

**Town of Surf City  
Special Council Meeting Minutes  
May 6, 2013**

Mayor Guy called the special meeting of the Surf City Town Council to order at 7:00 p.m. Mayor Pro Tem Medlin gave the invocation, and Councilman Curley led the Pledge of Allegiance. Also present for the meeting were Councilwoman Albury, and Councilmen Fowler and Helms, Town Manager Michael Moore, Finance Director Jane Kirk, and Town Clerk Patricia Arnold.

**BEACH PROJECT FUNDING PLAN FINAL PRESENTATION,** Peter Ravella  
Presentation is attached to these minutes.

Ken Melson, 2304 S. Shore Drive, asked after the 10 cent increase will we have enough left for the next 6<sup>th</sup> year renourishment

Peter Ravella stated that after the town saves the money for 5 years and then the 5 cent that is normally put into the beach nourishment fund will be there and 6 years later can be used for the renourishment project.

Ken Melson asked how does the federal sequestration going to affect the corps ability to pay for this over the next couple of years or is it money that is already allocated and committed.

Peter Ravella stated that the sequestration is a limitation on the exiting federal expenditures in the budget. The project is before congress now. It is included in the water resources development act and it will receive new appropriations. We believe it will be authorized this year and go through appropriation next year. So it will not be subject to sequestration as far as we know. Your project is recommended to congress by the Chief of engineers which is the qualifying characteristics to create the project this year.

Marti Quinn, 35 Sandy Lane, asked what other funding avenues were looked at and why everyone is being charged the same tax rate.

Peter Ravella stated that in the workshop supplemental revenues were discussed; parking, traffic fines & bridge toll (which were legally inoperable),

HB 962 half cent sales tax for beach nourishment \$100,000 a year.

Pender County gives you 100% occupancy tax on rentals. They are a great partner to the town.

Property tax has turned out to be the key additional revenue.

Flat rate is used by Topsail Beach and North Topsail Beach, and that is how Surf City does theirs now.

Army Corp study shows economic value of the beach extends town wide.

The reason why the county writes a check is because they benefit financially from the beach

Laura Black, 2016 S. Shore Drive, asked does the ordinance specify 5 years, and should money be left over will it be earmarked for beach fund

Peter Ravella stated yes to all. The ordinance does specify that the tax increase does automatically expire after 5 years. It does require that all funds go to a dedicated account for the beach only and it does require that the town review the fund balance every year and the cost estimates that come out of the Army Corp as project comes online to see if it needs to be adjusted up or down.

Harry Hansen, 1520 S. Shore Drive, stated that he believed everyone will agree that the 10 cent increase is going to hurt for a while but what concerns me is that I read in the local paper that the County did not have enough money they felt for what they wanted to do so they are going to up their taxes which means that is going to up our tabs. Have you talked to the county about this at all? He feels the combination of the two increases is going to make it a little difficult.

Mayor Guy stated that he had heard they were going to hold the tax.

Clark Harvey, 106 Abigail Ct., asked if there was a need for more parking spaces, what funds are we going to need to purchase more parking space

Peter Ravella stated that has been addressed in the funding plan, the corp of engineers access study says there is 37 spaces still needed, mostly in the southern part of town money in budget 1.5 M in contingency set aside.

Harry Hansen asked if the decision was up to the Council vs where the voters make the decision on whether to spend this money, is it a possible ballot item.

Mayor Guy stated that we have been working on this the past several years and holding meetings for the past 7 months to get input from folks

Peter Ravella stated that the process has been revealing and helpful I think the funding plan reflects critical components the inputs from the community. Whether a vote is required is obviously discretionary with the town. Typically most of the plans that we have done elections are not usually required because towns are generally saving in advance; they are not going into debt to finance.

When bond debt is issued a general election is required.

In this case the town is trying to save sufficient funds to pay case for this first project and then return to your existing tax rate and not go into debt.

Another reason why it's a little problematic in a beach town is because so many property owners and tax payers that do not live in town and are ineligible to vote. That's why we tried to do these community outreach efforts to try to make sure everyone gets to participate in the process.

Allan Panfil, 2702 S. Shore Drive, stated that is it obvious that Onslow County is not participating financially at all

Peter Ravella stated that they have not come forward with a specific allocation to either North Topsail Beach or Surf City. Onslow County may be changing the method of sales tax revenue sharing within the county that could bring additional revenue to Surf City and to North Topsail Beach.

Mayor Guy stated that the amount of money sales tax is based on population if they change to ad valorem is much higher, approximately \$110,000 a year

Marti Quinn stated that she was not able to attend but husband did April 6<sup>th</sup> meeting and he said it was for only 2 years limit on tax increase

Peter Ravella stated that he misunderstood a 2 year would not get us where we needed to be

Joan Johnstone, 126 Seagull Ct., asked with increase, will this be a line item to Beach Nourishment

Peter Ravella stated yes, limits expenditures, only beach nourishment capital account

Ken Melson stated that he commends you on your vision you have in protecting a very valuable asset for the city. The town is probably the most important asset that we have other than the safety and welfare of our citizens.

And I think the vision you have to protect that and encourage the growth of our economy here and the generation of revenue to come from it commendable on your part and I also want to thank you for keeping us in such a good financial state to begin with that we can do this without going into debt and not having to have bond referendums and paying off the debt at this point. I fully recommend and hope that you all will support this beach restoration project. The people I have spoken to in the community who discuss this matter are for it and they think it is a wise decision and we hope that you will pass the tax increase for this purpose.

Mayor Guy stated that we have tried to keep you well informed. This island probably should never have been developed but it has been, and we all bought here. We, as elected officials, have a responsibility to address the public welfare and safety in this community. Not only your safety as being a human being but also your property and values. I talked to the Mayor of Surf City New Jersey last week they just had Hurricane Sandy asked him about his project 4 year ago where the extended beach approximately 200+ feet. They had no damage as a result of Hurricane Sandy because they had the foresight to protect their beach.

If we have a major storm, it will not just get the front line it is going to get everybody, and it is going to affect this economy. It's going to affect the restaurants, the retail people; it is going to affect everybody. In my eyes all of you are equally important to me as your public servant. We thank you all for being here and for your comments.

Councilman Helms stated that the Town has been working toward this project since 2000. Working with Peter Ravella for past 8 months and met with our citizens to come up with a suitable plan that will take us to the next step for our beaches.

I am on a fixed income but if we don't do something about the beach and this beach project we won't have any property to worry about.

Councilman Helms made a motion to direct staff to include in the 2013-2014 budget to increase tax rate by .10 for Storm Damage Reduction project only for 5 years and have a sunset clause to end. Councilwoman Albury seconded motion. Motion carried unanimously.

#### **ADJOURNMENT**

There being no further business Mayor Guy adjourned the meeting at 7:38 p.m. upon the motion by Councilman Helms and seconded by Councilman Fowler. The Council unanimously approved motion.

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Patricia E. Arnold, Town Clerk

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A. D. (Zander) Guy, Jr., Mayor