



Town of Southern Shores

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Town of Southern Shores

Council Meeting

June 26, 2007

8:00 AM.-Pitts Center

The Southern Shores Town Council met on June 26, 2007 at the Pitts Center.

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

Also present were: Webb Fuller, Town Manager; and Carrie Gordin, Town clerk.

Mayor Smith called the meeting to order at 8:00 a.m., led the Pledge of Allegiance and held a moment of silence for the families of Louise Pfizenmayer, John Weisbrod, Sandy Basnight, Richard Nock, the firefighters in South Carolina and for the armed forces serving around the world.

APPROVAL OF AGENDA

Mayor pro tem Shields moved to approve the agenda as presented. 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.

INTRODUCTION OF COMMUNITY RESOURCE OFFICER-Brent Doughtie

Police Chief Kole introduced Brent Doughtie as the Town's Community Resource Officer. Council welcomed him.

PUBLIC COMMENT

Mayor Smith opened the public comment section of the agenda.

Nancy Wendt, 146 Beech Tree Trail, member of the Planning Board and a member of the Town Land Use Plan steering committee (as part of the Public Outreach committee) stated that as Phase I of the Land Use Plan is coming to an end she feels additional community data should be included. She stated that a group of volunteers are ready to implement a citizen survey to gather additional community input from the citizens. She stated that the outreach committee feels the planning consultant has not given the citizens ample opportunity to be a part of the plan. She stated that the town manager has said there is no money in the budget for a survey. She asked council do they want a plan that meets only the minimum requirements or do they want a better product. She asked if council would consider hiring a different consultant for Phase II of the plan or allow volunteers to proceed with a way to receive additional public input to be included in the plan.

George Courter, 212 Sea Oats, addressed council by saying that he supports the town chipping program and does not want council to let this worthwhile program go.

MINUTES –May 22, 2007

Mayor pro tem Shields moved to approve the May 22, 2007 minutes as presented. 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.

CONSENT AGENDA-None

REPORTS-None

OLD BUSINESS

Adoption of FY 2007-08 Budget Ordinance

The town manager stated that he prepared three budget ordinances with different tax rates, as reflected from previous council discussion, for council discussion.

Mayor pro tem Shields moved to approve Budget Ordinance 2007-06-01 with a tax rate of .0975. Council Member Hess seconded.

Council Member McDonald stated that he would have liked to have seen a budget ordinance showing a revenue neutral tax rate. He stated the other towns are not raising their taxes and now may be the time to use the fund balance with revenues being low. He stated with using some of the fund balance and still keeping the chipping program the tax rate could have been set at 9.5 cents.

Council Member Sanders stated that he has heard over the last ten years complaints from citizens regarding using the fund balance to balance the budget. He stated that council agreed to maintain a 75% fund balance but that may not be possible. He stated that citizens have said don't reduce services. He stated if the town is not going to provide services to their citizens, then why have a town? He stated that he doesn't want to see taxes raised but money is needed for infrastructure maintenance and to implement a capital improvement plan money should come from the undesignated fund balance.

Mayor Smith stated that the tax rate has increased by 25% over the past three years. He stated citizens with fixed incomes have not risen 25%. He stated it is unconscionable to raise taxes 15%. He stated that the fund balance is 2+ million and will go up another \$289,000. He suggested taking a poll to see who wants the chipping program and who doesn't. For those who do the cost of the service, \$100,000, would be divided for a shared cost for the service. Those who want it can pay for it and those who don't won't pay. He stated there is no need for a roving life guard and a supervisor at a cost of \$38,000. He stated compensation for council of \$19,200 was eliminated. He stated the fire department asked for a \$35,000 increase last year to purchase an air compressor and again this year are asking for another \$35,000. He stated when he asked why the increase, he received no answer. He stated he suggested bringing tax collections in house at a cost of \$27,500 and to eliminate the fire inspector position at a cost of \$18,000. He said there is an administrative contingency fund of \$15,000 in the budget. He stated that he supports the use of \$150,000 to be used for Red Bay Lane improvement from the undesignated fund balance as an emergency project. He stated he would not support a budget where taxes are raised. He would like to see an eight cent or less tax rate. He stated that currently the county has an \$80,000,000 health insurance issue that is going to affect everyone. He stated the economy is bad and this is the time to cut taxes. He stated the residents should clean up their own yard it is not the government's place. He is not going to support this budget.

Hearing no other discussion the vote was called by Mayor pro tem to adopt the Budget Ordinance 2007-06-01 with a .0975 tax rate. The motion passed with Council Members Shields, Hess, Sanders and voting aye; Mayor Smith and Council Member McDonald voting no; and no Council Member absent.

[A copy of Budget Ordinance 2007-06-01 is hereby attached as Exhibit A and made part of the minutes.]

Storm Water Issues

The town manager stated the Storm Water Implementation Committee requested previously that council give them direction on what is available for resources to address the storm water issues.

Mayor pro tem Shields stated some money will be needed but at this time there is no money in the budget. He stated that the committee should report to the planning board and the planning board would report to council.

Council Member McDonald asked if the Powell Bill funds could be used. The town manager said he was unsure but would look into it.

Council Member McDonald asked if grant money is available. The town manager stated there may be funds available from the Water Quality Department.

Council Member McDonald stated if the canal dredge spoils could have been sold that money could have been used to pay for storm water issues.

Council Member Hess stated the storm water committee should report to the planning board because ordinance changes will be needed. She asked if the other storm water studies address recommendations like the NC12 study.

Chairman Kowalski stated that some cost estimates could be arrived from the plans since 11th Ave. has been engineered and the town has the completed NC12 study to review.

Council Member Hess stated that council should ask the town manager to work through the budget to have the town engineer work with the storm water committee to submit plans and costs.

Mayor pro tem Shields stated that the ordinances should be written to require residents to retain storm water on their property.

Council Member Sanders stated that he agrees that the committee should report to the planning board. He feels we should move forward to identify and prioritize the storm water areas to calculate the cost. He feels Chicahawk needs to be addressed first but at what cost. He stated that he would approve money if it could be demonstrated that it would benefit traffic or prevent house flooding.

Jay Russell, chairman of the storm water committee stated that John Williams with the Division of Water Quality and the LMG Group upon looking at Chicahawk Trail agreed extensive engineering is needed. He stated the peat layer is very thick and a rebuild of the road is what is needed with storm water issues being addressed at that time.

The town manager will be providing estimates for several CIP projects for council to discuss in the fall including the storm water issues.

Mayor Smith asked if council could be provided with a layman's list of critical areas of concern that would include areas where the maintenance department could put in some swales at minimal costs before any more money is spent.

Chairman Kowalski stated that he does not want the concept to prevail that the public works department can do the work of putting in swales to alleviate a problem. He stated that engineering plans will be needed.

Mayor Smith stated that the public works department did put in swales on Wax Myrtle Trail.

Council Member Sanders stated that historically the town has used their own means to correct individual problems and now there are bigger problems. He stated it is a waste of money to do it that way and the town needs to stop and do things that will work.

The town manager asked council if they want staff to address "nuisance" flooding if the road is the conveyer. Council consensus is it should be addressed. He asked if the "nuisance" flooding is caused by property owner. Council consensus said no. He asked council if they want staff to fix existing storm water issues on private property if not a town problem. Council consensus said no.

Mike Hejduk stated he has looked at other town storm water ordinances and they are very detailed. He stated the storm water ordinance is part of town code and does not require a public hearing to be adopted. He stated a storm water policy would be applied to 95% of the residential zone.

Chicahauk Spoil Site Property

The town manager stated there was a request that council consider dropping the condemnation proceedings of the Chicahauk property for the canal dredging project. He recommended that council take no action on this item until council ultimately and definitively rules out Chicahauk as a possible site for the dredge material receiving site.

Council Member McDonald stated that the only things that have been done on the property are the survey and the appraisal, which are steps in the procedure.

Council consensus is to leave as is.

NEW BUSINESS

Town's Emergency Management Plan

The town manager stated that prior to the hurricane season Council is provided with the annual Town Emergency Management Plan to review and make changes as needed. The town manager requested that council approve.

Mayor Smith asked who are some of the back-ups for certain positions but not for some positions i.e. the fire suppression or the ham radio operator. The town manager stated a chain of command would be followed for the fire suppression.

Merrie Smith stated there is a group of ham radio operators and someone would be assigned to the town when needed.

Council Member Hess suggested that the plan format should be consistent by using names or titles (recommends using titles) and that the organizational chart should correspond with the format.

Mayor pro tem Shields moved to adopt the plan with corrections as noted. 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.

Re-Appointment of Planning Board Alternates, Chair and Vice Chair

The town manager requested that council approve the recommended planning board re-appointments as submitted.

Council Member Hess moved to re-appoint Jim Conners and Nancy Wendt as planning board alternates for a three-year term and to re-appoint George Kowalski as chair and Georgine Poisal as vice chair for a one-year term. 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.

OTHER ITEMS

Manager

Mayor Smith stated that he would need to be excused from the discussion and vote on the retiree health benefits item due to a conflict of interest.

Mayor pro tem Shields moved to excuse Mayor Smith from the retiree health benefits discussion. Council Member Sanders seconded. The motion passed with Council Members Shields, Hess, Sanders and McDonald voting aye; Mayor Smith not voting; and no Council Member absent.

Bridge Inspection Contracts

The town manager stated that every two years the Town's bridges are required to be inspected by NCDOT. He requested that council approve Option "C" as proposed by NCDOT and authorize the town manager to enter into the appropriate contractual agreement.

Mayor pro tem Shields moved to authorize the town manager to enter into a contractual agreement using Option "C" with NCDOT to inspect the Town's bridges. 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.

Code of Ethics for Council and Board Members

The town manager provided copies of the current Code of Ethics Policy for Council and Board Members and a separate ethics policy for town employees.

He requested that council approve eliminating the policy for employees since the personnel policy has similar language for employees and all council and board members are sworn in.

Council consensus is to keep the Code of Ethics Policy for Council and Board Members.

Following discussion Council Member Sanders moved to eliminate the Code of Ethics policy for town employees. 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.

Responsible Computer Usage Policy

The town manager proposed changes to the policy that reflects more accurately to the current operational use and request that council adopt the amended policy.

Council Member Sanders moved to approve the policy with the corrections. Mayor pro tem Shields seconded.

Mayor Smith stated that he does not see where an employee could look at personal items.

Following discussion Council Member Sanders withdrew his motion.

Council requested the town manager change the wording to allow an employee some time to use the computer for personal business that is not illegal, immoral or improper or interfere with town business activities and bring back to the July 3 meeting.

Supplemental Insurance

The town manager provided information to council regarding the employee's interest to acquiring supplemental insurance. He proposed that council authorize staff to send out a request to various insurance providers and seek a qualified insurance provider to show several supplemental insurance products to the employees. He stated that all employees would be required to attend the meeting and that each employee would need to sign a waiver if they chose not to participate.

He stated that by using a payroll deduction a discounted rate is offered.

Council Member McDonald doesn't agree that the employees should be required to attend a meeting if it is something they aren't interested in and the town is paying the employees to attend the meeting.

Mayor pro tem Shields asked how many employees have shown interest. The town manager stated three employees.

Council consensus agreed that if only a few employees have shown interest then there is no need.

Mayor pro tem Shields asked that the Retiree Health Benefits could be discussed last. Council agreed.

Beach Preservation – Sand Fence/Beach Grass

The town manager stated Mike Hejduk and he attended a meeting with Lee Wrenn, the manager for the Shoreline Management Committee to discuss the use of county funds that is to be divided between the municipalities for the erecting of sand fence and planting of beach grass. He stated the town's share is \$25,000 a year for the next three years. He stated there are several issues for council's consideration.

The town manager asked council do we want to participate, what locations would be best for installation, what percentage of sand fence/beach grass would we need, who should send out letters to the affected property owners and who should be the project manager. He recommends that the town send out the letters and the county be the project manager. He stated that each town has a different plan on completing the project.

Council Member Sanders stated that through the years these types of projects have been done but were abandoned and should have been continued to protect the dune line. He supports dune stabilization and the use of one project manager for several entities.

Mike Hejduk provided a power-point presentation showing specific areas recommended for the stabilization. He stated the total project is for three miles and the town receives enough money to cover a half mile. He stated that the town has four miles of beach. He provided adequate pictures and graphs of Pelican's Watch and the area of Trout Run to Hickory that would benefit from this project.

Mayor pro tem Shields moved to authorize the town manager to accept the money, the town to send the letter to the property owners affected and to piggy-back with the county and the Town of Duck for bidding the project, and pick out appropriate sites and that the town manager write a letter of the town's intent. 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.

Canal Dredging Project Update

The town manager stated that Mike Hejduk, Tom Bennett, Joe Walter, George Wood and he met the resource agencies in Washington, NC to discuss issues as related to the canal dredging. He provided council with an email prior to the meeting on these issues. He stated that it may be required to have additional studies that would delay the project six to twelve months. He stated that from that meeting it was recommended that council consider dredging at a lesser depth from the original six feet to four or five feet and that a SAV map would be needed. He stated this would be an additional cost (\$4,000) and the funds would need to be authorized. He stated that additional soil testing may be needed also. He stated that adjacent property owners need to be mailed notification cards, which is a requirement in the process. He stated this would be for Phase I that include the channel, the main canal to the south marina to Hillcrest and we are about two weeks from getting the permit in.

Mayor Smith asked what the cost would be for the additional studies. The town manager stated less than a thousand dollars for the soil samplings. Each sample is on a per sample basis.

Council Member Hess stated the additional testing would provide additional data to the citizen's questions which would help move the permitting process along.

The town manager stated that he does not want to spend additional money if it isn't going to affect the permitting process.

Tom Bennett stated that the citizens that have personally contacted the resource agencies may have given a negative impression and he thinks George Wood alleviated those impressions and he feels additional samples would help.

The town manager stated that the town has sent a web base response and would suggest that the mailing be sent for return receipt. He stated that the process requires that the town receive notification that the property owner received notification for this phase one.

The town manager stated that he feels the town would receive the permit this year but he doesn't feel dredging would be done this year.

Council agreed that the town manager should move ahead on this project and not come back to them unless there are some unexpected substantial expenditures (\$20,000-\$30,000).

Retiree Health Benefits

Mayor Smith left the room during this discussion.

The town manager stated that he is seeking, from council, an interpretation of a policy that was approved in 2004 regarding the awarding of health benefits to retirees of the town. He stated the 2004 minutes are not clear as to the intent of eligibility for health benefits when an employee retires.

Mayor pro tem Shields stated he thinks to be vested by law is five or seven years of service in the retirement system and the LGERS is five years. He stated that eligibility is applied to time of service and age.

Council Member Hess stated that she was on the board at that time and she remembers the intent was for a person who was retiring and worked with the town for ten years and meets the Local Government Employees Retirement System (LGERS) the town would pay health benefits. She stated that the town could not afford to pay an employee's health insurance after ten years and not be eligible for retirement (LGERS).

The town manager asked is the employee eligible after ten years of service with the town and five years vested in the system or worked for ten years and meets one of the service requirements for reduced or unreduced benefits.

Council Member Sanders stated that he doesn't remember it being explained in this way. He thought he was voting to be like what the county was doing at that time. The town manager stated that the county is looking at an eighty million dollar liability on health coverage or if they change it will be a twenty million dollar liability. He stated that changes can be made at any time but if an employee is retired you can't change their benefit.

He stated that currently the town has one retired employee that is being paid full medical benefits, which is around three hundred more dollars than for a current employee and the retiree is on a separate policy.

He stated he is asking what council's intent is and do they want to keep it.

Council Member Sanders stated that if it was explained the way the county was set up he would not have voted for that.

Council Member Hess explained that the retirement system has certain retirement criteria for benefits and has a sliding scale for the age 60 and time of service.

Council Member Hess stated there was a modification for a past employee that allowed him to keep his insurance but at his cost prior to 2004.

The town manager stated he wants to be able to explain to the employee's eligibility for health benefits if they chose to retire.

Council Member Hess stated she would not have voted for an employee receiving health benefits just because the employee has worked with the town for ten years and then leaves. She would not have burdened the town like this.

Mayor pro tem Shields stated that health benefits goes with retirement.

Council Member McDonald asked if someone came to work with the town at age twenty and worked with the town for twelve years and left the area and at age sixty he comes to the town and asked for his health benefits.

Mayor pro tem Shields stated that employee is vested and is eligible for a percentage.

The town manager explained if an employee has worked for the town for 10 years and 5 years is vested into the retirement system and is fifty-five years old he would have to wait until he is sixty to receive his health benefits.

Council Member Hess stated the state retirement has a sliding scale then the town should have a sliding scale.

The town manager explained that an employee who is fully vested (5 years) and eligible for retirement for unreduced benefits or reduced benefits. He explained to be eligible for unreduced benefits you can have 30 years, no age limit; age 65 with 5 years of service; or age 60 with 25 years of service; to receive reduced benefits, age 50 with 20 years of service or age 60 with 5 years of service and you can go less than 30 years with a sliding scale for reduced benefits.

Council Member Sanders stated that the town health benefits are not on a sliding scale for retirees.

The town manager is asking for a definition of when an employee retires. Is it when they become vested in the system or when they become eligible for retirement benefits?

Council Member Sanders stated when they no longer come to work and are receiving a check.

The town manager explained that an employee who is fifty-five years old and completed twenty-five years of service they would not receive a check until they turn sixty for full benefits but could get reduced benefits from other retirement criteria.

Council Member Sanders stated there are two questions to be addressed should an employee who has worked for the town for ten years and is leaving the service of the town but will not be receiving retirement benefits are they eligible to receive health benefits? He stated if this can be answered then there is no second question.

Council consensus is no, you must be eligible for retirement.

Council Member Hess stated if an employee came to work at age twenty-five and left in ten years she wouldn't have approved their health benefits. She stated they may come back to the town and apply for retirement at some point.

Council Member McDonald asked what the employees understanding is. The town manager stated that he has a varied understanding from the employees that is why he is asking for council direction.

Council Member Hess asked that at some future date will the town manager bring a real recommendation that includes sliding scales.

Council Member McDonald stated if you aren't eligible for retirement benefits the town shouldn't be paying health benefits unless you work here.

Mayor pro tem Shields stated that if an employee is not eligible for retirement then you are not eligible for any health benefits.

Council Member McDonald stated that he doesn't know how the ten years was determined. He stated twenty years used to be retirement and if you left before twenty years you would get nothing. He stated twenty years is a career for retirement and ten years is a job.

The town manager stated the wording could read when an employee is eligible and when an employee qualifies and is receiving retirement benefits and to include the ten years.

Council Member Hess stated the wording should read ten years eligible for and receiving a pension you get your health benefits. She stated the town manager should submit a recommendation of a modification with a sliding scale similar to Nags Head.

Mayor pro tem Shields directed the town manager to submit the language that was decided for consideration.

Council Member Sanders suggested any changes made in the future then anyone that is vested at the time of a change should be grandfathered.

Mayor Smith returned to the meeting.

The town manager agreed that changes need to be made there is an issue that the town would pay the Medicare cost and it is not Medicare it is supplemental cost.

Land Use Plan

The town manager addressed Nancy Wendt's concern that there is a lack of community input into the final product of the Land Use Plan. He stated that he did not do anything to promote additional community involvement. It was recognized that a contractual agreement with a company with a ridged schedule that wants to meet the minimum qualifications for the LUP process. We have a group of people involved in the LUP process that feel that more community involvement is needed and this will impact the contractor, slow down the process and additional money would be involved. He stated there is no money in the budget.

Nancy Wendt stated there are volunteers willing to spend time drafting a survey or holding workshops to receive additional input. She stated the individual departments and boards (police, fire, administration, SSCA, CPOA, BOA, planning board) could be interviewed and from that input comments could be addressed as policy. She stated the LUP process does not call for any more steering committee meetings for phase one. She stated that if council wants a product from the data that has been received then volunteers are finished.

Mayor pro tem Shields suggested that the steering meeting meet and report to council on their findings on what is needed to be done. Council agreed.

The town manager stated the state changed the process on the Land Use Plan and lost consultants due to the amount of data they require and complete a work product in a timely manner. He asked does council want to meet the minimum requirements or do more. He stated the plan is a two phase process with the first phase being information gathering and the second phase is policy development. He stated that the final product is to be completed within two years. He stated that staff asked for additional grant money and we were turned down, so anything extra is at the town's expense. He explained when the document is turned in and you want to make changes it is an extensive different process.

Council Member Sanders stated if additional money is spent we could have a better document or we can do no more and have a minimal document.

Nancy Wendt stated the LUP is the tool to be used for ordinance changes, services provided and needs and expectations of the town. She stated the planning board is asking council to discuss the wireless communication issue. She stated council needs to decide if the issue is a cellular tower issue or as wireless communication infrastructure and if it is the later then it should be addressed in the LUP.

Council Member Sanders stated there are wireless antennas being placed in the residential that are not being regulated and there were no wireless infrastructure to be considered during the last LUP process.

Mayor

Proclamation 2007-06-04 National Clean Beaches Week

Mayor Smith addressed Proclamation 2007-06-04 National Clean Beaches Week.

Mayor pro tem Shields moved to adopt Proclamation 2007-06-04 as presented. 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.

[A copy of Proclamation 2007-06-04 is hereby attached as Exhibit B and made part of the minutes.]

Mayor Smith reminded everyone that election filing begins on July 6-20 for the November election.

Council Members-None

GENERAL PUBLIC COMMENT

Mayor Smith opened the public comment section of the agenda.

Geri Sullivan, 31-10th Avenue, thanked the mayor and council for doing their job and deliberating the issues. She stated that in hearing a comment made today that the reason for council is to provide services but she feels it is more. She doesn't think Duck incorporated to provide fire and trash services but to preserve their town and putting in place ordinances and polices to govern the community from big box places, large homes and protecting their roads from being widened. She hopes council sees leadership in providing ordinances to protecting our environment and balancing the needs of the homeowners against the needs of the general public. She stated that the police, fire and zoning are important. She stating the town chipping service could be done twice and year. She stated the Land Use Plan is important. She said the squeaking wheel gets the grease but she supports a citizen survey that would give a larger amount of citizens to have a say in their community.

Mayor Smith stated that it was found that it would not be less expensive to do the chipping twice a year.

Nancy Wendt asked council to discuss the wireless communication issue in the near future. Mayor Smith stated that in reading the materials submitted the senate bill if passed would prohibit the town from having any control. Ms. Wendt stated that the bill says a tower can't be prohibited in residential zones but we still have control but there is language to be looked at.

Council Member Sanders stated that if passed a municipality can make reasonable regulations but you can't prohibit them.

Hal Denny, 85 Poteskeet Trail, stated he has observed three young council working members who are serving on town council who make sacrifices to serve on the council and he appreciates them.

Hearing no other comments Mayor Smith closed the public comment section of the agenda.

Hearing not further business Mayor pro tem Shields moved to adjourn at 11:20 a.m. Mayor Smith 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.

ATTEST:


Don Smith, Mayor



Respectfully submitted:


Carrie Gordin, Town Clerk

**An Ordinance of the Southern Shores Town Council
Adopting a Budget and Tax Rate for FY 2007-2008**

Be It Ordained by the Town Council of the Town of Southern Shores, North Carolina that the following be the budget for FY 2007-2008:

SECTION I, GENERAL FUND

A. Appropriations: The following amounts are appropriated for the operation of the Town government and its activities for the fiscal year beginning July 1, 2007 and ending June 30, 2008:

Administration Department	\$ 690,700	
Code Enforcement & Inspections Department	\$ 352,950	
Fire Department	\$ 291,400	
Ocean Rescue Department	\$ 140,000	
Police Department	\$ 928,800	
Public Works Department	\$1,504,800	
Sanitation Department	\$ <u>563,300</u>	
Total General Fund Appropriations		\$4,471,950

B. Estimated Revenues: It is estimated that the following revenues will be available during the fiscal year beginning July 1, 2007 and ending June 30, 2008 to meet the foregoing appropriations:

Property Taxes – Current Year	\$1,630,665	
Vehicle Taxes – Current Year	\$ 30,000	
Property & Vehicle Taxes – Prior Years, Penalties and Interest	\$ <u>6,355</u>	
Subtotal: Property and Vehicle Taxes	\$1,667,020	
Land Transfer Tax	\$ 185,000	
Local Option Sales Tax	\$ 520,000	
Occupancy Tax	\$ 575,000	
Other Intergovernmental Revenues	\$1,174,100	
Building Permits & Fees	\$ 173,650	
Other Revenues	\$ <u>177,180</u>	
Subtotal: Other Revenues	2,804,930	
Total General Fund Revenues		\$4,471,950

SECTION II, TAX RATE ESTABLISHED

There is hereby levied a property tax of nine and three fourths cents (\$0.0975) on each one hundred dollars (\$100) valuation of taxable property in the Town of Southern Shores, as listed for taxes for the current tax year by the Dare County Tax Department.

SECTION III, SPECIAL AUTHORIZATION- TOWN MANAGER

The Town Manager shall be authorized to reallocate departmental appropriations among the various objects of expenditures as (s) he believes necessary. Changes shall be reported to the Finance Officer immediately, and to the Council at the next regular meeting.

The Town Manager shall be authorized to make interdepartmental transfers, within the same fund, not to exceed 10% of the appropriated monies for the department whose allocation is reduced. All such transfers shall be reported to the Council at the next regular meeting.

SECTION IV, RESTRICTION- TOWN MANAGER

Council must prior authorize the use of any contingency appropriations.

Other than salary increases in the budget document, no salary increases may be made without the Council's approval.

Interfund transfers that are not established in the budget document may be accomplished only with the prior authorization of the Council.

SECTION V, UTILIZATION OF BUDGET AND BUDGET ORDINANCE

This Ordinance and the Budget Document shall be the basis of the financial plan for the Town of Southern Shores, North Carolina Municipal Government during the fiscal year 2007-2008.

ADOPTED this 26th day of June, 2007

Mayor Don Smith

ATTEST:

Carrie Gordin, Town Clerk

S E A L

Exhibit B

Proclamation #2007-06-04

PROCLAMATION FOR NATIONAL CLEAN BEACHES WEEK

Whereas, the Clean Beaches Council, as part of Great Outdoors Month has designated the week beginning June 29, 2007 as National Clean Beaches Week; and

Whereas, beaches represent a critical part of our natural heritage and a beautiful part of the American landscape; and

Whereas, beaches are sensitive ecosystems, susceptible to degradation and alteration from pollution, sea level rise, natural forces, untreated sewage, and improper use; and

Whereas, communities and government have undertaken significant measures to keep beaches clean and healthy; and

Whereas, Americans make over 2 billion annual trips to the ocean, gulf and inland beaches and contribute significant resources to the local, state and national economies; and

Whereas, 75% of all recreational activity occurs within a half mile corridor around the shorelines of our beaches, rivers and lakes; and

Whereas, coastal tourism and healthy, fresh seafood fuels robust economies – sustaining communities and supporting, jobs along the coastal U.S.

NOW, THEREFORE, I, Mayor Don Smith, do hereby acknowledge that each year, the seven-day period ending on July 5, shall henceforth be observed as National Clean Beaches Week and encourage all Southern Shores property owners to visit, enjoy, and protect our greatest natural resource.

Adopted this 26th day of June 2007.

S E A L

Don Smith, Mayor

Attest:

Carrie Gordin, Town Clerk