



TOWN OF SOUTHERN SHORES
TOWN COUNCIL REGULAR MEETING

5375 N. Virginia Dare Trail, Southern Shores, NC 27949

Phone 252-261-2394 / Fax 252-255-0876

www.southernshores-nc.gov

PITTS CENTER

Tuesday, May 04, 2021 at 5:30 PM

MINUTES

Call Meeting to Order

Pledge of Allegiance

Moment of Silence

Present

Mayor Tom Bennett

Mayor pro tem Elizabeth Morey

Council Member Jim Conners

Council Member Leo Holland

Council Member Matt Neal

Approval of Agenda

Motion made by Council Member Holland to approve the agenda as presented, Seconded by Council Member Conners. The motion passed unanimously (5-0).

Voting Yea: Mayor Bennett, Mayor pro tem Morey, Council Member Conners, Council Member Holland, Council Member Neal

Consent Agenda

The consent agenda consisted of the following:

- Council Meeting Minutes
- Resolution 2021-05-01 Thanks Outer Banks
- Budget Amendment-Sanitation

Motion made by Mayor pro tem Morey to approve the consent agenda as presented, Seconded by Council Member Holland. The motion passed unanimously (5-0).

Voting Yea: Mayor Bennett, Mayor pro tem Morey, Council Member Conners, Council Member Holland, Council Member Neal

Mayor pro tem Morey noted that the budget amendment for sanitation is due to the increased population and off-season rentals.

[a copy of the consent agenda items is hereby attached as exhibit A]

Presentations

Status Update on the Mid-Currituck Bridge- Jennifer Harris, NCDOT and Rodger Rochelle, NC Turnpike Authority Chief Engineer.

[a copy of the PowerPoint presentation is hereby attached as exhibit B]

Staff Reports

The following department heads provided a report for the month of April:

Deputy Town Manager/ Planning Director- in addition to the Planning Department monthly report, Planning Director Haskett reported some of the flat top houses in the Town will be highlighted in *Our State* magazine. Also, staff is requesting Council table consideration of ZTA - 21-02 until redivisions are made and the Planning Board has reviewed it again.

Police Chief-presented a report for the month of April.

Fire Chief-presented a report for the month of April and recognized his fire department's volunteers and their commitment to protecting the community.

Town Manager Ogburn provided an operation highlight for April:

- The Town Manager and Councilman Holland attended the annual NCBIWA spring conference in Emerald Isle.
- SEPI is working on the pavement study.
- APTIM should have the next round of beach profile surveys completed shortly
- Dare County has suspended bulk item drop off at its Kitty Hawk location (C&D permits)
- HB401/SB349 no action currently, tremendous opposition.

General Public Comment

Public Comment-Paul Borzellino-16 Seventh Ave-opposed to MSD and everyone should be taxed equally.

Public Comment-Brian Forbes-10 Pelican Watch Way- the entire town benefits from beach nourishment and should be taxed equally.

Public Comment-Dave Mackey-218 Ocean Blvd.-opposed to MSD

Public Comment-Bonnie Anderson-6 Yellowfin Lane-is okay with paying their fair share in taxes but cannot afford the increase that MSDs would bring.

Public Comment-Paula Sherlock-66 Ocean Blvd. opposed to MSD, should be fair across the community. 10% increase is a fair increase, maybe 20%, but 30%-40% is not a fair increase. Respect the fact that this is a very difficult situation and appreciate the thought that Council has given to it.

Public Comment-Barbara Johnson-1 Pelican Watch Way-Council should vote no on MSD. The whole community benefits, MSD would divide the community.

Public Comment (by email)-Tim Panoff-104 Ocean Blvd-struggle to see how he receives more benefit; he did not receive more benefit from canal dredging. It is an unjust double standard.

Public Comment (by email)-Van Price-Pelican Watch-opposed to MSD's

Public Comment (by email)-Collins- 190 Ocean Blvd.-opposed to MSD's

Old Business

Ordinance 2021-04-01 Establishing and Creating The Southern Shores Beach Erosion Control and Flood and Hurricane Works Municipal Service Districts (Second Vote)

Beach Nourishment 2022 Project – Second Reading of Ordinance defining Municipal Service Districts -NCGS 160A-537(f) states that no ordinance defining a service district as provided for in this section shall be finally adopted until it has been passed at two meetings of the city council by majority vote of the voting members present, and no service district shall be defined except by ordinance. The draft ordinance was amended to read:

District 1-

i. All properties east of Ocean Blvd/NC 12 beginning at the southern town limit extending to Ocean Blvd; and that abut the ocean beach of the Atlantic Ocean having an eastern boundary greater than or equal to 25 feet, beginning at the southern town limit and extending to the northern town limit.

~~ii. All properties east of Ocean Blvd. from the split at Ocean Blvd/NC 12 extending to Hickory Trail; and~~

~~iii. All properties north of Hickory Trail that abut the Atlantic Ocean extending to the northern town limit.~~

District 2-

i. All properties in District 1; and

ii. All properties located east of Ocean Blvd/NC 12 and Duck Road/NC12 beginning at the southern town limit extending north to the northern town line; and

iii. All properties located west of and abutting Ocean Blvd/NC 12. beginning at the southern town line extending north to 137 Ocean Blvd and abutting Duck Road/NC 12 beginning at 139 Duck Road extending north to 149 Duck Road.

The Town Council adopted Ordinance 2021-04-01 on the first reading at its April 13, 2021 meeting. Staff recommends approval of the amended ordinance.

Town Manager Ogburn explained Special Obligation Bonds and the MSD requirement.

A special obligation is secured by a pledge of any revenue source or asset available to the borrowing government, except the unit's taxing power.

We can pledge proceeds from occupancy and sales taxes. We cannot pledge tax proceeds because these are locally levied taxes.

The authority to issue special obligation (SO) bonds is very limited. G.S. 159I-30 permits a county or municipality to issue special obligation bonds for solid waste projects, water projects, wastewater projects. It also allows a municipality to issue SO bonds for any project for which a municipality is authorized to create a municipal service district (MSD). G.S. 160A-536 lists the authorized MSD projects.)

In order to use Special Obligation Bonds, we have to set up a MSD.

MOTION made by Mayor pro tem Morey to adopt Ordinance 2021-04-01 – An Ordinance Establishing and creating the Town of Southern Shores Beach Erosion Control and Flood and Hurricane Works Municipal Service Districts - as amended and approved at the April 13, 2021 meeting, Seconded by Council Member Neal. The motion passed unanimously (5-0).
Voting Yea: Mayor Bennett, Mayor pro tem Morey, Council Member Conners, Council Member Holland, Council Member Neal

New Business

Filing of Manager's Proposed Operating Budget for FY 2021-22 and Public Hearing Date (distributed at meeting)

Town Manager Ogburn presented his proposed operating budget for the FY2021-2022. His budget message read as follows, presented for your consideration is the town manager's recommended budget for Fiscal Year July 1, 2021 through June 30, 2022, which has been prepared in accordance with the North Carolina Local Government Fiscal Control Act, as required by North Carolina General Statute Chapter 159-11. This budget was a result of a great deal of hard work from several people, particularly Finance Officer Bonnie Swain.

The economic outlook last year during the budget planning process was bleak to say the least. Many local governments budgeted extremely conservatively while reducing anticipated revenues due to the overall assumption that Covid-19 would have a dramatic budget impact. Health concerns and restrictions were anticipated to decimate sales and occupancy taxes, which make up a large portion of the Town's revenues. In some respects, the opposite affect was realized. According to the North Carolina League of Municipalities, the economic outlook at the time of their annual revenue forecast is largely focused on the recovery from Covid-19 and a transition to a post-COVID era. It appears, that at least in the near term, we have reason to be optimistic that our recovery will continue. Town staff recognizes that the increase in sales, occupancy, and land transfer taxes that we are currently experiencing, will eventually start to level out. With this in mind, the amounts for the shared revenues for FY 2021-2022, are budgeted more conservatively than what the Town will receive in the current FY.

Increased tax rates - General Fund

This budget recognizes the need for revenues to meet present as well as future growth in expenditures for the general fund as well as for the planned 2022 beach nourishment project. Before the Town took the wise path of adopting an austere FY 2020-2021 budget, there was recognition that a tax increase was likely justified.

In recent years before revaluation occurred in 2020, the Town budgeted approximately the equivalent of \$0.05 on street improvements or near \$662,340. Due to Covid-19 related concerns and the need to make budget reductions, rather than increasing the amount to \$783,035 which represented the historical appropriation of \$0.05, the Town reduced funding to \$198,759. Listed below is what the remaining \$463,581 included:

- \$348,853 shortfall in anticipated revenue
- \$35,000 for a one-time merit bonus for staff
- \$34,728 for a full time Building Inspector (December 2021 - June 2022)
- \$45,000 to offset for a grant that the Town was not awarded

Last year, a tax increase of \$0.0292 would have balanced the budget and kept the additions that Council added (as listed above) plus kept street improvements budgeted at \$662,340. For FY 21-22, the difference in the Capital Infrastructure Improvement Plan line item that is being recommended at \$1,123,689 as compared to last year's budgeted amount of \$198,759 is \$924,930, or almost another \$0.0567 tax increase.

One cent in ad valorem taxes generates \$162,852. While a tax increase for General Fund Expenditures is not recommended at this time, a tax increase will likely be part of the FY 2022-2023 recommended budget.

Increased Taxes - Beach Nourishment

FY 2021-2022 marks the first of five debt service payments for the planned spring 2022 beach nourishment project. Funding for this project consists of Dare County Occupancy Tax for Beach Nourishment at \$7,714,375, Department of Environmental Quality Grant Award of \$1,408,247 and Town contribution of \$6,123,873. The Town will have to raise taxes to generate its portion of funding the project. The recommended increase would bring the current town wide tax rate from \$0.1958 to \$0.23, an increase of \$0.0342.

Use of Fund Balance

Through several years of careful and deliberate conservative budgeting, the Town has accumulated a large fund balance. These funds can be used to balance the budget, pay for large capital items, and possibly be transferred to the Capital Reserve Fund for future project needs. Ideally fund balance should be used for future projects rather than budgeted for annual operating expenses. In looking at the long-range needs of the town, and as previously stated a future tax increase is likely unavoidable. Long-range plans articulate the Town's vision and provide a framework for how the Town should grow and develop, provide public services, and maintain the qualities that define the Town of Southern Shores. This budget is meant to lay the foundation of a Capital Improvement Plan that considers those needs.

Budget Overview for Fiscal Year 2021-2022

This year's General Fund budget totals \$7,850,910, an increase of \$1,942,667 or 24.74% from the Fiscal Year 2020-2021 adopted budget. The Town will have to raise taxes to

generate funds to pay for the beach nourishment project and it is not recommended that an additional tax increase occur for General Fund expenses in the same fiscal year. Though not a preferred measure of fully balancing the budget, an appropriation from the Unassigned Fund Balance of \$453,392 is recommended to avoid an additional tax increase next fiscal year. An additional \$770,000 is recommended to be transferred from the General Fund Balance to the Capital Reserve Fund with \$20,000 for canals and \$750,000 for beach nourishment debt service. If a tax increase is approved for beach nourishment debt service in the FY 2022-2023 budget, it would mark the first tax increase since 2013.

Mandatory Town contributions to the State Retirement System are anticipated to increase from 10.2% to 11.39% for general employees, while increasing from 10.95% to 12.04% for law enforcement officers.

The Town will see an approximate 10% increase to the medical premiums for employees. Small groups medical insurance renewal rates are based on statewide claims for the year of all small groups.

Health Insurance

FY 2020-2021: \$15,641 monthly

FY 2021-2022: \$ 17,439 monthly (a yearly increase of \$21,576)

Beach Nourishment - At the time of this budget message writing, two Municipal Service Districts are anticipated to be created to fund the beach nourishment project. The tax rate for MSD 1 is recommended at \$0.12, the tax rate for MSD 2 is recommended at \$0.03 and the town wide rate is recommended at \$0.0342, bringing the Total town tax rate to \$0.23. A \$750,000 transfer from Undesignated Fund Balance to the Capital Reserve Fund to be combined with a \$250,000 previous transfer is recommended to pay down the beach nourishment debt with a \$200,000 year allocation, which will lower the tax rate necessary in each MSD as well as the Town wide rate. One cent in MSD 1 generates \$29,021 and one cent in MSD 2 generates \$56,475.

		Beach Nourishment	Total Tax rate
MSD 1 -	\$0.12	\$0.1842	\$0.38
MSD 2-	\$0.030	\$0.0642	\$0.26
Town Wide	\$0.0342	\$0.0342	\$0.23

The Town Council has many options to consider when applying the beach nourishment tax rates. The rates can be set in any manner that generates the required revenue to cover the debt service for the project.

Street Improvements - The Town is currently beginning the process of a pavement condition study. Those results are not expected until sometime in June. The timing of the results makes it difficult, if not impossible to budget for specific projects. Staff recommends that the Council adopt a budget that allows for a significant amount of street improvements over the next several budget years. \$1,123,689 is recommended in street improvements for next FY.

Pay Study Implementation - The Council directed a Pay and Classification Study that was presented in February of 2020. Due to the study coinciding with the beginning of the pandemic, implementation of the study was put on hold. Recommended with this budget is the implementation of new pay plan at a total cost of \$89,729. This plan makes one time locally compared market adjustments, brings employees with 8 years of service to the midpoint of their salary range while also recognizing all employees' years of service. The timing of this increased expenditure is met with the need for a tax increase for Beach Nourishment, but it is also met with a need to retain experienced employees and remain competitive with other Dare County municipalities. To keep employees on track going forward, it is recommended that an employee is moved up within their grade 2% each year to keep up with the cost of living. merit increases are recommended to be given each year with annual evaluations. Also included in the plan are job reclassifications, adoption of new job descriptions and new pay scale.

Fire Department -The contribution of \$625,358 remains unchanged. FY 2021-2022 will mark the first full year of fire department debt service of \$314,020.

Sanitation and Recycling Fees -The cost for residential sanitation collection is \$5.59 per household. The cost for commercial sanitation collection is \$207.25 per dumpster. The price per ton paid to Albemarle Regional Solid Waste Authority is budgeted at \$77.46 per ton. The amount budgeted is an increase of 20% over the current fiscal year for additional tonnage and fuel surcharge. Curbside recycling is \$5.21 per household and \$80.80 per ton to haul to RDS for recycling. This is the same cost as FY21.

Ocean Rescue Contract -In the present FY, the Ocean Rescue contract was amended to extend the season. An anticipated increase in contract services of \$8,000 above the adopted budgeted is recommended.

Seasonal Cut Thru Traffic - \$30,400 is budgeted to address seasonal cut thru traffic.

Town Manager Ogburn further stated that a budget workshop is scheduled for May 18th, followed by a public hearing June 1st to receive comment on the proposed FY 2021-22 budget.

Budget Amendment-Police Dept. Radio Replacement/Upgrade to Comply with NC VIPER Project.

Police Chief David Kole's request stated just over 10 years ago, all Dare County First Responder Agencies switched to 800mhz radios on a P25 platform. In 2018 we were informed that our current radios would be obsolete by 2025. We also found that obtaining parts for our current 10+ year old radios is very difficult and expensive if you can find those needed parts. In 2019 we established a 6 year plan to gradually replace our radios with new compatible ones. We have been purchasing 2, sometimes 3 radios (mobil/car and portable/handheld radios) each year in an effort to be in compliance by 2025, we also established this schedule so that it would not over burden our town budget all in one year. I have recently been advised that there may be funds available out of this FY 2020-21 budget to purchase the radios currently being requested in next year's FY budget (2021-22).

Mayor pro tem Morey confirmed with Police Chief Kole that the equipment upgrade could be put to immediate use.

Motion made by Mayor Bennett to approve budget amendment #27 Police Dept. Radio Replacement/Upgrade to Comply with NC VIPER Project, Seconded by Council Member Neal. Motion passed unanimously (5-0).

Voting Yea: Mayor Bennett, Mayor pro tem Morey, Council Member Conners, Council Member Holland, Council Member Neal

Public Works Equipment Purchase

Public Works requested the following equipment, a Toro Dingo TX 1000 Wide Track, 4-in- 1 bucket, grapple rake, brush mower, and dump trailer with ramps. This piece of equipment is a skid steer loader with the operator riding at the rear. The 4-in-1 bucket functions like a standard bucket but can open and close for more versatility. The grapple rake is a heavy-duty attachment capable of lifting logs, brush and other materials. The brush mower handles vegetation that a regular mower is not designed for. The dump trailer with ramps will serve as transportation for the equipment and will be used to move material/debris. This piece of equipment will allow Public Works to work more efficiently and safely.

Motion made by Council Member Conners to approve budget amendment #26 to purchase a mini skid steer and attachments and also a trailer for skid steer, Seconded by Council Member Holland. The motion passed unanimously (5-0).

Voting Yea: Mayor Bennett, Mayor pro tem Morey, Council Member Conners, Council Member Holland, Council Member Neal

Public Hearing-Town Code Amendment -21-03 Subdivisions

Town Attorney Gallop opened the public hearing and called for comment on Town code amendment -21-03 Subdivisions.

Planning Director Wes Haskett provided the staff report, the proposed amendments to Chapter 30, Subdivisions are a result of State Law changes. The first is an amendment as a result of S.L. 2017-10 to the current definition of Subdivision which establishes an exemption for the division of a tract into parcels in accordance with the terms of a probated will or in accordance with intestate succession under Chapter 29 of the General Statutes. The second amendment is a replacement of Section 30-43, Alternatives to Final Plat Approval as a result of S.L. 2015-187 that addresses performance guarantees. The third amendment is the addition of Section 30-44, Expedited Review which is a result of S.L. 2017- 10 that establishes an expedited review of qualifying subdivisions that can be reviewed and approved by the Zoning Administrator. Town Staff has determined that the proposed amendments are consistent with the Town's currently adopted Land Use Plan and Town Staff recommends approval of the proposed TCA. The Town Planning Board unanimously (6-0) recommended approval of the application with amendments at the April 19, 2021 Planning Board meeting.

Hearing no one wishing to comment, Town Attorney Gallop closed the public hearing.

Motion made by Mayor pro tem Morey to approve Town Code Amendment -21-03 Subdivisions, Seconded by Council Member Holland. The motion passed unanimously (5-0). Voting Yea: Mayor Bennett, Mayor pro tem Morey, Council Member Conners, Council Member Holland, Council Member Neal

Public Hearing-Town Code Amendment -21-04 AO Zone RFPE

Town Attorney Gallop opened the public hearing and called for comment on Town code amendment-21-04.

The Town is currently in the process of preparing for a CRS (Community Rating System) cycle visit that typically occurs every five years. The Town's last cycle visit was in 2015 and the Town's current CRS rating is a Class 6 which allows for a 20% discount on flood policies in the Town.

Planning Director Wes Haskett stated the reviewing agency recently brought to our attention that there is an issue with our current flood ordinance that would limit us to a Class 9 community which are only allowed a 5% discount on flood policies. The issue is an addendum to the CRS requirements that went into effect on January 1, 2021 that requires communities to have at least one foot of freeboard in flood ordinances in order to qualify as a Class 8 or better community. For AE and VE flood zones, our current elevation requirements satisfy the new CRS requirement, but our AO flood zone elevation requirements do not. Town Staff has confirmed with the reviewing agency that the proposed amendment would satisfy the new freeboard requirement and make us eligible to maintain or improve our current CRS rating.

Hearing no one wishing to comment, Town Attorney Gallop closed the public hearing.

Motion made by Mayor pro tem Morey to approve TCA-21-04 AO Zone RFPE, Seconded by Council Member Neal. The motion passed unanimously (5-0). Voting Yea: Mayor Bennett, Mayor pro tem Morey, Council Member Conners, Council Member Holland, Council Member Neal

Public Hearing-Zoning Text Amendment -21-01 Minimum Living Space and Protest Petitions

Town Attorney Gallop opened the public hearing and called for comment on ZTA-21-01 Minimum Living Space and Protest Petitions.

The proposed amendments to Section 36-202, RS-1 Single Family Residential District; Section 36-203, RS-8, Multifamily Residential District; 36- 204, RS-10 Residential District; Section 36-205, R-1 Low-density Residential District; and Chapter 36, Article XIV, Changes and Amendments are a result of State Law changes. The first proposed amendment is an amendment as a result of S.L. 2019-174 which states that zoning ordinances may not set a minimum square footage of any structures subject to regulation under the North Carolina Residential Code for One- and Two-Family Dwellings. The proposed amendment to Chapter 36, Article XIV, Changes and Amendments is an amendment as a result of S.L. 2015-160 which eliminated protest petitions.

Hearing no one wishing to comment, Town Attorney Gallop closed the public hearing.

Motion made by Council Member Neal to approve ZTA-21-01, Seconded by Council Member Holland. The motion passed unanimously (5-0).

Voting Yea: Mayor Bennett, Mayor pro tem Morey, Council Member Conners, Council Member Holland, Council Member Neal

Public Hearing-Zoning Text Amendment- 21-02 Temporary Healthcare Structures

Planning Director Haskett requested for ZTA-21-02 Temporary Healthcare Structures to be tabled at this time.

Motion made by Council Member Conners to table Zoning Text Amendment- 21-02 Temporary Healthcare Structures, Seconded by Council Member Holland. The motion passed unanimously (5-0).

Voting Yea: Mayor Bennett, Mayor pro tem Morey, Council Member Conners, Council Member Holland, Council Member Neal

Public Hearing-Zoning Text Amendment-21-03 Manufactured Homes

Town Attorney Gallop opened the public hearing and called for comment on ZTA-21-03.

The proposed amendments in new Section 36-177, Manufactured Homes are a result of State Law changes found in N.C.G.S. 160D-910 that establishes that manufactured housing offers affordable housing opportunities for low- and moderate-income residents of this State who could not otherwise afford to own their own home. The proposed amendment to Section 36-203, R-1 Low Density Residential District establishes Manufactured Homes as a Conditional Use in the R-1 Low Density Residential District.

Hearing no one wishing to comment, Town Attorney Gallop closed the public hearing.

Motion made by Council Member Conners to approve ZTA 21-03 Manufactured Homes, Seconded by Mayor pro tem Morey. The motion passed unanimously (5-0).

Voting Yea: Mayor Bennett, Mayor pro tem Morey, Council Member Conners, Council Member Holland, Council Member Neal

Public Hearing-Zoning Text Amendment -21-04 Prohibited Uses

Town Attorney Gallop opened the public hearing and called for comment on ZTA-21-04.

The proposed amendment to Section 36- 163, Off-street Parking Requirements deletes the parking requirements for nursing homes since they are recommended to be prohibited. The proposed amendments in new Section 36-209, Prohibited Uses in all Districts are a result of NC Court of Appeals rulings regarding the need to identify prohibited uses. The proposed amendments include a list of prohibited uses, how to address unlisted uses, and rejection of proposals for uses that are not clearly prohibited.

Hearing no one wishing to comment, Town Attorney Gallop closed the public hearing.

Motion made by Council Member Neal to approve ZTA-21-04 Prohibited Uses, Seconded by Mayor pro tem Morey. The motion passed unanimously (5-0).

Voting Yea: Mayor Bennett, Mayor pro tem Morey, Council Member Conners, Council Member Holland, Council Member Neal

Service Contract Renewal-Trash (Bay Disposal)

The Town's current contract with Bay Disposal for collection and disposal of solid waste will expire on June 30, 2021. The contract states that it will automatically terminate at midnight on June 30, 2021, unless the Town elects to renew under negotiated terms and conditions. Bay Disposal has no objections to renewing the contract with a term expiration of June 30, 2022 and cost updates to reflect the current cost for residential and commercial collections (\$5.59 per residential unit collection stop per month and \$4,352.25 for all commercial collections).

Motion made by Mayor pro tem Morey to approve the service contract renewal for trash (Bay Disposal), Seconded by Council Member Holland. The motion passed unanimously (5-0).

Voting Yea: Mayor Bennett, Mayor pro tem Morey, Council Member Conners, Council Member Holland, Council Member Neal

Service Contract Renewal-Recycle (Bay Disposal)

The Town's current contract with Bay Disposal for recycling collection and delivery will expire on June 30, 2021. The contract states that the term shall commence when executed and shall continue until midnight on June 30, 2021. The contract also states that it may be renewed by mutual agreement of the parties for consecutive additional one (1) year periods. Bay Disposal has agreed to renewing the contract for another one-year period until June 30, 2022 with no change in price.

MOTION made by Mayor pro tem Morey to approve the service contract renewal for recycle (Bay Disposal), Seconded by Council Member Holland. The motion passed unanimously (5-0).

Voting Yea: Mayor Bennett, Mayor pro tem Morey, Council Member Conners, Council Member Holland, Council Member Neal

Service Contract Renewal-Surf Rescue (Sandski)

The present contract for Ocean Rescue Services will expire on June 30, 2021. The draft contract presented for Council consideration would renew the service through December 31, 2026. The previous yearly contract price for this service has remained relatively flat with modest yearly increases. There is a yearly increase of \$8,000 or just below 5%. This increase is mainly due to increased hourly wages, the addition of one guard on an ATV for the fall from Labor Day to October 15, and the need for radio communications to become TDMA complaint.

The Town Purchasing and Bid Requirements Policy states that notwithstanding, and consistent with an annual budget authorization, the Town Manager is authorized to renew or extend any service provider contract in effect as of the date of this policy as amended and determined by

the Town Manager to be in the best interest of the Town. Contract renewal with Sandski, LLC dba Surf Rescue is recommended.

MOTION made by Mayor pro tem Morey to authorize the Town Manager to enter into the attached contract with Sandski, LLC dba Surf Rescue for ocean rescue services through December 2026, Seconded by Council Member Holland. The motion passed unanimously (5-0)

Voting Yea: Mayor Bennett, Mayor pro tem Morey, Council Member Conners, Council Member Holland, Council Member Neal

Service Contract Renewal-Auditor (Teresa Osborne, Dowdy & Osborne)

Teresa Osborne, CPA of Dowdy & Osborne has proposed a three-year fixed rate audit service contract with a rate of \$ 18,000 per year. If the Town incurs a Single audit due to Federal or State grant funding exceeding \$ 750,000, an addition cost would need to be negotiated. Staff recommended approving the three-year contract with Teresa Osborne for audit services.

MOTION made by Council Member Conners to approve a three-year contract with Teresa Osborne for audit services beginning June 30, 2021, Seconded by Council Member Holland. Motion passed unanimously (5-0).

Voting Yea: Mayor Bennett, Mayor pro tem Morey, Council Member Conners, Council Member Holland, Council Member Neal

General Public Comment

Public Comment-Paul Borzellino-16 7th Ave.-thanked the Council for all their hard work and understands MSD's need to be created to do the beach nourishment project. The MSDs should be shared across the town.

Council Business

Councilman Neal stated Council is walking a narrow cliff with the beach nourishment project, and decisions are difficult. He is ready to move on with tax rate discussions.

Councilman Conners stated the *Room at the Inn* outreach program for the homeless is expanding to year-round. He will also be requesting an agenda item be added to address lowering the speed limit along NC12 Duck rd. year-round.

Councilman Holland provided a Tourism Board Update. Occupancy for the month of February is up 148%, 162% year to date. Meals are up 4% for February, 8% year to date.

Mayor pro tem Morey thanked our first responders. She stated with the influx of year-round residents and visitors, first responders are not getting a break or down time this year.

Mayor Bennett concurred and thanked the first responders.

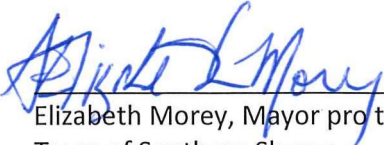
Adjourn

Hearing no other business, Mayor Bennett called for a **motion** to adjourn. The time was 8:29 PM
Motion made by Council Member Holland, Seconded by Mayor pro tem Morey.

Voting Yea: Mayor Bennett, Mayor pro tem Morey, Council Member Conners, Council Member
Holland, Council Member Neal

Attest: 
Sheila Kane, Town Clerk




Elizabeth Morey, Mayor pro tem
Town of Southern Shores