

**BOARD OF ALDERMEN
JANUARY 29, 2011
DOSHER HOSPITAL BOARD ROOM (Hood Building)**

**RETREAT MINUTES
8:00 A.M.
SOUTHPORT, N.C.**

PRESENT: Robert D. Howard, Mayor
Aldermen Nelson E. Adams, Ed Boguskie, Ken Karn, Jwantana Frink
Mary Ellen Poole and Vickie Potter

STAFF: M. Alan Thornton, City Manager
Regina W. Alexander, City Clerk
Patty Miller, Finance Director
Ralph Cardwell, Public Services Director
Randy Jones, Director of Tourism
Heather Hemphill, Director of Parks and Recreation
Amy Nelson, Director of Planning
Jerry Dove, Chief of Police
Neil Sage, Rescue Chief
Greg Cumbee, Fire Chief

.Call to Order – 8:00 A.M.

Mayor Howard called the meeting to order at 8:09 a.m. with Mayor Pro Tem Poole delivering the invocation.

Mayor Howard asked that the following items be added to the agenda:

- Impact fees
- Planning Board and staff relations
- Update on the Clean Water Management Trust Fund (CWMTF) issue on the City's grant
- Rescue Squad/Brunswick County
- Public private partnership on moving forward with greenways and special projects
i.e. board walk

II. Welcome and Overview of Objectives

City Manager Thornton stated that the objective of the retreat is to establish goals and objectives for the year.

Written reports were provided by department heads and they were in attendance if the Board had specific questions about their departments.

III. State of the City

a) Financial Status and Outlook for FY 2011-2012

Patty Miller, Finance Director provided financial data with current year debt obligations with a five year comparison. Mr. Thornton noted that all funds are stable; however, he expressed concern about cash availability in the Water and Sewer Fund due to issues with CWMTF Grant and shutting down the Wastewater Treatment Plant. Aldermen were encouraged to establish goals, long range visioning and planning for the City.

Mayor Howard recommended a workshop be held to review the audit and financial reports. City Manager Thornton told the Board that local governments are unsure of State shared revenues, therefore the fiscal year budget 2011-2012 will be conservative in revenue projections.

b) Departmental Reports

Finance Department - Ms. Miller stated that the City's telephone system is currently linked with three carriers and staff proposes to consolidate the telephone system under one company. EarthLink will provide the City with a \$10,000 telephone system for City Hall and a one-time credit of \$6,000 if the City signs the contract before the end of January. The system would integrate with the Emergency Operations Center. The proposal will save the City \$7,345 the first year, which is a four year contract. The City paid \$40,000 last year for telephone service.

Alderman Boguskie moved, seconded by Alderman Poole to authorize staff to purchase a new telephone system. **Discussion:** Alderman Karn asked if rates would increase within a year. Ms. Miller stated the project cost is \$2,437 per month with no monthly or quarterly maintenance fees. The vote was unanimous. *Passed 6-0*

Ms. Miller stated that she is working on plans to eliminate merchant service fees on credit cards while giving customers the option of online payments for utilities, taxes, Parks and Recreation and building inspection fees.

Review and Consideration of Brunswick County's Proposal to Collect City Property Taxes

Alderman Adams was opposed to the County collecting City taxes, believing that citizens of Southport are accustomed to the personal service provided by the City's Tax Collector. Mayor Howard stated that he asked the Finance Director to provide information for an analysis because the City is looking at ways to consolidate services. Ms. Miller stated that the City would maintain control for those citizens who may wish to schedule payment options or encounter problems. Alderman Karn agreed that people like the personal service and asked if the cost savings outweigh the personal service that is provided by the City.

Ms. Miller advised the Board of plans to update utility billing software to a web version, and requested a training area for onsite training i.e. webinars in customer service and utility software updates. She suggested installing cable in the upstairs conference room for training webinars.

City Manager – Mr. Thornton reviewed goals that were established at the 2010 Board Retreat which have been accomplished.

Spatial Analysis Facilities Assessment completed
Southport's Growth and Future Development discussed
Relocation of City Council Chambers
Updating the City's Personnel Policy accomplished

Communications System – County approved a new 800 MHZ Viper Communications System which will enhance communication capability for emergency services. If the City does not convert immediately it will still have the means to communicate.

Police Department - Chief Dove stated the estimated cost for equipment to interface with the Viper System for the Southport Police Department mobile units is \$2,200 with a minimum of 11 units. The portable unit cost is \$2,800. He is seeking a grant to help offset the costs.

Joint Drug Task Force – The Police Department is understaffed and will not participate in the Sheriff's Department Drug Task Force this year.

Fire Department - Chief Cumbee stated that the Brunswick County Fire Chiefs will apply for a joint grant to aid departments in the purchase of radios to interface with the new Viper communication system. The minimum cost is approximately \$80,000 for the fire department.

Chief Cumbee told the Board that the current ladder truck is 25 years old and requested authorization to obtain pricing for a new truck; funds are budgeted. The old unit will be used as a reserve vehicle.

The consensus of the Board was to authorize Chief Cumbee and City Manager Thornton to obtain pricing proposals for a new ladder truck.

Rescue Squad - Chief Sage stated the Rescue Squad's cost will be less to switch over to the County system because the County EMS Director is proposing to assist rescue units through grants and EMS monies. The current system will be maintained because of mutual aid.

Public Utilities - The Board discussed with Ralph Cardwell, Public Services Director the need for an assistant or another employee for his department. Mr. Cardwell told the Board that the position requires an engineering degree and the individual would be in the field with employees to learn the job. Alderman Karn stated the City has need of a Maintenance Director to take care of City buildings.

Parks and Recreation – Alderman Karn suggested Ms. Hemphill, Director of Parks and Recreation, prioritize capital improvements for Parks and Recreation.

IV. Southport Visioning for 2011

a) Annexation Initiative

City Manager Thornton informed the Board that the proposed annexation plan as initially discussed cannot be done because some of the land is not contiguous, and does not meet the annexation requirements. Options A&B must be completed before option C&D are considered. He informed the Board of proposed legislation that could possibly place a moratorium on City initiated annexations and he proposed to proceed with option A&B before this is implemented. If legislation is enacted, it could have an impact on option C&D. The Board discussed in detail the annexation process and the best way to proceed including the provision of services. Within two years of the effective date of annexation the City is required to provide services to the annexed areas at the City's expense. Capital costs will be involved in extending wastewater into the areas of A&B where none currently exists. Mayor Howard stated once the City begins the process and determines the costs and numbers, the City could possibly offer an incentive for early hook-up. City Manager Thornton stated as staff works through the process, the City can determine what options are available because impact fees are factored into the overall costs of operation and maintenance, extension of services, debt service, etc. which is a part of the annexation report.

Alderman Karn stated the number one priority was annexation during the Advocacy Goals Conference sponsored by the League of Municipalities.

Alderman Poole moved, seconded by Alderman Frink to authorize the City Manager to work with consultants in moving forward with options A & B of the annexation process. **Discussion:** Alderman Boguskie cautioned the Board about the costs involved for annexation and if the moratorium is enacted by the General Assembly, the Board should not hold the City Manager responsible for spending monies. The vote of approval was unanimous. *Passed 6-0*

b) Facilities Assessment and Spatial Analysis

Mr. Thornton stated the study has been completed and the options include projected costs. He asked the Board to prioritize goals and objectives.

Mayor Howard stated the greatest need is renovation of City Hall. He also recommended the old jail annex be used for document storage of City records. He proposed that the City request the Southport Historical Society to relinquish the old jail annex to the City. Alderman Karn mentioned that the Friends of the Library use it for book sales at least once a year.

Alderman Boguskie suggested an elevator be installed in City Hall.

Alderman Potter moved, seconded by Alderman Karn to authorize the City Manager to contact the Southport Historical Society asking that the jail annex be relinquished to the City within

ninety (90) days to four months, and to move the City Hall space study project forward to the point of construction drawings. **Discussion:** Alderman Boguskie asked about the condition of the building. Alderman Poole recommended the building be ready and available for storage before renovations began.

Alderman Potter stated all areas of the spatial study needs to be looked at citing possible grant monies to build a Parks and Recreation facility on the eight (7.4) acres of land acquired by the City (Stevens Park). The Board agreed that the most urgent need is City Hall. **The vote of approval was unanimous on the motion.**

Mayor Howard suggested the City Manager be authorized to place RFP's for architects to provide a cost analysis and space utilization for making City Hall handicap accessible.

c) Appointments to Boards and Committees

The Board discussed and reviewed various committees and their purpose. Alderman Potter discussed the possibility of the Waterfront Committee being revitalized to work on enhancing the waterfront. Alderman Poole stated the Planning Board at one time had a committee made up of Planning Board members to look at the waterfront but it never moved forward. The Board realized that the waterfront is a focal point and needs upgrading. City Manager Thornton recommended goals be established for waterfront improvements, i.e. extending the river walk design and the Yacht Basin area where there is a lot of concentration during tourist season. The Board realized that a lot of the property is private around the Yacht Basin and the City would need to engage representation from all aspects of the community, i.e. business owners.

Alderman Potter recommended that the Fort Johnston Committee meet to decide what the City needs to do with the Garrison House. Alderman Frink, Chairperson, acknowledged that the Committee was waiting for completion of the spatial analysis study which recommended the building be used as a Visitor's Center.

Alderman Karn reported that the Sign Committee is still in the planning stage on way finding signs.

Alderman Boguskie asked about the previous discussion on purchasing the Chirico property at the west end of Bay Street. Mayor Howard reported that the Bank is amenable to talking with the City but it is still in the discussion stage.

d) Capital Project Planning and Prioritization

The City Manager discussed the need for a strategic plan for capital improvements and the importance of prioritizing the capital improvement projects.

Alderman Poole recommended that Caviness Park be considered a high priority in FY 2011-12 budget. (\$10,000 budgeted in Capital Improvement Plan, CIP).

Board consensus to delete \$15,000 for relocation of playground equipment at Fort Johnston, but remove the equipment because of safety issues. City Manager Thornton stated if the equipment is removed, it may create some public consternation and recommended a picnic table be placed in the area. The Board recommended the liaison present this to the Parks and Recreation Committee for consideration.

Alderman Potter recommended the design and construction of a Municipal Athletic Park Complex be moved up since the City has ownership of 7.4 acres of property (formerly Stevens Park). City Manager Thornton stated the City could apply for a PARTFF Grant which is a 50/50 grant (PARTFF) with a maximum allocation of \$500,000. However, this type of complex will be a multi-phased project. \$5,000 is allocated for conceptual drawing in the CIP. The Board's liaison will convey the Board's recommendation to the Parks and Recreation Board. The Board discussed the structural challenges with the City gym and asked the City Manager to talk with the Parks and Recreation Director about the gym and possibly have a structural engineer check it out.

Computer replacement plans was placed as a high priority.

LUNCH RECESS – 1:00 P.M.

Capital Projects

Streetscape design plan

Implementation of the approved plan to revitalize the Yacht Basin /Bay Street Waterfront area. The Board discussed improving the City dock, increase dock fees when repairs and upgrades are made and use fees for maintenance. Alderman Potter noted some people who rents boat slips are non residents and people also sub-lease boat slips. The City Manager will look into this and view similar dock facilities to determine the grade and general idea for improvements including fees.

Mr. Thornton reported that dredging work was performed around the dock in 2010.

New vehicle and sprayer equipment for Mosquito Control program discussed and Alderman Boguskie cited new EPA rules which may prohibit mosquito spraying.

Mayor Howard stated the City at some point and time will need to look at budgeting funds to begin an electric undergrounding program. Alderman Boguskie stated if undergrounding is implemented; the City will need to require mandatory hook-up.

Replacement of existing electric poles discussed. Brunswick Electric Membership Corp (BEMC) proposed to inspect and test 2,025 poles within the City at a cost of \$9,600 to include the condition and recommendations for replacement. Funds budgeted this year to begin the pole replacement plan. Board agreed to refer this to the Electric Committee.

Wastewater Collection System Rehabilitation, slip lining and other work on wastewater collection system to reduce inflow and infiltration, replace, repair old lines included in CIP because City needs to perform maintenance and repair regularly. City Manager stated the City must be proactive in budgeting funds to replace sections of older lines.

Alderman Karn asked if a heating unit and replacement of lights at the Community Building would be included in the 2011 budget. City Manager stated that this is dependent upon the availability of funds and departmental budgets.

Computers for Police Department have been replaced.

Alderman Potter asked about funds to resurface tennis courts at Fort Johnston since the Board voted to retain the courts. The City Manager Thornton stated that funds will be placed in the CIP for 2011/2012.

Mayor Howard requested the Board authorize the City Manager to proceed with the next step in the spatial analysis study.

Alderman Karn suggested priorities be presented to the public for input. City Manager Thornton acknowledged that input is encouraged during the Public Hearing on the budget. Alderman Boguskie stated a Town Hall meeting could be held once compilation of the budget is completed. Alderman Adams stated it is the Board's responsibility to prioritize projects for the City and staff formulates the budget.

e) Alganomics

The Board discussed a request from Dr. Jones about leasing the old sewer plant once decommissioned. Aldermen expressed concern about the request for a five to nine year lease, which would encumber City property. The Board acknowledged the value of the property due to its location and agreed that the City needs to keep all options opened i.e. discussing its use for the property. Discussion of future plans to extend the river walk and the sewer plant land would be an integral part in the development of the waterfront. It was Board consensus not to encumber the property until the City identifies its use for the land. Aldermen were in agreement with the concept of the program presented by Dr. Jones which is currently housed at the Oak Island Wastewater Treatment Plant.

Mayor Howard gave the Board information on the Resource Institute and talked about a potential public/private partnership which could be a valuable resource in providing insight on improvements to the waterfront. He stated that Mr. Roy Pender, Chairman of the Beautification Committee could possibly provide some information since he was a part of the Mt. Airy project. City Manager Thornton was asked to contact representatives from Mt. Airy and the Resource Institute to assemble information and present back to the Board in February.

Aldermen asked that the Planning Board review and make a recommendation on the parking overlay for the Yacht Basin.

V. Other Items

Alderman Poole presented a copy of the current fee schedule for the Community Building asking that the Board consider a recommendation from the Community Center Manager to delete the difference in cost for the general public for weekend and evening events which serve alcoholic beverages and charge one rate. Alderman Poole also recommended Southport residents pay \$50 per/hour for use of the building once a year the same as City employees and Aldermen, and increase the rate for non residents. She will provide a chart at the next meeting for comparable facilities in surrounding communities. Mayor Howard asked Alderman Poole to discuss this with staff to ascertain the impact to the general budget. City Manager Thornton asked that the Board consider prioritization of the scheduling because if the rate is reduced for residents, this may cause the building

to be booked up and minimize revenue. Alderman Poole explained that this would be once per year. She will work with staff to produce a financial analysis so that this will not adversely impact the budget. Alderman Boguskie stated the reason for the rate differential for alcoholic beverages is due to the clean-up. This matter will be discussed further by the Board.

a) Location of future meetings of the Board of Aldermen

Alderman Poole stated meetings should be held at the Community Building until the City Hall is made ADA compliant and can accommodate people with disabilities. Reference was made to the EOC operations room at the fire department which could accommodate meetings. (Official Occupancy Rate of City Hall Board Chambers is 146)

Alderman Adams moved to relocate City Council meetings back to the Aldermen Chambers at City Hall, seconded by Alderman Boguskie. 5 ayes, Aldermen Adams, Frink, Potter, Karn, Potter. 1 no, Alderman Poole. **Passed 5-1**

b) Improvement of Caswell Avenue

Alderman Adams asked that Caswell Avenue be opened for through traffic and cited streets in Ward 2 which dead end (Caswell, Burrington and Clarendon). The majority of residents that he talked with want the road opened for access.

Alderman Boguskie, Chairman of the Traffic and Transportation Committee, agreed that the road should be opened. Alderman Karn noted that he was contacted by a neighbor who is opposed to opening the road and suggested a public meeting be held, realizing both points of view.

City Manager Thornton noted opening the road is included in the capital improvement plan but the cost is not firm. Mayor Howard asked for a cost projection by February to build a minimum road. Alderman Boguskie stated the Traffic and Transportation Committee will meet and discuss this item.

c) Assistant Public Services Director

City Manager Thornton stated that this is a non-funded vacant position which staff believes there is a need for someone with building and technical experience, including building and maintenance plan for City facilities.

Alderman Karn stated the need for a person to institute a system for maintenance of buildings and equipment. If a plan was in place, there would be opportunities to apply for grants.

Alderman Potter moved to allocate money in the budget for 2011-2012, seconded by Alderman Karn. **Discussion:** Alderman Adams stated opposition to hiring an Assistant Public Utilities Director. Alderman Poole questioned if the City was hiring an Assistant or an employee and was opposed to hiring someone that would automatically advance to Public Utilities Director. She requested to know future plans if the position is filled. Alderman Potter clarified that her motion was

not to hire an assistant. Alderman Boguskie stated someone is needed with background in sewer and can learn job duties and responsibilities. City Manager Thornton stated that he would provide information on job description and responsibilities.

Mayor Howard stated that citizens are not happy with the appearance of the town and would prefer someone that could assist with cemeteries, parks and general cleaning of the City.

Alderman Boguskie suggested if a moratorium is to be placed on hiring, that it apply to every department.

Motion withdrawn by Alderman Potter.

d) Impact Fees

Mayor Howard stated the City's impact fees are high and would like to see fees reduced by 50%. The high impact fees are possibly prohibiting businesses from locating in Southport. Board members agreed that they want to help businesses but wish to review the financial implication that this would have on the budget before any decisions are made. Alderman Boguskie and City Manager Thornton advised that the City will be paying impact fees to the County for wastewater per gallon usage, and the City needs to be cognizant of the cost.

e) Planning Board Staff Relations

Mayor Howard asked for Board approval to work with the Planning Board and staff on their relationship, and asked that a hold be placed on text changes to the UDO until he conducts a dialogue to ascertain the problems. He will report back to the Board possibly in March or April. Alderman Boguskie asked that Planning Board liaisons be included, but Mayor Howard asked that he do this unilaterally.

Alderman Karn asked that changes recommended by the Planning Board and staff regarding membership and vacancies, Section 3-1 be considered for approval by the Board.

Alderman Frink moved, seconded by Alderman Potter to direct the Planning Board to cease all UDO text changes and committee meetings that relate to text changes until further action by the Board. 5 ayes, Aldermen Frink, Potter, Poole, Adams and Karn. 1 abstention, Alderman Boguskie. Vote passed.

f) Clean Water Management Trust Fund (CWMTF)

Mayor Howard explained that the City has two payments left on the grant agreement with Clean Water Management Trust Fund of approximately \$561,000.00 which a payment is due in July, and the last July 2012. The repayment agreement for the wastewater plant was collateralized by the City's grant proceeds of \$3,000,000. He stated that when the City started drawing down funds, it placed the City within the collateral limit, freezing further advances. This was not realized until the

request for payment was denied and it was brought to the City's attention. The City also had a reduction in the cost of the project which was originally \$5,132,700. When the City changed from the Sanitary District to the County it reduced the cost to \$4,404,695.00. The CWMTF agreed to fund \$3,000,000 of the \$5,132,700 which was 58.45% of the total cost of the project. The City would fund through loans and other sources 41.55%. The City sent a letter requesting the CWMTF fund \$2,891,733 of the \$4,404,695.00 total and the City fund \$1,512,962 which would increase the CWMTF funding from 58.45% to 65% which would lower Southport's funding request from 41.55% to 34.35%. Mayor Howard stated that the City is actually requesting the CWMTF to increase the City's grant match by \$317,189,000. He explained that the Board of Trustees for the CWMTF is the only one that can change the collateral provision.

Mayor Howard stated that he and the City Manager will appear before the CWMTF Board and ask them to increase the grant request percentage by \$317,189,000. They will also request the collateral provision of the agreement be released to free up \$742,000.

g) Rescue Squad

Mayor Howard reported that he and Alderman Boguskie will meet with staff from the County to discuss transition of the Southport Rescue Squad to the County, providing the same services to Southport as other areas.

h) Audit

Mayor Howard suggested a workshop be held with the City's Auditor to answer questions and he briefly discussed separation of duties.

i) Countywide Curbside Recycling

City Manager Thornton stated the County is discussing curbside recycling and if funded on July 1st, all City residents would receive a 96 gallon blue recycling container which would reduce City cost by \$3.41 per home. However, if the county does not go through with this, the City will continue its bi-weekly recycling program.

j) Personnel Policy

It was Board consensus to review the City's updated Personnel Policy during a workshop.

VI. Adjournment – 5:01 p.m.

No further business, the Board Retreat was closed upon motion of Alderman Boguskie, seconded by Alderman Frink. Vote unanimous.

Mayor

Clerk