



# Town of Southern Shores

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Southern Shores Town Council  
Town of Southern Shores, North Carolina  
Regular Meeting  
March 7, 2006  
7:00 p.m.-Pitts Center

## MINUTES

The Southern Shores Town Council met on March 7, 2006, at the Pitts Center.

The following Council Members were present: Mayor Don Smith, Council Members Jodi Hess, Dan Shields, David Sanders, and Brian McDonald.

Also present were: Carl Classen, Town manager; Carrie Gordin, Town clerk; and Ike McRee, Town attorney.

### OPENING

Mayor Smith called the meeting to order at 7:00 p.m., led the Pledge of Allegiance

Mayor Smith held a moment of silence

### APPROVAL OF AGENDA

Council Member McDonald moved that the agenda be amended to consider the Duck Woods Country Club amended site plan following the Public Comment section of the agenda. Mayor pro tem Shields seconded. The motion passed with Mayor Smith and Council Members Shields, Hess, Sanders, and McDonald voting aye; no Council Member voting no; and no Council Member absent or not voting.

### APPROVAL OF MINUTES

Mayor Smith presented the minutes from the following Council meetings: January 3, 2006, January 12-13, 2006, January 13, 2006 and January 24, 2006 for approval. Mayor pro tem Shields moved to approve all sets of minutes as presented. Council Member Sanders seconded. The motion passed with Mayor Smith and Council Members Shields, Hess, Sanders, and McDonald voting aye; no Council Member voting no; and no Council Member absent or not voting.

### PUBLIC COMMENT

Sarah Tyler, 165 Wax Myrtle Trail, provided information to Council regarding the Dare County SPCA implementation of a new program "Safe Pet Vacation Kit" that includes information in

making your pet safe while on vacation and a temporary I.D. (dog tag) for their pets that will be made available to vacationers. The kits will be made available through the rentals companies who have "pet friendly" rental homes as well as from the Town Halls of the municipalities.

Hearing no further public comments, Mayor Smith closed the public comment section and continued with the meeting.

#### Duck Woods Country Club (LDA-2005-06-01) amended site plan

Jim Groff, Planning Board Chairman, stated that the Planning Board recommends approval of the Duck Woods Country Club amended site plan with the following conditions:

- a. Installation of parking lot lighting pursuant to submitted plans, (require engineer's seal), and additional lights along the northern bulkhead of the tennis court parking area.
- b. Painting a pedestrian crosswalk across S. Dogwood Trail
- c. Installing DWCC provided stop signs in the Town R.O.W. at four driveway exits.
- d. Painting an accessible route from accessible parking area to main entrance sidewalk.
- e. Removal of old hard courts within 180 days.

Council Member Hess moved to approve the Planning Board's recommendation to include the conditions as stated for the Duck Woods Country Club. Council Member Sanders seconded. The motion passed with Mayor Smith and Council Members Shields, Hess, Sanders, and McDonald voting aye; no Council Member voting no; and no Council Member absent or not voting.

### REPORTS

#### Planning Board

Jim Groff, Chairman of the Planning Board presented the February 20, 2006 report.

Council set public hearings to be held on April 4, 2006 for the following Ordinances: Ordinance 2006-02-01- Charity Event Signs and Ordinance 2006-02-02-Town Zoning Map.

Mr. Groff stated that modifications need to be made to the ordinance regarding the All Saint's Episcopal Church facility height (the change in the height requirements is to be only for the assembly area) and that the Planning Board has asked the Town attorney to review any federal laws that may restrict a church from any zoning requirements. This ordinance will be discussed further at the March 20 Planning Board meeting.

Mr. Classen stated that under new State law the Town is required to document in writing the approval/disapproval of a zoning ordinance change as it is consistent with the Town's adopted Land Use Plan.

Mayor pro tem Shields stated that the Town has not updated its Land Use Plan due to the fact that State rules and funding have been delayed.

(Clerk's Note: A copy of the February 20, 2006, Planning Board Report is attached hereto as Exhibit A and made part of these minutes).

#### Mid-Currituck Sound Bridge Update

Geri Sullivan stated that East Carolina University is meeting with NCDOT and a report would be made following that meeting.

#### Southern Shores Volunteer Fire Department

Fire Chief Harvey presented the monthly report.

Mayor Smith recognized Bob Muller, past Nags Head Mayor, and Willow Kelly, liaison agent for the Outer Banks Home Builders Association. Mr. Muller invited everyone to attend the annual St. Patrick's Day parade on March 19.

#### OLD BUSINESS

##### Resolution 2006-02-04- Code of Ethic's Policy

Mr. Classen submitted a revised draft resolution for Council's consideration and he stated that recently the State has made changes that reflect the natural course of private sector business but not allow those private business relationships to impinge upon the integrity of the Town's policymaking.

Council Member Hess would like to retain item 8 stating "I will not engage in any contractual dealing with the Town or try to influence any such dealing on the behalf of any constituent" in the resolution.

Hearing no objection, Mayor Smith placed Resolution 2006-02-04 on the March 28 Council agenda for further discussion.

##### Ordinance 2006-02-01-Traffic Control Signs

Mr. Classen stated that Ordinance 2006-02-01-Traffic Control Signs is to amend the Town Code to provide for approval of traffic control devices by the Town Manager in a limited role with all other traffic control decisions (stop signs, speed limits, parking areas) remaining with the Town Council.

Mayor pro tem Shields moved to approve Ordinance 2006-02-01-Traffic Control Signs as presented. Council Member Sanders seconded. The motion passed with Mayor Smith and Council Members Shields, Hess, Sanders, and McDonald voting aye; no Council Member voting no; and no Council Member absent or not voting.

(Clerk's Note: A copy of Ordinance 2006-02-01-Traffic Control Signs is attached hereto as Exhibit B and made part of these minutes).

##### Establishment of Committee-Gathering Place

Mr. Classen stated that as an objective from the Town's 2005 Long Range Plan of the 2005 Southern Shores Long Range Plan calls for the establishment of a regional gathering place in Southern Shores to serve as a multi-purpose Community Center. He stated that Council suggested that a committee be appointed to investigate the feasibility of a Community Center.

Mayor pro tem Shields moved to appointed Joe Walter as chairman to the committee to investigate the feasibility of the establishment of community gathering with potential committee members to be appointed at a later time. Council Member McDonald seconded. The motion passed with Mayor Smith and Council Members Shields, Hess, Sanders, and McDonald voting aye; no Council Member voting no; and no Council Member absent or not voting.

#### Appointment to the Firemen's Local Relief Fund

Mr. Classen stated that according to NCGS 58-84-30 it is the responsibility of Council to appoint two (2) members to a 5-member local board of trustees to the Fireman's Relief Fund for the Southern Shores Volunteer Fire Department. Appointees serve staggered two-year terms. He stated that Town records show that past Councils have appointed such members but the last appointment was made in 2003.

Mr. Classen stated that Andy Cagiano and Al Smith, the last Town-appointed trustees, have agreed to be re-appointed. He recommends that their seats be assigned to one appointed in even-numbered years and one appointed in odd-numbered years and since these appointments are staggered appointments, it is recommended that the even-year be represented as Seat A and the odd-year appointment be represented as Seat B.

Mayor pro tem Shields moved to appointed Andy Cagiano for a one-year term and Al Smith be appointed for a two-year term on the Firemen's Local Relief Fund and that the terms expire on December 31. The motion passed with Mayor Smith and Council Members Shields, Hess, Sanders, and McDonald voting aye; no Council Member voting no; and no Council Member absent or not voting.

#### Government Access Channel Budget FY2006-07

Mr. Classen stated that Council Member Hess serves as the Town representative on the Government Access Channel Operations Committee. The Government Access Channel FY 2006-07 Budget needs to be approved.

Council Member Hess stated that she has been appointed (one-year term) as the chairman to the Government Access Channel Committee. Council Member Hess moved to approve the Government Access Channel FY 2006-07 Budget as required with a cost of \$1,000 per member. Mayor pro tem Shields seconded. The motion passed with Mayor Smith and Council Members Shields, Hess, Sanders, and McDonald voting aye; no Council Member voting no; and no Council Member absent or not voting.

#### Resolution 2006-02-01 Establishing a Policy for the Unreserved Fund Balance

Mr. Classen stated that Resolution 2006-02-01 establishes a target for an emergency management undesignated reserve in the General Fund equal to 50% of the prior year's annual operating revenues, plus it establishes an additional target of 25% more for loss of income and other cash flow problems caused by a catastrophic event and it seeks attainment of these two goals within five fiscal years. He stated that the Town is close to this target already as the June 30, 2005 undesignated reserves were \$1.759 million and the Town's FY2004-05 operating expenses were \$2,981,941 and reserves were 59% of operating expenses. Hence, the Town had already met the 50% emergency reserve threshold and was approximately a quarter of the way to meeting the additional general fund reserve goal.

Mayor pro tem Shields moved to approve Resolution 2006-02-01 Establishing a Policy for the Unreserved Fund Balance. Council Member Sanders seconded. The motion passed with Mayor Smith and Council Members Shields, Hess, Sanders, and McDonald voting aye; no Council Member voting no; and no Council Member absent or not voting.

(Clerk's Note: A copy of Resolution 2006-02-01 - Establishing a Policy for the Unreserved Fund Balance is attached hereto as Exhibit C and made part of these minutes).

Resolution 2006-02-02 Calling for a Countywide Advisory Vote on Beach Nourishment

Mr. Classen submitted a Resolution 2006-02-02 requesting the Dare County Board of Commissioners to develop a comprehensive written plan for beach nourishment (shoreline stabilization) in the County and that the County take action to request appropriate authority to conduct a countywide advisory vote on the plan. Following discussion, some Council Members thought that it is too early to request the County to conduct a county wide vote and that the plan should be drafted and submitted first. Mayor pro tem Shields moved to approve Resolution 2006-02-02 with the amendment to omit the language "to conduct a countywide advisory vote" at this time. Council Member Hess seconded. The motion passed with Mayor Smith and Council Members Shields, Hess, Sanders, and McDonald voting aye; no Council Member voting no; and no Council Member absent or not voting.

(Clerk's Note: A copy of Resolution 2006-02-02- Calling for a Countywide Plan on Beach Nourishment is attached hereto as Exhibit D and made part of these minutes).

Resolution 2006-02-03 Calling for Distribution of the Sales Tax Collected for Beach Nourishment

Mr. Classen submitted Resolution 2006-02-03 requesting that the 1% sales tax collected for beach nourishment is distributed to the County and Municipalities based upon each entity's percentage of the total population. He stated that the Town needs to preserve its dunes and the funds could be used over several years towards planting/maintaining dune vegetation).

Council Member Hess moved to approve Resolution 2006-02-03 Calling for Distribution of the Sales Tax Collected for Beach Nourishment. Council Member McDonald seconded. The motion passed with Mayor Smith and Council Members Shields, Hess, Sanders, and McDonald voting aye; no Council Member voting no; and no Council Member absent or not voting.

(Clerk's Note: A copy of Resolution 2006-02-03 - Calling for Distribution of the Sales Tax Collected for Beach Nourishment is attached hereto as Exhibit E and made part of these minutes).

NEW BUSINESS

No New Business was heard.

OTHER ITEMS

Council Members

Council Member McDonald asked staff for an update on the NCDOT proposal to NC12. Mr. Classen stated that he recently received word that NCDOT is not expected to proceed with the improvements to NC12 until the fall of 2006.

Council Member Hess suggested that the Long Range Plan Committee provide an educational forum for the Town residents on different topics.

Hearing no objection, Mayor pro tem Shields requested that staff provide Council with a set of Policies and Procedures for Council that could be adopted by Council in the near future.

Hearing no objection, Mayor pro tem Shields requested that staff draft an RFQ for a low impact development stormwater manual for Council's review.

Mayor

Mayor Smith had no comments.

Town Manager

Mr. Classen had no comments.

Town Attorney

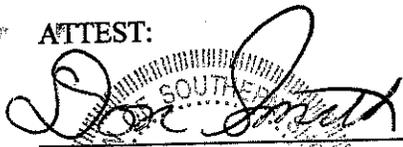
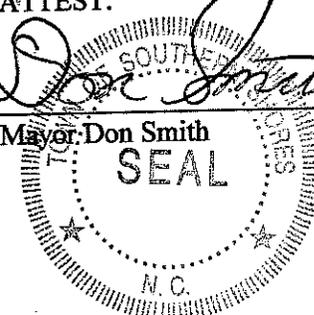
Mr. McRee had no comments.

**PUBLIC COMMENT**

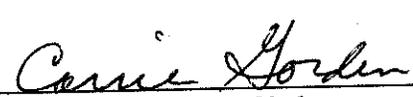
No comments were made.

Hearing no further business Mayor pro tem Shields moved to adjourn the meeting at 8:20 p.m. Council Member Hess seconded. The motion passed with Mayor Smith and Council Members Shields, Hess, Sanders, and McDonald voting aye; no Council Member voting no; and no Council Member absent or not voting.

ATTEST:

  
\_\_\_\_\_  
Mayor Don Smith  


Respectfully submitted:

  
\_\_\_\_\_  
Carrie Gordin, Town Clerk

# Memorandum

To: Southern Shores Town Council  
CC: Town Manager  
From: Jim Groff, Chairman, Planning Board  
Date: 4/5/2006  
Re: Recap, Planning Board Meeting of February 20, 2006

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## Planning Board recommended actions for the Town Council

1. Approve, with conditions, the amended site plan for the Duck Woods Country Club.
2. Set a public hearing date and approve amendments to the zoning ordinance that would extend the R-1 District now encompassing the Duck Woods Country Club and Kitty Hawk Elementary School westward across S. Dogwood Trail to include the Southern Shores Fire Department and Town Storage Building Sites, the Town's south Right of Way along Pintail Trail and the All Saints Church property.
3. Conditioned upon Council approval of 2. above, and subsequent to notifying adjacent property owners and holding a public hearing, approve amending Section 7.04, (R-1 Low Density Residential) and Section 7.10, (C-General Commercial District) of the Zoning Ordinance to add dimensional requirements for churches in these zones as follows:
  - a. Minimum lot size – 80,000 square feet
  - b. Minimum lot width – 100 feet
  - c. Minimum front yard setback – 25 feet plus one foot for each foot of building height over 35 feet.
  - d. Minimum side yard setback – 15 feet plus one additional foot for each five feet of building height over 35 feet
  - e. Minimum rear yard setback – 25 feet plus one additional foot for each five feet of building height over 35 feet
  - f. Maximum allowable lot coverage – 35%
  - g. Height – Top plate height shall not exceed 35 feet. Not withstanding the provisions of Section 4.11, Roof line height shall not exceed 55 feet. Steeple height, including all appurtenances, shall not exceed 65 feet.

- h. **Multiple Primary Buildings – Allowed, provided all buildings are connected by covered breezeways or walkways.**

**Note:** The Chairman requests this Planning Board recommendation, (#3), be reviewed by the Town Attorney, and an opinion rendered by him relative to its legality, prior to Council consideration.

4. **Subsequent to holding a public hearing, approve amendments to the zoning ordinance, contained in draft ordinance No. 2006-02-PB1, related to Non-Commercial Charity Event signs.**

**Organization:** Chairman Groff called the meeting to order at 7:03 PM. Planning Board members Kowalski, Russell, and Walter, Alternate McDanel, (sitting for Member Peckens, excused) and Alternate Poisel, were present. Also present were Code Enforcement Administrator Hejduk and Administrative Assistant Gabrys. In attendance at the meeting were Council Member Hess, Neal Blinken, All Saints' Church representatives T. Judge and R. Edwards, (plus a number of parishioners), and Southern Shores Realty representative M. Stone. Subsequent to approval of the agenda, the Board approved the minutes of its January 16<sup>th</sup> meeting and its January 24<sup>th</sup> Lot Coverage Workshop.

**Public Comment:** None

**Committee Reports:**

1. **J. Walter** advised the **Long Range Plan Advisory Committee** is seeking guidance regarding the corrections required to the Committee's final report.
2. **J. Russell** stated that the **Stormwater Management Advisory Committee** would meet in March to develop a list of actions that are not dependent upon results of ongoing studies, and could be undertaken by the Town in the near future, if funding is available. He noted that to date, none of the studies have been completed.
3. **M. McDanel** shared revised proposed **home occupation** guidelines with the Board and suggested they be discussed at Tuesday's Workshop.

**Site Plan Applications:**

2. **LDA 2005-06-01 – Duck Woods Country Club; Amended Site Plan:** Subsequent to discussion with DWCC General Manager J. Boldiga and Code Enforcement, the Planning Board recommended Council approval of the Amended Site Plan conditioned upon:
  - a. Installation of parking lot lighting pursuant to submitted plans, (require engineer's seal), and additional lights along the northern bulkhead of the tennis court parking area.
  - b. Painting a pedestrian crosswalk across S. Dogwood Trail
  - c. Installing DWCC provided stop signs in the Town R.O.W. at four driveway exits.
  - d. Painting an accessible route from accessible parking area to main entrance sidewalk.
  - e. Removal of old hard courts within 180 days.

3. **LDA 2005-12-01 – All Saints' Church, (ALC); Conditional Use Amendment:** Staff and Board Member Peckens recommended the Planning Board, in order to group community and assembly occupancy facilities in the same district, consider extending the R-1 District encompassing the DWCC and KHES, westward across S. Dogwood Trail to the ALC property. Neal Blinken suggested extending the R-1 District to include "The Cove" project in order to increase the height, and visibility, of the proposed condominium. Subsequent to discussion, the Board agreed to defer consideration of including "The Cove" property and approved a motion requesting the Town Manager to draft proposed amendments to extend the R-1 zoning district as recommended.

R. Edwards responded to questions from the Board regarding the expansion of the ASC facilities and noted it was their hope to bring a Site Plan for Phase 1, (Administrative space, classrooms, etc.), to the Board in April. Discussion concluded that 80,000 square foot lot size was appropriate for churches but could be applied only in two zoning districts, R-1 and Commercial. Subsequently, the Board, by motion, recommended Council approve revisions to the Zoning Ordinance addressing dimensional requirements for churches for these zones.

3. **LDA 2006-10-01 SSCA - Community Beach Access at Chicahawk Trail:** SSCA President Leo Holland provided background regarding this project, noting that Goodwill Industries initially provided \$5000.00 to the Town, who gave it to SSCA, for ADA compliant facilities. A dune crossover appeared to be the best use for this money and the SSCA evaluated all potential sites. With the new parking lot, Chicahawk appeared to be the best choice, however when it became known that in addition to constructing the crossover, SSCA would also have to build a driveway to a parking pad on the east side of Ocean Boulevard and widen the path from the new parking to the crossover, the cost of the project became prohibitive. The project has therefore been abandoned and the SSCA is currently deciding whether it should return the funds to Goodwill or attempt to find another, (less costly), project.

**Other Business:**

1. **Old Business:**

- a. **Lot Coverage:** Results of the January 24<sup>th</sup> Workshop were briefly discussed. Staff will draft proposed revisions to the Zoning Ordinance for Board consideration at its next meeting.
- b. **Property Street Name and Numbering Changes:** M. Hejduk briefed the Board on the Town's initial approach to resolving property numbering and street naming issues.
- c. **Non-commercial – Charity Event Signs:** The Board reviewed Staff prepared amendments, (Ordinance No. 2006-02-PB1), to the Zoning Ordinance that would allow temporary signage promoting events sponsored and organized by charitable organizations. Subsequent to discussion, the Board, by motion, recommended Council approval of the proposed revisions to the Zoning Ordinance.
- d. **Joint Meeting with Council:** Chairman Groff, referring to the draft minutes of the joint Planning Board/Town Council meeting, opined that agreements reached were not adequately reported. Vice Chair Kowalski felt that discussion regarding communication issues was also lacking. Groff and Kowalski will draft suggested revisions to the minutes and forward them to the Town Clerk.

**2. New Business:**

- a. **Hazard Mitigation Plan:** M. Hejduk generally discussed the Town's Hazard Mitigation Plan, the flood insurance program and premium increases. He concluded by recommending establishment of a Hazard Mitigation Planning Committee, as a standing committee of the Planning Board. Chairman Groff, in conjunction with Staff, will draft an outline of committee responsibilities for Board consideration.

**Other:** Chairman Groff recommended Board Members peruse Senate Bill 518, (an Act clarifying and making technical changes to planning statutes), included in their packets. Also included in their packets was a copy of Mr. T. Welch's response to Chairman Groff's letter forwarding the Town Attorney's opinion regarding the Town's authority to limit access to property from multiple points.

**Announcements:** Next meeting: Workshop, 1:00 PM, Tuesday, February 21, 2006; Pitts Center. Follow-on Workshop: 1:00 PM, Tuesday, March 14, 2006; Pitts Center. Next regular meeting: Monday, March 20, 2006; 7:00 PM, Pitts Center

**Adjournment:** Upon motion, the Planning Board meeting adjourned at 9:31 PM.

**EXHIBIT B**

Ordinance No. 2006-02-01

**AN ORDINANCE OF THE  
SOUTHERN SHORES TOWN COUNCIL RELATING TO  
AMENDING THE CODE OF ORDINANCE RELATING TO  
TRAFFIC CONTROL INSTALLATIONS**

Dare County, North Carolina

Be It Ordained by the Southern Shores Town Council as follows:

**Article I: Purpose**

The purpose of this Ordinance is to amend the Code of Ordinance of Southern Shores, Dare County, North Carolina, which was originally adopted by the Town Council on June 7, 1988 and subsequently amended.

**Article II. Construction**

For purposes of this Ordinance, underlined words (underline) shall be considered as additions to existing Town Code language and strikethrough words (~~strikethrough~~) shall be considered deletions to existing language. Language of the adopted Town Code shall be shown in italics (*italics*).

**Article III. Amend Section 5-57. Installation, maintenance—Generally.**

Section 5-57 of the Southern Shores Town Code is hereby amended as follows:

- (a) *Traffic-control devices of the town shall be placed, erected, installed, changed or removed only upon order of the town council pursuant to action taken by the council in accordance with this Code and entered upon its minutes and the official traffic map. , and any such action shall be by ordinance when so required by law.*

~~(b) Unless otherwise provided by the town council in any instance, such orders of the council shall be executed under the direction of the chief of police.~~

(b) Any unauthorized removal or theft of a traffic-control device or sign is unlawful and punishable as a misdemeanor.

**Article IV. Amend Section 5-58. Installation, maintenance—Types Authorized.**

Section 5-58 of the Southern Shores Town Code is hereby amended as follows:

~~Traffic control devices of the town within the purview of section 5-57 shall include, but shall not be limited to, those indicating stop and yield intersections; speed restrictions; limited or prohibited turning movements; one-way streets; prohibited and restricted parking areas; truck routes and other restrictions as to vehicle types permitted to be driven upon the streets; school zones; safety zones; zones of quiet; play streets; bus stops; taxicabs stands; loading zones; and business and residence districts.~~

(a) Traffic-control devices within the purview of this Article and of a limited-regulatory nature may be approved by the town manager. The location and type of traffic control devices approved by the town manager shall be entered on the official town traffic map. Examples of limited-regulatory traffic control devices include but are not limited to those indicating zones of quiet, play streets, children at play areas, bus stops, loading zones; and dead end signs. The Town Manager may not approve those traffic-control devices designating stop and yield intersections; speed restrictions; one-way streets; prohibited or authorized parking areas.

(b) All other traffic-control devices within the purview of this Article may be approved by the town council and not the town manager. The location and type of traffic control devices approved by the Town Council shall be entered on the official town traffic map. Examples of such other traffic control devices include but shall not be limited to, those designating stop and yield intersections; speed restrictions; one-way streets; prohibited authorized parking areas.

**Article V. Severability**

If any words, phrases, language, section or other portion of this Ordinance is held invalid by a court of competent jurisdiction, then all remaining words, phrases, language, section or other portion of this Ordinance shall remain in full force and effect.

**Article VI: Effective Date**

This Ordinance is effective immediately upon adoption.

Adopted this the \_\_\_ day of \_\_\_\_\_ 2006.

\_\_\_\_\_  
Mayor Don Smith

ATTEST:

\_\_\_\_\_  
Carrie Gordin, Town Clerk

S E A L

Approved as to form:

\_\_\_\_\_  
Ike McRee, Town Attorney

**RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF SOUTHERN SHORES,  
NORTH CAROLINA, ESTABLISHING A POLICY RELATED TO THE UNRESERVED  
FUND BALANCE**

**WHEREAS**, in order to maintain fiscal responsibility under the Local Government Budget and Fiscal Control Act, the North Carolina Local Government Commission recommends that municipalities maintain a minimum unreserved fund balance of eight percent (8%) in their general fund; and

**WHEREAS**, an unreserved fund balance is defined as revenue that has not been designated or obligated for any specific purpose and, therefore, can be used for any purpose deemed appropriate by the Town Council; and

**WHEREAS**, an unreserved fund balance is necessary to ensure that there are sufficient revenues available to meet unanticipated expenses or interruptions or losses of revenues; and

**WHEREAS**, there are many factors that are used to establish the ideal level of unreserved fund balance to be maintained, including the predictability of revenues and the volatility of expenditures; and

**WHEREAS**, as a coastal community that is susceptible to extreme weather conditions that can negatively impact revenues and cause significant increases in expenditures, an unreserved fund balance much higher than the minimum eight percent (8%) recommended by the North Carolina Local Government Commission is advisable for the Town of Southern Shores; and

**WHEREAS**, an unreserved fund balance may be aimed towards a general purpose such as emergency management but still may be used for any purpose deemed appropriate by the Town Council; and

**WHEREAS**, such unreserved fund balance for emergency management purpose should allow the Town to respond to emergencies, plus continue basic operations for six months until federal or state assistance may become available; and

**NOW, THEREFORE, BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF SOUTHERN SHORES, NORTH CAROLINA that the Town Council hereby establishes the following policy related to the unreserved fund balance:**

- A. The Town Council shall endeavor to establish and maintain a general fund unreserved fund balance for emergency management purposes equal to fifty percent (50%) of the previous fiscal year's annual operating expenses of the Town; and
- B. In an addition to the emergency management unreserved fund balance, the Town Council shall endeavor to establish and maintain a general fund unreserved balance in the amount of 25% of the previous year's annual operating expenses or \$1 million, whichever is greater.

**BE IT FURTHER RESOLVED** that the Town Council shall have broad authority to transfer revenue from the unreserved fund balance through a budget amendment approved by the majority of the members of Town Council; however, in general, revenue shall only be transferred

from the unreserved fund balance to avoid cash flow interruptions, provide revenue for emergency expenditures and to temporarily replace lost revenues, to provide revenue for unanticipated capital expenditures, and to mitigate against the volatility of the Town's tax base; and

**BE IT FURTHER RESOLVED** that the Town Council shall strive to attain the minimum amounts within a five (5) year period (fiscal) from the adoption of this resolution and will annually review its progress and take any necessary actions to achieve the goal; and

**BE IT FURTHER RESOLVED** that, once met, if the unreserved fund balance falls below the minimum percentage for two consecutive fiscal years the Town Council shall take action to replenish the funds through direct appropriation. If direct appropriation is not possible, the Town Council shall reaffirm its commitment to fully replenish the unreserved fund balance over a longer period of time.

Adopted this 7<sup>th</sup> day of March 2006.

\_\_\_\_\_  
Mayor Don Smith  
S E A L

ATTEST:

\_\_\_\_\_  
Carrie Gordin, Town Clerk

**EXHIBIT D**

Resolution No. 2006-02-02

**A RESOLUTION OF THE  
SOUTHERN SHORES TOWN COUNCIL  
CALLING FOR A COUNTYWIDE BEACH NOURISHMENT PLAN**

**Whereas**, various municipal and county committees in Dare County have studied the efficacy, practicability, financing, and other impacts of beach nourishment (also known as shoreline preservation) over the past two decades; and,

**Whereas**, no single, comprehensive plan for stabilizing Dare County beaches has been developed and agreed upon (including financing) by the affected agencies of federal, State and local governments; and,

**Whereas**, various plans for the Dare County beach nourishment projects have estimated costs in tens of millions of dollars to estimated costs exceeding hundreds of millions of dollars but no single plan has been approved for funding by all the State and federal agencies that are being asked to fund the project(s); and,

**Whereas**, alternative financing plans for beach nourishment may impact the Southern Shores community through direct tax payments by her citizens and/or through the loss of revenues to the Town government; and,

**Whereas**, on February 8, 2006, in a special election, Dare County voters repealed a 1% sales tax that was earmarked to fund beach nourishment projects in portions of Dare County and such vote was 78% in favor of repeal and 22% against repeal; and,

Whereas, this vote is the first indication of how Dare County voters feel on the issue of beach nourishment and the vote sends a strong signal that beach nourishment – regardless of which plan is selected - may not be an appropriate use of Dare County taxes.

**Now, Therefore, Be It Resolved** that the Southern Shores Town Council urges the Dare County Commissioners to develop and disseminate a comprehensive written plan for beach nourishment (shoreline stabilization) in the County.

Adopted this 7<sup>th</sup> day of March 2006.

\_\_\_\_\_  
Mayor Don Smith

ATTEST:

S E A L

\_\_\_\_\_  
Carrie Gordin, Town Clerk

**EXHIBIT E**

**Resolution No. 2006-02-03**

**A RESOLUTION OF THE  
SOUTHERN SHORES TOWN COUNCIL  
CALLING FOR DISTRIBUTION OF THE SALES TAX COLLECTED FOR BEACH  
NOURISHMENT**

Whereas, on February 8, 2006, in a special election, voters repealed a 1% sales tax that was earmarked to fund beach nourishment projects in portions of Dare County and such vote was 78% in favor of repeal and 22% against repeal; and,

Whereas, Dare County will collect approximately \$6 million prior to repeal of the sales tax; and,

Whereas, the sales tax is paid by individual consumers throughout the entire County and is collected by retail outlets and then remitted to the State; and,

Whereas, these funds can be used by the municipalities and the county government for needed dune stabilization and other projects consistent with the intent of the State law (Session Law 2004-123) allowing for imposition of the extra one cent of the sales tax.

**Now, Therefore, Be It Resolved** that the Southern Shores Town Council requests that the total amount of the 1% sales tax collected in Dare County for beach nourishment be distributed to the county and municipal governments based upon each entity's percentage of the countywide population with the county government's percentage being based upon the population in the unincorporated areas.

Adopted this 7<sup>th</sup> day of March 2006.

\_\_\_\_\_  
Mayor Don Smith

ATTEST:

S E A L

\_\_\_\_\_  
Carrie Gordin, Town Clerk