



**Town of Southern Shores
Regular Council Meeting
June 6, 2017**

The Town of Southern Shores Council met in the Pitts Center located at 5375 N. Virginia Dare Trail at 5:30 p.m. on Tuesday, June 6, 2017.

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

COUNCIL MEMBERS ABSENT: None

CALL TO ORDER / PLEDGE OF ALLEGIANCE / MOMENT OF SILENCE

Mayor Bennett called the meeting to order at 5:30 p.m., led the Pledge of Allegiance, and held a moment of silence.

AMENDMENTS / APPROVAL OF AGENDA

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

CONSENT AGENDA

The Consent Agenda consisted of the following items:

- i. Approval of Minutes- April 18, 2017 Budget Work Session; May 2, 2017 Council Meeting

MOTION: Council Member Holland moved to approve the Consent Agenda. The motion was seconded by Council Member McDonald. The motion passed unanimously (5-0).

STAFF REPORTS

The following Department Heads presented department reports for the month of April:

- Town Planner Wes Haskett presented the Planning Department's monthly report containing permitting and inspections for the month of April, and including a forecast of upcoming matters before the Planning Board and Board of Adjustment.
- Police Chief David Kole presented the Police Department's monthly report for April
- Fire Chief Ed Limbacher introduced SSVFD Treasurer Lorelei Costa who awarded SSVFD Relief Fund student scholarships. Chief Limbacher then presented the Fire Department's monthly report for April.
- The Town Manager presented his report and addressed several matters:
 - o Council's directed Storm Water Management Project at NC Highway 12 and East Dogwood Trail intersection is now complete and operational. Infiltration basin has been seeded and will be landscaped after vegetation emerges.
 - o Osprey Lane approved capital street improvement for FY 16-17 is complete.
 - o Wild Swan Lane approved capital street improvement for FY 16-17 is complete with exception of punch list items including grading infiltration areas for storm water run-off and adjusting one connecting driveway.
 - o Portion of Juniper Trail approved capital street improvement is under contract and construction has commenced. Due to recent determination asphalt having to be completely removed (rather than milled down) due to existence

of no underlying base, street had to be temporarily closed for public safety due to presence of excavator. Temporary closure has been advertised and agencies and neighborhood residents being notified. A video of the necessary excavation has been posted on the Town website.

- o The Town's beach nourishment project is still scheduled to commence at end of June or beginning of July. Anticipated as a 7-10 day project. All necessary construction easements except one in the taper area have been obtained.
- o The Town's lifeguard service commenced roving patrols May 1. Three stands are up, with the fourth scheduled to go up June 16 after schools are released.
- o In reply to a question from Mayor pro tem Newberry asking when the Dogwood Trails walkway design would be ready, the Manager replied that the Town Engineer is finishing the design and is pricing the project in segments so as to include the walkway in the infrastructure project recommendations for FY 17-18 for Council to consider at its July 5 Regular Meeting.

BOARD REPORTS

In the absence of the Planning Board Chairman, the Town Planner gave a report on Planning Board meetings of May 15th and June 5th.

GENERAL PUBLIC COMMENT

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

1. Bill Cogger, 7 Ginguite Trail, Southern Shores - opposed to Town property owners engaging in clear cutting of trees on their lots in preparation for building.
2. Joe Van Giesen, 228 N. Dogwood Trail, Southern Shores - in favor of financial planning
3. Jim Kranda, 82 Poteskeet Trail, Southern Shores - Council should continue to take care of Town's old infrastructure; there is a need for a solid Public Works Department; advocates competitive salaries for employees, don't regress to the Don Smith standards of years ago; Council's marathon meeting sessions are not conducive to citizens' desire to participate.
4. Tommy Karole, 77 E. Dogwood Trail, Southern Shores - stated its time this Council does something to prevent traffic on the Town streets on weekends, the residents do not deserve it, "Is this Council going to do something about it, and if not, why?" Asked Council to vote unanimously to stop traffic coming through our Town.

Hearing no other citizen wishing to speak, the Mayor closed public comment.

[Clerk's Note: A copy of the public comment signup sheet is hereby attached].

OLD BUSINESS

Agenda Item:

Public Hearing-Proposed FY 17-18 Operating Budget - and Consideration of FY 17-18 Budget Ordinance 2017-2018

Prior to the Public Hearing on the proposed budget, Mayor Bennett called on the Town Manager for remarks. The Town Manager outlined the dates Council has met to consider budget work in progress, the methods of budget availability to the public and public hearing advertisement, and gave highlights of the proposed budget. Included in his remarks are the fact the proposed budget is balanced and calls on no tax increase or transfer from the Town's unassigned fund balance to achieve balance. The Manager also stated the budget proposes the no debt expense, proposes the smallest employee work force of any other local government in the County, proposes the lowest total tax rate of any other local government in the County, and is the smallest budget of any other local government in the County when any other Town's operational budgets and operational enterprise funds are combined. The Town Manager reminded Council that his line item

recommended budget was preceded by the actual Budget Ordinance (Ordinance No. 2017-06-01) in the Members' meeting books.

Mayor Bennett asked the Town Attorney to open the public hearing and called on any member of the public to offer comment on the proposed budget. No citizen offered any public comment during the public hearing on the FY 17-18 budget as proposed. The Town Attorney then closed the public hearing.

MOTION: Mayor Bennett moved to adopt the FY 17-18 proposed budget (Budget Ordinance 2017-06-01). Council Member Holland seconded. After the Mayor called for a vote, Council Member McDonald stated there had been no time for discussion. The Mayor then stated that out of respect for Council Member McDonald, he would allow further discussion.

MOTION: Council Member McDonald moved to amend the original motion by amending the proposed budget by combining the proposed expense for 1.5% Cost of Living Adjustment for Town employees and the proposed expense for available 1.0% merit-bonuses for Town employees in a pot – giving a \$726 raise to everyone and a \$726 one-time bonus to everyone. The motion to amend the original motion was seconded by Mayor pro tem Newberry. After Council discussion, the motion failed 2-3, with Council Member McDonald and Council Member Newberry voting in the affirmative, and Mayor Bennett, Council Member Holland and Council Member Nason voting in the negative.

MOTION: Council Member McDonald then moved to amend the original motion by amending the proposed budget to include a new expense line in Streets, Bridges and Canals in an amount of \$150,000.

After some discussion, including discussion on the need to reserve funds for possible work on the beach in the future, the Mayor asked for a second to the motion to amend the original motion. The motion to amend the original motion was seconded by Mayor pro tem Newberry. After more discussion, the Mayor asked the Town Manager for comment. The Town Manager reminded Council of the existence of its Town's Capital Reserve Fund which exists for the specific purpose of reserving funds for future capital needs, including beach nourishment. The Town Manager also reminded Council, that the current motion to amend the original motion, if adopted in its current form, would only create a new expense in the budget, and that a projected revenue would have to be established as well in order for the proposed budget to remain balanced.

Councilman McDonald restated his motion to amend the original motion, so that it also includes establishing \$150,000 in corresponding revenue by reducing the FY 17-18 Infrastructure Projects expense line in Street, Bridges, and Canals by \$75,000, and reducing the proposed expense of Transfer OUT to Capital Reserve Fund contribution by \$75,000.

After further Council discussion, the motion to amend the original motion was approved 3-2, with Council Member McDonald, Mayor pro tem Newberry, and Council Member Nason voting in the affirmative, and Mayor Bennett and Council Member Holland voting in the negative.

The Mayor then called the question on the original motion as amended, to adopt the FY 17-18 proposed budget (Budget Ordinance 2017-06-01). The original motion as amended was adopted unanimously 5-0.

[Clerk's Note: A copy of the adopted Budget Ordinance 2017-06-01 and the recommended line item budget is hereby attached.]

Next Agenda Item:

SSCA-Request from SSCA for TOSS Support in Requesting the NC General Assembly Provide Funds Necessary for State Agencies to Conduct Water Sample Analysis of Currituck Sound/Ginguite Creek Waters Bordering Southern Shores

After a presentation from the Southern Shores Civic Association, Council Member Gary McDonald moved for adoption of the SSCA requested *Resolution Supporting Southern Shores Civic Association Request For Water Sampling And Remediation*. Mayor pro tem Newberry seconded the motion. The motion was adopted unanimously 5-0.

[Clerk's Note: A copy of the adopted Resolution is hereby attached.]

NEW BUSINESS:

Agenda Item:

Local Relief Fund Board for the Southern Shores Volunteer Fire Department Nomination

The SSVDF Treasurer Lorelei Costa introduced Jennifer M. Allen as the SSVDF's recommendation to the Council as an appointee for an open seat the SSVDF's Local Relief Fund Board of Trustees.

MOTION: Council Member Leo Holland moved for the appointment of Jennifer M. Allen to the open seat on the SSVDF Local Relief Fund Board of Trustees. Council member Chris Nason seconded the motion. The motion was adopted unanimously 5-0.

Next Agenda Item:

Planning Board Reappointment (Jay Russell)

The Mayor announced the next agenda item as consideration for reappointment of Town resident Jay Russell who has indicated interest in being re-appointed to the Planning Board upon his seat's upcoming expiration. Mayor pro tem Newberry asked if the Council had to appoint Mr. Russell, was anyone else interested in the seat, and what is the Town's process in this. The Town Planner was asked to explain the Town's practice of re-appointment to the Planning Board. The Town Planner explained that it has been customary practice for the Council to re-appoint any member to the Planning Board expressing an interest in re-appointment upon an expiring term. Based on that customary practice, other candidates had not been solicited for any specific seat.

Council Member McDonald stated the Town Manager had been directed before to recruit citizen volunteers for such positions and Mayor pro tem Newberry asked if that had been done, that is the concern. The Town Manger stated that he has in fact attempted to recruit citizen volunteers to all Town boards, commissions, and committees as directed, and had done so in the Town e-newsletter for months, without receiving any citizen applicants. The Town Manager said he had been directed by Council consensus to solicit citizen volunteer applicants for all Town boards, commissions, and committees, and then present the entire pool of citizen applicants to the Council for its consideration upon any vacancy. He stated no citizens have volunteered based on advertisements.

MOTION: Council Member McDonald stated that since that has been done, he made a motion to appoint Jay Russell to the Planning Board. Council Member Leo Holland seconded the motion. The motion was adopted unanimously 5-0.

GENERAL PUBLIC COMMENT

Mayor Bennett again called for public comment and the following citizens offered comment:

1. Al Ewerling, 187 S. Dogwood Trail, Southern Shores – the whole Town is impacted by cut through traffic; this can has been kicked down the road for year and it effects quality of life. Asked Council to bring back the Town to its residents.
2. Tommy Karole, 77 E. Dogwood Trail, Southern Shores – stated he hoped citizens get involved in efforts to stop traffic coming through Town.

Mayor's Comments & Response:

Mayor Bennett reminded the public and the Council that one of the recent Dogwood Trails Task Force recommendations was to stop traffic at the Dick White Bridge during peak times on weekends, and that the public was opposed to this recommendation.

Mayor Bennett stated he received a call from the new NCDOT Board Member, Allen Moran, for our area and that he stated NCDOT would be placing a permanent cross walk across NC Highway 12 at Dolphin Run. The Mayor stated Mr. Moran needed a Council action to request NCDOT place crosswalk signs in that location once the crosswalk is installed.

MOTION: Mayor Bennett made a motion to request that NCDOT place crosswalk signs in that location once the crosswalk is installed by NCDOT, and once that occurs, the Town Manager will have solar lighting installed similar to other crosswalks. Council Member Holland seconded the motion.

Mayor pro tem Newberry asked if the Mayor could ask the NCDOT Board member if he would also put in the solar panel lighting.

With the concurrence of Council Member Holland, the Mayor amended his motion to also request NCDOT to install lighting at the crosswalk, but if they did not agree, the Town Manager is directed to have the lights placed using Town funds once the crosswalk is established. The motion was adopted unanimously 5-0.

Council Member McDonald requested the Mayor to confer with the NCDOT Board Member about the crossing signal on NC Highway 12 at Chicahawk Trail light and its operation when traffic is oncoming.

The Mayor stated that he would work with staff to landscape the storm water infiltration basin of the NC Highway 12 and East Dogwood Trail Storm Water project.

The Mayor then read aloud a recent letter sent to him and Council by Town resident Tommy Karole regarding a call to prevent non-resident traffic from entering Town streets. The Mayor solicited Council Members' comments on Mr. Karole's request.

MOTION: Council Member McDonald moved to direct the Town Manager, Police Chief and Town Attorney to come up with some concrete options for Council to consider to deter cut-through traffic on all streets of the Town of Southern Shores. Council Member Chris Nason seconded the motion.

During discussion, the Mayor recognized the Town Manager for comment. The Town Manager stated he would be re-stating the options already known to this Council, and which have already been reported to this and previous Councils in the past.

The motion was adopted unanimously (5-0).

Mayor pro tem Newberry suggested a return to advocating the no-left turn option from the east-bound lanes of US Highway 158 in the Town of Kitty Hawk onto South Dogwood Trail in the Town of Southern Shores.

Council Members' Comment & Responses

The Mayor asked for Council Members' comments and responses.

Mayor pro tem Newberry responded to citizen Jim Kranda's public comment regarding the Council meetings being too long. Stated it is difficult involving people with a complicated agenda.

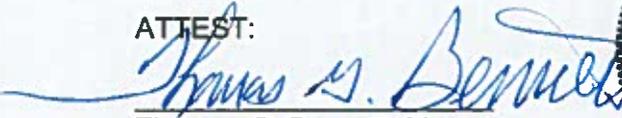
Council Member Gary McDonald asked that the Planning Board members be reminded that a part of their review of the draft recommendation of the Town Code update is to recommend options for regulating tree removal/clear cutting.

MOTION: Council Member Holland moved that the Council convene a closed session in accordance with NCGS 143-318.11(a)(6) to consider a personnel matter regarding an individual public officer/employee of the Town. Council Member Nason seconded the motion. The motion was adopted unanimously 5-0.

Upon return from closed session, the Mayor reconvened the open session of the regular meeting.

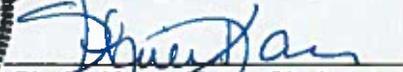
MOTION: Council Member Holland moved to adjourn. The motion was seconded by ~~Council member McDonald~~ the motion passed unanimously (5-0). The time was 8:15 pm.

ATTEST:


Thomas G. Bennett, Mayor



Respectfully submitted,


Sheila Kane, Town Clerk



Town of Southern Shores

5375 N. Virginia Dare Trail, Southern Shores, NC 27949

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Ordinance No. 2017-06-01

An Ordinance of the Southern Shores Town Council Adopting a Budget and Tax Rate for FY 2017-2018 and Continuing a Capital Project

BE IT ORDAINED by the Town Council of the Town of Southern Shores, North Carolina that the following be the various budgets for FY 2017-18:

SECTION I. GENERAL FUND

- A. Appropriations: The following amounts are appropriated for the operation of the Town government and its activities for the fiscal year beginning July 1, 2017 and ending June 30, 2018:

| | |
|---|---------------------|
| Administration Department | \$ 982,780 |
| Code Enforcement & Inspections Department | \$ 303,001 |
| Fire Department | \$ 749,625 |
| Ocean Rescue Services | \$ 161,550 |
| Police Department | \$ 1,654,546 |
| Public Works Department | \$ 393,706 |
| Public Works Department – Streets, Bridges & Canals | * \$ 920,602 |
| Sanitation Services | \$ 657,486 |
| Contribution to Capital Reserve Fund | \$ 18,457 |
| Contribution to Capital Reserve Fund for Canals | \$ 20,000 |
| Total General Fund Appropriations | \$ 5,861,753 |

- B. Estimated Revenues: It is estimated that the following revenues will be available during the fiscal year beginning July 1, 2017 and ending June 30, 2018 to meet foregoing appropriations:

| | |
|---|---------------------|
| Property Taxes- Current Year | \$ 2,877,530 |
| Vehicle Taxes (NCVTS)- Current Year | \$ 92,000 |
| Property & Vehicle Taxes- Prior Years, Penalties and Interest | \$ 10,500 |
| Subtotal: Property and Vehicle Taxes | \$ 2,980,030 |
| Land Transfer | \$ 217,116 |
| Local Option Sales Tax | \$ 910,799 |
| Occupancy Tax | \$ 942,358 |
| Other Intergovernmental Revenues | \$ 644,850 |
| Building Permits & Fees | \$ 115,000 |
| Other Revenues | \$ 29,600 |
| | \$ 2,859,723 |
| Transfer in From Capital Reserve Fund (boat purchase) | \$ 22,000 |
| Total General Fund Revenues | \$ 5,861,753 |

SECTION V. EXPENDITURES

All expenditures must be made in accordance with governing North Carolina General Statutes and adopted Town policies regarding purchasing and bidding. The Budget Officer is authorized to expend funds consistent with the governmental functions and amounts shown as appropriated and to execute such documents necessary for same.

Notwithstanding Town policies regarding purchasing and bidding, the Budget Officer is authorized to execute documents for the following items or services in accordance with the specific appropriations established by this Ordinance or as the budget may be amended during the fiscal year: Multi-year lease, lease-purchase, or purchase of vehicles and equipment.

*

Notwithstanding Town policies regarding purchasing and bidding, the Budget Officer is authorized to execute documents for the following items or services in accordance with specific appropriations established by this Ordinance or as the budget may be amended during the fiscal year: Contracting for services for Council-approved infrastructure improvement projects. An amount of \$575,000 is included (as shown on adopted line item budget) in the total amount appropriated in Section 1. A. for "Public Works Department - Streets, Bridges & Canals". This amount represents the total appropriation for capital street improvements for the fiscal year beginning July 1, 2016 and ending June 30, 2017. The Budget Officer is authorized to expend these funds in accordance with the terms of this Budget Ordinance, but only upon subsequent and separate adoption of an Ordinance establishing an "Infrastructure Improvement Plan with Authority to Implement" by the Town Council for the fiscal year beginning July 1, 2016 and ending June 30, 2017.

SECTION VI. CAPITAL RESERVE FUND EXPENDITURES

Council-authorized withdrawals from the Capital Reserve Fund may continue to be made for the purposes outlined in that Fund's establishing resolution adopted March 6, 2007 (shown on Attachment A to this Ordinance), and amended June 19, 2012 (shown on Attachment B to this Ordinance). Withdrawals authorized by this Ordinance and be made to the General Fund are for such purposes consistent with the provisions outlined in NCGS §159-22.

SECTION VII. LEASE REVENUES

The Budget Officer is hereby authorized to negotiate in the best interest of the Town and execute such documents necessary for the realization of revenues or other consideration from lease or use of any Town property with a term not to exceed three years.

SECTION VIII. FIRE SERVICES

An amount of \$267,700 is included (as shown on adopted line item budget) in the total amount appropriated in Section 1. A. for "Fire Department". This represents a direct appropriation to the Southern Shores Volunteer Fire Department, Inc. (SSVFD), separate from budgeted annual compensation under the existing contract for fire services. This appropriation shall be expended by the Budget Officer to the SSVFD during FY 2017-2018 to compensate for four phases of architectural design and bidding for the price of a new SSVFD fire station under a contract entered into between the SSVFD and a qualified architectural professional. Recognizing that North Carolina's "Mini-Brooks Act" at NCGS §143-64.31 does not regulate the SSVFD's selection of an architectural firm, the SSVFD's selection of and contract negotiations with a qualified architectural firm shall include direct advice and support from Town personnel.

The Budget Officer shall compensate the SSVFD for its expenses under its architectural services contact for each phase separately, and only after the Town Council has been briefed on the completion of each phase and re-affirms the budget appropriation to compensate for the next phase.

Future consideration of a subsequent appropriation to the SSVFD for the cost of actual construction of a new fire station shall be contingent upon amendment or renewal of the existing fire services contract to include appropriate terms or conditions suitable to the Town of Southern Shores - including vesting of title ownership to all SSVFD property upon the occurrence of certain events, which may include but are not limited to (1) default of terms of building construction loan, (2) non-performance of services under the fire services contract, or (3) dissolution of the SSVFD.

SECTION IX. BUDGET OFFICER LINE TRANSFER AUTHORIZATION

The Budget Officer is authorized to re-allocate intra-departmental appropriations among the various objects of expenditures as he considers necessary for effective budget performance, and is also authorized to affect inter-departmental transfers within the same Fund for effective budget performance. The Budget Officer is also authorized to affect, within the same Fund, intra-departmental and inter-departmental transfers from a Departmental contingency line appropriation established in accordance with NCGS §159-13(b)(3), with such contingency line transfers also being in accordance with NCGS §159-13(b)(3).

SECTION X. BUDGET OFFICER RESTRICTIONS

No salary increases may be made without approval of the Town Council. The Town of Southern Shores personnel organization chart is shown on Attachment C to this Ordinance and is hereby incorporated herein by reference and adopted as a part hereof. Inter-fund transfers not established in this budget document may only be performed by authorization of the Town Council.

SECTION XII. UTILIZATION OF BUDGET AND BUDGET ORDINANCE

This Ordinance and the Budget Document shall be the basis of the financial plan for operations of the Town of Southern Shores, North Carolina Municipal Government during the fiscal year 2017-18. Copies of this Budget Ordinance shall be furnished to the Clerk of the Town Council and to the Budget Officer and Finance Officer, and is to be kept on file by them for their direction in the disbursement of funds.

ADOPTED this 6th day of June, 2017.

ATTEST:



Shella Kane, Town Clerk



Mayor




Town of Southern Shores

5375 N. Virginia Dare Trail, Southern Shores, NC 27919

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Resolution 2007-03-01

RESOLUTION ESTABLISHMENT OF THE CAPITAL RESERVE FUND

WHEREAS, there is a need in the Town of Southern Shores, NC to maintain and improve Town streets, buildings and storm water management systems; and

WHEREAS, the Town must bear the costs of the above mentioned improvements and accumulate revenues for the purpose of maintaining and improving Town streets, buildings and storm water management systems.

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BOARD THAT:

Section 1. The Town Council hereby creates a Capital Reserve Fund for the purpose of accumulating revenues for Capital projects which include maintenance and improvements to Town streets, buildings and storm water management systems.

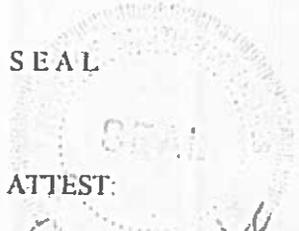
Section 2. The fund will remain operational for a period not to exceed five years (beginning July 1, 2007 and ending June 30, 2012).

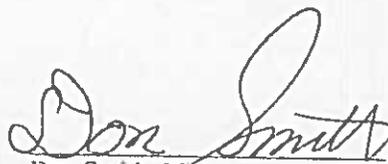
Section 3. This resolution shall become effective upon its adoption.

Adopted this 6th day of March 2007.

SEAL

ATTEST:


Carrie Gordon
Carrie Gordon, Town Clerk


Don Smith, Mayor

Attachment B

Excerpt – Ordinance Number 2012-06-01:

SECTION IV, AMENDMENT TO CAPITAL RESERVE FUND RESOLUTION

Resolution 2007-03-01 adopted March 6, 2007 creating a Capital Reserve Fund pursuant to North Carolina General Statutes §159-18, et seq., is hereby amended to (1) restate its purpose in Section 1. as: "The Town Council hereby creates a Capital Reserve Fund for the purpose of accumulating revenues by direct appropriation from the General Fund and using such moneys accumulated or to be accumulated in amounts to be determined for future capital outlay purposes of acquiring, constructing, maintaining and/or improving (i) Town right-of-ways and streets, (ii) bridges, (iii) buildings and other structures, (iv) developed or undeveloped properties, (v) storm water management systems, (vi) canals and bulkheads, and (vii) ~~(viii)~~ beaches; and (2) restate the approximate duration period of the Capital Reserve Fund in Section 2. as: "The fund will remain operational for a period not to exceed ten years (beginning July 1, 2012 and ending June 30, 2022), and unless terminated sooner, shall automatically renew for each succeeding year following June 30, 2022 until terminated by the Town Council."

Adopted June 19, 2012
Southern Shores Town Council

Attachment C

Town of Southern Shores
Organizational Chart
June 2017

