



**Town of Southern Shores
Council Meeting / Budget Work Session
April 18, 2017**

The Town of Southern Shores Council met in the Pitts Center located at 5375 N. Virginia Dare Trail at 9:00 a.m. on Tuesday, April 18, 2017.

COUNCIL PRESENT: Mayor Tom Bennett, Mayor Pro Tem Fred Newberry, Council Members Leo Holland, Chris Nason and Gary McDonald.

COUNCIL ABSENT: None

STAFF PRESENT: Town Manager Peter Rascoe and Town Clerk Sheila Kane.

CALL TO ORDER / PLEDGE OF ALLEGIANCE / MOMENT OF SILENCE

Mayor Bennett called the meeting to order at 9:00 a.m., led the Pledge of Allegiance, and held a Moment of Silence.

ADFOPTION OF AGENDA

MOTION: Council Member McDonald moved to adopt the agenda as presented. The motion was seconded by Council Member Holland. The motion passed unanimously (5-0).

PUBLIC COMMENT

Mayor Bennett called on public comment and the following citizens offered comment:

Gerri Sullivan-31 10th Avenue, Revenue for draft budget went up \$112,000 from the forecast made last summer. Hope this includes a repayment of Pelican Watch portion which should be pulled out and segregated and put back into the reserves. Forecast increased sales tax, is this realistic since everything she hears says we will receive less due to beach nourishment in other Town's. Should not reduce spending for streets improvement back to \$516,000

Consideration of Resolution 2017-04-02, "RESOLUTION OF THE SOUTHERN SHORES TOWN COUNCIL OPPOSING THE CURRENT FORMAT OF HOUSE BILL 531"

MOTION: Council Member Holland moved to adopt resolution 2017-04-02 *Opposing The Current Format Of House Bill 531*. The motion was seconded by Mayor Bennett. The motion passed unanimously (5-0).

REVIEW OF DRAFT PROJECTED GENERAL FUND REVENUES FOR FY 17-18

The Town Manager presented a draft of his projected general fund revenues for FY 2017-2018, followed by a re-review of draft projected general fund expenses.

Following discussion on the proposed budget revenues and Council directed expenditure changes, Council directed the Town Manager to implement the following:

MOTION: Mayor Bennett moved to move \$134,000 from the streets back into the Capital Reserve Fund and let Council decide how they want to use the money at a later date. The motion was seconded by Council Member Holland. The motion passed 3-2 with Mayor Bennett, Council Member Holland and Council Member Nason voting YES; Mayor pro tem Newberry and Council Member McDonald voting NO.

MOTION: Council Member Nason moved to retitle the FY 17-18 Street Projects to FY 17-18 Infrastructure Projects, restore the \$650,000 and at the July meeting prioritize the projects. The motion was seconded by Council Member McDonald.

SUBSTITUTE MOTION: Council Member Nason substituted his original motion to retitle the proposed FY17-18 Street Projects to FY 17-18 Infrastructure Projects, restore the \$650,000, and at the July meeting following the Public Hearing create a Council approved project priority list. The motion was seconded by Council Member McDonald. The motion passed 4-1 with Mayor pro tem Newberry, Council Member McDonald, Council Member Nason and Council Member Holland voting YES; Mayor Bennett voting NO.

MOTION: Council Member McDonald moved to reduce the proposed equipment purchase line in Public Works by \$22,000 and place the proposed expense of \$22,000 in the Capital Reserve Fund. The motion was seconded by Mayor pro tem Newberry. The motion passed unanimously (5-0).

MOTION: Council Member McDonald moved to designate \$22,000. for the purchase of a boat from the canal fund in the Capital Reserve Fund. The motion was seconded by Council Member Nason. The motion passed unanimously (5-0).

The Town Manager stated per Council's directive he has placed \$267,700 for the Fire Department architectural services Phases 1-4 in his proposed budget. He also made it clear to the Fire Department and the architect that Council may choose not to continue after any phase. The Town Manager suggested that during the budget process, in the budget ordinance he would propose language that would state the Town must be involved with contract negotiations between the Fire Department and its architect.

Mayor pro tem Newberry asked about the location of a new fire station. The Town Manager stated it will be designed in its current location since they have not heard back from any other alternatives. The Town manager also stated some Town setback requirements may need to be adjusted to accommodate a new fire station in the current location.

Council Member McDonald asked had the budget been flat and nothing changed or removed what would the tax increase of been for the fire station phases 1-4? The Town Manager stated .02¢ in tax rate would cover the proposed \$267,000 expense.

The Town Manager stated if Council was to fund the Fire Department construction next year (phase 5) the SSVFD leadership is fully aware that they will need to negotiate a new fire services contract with the Town. The current contract expires in 2019.

The Town Manager stated he plans to present the proposed FY 17-18 revenues at the April work session and then file the proposed FY 2017-2018 Budget and Budget Message on Tuesday, May 2nd. He will then also recommend to the Mayor a Public Hearing be set for the June 6th Council meeting.

PUBLIC COMMENT

Mayor Bennett called on public comment and the following citizens offered comment:

-John Ryan, 41 Porpoise Run, Reduction in dune size only causes more flooding and damage-they need to be maintained. Consider combining services of Fire and Police, possibly with Kitty Hawk.

Council Member McDonald asked if the Town has advertised the speed limit change on NC12. He stated the public needs to know of the change and it should be advertised on the website and newspaper.

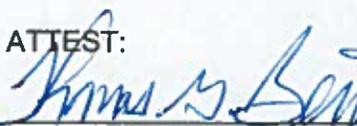
Council Member McDonald also responded to the public comment about combined services stating that perhaps it would be a good idea for the County to look at it. Council Member McDonald stated he (the Fire Chief) will be the first to tell you that they cannot handle a huge fire. Council Member McDonald also stated It takes all the stations and crews on the beach to do it.

Mayor Bennett stated he met with Dare County and the other municipalities about two years ago about combining services. From those meetings came the result there are some things they are willing to combine like equipment rentals or uses - but none of the Towns wanted to give up or combine their Police and Fire Departments with other communities. It was not received well for a majority of the other Towns. He stated there is a MOU in place with all the Towns when they need assistance with services.

ADJOURN

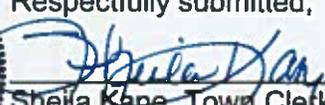
MOTION: Council Member Holland moved to adjourn. The motion was seconded by Council Member Nason. The motion passed unanimously (5-0). The time was 11:43 p.m.

ATTEST:


Thomas G. Bennett, Mayor



Respectfully submitted,


Shejla Kane, Town Clerk



Town of Southern Shores

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RESOLUTION 2017-04-02

RESOLUTION OF THE SOUTHERN SHORES TOWN COUNCIL OPPOSING THE CURRENT FORMAT OF HOUSE BILL 531

WHEREAS original legislation authorizing Dare County to levy and collect an occupancy tax enacted in 1985 [Session Law 1985-449 "An Act to Authorize Dare County to Levy An Occupancy Tax"], required that occupancy tax revenue "*distributed to a town or retained by the county may be used only for tourist-related purposes, including construction and maintenance of public facilities and buildings, garbage, refuse, and solid waste collection and disposal, police protection, and emergency services.*", and

WHEREAS subsequent legislation enacted in 1991 [Session Law 1991-177 (House Bill 225) "An Act to Authorize Dare County to Increase Its Occupancy Tax, Levy a Restaurant Tax, and Create a Tourism Board to Promote Tourism in Dare County"] created a Dare County Tourism Board, and in Section 7. of same session law required Dare County to remit a portion of additional occupancy tax and food and beverage tax proceeds to the Dare County Tourism Board, with that portion to be used, after deducting the cost of that Board's annual audit, as follows:

- (1) *Seventy-five percent (75%) shall be used for the cost of administration and to promote tourism. The tourism board's expenditures may include (i) advertising to promote less-than-peak-season events and programs, (ii) marketing research, (iii) a mail and telephone inquiry response program, and (iv) welcoming and hospitality functions.*
- (2) *Twenty-five percent (25%) shall be used for services or programs needed due to the impact of tourism on the county.*

, and

WHEREAS the Dare County Tourism Board maintains a "Restricted Fund" for the "twenty-five percent (25%) funds" required to be "used for services or programs needed due to the impact of tourism on the county" and which are used by the Tourism Board for important tourism related projects which enhance and benefit the overall tourism industry of Dare County and Dare County residents; and

WHEREAS current House Bill 531, as written, would not allow funding from the Dare County Tourism Board's Restricted Fund to be used for certain events and projects which have been previously funded - but which are services and programs greatly needed due to the clear and positive impact of tourism on the county; and

WHEREAS current House Bill 531, as written, would however authorize funding from the Dare County Tourism Board's Restricted Fund to now be used for certain programs and services which are necessary, are in increased demand, and are burdensome on the county and its municipalities due to the impact of a greater number of people visiting the county during the peak tourism season.

WHEREAS, the changes called for by House Bill 531 in the administration and use of the Dare County Tourism Board's Restricted Fund are confusing and conflicting, and need further clarification; and whereas no official from the Town of Southern Shores has been consulted about House Bill 531 and its legislative changes to the

administration and operation of the Tourism Board's Restricted Fund , nor has the Town of Southern Shores separately requested the legislative changes in House Bill 531.

NOW, THEREFORE, BE IT RESOLVED, this 18th day of April, 2017, that the Town Council of the Town of Southern Shores, North Carolina, hereby opposes the current language of House Bill 531 as written; and

BE IT FURTHER RESOLVED that the Town Council does hereby urge either a re-write or withdrawal of House Bill 531 in order that bill language be drafted in an un-conflicting and clear format, and that any proposed changes to the use of the Board's Restricted Fund be subject to input from Dare County, its Towns, and the Dare County Tourism Board itself.

Adopted this 18th day of April, 2017




Thomas G. Bennett, Mayor
Town of Southern Shores

ATTEST: 
Shella Kane, Town Clerk