off of him.

Also Mr. Bigley said that he leases 9 stores and there was a man who objected to him voicing any traffic concerns about the stores because he didn't run them but that man doesn't understand that I'm no dummy. I've got my fingers in all those businesses and how they should be run. We need to do something about these signs. Instead of sending people up and down the road and measuring all this stuff, economic times are very bad and I think we should just let the signs be like they are. Go up and down the road, there's nothing distracting out there, until at least December 31st and then get back and look at things. But the economy is very bad and if you people want to continue getting your checks every month we are going to have help so we can tax money in there so you people can get your checks.

Also, I had a man who cheated me out of a bunch of money. I won't mention his name but he lives on the other side of Carolina Sands and drives a white truck. He has been harassing Gary Ferguson and other members of the planning and zoning department on buildings that I have and if he keeps it up I am going to be forced to do something legally about it. He is even going on my property at night time, which he is trespassing and has no business on my property. One of the things is I've had an air machine and I can't even remember the years and I had a shed over it but now we had to remodel it because of the rain. It's not hurting anybody but you cannot move the attachment back from the wall, because if you do the water will go down into the electrical components. Just because of one man, I'm talking about big money, so now he has a personal revenge out against me and I don't think I should be the subject of, not harassment, but calls from the planning board about this and that. I understand on the signs I should have a permit but I don't have no pictures of how the building was 25 or 30 years ago, give me a break.

My biggest complaint is we ought to leave these signs alone, we've got more important things to do than worry about signs. If you people had to pay as much taxes as I do every year you would understand why I am up here talking.

On Memorial Day weekend they put the light on that traffic sign down there on Ocean Blvd. I have a granddaughter who is ready to have a child any day now and it took her 25 minutes on Dow Road to go from Kure Beach to Charlotte Street. That is the first time that has happened in 35 years. I am asking Council to immediately disable that sign down there. Don't take the sign down because you might want it later. Also on Memorial Day, I'm not knocking anybody for putting those signs up there, those placards up and down the road - people said it didn't hurt my business. I have the numbers and can prove that it did hurt my business. We need to disable that sign on 421, not tomorrow but tonight, unplug it and take all that signage off of there. Sometimes people on the Town Council who haven't been here long and making decisions and don't know

how it was years ago and how it should be. They're going by their own intuition so I am here to try to help you young fellows, okay? The main thing about the sign, the thing for that air compressor is behind Mobile Lube. He would like to see the placards put underneath the stores at nighttime.

Michele Connet, thanked everyone for the landscaping at the intersection of Dow and Lake Park Blvd. They have done a fabulous job having that beautified but she would appreciate a review of the ordinance with regard to the signs people put there for yard sales, etc. They normally go up on a Friday when the Town Hall is closed and they are there Saturday morning. We used to pick them up periodically but we don't now because we are using the new traffic pattern to get a full feel of how it is working and we're pretty happy with it. It needs a little tweaking but we don't see any major issues with it and I prefer that we tweak what we have and not go back to what we did have. We need to be progressive and moving forward. I appreciate you all doing what you have to do to look for ways to make things more efficient. I know that takes a lot of work and you get a lot of heat for things. I would also appreciate that at the boardwalk if we could enforce the dogs, the skateboards and the bikes. If we're not going to enforce it, then just get rid of those laws. Some of that is a safety issue and, one thing you might want to consider going forward, I don't know if it is on the books or not, is to maybe put some more bike racks down there, things of that nature. I appreciate what you are doing, things are going great, more and more people want to be at Carolina Beach and that is a good thing. We should be excited about what we have accomplished to date and I am tired of hearing about all the negatives and I am looking forward to enjoying the summer with positives.

Maura Kropke, 104 Tennessee Avenue, said she had e-mailed some photographs of a parking issue on Bowfin Lane. She shared with Council a picture of vehicles parked on Bowfin from Tennessee towards North Carolina Avenue and Ocean Blvd. The picture was taken a month ago and this was fairly tame. She said the majority of these vehicles are parked in the street and it has created a dangerous situation. This shows over 30 vehicles and now it has gotten even worse. The situation has gotten increasingly worse over the past 3 years. This is in follow-up to the situation and she and her neighbors have been concerned about it for quite some time. She contacted the Town Council last year regarding this issue and nothing was done so the problem has escalated. This is not overflow parking from the Tennessee Ave. beach access. This is people choosing just to park in a different area for free. Usually it's a lot of trucks so they are parked half in the street and it has created a very dangerous corridor. Usually Thursdays through Sundays it's a single lane road now. We have a lot of kids in the neighborhood, a lot of vacationers. There are a lot of condos back there. People are out walking and biking around and it's very dangerous. The worst part is that it has created a lot of trash in the street and there is a lot of public urination in the neighborhood. This is a lot of lost revenue sitting a block away from paid parking and people are not being forced to go there. They have spoken to neighbors on Tennessee and Bowfin and they would like to see no parking signs directed along Bowfin Lane, both east and west sides, and from Tennessee to North Carolina Avenue. Some people have had to make no parking signs and put them on their property because people are now going across the street down the other way towards Bowfin, blocking driveways, parking on plants - they're all over the

place. This has brought a certain element to our area to Wilmington Beach and parking there 4-5 hours. There are a lot of people in the cars, 5-6 people usually, and drinking on the beach all day. They come off the beach, ditch their trash, urinate in the bushes or behind the trash bins for the Sea Mist condominium complex. The cost of the no parking signs would be minimal compared to lost revenue for paid parking. She thanked the town manager for his help.

Councilman Lewis said he has seen the area on several occasions and agrees with her. Another person sent him an e-mail asked him to go look at it.

The town manager said the majority of it is right-of-way and the area could be an opportunity for some on street parking. There is a 90' right-of-way on Tennessee and there is also a lot of right-of-way there because there's a parking area. He did bring it to Council at one point but didn't have the funds at the time to improve upon this area. You could do parallel parking and put some meters up but that doesn't maybe stop it except now that we know it's a designated area we can patrol it a little more, drive by and make sure trash is picked up and some other things like that. It's up to Council. We can as a temporary situation install no parking signs if they wish and maybe look at it down the line and hold a public hearing about having public parking in these areas. It's an area that we need more parking at some point and the cheapest way to do it is in the right-of-way and this might be that area.

Councilman Wilcox said that at a minimum they should not be hanging out in the street and we should probably be driving by there to check their conduct, trash, etc.

The town manager said we need to do that. He went by there Sunday to make sure. She's right, it was worse than this probably. The Golden Sands folks put in a fence and people can't pull up like they used to so they are even more in the right-of-way, particularly bigger trucks. It has become a popular area. It seems to be mostly kids, younger folks parking in this area.

Mayor Macon said let's look at the numbers about putting some parking in there with the meters, especially on that stretch, and in the meantime police it.

Councilman Lashley said this group is not going to be happy about putting in meters. I live in that area and the areas where we have parking there are full on the weekends. We don't have enough parking on this beach and will more than likely put meters there. What you want is no parking. Councilman Lashley said you're the same lady who came here back in November and said you couldn't get to work at 7:00 in the morning. I ride my bike every morning and come down Lake Park Blvd. in my truck at 7:00 a.m. and there's no traffic that's stopping anyone going to work. Also, I ride my bike down there all the time and have never seen anyone urinate.

Ms. Kropke said she wasn't lying and she is not lying about this. She would like to see more parking signs currently so that something can be done about this and that some revenue can be generated.

Councilman Lashley agreed. He thinks there is an opportunity here to organize small parallel parking which would add more spaces and then you have to have the no parking where the spaces wouldn't be and I think people would learn that you have to either park in the spaces or not park there. If there isn't organized parking then people will park there. He thinks they should look at trying to find some organized parking and that might be meters. Those areas where there is no space, there's no parking.

Councilman Wilcox said it is going to be tough to have organized parking there on grass.

The town manager said it can be done fairly quickly if you do parallel parking. The ultimate goal would be to widen one side of the road a little bit and do pull in parking so you get more parking spaces. If Council wants to put up the parking signs until such time where we can have public hearing and have some drawings and be a little more organized; it's up to them.

Mayor Macon said he doesn't think they have a choice. We need to have parking signs or we can't enforce the cars parking there and it's obviously gotten out of hand and is only going to get worse. We've looked at it before so we still have that information available so just get that to us.

Councilman Wilcox said instead of putting up no parking signs, why don't we put in parallel parking and some instructions that the cars cannot be in the street, no litter, whatever would address it temporarily and give the police some opportunity to enforce any misbehavior they see out there.

Councilman Lewis asked the police chief if they do any towing at all?

The police chief said they haven't gotten a lot of calls about that and he has never gotten an e-mail on it until just recently. But the ones that are parked in the street they can ticket or tow because they are in the street. The ones parked around the stop sign - we should be ticketing all those already. We have done it on Virginia when we had a problem up there about 2 years ago when they were parking in the street and walking to Freeman Park. We started towing people out of there. Those people in the street here should be towed off as well.

Mayor Macon said to make it happen.

The town manager asked if there was direction on that.

Councilman Wilcox asked that he bring back some recommendations and do some enforcement.

Jan Weissbeck, 118 Georgia Avenue, said regarding the person who spoke before that she lives here and pays almost \$800 a month between taxes and insurance just for the privilege of living here and there are a lot of things we have to put up with - weather,

traffic, but I don't think we have to put up with bad behavior, unlawful behavior. She respectfully disagrees.

What she came to talk about is, first of all she wants to thank whoever approved the road project on Georgia Avenue - it's wonderful. We got a new road bed, storm drains, paving, it's terrific and we all love it and drive on it now. We also have more than a few speeders and more than a few people ignoring the 4-way stop sign at Georgia and Delaware. The children in the neighborhood have gotten used to that not being a busy street. There is a lot of traffic going back and forth to Joyner's Marina and I think we need to set a precedent or educate these people about the safety issue involving children, bike riders, pedestrians and she would like to see some attention paid to that. She said the storm drains have really helped the water situation.

Judy Littrell, 207 Georgia Avenue, said she has the same concerns about the speeders and the children and bicycles. She is right on the curve and has seen speeders literally come into her driveway trying to correct their speed, etc., and it is frightening sometimes when she goes out to her mailbox. One day she had to push a neighbor, Mr. Mintz, out of the way because of a speeder. People aren't stopping for the stop signs. If we could get speed bumps or some kind of flashing lights there to slow these people down, not just cars but fuel trucks, big trucks and it seems like they are coming from Joyner's Marina. They pick up speed and by the time they get to the curve it's almost too late and there's the stop sign and half the time they don't stop. If you could help us out we would appreciate it. Also, thank you for our road, it's nice.

Jeannie Mintz, 205 Georgia Avenue, said she is representing residents of 3 other houses who couldn't be here due to sickness. We have been coming to various Town Councils for almost 4 years asking for help on this. We told everybody that stop signs are worthless, you're not getting anywhere and it's a waste of money. I watch the road every day from my office and probably 85-90% of the people don't stop at the stop sign. Friday afternoon Springer Eubank truck wide open from Jordon Marina and we both headed to the garage because he almost lost control and came to a screeching halt at the stop sign. It's bad enough to have everybody's spoiled brat kids tearing everybody's yards up and, no, we don't have to put up with it. We are taxpayers here. If they want to come and enjoy our beach, that's fine but enough is enough of the crap we have to put up with down there. We have asked for almost 4 years, now we want an answer in 8 weeks. The summer is halfway over with. I went to Tim the other day and he said he was thinking about some kind of post. It's not going to work. I asked about speed bumps. I don't particularly want a speed bump in front of my house, nor does Judy, but I want to see a lot less of people being run down. There is no visibility. Take the time, drive down there, look at it from each end and you will clearly see there is not one bit of visibility to either side of that curve. It's a joke. It's a matter of when it happens. I was told the town does not favor speed bumps, which I thought was kind of amusing. Evidently the town didn't think the stop signs were going to stop them going out on the north end so what did they put out there but speed bumps. Asking Billy to send police officers up there is a waste of our revenue. They need to be in other places. Why in this God's world don't we just go ahead and put in speed bumps and get this over with? And we would

like to have an answer in 8 weeks. How many accidents do we have to have up there with kids who are drunk? How about the kid who went sideways on his back through two yards and ended up with his motorcycle up under an SUV in another neighbor's yard? How about the kids who went through her yard, hit the rocks, blew their tires out? We called the police, they knew the kids' daddies, said call somebody to come get you. The kids said okay and waited until the police drove off, changed the tires, got back in the car drunk and drove off. This is just two of the incidents; it happens constantly. They would like to have an answer in 8 weeks as to what we are going to do up there. Posts and signs won't work and is a waste of time and money. We're all coming to you at the same time and represent many houses and feel 8 weeks is enough time that this Town Council should have been able to go down there in 4 years and start addressing this problem once and for all. We thank you so much for fixing Georgia Avenue and really appreciate it.

Councilman Wilcox said that the last time Jeannie was here we talked about getting one of the traffic engineers to give us some suggestions.

The town manager said he has not done that yet but he will do that.

The police chief said they purchased a speed counter and placed it up there a few weeks ago. He needs to put it back on Georgia because when he put it up there for about a week there were only about 4 cars that were speeding and none of them were doing more than 10 mph over the speed limit out of those 4. He will leave it for longer than a week.

Loren Hurt, 224 Georgia Avenue, said he is also concerned about the speed on Georgia Avenue. Due to the growth as well as the increase in north end traffic we are experiencing a lot of traffic coming down Georgia Avenue as well as what is going on at Joyner Marina. Where my house is positioned is at one of two 4-way intersections on the north end, I'm at Maryland and Georgia and there is no stop sign at this intersection. So you have two 4-way intersections from Winner Avenue all the way to the north end. One has a 4-way stop, Georgia and Maryland does not. That is something to keep in mind. Regarding the speed on Georgia Avenue, which is 25 mph, and the area Ms. Mintz is discussing is a ¼ mile area so cars are getting up to 35 mph within a ¼ mile. That speed limit might need to be looked at because 25 mph might not be the safe speed for that street due to the traffic that we have. He would like to know what is the process to get something done and what would be the timeline to get it done so that in 8 weeks we would be seeing some information.

The town manager said he plans to hopefully put it on the July agenda and having some recommendations that, hopefully, we can get our Wilmington MPO folks to look at and give us some recommendations.

Ms. Mintz recommended the possibility of moving the speed limit sign before the curve, instead of right on it.

Diane Dugan, 218 Spencer Farlow, said she used to live at the north end and does agree with them.

She is here to discuss the patios outside cafes that do not serve food. She was not able to attend the meeting last month and apologized. She wanted to let them know exactly what they are planning to do there. She does have a patio next to her bar, the Spa Bar on the boardwalk. It's private property, it will be roped off, it's in my CUP and we want to have some seating out there. I know Dan mentioned that it is a blind area but this area is a private patio. It will be for my guests to sit there. We're going to have our exercise classes there in the morning but in the evenings we want to use it for our customers to sit and have a drink. It is going to be managed and there will be a bartender and a door person out there. It's about 300 sq. ft. I did a drive-on as I mentioned to Gary. We didn't serve any alcohol. Gary and I measured it out and I just sat out there. The problem on the boardwalk, especially in front of my bar, you'll have 20 people drinking, leave their beer in the bar, go outside to have a cigarette. Then we'll have families come down, especially during fireworks, they cannot walk by because there are drunks out there yelling and cussing, so on the weekend I was sitting at my patio, people actually came on the patio and smoked their cigarettes. There is no drinking yet. But it just worked very, very well. We have families walking up and down and I can control people when they are actually on private property not on city property. What I am proposing to do is to have the bar stocked, no waitress will be walking on city property and there will be no alcoholic beverages on city property. Just as a bar on the boardwalk, you have a beer and you want to have a cigarette, you have to leave your beer or drink on the bar and step outside for a cigarette. This is the same thing. There will be a bartender, two management people on the patio at all times. If somebody is having a drink and needs to use the bathroom, they need to leave their drink, as they would to step outside, and then go in to use the bathroom. The other thing, it's not going to be a full stocked bar. There will be limited beers, we're going to make some margaritas on the patio, some softer music, nothing wild and crazy but there will be nobody running back and forth on city property. That is what she wanted to make sure everybody understood. I understand that Dan is concerned about the blind spot but this will be more controlled. The other bars have outside areas, you can take your drink outside and nobody is watching. I am actually going to have people on staff to be there with them so it will be more controlled.

The planning director said they have been working with Diane trying to figure out a possible solution but I understand where the Council's decision was last month. It was pretty clear to me that the Council wanted to see a door installed in the wall of the bar itself in order to get direct access from inside the bar to the patio. That is the point of debate and I know Diane has her position on it and I know staff has its position on it but maybe this is a little premature to be talking at it at the moment right now. We have an agenda item coming up this evening that may add a little bit of light to this depending on which way Council would like to go with it, not that I'm offering something that the Council perhaps doesn't agree with. I just want to say that maybe we're going to talk about something that might help or not help Diane down the road. If we could hold off a little bit on this discussion until after this agenda item is discussed at a public hearing then we might be in a better position for her to understand where we're coming from.

Mayor Macon said the problem I think that was expressed by Council was not necessarily a door situation but was that they didn't want the people walking back and forth, whether there was a server or who it was, having the alcohol going back and forth. That is what I recall.

The town manager said that was the main concern. I know that the original motion on the CUP targeted on that door. I think Diane has come up with a pretty good management scenario that may work for everybody but at this point staff can't go against what we felt like was directed by Council and the CUP which was that the door needed to be in. It's really up to Council. If you feel like it's a good management scenario then we might consider this a minor modification. If you want to stick with the original plan that the door needs to be in, then staff can't say yes. The other thing, Gary is going to bring some stuff forward, too, that may cure the problem. We're going to talk about outdoor cafes for restaurants, outdoor cafés for drinking establishments, then will talk about keeping the ordinance the same, possibly, too. That's on the agenda tonight.

Councilman Wilcox said but right now there is no intention for Diane's request to come back to Council, correct?

The planning director said that is what he is understanding and the way we are moving forward.

Mayor Macon said he thinks that, once again, the issue was people walking back and forth with that being blocked off and out on the boardwalk with drinks.

Councilman Wilcox said there was that and it was on the blindside of the building. It wasn't in front of the storefront where anybody could keep an eye on it. I would be willing to entertain - if you had that kind of management structure there, if that would have been explained at the meeting maybe we would have reached another conclusion, maybe we wouldn't. But I think the thing is whatever is proposed at some point in time because we can't do anything about it now. It would have to be enforceable and you can say you're going to have a bartender and a manager out there all the time and they are never going to leave but what happens when that stops happening.

Ms. Dugan said that is a responsibility she will take on.

The town manager said we can write that person a ticket if they take alcohol out on the sidewalk.

Ms. Dugan said they will take responsibility just like having the bar inside and not managed, I see it as the same thing.

Councilman Lewis said the original CUP had a door going in and out, that is what was presented to Council and he reviewed some of his notes there. So it already had a door there and that has changed, now we're not going to have a door and how do we serve that without getting ourselves on public property.

Ms. Dugan said on the CUP that Jeremy sent to me it said to either install a door or a wall and the wall is to be on the patio but after research and investigation with Richard, the building inspector, I have actually two separate lots and you cannot put a door, even though there was an existing door, you cannot have a door there with ADA. It says I have to incorporate everything into one lot and it is very costly so that is why we are looking at another alternative because I have property just sitting there, that's why this came up.

Councilman Wilcox said we can't do anything about it now. We can hear it if you want to come back.

Mayor Macon said it depends on what kind of modification it is, whether or not it is considered a minor modification which can be handled on staff level too. I think what was said was the CUP is as it is, put the door in but we're not going to let people walk back and forth on the sidewalk. Now there is a second option which staff needs to figure out are we going to make that decision or are we going to take it back to Council and make Council make that call.

The town manager said he thinks they can do it as a minor modification but our hands are kind of tied. I think that Lonnie was the one who made the motion and it was really geared towards making sure that door was in and knowing Council couched it that way, there's not a lot staff can do to override what Council did unless we want to consider her new management option or we can bring it back and go through a formal process. It's up to Council.

Councilman Lashley said what he remembers is that you have a 9.5 foot area that you wanted to walk with booze on the boardwalk and we didn't want that to happen, that's what I remember.

Ms. Dugan said that was a suggestion and after talking to the police chief, that was a suggestion that we were looking at doing and then my husband suggested putting the door in to make it easier for crowd control. Since we cannot do that now, it was suggested that I rope it off. We're not even going to use that Lonnie. I think it is 4.5' that I have on the city property but I don't even want to use that. I haven't any problems with my business right now but I think it's easier for me to control to say if you're going to sit here and have a drink, get a drink here, you can't leave. Just like in the bar. You can't come in and leave to have a cigarette. It's the same thing, it's more controllable. It did work with just the cigarette smoking.

Councilman Lashley said he didn't see why we can't decide on this when we get to the café thing that is later on in the agenda. Just bring it up to Council and let's vote on it. If we think it will work what she is suggesting, I'd be more than glad to make a motion.

Councilman Wilcox asked if need to advertise for a conditional use review. The planning director said it is hinging on whether or not it is a minor or major modification.

Councilman Wilcox said if it is minor we don't need to see it at all. The planning director said that is the call. Typically we would look at this as a minor change but given the circumstances that surround it, the alcohol particularly, it puts it into another realm and that's where I think I was having difficulty and the town manager was asking us to talk this over, particularly after this evening's public hearings.

Mayor Macon said he appreciates staff having great concern but businesses make their money in the summer and summer is ticking away. We can sit here and haggle about it all day long but let's get it done.

The town manager said we are going to stick by our same decision. Staff is uncomfortable overriding what Council has decided. If you think it's a minor situation, say so and we can treat it as a minor.

Mayor Macon said he thinks it is a staff decision that they can make. I don't think it needs to come back to us. Once again, Council was uncomfortable with them walking on the boardwalk to deliver the alcohol back and forth and blocking off an area for that. That was the only option that was presented to us at that time and Council said to stick to the original plan which is the door.

The town manager said it goes further back than that; it was part of the CUP discussion. He considers it a minor situation. He thinks they can work with the applicant to come up with some situations where she will hopefully not fail it, monitoring what goes on. If people do get outside of the realm of where they're supposed to be then the owner will get a ticket and/or the patron can get a ticket.

Mayor Macon said not to mention that it's a sensitive area because of the puppet theater.

Councilman Wilcox said he doesn't know what other Council people think but if it helps you in the direction of working with it as a minor, if she has management out there and the bartender is out there it would have probably resolved my concerns at the meeting. However, my only other concern would have been what's our enforcement ability in case she doesn't fulfill this?

The town manager said they could write it up in such a way that we can cover all those items, we can ask to pull her CUP if it becomes out of hand, we can ask that the patrons get tickets or the management gets tickets. There's some enforcement there.

ADOPT THE CONSENT AGENDA

MPT Efirm made a motion to approve the consent agenda.

Approval of the minutes:

Special Meeting Con't	March 7, 2011
Special Meeting	March 22, 2011
Special Meeting	April 4, 2011
Special Meeting	April 26, 2011
Regular Meeting	May 10, 2011

Budget transfers:

Legislative

Transfer \$6,000.00 from line item #104100.50 to line item #104200.74.
Transfer \$7,844.15 from line item #104100.79 to line item #104200.74.
Transfer \$9,193.75 from line item #104100.80 to line item #104200.74.
Transfer \$4,000.00 from line item #104100.86 to line item #104200.74.
Transfer \$1,335.02 from line item #104100.02 to line item #104100.53
Transfer \$2,100.00 from line item #104100.51 to line item #104100.14.

Town Clerk

Transfer \$80.00 from line item #104300.14 to line item #104300.33.

Public Works

Transfer \$10,300.00 from line item #309000.51 to line item #308130.31.

Year end budget transfers as of June 3, 2011 (Exhibit 1).

Set a public hearing date for July 12, 2011 at 7:30 pm, or soon thereafter, to consider amending Article 11 Sign Regulations to allow attached temporary signs placed against the surface of a wall or building to be permitted under the size limitations for permanent attached signs. This amendment will apply to all commercial zones (CBD, NB, HB, MB-1, I-1, T-1, MF, AND MX).

Set a public hearing date for July 12, 2011 at 7:30 pm, or soon thereafter, to consider amending Article 3.8-1 Table of Permitted Uses and Article 12.2 Development Standards for Particular Uses, to allow boat sales and rentals, including PWC's in the Marina Business (MB-1) Zoning District.

MOTION CARRIED UNANIMOUSLY.

Mayor Macon made a motion to take a 5 minutes recess. MOTION CARRIED UNANIMOUSLY.

Mayor Macon called the meeting back to order.

Mayor Macon made a motion to move Item #17 to Item #13, and move up Item #16 as well to Item #13A and Mike Chappell Park item to Item #13B. MOTION CARRIED UNANIMOUSLY.

DISCUSSION AND UPDATE ON LAKE PARK TRAFFIC COMMITTEE MEETING AND NEW COST ESTIMATES TO REVERT LAKE PARK BOULEVARD BACK TO A FOUR LANE SECTION

The town manager said the reason he put this item on the agenda was twofold, one, he knew the Traffic Committee was going to meet on Friday and they would have a recommendation for the Town Council so that is one of the things I will turn over to Chairman Barber shortly. The other thing is, at the request of Councilman Lewis, DOT did update the cost estimates for returning back to four lanes. The original estimate was about \$500,000, then it narrowed down closer to \$300,000, then they really put pencil to paper and it was closer to \$213,000 and just recently in the new quotes if they did a mill and fill situation, sort of like they originally did, the quote is \$226,000 roughly. There is a 15% contingency built into that so maybe that doesn't happen and could be closer to \$200,000 to mill and fill and go back to four lanes based on the way it was figured prior to us going to three lanes. The other situation is something called flexible micro-surfacing and that cost could range from \$110,000 to \$160,000. What they are proposing under both of these and that it happens under their 2012 paving schedule. We have the option as a town to do this, even our town streets we can ask them to bid those out and pave town streets using DOT in their work program. What they are proposing, the cost would be like this if we go in their work program and their competitive bidding process. I talked to Chad Kimes with NCDOT today to find out if we do it before then, after then depending on what Council decides and I have not really gotten any answers. The whole flexible micro-surfacing procedure, I'm not aware that it has been used in this district and don't know that it has been used in North Carolina at all. So they were shipping this process up to their Raleigh traffic and pavement folks to see if it is something that is feasible here and if it could be used on 421 so there is really not a clear answer in my opinion as to whether they can even use the flexible micro-surfacing. It is used in other states such as Virginia and they will probably come back and saying yes, this is an acceptable method but I haven't really gotten back any of those answers from the NCDOT. He turned the presentation over to Dennis Barbour.

Councilman Lewis said he met with DOT and the one benefit of the flexible micro-surfacing is that it adds life to the surface so the idea was in those areas across the state where the road surface gets a lot of use they think it will extend the surface 3-5 years but they're not really sure. Other states such as Virginia they have gotten tremendous value out of this ½ inch of slurry that kind of makes a hard coat surface on top of the pavement. So it's not just repaving or redoing it again, it adds additional value

and will extend the life of that area. DOT said they had done some testing, some roads already and found it to be a strong surface and fast curing.

The town manager said he is interested in it for our roads. He called the folks who do this type of paving and haven't gotten a response back yet.

Dennis Barbour, Chairman of the Lake Park Traffic Committee, said the committee met last Friday, June 10th, to discuss what our short term attempts to help the traffic flow did, were they successful, and it was the committees opinion that they had very limited success. We had some success, the police department worked very hard and they were moving traffic but it caused problems in other areas as we were told and experienced. Traffic flow changes have moved the problem to other areas and the frustration level only continues to grow among businesses, visitors and residents of Carolina Beach. The committee did a good review, had a lot of comments about what they experienced. I wont go over all those unless you want me to. You have a copy. Highlights: 6 committee members; charge to look at short-term fixes for Easter weekend which led over to Memorial Dad weekend; look at long-term fixes for the road situation on 421 after Council recognized there is a problem; met 3 times, once as a committee, once in joint meeting with Council, and last Friday for a review.

Observations and concerns:

- Merchants felt their business was impacted and did not have the commerce they expected
- One of the biggest concerns people have are the bike lanes behind traffic. There have been some near misses and collisions.
- Problems with cyclists,golf cart drivers, vehicles in the bike lanes
- Traffic is being diverted to Dow Rd. and bypassing Lake Park Blvd.
- Gridlock at intersections south of Winner Ave. When the light turned green for east-west traffic, they could not advance due to the gridlock that occurred with the north south traffic
- Police assistance helped at the intersections, however, traffic was backing up at other areas forcing vehicles to use bike lanes to make the right and left turns.
- When people get in traffic that is barely moving or at a standstill, they forego making stops in town so they can get to their destination in the time they have allotted and affecting businesses along US 421.
- Folks who live over the bridge and who generally support Carolina Beach businesses prefer to go to Monkey Junction to avoid sitting in traffic.
- Serious accidents can be caused by bicyclists who ride on the bike lanes. They tend to keep riding while the cars are trying to make a turn

The bike lanes are great, the committee is pro bike lane, not necessarily where they are in the configuration they are.

- Another safety concern expressed is being able to get emergency vehicles to and from Kure Beach on Dow Rd., as well as the fire trucks being able to maneuver around town in the event of a fire.

On a side note from a personal experience, I took a video when the traffic was at a dead standstill in front of my business, zero cars in the parking lot. One hour later when the traffic started flowing, I took another video, 11 cars in the parking lot. The video speaks better than I do.

Resident input:

- Traffic at the corner of Harper and Lake Park Blvd. is always backed up.
- Traffic should not be routed away from the businesses.
- Many people in vacation rental units have expressed their concern about the traffic and have stated that they will not return.
- Mrs. Jennings, resident of Carolina Beach, submitted copies of a proposal which would change the road design by having bypasses to make the traffic flow better. This would be a medium to long-term plan, since there would be some expense associated with it. Lake Park Blvd. would have 3 lanes. Two going south and one going north. The bike lanes would be on one side and lights would be timed where the bikers could go when the traffic is stopped. The north bypass would go from Charlotte to Canal to Carl Winner. The south bypass would go from Harper to Thirds St. and to Cape Fear. Both of these bypasses would be one way.
- One resident was in favor of the current road design. He and many of his family and friends liked the ease of getting around town with a bicycle and felt that is easier to get across the streets and it is also more pedestrian friendly. He also felt that we needed better signage directing visitors to the town's attractions and more parking at the beach accesses.

I think that is something that we the committee and you agree in terms of the signage and that is something we discussed in our joint meeting and, hopefully in the future we can also address the signage issues. It is the committees opinion that while signage helps people get to where their destination is, will not relieve the traffic congestion through the center of town.

- A long-term recommendation from another resident was to build a parking garage north of Snows Cut Bridge and shuttle people into the beach.

I would like to urge Council to give this motion that the committee made serious consideration. The committee had two motions. The first one Jerry Bigley touched on earlier and made a motion that the flashing sign on 421 and Ocean be disabled immediately and have the wording taken off the sign. The sign can be used in the future with the authority of the town manager. The motion carried unanimously. The intent, I think, of the motion was we paid for the sign, while we don't like diverting traffic around town, the sign being there we might can use it for other things since it is a sign already established with a flashing light. The second motion was made by me and I would like to modify that in that former Councilman Gilbert made the original motion, all I did was try to abbreviate it somewhat to make it easier to understand but Councilman Gilbert did make the motion. It is the recommendation of the Lake Park Traffic Committee that Carolina Beach return to 4 lanes along Lake Park Blvd., 2 lanes north and 2 lanes south, in a configuration that would be most beneficial to the Central Business District and pedestrian friendly walkable, livable community. This will meet the needs of the business owners as well as residents and visitors coming to Carolina Beach. It is also the desire of the committee not to drop this in your lap but to work with Council on the proper configuration of Lake Park Blvd. to achieve these needs. When we discussed that motion about configuration, the point was we don't have to have the same 4 lane configuration we had before. We can work with you to help modify that configuration through our consultants that worked with us with livable, walkable communities. One thing they mentioned was about lane dimensions and if it's acceptable with DOT we could narrow the 4 lanes enough to have possibly a median in the center of the road or use that additional space for other things along that 421 corridor provided that it's 4 lanes and still moves the traffic. So, we'll work with you, we're not just dumping it in your lap. Finally, I would like to urge Council to give serious consideration to the committee's recommendation. We collectively received input from 100's of people, residents, business owners and visitors. Overwhelmingly, all these groups had requested going back to 4 lanes. Anything less will not relieve the frustration. The frustration as you experienced last year has gotten much worse and that is why we are here tonight. Anything less will be another test, 4 lanes has been proven to move traffic and to work.

Councilman Wilcox said, on the second motion to disable the sign, assuming Council votes to make some changes from the 3 lanes, whenever that is going to happen, no work can be done until after the summer so why would we want people to unnecessarily sit, if that traffic is congested northbound this summer, and not give them an alternative if they don't want to come through town or sit in traffic? What sense would that make?

Mr. Barbour said he is not sure he can answer the question of why would we make them sit there other than to say that while we may have helped the problem coming south, to some extent, we created a problem that the police had to intervene at Dow and Lake Park by the bridge because as traffic started to move down Dow Road and get to the intersection of Dow Road and Lake Park it started backing up clear past the fire department requiring the police department to move traffic back on across the bridge so that the fire department didn't get gridlocked or stopped if they had a fire call. If you

think about the distance between the stop light at Dow and Lake Park and the fire department, that's a good mile or so. It was blocking the fire department. That, along with, from strictly a business standpoint, we businesses need all the help we can get even if traffic is backed up coming from Kure Beach. They don't know, if they want to come into Carolina Beach, there is the ability to turn down Lake Park, come north, turn down Cape Fear off of Dow Road and come into the center of Carolina Beach. Most of them don't realize they have that ability at this point.

Councilman Wilcox asked if he knew how many times that traffic backed up in front of the fire department.

Jerry Bigley said it was backed up for a long time. It took his daughter 25 minutes just to get to Charlotte and then later on going into town it took them 35 minutes to get to the foot of the bridge. The sign has to go.

Councilman Wilcox said his question is for this reason, if the only time that the traffic was backed up in front of the fire station because of the alternate route was on Memorial Day weekend then I am less likely to vote to get rid of it until we can get to the point where some action is taken. There is no reason not to give them the option to take the alternate route for the rest of the summer because of one Memorial Day weekend. If it's every weekend, then that is a different decision point. I am just trying to get the facts.

The fire chief said he did get a phone call Memorial Day weekend saying traffic was backed up past the fire department. I also know that the police department was able to clear it out. I think it lasted for awhile but that is the only case that I am aware of. Yes it did back up past the fire department and did cause an impact but I think overall it was a minor impact but not every weekend since then.

Councilman Wilcox said he thinks his only point is that I know you guys want every car to come by your businesses, I get it, but if it backed up that far and those cars have to sit there all that period of time, I don't know what the likelihood of them stopping on the way if they are forced to sit in that traffic the whole time. If that alternate route can function until some other action is taken, then that would be a different decision.

Mr. Barbour said he is not saying it can't but you had comments from residents also who used Dow Road to get from point A to point B in Carolina Beach and now can't use it. Troy Hamilton, former police chief at Kure Beach, came to see me and said he was trying to come to Carolina Beach on the weekend, he actually works for some of the business people at Kure Beach, and had to turn around and go back home because Dow Road now became a corridor he didn't have as an alternate route to expedite his trip from Kure Beach to Carolina Beach.

Councilman Wilcox said, again, he didn't know if that was Memorial Day weekend but I travel Dow Road all the time and I have never seen that situation. I wasn't out there Memorial Day weekend but I am trying to get to the point that there are citizens all the way up Lake Park Blvd. and that traffic is sitting at a standstill in front of them too. I

think we have to be considerate of other people too. We are interfering with some people's leisurely travel down Dow Road but we're forcing cars to sit in front of residences and they can't get in and out. It's kind of like the cars coming off of the beach, Freeman Park, at the end of the day. There is a 1 or 2 hour period there where we have to move thousands of cars and we need some help getting them off the beach, we need those businesses on that side of the street those cars have got to come off the beach. If not they are sitting in front of all those residences. It's a small community and we have to give and take on some of that stuff.

Councilman Lewis said the problem is that it is there 24/7 now so somebody sees the sign there that says there's an alternate route. It should flash only to get somebody's attention maybe.

Councilman Wilcox said he is not suggesting leaving it on. If it's needed, then it can be turned on.

Mr. Barbour said he is stating what the committee recommendation was and we have committee members who have businesses south of the lake that are in that impacted area coming from the Kure Beach direction.

Councilman Lewis said he appreciates all the time the committee has taken and I have been frustrated with the issue myself. I agree with the outcome that you came up.

Councilman Lewis made a motion to take the recommendation of the Lake Park Traffic Committee that Carolina Beach return to four lanes along Lake Park Blvd., two lanes north and two lanes south in a configuration that would be most beneficial to the Central Business District and a pedestrian friendly walkable livable community. This will also meet the needs of the business owners as well as residents and visitors coming to Carolina Beach.

Councilman Wilcox said he has a problem with the motion. This was in our package as a report from the committee and discussion. I take issue with it because first of all we can't do anything now if we vote on it. Nothing can be done, there's no time crunch here and more importantly this was a many year process building up to making a decision on the streetscape and the traffic plan. We had numerous public hearings, we had public participation and then when we decided to do this we had more public hearings and money was spent and decisions were made to spend that money. This wasn't advertised and I think the least we can do is have the same consideration if we are going to spend more dollars, if we are going to make a decision that has this kind of impact. I hear what you are saying but, out of the courtesy for the people that were involved in the process and out of courtesy for the process and given that there is not an emergency here, I don't think this needs to be a political issue. I think we advertise this, let the public know what is going to happen, let the public know the potential to spend, that we're looking to spend \$125,000 or \$200,000 of tax money on this issue. I think that's the right thing to do.

Councilman Lewis said he disagrees. I think we have been talking about it long enough.

I have heard loud and clear from the business community, from residents and visitors here. The think doesn't work. All we're asking is to take this thing back. My motion says we recommend to take this back to a four lane design. It doesn't have to be the four lane design we had before, it could be something that is configured. The other part of my motion I would like to make as part of the motion would be to take the Lake Park Traffic Committee and them to lead on this thing but also include the Police Advisory Commission, town staff, NCDOT and the Council basically involved in the decision of making this and how we can make this happen. You can sit here and say it's too early, we don't need to have it done but there is a lot to do in order to get this completed and includes getting permits and approvals. When I talked to Chad Kimes he said it's going to take a period of time to get this all approved. I think we need to take action now. All we're asking is to move forward with the recommendation to go back to four lanes.

Councilman Wilcox said he thinks it can be done in July and Dennis you sat up here before and have had to deal with respect to the public and public process and that is what I am suggesting, that we provide that respect.

Mr. Barbour said if he could make it easier for you Dan, in this situation anyway, the three lane configuration while there were public hearings prior to, it was not a trial and error situation where we had the opportunity to see what three lanes would change vs. the four lane configuration we had. Prior to going to three lanes I had no public input personally about that configuration.

Councilman Wilcox said we advertised numerous public hearings.

Mr. Barbour said the other thing is that this situation has been tried and proven wrong with three lanes, four lanes has been proven to work before. I am not trying to circumvent the public process. The other issue about spending taxpayers' money, I fully feel your pain about that. I would be in the same situation if I were sitting up there and making this decision but I think that you have the ability to use your tourism fund to pull funding from that doesn't affect the tax that the taxpayers are paying personally. Since it is a traffic flow problem that is affecting visitors as much as it is residents and businesses and it probably should come out of the tourism fund.

Councilman Wilcox said it's all great, it's coming out of a different pot, Dennis but this isn't what was on the agenda tonight and I have an issue with it. I'll be glad to vote on it in July when it's been advertised for a public hearing.

MPT Efird said we looked at this and thought it was going to be a good idea, I did. After going through all the meetings that we had and looking at it, it looked great but I have found that it does not work and Memorial Day weekend certainly was a testimony to me that it is not working and I for one would like to see it back like it was. Let's start on it now and work on it because it may take a lot of time and by next year maybe we can get our tourists back who will be happy and our residents will be better satisfied. I have gotten more calls on this than I think I have on any other thing in a long time.

Councilman Lashley said we have a variety of a board here. I'm not sure going back to four lanes will work and I have voiced that. I asked Tim to call the DOT and see if we could set up a test. I know you may not want to go back to another test but I want to set up a test where we had two lanes going north on fourth of July weekend which would be a great time to do it because we're going to be busy on the fourth of July. I didn't make it very clear, certainly wasn't clear to Willard and some other people. I had no idea and no reason to say we're going to permanently stay three lanes, two north and one south. All I wanted to do was assimilate a four lane highway going north, that would be the two lanes going north. No idea of ever going to having three lanes in that situation - two north and one south. Things have happened here in the last three years. We have become very popular. Tonight we had someone who wanted to organize another event. We have so many things going on here it's unbelievable. We have the carnival, etc. The traffic we have here is beyond me. I don't know the answer, I'm not sure any of us know the answer, but I do know from my past experience as a project officer on many projects, you always test things you want to implement before you implement them. I'm not for voting for taking \$165,000 and create a test of four lanes and find out it doesn't work. I'm not sure it's going to work. If we go back to four lanes, I hope it does work but I'm not sure it's going to work without running a test on it and that is where I was coming from. I'm not trying to delay the decision, I'll be glad to vote on it tonight. I wouldn't vote for going back to four lanes without seeing some more information and having an actual test.

Councilman Wilcox said there is nothing that voting on this tonight vs. voting on it next month will achieve except bypassing the public process. I think we ought to advertise this, give people the opportunity to come in and then vote on it. I think this is the wrong way to go about it.

Mr. Barbour said to Lonnie, I can appreciate your ability to think outside of the box with the three lanes it's just your committee knows that four lanes did work, we didn't have a problem when we had four lanes. We currently have three lanes with one turning lane. If you make two lanes north or south with the other lane north or south, that center lane still has to act as a turning lane. It was the committee's recommendation based on all that to recommend to Council that you return to the four lanes.

Councilman Lashley said, again, I am not an advocate of making it three lanes, two going north and one south. All I was trying to do was to assimilate a four lane highway going north with the two lanes going north and see what would happen on the 4th of July weekend and another weekend.

George Connet said everybody is talking about four lanes as a perfect solution and it's not because I have been stuck in traffic back over the bridge when it was four lanes, on the holiday weekends. It will go that way again. I think if you made a decision to move forward, I think you ought to try to find a better solution whether you eliminate a traffic light - I don't care how you do it but I don't think going back to four lanes is correct. The other thing is I resent the fact we're sitting here talking about my tax dollars to spend this thing and we don't know if it is going to work. Again, I think you should give the public

the chance to come in and talk and see what they have to say. I was involved with all these meetings on the master plan and I really believe the citizens of this town have the right to stand up like I am tonight and express their opinion to all you folks because I'm telling you four lanes back up across the bridge on the holiday weekends and that's all I'm hearing. I've used the road diet every day and on holidays and it still runs for me, I don't get stuck. If you're coming north, I get a little bit towards the lake if I'm coming out of Kure Beach but not very long. It moves. I'm just asking you to put it out and let the public have the opportunity to put their input in this thing.

Alan Gilbert said he feels that Bob is premature in his motion because there are a lot of people who came to our advertised meeting and I said come to Council because I assumed there would be an open discussion on this. So there are a lot of people here who probably came to share their opinion. I certainly would have signed up during public discussion, like Mr. Bigley did, to share a position. I think Dennis put it very well and certainly took the edge off that I normally have when I get up to speak. I think I am as surly as Mr. Lashley has become up here. I think the public is here tonight to talk and the media is here and it's great there is a motion on the floor and calling a vote is an awesome thing. If you are afraid to make a decision, put it on the ballot. If you can't do a micro-surfacing until July, let the people vote but right now I think there are some real leaders up here that are probably ready to call the vote and I think it's pretty elementary. We had a road plan that worked for 50 years, there's your test. It wasn't perfect. There were backups in the morning and in the afternoon on certain days, maybe twice a year. But this road diet has impacted us on our day to day lives, every single day that they play around with this traffic to try to get either to work or to play, it's impacted. The biggest thing, the latent aspect of it, it does allow us to get across the street because folks aren't going anywhere. I think that's a poor aspect to consider saving or preserving the road diet. The road diet was a mistake, it was done prematurely, they put the thermal down probably when they should have left the temporary and you could have gone back. Now you can't go back. When you look at micro slurry surfacing it's a proprietary, it's an excellent product, and it's used for road preservation. For \$160,000 there is a lot of value added to using a slurry seal because it's going to preserve the pavement so we get two-fold out of it. One, we get to redefine our road to four lanes, not perfect but it has a cafeteria that offers us everything. We get our parking and we get our pedestrian - not the safest for the bike riders but the slurry seal, look at it as a value. We're putting a surface down, a micro-surfacing that is used for pavement preservation. The idea is that it will go longer. Coke materials and sand materials have worked with us for a very long time. It is used in the majority of our states. It's an excellent product, a lot of PHD's support this, there's value in it. For \$160,000, if DOT is letting us put it down, that's value. It took them 25-30 years to pave it and hopefully will last with that. It's elementary. Call the vote, and switch it back. We don't need to study it anymore. If you listen to the public, if you walk the streets, go get your hair cut, etc., what the public is calling for is to change it back. Sometimes you have to take two steps back to go forward. You have a master plan, it's a concept. Is it perfect? There are some folks in Canada when they came down to do it thought it was great. They took the master plan, and they implemented Wilbur and Smith's idea, but they didn't implement Wilbur and Smith's idea because they took away that extra lane going north. If you are afraid to call

the vote, the public has spoken and some of the public is here. If you want to keep testing it and running it through, let's make the decision tonight and let's go forward.

Mayor Macon said the vote is going to get called. I'm not afraid of anything.

Councilman Wilcox said you continue to mischaracterize my position. I'm not afraid to vote on anything. My position is, if you are right and all the people wanted us to go back, it very likely could be the case but at least give them the courtesy of calling for a public hearing and letting them all come in and say that. Instead you want to shortcut the process. We didn't shortcut the process when we made the decision to go this way and it is just fundamentally wrong. It has nothing to do with being afraid to vote. I know there is public here tonight, I respect their time. Let the public you invited or the public that heard about this some other way, all the rest of the public is not out there. We're going to spend their taxpayer dollars and I think they should have the courtesy of a public hearing.

Steve Shuttleworth, 808 Carolina Beach Avenue N., said to Mr. Lashley I would suggest to you that we have had an experiment, we've had a test for the last 18-20 months, we've seen how the lane configuration works. I understand the master plan, master plans can be changed, they get modified, and they evolve. We've had a test, it hasn't worked, we had seen prior to that four lanes was better. It wasn't perfect. I, too, sat in traffic on both directions over the bridge with four lanes but it was darn sure a lot better than it is now and I would encourage you guys to seriously think about that. Dan, to your comment about taking a vote when there is public dollars, I can respect that. I thought this was a public hearing. I read about it in the paper.

Councilman Wilcox said it wasn't advertised.

Mr. Shuttleworth said this wasn't the issue I showed up to talk about tonight. All I was going to say is Mr. Lashley I think we've had a test, and it didn't work real well. Let's go back to the way it was.

Jerry Bigley said about the public input of giving the public warning, when you put those cones up outside my store I wasn't given a public hearing. Also on Carl Winner Street, I donated land there to make a right hand turn, not once, but twice. Now me and Tim are working on another one there so we'll have two lanes going right north and one lane going south and you people put up with all this stuff tonight about a public hearing and all that, I've about decided not to do the land deal. This is election year too.

Dennis Barbour said he failed to mention that it was brought to the committee's attention that DOT has been working with us through this process of trying to reconfigure the light changes and so forth. I've witnessed them many times and it appeared they were watching traffic and actually changing it as traffic changed. But they made the statement that this is costly and time consuming for them and they cannot continue to do this. Lonnie, if we do another test, that is going to require DOT to do more work and have more intervention and I think DOT is at a point they are about ready to say you have to make a decision. Lastly, as far as public input, I was on Council for 8 years and in those

8 years I have never had as much public input in Council chambers or outside Council chambers on any one issue as I have this issue. I appreciate public comment. I'm accessible and overwhelmingly 99% of the people that have approached me, either called me, come to my business to talk to me is for going back to a four lane configuration. Thank you, good luck.

Mayor Macon called for a vote on Councilman Lewis's motion. MOTION CARRIED 4-1 WITH COUNCILMAN LASHLEY VOTING NO. (Note: Councilman Wilcox said he is not opposed or in favor and he is not voting. Mayor Macon said that is a yes vote. Councilman Wilcox was present and not excused from voting; therefore, declining to vote is automatically a "yes" vote.).

DISCUSSION AND CONSIDERATION OF THE APPROVAL OF THE CAROLINA BEACH MARKETING STRATEGIC PLAN FOR FY 11/12

Jim Clark, Chairman of the Carolina Beach Marketing Advisory Committee, gave an update on where they are currently and where they are going. We had a meeting today and have approved a budget for the upcoming fiscal year marketing plan and I think you all have been supplied that by the CBD but, if not, I will make sure you get it. Room occupancy tax collections (ROT) year-to-date from July 2010 to April 2011 were up 9.6% from the previous year. Carolina Beach collections YTD are up 6.27% from last year and then YTD are up 8.49%. We have been working with Clean Design Services as our creative agency. We have done strategic planning sessions with the community, March and April, presented the marketing segment in May and then have been working on the budget. We've had several special meetings to go over the budget, made some recommendations and changes and that was approved today. The goals for the committee are to change old perceptions of the area. We're reaching out to some new market segments in our marketing budget and the strategic plan is to change dramatically from years past. We're really working more in state than we have before because we feel like that is where our biggest growth area will be. Working on the shoulder seasons and working on increasing first time visitors. Our biggest piece of marketing now is the on-line website management. That's gone from a small percentage 7 years ago to the majority of the budget. Our media is to focus efforts in key markets, maximize media reach and frequency and to change perceptions. Media is built off of a strong strategic foundation that covers the following markets - Raleigh, Durham, Chapel Hill, Fayetteville, and Greensboro. If you haven't already gotten it, you will get the budget and that full presentation of the CVB will be next month for the overall marketing. He said it is exciting and as the economy has changed and we have had to adapt to it. Where we were looking way out of our market for bringing in new people, now we're looking within our backyard where I think we will have our best success. Our website will be cutting edge and the capabilities it will have is that we can manipulate it ourselves. So if we want to put specials, advertise or promote restaurants or hotels or package deals we can do it ourselves and not have to send it out. The exciting thing about it is the tracking capabilities. We can tell who went on the site right down to the zip code so it will give us tremendous demographics as we move forward to see who is visiting and what the conversion rates are from those visits.

The town manager said what we're looking for is a motion to approve the budget and the budget can be tweaked but right now we are looking at about \$262,000 as the revenue coming in and then the expenditure, then it kind of shows you where that money is targeted as well as far as media goes and some other items.

Councilman Wilcox said you probably all want to see what you're voting on but this kind of works in reverse. The committee pretty much has a good understanding of what the ad campaign is going to be and they need to take it to the next level and they can only do that after the budget is voted on.

The town manager said there will be a marketing plan that comes out of this and then at some point we will get a chance to look at that too but it will probably be closer to August so you are really just setting the budget. It can be amended if the committee decides to go in a different direction or whatever.

**Councilman Lewis made a motion to approve CBMAC budget for \$262,000.
MOTION CARRIED UNANIMOUSLY.**

PUBLIC HEARING - CONSIDER ADOPTING THE PROPOSED BUDGET FY 2011/12 FOR THE TOWN OF CAROLINA BEACH

The town manager presented the budget. He said tonight is our public hearing on our proposed budget FY 2011/2012. He believes we are in good financial shape given the current economic conditions. Mr. Owens said, I think you all witnessed that with our last evaluation we had with our accountant that prior years of eliminating expenditures, not refilling positions, and conservative revenue estimating has allowed us to remain in good economic standing. Every year we go through the budget process. Department heads submit a draft budget to the town manager at the end of February. I met with them to review the budget submittals. The Council heard their budget proposals in March. We've had at least five workshops, probably more than that. This is our second public hearing tonight and only one is required as far as the budget goes. The budget was delivered to you prior to June 1st and the budget proposal met or exceeded all statutory budget requirements. The proposed budget for FY11/12 is as follows: General Fund \$9,162,268; Tourism Fund \$2,098,260; Enterprise Fund \$5,325,482 for a total budget of \$16,587,010. General Fund Overview - basically it's a balanced budget, we talked about the dollar amount. There is no proposal for tax increase and the rate is to remain at \$.175/\$100 valuation. The entire Wilmington Beach debt service for that project is in this budget. \$250,000 is coming from the Fund Balance that I hope to pay back but we don't have any upfront assessments coming in so we are using that to leverage the funds so we don't have to raise taxes that additional amount to pay for it up front. That total debt service is around \$390,000 for that project. We also funded this year the park/pier debt and expenditures at \$290,000. This is the last year of the interest only loan of \$215,000. There are some other expenditures in there such as taxes, insurance, what have you, so that total cost is right around \$290,000. We generate about \$57,000 that is given to us through CBP3 for the hotel operations. Next years debt service will go from around

\$215,000 to \$430,000. That interest only loan basically expires. We appropriated \$336,226 in Fund Balance to balance the budget. This proposal, the only increase that I have proposed throughout the board is solid waste fees. There was a proposal by New Hanover County to raise our tipping fees by \$4 or \$5 per ton. It equates roughly to a \$1 per month per household. There are some additional expenditures for businesses as they accumulate more trash and require more service. There is a \$500 COLA for all employees effective July 1 and all employees are eligible for a 2% merit as of July 1 if they have good service. This marks the first time in 2 years since we've had any eligibility for any kind of merit or COLA. We did transfer, like we did last year, \$300,000 from the Water and Sewer Fund. The Water and Sewer Fund is serviced by the General Fund whether it be by myself, the finance director, HR - there's a lot of expenditures included that come along with the Water and Sewer Fund so we transfer that money whether it be our utilities director or housed in town hall or what have you. The same thing for the Tourism Fund, there is some cost and service provided by the General Fund that that money is really geared towards and also helps us balance the General Fund. The Tourism Fund is balanced. One of the major expenditures in there is the final payment for 1710 CBAN. We also used \$336,260 to balance that budget. The Water and Sewer Fund is balanced and there is no proposal for any changes in the utility rates. One of the things we did multiple years back is loaded some debt service in there for some projects that we are now starting to witness. It has helped out tremendously with the security of that fund. It has also helped us to be able to pay cash for a lot of the projects that we did like the north end waterline, the EQ basin and was a good foresight by the Council at that time to move forward and raise rates so we could improve our services. We also appropriated an additional \$170,000 in reserve stormwater funds fees. We have a little bit built into our \$9 monthly rate that we can use projects, whether it is a lake project a year down the line. What we chose to do is use that as match for a Clean Water Management Trust Fund grant that we got and to help offset that cost. So that will hopefully be implemented very soon. Summary of revenues - these are all the different funds. General Fund, most of the revenue has been lumped into different categories. Tourism Fund, parking revenues, Freeman Park revenues - you can see where they are kind of lumped into different revenue classifications. Utilities Fund, mainly charges to customers and other revenues. It shows the different revenues and how they are allocated. Summary of expenditures - shows the different departments within the General Fund, Tourism Fund and Utility Fund. That just breaks them out by department which you have seen in your budget. Unappropriated Fund Balance - there has been a lot of discussion about Unappropriated Fund Balance. As of the end of April we have approximately \$2.99M in our General Fund, that's 31% (target goal 50%). That does not include an 8% Appropriated Fund Balance. We have to set aside 8% at a minimum so we are closer to 40% as far as our fund balance goes in our General Fund. Our Tourism Fund is approximately \$1.68M or 76% (target goal 50%) as of the end of April. There is no requirement to have any kind of fund balance but we think it is necessary given the volatility of storms or what have you. The Utilities Fund is approximately \$4.12M or 70% (target goal 60%). The total reserves for all funds following April 2011 are \$8.79M. Our budget is a little over \$16.5M so we do have reserve in all those three funds. In the event that we have a storm, our General Fund is a little lower than I would like to see but I think all the funds combined we could pull those resources and pull through something

if we had to. Historical view of past budgets and fund balance appropriations - when I started working for the town it was in an April and I had a month to do the budget. Throughout that course, even back as far as 2005/2006 we refused to appropriate the Fund Balance all these years except for two. We've also had transfers which is something I kind of started when I got here because I thought it was important that those funds carry their fair share of the weight towards the General Fund and it also helped to balance those budgets. Tourism Fund, same thing, we've been using some for of appropriated fund balance since 05/06 and then Water and Sewer Fund as far back as 04/05 so there has been some use of Fund Balance. General Fund - Fund Balance history - depicts where we are with our Fund Balance. Our total Fund Balance, appropriated and unappropriated, has increased since 2004 despite the fact that we actually load that into the budget because what we hope at the end of the year is that we don't use amount that we load into the budget. At this point we're at \$4.4M in 2010. This year and next year I think we'll probably see some reduction in that total Fund Balance because we have really scaled back, been more aggressive with revenue projections, so there will be some use of that probably by the end of this year and by the end of next year. What is happening is that our percentage is going down because our budgets have gone up. That is a general view of our General Fund - Fund Balance. There has been some discussion about our change in our General Fund since 06/07. There is no double, our General Fund has gone up about \$1.8M almost \$1.9M. I have given you a summary of where those differences are on the right hand side of the chart and there is no doubt we have gone up that much since the proposed budget in 06/07 to 11/12, almost 6 years. It has gone up quite significantly. The next slide kind of shows you where and why the budget has gone up, they're mostly capital projects. Carolina Sands was not in the 06/07 budget, Wilmington Beach streets and ponds, CBP3, expenditures for legal. Capital projects and salaries in the fire department. Salaries have gone up because we've gotten a lot of mileage out of them. We're staffing four at a time now. If we had done it with full-time employees it would be a lot more than that. Powell Bill, there's a grant in there and then contracted services which is our landscaping and our solid waste. The primary of the solid waste is what has gone up since 06/07. That basically explains the \$1.6M of the increase that I told you is closer to \$1.9M. I didn't get into it real detailed but I probably could have gone further explaining why the budget has increased. In my opinion it is mostly capital related items and a few other items that are operational. Every year you get expenditure increases, for the most part, health insurance and gas and those types of things as well. Budget actions during tough economic times - department heads submitted conservative budgets, I thought they were conservative and there were not a lot of wants but basically needs that they asked for. Revenue estimates were somewhat conservatively estimated so hopefully we'll meet that target and still have some wiggle room in there with our revenues although we are starting to max out. The town has eliminated a good number of positions since 06/07. We have picked up some here and there as far as part-times and what have you but I estimate that segment at about \$650,000, that's salaries and benefits total. We financed items where necessary and, as with every budget cycle, we review every program, every expenditure and line item. Some folks think you add a little bit here, we look at actual expenditures, what happened the year before and potentially the year before and the year before. The future budget concerns are declining revenue and increasing expenditures.

There's a large amount of capital projects that will require additional debt service and will likely result in the need for additional revenue. We've got some other projects out there that we need to do and they're going to need revenue. We've got a change in our pier/park project debt service. There is a lower than typical fund balance for the General Fund. It's a nice fund balance but not as high as I would say some of our peers are and I would like to see it higher and the only way you can do that is general expenditures, raise revenue or a combination of both. FY12/13 will be a re-evaluation year and I think there is no doubt that we will lose a significant amount of our evaluation. We'll have to, again, state what revenue neutral is and do some of those things. So it's going to be a really strange year next year with the re-evaluation. Our proposed Budget Ordinance No. 11-868 is for your consideration tonight. That basically adopts the budget. We'll flip through that so you can see the different pages of it. It is basically a more refined version of what I have talked about tonight as far as expenditures and revenues. So that is the actual budget ordinance which you are required to adopt by law before June 30th. I would like to thank the Town Council and staff for the hard work that has gone into the preparation of the budget. The actions I am requesting: open the meeting up to a public hearing; close the public hearing; Council questions and discussion; consider adopting Budget Ordinance No. 11-868; consider adopting the proposed line item budgets for each fund as presented to you tonight; consider adopting the proposed budget fee schedule as submitted to Council as part of the budget; and, if approved tonight, the final budget document will be completed and delivered to Council prior to June 30th. In order to save costs we are copying and putting it together ourselves.

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

Steve Shuttleworth, 808 CBAN, asked the town manager to put back up on the overhead the future budget concerns page. He said that is almost exactly what they had last year except for a different year. Again you guys are going back into all the fund balances and taking a little bit more than we did the previous year. They are primarily for capital items. My suggestion and encouragement would be stop the 1710 expenditure. You don't have to buy that lot, you don't have to hear the the next item coming up on the agenda that says you're going to approve it and put in a gazebo and do all these things. Every access I have seen on a side street is pretty much handicap accessible. They may not be exactly ADA but I don't think you get that many people up there. That's \$160,000 that the town still owes the Kirkbride's. Tell them to keep the \$40,000 and take their lot. If it's worth that much, let them go sell it to someone else and you guys better figure something to do on CBP3 because it is an election year. We recommended to you last year, be careful. Tim was able to go out and restructure a note but that interest only payment is coming up. You've got one year at just under \$300,000. If you go back and look at the biggest explosion in your budget it was under legislative. What's legislative? What are you guys doing at the state capital? No, those are all capital improvement items that you guys are doing that you put under legislative and it went up to over \$1M. Some of those were obligated years ago, I understand that you have to continue to do those and they are actually infrastructure projects. Tim was talking about EQ's and finishing up the paving and obligations that were made for water and sewer, those are fundamental things

the town should do. Buying a lot on Carolina Beach Avenue N. that is unbuildable and went through all those regulations is ridiculous. You just talked about not wanting to spend \$160,000 Dan without a public hearing but you're going to go do that on 1710 tonight and finish paying that off. You had a public hearing, now you're going to go through and talk about improving it and spending more money, there's your \$160,000 Lonnie that will pay for the changes to the road diet. You've got \$300,000 in the budget, \$290,000, to pay the interest on CBP3 project. Next year it's going to be almost \$400,000 and, if I read the notes right, that goes on for 15 years. Tim and his staff did a great job this past year trying to get funding and grants. Unfortunately, Kure Beach sucked up a lot of cash to get their oceanfront park. Some of the sources you guys have gone to aren't going to contribute, they just can't, and everyone knows the condition the state is in. So if we are counting on the state to come up with a bunch of money to contribute to building a pier or paying for parking lots or contributing, it just isn't going to happen and we have to be realists about it. You guys better solve that problem. I'm hoping you will solve that problem because our fund balances are getting any lower. We have a couple of them that are significantly higher than they need to be and that's great and I applaud staff for doing that but the General Fund is substantially lower than the targeted amount. And for the last couple of years, if you look at the trend, you guys keep taking a little bit more and a little bit more and I would just ask you to reconsider some of those capital items.

Alan Gilbert, 601 Atlanta Avenue, said he can honestly say he hasn't studied the budget like he has in year's past. I think watching budgets since 2004/2005, I think there is a lack of fiscal responsibility so I can say that maybe I'm here tonight to shed some light. To most of us who manage a household or business, when we say budget we mean trying to manage our income not to exceed our expenses of expenditures. I look at this budget and I see smoke and mirrors. I see Tim with his hands tied because you're not going to let him raise taxes, it's an election year. So I see Tim over here doing an illusionist's impression of Harry Houdini. He can't do anything but take from these reserve funds. I look at the reserve funds and I look at this mass of money, some of you said you were going to manage the town like a business and I said good luck with that because if I had a business and I had \$8M in the bank to borrow from every time I made a bad decision, that would be interesting. I wouldn't have that business long. What you guys are doing this year is taking, I think if I do the math right, \$1.25M out of your reserve. I think you're going to pay back \$250,000 but you're borrowing from the taxpayers who have paid fees and taxes over all these years, you have amassed \$8M in the bank as a rainy day emergency fund. I say emergency fund because rainy day fund is when you want to buy that new airliner. Going over these numbers, it's just smoke and mirrors and I don't think you can manage the town by continually taking from savings, your reserve. Those reserves were put there on the backs of the taxpayers. I couldn't take it from that knowing that's on the sweat equity of my taxpayers. Knowing that, you're borrowing the \$1.25M... You're raising refuse fees, for people who recycle, 5.75%.

The town manager said he did not propose any changes to recycling, if I remember.

Mr. Gilbert said you just said residential carts with recycling, \$17.39 is present, \$18.39 is

proposed and I think that's 5.75%. Here's the challenge, you are taking from the Tourism Fund, which is the cash cow, I believe Lonnie made the motion to appropriate \$1,000's of dollars to put a roof on the senior center from the Tourism Fund. I don't need a roof but I would love to have gutters and the senior citizen's center is a wonderful organization but it's just like the American Legion, it's private, it's great. Why not consider that the tourists are using recycling, a lot of the tourists on the north end don't have recycling bins. So here's the challenge for you, instead of raising my refuse rates 5%, why don't you borrow from your Tourism Fund and supplement that, give us full-size recycling bins everywhere on the island because the folks I interface with that are staying on the north end that don't have recycling, they have a lot of bottles and cans, they're recreating and they have no place to put them. We say you can cart them out to Ashley High School or bring them by the house and you can throw them in ours and we'll get them recycled for you. But I think if you look at your recycling plan and you said let's take some of that money that we are putting roofs on places and studying plans. You've got a big cash cow there. Part of your \$1.25M, a good portion of, is coming from your Tourism Fund. So why don't you supplement your recycling for the residents who pay taxes and built this Reserve Fund that you are drawing out of to manage your day to day operations and get us full-size recycling bins and mandate recycling. Everybody should have recycling bins and put the full-size bins that can service us. My recycling is certainly more than my daily refuse. That's a consideration. I think when you look at it and when you talk to people who really do municipal budgets and really try to manage the incoming vs. the outgoing - CBP3, that was an interesting way to try to make the town available for some funds but if you take the debt, I think the projected, with expenses, is \$800,000 a year if you build that park. You have no pier champion anymore. All the aquarium directors who are championing piers are somewhere else. You don't have a legislator who's going to do it. They are already talking about looking at the fees to manage the aquarium, to take the entry fees and put it back into managing the aquarium. The aquarium takes \$10M, takes fees, but never pays the government back for the fees. The legislature has figured that out. So you've got the expenses of the pier, help me out. Right now you're \$390,500, is that not right?

The town manager said about \$290,000 but \$57,000 of revenue coming in.

Mr. Gilbert said offsetting that. So basically, if you took what you're spending on that piece of property that is not valued out other than somebody's getting \$57,000+ somewhere so I'm sure the people running it are making more, you could take your debt service from the pier and pay your Wilmington Beach paving and not impact those folks. Wow! So, if CBP3 owns the note, let them have it. Why don't you guys let them service the debt if they own it, let them get the loans, let them get the grants. Stop using the taxpayers' money to service CBP3 debt. If CBP3 is a viable organization, they can go out and get funding and get sponsors and pay for that. If you guys, anybody up there, made a commitment that they are going to run the town like a business, I would say drawing \$1.25M out of your reserves on previous taxpayers is not the best way to run a business. This man's hands are tied, and he's had them tied for as long as he's been here. He's a Houdini. If somebody asked him how you balanced the budget, it's magic. He has the ability because he knows you're going to agree to it to pull from your reserves.

We put those reserves there not to go out and spend a bunch of money on properties here and there for your friends or family or whoever you're doing it for. Respond to us, please help us out. Save me 5% on my refuse, give me a bigger recycling bin and I guarantee you it will have more recycling in it than refuse and maybe one day when their weighing your refuse you will see that the value is don't charge me more because I put in less.

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

Councilman Lewis said he thinks his position has been pretty clear. As it concerns the water and sewer part of the budget, I really don't have much of a problem with that because we don't really set aside capital to make improvements in the water and sewer. In the former community I was in and I was the mayor, if you had a \$50 payment for water and sewer, \$10 of that was set aside to replace capital. You built a capital fund and we used that for improvements. We don't do that, we just have it all in a big pot and use that. I have no with moving money out of reserves because that is supposed to be capital budget money for things we have to do over a period of time. Over 40-50 years, we're going to have to replace more pipe, more sewers, all those types of things that maintain that system so I don't have a problem with it. The tourism budget as well is a budget that is being creative and I think it is a cash cow because we do have a unique venue in Freeman Park but it also is we are a tourist town. We've got to use up the funds that are provided by the Tourism Fund for things that cost us money as a community that support tourism here. But when it comes to the General Fund, I have a real problem taking money out of the General Fund and then going back after Reserve Funds and just drawing that down because we continue to have declining revenues and increases in expenses. We should be able to balance the budget without really taking any money out of the General Fund Reserve over a period of time. Whether that means we reduce the size of government, almost everyone on Council has made a great suggestion, in fact Lonnie came up with some really good ideas at the last budget meeting and Pat and the Mayor so those are things I think we could implement. I keep bringing up issues around our legal costs and I think we're running down that path right now, I think we can save some money there. We're looking at things like bringing parking back in house and possibly saving money there and taking a look at reconsolidation of departments we have. We have a lot of departments that have a director and a few reports and in business that just normally doesn't work. You normally have a supervisor or manager and multiple reports. I look at the police chief and fire chief, they have quite a large group of employees to handle so they have a lot of balls to juggle. Someone who is handling 2 or 3 employees, there's no real juggling. We have layers where we have a director, a supervisor and then the employee so each one has one person. To me that is just totally idiotic. I think I've discussed this before I presented, I really don't have any individual wishes to zero in on today. I just see it as an opportunity for us for \$323,000, I think there's money in the budget, I think we could find that money and eliminate those funds being pulled out of our General Fund. That's my opinion.

Mayor Macon made a motion to adopt Budget Ordinance No. 11-868 (Exhibit 2) which includes proposed line items and the fee schedule as part of that budget.

MOTION CARRIED 4-1 WITH COUNCILMAN LEWIS VOTING NO.

***PUBLIC HEARING - CONSIDER AMENDING CHAPTER 8 ARTICLE IX
SIDEWALK CAFES, TO UPDATE THE OPERATIONAL REGULATIONS FOR
SIDEWALK CAFES***

The planning director presented this item. Mr. Ferguson said the town manager directed staff to examine new standards to regulate the operation of sidewalk cafes. Cafes are only permitted as an accessory use to eating and/or drinking establishments. Basically you have to be eating in order to be at a café and you have to be seated. Those are the two basic rules about outside dining at cafes and I think when we first looked at this, maybe a couple of years ago, there were some questions by Council about how you are going to monitor this, how are you going to know if someone is getting food or they have ordered food. How is that going to work? And I think staff's position on that at the time was that the police would be very benevolent in the way they look at things like this. They're going to give people an opportunity or time to order food and wait for the food to get to the table and they are going to give them an opportunity to make when they are done dining, give them a normal period of time to do that. However, there have still been some establishments in the town that have had difficulty complying with these regulations. And because of that difficulty, staff has generated some changes to our outdoor or sidewalk café ordinance. One of the changes you will see in the attached ordinance is it would not require patrons to be seated while consuming alcoholic beverages. It does not require patrons to be eating either while they are consuming alcoholic beverages. Currently, the way the ordinance is written, it really is geared towards having a café that serves food as well as alcohol. Under the proposed ordinance you could be drinking only at an outdoor café. Those are the big highlights of this change. A big part of the issue, and I'm sure the chief might want to weigh in on this, you see this picture here and you see those stanchions that define the area, it's difficult for folks sometimes to stay within those areas or, what we are calling in the attached ordinance, the premises of the outdoor café or sidewalk café. That is kind of the regulating factor in here. It's up to the operator to make certain that his patrons are staying within those stanchion areas. The police have had difficulty trying to keep people within those areas. That is what is being proposed to you this evening.

The town manager said the problem we're having is if you walk by any of these cafes people generally have popcorn out there or saying they are waiting to be fed or just ordered a meal or you've got somebody standing outside smoking and these folks are getting tickets. Mainly the establishments are the ones that are getting the tickets, one in particular. So we wanted to see if Council wants to make that a little different situation so that maybe these folks aren't getting tickets as much. The other part is do you want drinking establishments to be able to do the same thing, that's really a policy decision. We can continue to only require or allow people who serve food to do so, to have cafes. Then there could be no change, that's another option.

Councilman Lewis said the ALE has some rules around containment areas. I don't know if we have already talked about them because I've had discussions with them just on

containment so people aren't just walking out. They can give you a ticket for having liquor outside what they call sidewalk cafe containment. They have gone out and ticketed people with open containers in Freeman Park.

The planning director said our town obviously has a prohibition against public drinking but as far as ALE is concerned, I think they are only trying to implement our rules as I understand Article 10 which deals with public consumption of alcohol in a public area. We could either loosen it up or tighten it up. We contacted ALE about Diane Dugan's place of business if they had any problem with folks bringing liquor or drinks out of the interior of the bar to the café on public sidewalks and they said this is really a Council driven decision.

The town manager said he guessed it would have to be listed on their license.

The police chief said right, as long as it's private property, like some of the places have, it's not a problem. When it becomes public property they did make them diagram out showing where the alcohol would be and, you're right, if they go past that line they're going to have a problem.

The town manager said and that's part of their ALE permit, correct? Staff said yes.

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

Jerry Bigley said a couple of times in the last month ALE tried to cite me for people drinking beer at the back of the building. How am I supposed to see outside the back of the building? I have cameras everywhere but I can't pay people to watch the cameras all day. It is a problem and I think somebody needs to talk to ALE about it. I have an answer to the solution. All I have to do is get an on premise drinking license and I don't have to worry about it.

Alan Gilbert, 601 Atlanta Avenue, said I think when you're talking about sidewalk cafes and you look at this picture you have to say where is the sidewalk because what I have noticed interfacing here is that when the government said you couldn't smoke in the bars they smoke out of the bars now and they smoke just in this corridor here. So drink or not, there is a group of people outside restricting the flow on the sidewalks. So the biggest challenge I've seen, formerly owning a business over here, my kids and I walking up and down the street, is that most of the smokers as they cycle through, there are a lot of folks on the sidewalk in some of the peak times blocking the sidewalk. I think Gary put it well in that it is up to the management of the restaurant to maintain control of it. I think you have one restaurant that does extremely well in managing it. The other restaurant, I've eaten at one of the restaurants and have been sitting outside and the patrons from the other restaurant come over and sit down next to you with their beer and have probably been there a little longer than we have with the family having food so there is this interfacing going back and forth with the alcohol. I think the Lake Park corridor is our main thoroughfare, you get one chance to make a first impression and if the first

impression is a bunch of people hanging out on a sidewalk, smoking cigarettes and drinking beer or cocktails and not dining, it's probably a hard decision. I think this location is challenged because there isn't a whole lot of sidewalk so picture your family trying to get up to the florist and they are basically interfacing down a very narrow corridor where they don't have a lot of room and with mainly restaurant/bar patrons and maybe some smokers out there too. If you are going to change legislation, be careful because this is our main corridor. I know I've gotten it wrong many a time. Mr. Bigley owns a lot of businesses and I didn't know the number of businesses. He owns Tangerines and it's just like Tangerines is out there doing their thing, Hell's Angels and all that good stuff, that's a first impression. So I think as we thump the master plan it is a family community and the master plan says quaint, coastal family oriented and all that so I would just invite our restaurant/bar owners to consider that this is our public thoroughfare. It may be that whole thoroughfare that takes advantage of that legislation.

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

Mayor Macon said he has visited many places that allow public consumption where I have sat outside on a barstool like that and had a small table there and enjoyed a cocktail while I watched the world go by. It is an enforcement problem and was brought to my attention from some of the establishments who have these tables out here that it is a difficult thing for the police to decide who is waiting for food or not, difficult to police that and that is where the difficulty lies. I don't have a problem with somebody sitting at that table and having a beer.

Councilman Wilcox said it looks like two issues to him, an issue with people sitting and it is almost unenforceable when you say you have to be eating. That's one of the problems. I have no problem with people sitting there drinking whether they are eating or not. I always thought that was the wrong way to go. But the other issue is people who walk outside to smoke with a drink in their hand. I think that is the bigger issue. That is where you get that congregation sometimes to the point where it is detrimental to the people who are sitting outside. I don't have a problem with people sitting outside and drinking, whether they are eating or not, whether it's a bar or restaurant. I think when you start allowing people to stand up and drink that is when you are going to run into a problem because more and more people are going to come out there.

MPT Efird said she doesn't have a problem with them being outside either, standing or sitting, but I think the problem lies with the owner or manager to make sure that doesn't happen. If they look after their business and know they are going to run away some business then they ought to be more cautious about what is going on out there and that's the problem.

Councilman Lashley said if we can help the police, and I think this will help you all. The other thing is you say something about considering a \$200 annual permit fee. What do we charge right now?

The planning director said he didn't think they charge right now.

Councilman Lashley asked why we want to charge them \$200?

The planning director said they are using public space/resources, which is the land, the sidewalk itself, and you are conducting business on it. So I think for that lease or that rent for that public sidewalk we should get a return.

Councilman Wilcox said there is also effort on the staff's part for the process and police have to monitor it.

Mayor Macon said not to mention that they are citizens and they own that space anyway.

Councilman Lashley said if this helps the police force, I'm all for it.

Councilman Wilcox said he thinks Pat is right, most of it is a management problem. The problem is a number of these places that do that, they have one person behind the bar and they might have one other person in there other than somebody that's in the kitchen. In order to have those two seats out front and a few people standing out there, they pretty much have to hire another person and they aren't going to do it.

Mayor Macon said the question there is - sitting in the chairs or standing as well, open it up, if you are sitting in a chair you can be drinking or if you are standing out within the confines of that roped in area, you can also drink.

Councilman Lewis said he is open to sitting or standing as long as they are in that confined area because somebody is going to walk out there and sit in that chair anyway so where they standing or were they walking to the chair it's open to interpretation. I would be in favor of what staff has here, does not require patrons to be seated, as long as you are within the sidewalk area that is cordoned off, and they don't have to be eating. I think eating or drinking establishments should have this.

Councilman Wilcox said he doesn't personally have a problem with people standing up and drinking but the reality of it is, especially when you look at these two businesses right here, and when you look at the other businesses who are doing outside cafes they all have very limited space. You've got a door and a place on each side for a table. People are filling up standing in front of the doors and they are spilling out past that barricaded area. We can say it's the management's issue all the time and then put more burden on the police department to try and go down and fix this issue or we can realize the reality of it is the more people we encourage to go out there with a beer and stand around and drink, the more problems were going to have and how hard it's going to be on the police department. One way we're helping them and another way we're hurting them, that's why I'm trying to distinguish between the two.

The police chief said they don't go up and ask them what they ordered if they are sitting there but there is only those few seats when there are 6-8 people out there. I wish the

owners had stayed here, at the meeting, because most of them have complied and helped me out. Here are my rules and this is what I can live with. I don't care if you all are really eating or not because you are probably going to eat something while you're out here. The problem we have is they are standing out there and drinking, smoking cigarettes and I don't know how you are going to tell them to stay behind that barricade when they come out the door because that's not where they stand. They stand in front of the doors. If somebody is going to go outside and smoke a cigarette, they're going to smoke it and go back inside. If they are going to smoke and drink outside, they're going to stay out there so we have to think about how they are going to cordon off that area. Are they going to take it on out in front of the door and come down with a nice little chained area and a small little thing, which would be fine with me if they don't come past there because the problems I have with the citizens coming up to me and saying they are trying to pass through there with their kids and aren't comfortable walking through there because the patrons are all the way out to the street.

Councilman Wilcox said The Shuckin' Shack does a pretty good job of it but, still, I have gone by there and the people have drifted out to the edge of the sidewalk and I think you are right. If we make it even easier to stand out there and drink when people are smoking, we're creating a bigger crowd.

The police chief said he is not against them standing out there and doing that it's just going to be very difficult at 10:00 at night.

Councilman Wilcox said his guess is that if we change this ordinance, we're talking about changing it so you don't have to sit down and if you don't have to sit down those seats will disappear and you will end up with a little corral area where people are probably standing outside and there might not even be a table but at least they would be in that area.

The police chief said that is fine, too, if that is what Council wants to do, if they have a defined area they can stay in. I don't want to write the tourists tickets down here and I have had some people say to do that. I say no because that person is from out-of-town and doesn't know. We don't give the tourists tickets because we want them to come back next year. They don't know what the rules are, but the management knows what the rules are. You are right too, they can't afford to hire a third person just to stand out there and watch people smoke and drink so there is going to have to be some way to do it. They can put some little signs up out there, if they do have a barricade and there is an entryway to go towards the door and they can stand in there and drink, which is fine, if they have a little sign that says no alcohol past here then they know when they walk past here they are going to get a ticket, not the management.

Councilman Wilcox said he thinks the application of it is, if we are trying to help you guys, we're helping you guys by saying it doesn't matter whether they have food or not but when we change it to say you can stand up there and drink, we're putting you right back in the same situation where you have an enforcement issue.

The police chief said ALE is going to make them stay because that is public property. They're going to say you have a defined area now, you have 4 feet and you had patrons 6 feet out. Now they are going to walk in and write the establishment a ticket. It's going to be tough.

Mayor Macon said he thinks the issue is the people who are sitting in the chairs. I don't know that opening it up to standing and drinking is going to be a good thing but, definitely, if you are sitting in a chair and order a drink and not eat, I don't have a problem with that.

Mayor Macon made a motion to allow drinking only at outdoor café tables, removing the requirement to eat, but you must be seated and this applies to bars and restaurants by adopting Ordinance No. 11-869 (Exhibit 3). MOTION CARRIED UNANIMOUSLY.

CHAPPELL PARK PROJECT UPDATE

The parks and recreation director presented this item. Mr. Lashley said for the last 3-4 weeks Landscapes Unlimited started the projects out there on the soccer and softball fields. They've been spraying the area with a post emergent herbicide to kill the weeds. Starting next week will be week one on the schedule that I gave you when they will apply Bermuda seed and then follow the fertilization schedule that you see there. We've added the irrigation to make sure that we have full field coverage and the irrigation schedule will be tailored for optimal growth according to Landscapes Unlimited advice. Film dirt will be used to take care of dips and low lying areas and we plan on posting signage and using orange construction fencing to enclose the area to try to keep people off the area plus we will ride by there and also ask the police chief that if they see people on the field when were not there to please ask them to stay off the field. We have clay ordered which will be added to the softball field and the infield will be sloped to take care of any drainage issues. The outfield of the softball field will also be seeded and fertilized and fill dirt added to low spots. All this is scheduled to start next week. We are also in the process of bidding out the basketball court. I know I came with one price just for the court alone but Tim and I sat down and added some stuff to it, fencing and some lighting and the entranceway to the park area we are going to pave that with some speed bumps to slow down people so they won't hit the guys playing basketball, chasing basketballs, or the small kids coming out of the playground area. We are also looking to add a youth basketball area, maybe a 15'x 15' or 20'x 20' pad with an 8' goal for the small kids. Hopefully I can come back in July with a budget for that project. All of that is probably going to be New Hanover bond funding for the project, that's a reimbursement fund so we'll get our budget, transfer some money to do it and then apply to New Hanover County for reimbursement on bond funding. He updated the Park and Recreation Committee on the project. He also said they had their fishing tournament last week with over 170 kids registered.

The town manager said there were some maintenance items that we are working on over

at the gymnasium, one of the maintenance workers stripped one of the floors and re-did the flooring, the wax on it and it looks pretty good so we are going to try to do that throughout using his labor and maybe some overtime. It's going to be cheaper than the quote we got which was around \$4,500 which he thought was too high. We also fixed the ladies bathroom. There was some tile that was broken for 3 years, fixed that. We also looked at painting some of the doorframes. We've stripped the racquetball court and it looks nice. Ted is also working with folks to get quotes on whether we can expand certain areas, particularly the weight room, maybe the cardio room, some of those things. He is working with the people who did the construction originally to come up with some estimates to maybe move that forward, maybe not anytime soon but at least we'll have that in our back pocket if you want to move forward on it.

CONSIDER APPROVING A "CERTIFICATE OF NEEDS AND NECESSITY" FOR TWO NEW TAXI COMPANIES TO OPERATE ON CAROLINA BEACH: SURF'S UP TAXI AND CAROLINA YELLOW CAB, INC.

Mr. Pavin presented this item. He said there are two things they are looking at with this tonight. There are two folks who would like to open taxi companies in Carolina Beach and the police department approves the new taxi permits here but before they can do that they have to get approval to operate by Town Council. They are Jessica Ellis and Mark Pacheco. Ms. Ellis has one cab which is a golf cart and Mr. Pacheco has three cabs. That is the first issue we are looking at. He showed a list of existing cab companies. With regard to the second issue, he said at one time there were a limited number of allowances for taxi companies and several years ago we took that out and said we'll just let the free market dictate the number of taxis we have. So now that we have that, do you still want to hear when the new taxi company comes or wants to be permitted and still go through the permitting process with the police department, do you still want us to bring you every time they come in a report and look at it like we are looking at it tonight? Those are the two questions, first, these two companies are looking for approval and then do you want us to go back and take out that requirement that you have to see these when they come in?

Mayor Macon made a motion to approve the need and necessity for the two applications that we have for taxis. MOTION CARRIED UNANIMOUSLY.

APPOINTMENTS TO THE TOURISM MARKETING COMMITTEE

Mr. Owens said there are several appointments to the Tourism Marketing Committee that are up for possible renewal as of June 30, 2011. Those names are Bruce Holsten, Ronald Topping and Cynthia Remahl. Bruce Holsten and Ronald Topping said they would like to be considered for reappointment. Cynthia Remahl said she would serve but she recommends that Joy Donat, a coworker from Intracoastal Realty, who knows a little bit more about the short-term rental market and thinks she would be a really good asset for that. In the instance that you don't see fit to make that change, she would want to be considered as well. There are also several other folks who want to be considered and are attached in your packet. It would be for a two year term. There is something in the

ordinance that says you can't serve more than three consecutive terms. None of these folks have done that.

Councilman Wilcox recommended increasing the committee by two, let Cynthia stay on, take a new appointee and have another position.

The town manager said they would have to change the code but guessed we could do that tonight as it doesn't require a public hearing. The ordinance is in your packet as well. It would be up to Council. They could be alternates.

MPT Efird made a motion to appoint Kymberly Lewis and Duke Hagestrom. MOTION CARRIED UNANIMOUSLY.

Mayor Macon made a motion to reappoint Bruce Holsten. MOTION CARRIED UNANIMOUSLY.

Councilman Lewis made a motion to expand the Tourism Marketing Committee to two additional members. MOTION CARRIED UNANIMOUSLY.

Councilman Wilcox made a motion to reappoint Ronald Topping and Cynthia Remahl, the three reappointments for a two year term and the new additional members to a one year term. MOTION CARRIED UNANIMOUSLY.

DISCUSS AND CONSIDER A 2 YEAR EXTENSION TO THE TOWN'S LANDSCAPING AND GROUNDS MAINTENANCE CONTRACT

The public works director presented. He said the landscape contract is set to expire in October of this year.

MPT Efird made a motion to extend the contract with Landscapes Unlimited for two years. MOTION CARRIED UNANIMOUSLY.

REVIEW AND DISCUSSION OF PARK CONCEPTS FOR 1710 CAROLINA BEACH AVENUE NORTH (CBAN) TRACT AND FUTURE DIRECTION

The town manager presented and said we have several different concepts for a park at 1710 CBAN lot. Some of them still need to be reviewed for side yard setbacks and whether they are in front of the 60' setback line for CAMA, etc., but, in general, the concept is that it would be an oceanfront deck, port-a-john facilities that would be handicapped accessible, potentially shower facilities. So we have a bunch of concepts here which I am interested in hearing the ideas as far as concepts. I anticipate having potentially some passive park type stuff where the aquarium maybe provides for educational materials within the park setting as well as attractive landscaping, natural type landscaping that doesn't need a lot of watering on this lot. And we are also going to start looking, with Council's approval, for grants to do this type of project. Margaret Gray, who did one of the concepts, found some good foundations that we think may have

some funding available. They are all health oriented or handicap accessibility type projects. So he is looking for input on this project as well as authorization to proceed forward with seeking grant funding.

Councilman Wilcox said he has talked to the county, the state and one of the disability engineers, and a class at the college, with regard to the park and funding, and everyone loves the idea of having a special needs park where they can bring kids from all over and have access into a setting designed specifically special needs folks. There is a lot of interest and feedback and he feels there is a high likelihood of getting some funding to construct this and perhaps to offset the cost of the property. There are a lot of private organizations who support this type of facility.

The town manager said the concept needs to be reworked a little bit. I'm not sure we need a splash pad up there because that's a lot of maintenance, limited use and it is pretty expensive to do. It could be a sitting area or where we locate the shower facility. The decking I think is too far up, Ms. Gray didn't take into account the building setback line and it needs to be pushed back a little bit and also the side yard setbacks and the CAMA allowance on size, which is over what is allowed. But it would provide really good visibility of the ocean if you were in a wheelchair or had accessibility issues. He said he would try to make this a little cleaner and go forth on seeking grant funding.

The town attorney asked if we are sure these things are not already exempt from the setback requirements. There are a handful of about 10 things that you can do ocean ward of the setback line.

The town manager said he didn't think we would have to get a CAMA variance. He thinks we will have enough room and can do it within the confines of the CAMA regulations. There are some issues but we can get Ms. Grey to modify it so that it meets all our needs and still meets all the regulations that it needs to meet.

Council approved moving forward on the item.

UPDATE ON CAROLINA BEACH MOORING FIELD AND DISCUSSION REGARDING THE OPERATION OF THE MOORING FIELD

The senior planner presented. Mr. Parvin said we have all our permits in place and in tomorrow's Star News and Island Gazette will be advertising for bids. I went through Monday and called all the marine contractors in the Yellow Pages to let them know this is up and coming. Our proposal is to have a bid process that will go through July 8th and we will present them at your next meeting on July 12th and then award the bid on July 19th. We are hoping to have our contractor begin mobilization at the beginning of August. On August 25th is the Sandpiper dock decision which we will talk about in a minute. We will give them a maximum of around 75 days from August 1st and should be more than enough time to complete the design that we are looking at for the concrete block which is in your packet. And then, hopefully, we got an extension for this grant until December

31, 2011 and hoping to have it done well ahead of time based on this schedule. The next thing was the variance and wanted to know if Council was interested in moving forward. This grant was for 10 moorings and a dinghy dock, 4 dinghies need to be accommodated, and we were trying to do that with the grant at Sandpiper. To do that we have to get signatures from both adjacent property owners which we have been working with but right now they have not signed off but there is an option to go to the Coastal Resource Commission and ask for a variance for that. If you want to move forward with that and we can't get that, we can accommodate dinghy docks at the day boat docks at the town marina but those are our two options for accommodating the dinghy areas and that is a requirement of the grant to have those four dinghy spaces.

Council agreed to go forward in asking for the variance.

Mr. Parvin said the next thing he wanted to talk about is the mooring field management. It was Councilman Lewis' idea to look at opening these things up for the off season at no charge and it would give us the time to work out the kinks with our registration process and let some folks have some allowances to use these with a fee attached to it. We are looking at potentially having a minimum fee starting at around \$10 and as we add amenities we can bump it up a little bit.

Councilman Wilcox suggested using honor boxes since we only will have 12 moorings and feels most people will contribute to that and it won't cost you anything.

Mr. Parvin said that was an idea we were looking at, maybe starting them off in the spring as free. There are four ideas they are looking at: Calling a phone number for a reservations; we can put an application on our website which we do have specifically for our harbor area; e-mail; and then the honor box.

Councilman Wilcox said he doesn't think you can take reservations as it implies that you will reserve it for someone, means you have to take some kind of credit card deposit and charge them if they don't show up and it's a management problem. It's first come, first serve and when you get enough moorings out there put a harbor master out there and then you can have all the tweaks that you need to have. I do like the idea of the honor box and not having to pay anybody.

Councilman Lewis said we might want to consider, once this is completed, putting out a social media, building a Facebook account just for the harbor itself because people like to put things back and forth, take photographs, but you have to have somebody's input to get it started. This would help people to start talking about it. There are a lot of communities out there that have social media driving some value for them but you have to have somebody to kind of rule the content to get it started.

The senior planner said there is also the official advertisement for the Big P grant is probably going to come out next week but I did put the standards or what the requirements are in your packet. I talked to the folks with the North Carolina Fisheries about us potentially going ahead and putting in an application and they had some

concerns with that because they would like to see some data before we move forward with applying. They want to see our people using the moorings out there so the likelihood of us getting it this year for additional moorings is probably low. We could look at applying for the Big P grant for another project this year and applying for additional moorings next year when we have some of that data to support it.

Councilman Wilcox asked how we're going to track that data.

The senior planner said the reservations is one aspect of it, we could have pictures of it when it's full but I think our reservation data would be...

The town manager said we want to do a camera at some point but you would also have to log your honor box if you go that direction. There's a lot of operational issues we have to think about and better understand that's why I am in favor of making it free to begin with so we can learn.

Council is in agreement.

REQUEST BY THE BOARDWALK MAKEOVER GROUP FOR THE TOWN COUNCIL TO CONSIDER FRONTING A PORTION OF THE FY11/12 FUNDS IN THE PROPOSED BUDGET TO ALLOW FOR CONTINUED ACTIVITIES PRIOR TO JULY 1ST

The town manager said we have taken care of this issue.

NON-AGENDA ITEMS

The town manager said we have a breakfast on Friday with the county commissioners and he is not sure what they have on their agenda but we probably need to think about things we want to discuss with them. There are some things we are trying to shake loose with beach nourishment and trying to move forward on that. There is still not a lot of progress to account for. There has been the recommendation that if anybody knows Hagan or Burr that we talk about two things - one, being contributing authority and, two, getting our project reauthorized in some manner extended. Steve is going to help us with some of that contact but if you guys have personal contact as well or e-mail, those two things would be appreciated.

The police chief announced that former Sgt. Sonny Russell's father passed away today.

Mayor Macon made a motion to go into closed session to discuss legal and real estate matters in compliance with [NCGS 143-318.11a(3 and 5)]. MOTION CARRIED UNANIMOUSLY.

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

Mayor Macon said that action is not needed as a result of the closed session.

MPT Efirid made a motion to adjourn. MOTION CARRIED UNANIMOUSLY.

Respectfully submitted,

Melinda “Lynn” N. Prusa
Town Clerk

Approved: _____