

**MINUTES**  
**KITTY HAWK TOWN COUNCIL**  
**Monday, November 6, 2017**  
**Kitty Hawk Town Hall, 6 PM**

Agenda

1. Call to Order
2. Moment of Silence/Pledge of Allegiance
3. Approval of Agenda
4. FY 2016-17 Audit Presentation
  - Teresa Osborne, CPA, Dowdy & Osborne, L.L.P.
5. Public Comment
6. Consent Agenda
  - a.) Approval of October 2, 2017 Council Minutes
  - b.) FY 17-18 Budget Amendment #4
  - c.) Addendum to Shoshin Technologies Agreement
  - d.) FY 17-18 Budget Amendment #5
7. Items Removed from the Consent Agenda
8. Planning
  - a.) Schedule Public Hearing/Text Amendment, 42-1, 42-528: The applicant has proposed a text amendment that will allow accessory dwelling units on residential lots, with specific requirements to be met.
9. New Business
  - a.) Proposed Personnel Policy Changes
10. Reports/General Comments from Town Manager
11. Reports/General Comments from Town Attorney
12. Reports/General Comments from Town Council
13. Public Comment
14. Adjourn

**COUNCILMEMBERS PRESENT:**

Mayor Gary Perry, Mayor Pro Tem Craig Garriss, Councilman Ervin Bateman, Councilwoman Lynne McClean and Councilman Jeff Pruitt

**STAFF MEMBERS PRESENT:**

Town Manager Andy Stewart, Town Clerk Lynn Morris, Town Attorney Casey Varnell, Finance Officer Lilita Noble, Management Assistant Melody Clopton, Town Planner Rob Testerman, Police Chief Joel Johnson, Interim Fire Chief Bob Bent and Public Works Director Willie Midgett

**1. CALL TO ORDER**

Mayor Perry called this meeting to order at 6:00 p.m.

**2. MOMENT OF SILENCE/PLEDGE OF ALLEGIANCE**

Following a moment of silence, the pledge of allegiance was recited.

**3. APPROVAL OF AGENDA**

**MPT Garriss made a motion, seconded by Councilman Bateman, to approve the agenda. The vote was unanimous, 5-0.**

**4. FY 2016-17 Audit Presentation**

- Teresa Osborne, CPA, Dowdy & Osborne, L.L.P.

Following a brief presentation on key highlights in the audit report, Ms. Osborne told council the Town ended the year in a great financial position. She thanked Finance Officer Noble and Finance Technician Meyer for their assistance during the audit.

Mayor Perry cautioned it may not be as good in the future if Nags Head moves forward with their Municipal Service District for beach re-nourishment and raises their property taxes. He added the good audit is a testament to the staff and management looking at the finances closely. Staff is budgeting revenues less conservatively now and Ms. Osborne said that is fine. It just means if the revenue projections start tightening up there will not be continued additions to the fund balance.

Mayor Perry asked the manager if council directs him to pay off the fire house tonight are all the projects scheduled for this fiscal year covered and will there still be a surplus. He replied everything is covered and the funds are available to pay off the fire station.

Mayor Perry asked if council wants to pay off the fire station.

Councilman Bateman said he knows staff does not budget this way any more but if there is a catastrophe like happened in Puerto Rico what is the percentage of fund balance to annual expenses. Ms. Osborne replied it is about 75%.

There was a consensus to pay the fire station off and Manager Stewart said he will provide the specific information at the next council meeting.

**Councilwoman McClean made a motion, seconded by Councilman Bateman, to pay off the fire station. Vote was 5-0.**

## 5. PUBLIC COMMENT

There were no public comments.

## 6. CONSENT AGENDA

a.) **Approval of October 2, 2017 Council Minutes.** *(An approval of the consent agenda will approve these minutes.)*

b.) **FY 17-18 Budget Amendment #4.** This is the second part of Budget Amendment #1 approved by council on 7/10/17 transferring funds to the General Fund from Reserves for the down payment to Shoshin Technologies. This amendment is in the Capital Reserve Fund in the amount of \$27,832. *(An approval of the consent agenda will approve this budget amendment.)*

c.) **Addendum to Shoshin Technologies Agreement.** This addendum provides unlimited remote support for all police department laptops at a cost of \$50 per laptop. It also includes monthly fees for antivirus software, periodic updates and Microsoft Office licenses. *(An approval of the consent agenda will approve this agreement.)*

d.) **FY 17-18 Budget Amendment #5.** If the above Shoshin Technologies Agreement is approved this budget amendment will appropriate additional funds to the General Fund to cover the addendum in the amount of \$9,900. *(An approval of the consent agenda will approve this amendment.)*

**Councilman Pruitt made a motion to approve the consent agenda. It was seconded by Councilwoman McClean and passed unanimously, 5-0.**

## 7. ITEMS REMOVED FROM THE CONSENT AGENDA

No items were removed from the consent agenda.

## 8. PLANNING

a.) Schedule Public Hearing/Text Amendment, 42-1, 42-528: The applicant has proposed a text amendment that will allow accessory dwelling units on residential lots, with specific requirements to be met.

**MPT Garriss made a motion to set a public hearing at the Town Council meeting on December 4, 2017 to consider the proposed text amendment to amend sections 42-1, 42-528 definitions and add the proposed 42-528 regarding the permitting of accessory dwelling units. Councilwoman McClean provided a second.**

**Perry:** *Before we vote I would like to ask Rob to do some research and provide it to council. This is what is commonly called mother-in-law suites. I know when a house is built the health department sizes the septic system to the house. If this amendment adds a detached dwelling it may require its own septic system. Have you talked to the health department about all those variables?*

**Testerman:** *I have not had discussions with them. A common element in other localities is they have a caveat which is one of the things we put in ours. They must have health department approval for the increased occupancy. Some houses have a septic system that is larger than the number of bedrooms they have proposed to build and in that case, they would not need to do anything, only a sign off verification that it is adequate for the increased occupants.*

**Perry:** *I would like for you to talk with the health department and find out how this would impact things. We could be asked to pass a text amendment for something that is not possible.*

**Vote was 5-0.**

## 9. NEW BUSINESS

### a.) Proposed Personnel Policy Changes

Management Assistant Clopton reviewed the following report with council and said many of the proposed changes are housekeeping in nature.

#### **Article III. The Pay Plan**

##### *Section 4. Starting and Ending Salaries*

In this years approved budget, the Town's pay plan was increased from 20 steps to 30 steps. As the range has expanded, the proposal is to increase the hiring range from the first 3 steps to the first 10 steps in the range. This proposal allows management to have more flexibility in recruiting exceptionally qualified candidates while still maintaining equity in the pay plan. Town Council approval would still be required for anything over step 10.

##### *Section 11. Pay Rates When Salary Range or Pay Plan Revisions Occur*

Current policy states, "When a salary range is increased for a position, the salary should be increased to at least the minimum of the range" - Added language that as budget permits, the increase should be based on the same percentage as the salary range increase, at least to the bottom of the range. Whichever is higher.

##### *Section 15. Overtime (Item c.) Rules and Procedures - #8*

Added compensatory time should be taken prior to sick time.

#### **Article VI. Leaves of Absence**

##### *Section 2. Vacation Leave (Item a.) Vacation Leave for Probationary Employees*

Moved previous text to section a and deleted the requirement that employees on probation may not take vacation leave.

##### *(Item e.) Payment of Accumulated Vacation Leave at Separation*

Changed "annual" leave to "vacation" leave

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*Section 5. Workers' Compensation Leave*

Made the following additions to reflect the practice of the Town.

1. When an employee receives compensation for the initial seven day waiting period from workers' compensation carrier, the employee must reimburse the Town for their pay during that period.
2. Time off due to a workers' compensation injury or illness will be counted towards the employee's FMLA annual entitlement. Employees on workers' compensation may use existing leave to cover premiums for employee paid benefits.
3. Except for the initial waiting period of 7 days, an employee on workers' compensation leave is not eligible to supplement their pay with sick or vacation leave.
4. An employee on workers' compensation leave who is not working is not eligible for leave accruals or holiday pay.
5. If an employee does work light duty while on workers' compensation, he or she is eligible for a prorated leave accrual based on the hours worked.

*Section 10. Education Leave with Pay*

Removed section. Benefit is not utilized and generally would not be supported by the Town due to minimum staffing levels.

*Section 12. Administrative Leave (Item b. Applicability)*

Updated the list of exempt employees eligible for administrative leave.

**Article X. Employee Benefits**

*Section 3. Group Health Insurance Benefits (Item a.) Current Retiree's*

Updated the list of retirees, reflecting benefits

Removed verbiage stating retiree will be reimbursed for Medicare Supplement as it no longer applies to all retirees.

*(Item c.) Retiree Health Insurance Through the Town's Insurance Plan*

Removed verbiage stating health benefits may be available through the Town's health plan. The Town's plan does not offer retiree health insurance.

Moved item e. to item c. reflecting Town's current practice of reimbursing retirees for their health plan expense.

*(Item d.)* Removed language regarding dependent coverage for retirees. The Town does not offer this option as it does not offer a retiree health plan option.

*(Item e.) Retirees Not Covered Through Town's Insurance Plan*

Moved language to Item c.

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(Item h.) Payment of Premium

Removed section as it discusses payments for premiums on the Town's Retiree Health Plan. The Town does not offer this option.

*Section 14. Education Benefits*

Updated the section title to Tuition Assistance Program to accurately reflect benefit. Added designee of Town Manager. Added requirement to remain employed after receiving benefit for 12 months

**Article XIII. Travel**

*Section 5. Automotive Travel*

(Item a.) Word correction, Whenever to When. Removed grammatical error, "then".

*Section 7. Meals*

Added "meals provided with conference registration fee are not reimbursable"

*Section 13. Submission of Travel Expense Report*

Added "a copy of agenda and a meeting/course summary must be included with the travel voucher/expense report"

Following a few questions and answers on the changes, Mayor Perry said he thinks the Town is very lucky to have Ms. Clopton in Human Resources. She is very knowledgeable and no nonsense. He appreciates that.

**Councilman Pruitt made a motion to approve the changes to the Town of Kitty Hawk Personnel Policy as presented. MPT Garriss provided a second and it passed unanimously, 5-0.**

## **10. TOWN MANAGER**

**Stream/Ditch Debris Removal Status:** Manager Stewart reported he has been unable to contact the contractor who was awarded the bid in June. He had until November 1<sup>st</sup> to begin the project and has not done so. He will report to council at the next meeting on the status of this item.

**Municipal Elections:** Clerk Morris announced the municipal elections are tomorrow and voters may cast their votes between 6:30 a.m. and 7:30 p.m. at the Town Hall.

**Reception for the Newly Hired Fire Chief:** A meet and greet for Mike Talley, Fire Chief, will be held before the next council meeting on December 4, 2017 between 4:30 p.m. and 5:30 p.m. in the Smith Room, Town Hall.

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**Employee Luncheon:** It was decided to have this luncheon closer to Christmas than in September or October as it has been in the past. More information will be sent out soon.

**Beach Nourishment:** A final walk through with the engineers will be on the 16<sup>th</sup> of this month.

**Thank You to Finance Officer Noble:** Manager Stewart thanked Finance Officer Noble for her work. It is a big task to have an audit with no comments and no material weaknesses. The policies and procedures were followed, and the finances are looking good.

**Thank You to Interim Fire Chief Bent:** Thank you to Bob Bent who stepped in for a couple of months as interim fire chief. He has a lot of loyalty to the department and is doing a good job through this transition.

#### 11. TOWN ATTORNEY

Attorney Varnell said things are quiet.

#### 12. TOWN COUNCIL

**Thank You:** Council thanked Interim Fire Chief Bob Bent for stepping up and doing a great job for the Town. He was also thanked for bringing the new truck to the Town Hall so council could see it. Ms. Clopton was thanked for her presentation and Ms. Noble for her assistance with the audit.

Councilman Bateman thanked staff for saving enough money to be able to pay off the fire station. It is a good testament to them and his fellow governing body members.

**Traffic Barrels:** An owner of Islander Flags has called staff and Councilman Bateman and asked if there is anything they can do to help with where the barrels are placed on US 158 while the bridge is undergoing maintenance. The configuration is confusing to motorists trying to get into their parking lot. Staff said they will check with DOT and see if something can be worked out.

**OBX Marathon:** Councilman Bateman announced the marathon is this weekend and encouraged everyone to come out and cheer the runners on. They will really appreciate it and it raises money for a good cause.

**Tateway Road Emergency Pumping Facility:** Mayor Perry said there is one more piece of drain piping to be added in the Tateway Road area to help with draining storm water. Beach nourishment should help on the east side and drainage is available between the highways and west of the highway now. All of this has been done within budget and hopefully the Town is in great shape.

**13. PUBLIC COMMENT**

**1. Brian Morgan, Kitty Hawk, NC:** *I have a quick question about the follow up to beach nourishment maintenance. Is the maintenance for hot spots or is it forecast for a follow up in five to six years?*

**Perry:** *The time period, barring storms and other events that speed it up, should be a five-year window where you would normally re-nourish. If the sacrificial sand washes away there will still be a roughly 60' berm that you started with and then you would re-nourish for sacrificial sand. If a named storm comes along and washes it away then FEMA should step in because we have done all the homework and permitting necessary for them to re-nourish. Other than that, hot spots are not factored in. It would be a normal process for the whole beach.*

**Morgan:** *Do we have the flexibility to use some of our maintenance budget to address hot spots?*

**Perry:** *It is not programmed in and to mobilize a dredge for that first cubic yard of sand is over a million dollars. A hot spot is not factored into something like that, so the answer is no.*

**Morgan:** *Around the Bath House area will we wait for DOT to patch anything basically?*

**Perry:** *Yes, the way it has been addressed before. There was extra sand and we elected to put it in the Bath House area.*

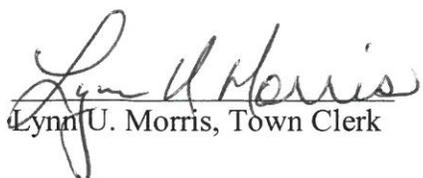
**Morgan:** *I genuinely appreciate everything that was done. It looks great and let us pray that it is right on time. Thank you.*

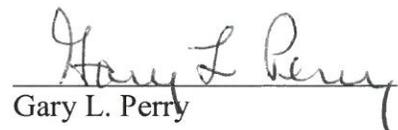
No one else came forward to speak.

**14. ADJOURN**

**MPT Garriss made a motion, seconded by Councilwoman McClean, to adjourn. The vote was unanimous, 5-0. Time was 6:52 p.m.**

These minutes were approved at the December 4, 2017 council meeting.

  
Lynn U. Morris, Town Clerk

  
Gary L. Perry