

**Minutes
Town of Atlantic Beach, North Carolina
Town Council Meeting
Monday, June 18, 2007**

The regularly scheduled meeting of the Atlantic Beach Town Council was held Monday, June 18, 2007 at 6:00 p.m. in the Council Meeting Room.

Members Present: Mayor Joyce Vinson; Mayor Pro Tem Eddie Dawkins; Council members Jim Bailey, Ruth Barnes, Joe Tarascio and Michael Warren

Members Absent: None

Others Present: Dave Harvell, Town Manager; Nelson Taylor, Attorney (sitting in for Town Attorney, Derek Taylor); Marc Schulze, Public Services Director; Donna Turner, Inspections Director; Landin Holland, Town Planner; Jessica Fiester, Planning Tech; Joey Starling, Inspector; A.K. Miller, Police Chief; Adam Snyder, Fire Chief; Laura Buda, Tax Collector; Sabrina Simpson, Town Clerk; Kelly Nash, Administrative Assistant and The Wert Family.

CALL TO ORDER AND ROLL CALL

Mayor Vinson called the meeting to order at 6:03 p.m.
Kelly Nash, Administrative Assistant took roll call.

PRAYER AND PLEDGE OF ALLEGIANCE

Mr. Claude Andrews led the assembly in the Lord's Prayer and Pledge of Allegiance

PRESENTATIONS

1. PRESENTATION OF PROCLAMATION 07-06-01: Proclamation to Special Heroes AND HEROISM AWARD TO WERT FAMILY:

Mayor Vinson presented Debbie Wert, wife and Katrina Wert, daughter of Master Sergeant Michael Wert of the United States Marine Corps. whose life was taken while saving the lives of two (2) juveniles from drowning on May 5, 2007 with Proclamation 07-06-01; Proclamation to Special Heroes. Fire Chief Snyder presented to Debbie Wert on behalf of her husband Master Sergeant Michael Wert and also to Katrina Wert, daughter Heroism Awards for their heroic efforts.

Members of the Atlantic Beach Fire Department and Marine Corps. Air Station, Cherry Point were also in attendance.

(Clerk's Note: a copy of Proclamation 07-06-01 is attached and hereby made a part of these minutes.)

After the presentations, Mayor Vinson recessed at 6:09 p.m. Meeting was reconvened at 6:14 p.m.

APPROVAL OF THE AGENDA

Councilwoman Tarascio made a motion to approve the Consent Agenda as written and the amendment of the Action Agenda to incorporate Mr. Willis's discussion into Item #10. Motion was seconded by Councilman Bailey. Motion was carried, 5-0.

CONSENT AGENDA

All items listed below are considered to be routine and will be enacted by one introduction/motion/second/roll call vote. There will be no separate discussion of these items unless a Council Member so requests, in which event the item will be removed from the Consent Agenda and considered separately.

1. TAX COLLECTION REPORT FOR MAY, 2007: (FYI Item)

Tax Collector Laura Buda submitted the tax collection report for May 2007 which showed that \$3,089.61 had been collected. The year-to-date total at the end of May was \$2,317,409.13

2. BUDGET TRANSERS (FYI Item):

N.C.G.S. Section 159-15 allows the Town's Budget Officer (Town Manager) to make periodic budget transfers from one line item to another within the same fund. While these transfers do not affect the total budget, the statute requires that the Council be notified of the transfers at its next scheduled meeting following the transfers. The following budget transfers were made:

Budget Transfer 1: Transfer of monies in Administration from Health Insurance to Finance and Town Clerk Legal Advertising, Health Insurance, Advertising and Maintenance/Repair of Equipment for purposes of general housekeeping of accounts.

Budget Transfer 2: Transfer of monies in Administration from Professional Services to Professional Services; from Health Insurance to Community Development and from Dental to Miscellaneous for purposes of general housekeeping of accounts.

Budget Transfer 3: Transfer of monies in Administration from Clerk Salaries to Professional Services for purpose of contracting with TESI until Clerk position is filled.

Budget Transfer 4: Transfer of monies in Police Department from Police/Communications Health Insurance to Police Health Insurance and Police Worker's Compensation for purposes of covering the cost incurred in different line items and also for a \$200.00 buffer.

Budget Transfer #5: Transfer of monies in Police Department from Police/Communications Maintenance/Repair of Equipment to Police/Communications Maintenance/Repair of Equipment and Police Vehicle Maintenance for purposes of covering cost incurred in different line items for vehicle maintenance and vehicle parts.

Budget Transfer #6: Transfer of monies in Fire Department from Part-time salaries and vehicle maintenance to overtime for purpose of general housekeeping.

Budget Transfer #7: Transfer of monies in Fire Department from Health Insurance to fuel for purpose of general housekeeping.

Budget Transfer #8: Transfer of monies in Fire Department from communication to dental for purpose of general housekeeping.

Budget Transfer #9: Transfer of monies in Fire Department from fire supplies to miscellaneous for purpose of general housekeeping.

Budget Transfer #10: Transfer of monies in Fire Department from other insurance to EMS collections for purpose of general housekeeping.

Budget Transfer #11: Transfer of monies in Fire Department from employee development to rescue supplies for purpose of needed supplies due to expired drug exchange program being discontinued.

Budget Transfer #12: Transfer of monies in Fire Department from communication to overtime for purpose of general housekeeping.

Budget Transfer #13: Transfer of monies in Inspections from contracted services to overtime for purpose of general housekeeping.

Budget Transfer #14: Transfer of monies in Planning from salaries, part-time salaries, Social Security and retirement to contracted services for purpose of general housekeeping.

Budget Transfer #15: Transfer of monies in Planning from employee development, maintenance and repair of equipment and dues and subscription to department supplies for purposes of computer and map plotter.

Budget Transfer #16: Transfer of monies in Public Services from Christmas Bonus to Worker's Compensation; from street lights to uniforms; and from landscaping supplies to overtime and sidewalks for purposes of general housekeeping/cleanup of budget estimates to carry through June 30th.

Budget Transfer #17: Transfer of monies in Public Services from building maintenance to telephone and postage; from miscellaneous to safety equipment; and from maintenance and repair of equipment to FEMA for purposes of general housekeeping/cleanup of budget estimates to carry through June 30th.

Budget Transfer #18: Transfer of monies in Public Services from vehicle maintenance to department supplies; and from paving/patching to overtime, Health/STD/Life Insurance, maintenance and repair of equipment and traffic control device for purposes of general housekeeping/cleanup of budget estimates to carry through June 30th.

Budget Transfer #19: Transfer of monies in Public Services from town land (professional services) to Sewer (legal advertising, printing, telephone and postage and miscellaneous) for purpose of general cleanup of accounts.

Budget Transfer #20: Transfer of monies in Public Services from professional services to overtime, uniforms, Worker's Compensation and fuel for purposes of general housekeeping/cleanup of budget estimates to carry through June 30th.

Budget Transfer #21: Transfer of monies in Public Services from maintenance and repair of equipment to salaries and from Capital Outlay to dredging for purposes of general housekeeping/cleanup of budget estimates to carry through June 30th.

Budget Transfer #22: Transfer of monies in Water from maintenance and repair of equipment to Capital Outlay for purpose of covering purchase of chlorinator.

3. BUDGET AMENDMENT #6:

Budget Amendment #6 is for purposes of housekeeping of stormwater and administration services accounts and application of dredging grant against expected expenses.

(Clerk's Note: Copies of all budget transfers and Budget Amendment #6 are attached and hereby made a part of these minutes.)

4. TOWN COUNCIL MEETING MINUTES:

April 16, 2007 Special Meeting May 9, 2007 Budget Work Session May 21, 2007 Regular Meeting
April 16, 2007 Regular Meeting May 14, 2007 Budget Work Session May 30, 2007 Budget Work Session

5. Adoption of Severe Weather Plan:

Council was presented with a copy of the Atlantic Beach Severe Weather Plan for review on May 21, 2007. It is being requested of Council at this meeting to adopt the plan as written.

CITIZEN REQUESTS/COMMENTS

1. James M. Willis, III – 104 Atlantic Beach Causeway, Atlantic Beach, NC

Mr. Willis waived his right to speak during Item #10; Stormwater and Wastewater Project on the Action Agenda. Mr. Willis summarized to the Council and assembly a presentation he presented some time ago and how it took a Supreme Court Judge to prove he was right.

(Clerk's Note: a copy of Mr. Willis' handout is attached and hereby made a part of these minutes.)

2. Tiffany Woodard – 308 Club Colony, Atlantic Beach, NC

Mrs. Woodard spoke on the proposed increase in taxes. She recommended to Council to think about the citizens that will be working and paying for this and what their wishes are and where those citizens want the money spent.

3. Herbert Pate – 123 Pond Dr., Atlantic Beach, NC

Mr. Pate states that he is still recommending the Town implement a severe weather warning system. He feels the citizens and residents of the Town will benefit greatly from this type of system.

4. George Richardson – 314 Fairview St., Atlantic Beach, NC

Mr. Richardson wanted to speak on the proposed budget tax increase. He was advised that there was a sign up sheet at the back of the room and this item will be presented a little bit later in the meeting.

5. Patty Adams – Owner of Freeman's Discount Bait & Tackle, 108 Atlantic Beach Causeway, Atlantic Beach, NC

Mrs. Adams stated that she sent a letter to Council regarding her opposition to the Moratorium for removing the special use from the Causeway. She stated that the business is going to Emerald Isle and that the Council needs to think about the money issue involved if this is the direction the Town wants to take.

At this time, with no further public comments, Mayor Vinson closed the Public Comment segment of the meeting.

ACTION AGENDA

1. BOARD OF ADJUSTMENTS APPOINTMENTS: Landin Holland

Landin Holland, Town Planner stated that two (2) Board of Adjustments appointments were expiring June 30, 2007. One appointment is for Mr. John Kurek, Chairperson for the Board and Mr. Scott Rice, Alternate to the Board.

A comment was made by a citizen in attendance that Mr. Scott Rice's residence may be changing. Mayor Vinson questioned Mr. Holland on this issue and Mr. Holland replied that he had recently spoken with Mr. Rice and that no mention of changing residences was made to him. Mayor Vinson advised that Mr. Rice's reappointment to the Board would be placed on hold until Mr. Rice's residence could be verified.

Councilman Dawkins made a motion to extend Mr. John Kurek's term to the Board of Adjustments to June 30, 2010. Motion was seconded by Councilman Warren. Vote was unanimous, 5-0. Motion was carried.

2. PLANNING BOARD REPORT – Landin Holland

Landin Holland, Planner gave a monthly report of the Planning Board's activities. He stated that the most important pressing issue the Planning Board addressed was the presentation by Fred Bunn and FMB of Atlantic Beach regarding the Grove development. But in other activities, the Planning Board voted 3-2 to approve the concept plan in the phase permitting; regarding the revision/up of the zoning map – the map is currently on the town's website, copies are available at Town Hall, advertisements are being run to advise the public to view the map and to make sure their property is zoned properly. If any changes are needed, there is a form that can be filled out and submitted to the Planning Department for research and possible revision; Sedimentation/Erosion Control Ordinance – working on a draft ordinance that will address this issue and construction site runoff and debris; Moratorium review/status – at last month's Council meeting, Town Council voted to table the Moratorium to remove residential use from the General Business District and the vote died on the repeal of the Moratorium, so a second reading was held at this night's meeting. At this time, Landin Holland presented some possible solutions and proposed changes regarding Special Use.

Mayor Vinson advised that Landin Holland had incorporated items #3 and #4 into his Planning Board report.

Councilman Warren made a motion to postpone the vote on Item #3 – Ordinance 07-06-06, Amendment to Chapter 18, Zoning, Article VI, Section 18-122(b)(2), Modification to the Special Use Table within the General Business (GB) District and to also postpone Item #4 – Second Reading of Ordinance 07-05-03 to repeal the Moratorium Ordinance 07-02-03 related to development within the General Business (GB) and Residential Commercial (RC) Zoning Districts until the July 16, 2007 Town Council meeting. Seconded by Councilman Bailey.

Upon further discussion with Mr. Holland, Councilman Warren amended his original motion to include calling for a Public Hearing. Vote was unanimous, 5-0. Motion was carried.

5. FMB Circle Project Update – Landin Holland

Landin Holland advised that at the last Planning Board meeting, Mr. Fred Bunn and FMB presented a revised concept plan. The Planning Board voted 3-2 to recommend the concept plan to Town Council. Mr. Holland requested Council to vote on approval of the concept plan and the concept of a phase permitting process. This means that as structures are improved on a building by building basis, permits will be secured in all landscaping, street-scaping, parking, etc. Building location and site plan requirements will be addressed on a piece-meal basis, as FMB moves forward with the project. A discussion was held between Council and Mr. Holland on the clarification of what is being requested of Council.

Councilman Tarascio took the floor at this time to comment on the Circle development. He feels that the Town has reached the point as to where it is needed to stop and take a breath to see where things are at. He called for a joint Town Council/Planning Board meeting regarding the Circle development for the following reasons:

- There seems to be discrepancies between the original vision that some community and Board members had and the current plan. He feels the discrepancies have been "fueled" by both language in the ordinance, specifically the term "non-residential" and by the initial labeling of certain venues in the CDD as retail by the developer.
- No concrete proposals that can be used to verify the tradeoffs, parking requirements, open space requirements at this point. He feels that something concrete should be in hand before Council signs off on it.

- Feels that some of the other misunderstandings of this project are based on personal concepts of a staff member that is no longer employed by the Town and that the agreements and concepts were agreed upon without any Board actions and are now creating problems for the developer and the Town.

Councilman Tarascio advises the Council needs to get back into a position to where everyone that comes before them can be treated on a level playing field and to also get back to a point where the development is back to its original "spirit" and flexibility that was presented to the public and not have to negotiate every little detail.

At this time, Councilman Tarascio called for a joint meeting of Town Council and the Planning Board. Seconded by Councilman Dawkins. Vote was unanimous, 5-0. Motion was carried.

Due to the unanimous vote of Town Council to hold a joint meeting of Town Council/Planning Board, the presentation of the Circle Development project by FMB of Atlantic Beach was not presented at this time.

6. FINANCIAL STATEMENTS and CASH/INVESTMENT REPORTS FOR May 2007 – Sabrina Simpson

Town Clerk Sabrina Simpson advised Council that from this month forward they will be receiving these reports at each Council meeting to keep Council aware of the financial picture and what is taking place and if there are any questions they can be addressed. At this time, Mrs. Simpson proceeded to explain the findings of each report. Regarding the Financial Report – shows in the GF and Public Utility Funds the percentage that has been spent or received in revenues for the month of May. In the General Fund, revenues received are at eighty-one percent (81%) through the end of May and eighty-eight percent (88%) in expenditures. In the Public Utility Fund, approximately seventy-four percent (74%) has been collected and sixty-seven percent (67%) in expenditures. Regarding the Cash/Investment Reports – these reports will show Council as each month passes what Certificates of Deposits the Town has, the rates attached, the time length of each, when it is time to renew the CD's.

a. Budget Amendment #7:

Mrs. Simpson stated that the total of the budget amendment is \$130,700.00 and that this amount will cover already approved projects. Those projects being the: ADA Beach Access Study - \$26,000.00; Demolition of structure at 204 Glenn St. - \$8,000.00; and the Environmental Assessment Task Order - \$99,700.00. All three (3) projects will be coming out of the Undesignated Fund Balance which will bring the total to 12.5%.

Councilman Bailey made a motion to approve Budget Amendment #7. Motion was seconded by Councilman Dawkins. Vote was unanimous, 5-0. Motion carried.

7. 204 GLENN ST. STATUS UPDATE – Donna Turner

Donna Turner, Inspections Director advised that as of 8:50 a.m. on today's date, the structure at 204 Glenn St. was under demolition.

8. RESOLUTION 07-06-01; SUPPORTING AMENDMENT TO STATIC VEGETATION LINE RULE BY THE NC COASTAL RESOURCES COMMISSION – Town Manager

Mr. Harvell cited paragraph 4, section of the Resolution. He advised that while this does not directly impact Atlantic Beach, it does affect Emerald Isle and that this Resolution is in support of Emerald Isle and he is requesting Council to adopt this resolution supporting the amendment.

Councilman Tarascio made a motion to adopt Resolution 07-06-01; Supporting Amendment to Static Vegetation Line Rule by the NC Coastal Resources Commission. Motion was seconded by Councilman Warren. Vote was unanimous, 5-0. Motion was carried.

9. NPDES PHASE II STORMWATER PROGRAM STATE DESIGNATION PROCESS UPDATE - Town Manager:

Town Manager, Dave Harvell stated that on June 6, 2007 the Mayor's office did receive official notification from Environmental Management Commission that the Town of Atlantic Beach has been designated as a Phase II Stormwater municipality and this will require the Town to develop a stormwater plan and apply for a permit from EMC. The application must be made within eighteen (18) months.

(Clerk's note: a copy of the designation letter is attached and hereby made a part of these minutes.)

10. STORMWATER & WASTEWATER PROJECT UPDATE – Councilman Jim Bailey:

Councilman Bailey advised that the Town did ask for assistance from W.K. Dickson in regards to their response on the Phase II Stormwater designation. In regards to the stormwater and wastewater projects, Councilman Bailey stated that the Town has received the final copy of the stormwater recommendations which includes prioritized projects and individual issues have been addressed. Councilman Bailey requested that the final copies of Volume I and Volume II be posted on the Town website. He proceeded further by stating that it is the recommendation to convert the Atlantic Beach Advisory Committee on Wastewater and Stormwater (ABACOWS) to a permanent Public Utilities Board/Committee. The concept of this newly formed committee would be to function very much like a Planning or Zoning committee to the point where the committee would be tasked with issues dealing with public utilities, research, analyze and bring recommendations on various issues to Council. This committee would have the support of staff and Public Works Director; Marc Schulze would be the possible staff liaison with the committee possibly meeting on a monthly basis. Councilman Bailey feels that the ABACOWS committee has done such and excellent job regarding the wastewater issue and the knowledge that has been obtained by the committee members is and will be a valuable resource.

Councilman Bailey made a motion to setup a Public Utilities Committee that will consist of up to eight (8) with citizens of Atlantic Beach and the initial membership be offered to the current ABACOWS committee members and for them to elect a Chairperson and Vice-Chairperson to serve at the will of Town Council. Motion was seconded by Councilman Dawkins. Vote was unanimous, 5-0. Motion was carried.

Mayor Vinson recessed at 7:30 p.m. Meeting was reconvened at 7:38 p.m.

11. 2007 DEBRIS REMOVAL CONTRACT – Marc Schulze:

Public Works Director, Marc Schulze advised that in order for the Town to get federal reimbursement the Town needs to have a preposition contract that meets all the federal regulations. He further advised that he has worked with Johnson Environmental and Disaster Consulting Services who ensures that the contract and bidding process meets all regulations. Mr. Schulze stated that the bidding process this year was very competitive with fourteen (14) firms submitting proposals and that it is the staff's recommendation that the contract be awarded to Garland Construction as the best value for the town. He also advised that the Town has not done any previous work with Garland Construction, but their references have been checked.

Councilman Tarascio made a motion to award the 2007 Debris Removal Contract to Garland Construction. Motion was seconded by Councilwoman Barnes. Vote was unanimous, 5-0. Motion was carried.

12. COASTAL REGIONAL SOLID WASTE CONTRACT RENEWAL (5 Years) – Marc Schulze:

Public Works Director, Marc Schulze stated that the current contract with the Coastal Regional Solid Waste Authority expires later this year. The new contract has one major change which is the omission of discussion on debt management due to the fact that the Authority has retired their debt. The new contract does have an auto-renewal provision of five (5) years if the Town does not take any action. He also advised that the Town Attorney has looked at the contract and it is the staff's recommendation to sign the contract.

Councilwoman Barnes made a motion to sign and execute the new Coastal Regional Solid Waste Contract. Motion was seconded by Councilman Dawkins. Vote was unanimous, 5-0. Motion was carried.

13. PUBLIC HEARING FOR FY2007-08 BUDGET ORDINANCE 07-06-01 – Town Manager:

Town Manager, Dave Harvell advised that on May 30, 2007 he presented the proposed FY2007-08 Budget and it was Council request at that time to schedule a public hearing regarding the proposed budget at this night's meeting. He stated that he is requesting tonight for Council to hold a public hearing and to adopt the proposed budget which would also approve the FY2007-08 proposed Fee Schedule that is attached.

Councilman Bailey made a motion to go into Public Hearing on proposed FY2007-08 Budget Ordinance 07-06-01. Motion was seconded by Councilman Warren. Vote was unanimous, 5-0. Motion was carried. The floor was open to the public.

Mr. Jim Willis, 104 Atlantic Beach Causeway, Atlantic Beach, NC: opposes the tax increase. Mr. Willis asked if the budget could be placed on a ten (10) year plan instead of five (5) and cut the percentage down to twenty (20) instead of forty one (41).

Mr. Andrews: declined to speak at this time.

Mr. Fred Bunn: not in attendance at this time.

Mr. Joe Osborne: opposes the tax increase and feels the Town is over-funding quite a lot. He feels that the Town is funding everything staff is asking for, dreaming up and imagining. He also advised the Town should be representing the citizens and not just endorsing what staff wants. He would like to see the Town go to a lower tax rate.

Mr. Darrell Morgan, Mr. William English and Mr. Jan Miller: not in attendance at this time.

Mr. George Richardson: opposes the tax increase. He feels that a forty one percent (41%) increase is astronomical. He also questioned why the Police Dept. would have 10 officers working at one time on a shift and why a town as small as Atlantic Beach does not have the county collecting the taxes to where you would not have to pay for a tax collector.

Mayor Vinson read a letter at this time from citizen John Lotspih of 203 Winston Ave., Atlantic Beach, NC regarding budget considerations.

(Clerk's note: a copy of Mr. Lotspih's letter is attached and hereby made a part of these minutes.)

Councilwoman Barnes made a motion to come out of Public Hearing. Motion was seconded by Councilman Bailey. Vote was unanimous, 5-0. Motion was carried. The floor was closed for public discussion.

Councilman Bailey asked of Acting Chief Miller if the Town does in fact have ten (10) officers on duty at all times. Chief Miller advised that the Police Dept. does not have that many officers working on one shift all the time. Councilman Bailey asked Public Works Director, Marc Schulze about the hydrant upgrades. Mr. Schulze advised that state requires the hydrants to have a service valve so major lines are not taken out of service. He further advised that the hydrants that were designated do not have these service valves and therefore do not meet state standards even though there is not any penalty attached. Councilman Tarascio asked if this funding was coming out of the water fund and if so, does it have any bearing on the budget. Mr. Schulze confirmed that the funding is coming out of the water fund and that this does not affect the tax rate or general fund. Councilman Bailey took this time to explain his understanding of why changes should be made rather quickly. He stated that

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this was due to the fund balance being so low that if a major catastrophe was to strike the Town would have serious concerns after the fact.

Councilman Tarascio explained that two (2) cents of the budget is going to rebuild the fund balance and that if the time period was extended for ten (10) years the tax rate would only be reduced by one (1) cent.

Councilman Dawkins voiced his concern about whether or not the Town has "hit" on the things they can do better. He feels that no matter how good things get, something is going to offset this and that the tax rate will stay at a high.

Councilwoman Barnes stated that she is appalled that the fund balance is this low and that there is no excuse for the Town and the citizens to be misled like they were. She promised that the "wool would not be pulled over her eyes".

Councilman Warren commented that it is a very hard decision to make a tax increase this large but on the other hand, he does not want to worry about how the Town will rebuild itself if a major hurricane hit or the opportunity for grants on various projects is being missed due to lack of matching funds.

Mayor Vinson stated that the Town Manager and she have met and discussed that the past is history now and it is time to move forward under new leadership, direction and guideline. She feels that the direction the Town is moving in and the methods of communication regarding the information that is being reported will be beneficial. The Mayor feels that the Town is on the right track and needs to keep moving forward.

Councilman Tarascio wanted to make the comment that although it may seem that there is a lot of staff, for the type of community that Atlantic Beach is, sufficient staff is needed and you cannot hope to retain quality employees if you let them go in September in hopes of rehiring them back in the spring. He iterated that Atlantic Beach has not been as well kept and protected as it is now.

Councilman Dawkins offered a challenge to the Town Manager in that he works with what he gets.

Councilman Tarascio made a motion to approve the budget as it has been worked up to this point. Motion was seconded by Councilman Bailey.

Councilman Warren, at this time, questioned the Town Manager as to what is the reevaluation trend at this time. The Town Manager advised that the trend is on a decline and that the tax base is currently 2.2.

Councilwoman Barnes questioned as to whether the Council can cut some of the department funding. Mayor Vinson advised that yes that can be done. Councilman Tarascio advised that \$220,000.00 in cuts would have to be made in order to reduce the tax rate by one (1) cent. Councilman Bailey acknowledged that this was discussed at a previous meeting and it was agreed upon not to take this course of action. Councilman Bailey stated that he does not feel that a tax cut of more than one (1) cent can be made without seriously reducing services and he does not see where any cuts can be made regarding town staff/services.

At this time, Mayor Vinson reiterated that there was a motion on the floor to approve proposed FY2007-08 Budget Ordinance 07-06-01. Vote was 3-2 with Councilwoman Barnes and Councilman Dawkins opposed.

Attorney, Nelson Taylor, who was sitting in for Town Attorney, Derek Taylor in his absence, stated that if the motion does not pass on the first reading, a second reading is in order. It was discussed amongst Council that a Special Meeting would have to be called in order to meet the approval deadline of midnight, June 30, 2007.

Councilman Warren made a motion to call a Special Meeting on June 25, 2007 at 6:00 p.m. for a second reading on proposed FY2007-08 Budget Ordinance 07-06-01. Motion was seconded by Councilman Tarascio. Vote was unanimous, 5-0. Motion carried.

Mayor Vinson questioned the remaining agenda items (#14-18) as to whether they could be voted on at tonight's meeting or would they need to wait due to the fact that some of the proposed ordinances deal with fee changes geared to the proposed budget. Mr. Taylor advised that the remaining agenda items could be voted on tonight but he suggested that Council wait until they see what is going to happen with the budget. Upon further discussion, it was the Council's wishes to proceed with voting on the remaining agenda items at this night's meeting.

14. PROPOSED ORDINANCE 07-06-02; AMENDMENT TO CHAPTER 1, GENERAL PROVISIONS; SECTION 1-6; GENERAL PENALTY; ENFORCEMENT OF ORDINANCES; CONTINUING VIOLATIONS – Fire Chief Snyder:

Chief Snyder advised that this ordinance proposes to reflect the penalties as outlined in General Statute 14-4, and will also reflect higher penalties for certain violations as proposed by the FY2007-08 Fee Schedule. He advised the allowable time has changed from a thirty (30) day to each and every day by General Statute 160(a) 175, Section G.

Councilwoman Barnes made a motion to approve Proposed Ordinance 07-06-02. Motion was seconded Councilman Bailey. Vote was unanimous, 5-0. Motion was carried.

15. PROPOSED ORDINANCE 07-06-03; AMENDMENT TO CHAPTER 3, ALARM SYSTEMS; SECTION 3-6; FALSE ALARMS, MALFUNCTIONS; PENALTIES – Fire Chief Snyder:

Chief Snyder advised that this proposed ordinance is to establish more appropriate penalties for multiple false alarms and malfunctions due to negligence.

Councilwoman Barnes made a motion to approve Proposed Ordinance 07-06-03. Motion was seconded by Councilman Warren. Vote was unanimous, 5-0. Motion was carried.

16. PROPOSED ORDINANCE 07-06-04; AMENDMENT TO CHAPTER 8, FIRE PREVENTION AND PROTECTION, SECTION 8-24, PERMITS REQUIRED; SECTION 8-25, APPLICATION FOR PERMIT; SECTION 8-26, FEES FOR PERMITS INSPECTIONS, CERTIFICATES, FIRE CODE VIOLATIONS, ETC – Fire Chief Snyder:

Chief Snyder advised that this proposed ordinance to establish permits, permits procedures and fees to regulate and oversee certain operations, installations and modifications. He advised that currently this is not being done and it should be.

Councilwoman Barnes made a motion to adopt Proposed Ordinance 07-06-04. Motion was seconded by Councilman Tarascio. Vote was unanimous, 5-0. Motion was carried.

17. PROPOSED ORDINANCE 07-06-05; AMENDMENT TO CHAPTER 8, FIRE PREVENTION AND PROTECTION; SECTION 8-2, OPEN BURNING AND OPEN FLAME COOKING DEVICES – Fire Chief Snyder:

Chief Snyder advised that this proposed ordinance to establish an ordinance for open burning and open flame cooking devices where currently there is not one. Chief Snyder advised that upon adoption of this proposed ordinance by Council, copies will still need to be submitted to the North Carolina Department of Inspections for their office to look at and confirm that this ordinance will be in compliance with General Statute and also the North Carolina fire code. He also noted that the Town Attorney has reviewed the ordinance also.

Councilwoman Barnes made a motion to adopt Proposed Ordinance 07-06-05. Motion was seconded by Councilman Tarascio. Vote was unanimous, 5-0. Motion was carried.

18. RESOLUTION 07-06-02; AMENDMENT TO THE TOWN WATER POLICY – Marc Schulze:

Public Works Director, Marc Schulze stated that this resolution will amend the water policy to reflect the current rates that would be reflected in the proposed budget. Mr. Schulze looked to Attorney Nelson Taylor for guidance on the issue of whether this item needs to be voted on at this night's meeting. Mr. Taylor advised the item can be voted on if it is the Council's wishes.

Councilman Warren made a motion to adopt Resolution 07-06-02. Motion was seconded by Councilman Warren. Vote was unanimous, 5-0. Motion was carried.

TOWN MANAGER'S REPORT

Town Manager, Dave Harvell gave his report on various issues. Those being as follows:

- The Shark Shack - did not proceed with the concert that was to take place, no noise complaints have been received regarding the establishment and discussions have been held with the owners as to what is and is not expected of them.
- Dredging - seventy to eighty percent (70-80%) completed and reimbursement of \$104,000.00 has been received from the grant for the project.
- Police Chief Vacancy – ongoing. He will be enlisting the assistance of Judy Hills with Eastern Carolina Council with this process.
- Vehicle Take Home Policy – has been reviewed and a reduction of approximately forty percent (40%) of vehicles being taken home and remaining on site
- Nextel Cellphone Policy – is also being reviewed for reduction in number of cell phones distributed and monthly cost of service to approximately \$500-\$600.00 from \$1,400.00 monthly.
- Waste Industries – has been reviewed. Discrepancies were noted and a savings of between \$500.00-\$1,000.00 monthly will also be seen.
- North Carolina Lifestyle Boating Magazine – will be doing an article on the Town's Police Department's Marine Patrol and the floating dock system.
- Building Inspector – Joey Starling has completed his Electrical Level II and Mechanical Level I.
- Police Vehicle Accident – Lt. Prior's police vehicle was struck while parked legally at his residence with damages, no injuries to persons.
- 201 and 203 Ocean Blvd. – Stroud Engineering will be doing some survey in this area to identify the twenty foot (20') right-of-way to find out which portion will actually be identified.

TOWN ATTORNEY'S REPORT

Attorney Nelson Taylor had no report at this time.

MAYOR/COUNCIL REQUESTS/COMMENTS

Councilman Tarascio commented that if a joint meeting of the Council and the Planning Board is going to be called then it needs to be scheduled. Landin Holland, Town Planner stated that he would contact all Planning Board members to find a date that would best suit them and he would then advise Council as to the available dates and a date and time could be established from there. Councilman Tarascio spoke on the proposed budget. He wanted to know if there was a way to track where all the monies are coming from when people start transferring. Town Manager, Dave Harvell responded to this by stating that not only are transfers tracked, but every dollar that is transferred from one line item to another is also tracked and everyday areas of improvements are being identified. He also advised that Council will receive a monthly financial report beginning with August, 2007. Councilman Tarascio proceeded to discuss the issue of the falling sand dune onto Donna Styron's property

and he's wondering if there is anything the Town can do to help alleviate or solve this problem. It was noted by Mr. Taylor that this issue is between the two (2) property owners.

Closed Session

Councilman Tarascio made a motion to go into Executive Session in accordance with:

- N.C.G.S. 143-318.11(a)(3) To consult with the Town Attorney "To consider and give instruction concerning a potential or actual claim, administrative procedure, or judicial action."
- N.C.G.S. 143-318.11(a)(6) "To consider the qualifications, competence, performance, condition of appointment of a public officer or employee or prospective public officer or employee."

Motion was seconded by Councilman Dawkins. Vote was unanimous, 5-0.

Council entered Executive Session at 9:10 p.m.

Councilmember Dawkins made a motion to go out of Executive Session and back into Open Session. Seconded by Councilmember Barnes, vote was unanimous, 5-0. The Council reconvened to Open Session at 10:03 p.m.

ADJOURNMENT

There being no further business before the Town Council, Councilman Dawkins made a motion to adjourn the meeting. Motion was seconded by Councilmember Barnes. Vote was unanimous, 5-0. It was 10:04 p.m.

Submitted by:

Kelly L. Nash, Administrative Assistant

These minutes were approved at the August 20, 2007 meeting of the Atlantic Beach Town Council.

Joyce Vinson, Mayor