



Town of Southern Shores

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Town of Southern Shores
Council Meeting
November 27, 2007
8:00 AM.-Pitts Center

Minutes

The Southern Shores Town Council met on November 27, 2007 at the Pitts Center.

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

Mayor Smith called the meeting to order at 8:00 a.m., led the Pledge of Allegiance and held a moment of silence for our troops fighting around the world and for the family of Jean Hayes.

Mayor Smith announced that Chief Kole is away at school and will not be at this meeting.

APPROVAL OF AGENDA

Council Member Hess moved to approve the agenda 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.

FY 2006-07 AUDIT REPORT

Teresa Osborne, LLP, with Dowdy & Osborne, CPA's presented the Town's annual FY 2006-07 Audit Report. She reported the town tax collection rate was 99.92 % and the town's undesignated fund balance at June 30, 2007 is \$2,494,672. She stated this amount represents 76% of the total general fund expenditures for the year and is in line with the fund balance policy adopted by a previous council and is slightly higher than statewide average recommendation. She recommended council to proceed in setting up the Capital Improvement Plan (CIP) to go with the capital improvement fund. She recommended council delegate someone, on staff, to monitor the solid waste contract in regards to billing. She stated the Town is in good financial shape and she thanked Bonnie Swain, finance officer and town staff.

Mayor Smith asked about the capital budget which shows \$100,000 for a fire truck. The auditor explained that it would be better to identify what the \$500,000 is actually for in the capital improvement plan. More discussion will be held on the CIP at the retreat. Council wanted the Planning Board road committee to have their report ready for the retreat. Council will set the date for the retreat at the December meeting.

Council Member Sanders stated he believes the fire department is budgeting for their capital budget items themselves. The auditor suggested council revisit their capital reserve ordinance and that it should list the project, cost and when a project is to start.

Council Member Hess asked if an inventory list of equipment or assets has been compiled. Bonnie Swain said yes.

Council Member Hess asked why the contributions to the retirement fund seemed erratic. The auditor explained the changes reflected the town manager's contract and his salary was not subject to retirement.

[Clerk's Note: Copy of FY 2006-07 Audit Report is on file at Town Hall]

GENERAL PUBLIC COMMENT -None

APPROVAL OF MINUTES - October 23, 2007

Mayor pro tem Shields moved to approve the 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.

CONSENT AGENDA -None

TAX PICK UPS AND RELEASES

Mayor pro tem Shields moved to approve the Tax Pickups and Releases 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.

[Clerk's Note: Tax Pick Ups and Releases are attached hereto as Exhibit A].

REPORTS -None

OLD BUSINESS -None

NEW BUSINESS -None

OTHER ITEMS

Manager-Submitted written comments for council review.

Mayor

Commercial trash & recycling pickup

Bonnie Swain, finance officer, provided council with the numbers of taxes collected from businesses and residential. She explained to council the cost of trash collection for commercial was \$95,000 and we have only collected from commercial properties \$10,000. She stated the businesses are collected three times a week year round by the county for solid waste and residential is one in off season and twice in season. She recommends cutting back on the pickups for commercial in off season, She stated according to the town's ordinance the first cubic yard collected is at no charge and we are suppose to recoup our costs. She stated a prior town manager set forth the formula being used for the collection cost. She stated the billable hours doubled and when Dare County was asked they said it was due to a driver error and that has been corrected.

Council Member Hess asked what the other towns do. Bonnie Swain stated that Kitty Hawk and Duck do not charge for commercial trash pickup but Duck may look into the businesses taking responsibility. Council Member Hess stated we should explore this issue thoroughly we should consider cutting back on commercial pickup.

Mayor Smith stated he feels, to be fair, we should wait until the new budget to make changes but that council should consider not providing service to the businesses and let them be responsible for their pickup service. He asked why we are not recouping our costs, someone is dropping the ball.

Council Member McDonald supports the Mayor's question on who isn't doing their job but the businesses do provide shared revenues that the town receives.

Bonnie Swain stated we do need to revisit the formula being used for collection. Council Member Sanders stated only 37% of the property taxes go to the town revenue and the rest comes from shared revenues.

Mayor Smith stated we should be enforcing the ordinance and quit subsidizing the businesses and start doing it now.

Council Member Sanders stated this issue had been brought to council before by the previous town manager during budget time and if we had a stable situation with a town manager it would have been addressed and the new town manager will have to deal with it.

Mayor Smith stated this is just a waste of time by waiting it is costing the tax payer a half a cent to subsidize these businesses; get the town manager to start billing the businesses.

Council Member McDonald stated it is difficult to determine the collection costs when some businesses use dumpsters and some use residential cans.

Mike Hejduk stated it is difficult to determine the costs when the ordinance addresses the formula by cubic yard and the billing is submitted by tonnage and hours of collection.

Council Member Hess stated the intent of the ordinance is to recoup the cost but other factors were not included in the ordinance.

Mayor Smith recommended the town get out of the commercial trash collection business, tell all the businesses as of July 1 they are responsible for their own collection and town staff will be free to work on other issues.

Council Member Hess stated we should be careful on message is being sent there are people who think rental properties are being subsidized but it is part of the tax rate.

Council Member McDonald stated he is concerned that this could carry over to home businesses. He stated it appears council may have not done its job to direct staff on how to recoup the costs.

Council Member Hess stated the ordinance is being followed but it is not written properly.

Commercial Recycling

Bonnie Swain stated that the Town of Duck does not offer commercial recycling to their businesses. She stated recycling numbers on billing are not broken down between commercial and residential. She stated the businesses use residential carts but the town is charged \$10.30 per business per month and the residential charge is \$3.93. She stated billing shows 39 commercial stops.

Mayor Smith stated there is three percent of commercial area in town and they should take care of their own recycle and trash collection.

Mayor Smith stated that the acting town manager recommended getting out of the commercial recycling business and he agrees with this.

It was council consensus that beginning January 1, 2008 recycling would be picked up the first and third Monday of each month through May 30 and those days would be applied to the new contract for off season pickup beginning October to May.

Bonnie Swain stated that beginning January all businesses with an ABC license must recycle.

Council Member McDonald asked why there is a price discrepancy between residential and commercial costs.

Merrie Smith stated she was told the reason given s the driver gets out of the truck to pick up the commercial can. She stated we really don't know how many of the 39 businesses actually recycle.

Council agreed this item to be placed on the December 4 agenda for further discussion.

Mike Hejduk asked how are we tracking someone, like the dentist, who was at Southern Shores Crossing but now is at a different location in town.

Council Member Sanders noted that some of the businesses in town are home owners in Southern Shores who pay taxes.

Council Member McDonald asked how Manteo, Duck and Kitty Hawk charge their businesses for trash pickup. Bonnie Swain stated she does not know what Manteo does but Kitty Hawk and Duck do not charge their businesses.

Mayor pro tem Shields stated he remembers all the conversation when council decided to offer recycling to the businesses and it was decided it was the right thing to do.

Issues to be addressed are keeping commercial recycling or not, what businesses are being serviced, what size cans to be used (95 gal), five year contract with no out, cost discrepancy, ordinance amendment, will trash cost increase if businesses don't recycle.

Staff (Mike, Bonnie, Carrie and Merrie) will work on providing information on the commercial solid waste pickup also on the December 4 agenda.

Council Members

Council Member Hess asked where we are with the process for the interviewees for the town manager position. Bonnie Swain provided each council member with a list of the candidates scheduled for interviews. She stated ten were notified and three declined.

GENERAL PUBLIC COMMENT -None

Hearing no other business Mayor Smith moved to adjourn the meeting at 9:40 a.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.

ATTEST:


Don Smith, Mayor



Respectfully submitted:


Carrie Gordin, Town Clerk

Exhibit A

**TOWN OF
SOUTHERN
SHORES
TAX
DEPARTMENT**

11/27/2007

PICKUPS

Aug. Real	\$13.26
Sept. Real	\$1.99

RELEASES

July Vehicle	\$12.52
Aug. Vehicle	\$81.46
Sept. Vehicle	\$41.60

TOTAL

\$15.25

\$135.58