

TOWN OF OCEAN ISLE BEACH  
THREE WEST THIRD STREET  
OCEAN ISLE BEACH, NC 28469

BOARD OF COMMISSIONERS MEETING  
JUNE 9, 2015  
9:00 AM  
PUBLIC HEARING  
MINUTES

**MEMBERS PRESENT:**

Mayor Debbie Smith	Mayor Pro Tem Dean Walters
Commissioner Wayne Rowell	Commissioner D.B Grantham
Commissioner Betty Williamson	Commissioner Bob Williams
Daisy Ivey, Town Administrator	Justin Whiteside, Planning Director
Sue Stuhr, Town Clerk	Ken Bellamy, Police Chief

**OTHERS PRESENT:**

15 Property Owners/Guests were in attendance

**CALLED TO ORDER:**

Mayor Smith called the public hearing to order and stated the purpose of the hearing was to receive public comment with regards to the proposed budget for Fiscal Year 2015 – 2016. Pursuant to the provisions of North Carolina General Statute 159-12, the proposed Fiscal Year 2015-16 Budget was submitted to the Board of Commissioners and made available to the public for inspection at Town Hall.

A Summary of the Proposed Budget is as follows:

General Fund	\$	5,130,843
Water & Sewer Funds	\$	2,796,509
All Other Funds	\$	4,668,102
Total	\$	12,595,454

Mrs. Ivey reviewed the financial picture for the upcoming year, indicating two main areas of concern, real property revaluation and its impact to revenues. State laws require that local governments publish a revenue-neutral tax rate in the budget immediately following the completion of the general reappraisal of real property. The purpose of the revenue neutral tax rate is to provide comparative information. The revenue neutral tax rate, as defined by General Statute 159-11 (c) is the rate that is estimated to produce revenues equal to those produced for the current fiscal year. This revaluation indicates that the Town's total tax base decreased by 7.21% or a loss of \$128,320,613. Calculations show that this revenue neutral tax rate would be .1674 and would produce revenues equal to those produced for the current fiscal year. However, in order to balance this year's budget, it was necessary to increase this rate by an additional two cents. This proposed tax rate of .1875 will produce approximately \$2,879,154 in tax revenue.

Being no comment was heard, Mayor Smith declared the public hearing closed.

DATED June 9, 2015

SIGNED:

Debbie Smith  
Debbie Smith, Mayor

ATTEST:  
Sue Stuhr  
Sue Stuhr, Town Clerk



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**MEMBERS PRESENT:**

Mayor Debbie Smith	Mayor Pro Tem Dean Walters
Commissioner D.B. Grantham	Commissioner Bob Williams
Commissioner Betty Williamson	Commissioner R. Wayne Rowell
Daisy Ivey, Town Administrator	Michael Isenberg, Town Attorney
Sue Stuhr, Town Clerk	

**OTHERS PRESENT:**

Approximately 17 Property Owners/Guests  
Brian Slattery, Brunswick Beacon  
Chad Kimes, NCDOT

**MEETING CALLED TO ORDER**

Mayor Smith called the regular meeting to order with everyone repeating the Lord's Prayer and pledging allegiance to the flag.

**ADOPTION OF CONSENT AGENDA**

Mayor Smith stated the consent agenda included approval of minutes of the May 12 Public Hearing and Board of Commissioners Meeting and also approval of a change order to the Town's contract agreement with D&F Painting and Drywall in the amount of \$2088 for additional concrete necessary to complete the sidewalk project at East Third Street between Charlotte Street and Shallotte Blvd. Upon a motion by Commissioner Rowell with a second by Commissioner Grantham, the Board vote was unanimous in approval of the consent agenda as presented.

**ADOPTION OF AGENDA**

Mayor Smith stated the next item of business was adoption of the meeting agenda. Commissioner Rowell made a motion to approve the meeting agenda as presented. Upon a second by Commissioner Williams, the Board vote was unanimous in approval.

**MAYOR'S REPORT**

Mayor Smith advised of an upcoming Brunswick Beaches Consortium meeting scheduled with Brunswick County for discussion to remain engaged regarding important local coastal issues.

**DEPARTMENTAL REPORTS**

1. Administration – Mrs. Ivey reviewed details of the financial dashboard indicating an increase in general fund cash and investments over the same period prior year for the month of May 2015. Mrs. Ivey reported on F/Y 2014 property taxes indicating current year outstanding taxes in the amount of \$237,538.42 for a collection rate of 92.40%.

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Mrs. Ivey also reported F/Y 2013 has \$72,653 in property taxes outstanding as of May 31, 2015, at a current collection rate of 97.71%. For the tax year 2012, \$519 remained outstanding at a collection rate of 99.98%. Mrs. Ivey reported accommodations collections for the month of April 2015 showed a decrease in VRBO collections of 3.01% and a decrease of 23.46% in accommodations over same month prior year collections. Mrs. Ivey provided an update on the status of the OIB Park project advising the County CIP park improvement plan now places completion of the project as second priority and advised the County plans to include \$200,000 in their F/Y 2015-16 Budget for plans and specifications associated with this project. Mrs. Ivey expressed appreciation to Mayor Smith, Mayor Pro Tem Walters and Commissioner Grantham for their efforts in pursuing County support for completion of the park project. Mrs. Ivey provided an update on the terminal groin project noting that 15 of the 27 necessary easement documents had been executed and returned to the Town and also advising the offloading and shoreline anchorage easements were in process. Mrs. Ivey reported the Town plans to update the Town's billboard at Hwy 17 and Ocean Isle Beach Road with new vinyl. Mrs. Ivey stated Camp OIB kicks off the summer season on Tuesday, June 16, with activities scheduled from 9:30-11:30am on Tuesday through Thursday each week through August 13. The daily programs include Tuesday as Imagination Day, a family fun day on Wednesday and Discovery Day on Thursdays. Mrs. Ivey updated the Board regarding the Town's successful summer advertising campaign with Lewis Advertising reporting very positive result from an email blast sent by WRAL.com on June 1 resulting in 1200 clicks on email and 530 entries in one day. Mrs. Ivey confirmed staff has made necessary preparations for the upcoming Hurricane season which officially begins June 1 and continues through November 30. Mrs. Ivey noted Governor McCrory has declared June 7 – 13 as Rip Current Preparedness Week to encourage swimmers to watch conditions and be aware of the potential dangers of rip currents. Mrs. Ivey advised Staff has ramped up beach patrol with additional personnel for the tourist season. Mrs. Ivey reported the Police Department has an upcoming meeting with the consultant on June 25 to review draft updates to department policies. Mrs. Ivey also reported on recent meetings including an update on the Spring realtors meeting held May 14 at Town Hall, quarterly MOA meeting regarding federal and state funds for use of dredge and meeting with the Corps in regard to the terminal groin project.

2. Police Department – Chief Bellamy provided an update on the status of the Police camera project advising the project is expected to be complete within the next few weeks. Chief Bellamy provided a report on police activity for the month of May indicating the department experienced a decrease in crime over same time frame prior year. Chief Bellamy recognized Sergeant Angela E. King for her promotion to 1<sup>st</sup> Sergeant and presented her chevrons. Mayor Smith administered the Police Oath of Office to new Police Officer Brandon Smith, with his father and grandmother in attendance.
3. Water/Sewer/Street – Mrs. Ivey provided a summary report of activities of the Water, Sewer and Street Departments during the month of May including details of seasonal landscape maintenance, preparations for the summer tourist season and status of the projects in progress. Mrs. Ivey also recognized the following achievements in the Public Utilities Department: Spencer Thornton has received his Pesticide Certification, Bobby

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Hardy received his Class B Water Distribution Certification and Phil Dyson received his Class C Water Distribution Certification.

4. Fire Department – Chief Yoho summarized an activity report for the month of May indicating the Department responded to a total of 73 calls for service, 38 of which were in the Town. This reflects a 19% increase over prior year same month statistics. Chief Yoho reported 400 hours of training and 25 fire inspections were performed during the month. Chief Yoho commented the official cause of the house fire on May 10 at 456 East Fourth Street remained undetermined following an investigation by the SBI which produced no conclusive evidence. Chief Yoho also advised the Fire Department has submitted an AFG grant application in hopes of being awarded funding for the purchase of a new ladder truck.
5. Planning/Zoning – Mr. Whiteside provided a report on behalf of the Planning Department. Mr. Whiteside advised the Starboard by the Sea project has been completed. Mr. Whiteside provided an update on beach access projects indicating the Driftwood beach access was complete and The Isles beach access was currently in progress for completion soon. Mr. Whiteside updated the Board on pending legislation indicating HB36, which will remove the ability of municipalities to limit the number or type of rooms for residential structures has passed committee and will proceed for a vote.
6. Building Inspections – Mr. Whiteside reported on activity in the Building & Inspections Department indicating that permits were issued for 1 new single family (SF) residences in the Town and 6 residential homes in the ETJ for a total of 189 permits issued during the month of May, with a total construction value of \$ 2, 250,741.

### **COMMENTS**

Mayor Smith stated that this time had been set aside to allow our citizens to speak in regard to issues relating to agenda items. Mayor Smith stated that due to time constraints, each speaker should limit their comments to three minutes. Comments were heard as follows:

Mark Robertson, 241 West Second Street – Mr. Robertson indicated his support of the proposed traffic improvement project at the Causeway/179 intersection. Mr. Robertson expressed his support of the roundabout design which would eliminate left turns across traffic in an area which offers limited site distance of oncoming traffic. Mr. Robertson referred to his experience as a truck driver and commented a left turn generally presents the most dangerous maneuver at an intersection.

Mike Powell - Mr. Powell commented that future development will demand improvements at this intersection and indicated his support of the Town moving forward with a plan to facilitate traffic improvements to accommodate upcoming growth.

David Martin, 248 East First Street - Mr. Martin stated growth is forcing the island to be proactive and commended the Board for efforts in promoting public safety and quality of life. Mr. Martin commented the roundabout offers a safety improvement for all residents, not just seasonal traffic.

Rube McMullan, McMullan Properties - Mr. McMullan expressed concern regarding the potential of diminishing access to retail property in the immediate vicinity and asked the Commissioners for careful consideration of this possible negative impact to local businesses.

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Robbie Smith, 142 E. First Street - Mr. Smith expressed support of the proposed roundabout project noting in his opinion it would serve for the greater good by improving traffic safety but it would unlikely be of any assistance in dealing with the Town's summer seasonal traffic.

### **NEW BUSINESS**

1. Mayor Smith stated the first item of New Business was discussion regarding a request by Brunswick County Chamber of Commerce to conduct the 35<sup>th</sup> Annual North Carolina Oyster Festival. Board member reviewed event information and a layout map for the 35<sup>th</sup> Oyster Festival planned on October 17-18, 2015. Mrs. Ivey advised the group activity application was complete, including written permission from the Hogans (Pelican's Perch), Williamsons (airport property) and Museum of Coastal Carolina for use of their property for the event and a request for waiver of fee due to nonprofit status. Mrs. Ivey stated the use of the Town's property adjacent to the Museum and the Town's off island lot for use as parking area was also requested. Mrs. Ivey noted it has been indicated evidence of liability insurance will be provided as soon as the special event policy is issued for the event. Following his comment the Oyster Festival is a great event that contributes to the quality of life at Ocean Isle Beach, Mayor Pro Tem Walters made a motion to approve the request to conduct the Oyster Festival, waive the group activity fee and approve use of Town property for the event. Following a second to the motion by Commissioner Williamson, the Board voted unanimously in approval.
2. Discussion regarding an update to the group activity application forms and fee structure was the next item of discussion. Staff provided an updated draft group activity application form intended to streamline the application process and confirm the application was complete with necessary documents prior to submittal of the request to the Board on the meeting agenda. Mrs. Ivey reviewed proposed changes including defining the requirement that all requested documentation and permissions must be included with submittal of the application to the Planning Department at least 30 days prior to the Board meeting for consideration on the agenda and also changes to the fee structure based on anticipated attendance for the event. The proposed fee schedule would range from \$250 for an event with 200 participants to \$2500 for an event with over 4000 attending. The intention of the fee schedule was to allow the Town to recoup staff cost, utilities and other expenses incurred during the events. Mrs. Ivey advised summer activities would also be limited during mid-June through August and asked for Board feedback regarding these suggested timeframes. Board members considered the proposed changes and were in general consensus that consideration must be given to the impacts of activities during the summer months and indicated it would be preferable to review the events individually based on traffic issues rather than deny all group activities in the summer timeframe. Mayor Pro Tem Walters commented the fee structure was a steep increase and asked for reduced fee consideration for local residents if possible. Mrs. Ivey noted events crossing the bridge were not addressed in the update and asked if this should be considered in conjunction with these updates. Mayor Smith noted the timeframe of the events that crossed over the bridge was usually scheduled during the time of year that would have minimal impact on traffic and suggested no changes in that regard. Mayor Pro Tem Walters

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maintained his position that events should not cross the bridge due to safety concerns for the participants. Commissioner Rowell suggested continuing the current policy of considering events that cross the bridge based on the potential impact to traffic. Following this discussion, the Board was in consensus to direct staff to update the draft group application with these suggested changes and provide for further consideration at the July Board meeting.

3. Mayor Smith stated the next item of New Business was discussion regarding NCDOT plans to construct a roundabout at the Hwy179/Causeway Drive intersection. Chad Kimes, NCDOT Division Construction Engineer, presented new information regarding the proposed project. Mr. Kimes relayed that the feedback received at public hearings was very productive and, based on those comments and concerns, the NCDOT design engineer was directed to consider possible adjustments to the plans. Revised design information and updated maps with changes included to accommodate northbound left turn into the gas station and also a southbound left into the gas station area were reviewed for discussion. Local business owners present were invited to come forward to review the revised maps and discuss with Board members. Mr. Kimes invited comments from those present regarding the changes to the proposed plans. Construction timeframes for the roundabout project were discussed, indicating the project would tentatively commence following completion of the design plans, with an estimated construction start date in January 2016. Following the Board's review of the revised project plans, Commissioner Grantham expressed his opinion that a roundabout is not necessary at this intersection. Commissioner Grantham recounted, in his three terms as Commissioner, every major decision that he has made, including the county sewer plant project and purchase of park property adjacent to the museum, has been based on the conviction that the decision was in the best interest and had the support of the majority of property owners. Commissioner Grantham explained, based on his discussions with property owners, support of this project would not be voicing the wishes of the people of Ocean Isle Beach and for this reason he could not in good conscience vote in favor of the proposed roundabout project. Commissioner Williams stated the feedback he had received from property owners indicated the majority were in favor of the project and noted property owners present at the meeting today had not voiced opposition. Commissioner Rowell concurred that his experience in discussions with residents indicated a consensus of support for the roundabout and made a motion to approve proceeding with the project. Commissioner Williams made a second to the motion. Mayor Pro Tem Walters acknowledged that he had previously taken a stand against the roundabout project and noted this improvement will be unlikely to solve the summer tourist traffic issues. However, following review of the revised design plans and discussions regarding the importance of preparing for the future growth of the community, he has reconsidered his position to support the NCDOT plans which will offer safety improvements at this intersection and provide \$650K to fund the majority of the roundabout project (total estimated project cost of \$900K). Commissioner Williamson added she has been concerned about the speed of vehicles in the intersection for some time and confirmed her support for the roundabout project which will address safety concerns. Commissioner Rowell stated his motion included support of Town funding as necessary for the balance of the project. The Board vote was 4 to 1 to approve proceeding with the NCDOT Roundabout project at Hwy 179/Causeway Drive and approve Town funding in an amount estimated to be \$250,000. Commissioner Grantham was opposed.

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4. Discussion and Adoption of Capital Improvement Plan (CIP) for the Town was the next item of business. Mrs. Ivey summarized the CIP process and presented the final document noting capital project planning is an ongoing process and each year the CIP document is updated. Mayor Smith commented this plan provides a valuable map for the future of the Town. Mayor Pro Tem Walters questioned if the CIP was included in the proposed F/Y 2015-16 Budget. Commissioner Williamson commended the development of a Capital Improvement Plan for the Town and made a motion to adopt the plan as presented. Upon a second to the motion by Commissioner Rowell, the Board vote was unanimous in approval.
  
5. Discussion regarding formal adoption of the Town's F/Y 2015-2016 Budget Ordinance was the final item of New Business. Mrs. Ivey reviewed details of the Budget Ordinance indicating the total rate per \$100 valuation of taxable property was \$0.1875. Mrs. Ivey advised the rate of tax was based on an estimated total valuation of property for purpose of taxation of \$1,651,127,564 and an estimated collection rate of 93%. Mrs. Ivey stated the total net budget for F/Y 2015-16 is \$12,595,454 including all governmental and proprietary funds. Following final review of the proposed budget, upon a motion by Commissioner Rowell and second by Commissioner Williams, the Board voted unanimously to adopt the Town's Budget Ordinance for Fiscal Year 2015-16 as presented.

**EXECUTIVE SESSION**

The Board recessed to Executive Session upon approval of a motion by Commissioner Williamson with a second by Mayor Pro Tem Walters. The vote was unanimous. Mayor Smith stated an Executive Session was necessary in order to approve the minutes of the May 12, 2015 Executive Session as per G.S. 143-318.11(1) and consult with the Town Attorney regarding pending legal issues (Jackson Hill Aviation) as per G.S. 143-318.11(3).

The Board returned to regular session upon approval of a motion by Commissioner Williams with a second by Commissioner Rowell. Mayor Smith reported during executive session the Board approved the minutes of the May 12, 2015 Executive Session upon a motion of Commissioner Walters and second by Commissioner Williamson. The vote was unanimous. Mayor Smith stated during executive session the Board also consulted with the Town Attorney regarding pending legal issues involving Jackson Hill Aviation.

**ADJOURN**

Being no additional business was heard, Commissioner Rowell made a motion to adjourn. Upon a second by Commissioner Grantham, the Board vote was unanimous in approval.

DATED: June 9, 2015

SIGNED: Debbie S. Smith  
Debbie S. Smith, Mayor

ATTEST:  
Sue Stuhr  
.Sue Stuhr, Town Clerk

