

**VILLAGE OF BALD HEAD ISLAND
VILLAGE COUNCIL RETREAT/ WORKSESSION
February 7, 2011
Shoals Club, Bald Head Island, NC**

COUNCILORS IN ATTENDANCE:

Mayor Andy Sayre
Mayor Pro Tempore John Fisher
Councilor Gene Douglas
Councilor Art Morris
Councilor John Pitera

STAFF PRESENT:

Calvin R. Peck, Jr., Village Manager
Chris McCall, Assistant Village Manager &
Shoreline Protection Manager
Deb Straub, Finance Manager
Chip Munna, Chief of Public Safety
Ken Bowling, Director of Utilities
Ben Liddle, Director of Public Works
Steven Boyett, Development Services Administrator
David Cox, IT Systems Administrator
Daralyn Spivey, Administrative Assistant
Charles Baldwin, Village Attorney
Debra Talbert, Village Clerk (recording minutes)

OTHERS PRESENT:

The Old Baldy Foundation Representatives:
Chris Webb
Bald Head Association Representatives:
Jerry VanSant and Rachel Lewis-Hilburn
BHI Conservancy Representatives:
John May and Suzanne Dorsey
BHI Limited Representative:
Chad Paul
Finance Committee Representative:
John Knott
Communications Representative:
Tom Hayden
Parks & Recreation Representative:
Joyce Douglas
Public Safety/ Transportation Representative:
Bob Porter
Public Works/ Utilities Representative:
Peter Quinn
Shoreline Protection Representative:
Joe Brawner
Various Residents

1. Call to Order/Approval of the Retreat Agenda

Mayor Sayre called the February 7, 2011 Council Retreat to order at 9:00 a.m. Councilor Morris made a motion to approve the agenda as presented.

(MOTION CARRIED 5-0)

2. Old Baldy Foundation

Chris Webb gave a power point presentation on the history, repairs and upkeep of the Old Baldy Lighthouse, well house and the keepers cottage. Mayor Sayre asked if Old Baldy Foundation would help support the Boathouse issues with no monies involved. Chris Webb stated the Old Baldy Foundation does want to be a part of solution to show support. Chris Webb stated the boathouse is on the National Register of Historical Places with certificate in hand. Council and Chris Webb discussed the possibly of moving the boathouse and concerns about historical issues. Mayor Sayre asked if it is possible for the Village to loan monies at zero interest. Attorney Baldwin will research the Village loaning or donating monies for this project. Chris Webb asked Council who would hold the liability on the boathouse. Chris McCall stated the ownership is through the Division of Parks and Recreation of the State of North Carolina. The state does not have the resources to assist with rehabilitation; however they would do everything they could to assist the Village in safe fully dismantling the structure. Mayor Sayre asked if Chris Webb would inquiry on the perception of the boathouse to property owners. Chris Webb will submit a survey to Bald Head Association for an email blast. Council discussed further and agreed to follow up with Old Baldy Foundation on the boat house issues.

Mayor Sayre stated the theme of the retreat is for the entities of the island to work together and realize cost savings for the island and to utilize the volunteer efforts as best as possible. Mayor Sayre asked if Old Baldy Foundation would share fund raising activities with other entities. Chris Webb explained how Old Baldy Foundation does advertising with free listings. Mayor Sayre asked if the ferry rates will affect the tourism of the lighthouse. Chris Webb explained the lighthouse will not re-open until February 11 and uncertain of how the tourism will be affected. Council and Chris Webb discussed options on applying for grants to promote tourism on the island.

3. Bald Head Association

Jerry VanSant reviewed the priorities and goals for the Association for 2011. Mr. VanSant discussed the design guidelines for Stage 1 and 2 mergers. There has been participation with Limited and Stage 1 to identify the difference with common guidelines. The goal is to have the guidelines by end of 2011. There was a discussion of Stage 2 being turned over to the owners in approximately 2 years.

Mr. VanSant spoke on the Associations goals for 2011 and discussed improving ARC procedures. Mr. VanSant stated the Association is the newspaper for the Island. The Association is available for all island entities to serve as a communicator.

Mayor Sayre asked if the merger would occur by end of 2012. Mr. VanSant stated BHI Limited has made the commitment for end 2012, with no deadline on the merger. There was a further discussion on the merger and the issues involved. Mayor Sayre stated his concerns with the merger being higher cost with combined financials. Mayor Sayre stated he is unsure how the merger will occur without the Village being involved with the expense of the common areas. Jerry VanSant stated he agrees the Village should be involved with the common areas. Council and Bald Head Association next discussed the cost appropriations with the merger. Chris McCall discussed issues with the merger; has there been consideration for the alleys and roadways that do not meet the Village requirements and the cost that may occur. Chris asked on the construction guidelines and the multiple homeowner associations. Jerry VanSant stated all issues have been discussed by the Association and there has been no determination at this time. Mayor Pro Tempore Fisher asked if a forum on annexation had been done for Middle Island. Rachel stated it should be a voluntary movement by the Middle Island property owners.

Mayor Sayre questioned if the Association committees would merge with the Village committees. Jerry VanSant reviewed how the Association committees might not coincide with the Village committees. This would be reviewed and researched further.

4. BHI Conservancy

Suzanne Dorsey presented a handout to Council. This gave a summary of services provided to the Village. Suzanne spoke on the partnership with Village of Bald Head Island. Suzanne summarized all the programs and results with the cost of each. Suzanne spoke on the technical expertise of the staff of BHI Conservancy being beneficial. Suzanne stated all services could be reduced and or eliminated. The public- private partnership is a contractual arrangement and is combined to provide greater efficiency, better access to capital, and improved compliance with a range of government regulations regarding the environment and workplace.

❖ *Handout with official minutes*

Mayor Sayre asked if services could be performed every three years. Suzanne reviewed the programs. The beach vitex could be done bi-yearly at a higher cost due to experiencing a large amount of re-growth. Mayor Sayre asked if the Public Works department could perform. Ben Liddle stated Public Works does assist with the task by burning the vitex. Public Works could possibly perform on a bi-annually basis. Suzanne stated there is a caution on misdiagnosing the plant with native plantings.

The Aquifer monitoring study could be performed in house. Suzanne explained the importance of the monitoring to provide an early warning system for any potential degradation of BHI water resources. Councilor Douglas stated the effluent study is not completed and resolved with the State and BHI Club; this study should not be abandoned. Council and guest discussed the services provided with the Conservancy.

Council, guest and staff discussed the issues with large alligators on the island. Suzanne stated she and Calvin have contacted the NC Wildlife Commission with no assistance. Staff discussed having a protocol in place which includes the Wildlife Commission. Councilor Douglas explained he attended several meetings with Dr. Cobb, with the Wildlife Commission and their staff was to have a protocol drawn up approximately ten years ago and has had no response. Calvin stated he would work with the Club to address the concerns in order to move forward.

Mayor Sayre asked how the Conservancy perceives the dredging. John May stated the Conservancy has concerns with the impact of the dredging on the shoreline. The concerns are erosion of the island and the loss of habitat for birds and sea turtles. The Conservancy is against the NCIT. Mayor Sayre asked if the Conservancy will engage action with the State or the Corps of Engineers. Mr. May stated if the Village thinks it would be useful for the Conservancy to independently speak directly this would happen.

5. Bald Head Island Limited

Chad Paul, Chief Executive Officer, discussed the business conditions for the island and southeastern North Carolina. Mr. Paul explained the North Carolina State Act that only allows five property transactions per year to include sales and financing for Limited. Mr. Paul discussed the economic issues faced by Limited and the marketing modification of operations.

Mayor Sayre asked about the commercial structure plans. Mr. Paul stated the infrastructure assets will be inventoried with all entities on the island to locate proper ownership. If necessary, there will be upgrade improvements completed by Limited on the roadways during transition to the Village. If all approved, monies have been allocated for 2011 to complete the timber bridge for the Harbor Association.

The timber groin permit has been received by Limited and a working group should be established consisting of Harbor Association, Limited and Village to work on preparation of plans. Council and Limited discussed the issues of the jetty and ownership surrounding the jetty.

Mr. Paul spoke on the possible Stage 2 merger in mid December 2012. There was a discussion with the alley ways in the Harbor not meeting Village standards. Mr. Paul said the concerns will be addressed and established.

Mayor Sayre spoke on the Terminal Groin legislation that will be presented to the legislature this week. Mayor Sayre asked, if Limited had any influence, it would be appreciated. Mr. Paul stated he was an acquaintance of Colonel Ryscavage with Corps of Engineers and would try to assist anyway possible. Calvin discussed the concerns with the Village and beach areas are facing with the navigation of the channel and the erosion issues.

Calvin stated the Village is working with the Club and Limited on the irrigation wells and future wells near 14 hole. When final map is complete and returned to Limited and Club, an application for a permit should be submitted to the Division of Water Quality. When denied for not meeting terms, a variance would be submitted to Environmental Management Commission. Woody Fulton reviewed concerns with the obligation and responsibility of tasks for the ponds and irrigation wells. Calvin stated there has been discussion with the Club and a final plan will be established.

Chad Paul stated the well-site issues are ongoing and being addressed.

Council and Chad Paul discussed shared marketing issues on the island. This will be a community exercise to be worked on. Mayor Sayre shared his concerns on the growing tax rate for the island.

Calvin thanked Limited for the assistance on the dog park issue.

Chad Paul ended by saying he wanted to keep moving forward, to promise less and deliver more.

6. Village Committees

1. Finance Committee

John Knott discussed the decline in the Fund Balances in 2010 and the issues faced for FY 2011/2012. The reduction in fund balances is due to the distribution of monies on bond re-payments, legal, lobbying and engineering fees. The Village can no longer fund special projects with the current budget income. Mr. Knott read a letter presented to the Council in May 2010 concerning the need of replenishment of the Village reserves. The Finance Committee suggests the total property value island tax base will be reduced by more than 30% at the end of the re-valuation. This will result in an increase of ratio of debt to the total property value. The reserve must be increased to minimize the necessity of borrowing. The Finance Committee recommends the reserves be maintained at current level and available exclusively for emergency response. There should be a budgeted increase to replenish the reserves. The major project for the Finance Committee was to research the Brunswick County Tax Re-valuation. If the County adopts this, County taxes would reduce and the Village could increase taxes to offset the balance. If the County does not adopt, the Committee recommends property owners to challenge the revaluation with the county.

The goal for the committee for FY 2011-2012 focus on the necessity of restoring the fund balance. In order to accomplish this task we need more income or fewer expenses. The only source of income for Bald Head Island is property tax. Reducing staff by two positions in 2010 did not result in significant returns due to unemployment compensation. The committee recommends to Council and staff to evaluate the cost of professional services to outside agencies. A strong recommendation was to not add staff positions nor participate in capital projects other than the terminal groins. John Knott stated the Village has three responsibilities: provide municipal services not provided by the county, protect the shoreline, and rebuild the fund balances.

Councilor Morris asked for explanation of the revaluation of property and the possible tax rate increase in the five year plan. Mr. Knott explained this is the mill rate. Calvin stated during a

reevaluation year, Council can set any rate but the Council is required to publish the Revenue Neutral Rate. Calvin asked what year is the reevaluation assessment notices go into effect. Mr. Knott stated FY 2011/2012.

Richard Mesaris asked for explanation of a possible miscount on the 5 year plan. Deb Straub and John Knott reviewed and confirmed this was a misprint and does not affect the tax rate for residents. The issue for the Village of Bald Head Island is to cut cost and increase income. Deb Straub reviewed the five year financial plan and issues to be faced for FY 2011-2012 with Council and staff. Deb reviewed the revenue & expenditures of each account description.

2. Communications

Tom Hayden reviewed the Communications Committee efforts to establish the Village communication with the island. Mr. Hayden spoke on the goals accomplished for 2010. The "Village Voice" newsletter was established and sent to all BHI stakeholders on important Village and Island information. This will be sent quarterly or as needed to be mailed and archived on the Village website. The 2011 goals and agenda for the Communications Committee were discussed. The committee has a goal of updating and enhancing the Village website including web casts and streaming video. There will also be a managed comprehensive referendum of stakeholder opinion on the process of deer management for BHI. Mr. Hayden stated the committee would like to strengthen collaboration with other BHI organizations to promote efficiency, synergy and lack of duplication. The committee suggests searching for and hiring a full-time BHI Village Communications Officer. Council and staff discussed the roles and responsibilities of the proposed position.

3. Parks & Recreation

Joyce Douglas reviewed the agenda and goals discussed in 2010. There were three issues that were considered as possible agenda items. The expansion of the Creek Access and floating dock was not addressed due to grant requests that had already been submitted and denied. The dog park was established and the committee feels this has been a great success. Mrs. Douglas reviewed the duties of Village departments in the preparation of establishing the dog park. Mrs. Douglas stated Don Eggert with the Cape Fear Council of Government is working on plans for a possible Blueway/Greenway complex on BHI. This project is being researched and will be discussed in 2011.

Calvin Peck spoke on a complaint received concerning the dog park location. The Village and BHI Limited have worked together on the relocation of the dog park.

4. Public Safety/ Transportation

Bob Porter reviewed the members of the committee and the goals that were faced for 2010. Mr. Porter reviewed the 2010 recommendations that were presented to Council. Mayor Sayre asked for the results of the evaluation for seasonal beach patrol. Chief Munna reviewed the duties for beach patrol and stated when Public Safety merged beach patrol the part-time staff was abolished. The staff on duty will patrol morning and afternoon only.

Mr. Porter reviewed the 2011 Public Safety/ Transportation Committee goals. The committee will continue to be available to the BHI community on a regular basis for transportation and safety concerns to be recommended to Council. The committee will investigate any transportation or public safety issues brought to the committee by Council. There will be an evaluation on the pilot program for taxi and shuttle service. The committee will continue to investigate future vehicles, segways and miniature golf carts to make recommendations to Council.

Mr. Porter stated to Council there are monthly meetings that operate without a quorum. Mr. Porter asked if Council would permit the committee to meet if standards were not met. Mr.

Porter stated there is conversation through email. Attorney Baldwin stated this is a committee meeting is a public meeting. Emails can only submit information and not have electronic decision making done. Council discussed quorum issues. Calvin stated that in a non- quorum meeting information can be gathered but no action can be taken.

Mayor Sayre asked Mr. Porter about the Public Safety merger. Mr. Porter explained personnel have left due to not desiring multitasking job positions. Mr. Porter also stated Bald Head Island is not highly active for fire or police and feel this could be possible reason for the turnover of personnel. Chief Munna stated this has been a hard transition but feels the merger is going well.

5. Public Works/ Utilities

Peter Quinn described the committee as maintenance and maintaining a quality of efficiency on the island. Mr. Quinn reviewed the projects completed for 2010. Ken Bowling and Ben Liddle reviewed the maintenance completed on the island. Mr. Quinn stated the Public Works/ Utilities committee has several recommendations to be presented to Council for 2011 for additional beach parking and rebuilding of walkways. Ken spoke on the utility issues for 2011 and the request of equipment for the facility. Calvin Peck reviewed the ICE funds/ Powell Bill reference revenue and expenditures for previous years. Council and staff spoke on the Utilities department and fund balance.

6. Shoreline Protection

Joe Brawner spoke on the progress made by the Shoreline Protection committee and the issues faced for 2011. Chris McCall spoke on the committee members and the efforts they have produced. Chris gave a power point presentation on the history of the committee and the objectives faced and accomplished. Chris gave the Council the 2011 goals and action to be taken. Mr. Brawner and Chris spoke on the meetings with the delegates of the Corps of Engineers and the accomplishments they hope to make on the Sand Management Plan. Council and staff discussed the continuing issues of scheduling meetings with the Corps of Engineers. Chris updated Council on the Shoreline Protection budget and expenditures for 2010/ 2011. Mr. Brawner stated the committee will develop a calendar of events for 2011 for Council and the public.

Closed Session Pursuant to N.C. General Statutes 143-318.11 (a)(1),(3), and (5)

❖ Village of Bald Head Island vs. US Army Corps of Engineers

Pursuant to N.C. General Statutes 143.318.11(a) (1), (3) and (5), Mayor Sayre entertained a motion to enter into Closed Session at 4:00 p.m., with Councilor Pitera made the motion with all in favor. **(MOTION CARRIED 5-0)**

Mayor Sayre entertained a motion to come out of Closed Session at 4:25 p.m., with Councilor Morris made the motion with all in favor. **(MOTION CARRIED 5-0)**

Recess

Mayor Sayre entertained a motion to recess at 4:26 p.m., with Councilor Morris made the motion with all in favor. **(MOTION CARRIED 5-0)**

VILLAGE OF BALD HEAD ISLAND
VILLAGE COUNCIL RETREAT/ WORKSESSION
February 8, 2011
Shoals Club, Bald Head Island, NC
Day 2

7. Call to Order

Mayor Sayre called the February 8, 2011 2nd day Council Retreat/ Worksession to order at 9:00 a.m.

8. Environmental Management Commission Issues

1. Waste Water Treatment Plant Variance & EMC

Calvin Peck and Ken Bowling spoke on the variance for the WWTP and agreed the plant will not need to be expanded in the near future. Calvin explained the operation of the plant and dewatering wells around Lagoon 3, 4 and 5.

Attorney Baldwin explained the Village will need to apply for a permit to meet the 2T- rules. This permit will be denied and will be presented to the Environmental Management Commission for a variance. The obligation to the Club needs to be met prior to the agreement expiring in September 2011.

The Village has spoken with the involved entities and is working on concerned issues to begin the process.

Councilor Douglas stated the lagoons are normally low in the summer months and the discharge should work well. Councilor Douglas has concerns with possible hurricane flooding. Calvin stated the hurricane flooding should not be an issue with the island being evacuated. There are concerns with tropical rains during the tourist season. During this process, the Club and Village will open the gates to the creek to avoid flooding.

Council and staff discussed what process and timeframe needed to be established.

Robert Norton stated the Club is supportive of this process; however, there are concerns with the quality of the water for irrigation. There are issues with the homeowners near Pond 6 due to the flooding affect and should be addressed. Mayor Sayre stated this problem is not a Village issue, but an ARC guideline issue.

Robert Norton has concerns of what level is the aquifer is the best for the island. Staff spoke on property owners purchasing property during a drought and not knowing the possibility of flooding. Chris suggested the Village has a flood zone plan and should educate property owners prior to building. Robert Norton stated the major concern is the salt water intrusion issues. Chris asked Council if consideration could be made to use fill in the low lying areas. Calvin explained the data being collected for the Aquifer Study with the major concerns being the water quality and quantity issues. Calvin stated that three quarters years of data have been collected. Ken Bowling stated the Utilities department collects measurements and data daily to see the effect of the wells.

9. Economic Viability of the Island

1. County/State/Federal Funds for Shoreline Stabilization

Mayor Sayre reviewed the aggressiveness of staff and Council concerning the lobbying efforts made on the State and Federal level for shoreline stabilization for Bald Head Island.

2. Brunswick County Issues:

- **Recycling Proposal**- Calvin stated the Brunswick County Commissioners had directed staff to prepare a plan for county wide re-cycling. This plan consists of curb side service and would be charged through the county's general fund. The

counties proposal to the Village of Bald Head Island is reimburse \$3.41 per household on the island and with no recycling service provided to Bald Head Island.

Larry Lammert asked if the monies being paid to the county now would cover the cost of the proposed recycling plan. Calvin stated the monies paid to Waste Industries now are \$20k with the county covering \$20k. The county pays the tipping fees and the Village pays the barge fees. This would be an additional cost.

- **Sales Tax Distribution**

Calvin reviewed the NC General Statute on sales tax distribution. The distribution can be either ad valorem property tax or population. Calvin stated Brunswick County staff and surrounding municipalities are not interested in changing the plan. Calvin stated that several other beach and mountain communities that have the same concerns as Bald Head Island.

3. Alternative Financing

Mayor Sayre stated the Shoreline Protection Committee has recommended research on the alternative funding for shoreline protection and will be further researched by a committee member of the Shoreline Protection.

4. Flood/Property Insurance Issues

Mayor Sayre reviewed the issues faced on flood and property insurance cost for Bald Head Island and surrounding areas. This will continue to be monitored.

5. Revaluation Update

Deb Straub stated the Village has taken a pro-active stand to provide information to the county for the property values on Bald Head Island. Deb reviewed the process and information given to Brunswick County. Mayor Sayre asked Deb to obtain a master revaluation map for Bald Head Island. Deb agreed to request from the county.

Calvin reviewed the tax notice time frame and the concerns of the increase of property tax rates and not having an actual number of the evaluation for Bald Head Island until the rate has already been established for FY 2011.

6. Budget Issues:

Deb Straub reviewed the budget calendar process. Deb stated the budget calendar will be presented at the next Council meeting.

Deb presented Council a breakdown of the professional services rendered for FY 2010 to present. The handout presented does not include the non utility services or sand issues. Council and staff discussed the services provided and monies spent.

Council and staff discussed the engineering services and cost of operation provided to Bald Head Island.

Mayor Sayre stated the budget preparation of all engineering cost should be considered and discussed prior to the manager's budget presentation.

10. Update on Capital Projects

1. WWTP Expansion & Lagoons- H2SO

Calvin reviewed the time frame of the waste water treatment plant expansion. The water plant is producing a better quality of water and less reject water is being sent off island. Staff discussed the problems with the wells on the island. Staff is researching the complications and

working on well sites. Calvin discussed Limited's property well site and requested site.

Arrangements are being discussed between parties.

Calvin discussed with Council the quantity and quality of water on the island during high volume months and the concerns with how many wells can be used through the Utilities system.

2. Creek Access

Calvin and Daralyn Spivey discussed with Council to amount of kayak spaces and the cost of each space. Staff suggested enlarging to make additional kayak spaces and adding amenities at the creek access. The cost to enlarge the boat ramp is approximately \$200k with state permits being approved. The CAMA permit expires November 2014. Daralyn read the following to Council and Staff:

The existing Creek Access site is at capacity with a current waiting list of 30 people. The existing site holds 126 spaces permitting approx 130 kayaks/canoes or small skiffs. There is one boat ramp, one gazebo, one dock, one floating dock, one permanent rack with decking under it, 5 racks and assorted ground spaces along with an area designated for cart parking, parking for trailers, and an area for temporary canoe/kayak storage.

The proposed facility will include approx 150 permitted spaces. The existing gazebo is accessible by steps, those will be removed and replaced with a ramp bringing it in compliance with ADA regulations, an open observation area that is ADA accessible off of the existing gazebo will be added, widening & extending the existing ramp, a second boat ramp, adding a launching boardwalk to the existing dock, extend the existing dock, a picnic area to include tables, benches and grills that meet ADA requirements, relocation of the existing driveway, 26 +/- golf cart parking spaces, 16+/- spaces for cart/trailer combinations and 3 handicap accessible parking spaces added. As a result of this expansion it may also provide easier access to the creek for Public Safety should the need arise for emergency boat launching to the creek.

Expansion of the existing Creek Access will provide much needed water oriented, centrally located, park where island residents and visitors alike can experience the educational and recreational values of a North Carolina Estuarine Environment. It will provide a home base for those who are exploring the creeks and tributaries along the marshes of Bald Head Island along with a picnic area that can be utilized by all.

Applied for two grants and both have been denied.

CAMA Permit in Hand and expires Nov 2014 but can be extended if needed

Stormwater Permit Approved and Good Until Revoked or Terminated.

Dept of the Army Permit

BHA has given approval of the removal of the single family use covenant designation.

Required dock work has been completed involving moving the dock & relocating.

In order to make any future PARTF Grant applications our Parks and Rec Consultant recommends that we generate public involvement, public meetings, and actual feedback from residents that are recorded in minutes. Need to get public actively involved in the planning process. The P&R Committee should be assisting in the development of a Parks and Rec Master Plan to include the Creek Access Expansion. He suggests that we send out a "recreational needs" survey which will aid on our next application.

Council discussed funding for the project and the development of a Parks and Recreation Master Plan. The Parks and Recreation Committee will work on a plan for development to present to Council to proceed.

3. Harbor Groins

Calvin stated a meeting in reference to the harbor groins has been set up to meet at Deep Point on Wednesday, February 9, 2011.

4. Creek Dredging

Calvin stated the permits have been received. Eric Olsen has been authorized to move forward with bid specifications.

5. Stormwater

Steven Boyett gave a review of the prior flood event and the operation of the stormwater system. The standard operating procedures have been updated with improvements to the current infrastructure. Calvin reviewed the repairs made and to be made to the system. Steven stated Public Works and Utilities Department have outlined the necessities of improvement to the system. Steven and Calvin reviewed the areas of concern to be Captain Charlies Court, Cape Fear Trail and Dogwood Trail for flooding. The evaluation has been done and repairs should be made; however the system is operable.

Calvin gave a proposal to Council for the improvements to the stormwater system. Chris McCall stated the operation is working well with all entities on the island. The map produced will be distributed to all entities for working with staff in the field during storm situations. Mayor Sayre asked for a motion to approve the proposal for improvement on the stormwater system. Councilor Douglas made the motion, with all in approval.

(MOTION CARRIED 5-0)

Robert Norton stated the Club has purchased an 8 inch pump and discussed the improvement of the flooding issues on the island.

6. Litigation

Calvin suggested discussion should be addressed in closed session.

11. Budget Presentation

Deb Straub spoke on the presented five year plan. Deb stated the direction should be given by Council. Deb suggested the Council should schedule workshops to review and revise the budget issues for the following fiscal year.

12. Departmental Reviews

1. Administration

Calvin reviewed Council's direction to review staffing levels leading to the alleviation of two administrative positions in March 2010. Deb Straub spoke on the financial software and the potential upgrade in the utility billing system and reporting information. Deb stated the Village has put a considerable improvement into customer service and improving efficiencies. Deb reviewed the upgrades completed at Village Hall. Deb and Calvin reviewed the training that was given to employees on the healthcare benefits. Deb stated due to the lack of support, the payroll and human resource software should be upgraded to a separate vendor. Both are in current year budget. Councilor Morris asked if directed to cut \$50k from budget, what would be decreased. Calvin stated personnel cannot be reduced any further. Deb stated the alleviation of the positions did not save the Village monies due to unemployment benefits. Calvin stated staff will be reviewing professional services as a cost savings for the Village.

Mayor Sayre asked why commercial clients are unable to pay utility bills online. Deb stated the decision was made due to the large credit card fee from the credit card company to the Village. The client is able to pay through their bank account to have an automatic debit to pay utility bills.

2. Shoreline Protection

Chris McCall reviewed the past year goals and accomplishments of the Shoreline Protection Committee. Chris reviewed his accomplishments with the meetings attended. Chris explained

the improvements of communication with the Corps of Engineers and working with the Corps staff.

Chris stated improvements for the island would continue the plantings on the beaches for shoreline protection. Chris stated the beach accesses could be maintenance by Public Works to possibly save monies eternally. Chris reviewed the meetings and conferences he is to attend for the upcoming year to Council.

Chris stated he appreciates working with Council, staff and administration. Chris concluded by saying he was a recipient of the tuition assistance offered by the Village and grateful of the assistance given.

Councilor Douglas asked Chris to explain on the estimated legal fees for litigation of \$970k. Is that assuming we go to litigation? Chris stated this is assuming the Village settles and includes the engineered beach study. Mayor Sayre and Council reviewed the 5 year plan for the Shoreline Protection. Mayor Sayre questioned the Monitoring budget of \$115k and suggested lessening the amount. Chris stated the monitoring is required for 3 years and will research further request. Council and staff discussed the lobbying cost and importance of maintaining lobbyist.

3. Development Services

Steven Boyett reviewed the stat issues for 2010/2011. Steven spoke on the economy and foreclosure issues for Brunswick County. Steven stated Development Services is moving forward to help on the marketability and stabilization on the island. Steven has started working on the CRS (Community Rate System) Program. This is a voluntary program which the Village would establish points to assist in discounts for persons with property on the island in the national flood insurance program. Steven has been working with state preservation in Raleigh on the creek boathouse issues. Calvin stated the State is suggesting the Village to preserve the state owned creek boathouse. Council and staff discussed the guidelines for preservation and maintaining the boathouse. Steven reviewed the benefits of Development Services for potential property owners, builders and other entities on the island with planning and lot issue questions and concerns.

4. Utilities

Ken Bowling gave a summary of the operation of the department with review of expenses and revenues. Ken stated the tap fees are down and numerous utility accounts have been closed. Ken stated to Council there has been 15 (fifteen) homes changing ownership in January 2011. The utilities department has removed 22 (twenty-two) septic tanks and 44 (forty-four) are remaining to switch to the sewer system. Ken spoke on the operation of the maintenance system and facilities. Ken reviewed the operational needs and cost for the Utilities Department. Council and staff discussed the monthly utility rates and the comparison to surrounding areas.

5. Public Works

Ben Liddle spoke on the challenges and accomplishments for the year. Ben stated next year challenges included the curb side re-cycling. The county wide curb side re-cycling would not be efficient on Bald Head Island. Ben stated the present re-cycling service offered on the island collects approximately 80% of items.

Ben stated public works will be improving the beach accesses on the island with parking and refurbishing the boardwalks.

Ben reviewed the capital projects and request for FY 11/12. There was a concern with the barge expenses. Ben explained which vehicles and the timeframe for the barge charges. Council and staff discussed the recycle issues for electronics in the landfill. Council directed staff for further research.

6. Public Safety

Chip Munna presented a power point to the challenges for Public Safety. Chip reviewed the issues of loss of staff and the challenges of locating persons interested in pursuing to work for a public safety department on Bald Head Island.

Chip reviewed the accomplishments with the training of medical and fire with personnel. Chip stated there are 4 to 5 firefighters per shift at all times, with 3 daytime Village staff who are firefighters.

Chip spoke on training for 2011 and ways to conserve expenses. Firefighter, water rescue and medical certification training will be completed on shift to prevent overtime. Chip spoke on ways to save monies on patrolling by utilizing the golf cart and bicycles.

The Public Safety will reduce staff during the off season for employees to take vacations preventing overtime.

The Public Safety department is 2 (two) years behind on replacement of vehicles. Chip reviewed the condition and mileage of all vehicles. The hybrid is due for battery replacement and will cost approximately \$10k.

Chip reviewed the county vice and narcotics unit issues.

Chip spoke on the communications/ radio system for Brunswick County that will be updated to Viper Radio System within 3 years.

Chip spoke on the BLET (Basic Law Enforcement Training) for BHI. There are 11 (eleven) certified police officers with approximately 3 (three) per shift. The BLET training and supplies cost approximately \$1500.00 per staff. Mayor Pro Tempore Fisher stated concerns with excessive law enforcement officers for the island. Chip gave an explanation for the turnover and the monies spent. Chip discussed with Council the collection issues with Medi Vac patients and the insurance compensation rate.

Staff discussed the fire service charges for a working fire call. Mayor Pro Tempore Fisher asked if Public Safety charged for excessive fire alarms. Chip stated there have not been excessive false alarms and the way the ordinance states after the 1st occurrence there can be up to two within a twelve month period before civil penalties can be enforced.

13. Set calendar and fiscal year goals

Council discussed the Council meeting schedule for 2011. Calendar was amended as below.

1. 2011 COUNCIL MEETING SCHEDULE

Friday, January 21, 2011

Friday, February 18, 2011

Friday, March 25, 2011

Friday, April 15, 2011

Friday, May 20, 2011

Friday, June 17, 2011

Friday, July 15, 2011

Friday, August 19, 2011

Friday, September 16, 2011

Friday, October 21, 2011

Friday, November 18, 2011

Friday, December 16, 2011

All Work Session Meetings are held at 9:30 a.m. and Regular Meetings are held at 3:00 p.m. at the Bald Head Association Center.

Council discussed the 2011 Coastal Local Governments Annual Meeting presented by NCBIWA. Sponsorship was agreed by Council for \$1,000.00 for this meeting.

Council and staff reviewed and discussed the Council 2011 goals and priorities. Council and staff discussed the operation of the pumping and irrigation systems on the lagoons. Priorities were amended as below.

1. 2011 Council Priorities

- 1. Sand Placement & Beach Stabilization**
 - A. Engineered Beach Restoration Project- Completed w/ exception of making installment payments on the GO Bond**
 - *Required Post Dredge Monitoring:*
 - a. *Beach Front Benthic Monitoring*
 - b. *Shoal's Monitoring*
 - B. Channel Maintenance-**
 - Monitoring Survey-
Corps- #8/ SMP Revisions
Olsen- #9 -May 2011
Pursuit of 216 Study- Reconnaissance Study
 - C. Marina Jetty Extension –**
 - Permitting
 - Ltd holds permit
 - Attorneys discussing
 - Funding
 - Status/design update
 - D. Creek Channel –**
 - Permitting- Completed
 - Funding -2011/ 2012 Budget
 - *Bid Packet Development Underway*
 - Timing – Emergency situation- Response
 - Creek Dredge
 - Jetty – Not a viable option
 - Design/TBD
 - E. NC International Port-**
 - Communications – Continue to monitor state & land ownership for a transfer. VSPC Liaison to monitor NCIT
 - F. 50 Year Shore Protection Plan-**
 - Funding for inclusion Brunswick County plan- Recon Study
 - G. Sand Management Plan – On going w/ Corps Litigation Process**
 - **Received Provided Technical Analysis Response February 2011**
 - H. Harbor Timber Groins – On going (Village/LTD/BHI Club Discussions)**
 - Village obtain/cost – **Received Permit Modification from DCM**
 - I. External Relations – Continue w/ On-going Relations**
 - Brunswick Beaches Consortium (BBC)
 - Active participation
 - Dredge Material Management Plan (DMMP)
 - Attending meetings
 - NC Beaches Inlets and Waterways Association (NCBIWAY)
 - Peck on Board of Directors
 - US Army Corps of Engineers (USACOE)
 - Regular mtgs.
 - Division of Coastal Management (DCM)
 - Frequent visits
 - IHA Discussions/Legal Representation at CRC Meetings - **On hold**
 - NC State Ports Authority (NCSPA)
 - State, Federal and Elected Officials
 - Annual visits to DC.

- Regular visits to Raleigh
- J. Terminal Groin – On going**
 - Legislation -
 - Lobbying efforts
 - A. McGuireWoods
 - B. Brunswick County
 - C. NCBIWA
 - Design (Erik Olsen)- On going
- 2. Stormwater Management**
 - A. Conversion of Lagoon 3 to Stormwater - EMC Variance process on going**
Easements not needed
 - (2nd) Major Permit Modification – after Ponds 4 + 5 complete – On going
 - (3rd) Connection w/ Lagoon #1- Not Viable (Club purchase pump/ hose to make connection)
 - B. Management of Localized Stormwater Retention – On going**
 - Acquisition of necessary easements
 - Ongoing
 - Culverts
 - Design of Edward Teach Phase III – Feasibility Study Completed by CLD
 - On hold until EMC Variance Approved
 - Lagoon #3 needed for containment
 - Swales
 - On going
 - **Additional Areas of Concern to Address - Public Works**
 - BHI Club entrance- Completed
 - Area on WBHW (proximity to Estate Lot #7) - On going
 - SBHW (between Stede Bonnet & Muscadine) - On going
- 3. Utility Department**
 - A. Aquifer Study – On going**
- 4. Village Facilities**
 - A. Electronic Data Storage- On going**
 - B. Centralized Fire Department – On hold**
 - Analyze near term staffing needs ...
 - C. Public Creek Access Facility Expansion – Permits Received**
 - Create a Comprehensive Parks & Recreation Masterplan under guidance of Parks & Recreation Committee
 - PARTF Grant- Due 2-2 – 2010- Denied Parks & Rec. Committee Undertake
 - CAMA Grant- On going
 - CAMA Major Permit – Permits Received
 - DWQ Stormwater Permit – Permits Received
- 5. Wildlife Management – On going**
 - A. Deer Herd Management**
 - Transition to Non-Lethal Method
 - Education: Island Survey- Wide “Non-Binding”- Communications Committee to Complete
 - Review New Conservancy Study Efforts
 - On going
 - B. Alligator Management**
 - On going
- 6. Harbor/Marina Development- On hold**
 - A. Bald Head Island Landing Subdivision – BHI Limited Provide Update**
 - Timber Bridge- Included in Limited 2012 Budget
 - Permits acquired
 - Timing TBD
 - Road Realignment
 - On hold pending
 - B. Acceptance of Harbor Village Streets/ Cape Fear Station – BHI Limited**

- Create Policy on alleys
 - C. **Groinfield Maintenance Investigation** – On going
 - Awaiting permit
 - D. **Beach Access Acceptance**
 - Gazebo
 - Awaiting permit
 - E. **Marina Ownership**
 - Investigate Ownership Leases
 - In discussion
 - Discussion with the Club:
 - 7. Commercial Design Guidelines**
 - A. **Unified Development Ordinance** (Comprehensive Update of Zoning/Subdivision) – On hold
 - Zoning
 - Subdivision
 - Commercial Design Standards
 - Consistent w/ Island-wide POA Covenants (Stage I, II, MI)
 - 8. Environmental Management**
 - A. **Median Maintenance**- On hold
 - SBHW: duplicate current design from Club to Laughing Gull Trail
 - Ltd displayed alternate design
 - Pending 2009/10 Funding in Budget
 - Median at Muscadine & SBHW
 - B. **Beach Vitex** – Monitoring for re-growth w/ BHI Conservancy
 - C. **Boathouse Stabilization/ Survey**- SHPO meet with VBHI Building Inspector February 2011
 - D. **Monitor Re-valuation**
 - 9. Transportation/Parking**
 - A. **Security Requirements for K-boat Operation**
 - B. **On/Off Island Parking**
 - Included in Village Hall Plans
 - C. **Delivery Rates to Island**
 - Home delivery cost reduction
3. Council reviewed and discussed the calendar and committee charges for 2011. Updates were amended as below.

Charges for Committees & Calendar

Shoreline Protection	1 st Wed. each month at 9:00 am
Finance.....	3 rd Mon. each month at 8:45 am
Public Safety/Transportation.	3 rd Mon. each month at 10:00 am
Public Works/ Utilities.....	1 st Thursday each month at 1:30 pm
Planning Board.....	1 st Thurs. each month at 1:30 pm
Zoning Board of Adjustments...	Annual meeting in August/ or as needed
Communications.....	2 nd Tuesday each month at 10:00 am
Parks & Recreation.....	2 nd Monday each month at 2:30 pm

Committee Charges for 2011

COMMUNICATIONS COMMITTEE:

- Help establish the Village as the principal communicator of Village affairs with all taxpayers
- Advise on website improvements and management
- Advise on optimum use of web-casts
- Advise on proper format and frequency of “Village News” and e-blasts
- Help establish a working relationship with the BHA’s communications efforts (and other Island entities when appropriate)

- Advise on proper communication to stakeholders of sensitive legal issues
- Review, monitor and report on lobbying activities in Washington DC and Raleigh (in conjunction with Shoreline Protection Committee)
- Establish survey for citizens on the method of deer management
- Help establish and monitor professional public relations efforts
- Help establish protocol for updating stakeholders on the NCIT
- Help improve communication with other coastal communities

FINANCE COMMITTEE:

- Review budgets and financial reports and make recommendations
- Develop Five Year Financial Plan for Council approval
- Monitor Brunswick County's revaluations of property and advise on appeals
- In coordination with other coastal stakeholders monitor all insurance regulations and programs:
 - Wind and hail
 - Homeowners
 - Golf cart
 - Employee health
 - Flood and COBRA issues
 - Liability
- Evaluate and advise on potential financial impacts of Inlet and Ocean Hazard Area changes
- Aid in pursuit of fair distribution of Brunswick County revenue attributable to BHI, including a blended distribution of sales tax revenue
- Compare BHI budget with budgets of similar communities in order to identify possible cost savings and efficiencies
- Investigate Financial Software

PARKS & RECREATION COMMITTEE:

- Compose the Village's park and recreational Master Plan for probable/ possible future assets
- Evaluate how the Village may work with Island POA's and their assets
- Help position this committee to improve the Village's ability to qualify and receive supporting grants

PUBLIC WORKS & UTILITIES COMMITTEE:

- Evaluate and monitor the plan for providing water and sewer at Island build-out
- Make recommendations for lagoon maintenance, coordinated with BHA and the BHI Club
- Make recommendations for the development of operation and maintenance protocols for the Public Works and Utilities Departments
- Make recommendations for necessary paving
- Evaluate the optimal program for beach planting and sand fencing to promote beach stabilization, coordinate with the Conservancy and make recommendations for implementation
- Evaluate pedestrian and vehicle beach accesses and recommend improvements
- Make recommendations for improved beach debris removal
- Make recommendations for median maintenance, planting and stabilization
- Make recommendations for invasive vine and plant removal
- Make recommendations for programs to promote potable water conservation, especially as it relates to unnecessary or defective irrigation systems

PUBLIC SAFETY & TRANSPORTATION COMMITTEE:

- Continue to be available to the Bald Head Island community on a regularly basis as a way for transportation and safety concerns to be expressed and to make recommendation to Council as appropriate
- Continue to investigate any transportation or public safety issues brought to the committee by Council
- Evaluate the pilot program for taxi and shuttle service in 2011 and make recommendations to Council
- Investigate future vehicles, segways and miniature golf carts and make recommendations to Council if appropriate

SHORELINE PROTECTION COMMITTEE:

- **Funding: Channel Operation & Maintenance Budget**

While a more permanent solution is sought through various means, including litigation, the shipping channel must be cleared of sand with that sand be placed on impacted Bald Head Island beaches. Moreover, the SMP and the Settlement document call for regular dredging of the channel with BHI being the recipient of that sand on a scheduled basis. These legal commitments have not been faithfully funded.

For that reason, the VSPC prime “interim” objective is to force funding of the O&M budget. Each meeting should deal with the particular challenge presented, the overall strategy to follow, and the interim action steps necessary at that moment.

➤ **Channel Studies and other Necessities**

Beyond costs directly attributable to Channel dredging, money is needed to fund various studies related to the remedial process. Examples include non-federal money need for reconnaissance and feasibility studies, oceanographic studies of channel conditions, state funding offsetting community engineered beach costs, and the like. As these cost drivers become evident, the VSPC needs to target sourcing means, strategies, and actions.

➤ **Funding: Alternative Sources of Funding**

Given the current and likely continuing economic environment, expecting bi-annual funding of the O&M budget from Congressional budgets or a readily accessible source of funds from the state and its agencies is unlikely. For that reason, we need to apply our thinking to “alternative sources of funding” and execute against an effective strategy. This would target funding from both the State of North Carolina and Brunswick County. Insufficient serious thinking and energy has been applied against this challenge and the VSPC has an opportunity to take on this challenge.

➤ **Influencing Opinions: Lobbyists and Champions**

The role of the lobbyists we engage is to help us effectively influence the thinking of State and Federal funding sources so as to achieve our goals. By necessity, we must influence the opinions of those in a position to help us. By creating “champions” at various levels, we can better compete for the funding we deserve. The VSPC has the opportunity to better “create and manage” such champions and to tighten the connections between our Village and them, as well as between our ambition and their intentional actions.

➤ **Influencing the USACE Relationship**

As a recent commentary on this subject by Joe Brawner pointed out, “The recent legal filing, continuing beach erosion, and continued dredging of the navigational channel off of Bald Head Island will continue to make the development of a positive and productive relationship between the USACE and BHI a difficult task”. There are, at any given moment, a host of issues between the USACE and the Village. These issues are apart from the current litigation. Some are “routine” in that they are called for in the SMP or the Settlement Agreement. Some are “evolving” and relate to some non-routine intrusion into the dialogue between the parties. The VSPC needs to proactively manage the relationship with the USACE, taking an aggressive position based on entitled expectations.

➤ **Communication**

A targeted agenda item for 2011 is improved communications with a considerable list of publics. This list would include the tax-paying stakeholders of BHI to whom there is an accountability owed. The challenge to the VSPC is to make sure the advantages of networking are maximized, that our elected officials and other champions are aware of our efforts and the vexing issues we face, that the “public” that supports BHI for the quality experience it offers them as visitors, and that the surrounding communities are aware of our perspective and prone to support our issues. In carrying out a robust communication ambition in 2011, the committee intends to work with and through the Village Communication Committee when appropriate.

➤ **Technology**

The data that is readily available from a range of sources need be “mined” and understood by the committee. That data presents the “evidence” of conditions not otherwise revealed. It becomes the objective fact in supporting our case. It tells us what is happening, where and when. In some cases, it adds “how” it is happening. Without diligent acquisition of information in the form of data, we are “blind” as to “effect” and can only guess at “cause”. Understanding and becoming comfortable with this data should be part of the VSPC agenda for 2011.

➤ **Legal Matters**

The VSPC should support and be a partner to the litigation process as asked of it by the Village and its legal counsel.

In summary, these seven components which define the areas of focus for the VSPC should be the body of the work agenda reviewed and built upon at each committee meeting. As a matter of routine, specifics actions should be identified for each of the seven and tracked on an on-going basis.

4. Committee Appointments

Council reviewed the committee appointments.

Mayor Sayre made nomination of the re-appointment of John Knott and Ken Miller to the Finance Committee. Councilor Douglas made motion with all in approval.

(MOTION CARRIED 5-0)

Finance

2 Vacancies-

- John Knott (Re-appointment)
- Ken Miller (Re-appointment)

Shoreline Protection

Chairperson- Need Nomination

1 Vacancy- Need Nominations

Parks & Recreation- No Vacancy

Public Safety/ Transportation- No Vacancy

Public Works/ Utilities- No Vacancy

Communications

2 Vacancies- Need Nominations

Planning Board

1 Vacancy- Term expires June 2011

2 Alternates Available

Zoning Board of Adjustment

2 Vacancies- Terms expires June 2011

Council Representatives

Finance- John Fisher

Shoreline Protection- Andy Sayre

Parks & Recreation- Gene Douglas

Public Safety/ Transportation- Art Morris

Public Works/ Utilities-John Pitera

Communications- Andy Sayre

14. Closed Session Pursuant to N.C. General Statutes 143-318.11 (a)(1),(3),(5) and (6)

Pursuant to N.C. General Statutes 143.318.11(a) (1), (3) and (5), Mayor Sayre entertained a motion to enter into Closed Session at 3:23 p.m., with Councilor Pitera made the motion with all in favor.

(MOTION CARRIED 5-0)

Mayor Sayre entertained a motion to come out of Closed Session at 3:55 p.m., with Councilor Morris made the motion with all in favor.

(MOTION CARRIED 5-0)

15. **Adjournment**

Mayor Sayre entertained a motion to recess at 4:00 p.m., with Councilor Douglas made the motion with all in favor.

(MOTION CARRIED 5-0)

Mayor Andy Sayre

ATTEST:

Debra C. Talbert, Village Clerk