

City of Boiling Spring Lakes
Minutes
Board of Commissioners Regular Meeting
February 1, 2011
City Hall - 6:30 p.m.

1. Call to Order – Mayor White called the meeting to order at 6:30 p.m. and asked Rick Murdaugh to lead the Pledge of Allegiance.

2. Attendance: In attendance were Mayor White, Commissioners Kinney, Carroll, Troscianiec and Caster, City Manager David Lewis, City Clerk Linda Merry, UDO Administrator Becky Cummings, and Building Inspector Jim Nicholas.

3. Approval of Monthly Agenda

A **motion** was made by Commissioner Carroll and seconded by Commissioner Caster to approve the monthly agenda with the following change:
Add under New Business 11(d) Planning Board Appointment

Vote: 5-0

4. Public Comments

Gerri Sovak, 443 So. Shore Drive, asked if the Board had already voted to refund unused water assessments. The Mayor explained that the Board had voted to place a lock on the assessments, but then had to reverse that motion the following month to release funds to pay for the Water Expansion Project. She wanted to know how her money had been used. Commissioner Carroll explained that the money was used to construct the water system. She asked if payments for the expansion project had to be received prior to the release of refunds. Commissioner Caster explained that in order to treat everyone equally, expansion payments would have to be received first.

Rick Murdaugh commented that Phase 1 and Phase 2 customers should be treated equally. Both phases should pay the same assessment amount.

Marshall Campo commented that the unused assessments should be returned to the people. He owns four lots and paying the assessments had placed a horrible financial strain on him. Using the money for any other purpose would not be right.

Charles Bunten wanted to know if the people would receive interest on their money.

Judy Thuer, 161 N. Lake Drive, commented that the idea to refund unused water assessments had opened a can of worms. She wanted to know how city staff would be able to locate the people who had originally paid. Further, there are some people from Phase 1 who never paid. She felt the money should be used for sewer deposits or other purposes.

Art Williams commented that Phase 1 and Phase 2 customers should be treated equally.

Gene Formy-Duval commented that he had already paid assessments on three parcels in Phase 2. He recalled talking to former mayor Marty Kesmodel, and was told that there was \$ 3 million of unused money. He believes the citizens are being deceived.

5. Robert Prince - Christmas Display

Robert Prince asked for approval from the Board of Commissioners to place a Christmas light display across the road near his home.

A motion was made by Commissioner Caster and seconded by Commissioner Carroll to refer this matter to the Planning Board for a recommendation.

Vote: 5-0

6. Chief Chris Grace - Volunteer Fire Department

EMT Service

Chief Grace explained that the Fire Department, in response to a lack of EMT service from Brunswick County, had started a new medical program. They now have 13 EMT qualified volunteers and have purchased a vehicle to respond to medical emergencies. He asked for funding from the City to purchase an EKG machine for \$ 30,000. He also asked for a partnership between the City and Fire Department to fund monthly training.

Fire Hydrant Testing

Chief Grace explained that his department does not have the manpower to complete the annual testing of the fire hydrants. This was done by city staff prior to the transfer of the water system to Brunswick County and must be continued in order for the City to maintain the ISO4 rating.

He has identified a contractor that will do the testing for \$ 4,800 and the maintenance for \$ 2, 200 per year. Without the ISO4 rating, homeowners insurance rates would increase 40-50%. He asked the Board to include these funding requests in upcoming budget discussions.

7. Approval of Minutes – January 4 Regular Meeting

A motion was made by Commissioner Carroll and seconded by Commissioner Caster to approve the minutes from the January 4, 2011 regular meeting

Vote: 5-0

***Commissioner Carroll had to leave the meeting for a short break.

A motion was made by Commissioner Caster and seconded by Commissioner Kinney to excuse Commissioner Carroll from the meeting

Vote: 4-0

8. Consent Agenda

- a. Budget Amendments
- b. Department Reports
 1. Tax
 2. Public Works
 3. Public Safety
 4. Building Inspections/Code Enforcement
 5. Parks and Recreation
 6. Buildings & Grounds
 7. Planning Department

A motion was made by Commissioner Caster and seconded by Commissioner Kinney to approve the Consent Agenda

Vote: 4-0

*** Commissioner Carroll returned to the meeting.

9. Committee Reports

a. Community Appearance Commission - Ann Hollingsworth reported that Doshier Hospital would be sponsoring a prescription drug drop off on February 24th from 9 a.m. to 1 p.m. at the hospital.

b. Planning Board - David Giera reported that officials from the State of North Carolina had met with the Mayor and members of the Planning Board regarding the proposed Conservation District. The Planning Board is also working on regulations for outdoor vending machines and will consider the Christmas display request by Robert Prince at their next meeting.

c. Parks and Recreation Advisory Board - Barbara Glidden reported that they would like to correct the ordinance for the Parks and Recreation Advisory Board. The current ordinance states that they meet at the Community Center. They also are considering changing the meeting time.

d. Special Events - Mary Stilwell reported that Rick Murdaugh has been recognized to the Special Events Hall of Fame for his generous support of Special Events. Plans are currently underway for the Spring Bike Run and the Founders Day Celebration. All volunteers are welcome.

e. Library Committee - There was no report.

f. Preserve Advisory Committee - Commissioner Kinney reported that the Nature Conservancy will be posting signs to designate preserve boundaries. These signs will also help to designate the City Limits. They also discussed plans for controlled burns.

g. ABC Board - Cheryl Riker reported that the ABC Contract to be discussed at this meeting was nothing new, except for some new reporting requirements for the Police Department.

10. Unfinished Business

a. Sewer Update – David Lewis reported that the next committee meeting is scheduled for February.

b. Finance Report – David Lewis reported that the current cash balance was \$ 4,274,000. To date, revenues have exceeded budget and expenses are below budget.

Mayor White asked about checks written from the Police Department Equipment Fund. He spoke with the School of Government and was told that funds donated for bullet proof vests could only be used for vests, unless there was written authorization from donors to spend funds for other purposes. He commented that

the City was in violation of the law and asked the City Manager how he felt about that. He told the City Manager that funds spent for purposes other than vests should be returned to the fund.

c. Water Assessment Refunds

Board Discussion:

Commissioner Troscianiec asked the City Manager to give a brief explanation of events that led to funds remaining in the water fund.

The City Manager explained that funds remaining were the result of USDA funding requirements that would not allow pay down of the debt until the end of the loan. When the water system was turned over to Brunswick County and the debt was assumed, funds set aside to pay down the debt were retained by the City.

Commissioner Troscianiec presented a spreadsheet showing that 68% of the refunds would be paid to out of state property owners. The spreadsheet also showed the benefits of using the excess funds to pay down the City's debt. Paying down the debt now would help to keep the future tax rate lower. He estimated that the cost to refund the excess funds amounted to \$ 654.00 per taxpayer. He urged the Board to look at the net cost to the taxpayers before they agreed to refund the money.

Mayor White did not agree with Commissioner Troscianiec's numbers. He asked what would be done with the money if it was not refunded. He added that no additional staff would be needed to process the refunds.

Commissioner Caster commented that he had no problem refunding the unused assessments, as long as Phase 1 and Phase 2 were treated equally. Parcel owners in Phase 2 would have to pay their assessments and then the funds would be divided equally.

Mayor White explained that there are some people in the City that did not get water lines. If the money is not refunded, those people would benefit from money others had paid.

Commissioner Troscianiec commented that he was not against paying out the refunds; he just wanted the Board to take a closer look at the net return to the taxpayers if the money were used to pay down the current debt.

Commissioner Carroll commented that in May of last year the Board made a commitment to the people to refund the money, and he intended to honor his commitment. It would be embarrassing to not follow through with legislation the Board had requested from Representative Iler. He calculated that the refund amount would be about \$ 357.33 per person and would be paid to the property owner of record when the assessment was charged.

The City Manager explained that the legislation calls for payment of the refund to the person who paid the assessment, not to the property owner. This is why each refund would have to be researched to determine who actually made the payment.

Commissioner Kinney commented that nothing could be decided until legislation was passed to allow refunds to people paying assessments for the Water Expansion Project.

A motion was made by Commissioner Carroll and seconded by Commissioner Troscianiec for the Board of Commissioners to draft a resolution for Representative Frank Iler to present to the North Carolina Legislature, that would extend the time line for assessments which are eligible for refund through 2011. This resolution will be presented for Board approval at a reconvened meeting on February 3rd at 6:00 p.m.

Vote: 5-0

A motion was made by Commissioner Carroll and seconded by Commissioner Kinney to approve the Preliminary Assessment Resolution confirming the \$ 500 per parcel assessment for the Water Expansion Project.

Vote: 5-0

d. Spillway Project Update

Barbara Glidden reported that the contract with ECS was revised after review by the City Attorney and has been executed. There was a kick-off meeting with the engineer on January 25th. The next meeting will be held on February 17th with Jayme Sokolow, who has been hired to assist with a plan for engaging potential financial partners for the project.

e. Conservation District Update

David Giera reported that State officials agree with the concept of a Conservation District. They also want contiguous property for land management purposes. The Planning Board will work with the State to develop an agreeable map and will present the proposal to the Board of Commissioners.

f. Resolution to Support Brunswick County Recycling Program

A motion was made by Commissioner Carroll and seconded by Commissioner Caster to approve the Resolution in support of participation in Brunswick County's proposed recycling program

Vote: 5-0

g. Outdoor Vending Machines - Becky Cummings reported that the Planning Board should have a recommendation for the Board at the March meeting.

A motion was made by Commissioner Carroll and seconded by Commissioner Kinney to extend the stay on fines for an additional thirty days for the gentlemen currently in violation of the UDO. This will give the Planning Board additional time to make a recommendation.

Vote: 5-0

11. New Business

a. Appoint Mayor Pro-Tem for 2011

A motion was made by Commissioner Kinney and seconded by Commissioner Troscianiec to appoint Commissioner Caster as Mayor Pro-Tem for 2011

Vote: 5-0

b. Approval of ABC Board contract with Police Department

A motion was made by Commissioner Carroll and seconded by Commissioner Kinney to approve the contract between the ABC Board and the Police Department

Vote: 5-0

c. Posting of minutes to website - A citizen asked the Mayor to find out why minutes from Board of Commissioners meetings could not be posted to the website prior to their review and approval by the Governing Board. The City Clerk explained that the minutes were not official until approved by the Governing Board and should not be posted prior to approval. Further, the website would not allow overwriting of the draft minutes, so the official minutes could never be posted.

The Mayor explained to the City Clerk that he had contacted the School of Government and learned that draft minutes were public record and could be posted to the website if they were clearly labeled "draft".

d. Appoint Planning Board Alternate

A motion was made by Commissioner Carroll and seconded by Commissioner Caster to appoint Thomas VonVoigt as an alternate member to the Planning Board

Vote: 5-0

12. Recess to Reconvene

A motion was made by Commissioner Kinney and seconded by Commissioner Caster to recess to reconvene at 6:00 p.m. on February 3, 2011 at City Hall.

Vote: 5-0

Linda Merry, CMC, City Clerk

Richard White, Mayor

