

**MINUTES OF THE RECESSED AND SPECIAL MEETING
OF THE TOWN COUNCIL
TOWN OF CAROLINA BEACH**

March 22, 2011

The Town Council of the Town of Carolina Beach met in regular session on March 22, 2011 at 5:30 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 Efirid; Councilman Dan Wilcox; Councilman Bob Lewis and Councilman Lonnie Lashley. Also present was the Town Manager Tim Owens and Town Clerk Lynn Prusa.

The March 12, 2011 regularly scheduled meeting was recessed to March 22, 2011. Also at this time Council called a special meeting to continue discussion concerning the proposed Budget for FY 2011/12.

Mayor Macon called the meeting to order.

The first to speak was Danny Swinson regarding Bike Week in Carolina Beach. Mr. Swinson said this event would help fill the void between Easter and Memorial Day. Not too long ago our police chief and assistant fire chief led the Red Knights and Blue Knights all the way to the coast on a charity run with no adverse incidents whatsoever. We are totally in support of all of our town ordinances being enforced during the event and know it would happen due to having one of the finest law enforcement agencies in the area. This past 4th of July there were 24 arrests and Memorial Day there were 14 arrests but we didn't close the bridge to our visitors due to this. After the news story last night on WECT-TV 6 Sara Nesbitt contacted me and said her father rides with the Christian Motorcycle Association and was in full support of this. I'm stating this just to overcome the stigma that some people have of bikers. He feels that if we was asking for the endorsement for the old car club and give the same statistics without the word bikers involved then there would be a different reaction. He passed out statistics sheets of bikers which he read from. He said the median household income of motorcycle owners exceeds that of the average America. Two-wheel households average \$59,290 while the average is \$50,233 per the Motorcycle Council. The age also has increased from 27.1 in 1985 to 41 in 2003 and the occupations of owners have changed to reflect the gentrification of cycling. In 1985, 23.2 percent of owners were laborers or semiskilled. That was down to 6.9 percent in 2003. In 1985 19% of bike owners were professionals. That number was up to 31.2% in 2003 per Yamaha Corporation. In 2003 the average age of motorcycle riders was 40; in 2007 the average age of 47 per J.D. Power researcher manager Tim Fox. More motorcycle owners are married. More motorcyclists today have college degrees and work in white collar jobs per the Motorcycle Industry Council. With this being stated he said that I am asking for nothing tonight but for you to learn who the motorcyclists of today are. He therefore rescinded his request for the endorsement from the town due to public reaction. He is a proud member of the community as well as Palm

Investments. We run a very respectful business and we have our standards. He presented this as an idea to extend our season and to bring in more revenue to make this a more prosperous place for our community. With that being said, he thanked Council.

Mayor Macon asked Council if they had any comments or if they would like to open it up for public hearing.

Councilman Lashley said he has some comments to make but if people are here to speak he would be glad to listen to them. He has talked to numerous people and he is open to listening to anyone who would like to talk about it. You may want the Council to vote on it and hear our feelings.

Mayor Macon opened the floor for public comments.

Mr. Tom Cook of 403 Beach Court said he lives in the area which is right behind Drifter's Reef and it is a quite neighborhood with kids. He is sure the bikers are wonderful people and they will bring a lot of money, but a whole week of Harley motorcycles right behind your house will be disturbing. That is quite a bit of noise to deal with for a week.

Greg Higgins, 1101 Canal Drive, said unless there is going to be a vote on this he doesn't plan on taking up the Council's time. So, he asked if there will be a vote. Councilman Wilcox said there isn't anything to vote on.

Wayne Bevins said he has lived here for 15 years and he does the bike thing. He works down here. He asked, if you hold it he would like to know how much the vending passes will be for the t-shirt stands. He would love to see it go through so everyone can have a good time. He said everyone will profit from it and it would be a good thing to try out. Mayor Macon said Mr. Swinson was asking for a letter of endorsement and he believes that it was an idea but there isn't a plan.

Mayor Macon said to those in the audience, you have one Council member who will ask for a vote so it is going to be voted on so you better come up and speak your piece. He knows there are a lot of people here about it. You have a Council member that can request a vote and he already said he is going to request a vote so this is your opportunity to speak. Councilman Wilcox suggested that at the last meeting he asked for a copy of the letter to look at and we still don't have that so he feels there isn't anything to vote on and it is a matter of procedure.

Councilman Lewis said he agrees with Dan. He agrees with a lot of the points that Mr. Swinson made and he knows that the statistics are correct, but if you look at the statistics from the Myrtle Beach Bike Week for the number of years those statistics tell a story too and there were a tremendous amount of vehicle accidents, theft, fights, etc. and we don't have the infrastructure, road infrastructure, police protection, fire protection or the accommodations to hold a bike week here. He also feels it is a burden for the residents to hold a bike week here. Bikers are his friends, he knows CEOs that ride them, our police

and fire officers ride them, but when you hold a big event in a very small island it doesn't make any sense. We just don't have the infrastructure to support, and even if we had a vote he wouldn't support it.

Councilman Lashley said he would like to make a motion. He said the e-mails that he received and probably most of Council and the citizens of this town opposed Council endorsing a biker week and we are here to serve the will of the people and the people have spoken strongly.

Councilman Lashley made a motion that we do not endorse bike week with a letter of authorization, even though we don't have one yet. He wants the people to know that we appreciate their input and it helps in decision making. He hopes we receive more input as we go along.

Mayor Macon said there is a motion on the floor, and he asked if there is any discussion of the motion.

Councilman Wilcox said this is a procedural issue for him and there is nothing before us to take any action and it isn't something we should be voting on. He would be glad to vote on it if the applicant would like to make a request or provide a copy of the letter which is what he was asked to do and he hasn't done that. He rescinded his offer and that stands for what it is. Councilman Wilcox said he doesn't have to prove anything to the citizens. There is no offer before us. It is a procedure issue and he doesn't feel that we have anything to vote on.

Councilman Macon said we have a motion to vote on because one was made. He asked if anyone would like to speak on this matter before we take a vote. There being no further comments, he called for a vote. **MOTION CARRIED 5-1.**

MPT Efird said she has enjoyed all of the phones that she has had and she talked to the people about a lot of things other than this and it has been rewarding to know that the people are still looking at us to do the right thing for you and we serve you and will do the best thing that we can for you.

Councilman Wilcox said the requests got a bum wrap and it was reported wrong in the paper. It was a request for this community to reach out to bikers at other biking events and have them visit our town to take advantage of whatever we have here and having said that there is a stigma with bikers and rather it is right or wrong whoever the crowd is we get in here we have no controls over it and if we were to get 100% best behaved cream of the crop people in our town it is still a biker week to all other people that don't know any better and all families and we have worked to hard to renew ourselves as a family environment.

The town clerk asked for clarification of the motion. The Mayor said the motion was not to endorse bike week. Ms. Prusa asked, and what was the vote. Mayor Macon said it was 5-0. Ms. Prusa said okay, I thought you said 5-1 and she thanked the Mayor for the clarification.

Mayor Macon said with that being said he thinks it did get a bum wrap from the media, but he cautioned Councilman Lashley that we are elected to make decisions and he was told today as a matter of fact by an informed person why we didn't take a vote on this and that on what the public wants. We are here to make decisions and we don't always have time to ask the citizens and to do a referendum on what we have to make and you and I both realize that. I have seen decisions get pushed off by this Town Council over 5 people coming up here and complaining on an issue that I thought was a very good issue, so I caution you on making those type of decisions based on phone calls and e-mails. You have to make the decision based on what you know is good for the town, and that is how I feel about that. We were elected to do a job and that is what we are here to do.

DISCUSSION AND DIRECTION CONCERNING THE PROPOSED WING FLING IN CAROLINA BEACH

Mr. Owens the proposal is to hold the Wing Fling in Carolina Beach next weekend. He provided them with a layout of where the event will be held. Basically a portion of Cape Fear and Canal Drive will be shut down. The event will be held from 10-5 and they will stop serving alcohol at about 4:00 p.m. The event is being put on and held by UNCW business school. This is their 15th year. They will not allow coolers. We tried to limit the number of places you can go in and come out of and we tried not to hamper normal business routine on the boardwalk. There will be a walkway area down Cape Fear to the boardwalk. There will be 8 law enforcement officers and 4-5 from the sheriff's department. Some of our maintenance workers will be hired by the event. They have 75-100 volunteers that will help throw the event and oversee it. We will encourage them to help pick-up after the event and they definitely will do the central business area where the event will be located. The roadway will be shut down on some parts on Friday. They are working on flat rates on taxi cabs. All parking is free of charge this time of year. We will have a few lifeguards out in case folks decide to go swimming. In order to get into this event you have to go on line to get your ticket but there may be some availability to get in the day of the event. The fee is \$15.00. They are hiring our police officers and some of our maintenance staff.

Mayor Macon said we will open this up for public comment, but he first asked to hear Council's comments.

Councilman Wilcox said they met with the Boardwalk Makeover and went through the same stuff and their only recommendation was that they pay those police officers for an hour or longer after the event and that they disburse into the parking lots. Mr. Owens said that he and the police chief talked about a similar thing to try and get folks to wherever they are going when they leave the event.

Councilman Lashley asked if they will be making a donation to a Carolina Beach non-profit organization. Mr. Owens said if the proceeds are there they will do that. They are spending a lot on the event and they didn't give any commitment on an amount but they have to pay staff and so forth. Councilman Wilcox said their whole event is charity so anything that is left over they give to after school care for disadvantaged children, he

believes. They talked about splitting it up among different groups here such as The Help Center, the Senior Center, the Historic Center and the Boardwalk Makeover Group, etc. It is an expensive event. They bring everything in such as fencing, beer crushing equipment and they take it all out, etc. Councilman Wilcox said that he hopes they make money. Councilman Lashley said they are bringing all of that but they are using our site. Mr. Owens said they are using our site and the other site donated by Secoff located next door.

Mayor Macon said that what he wants the public to understand is that they were turned down in Wilmington. This was a last minute decision that had to be made and we felt that if the event was run properly that it could be a good event for Carolina Beach for the day. I know there were some comments about area restaurants not being involved. I know there was one that was involved last year and they chose not to go. If there had been more time, I spoke with one that said they probably would have been involved. Unfortunately it was one of those things that happened and they only had a week. Councilman Wilcox said that he talked to her and she had accommodated some restaurants that contacted her. Mayor Macon said that's good.

Councilman Lewis said he will save his comments for later.

Mayor Macon invited anyone else that wished to speak on this matter to please come forward and state your name and address.

The first to speak was Chris Higgins, 1101 Canal Drive, representing the Carolina Beach Arts and Activities Committee, said that some of the representatives of the committee met today with the planning group and they are in support of the Wing Fling and hope that it will be an event that will be successful for those that are holding the event but one that we can look at in the future as a shoulder season event. We think this is a good opportunity, but unfortunately it did come at the last minute. She thinks that by putting some caution around it with the participants and let them know that we would like to invite them back but there will be certain expectations that we have such as contributions to an area non-profit and some other support to the local community, but we are in support of it. Since it is a public event that is coming to our beach she asked for clarification for getting tickets. Mr. Owens said he knows that are encouraging people to purchase on line. Mayor Macon said it is his understanding that they have a cap. Councilman Wilcox said if they don't meet that cap then they may make some tickets available.

Ms. Higgins said also the Arts and Activities has been asked to recommend a fee structure for these kinds of events and she would like to defer it to the next meeting because she doesn't have her notes. Mr. Owens said that is okay because he was going to put it on the April agenda.

Shawn Cook, representing Shuck-in-Shack Oyster Bar, 6A N. Lake Park Blvd., said that for the record he wants to say that the Shuck-in-Shack is for the Wing Fling. He was a big fan on the Wing Fling and used to attend pretty regularly about 5 years ago. He is

skeptical of the fact that the entire City of Wilmington will not allow them there so that shows a pretty poor track record. Also as far as what the town is getting out of it isn't concrete either so we are basically letting someone come in profit wherever the money goes off of the town. As a restaurant he will have to put a door guy on the door after 5:00 o'clock out front because that isn't his demographic, that demographic is about 18-25 from heresay and eyesight, and he doesn't believe that is what the town is striving for because that is what the Wing Fling is or that is what it was when he was there but that was when it was BYOB so he is glad there is some control over that. They are on the website and they cannot find anyway to contact someone for sponsorship or to sell t-shirts but they cannot find a contact and especially with this short notice. Councilman Wilcox said they did ask them not to have vendors that compete with other businesses.

Ms. Higgins said in terms of follow-up and the services that the Arts and Activities Committee would provided is to follow-up on events, and in terms of donations to non-profit we could offer following-up to see if contributions are made. Councilman Wilcox said it is his understanding that they didn't earn a lot, but last year they ended up giving \$8,000 to a non-profit charity. It is his understanding that any money earned goes to a charity. Ms. Higgins said if you like we can follow it up.

Fred Grady, 608 Cape Fear Blvd., has a few concerns about it. He is not for it or against it. He asked if the blocked off green area will be the area for allowed drinking. Councilman Wilcox said there will be a beer serving area and you can carry beer any where within the red line and there will be a 6' chain link fence. Also, Mr. Grady asked how many people approximately will be there. Mr. Owens said they have sold 1600 tickets from what he understands.

Mayor Macon said the expense to be in the event is the cost for the wings and to cook and stay there all day to serve them, but not for the tent.

David Cole, 6C Lake Park Blvd., The Dive, they were in the Wing Fling last year. He is concerned when the kids leaving at 5:00 p.m. through the gate. Where are they going? Mr. Cole said at The Dive, a couple of weeks ago they got a \$50 ticket for a fellow drinking a beer while waiting on his cheeseburger on a Tuesday night at 8:00 p.m. He is concerned if we can control it. He is doing his best to control it and he doesn't want a ticket. Mayor Macon said he is concerned about someone walking up to his business with a beer and he gets the ticket. Councilman Wilcox said you can't leave with a beer. He is concerned about the number of kids leaving that area at one time and turning right which is where his business is and he just knows that he doesn't want anymore tickets. Councilman Wilcox said there are about 7-8 parking areas all over town, including the Town Hall and they will be shuttling people in from various lots. There are about 18 police officers plus officers on duty and from the sheriff's department that can each take a street to monitor.

Councilman Wilcox said anytime we have an event coming to this town it impacts our residents and businesses. Some will lose a little money and some will get something out of it. Some people will come to this town that haven't come here before and will see

things they haven't seen and maybe they will come back another time. We are trying to shepard this through for everybody and it is not a perfect process.

Mayor Macon said they are sorry it was last minute. They discussed it with us a couple of months ago but then they found a place in Wilmington and were turned down. It was last minute and I'm sorry but sometimes it happens that way. I think it can be a good event for Carolina Beach and will expose us to a whole new demographic of folks that are young now and will grow up and remember their fun time in Carolina Beach and maybe come back. On public sentiment side, the reason that you can't always go with the e-mails you get or what people call you and say, because I have gotten a lot of flack for the Wing Fling coming here. I think it can be a good event if it is done properly.

Councilman Lewis said he supports having the event here and doesn't feel it is a big deal. He said the people that have experienced it in past years can tell you the problems with the Wing Fling overall. They said during the event there wasn't much of a problem, but at the end the parking lot became a nightmare with people out of control drinking in the parks, parking lots, became violent, wouldn't listen to the officers and wouldn't leave the place. Now you have 30+ officers last year and we have 8 hired and 4-5 from the sheriff's department thank goodness. We require our local businesses to make an application 10 days before you have an event and it has to be approved all the way through town. This event went through town one day and basically one person made the first decision and the rest of us on Council got notified whenever we got notified. He said by the time he was notified it was already on the Internet in the press. We have certain people on Council that always talk about procedure as long as they don't have to follow procedure. It wasn't a Council decision it was approved by one or two people.

Councilman Wilcox said since you are talking about me, I got a call on Friday afternoon and I was told the Wing Fling was coming and do you have any objection with it. I thought he was polling all of the Council people to see if they had any objection with it.

Mayor Macon said he had the same conversation with the manager. I said it was okay but he needed to call everybody else. He said that he doesn't believe that he ever said anything about procedure.

Councilman Lewis said to ask the people of Council when they were asked. He heard that it was discussed on Thursday and it started then on the web.

Mayor Macon said I had the same conversation with Tim and said that I support the event but he needs to call everyone else.

Councilman Wilcox said the town manager has the ability to approve an event but larger events he usually comes to us. Councilman Wilcox said he didn't have an objection as long as he put everything in place. We are having trouble getting shoulder events and this is one that came to us.

Mr. Owens said he called everybody on Thursday night and left messages with both of you guys. He talked to MPT Efird on Thursday night. I was in a meeting in Lumberton and didn't tell her anything until I had the full concurrence of Council. I told her on Friday after I talked to the Council members. If they jumped the gun and put something on the website it wasn't because of me.

MPT Efird said she thought he had already talked to the Council members and I was the last one called. She would have liked more time to make the decision. She hopes it will turn out well. She did get a lot of calls from people that said "you know you are not going to do that and let those people tear up your beach." MPT Efird said but we'll see what happens and if we don't like it then we don't have to have it again.

CONSIDER A REQUEST BY SANDSTONE SURF AND SKATE SHOP TO HOLD A SURFING CONTEST ON MAY 21, 2011 AT THE SANDPIPE LANE BEACH ACCESS

Robbie Little said they met with the Arts and Activities Committee as suggested and they gave them their blessing. The event will be held early in May.

Mr. Owens said he doesn't necessarily have a recommendation, but he has a few concerns because it is primarily in a residential area and he is concerned about whether they will have enough parking.

Mr. Little said the event will be held from 8:00 a.m. – 4:00 p.m.

Mayor Macon asked Council if they have any concerns or questions.

Councilman Lashley said maybe we should provide some lifeguards during the event. Mr. Little said there will be plenty of retired/ex-lifeguards at the event.

Councilman Lashley suggested that the parking lot adjacent to their business be free parking during the event.

Councilman Wilcox and Councilman Lewis said they didn't have any problems with the event.

Mayor Macon made a motion to approve the first annual Sandstone Surf and Skate Contest at the Sandpiper Lane location and that there be free parking at that location for the contestants during the event.

The manager said he will notify the parking company that it is free parking at the Sandpiper lot during the event.

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

Mayor Macon thanked them and said that we appreciate them putting the event together. He also said the place looks real good and is a nice addition to Carolina Beach. MPT Efird agreed.

AMEND CHAPTER 8, ARTICLE III PEDDLING AND SOLICITING, SECTION 8-47 TO CREATE AN ALLOWANCE FOR PUSH CARTS ON FREEMAN PARK

Mr. Parvin said this is the allowance for push carts at Freeman Park. Mr. David Cole at the Dive Restaurant came to you earlier this month and asked Council to ask the staff to consider for an allowance for push carts at Freeman Park. Right now we have an allowance for 4x4 vehicles to vend and it is fairly popular on Freeman Park. Essentially we have permits on the municipal beach strand from Alabama to North –End Pier and Freeman Park is the most popular place for vendors and they are all full. The street ends are hit and miss as they go. He has asked for 2 push carts vendors and he wants to be one. We have proposed amendments to the ordinance as far as the waiting list. Right now the way it is worded there is a little bit of confusion about when you have to get your application in. Right now it expires at the end of March, but you have to get your application in at the beginning of March. Now they are asking that the clear expiration is February 28 and everybody know they have to come in by March 1st and there is a 10 business day limit to complete your application and if you don't bring anything in to us and complete the requirements for insurance, etc. then we go to the next person on the list.

Councilman Wilcox said we put some performance standards in place, so that someone couldn't just go get a permit and actually not provide the services and hold that permit. Are they required to turn in monthly reports? Mr. Parvin said they are required to keep a log of their activities and it needs to state they are out there 50% of the days during the season and if not then we could look at giving the vending license to someone else. This would be the same rule for Freeman Park.

MPT Efird asked who decided that we would have two permits. Mr. Parvin said that was suggested by Mr. Cole but that is an arbitrary number. Ms. Efird asked and how many total vendors. Mr. Parvin said right now at Freeman Park you have 6 4x4 vehicles, and 4 permits allow for 2 vehicles so that is 8 and the other 2 only allow for 1 so that is 9 and 10 and additional push carts that's 11 and 12. Ms. Efird said it will get crowded up there. Mr. Parvin said that is 12 vendors and 2 contracts that Council approved for beach delivery service rentals such as chairs and umbrellas. Councilman Wilcox said when you are serving thousands of people out there is probably isn't a lot. Councilman Wilcox said since 2 is an arbitrary number did staff have any recommendations. Mr. Parvin said, no. You may want to say one permit is 2 carts potentially. For four of those permits you can have 2 vehicles and for 2 you can only have 1 vehicle. Mr. Parvin said there is someone else here tonight that just inquired about the other permit so by tomorrow morning they may both be full.

A motion was made by Mayor Macon to open the public hearing. MOTION CARRIED UNANIMOUSLY.

Marshall Cooper of the Island Ice Factory, 108 Carolina Beach Avenue North, said he is neither for it or against it but if anything he is for it. Some of you may know we made a significant investment to go out there last year. Based on their decision and logistics and how they do things it just wasn't feasible for them to have push carts out there. If there is a way that it can be done that is non-invasive then he feels they are doing a great service for the beachgoers out there. Another problem they had with working it out was his employees and having someone in a vast area with their 450 lb cart and pushing that the distance of Freeman Park, restroom facilities and so forth and having to leave the cart. That is why they choose the 4x4. What they would like Council to consider is 1 additional cart to vend on the municipal strand.

Councilman Wilcox said they can't do anything about that tonight if that is an ordinance change. Mr. Owens said generally we advertise it and have a public hearing but it is isn't required.

Mr. Ferguson said what Marshall's asking for if there is vacancies on the beach strand is possible for people to take advantage of those if they have been open a month after permits have been issued by Ed. Right now we have 1 vendor such as Mr. Cooper but he cannot operate to license. Someone else could come in, but he isn't entitled to it because he holds 1 license. Mr. Ferguson said there was a concern about someone coming in and monopolizing that. Right now the Code says 1 is permitted. Mr. Cooper brings up a good point. He said if things are open can we consider modifying it. Mr. Owens said to consider if the permits are still open after a certain time frame can say after March 10th if it is open then it can go to the next person in line whether it is another vendor or the person that wants 2. Ed said right now there are 2 openings but 5 total permits can be issued. Mr. Owens said you would need to make a motion to make that change.

Shawn Cook representing Pleasure Island Rentals at 2 North Lake Park Blvd said he really doesn't have a dog in this fight. His permit falls under delivery. He suggested to Council as far as stating that the next guy in line can pick up a permit so say three years down the road the Dive has all 3 permits that is monopolizing. Mr. Ferguson said that is not what they are proposing; only if there is a vacancy on the beach strand that it be allowed to be filled by anybody whether they have a permit or not for that season only.

He said he doesn't see what the issue is for 2 push carts when we allow gas guzzling vehicles to drive up and down Freeman Park.

Ed Titus, resident of Cypress Island across the bridge. He has a little vending trailer that is rigged up to make iced drinks and he applied for one of the street end positions but his rig is not set up to go on the sand and he asked Council for a waiver to set up on this side of the sand in the parking lot. He would be willing to set up a tent across the dune and carts something over on a little cooler but his rig want go. It would fit in one parking space. It doesn't matter to him which street end and he will work out the logistics with the staff. He could cart something over to the sand but frozen drinks don't last very long in a cooler and it has to be pretty made to order. Councilman Wilcox said I guess you

would have to buy a parking pass. Mr. Titus said yes unless that is included in the \$1500 he is already paid. Councilman Wilcox said the concept was so people wouldn't have to leave the beach but it doesn't give him heartburn but he really hasn't had much time to think about it.

Mr. Ferguson said we want to make sure we don't do anything to our agreement DCM for the commercialization of a parking facility. That is the question that staff is having about it. Mr. Owens said he believes Sandpiper was the only one that would be in question.

Mr. Titus said he wants to be as close to the beach as possible but Sandpiper is too narrow. Mr. Owens said that originally it was mainly to put it out on the beach and not necessarily visible to the road. Mr. Titus said he had applied for Alabama but there is already a permit for that location. He wants to work with staff and put it where you feel is acceptable. Councilman Wilcox suggested that he get with the planning department and do your research and give Council more time to think about it.

Mayor Macon said he is unsure how he feels about it because you have people that have invested in buildings selling the same kind of stuff that you have.

Jim Nicholson of 400 Virginia Avenue said they have the Alabama site and originally had the Sandpiper site, but for some of things that you have talked about we didn't feel that it was good for Robbie's business and we relocated to Alabama. Those permits are in comparison to the other permits are quite a bit more expensive. They thought it was on the land side of the dunes. If it would be any consideration for a reserved parking spot for the beach vendors, we are actually set up for the beach, but it is a logistics problem and if you are offering street end vending locations that it might be a good fit to have a parking space for those vendors because you cannot carry but so much out to the beach at one time. It would make it more convenient for the vendors. They would love to have a parking space reserved.

A motion was made by Mayor Macon to close the public hearing. MOTION CARRIED UNANIMOUSLY.

Councilman Wilcox said he would like that last request to go back to the planning department for consideration and bring it back to Council.

Councilman Wilcox made a motion to approve the requested proposal for 2 push cart vending on Freeman Park and to structure the wording about taking the empty slots on an available basis. Mr. Ferguson said he was going to suggest "beach strand vacancy vending permits may be allocated to existing vendors by some specific date – by March 10th" if that is agreeable language. Councilman Wilcox said to include what Gary said in his motion. MOTION CARRIED UNANIMOUSLY.

Mayor Macon made a motion to take a five minute recess. MOTION CARRIED UNANIMOUSLY.

Mayor Macon called the meeting back to order.

***BUDGET WORKSHOP – CONTINUED REVIEW AND DISCUSSION
CONCERNING THE PROPOSED BUDGET FOR FY 2011/12***

Mr. Owens started with the General Fund. He said the proposed General Fund revenue is \$8,421,300. The proposed expenditures are \$9,483,696 and so there is a shortfall roughly in the amount of \$819,000. The revenue streams appear to be holding with some slight increases in some areas. Next year is a revaluation year so we will have to decide what our property tax rate will be. We are still using a lot of General Fund appropriations and fund transfers. \$885,000 of the preliminary budget revenue is coming from our fund balance or in the form of a transfer from other funds. Currently it is not known what the impact of the state budget will be on the town. Grants appear to be dwindling, if not going away altogether and next year's audit will not be as favorable as this year's audit because we are doing a lot of projects and a lot out of pocket and allocating some fund balance to do some of these projects.

This year we are about \$819,000 out of balance and next we will take on about another \$200,000 for the CBP3 property. This year it is interest only and next year it goes to the full amount so that will be another burden on our budget next year.

He provided Council with an overview of each department highlighting areas where he believes the gap can be closed in. The gray highlighted areas indicated what he is proposing as the first tier of cuts and the underlined areas are the second round of cuts if we need to take it another level (Exhibit 1). He also provided line item spreadsheets. He said there are several meetings come up if we need to discuss it further.

Councilman Lewis questioned the legal salary. Mr. Owens said at this point we have \$150,000 programmed in the budget and he isn't sure we could do less than that using Steve. Councilman Lewis said we are going to be over that this year. Ms. Johnson said we will need another budget amendment now.

Mr. Owens continued to go over the proposed cuts and reasons for such.

The Human Resources Officer, Sheila Mallard, talked a little bit about health insurance benefits. Currently the town manager has 10% budgeted for benefits, but the bids haven't come in yet so that may change.

Mayor Macon invited Kure Beach Mayor Dean Lambeth to speak at this time. Mayor Lambeth was there to report back on a meeting that he attended and he said that he let them know that Mayor Macon couldn't be there because of the special meeting tonight. He said that what was accomplished was they are going to send to their Arts and

Activities Committee and make sure what we want to do is the three beach communities and the convention center said it is okay with them and they will allocate where we can put two signs or two art renderings from all 3 beach towns in the convention center since we are part of the county. Right now we are trying to get a representative and maybe Mayor Macon this year and then rotate it each year to each beach town.

Councilman Lashley questioned some of the line items and staff gave explanations for such. He said that he would like to go into closed session to talk about the town attorney's employment agreement and salary. Mr. Owens said we can do that at the next meeting if you like and some of it may have to in open session.

Councilman Lewis asked Mr. Owens for the next budget meeting to combine all of the new debt load that we are floating for next year's budget but we are not actually paying for this year because that could be \$300-400,000. Mr. Owens said it is probably more than that – mainly Wilmington Beach could be \$300,000 more alone. Councilman Lewis said that is important to know because at first glance you could say we are spending more money but this is more debt load we have agreed to pay for over a period of time. Our expenditures aren't going up it is just the debt load we are incurring is increasing at a significant rate. Mr. Owens said it shouldn't be a surprise to anybody because we have been doing these projects such as the fire station is in this budget too and these are projects we have talked about and are making progress on.

Next, the manager went over the Tourism Fund (Exhibit 2). Basically the revenue is almost \$1.9 million. The expenditures anticipated are almost \$2.2 million. There is a shortfall of \$273,000. I used \$150,000 of the reserve fund from the tourism fund to help balance this budget. Going through some of the cuts, the lifeguard salaries I will need to look at because every year the police chief tells me that it will be \$320,000 and I cut it back to \$240,000 so it is somewhere in between so I need to look at the actuals and I may be able to shave a little more off. He went over other project cuts (refer to Exhibit 2 shadowing/highlights indicates first recommended cuts and underlined is second tier cuts). Mr. Owens said there are a lot of things that can be projected up and some down. He will be meeting with the finance officer this week and go over it and look several years back to get better projections.

Councilman Lashley asked Councilman Lewis if the Budget Committee is still looking at bringing parking in-house. Councilman Lewis said they are still looking into this and plan to bring a proposal to Council in 2-3 months.

Mr. Owens said concerning the Water/Sewer/Stormwater Fund he is proposing WS Fund (include reserve appropriation of \$250,000) \$5,145,500. Several revenue projections may be high which would increase the shortfall. Expenditures are \$5,326,523 so there is a shortfall of \$180,623. I've used \$250,000 from the Reserve Fund to help balance the budget so there is already some allocation from the Reserve Fund. The first thing we could do to balance the budget is take \$180,000 from Water/Sewer Fund and not have to do any cuts. I wanted to show you some of the capital projects that could be cut or

reconsidered (refer to Exhibit 3 shadowing/highlights indicates first recommended cuts and underlined is second tier cuts). He went over some of the capital projects.

Mr. Owens said this will give you a base on the budget to date but there are still a lot of decisions that need to be made.

The next budget workshop meeting will be held on April 11, 2011 at 9:00 a.m. Mr. Owens said if someone is ready to present something from the Budget Committee they could come as well.

Before adjourning, Councilman Wilcox said he would like to talk about the parking passes. He doesn't understand why it is so difficult every year to get this right. Someone told him they were told without a registration they couldn't get a pass. Mr. Owens said the way we left it whenever it was voted on maybe in 2008 was if you lease here but your car isn't registered here you get your VID but you have to pay for the parking pass. If you lease here and your car is registered here then you get both. Councilman Wilcox said, why does that matter if someone lives here? Mr. Owens said if your car's not registered here but your leasing here your contributing some by paying water and sewer but you are not contributing to the tax base if your car isn't registered here. A property owner can get a VID and a parking pass. Mr. Owens said for instance if a daughter lives with her parents and they own the property then she would get a parking pass. Comments were made that you are getting a buck or two for a vehicle that is registered. Mayor Macon said my jeep is \$9.00 on the tax role and then another is \$45.00. Mayor Macon said the history on the car thing comes from Ray Rothrock because he wanted to make sure that we were getting all the tax dollars we could get for a vehicle. Mr. Owens asked Council if they would like for him to bring it back. Council seemed to be in general agreement not to discuss it any further. Councilman Wilcox said he was unclear and just wanted an explanation and no need to bring it back.

Councilman Lashley said the real estate tax that we paid on our two motels did we ever get that money back. Mr. Owens said for the most part. Councilman Lashley asked, is it a dead issue? Mr. Owens said no, not necessarily. He said you may want to pursue it because it could be \$50,000-60,000 that we could use. Mr. Owens said maybe \$35,000 but he agrees.

There being no further business, a motion was made by MPT Efirm to adjourn. MOTION CARRIED UNANIMOUSLY. The meeting adjourned at approximately 7:48 p.m.

Respectfully submitted,

Melinda "Lynn" N. Prusa
Town Clerk

Approved: _____