



**SURFSIDE BEACH TOWN COUNCIL
REGULAR COUNCIL MEETING MINUTES
NOVEMBER 22, 2011 ♦ 6:30 P.M.
TOWN COUNCIL CHAMBERS**

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51
52
53
54
55

1. **CALL TO ORDER.** Mayor Deaton called the meeting to order at 6:30 p.m. Mayor Deaton, and Councilmembers Blair, Dodge, Johnson, Samples, and Smith were in attendance; a quorum was present. Mayor Pro Tempore Childs was absent, because he was out of town for the Thanksgiving holiday. Staff present: Administrator Duckett; Police Chief Frederick; Public Works Director Adair; Treasurer Hursey, and Recreation Supervisor Ellis. Others present: Town Attorney Moss, Town Engineer Wooten, and Town Clerk Herrmann.

2. **INVOCATION AND PLEDGE OF ALLEGIANCE.** Pastor Julian Riddle of Surfside Presbyterian Church gave the invocation. Mayor Deaton led the Pledge of Allegiance.

3. **AGENDA APPROVAL.** Mr. Johnson moved to approve the agenda as presented. Ms. Dodge seconded. **All voted in favor. MOTION CARRIED.**

4. **MINUTES APPROVAL.** Mr. Samples moved to approve the minutes for the regular meeting held November 8, 2011 as presented. Ms. Dodge seconded. **All voted in favor. MOTION CARRIED.**

5. **PUBLIC COMMENTS – AGENDA ITEMS.**

“John Ard, Cypress Drive, Surfside. Mr. Mayor and Council, administrator and the good people of Surfside and everything, tonight we’ve got coming up on the agenda about this parking, which is a good thing, I reckon. But what I’m looking at right now is why this wasn’t done before now instead of hiring out this? I hadn’t got no good response or nothing else [sic] from it. If it hadn’t been written, went out to the public by anything they may have found out or anything else, and so we’ve done lost a bunch of money again. We’re still in the same boat. But personally, I’d like to know when it’s gone stop. This place, (**) for it all to stop. It’s costing this town way too much money and I think we need to get something done about it.”

6. **COMMUNICATIONS.**

A. Harper, Poston & Moree, P.A. – Comprehensive Annual Financial Report (CAFR.) Mr. Bob Harper of Harper, Poston & Moree, P.A., said that his firm prepared the Comprehensive Annual Financial Report, which is a very detailed document. An Executive Summary would be presented to council that highlighted an overview of the financial statements. (Copies of both the CAFR and Executive Summary are on file.) Mr. Harper referred to the Executive Summary and explained:

Page 1: General statements that the audit was conducted in accordance with generally accepted auditing standards following guidelines and accounting principles as of the audit report date.

Page 2: Statement of Net Assets, prepared under GASB34 (Government Accounting Standards Board) includes all town operations. Assets equal \$21,514,166; Liabilities equal \$2,501,659, and Total Net Assets equal \$19,012,507.

Page 3: Statement of Activities - sets out all revenue, expenses and change in net assets. Total General Revenue equals \$5,819,499; Total Program Revenue equals \$2,394,283; Total Expenses equal \$7,156,828, and Change in Net Assets equal \$1,056,954.

Page 4: Governmental Fund Type Revenues - sets out the various types and percentages of revenue the town receives. Total Governmental Funds Revenues equal \$6,748,366, which does not include any Enterprise Fund monies.

56 Page 5: Governmental Fund Type Expenditures - equal \$7,805,436, representing the various
57 departmental and operating expenses. Mr. Samples asked if a fair comparison would be \$7.8 million
58 Governmental Fund Expenditures to Total Governmental Fund Revenue of \$6.7 million. Mr. Harper said
59 that was not a fair comparison, because of the line item expenditure of \$712,000 capital outlay for the fire
60 truck.

61
62 Page 6: Enterprise Funds - comprised of the sanitation services, pier admissions and rentals, and
63 other miscellaneous income equals Total Revenue of \$1,438,922 and Expenses equaling \$1,195,747 for
64 a Net Income of \$243,175. Mayor Deaton asked if the town was "in the black" on both enterprise funds.
65 Mr. Harper answered yes.

66
67 Mr. Harper said the town implemented GASB34 last year and that created some minor
68 differences in the fund balance section in trying to reach the objective of bringing the fund balance
69 account more closely in line with the GASB34 total operations fund balance accounts. The old systems
70 had basically three designations: reserves, designated, and unreserved. He explained that the new audit
71 report has more designations: nonspendable (inventories, prepaid items, advances); restricted (victims
72 advocate programs, street improvements, tourism promotion and support, drug enforcement program);
73 committed (capital replacements, storm water projects); assigned (land, meters, parking purposes), and
74 unassigned (general operation funds.) The town has about three months of operating funds in reserve,
75 about \$1.6 million, which is deemed reasonable and generally acceptable. Mayor Deaton asked if the
76 town was fiscally healthy. Mr. Harper said, "Yes; very, very healthy." He said the explanation of GASB34
77 was given to answer questions that might arise when the CAFR was more thoroughly studied, and offered
78 to assist councilmembers whenever they had questions.

79
80 Mr. Samples appreciated Mr. Harper's detailed report, and said he found the audit to be much
81 clearer in terms of the narratives. Mr. Harper said that was one of the objectives; to make the accounting
82 information more user-friendly. Mr. Samples quoted from the CAFR, page 28, which he believed was an
83 important concept: *"The concept underlying the definition of the financial reporting entity is that elected*
84 *officials are accountable to their constituents; it follows that an accountability perspective should provide*
85 *the basis for defining the financial reporting entity."*

86
87 Mayor Deaton asked Mr. Harper for an over-all assessment. Mr. Harper said, "Big picture, you
88 get an A-plus as far as fiscal responsibility." Mr. Duckett thanked Mr. Harper for the brevity of his
89 presentation and reiterated that the town received a very clean audit that did not include a management
90 letter, which he attributed to council's budget planning and staff's execution.

91
92 B. Department Reports

93
94 i. Finance. Mr. Duckett presented the finance report, a copy of which is on file and is made a
95 part hereof by reference. Mr. Johnson said business license revenue increased over last year and asked
96 how many new accounts were opened last year compared to the 39 opened this year. Mr. Duckett said
97 that information was not available, but said there are about 3,000 accounts. About 90-percent or more
98 renew around the first of June; the trend is up. Mr. Samples said the report looked good, but did not
99 reflect the \$170,000 [sic] County Transportation Committee (CTC) funding obtained by the public works
100 director for road improvements.

101
102 ii. Recreation. Mr. Duckett presented the recreation report, a copy of which is on file and is made
103 a part hereof by reference. Ms. Dodge asked how much it cost to rent the ball fields. Mr. Duckett said
104 \$100 per field per day. The town does not lose money on the rentals, but the fee mostly covers the cost
105 of field preparation and maintenance and lighting. Town staff tries to be good stewards by controlling
106 lighting whenever possible.

107
108 iii. Public Works. Mr. Duckett presented the public works report, a copy of which is on file and is
109 made a part hereof by reference. Ms. Blair asked how bad the muskrat problem was and what could be
110 done to manage it. Mr. Adair said it was pretty extensive. Three fountains in three separate lakes have
111 had to have cable repairs; muskrat remediation was required when the bank restoration job was recently

112 done. He suspected that most of the lakes have muskrats. The contract to set traps for one year on a
113 specific property is about \$1,600.

114
115 C. Administrator's Report – Update on Current Events. Mr. Duckett said last month he reported
116 that 1,295 resident parking stickers were issued. There were 14 stickers sold to non-residents at a cost
117 of \$40 each, which is about 1-percent. Ms. Dodge said she asked at a previous meeting whether there
118 was an on-going program for street repairs. Recently she noticed that work is being done on the streets
119 and she appreciated that, and hoped that a plan was in place.

120
121 7. **BUSINESS.**

122
123 A. Surfside Pier Proposal for Professional Services – Mike Wooten, DDC Engineers. Mr.
124 Wooten presented a Proposal for Professional Services - Surfside Pier Upgrades, a copy of which is on
125 file. There are three tasks to be performed:

- 126
127 (1) replacement of five (5) support pilings for the ocean side pier;
128 (2) upgrading plumbing and electrical infrastructure to current code, and
129 (3) upgrading connections and supports beneath the landward segment of the pier and
130 replacement of deteriorated bolts, flanges, angles and connections.

131
132 Mr. Wooten said the fee for the structural engineer is \$14,500; the electrical engineer \$2,250;
133 mechanical engineer \$2,250, and DDC Engineers will perform based on hourly rates not to exceed
134 \$11,950, which provided a maximum expenditure of \$30,950 for all services necessary to facilitate
135 bidding the three projects. The consultants will work with staff to utilize information staff has already
136 formulated about repairs. Recommendations will be made about repairs to be made and probable costs.
137 It will take about 30-days to prepare the reports. He recommended one bid package with three segments
138 separated as the three tasks to be performed. Contractors could bid on one, two, or all three segments.
139 In his opinion, that would get the most efficient bids submitted. DDC would be the town's contact for all
140 the work as it is under contract with the town.

141
142 Mr. Samples said much of what was covered was also discussed at the September 27th meeting.
143 He asked if the plan was to bring the property up to current code with maintenance. Mr. Wooten said yes.
144 Mr. Samples believed that council already voted to approve separation of the spec package and that the
145 same issues were being revisited. He said it would be approximately 6-months before the work would be
146 completed, and believed that council should move forward. Mr. Wooten said his recommendation was to
147 wait until after hurricane season ended. He said the project bids would be let in mid-January; received in
148 mid-February; bid or bids awarded sometime around the beginning of March, and with the right
149 contractors the work could be completed in about 60-days. Mr. Samples thanked Mr. Wooten saying the
150 timeline was more optimistic than the one previously reported.

151
152 Mr. Smith agreed that the structural work on the pilings in the ocean should be done, but he
153 doubted the need to bring the restaurant space up to code until a tenant was located.

154
155 Ms. Dodge believed the building should be brought up to code before negotiating with a tenant
156 and said that she isn't a contractor, but it made sense to her to do so, and **funding has yet to be identified.**
157 ***scrivener's error D. Herrmann**

158
159 Mr. Samples said Mr. Wooten's recommendation to break out the items separately would allow
160 council an opportunity to consider costs to bring the building up to current code standards.

161
162 Mayor Deaton agreed saying the town purchased a fishing pier, not a restaurant. The needs
163 being addressed now are those of the pier. The State Park pier currently has a \$250,000 budget to
164 replace pilings infested with marine worms. He didn't believe anything had been mentioned about the
165 1,800 square foot restaurant area at this time. Right now pertinent structural issues need to be
166 addressed.

168 Mr. Samples agreed with Mayor Deaton, but took exception about building maintenance based on
169 previous conversations with the town administrator. He recalled that a presentation was made to council
170 that appeared to have been prepared in response to council's direction to town staff to determine
171 problems and identify necessary maintenance and upgrades, during which staff estimated an
172 approximate cost \$140,000 to bring the building up to code. Mr. Duckett said it was correct that some
173 time ago staff prepared slides to show the space deterioration. The town's building official had a
174 contractor take photographs and provide an estimate. Mayor Deaton asked if that was a 'guess-timate."
175 Mr. Duckett said yes, and that Mr. Wooten's recommendation is to hire engineers qualified to determine
176 exactly what needs to be done so that any contractor could provide a bid. Mr. Samples said his point was
177 that the town owns a structure that has issues that must be dealt with, regardless of the use.
178

179 Mr. Smith said \$140,000 was a lot of money considering that the building could be razed and
180 rebuilt for around \$200,000. He asked that the engineers consider the option of tearing the structure
181 down to the pilings and starting over when formulating their recommendations. Mr. Wooten said Mr.
182 Chao already determined that the building is structurally sound and worth saving. Building a new building
183 in today's environment brings code issues into play that did not exist when it was originally built; the
184 Americans with Disability Act (scrivener's error D. Herrmann) standards have changed dramatically, and
185 that is only one element. Mr. Wooten said DDC would notify Ocean and Coastal Resource Management
186 (OCRM) of the town's plans so it will be informed when they start receiving calls about the work. Mr.
187 Wooten believed based on Mr. Chao's inspection that the pier is sound. He believed that when more
188 than 40-percent valuation of the existing building is changed, current code regulations are imposed.
189

190 Mr. Duckett asked council to approve execution of a contract not to exceed \$30,950 for DDC
191 Engineers to proceed as explained during the presentation. Mr. Samples moved to authorize the town
192 administrator to execute a contract with DDC Engineers to develop a specification package that satisfies
193 the three elements identified and recorded in the September 27th meeting. Ms. Blair seconded. Mayor
194 Deaton asked if DDC Engineers would manage the project. Mr. Wooten said DDC would manage
195 throughout the bid process; its fee is hourly and not to exceed \$11,950. Mayor Deaton and Mr. Samples
196 asked if supervision was through construction. Mr. Wooten said there is no way to determine the time or
197 cost to supervisor through construction; it would depend on whether one or multiple contractors were
198 awarded bids. He assured council that he would work with staff and DDC would provide a proposal at the
199 appropriate time. Mr. Smith asked if Mr. Wooten would participate in the bid award. Mr. Wooten said
200 yes. All voted in favor. **MOTION CARRIED.**
201

202 B. Ad Hoc Parking Advisory Committee – Membership & Duties. Mr. Duckett said a motion was
203 adopted at the last meeting to form a committee. The clerk advised council that an advertisement would
204 have to be published to comply with code, which has been done. Appointments can be made at the next
205 meeting to fulfill the 30-day notice period. The discussion tonight was to address council's desire for
206 composition and scope of duties.
207

208 Mr. Johnson believed the committee should consist of three councilmembers and two or four
209 residents from town. Mr. Duckett asked if he recommended either a five or seven member committee.
210 Mr. Johnson said yes.
211

212 Ms. Dodge volunteered as a member of council to serve on the committee.
213

214 Mr. Samples believed it was important to have a majority of residents on the committee to avoid
215 having it dominated by councilmembers. He supported a seven member committee.
216

217 Ms. Blair said it would be a challenge for members to bring other new ideas over and above those
218 already provided in the parking study. There were many aspects of the study that would never be
219 initiated, but some have almost been completed. She said there are residents who are more than willing
220 to serve on the committee. She said there might be others that want to provide input outside of a public
221 hearing or workshop. She asked if a website location or email address could be set up to allow residents
222 to submit comments. Having residents review the plan might create some recommendations to change
223 the order in which the plan is scheduled or bring fresh ideas. Parking is only a problem for 3-months of

224 the year; the question is how that is addressed and how much impact would occur to residents as parking
225 might possibly be forced into the surrounding neighborhoods.

226
227 Mr. Samples supported Ms. Blair's suggestion to have an electronic option to submit comments
228 with regard to parking issues on Ocean Boulevard that could be shared with the committee. He
229 personally did not want to serve on the committee as it would be a difficult challenge.

230
231 Mayor Deaton agreed saying that public input is very important.

232
233 Mr. Smith believed it would be useful to have the committee, but questioned whether anything
234 would be accomplished if a time limit was not imposed. He believed a 90-day limit after formation should
235 be imposed for the committee to make recommendations to Town Council. It will take staff time to
236 implement any recommendations that council approves.

237
238 Mayor Deaton commended staff for completion of Phase One of the parking plan. He agreed that
239 a time limit was a good idea. He asked Mr. Duckett to present a formal decision paper at the next
240 meeting. Mr. Duckett said he had only received one email from a citizen asking how to express interest in
241 serving. He suggested that anyone with interest in serving contact any councilmember or the clerk. Mr.
242 Smith suggested appointing the committee at the first meeting in January, because no one would want to
243 work over Christmas. Mr. Duckett understood that staff was being asked to present a decision paper at
244 the next meeting outlining that the ad hoc parking committee will consist of seven (7) people, including
245 not more than three (3) councilmembers, and other resident members to be appointed by council at the
246 first meeting in January during executive session, and that once the committee is appointed, the
247 committee will serve for 90-days at the end of which recommendations will be made to town council so it
248 may determine what actions are to be taken. That process will end about the same time as council
249 prepares for the budget retreat. Ms. Blair commented that council should stress to residents and
250 councilmembers that consider volunteering that they should enter the project with open minds, every
251 suggestion and/or recommendation may or may not be implemented. She didn't want anyone to be upset
252 because their particular suggestion or recommendation was not adopted. Council will need to consider
253 all aspects of suggestions and recommendations to determine whether they are viable and enforceable.

254
255 8. **DISCUSSION.** There was no discussion to come before this meeting.

256
257 9. **PUBLIC COMMENTS.**

258
259 "Tom Dodge, 15th Avenue North. I went down to the Martin Park to watch the ball games going
260 on this last week end and the last time that we had them, but it was sort of embarrassing to be there. We
261 have no score board. The people that came put up a tarp tent as a concession stand. It, it, it just was
262 embarrassing to me as an old-time jock. I used to play softball in Washington, Pennsylvania, Maryland.
263 We played in cow pastures that had more amenities than Martin Park. It's a shame that we do not have a
264 score board at that park. My recollection was Mr. Barnard gave the town \$30,000 a year or so ago for
265 score boards, concession stand, and we've got nothing, and a press box, and we got nothing. It's
266 embarrassing. You people, haven't seen any of you down at the games. Maybe you were there when I
267 wasn't there. But, let me tell you, you need a score board at a baseball game, at a softball field, at a
268 basketball court. You need a scoreboard. I came in and talked to Mr. Duckett a couple of weeks ago,
269 and one of the items I mentioned was potholes. We have more potholes in town than we have trees.
270 The one pothole I mentioned to him at 3rd Avenue and Seaside Drive which was about 3-feet by 8-inches
271 was filled. I haven't seen another one filled anywhere else in town; may have been, I haven't seen them.
272 Our streets are deteriorating. We have people that work for the town that drive the streets every day. I
273 don't know if Mr. Adair drives the streets. If he does, he's not looking. I think we should have potholes
274 filled, because if you don't fill them, they're going to get bigger. Some people say I'm a complainer. I
275 think I'm just a good town citizen who brings these points-to-bare. Somebody has to tell the town
276 employees how to do their job. Mr. Adair does not seem to be doing it, the potholes or some other things.
277 Thank you very much."
278

279 "Claudia Sauerwald, 722 2nd Avenue North. (**) Business 17 on the right, you'll see a nice paved
280 area. On left you see soil erosion and it goes over two manholes and into a drainage ditch and into my
281 driveway. I would like to know if maybe y'all could pave it or put some grass in down there so the soil (**)
282 the employees there at NAPA park on that dirt and it loosens the sand and the rocks and they just come
283 right on down into the road. If y'all can work on that; I'm not hitting on the street department." Mayor
284 Deaton, "That's okay. Have you met with Mr. Duckett, our administrator? Mr. Duckett, would you please
285 set up an appointment so that you can discuss this." Ms. Sauerwald, "(**)" trash also that moves down
286 sometimes, (**)" it's awful." Mayor Deaton, "Ma'am, would you mind setting up an appointment right after
287 this meeting, if you don't mind (**)" If you'll get with Mr. Duckett, you can set up a meeting with him to give
288 him the information, maybe we can alleviate that problem. Thank you."
289

290 10. **COUNCIL COMMENTS.**

291
292 Mr. Samples, "I just want to wish everybody a Happy Thanksgiving. (*Tape changed.*) ...great
293 town. We still live in a great town. It's a terrific place to live and we've been particularly blessed with
294 good weather, and nice calm meetings. See y'all."
295

296 Mr. Smith, "I'd like to wish everybody a Happy Thanksgiving, and thank public works for the stop
297 bars. I think they are very important for safety."
298

299 Ms. Dodge, "I'm glad to see everybody out this evening. Thank you for your comments. They
300 are useful. I hope we act on all of them, because I know that you're concerned; we ought to be also.
301 Thank you."
302

303 Mr. Johnson, "First of all, God bless each and every one of you for coming here. Happy
304 Thanksgiving. See you next time. Thank you."
305

306 Ms. Blair, "Thank you, Mr. Mayor. Just a thanks to our staff for all they've done all year and to
307 Kim, who's our finance officer. I'm not a numbers person. I can't imagine dealing with this day in and day
308 out, but she did a great job and obviously that's verified by our audit. So thanks for all the hard work into
309 that. Veterans Day ceremony was very nice. It was a beautiful day and it was just so nice to be among
310 so many heroes and so many people that have given years of their lives to, to support this country and to
311 make us, to give us these freedoms that we have. I had called my dad earlier in the day, he's an Air
312 Force veteran who lives in North Carolina, to wish him a happy Veterans Day, and it was prior to going to
313 the event and he said, you know, I'm sorry that we're not together today, but since we can't be, please be
314 sure to shake the hand of a veteran today. And, I tried to shake as many as I could, and thank you to all
315 of those that are here and all of those in town who have served. Surfside Drive looks great and the
316 decorations are wonderful. Thanks to [Ms. Ellis] and staff for all that they've done. I'm still going to push
317 for that piped in music so we get the Christmas' ambiance next year. That was something we hoped for,
318 but we don't have that system in yet, so hopefully that will be a project for the future, so that every holiday
319 as you do your business on Surfside Drive you're welcomed by the seasonal music. And last, but not
320 least, Happy Thanksgiving to all of you. It's been a tough year for many, and there are lots of people out
321 there that need help from all of us, so matter what you do or who you're with, or how much you eat on
322 Thursday, just please remember to take time to lift up thanks for the blessings of the town and for that we
323 have personally, too. Thank you so much. Have a safe trip home."
324

325 Mayor Deaton, "I'd like to say also that we have a lot to be thankful for and Happy Thanksgiving
326 to everyone. I'd like to congratulate our public works department who was successful with the
327 transportation committee of the county. We got everything we asked for, which is unusual. They, they're
328 very particular about how they dole out their money. We got \$175,000 for road paving. I think it's going
329 to alleviate a lot of our problems. That's money well deserved and I'm sure it will be well spent. Thank
330 you all for being here tonight."
331

332 11. **EXECUTIVE SESSION.** Pursuant to FOIA §30-4-70(a)(1) to perform the town
333 administrator's performance review and to discuss Stormwater Committee appointments and/or
334 reappointments. Mayor Deaton said a 5-minute recess would be held prior to entering executive session.

335
336
337
338
339
340
341
342
343
344
345
346
347
348
349
350
351
352
353
354
355
356
357
358
359
360
361
362
363
364
365
366
367
368
369
370
371
372

Mr. Smith moved to enter executive session at 7:56 p.m. Mr. Samples seconded. All voted in favor. **MOTION CARRIED.** Mayor Deaton said that no action was taken during executive session and called for motion to reconvene regular session. Mr. Samples moved to reconvene regular session at 8:38 p.m. Ms. Blair seconded. All voted in favor. **MOTION CARRIED.**

Mr. Smith moved to extend the town administrator's contract with Mr. Jim Duckett for one (1) year; all other terms remain the same. Mr. Samples seconded. All voted in favor. **MOTION CARRIED.**

Mr. Samples moved to reappoint Ken Harbin, Dan Sine, and P. L. Mabry to the stormwater committee. Mr. Smith seconded. All voted in favor. **MOTION CARRIED.**

12. **ADJOURNMENT.** Mr. Smith moved to adjourn the meeting at 8:39 p.m. Mr. Johnson seconded. All voted in favor. **MOTION CARRIED.**

Respectfully submitted,

Debra E. Herrmann, CMC, Town Clerk

Approved: December 13, 2011

K. Allen Deaton, Mayor

Vicki W. Blair, Town Council

Robert F. Childs, III, Mayor Pro Tempore

Ann Dodge, Town Council

Mark L Johnson, Town Council

Douglas F. Samples, Town Council

Roderick E. Smith, Town Council

Clerk's Note: This document constitutes minutes of the meeting, which was audio taped. This meeting was transcribed by Town Clerk Herrmann. In accordance with FOIA, meeting notice and the agenda were distributed to local media and interested parties. A complete list is on file in the clerk's office. The agenda was posted on bulletin boards outside Council Chambers and in the Town Hall reception area. Meeting notice was also posted on the Town marquee. When (**) is used a section of the transcription is inaudible.