

MINUTES

The Town of Manteo Board of Commissioners held their October 1, 2008 Recessed Session October 15, 2008 at 4:00 pm at the Manteo Town Hall meeting room.

The following members were present:

- Mayor Jamie Daniels
- Commissioner H.A. Creef, Jr.
- Commissioner Hannon Fry
- Commissioner Richie Burke
- Commissioner David Farrow
- Commissioner Darrell Collins
- Commissioner Christine Walker

The following member(s) were absent:

Also present at the meeting were:

- Town Manager Kermit Skinner
- Assistant Town Manager/Planner- Shannon Twiddy
- Town Clerk-Becky Breiholz; Department Heads

Mayor Daniels called the recessed meeting to order at 4:05 pm

Department Head Reports- were given to the Board at their regular meeting for review and will be on file for one year. James McCleave, Public Works went over his report and reported on the minor damage done during hurricane Hannah. Mayor Daniels thanked James, Crow and Johnny for working on Saturday helping with the Collins Park Grand Opening. Steve Jozik-IT Department went over his report, the wireless is still at Charter's Corporate Offices; he is working on distributing the student laptops and dealt with a lightening strike at the Water and Sewer Department; he met with other Town IT staff about doing an electronic recycling drive. The laptop program was discussed and Mr. Jozik commented they are giving laptops to upcoming sixth graders in Manteo and that to the best of his knowledge the agreement was for 5 years. Planner Trebisacci went over her report and what she has been working on. The building inspector has been working on RFP's for sidewalk and street repairs and no new permits were issued for construction. She met with representatives from Marshes Light and they have finalized the dock plan which will be presented to the Planning Board in November and then to the BOC in December; they would also like to come to the Board about fuel dispensing and their engineers have offered to give an educational workshop about fuel dispensing before they start the official review process if the Board would be interested. Mayor Daniels thought that it could be incorporated into the process and do it all at one time. Mr. Boniface gave a report on the sidewalk repairs and they are ready to proceed; he also re-advertised for re-paving since we received no proposals; and he is researching the Magnolia Market. Josh O'Brien representing Water and Sewer Superintendent Nathan Pharr gave his report; no NOV's for August or September; during hurricane Hannah the flows were high but the plant handled it. He also introduced their new employee Joe Donski to the Board. Finance Officer Shannon Twiddy brought to the Board's attention a letter received about North Carolina's current declining economy from the N.C. League of Municipalities. She then explained in detail how she anticipated the state wide economy to affect the Town of Manteo. Ms. Twiddy was not expecting a property tax collection rate that we have enjoyed in the past as she anticipates not all

property owners may have the ability to make their tax payments on time. She also explained the anticipated decline of shared revenues such as occupancy tax, land transfer tax, beer and wine taxes and other revenues we have benefited from in the past. Ms. Twiddy explained our current undesignated fund balance is invested in the N.C. Capital Municipal Trust Fund and after researching the stability of the NCCMT she did not anticipate any problems for the liquidity of invested funds if they are needed to operate the Town. Ms. Twiddy did caution the Board that large capital purchases and expenditures should be looked at very hard before any unnecessary funds are spent as governments are tightening their belts state wide and if revenues are reduced over a period of years Fund Balance would decline. Ms. Twiddy asked the Board to take all of these financial conditions into account while making expenditure decisions. She also explained that in past years when N.C. was in financial trouble they did withhold shared revenues but the NCLM had helped pass legislation that would make it more difficult for the Governor to withhold funds due to Towns and Counties under current legislation. Police Chief Vance Haskett went over his report and they are starting the OBX marathon meetings. Carl Jordan Dockmaster went over his report; he is working on a grant for 2009 for repairs of the docks and informed the Board that this there is a lot of traffic at the marina and he was complimented on the cleanliness of the bathrooms at the marina.

SUBJECT: Cemetery Update-Mayor Daniels gave an update, the sidewalks and plantings are finished at the new part of the cemetery. Mrs. Trebisacci commented that Ray Meekins is prepared to lay out the columbarium but he is waiting to hear from David Twiford with Twiford Funeral home to get the exact size. The cemetery board had asked for a text amendment to address the rules and regulations of the columbarium and Mrs. Trebisacci will get with Mr. Twiford to get that started.

SUBJECT: Discussion Magnolia Market Lease-Town Manager Kermit Skinner commented that they met with Town Attorney Daniel Houry about drafting a lease, had staff do some research and then ask the BOC how they wanted to proceed. We are going to pursue extending the lease with Freddie Ortega and Magnolia Grill which is a combination of 4 or 5 original spaces to use those as a restaurant and then individual leases for the other spaces. The restaurant and the ice cream shop are the only two spaces that are heated and cooled at Magnolia Market. One idea is to go toward the rear portion of the restaurant and perhaps use an existing empty stall and relocate the existing restrooms there and having an arrangement where those restrooms would be accessible from the restaurant and from the outside so that the restrooms would still serve both the restaurant and the public; which would free up the existing restrooms back into rental space. This would satisfy the need for bathrooms in the restaurant and satisfy the need for public restrooms and in the lease work something out that the restaurant would be responsible for those restrooms. There are issues with base flood; the restaurant was constructed below base flood. Our first choice would be to make them conform to FEMA regulations but that can only be accomplished one of two ways; 1) to flood proof the units 2) raise the entire structure above base flood and neither option is cost effective for the Town. Staff's recommendation would be to continue the lease with the full knowledge of the tenant that we do not carry flood insurance on the building and he would not be able to get flood insurance. Mr. Boniface commented that it is an existing non-conforming structure and any changes that are done will have to conform to FEMA regulations; there is no problem with operating a restaurant below base flood level but they are not eligible for flood insurance. We can build the bathrooms that will meet the

requirements like what was done at the boathouse. It is important for the Board to know that if we lease the building we are the landlords of a nonconforming structure it is not illegal, it has been operating as a restaurant the past 7 or 8 years. Staff is in need of direction from the BOC; do they want to continue leasing as a restaurant; do they want individual leases negotiated with the other spaces and direction on the bathroom. Right now there is a single water meter serving all of the market and would suggest they be separated out and one meter for the restaurant and one for the public and negotiate that the restaurant is responsible for the daily maintenance. Commissioner Farrow does not want to close down the restrooms that are already there. Mr. Boniface commented that if Magnolia Grill decides to have a bathroom they will only be required to have one handicap unisex and also maintain the current restrooms we have by upgrading the men's by adding a urinal. Mr. Skinner commented that we are not in the position nor have staff or resources of taking care of a public restroom facility especially during the summer and are trying to come up with a way that the public restrooms will be maintained in a way that can be addressed in the lease with the restaurant. Commissioner Farrow commented that whoever is leasing out the other properties they can donate funds for the maintenance. Commissioner Creef commented he thought there should be two restrooms in the restaurant. Commissioner Farrow -let the restaurant have their own to be provided by the Town and maintained by the restaurant and keep the ones already there with the Town keeping them up. Mr. Skinner commented if the Town wants us to maintain the restrooms we can but he does not think we are staffed to attend to them on an hourly basis. The BOC discussed the possibility of hiring an attendant to clean them or having one of the tenants clean them. Creef commented that the present tenants should be notified of what the Town plans are and give them the first option to stay. It was suggested by the Town Attorney that we make the leases non-assignable and allow no sublets and we make sure that any subletting is approved by the Town. Consensus of the Board to have two separate bathrooms added to the restaurant with the Town paying for it and doing it the way we want. The restaurant needs to acknowledge that it is a non conforming building and built that way; there will be no flood insurance, make it a requirement that each tenant will be required to carry their own insurance and need to provide a copy annually. The Board discussed the terms of the lease and for how long; 5 years was discussed with the option to renew; the smaller spaces have a higher turnover rate so it might do well to offer two choices 5 years and 3 years. The Boards expectations of revenue were discussed and most commercial spaces get \$20 to \$25; and will need to establish a price, The Board would like staff to get recommendations of a price per square footage and the restaurant will have to be a separate price. Originally it was supposed to be an open air market but now that there is finished spaces it changes things. The two outbuildings were discussed and Mr. Boniface commented that he was told by Mr. Fearing that he was going to come to the Board and ask to be allowed to move those. The lease needs to be referenced because it was thought that all improvements stay with the land.

Old Business-

The Board went over the list and the CVS light and Haven Creek paving are completed and can be removed. The water garden was discussed and Mrs. Trebisacci commented that they are working on the proposal which should be done by next week and still working on the funding. CWTF Grant update by Mrs. Twiddy informed the Board that our application will not be approved for funding and they are asking that the Town withdraw our application as it would not pass the parameters. The next application needs to be submitted by February 1st. Dredging canal behind Bucks Seafood was discussed and Mr. Skinner commented he submitted photos to Jerry

Jennings with NCDOT and was told that NCDOT had no responsibility. He spoke with Mr. Sutherland with Water Resources and he has no funding but thought we could get the permits to get the job done. Staff is to send pictures of the canal to Senator Basnight for help on who to contact. Cemetery Superintendent not necessary; already done update on the cemetery. Recycling Franchise advertisement will be through the end of this month and proposals to the BOC in November.

Commissioners/Staff Concerns comments

Commissioner Fry-commented the one way sign on Fernando near downtown is not very big and has seen people going the wrong way and there is a lot of speeding on that road. The potholes are getting bad. Commissioner Creef commented that we have been talking about having Fernando near Uppowoc made two ways, just like Budleigh and there is not enough room on Uppowoc for two way traffic and parking by White Doe Inn. Staff was asked how much parking was available on site at the White Doe Inn property Mrs. Trebisacci commented that there is 10 spaces on the house property and 2 on the inn property which will be shown on the as built survey. Copies of the NCDOT past traffic study was asked to be distributed to the Board.

MOTION: Commissioner Creef seconded by Commissioner Farrow to adjourn at 5:35 pm was approved by the following vote: Ayes: Commissioners Farrow, Collins, Fry, Burke, Creef, and Walker Noes: None. Absent:

This the 15th day of October 2008

ATTEST:

Mayor Jamie Daniels

Town Clerk Becky Breiholz