

1 **MINUTES OF THE REGULAR SCHEDULED MEETING**
2 **OF THE EMERALD ISLE BOARD OF COMMISSIONERS**
3 **TUESDAY, JANUARY 8, 2013 – 7:00 P.M.**
4 **TOWN BOARD MEETING ROOM**
5
6

7 **1. Call To Order**
8

9 The regular monthly meeting of the Emerald Isle Board of Commissioners was
10 called to order by Mayor Pro-Tem Floyd Messer at 7:00 PM in the Emerald Isle
11 Town Board Meeting Room.
12

13 **2. Roll Call**
14

15 Present for the meeting: Mayor Pro-Tem Floyd Messer, Commissioners Nita
16 Hedreen, Tom Hoover, and Maripat Wright.
17

18 Absent for the meeting: Commissioner John Wootten.
19

20 ***Motion was made by Commissioner Wright to excuse the absence of***
21 ***Commissioner Wootten. The Board voted unanimously 4-0 in favor.***
22 ***Motion carried.***
23

24 *(Clerks Note: Mayor Schools was delayed at the time of roll call due to a meeting of elected officials*
25 *in New Bern with Governor McCrory but arrived for the meeting at 7:05 pm following Item 6 –*
26 *Proclamations and Public Announcements.)*
27

28 Also present during the regular meeting: Town Manager Frank Rush, Town
29 Attorney Richard Stanley, and Town Clerk Rhonda Ferebee.
30

31 **3. Opening Prayer**
32

33 Opening prayer was offered by Emerald Isle resident and businessman Bernie
34 Whalley.
35

36 **4. Pledge of Allegiance**
37

38 All who were present recited the Pledge of Allegiance.
39

40 **5. Adoption of Agenda**
41

42 ***Motion was made by Commissioner Hedreen to adopt the Agenda. The***
43 ***Board voted unanimously 4-0 in favor. Motion carried***
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2 **6. Proclamations / Public Announcements**
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4 Mayor Pro-Tem Messer noted the following announcements for the public:
5

- 6 • **Board of Adjustment Meeting – Wednesday, January 9 – 9 am –**
7 **CANCELLED**
- 8 • **Friday Free Flick – Friday, January 11 – 7 pm – Community Center –**
9 **“Brave”**
- 10 • **Winter Tennis Clinics – January 11 – March 22 – Mondays and**
11 **Fridays – Blue Heron Park Tennis Courts**
- 12 • **Soccer Shots Youth Program – January 16 – March 6 – Wednesdays**
13 **– Community Center**
- 14 • **Martin Luther King, Jr. Holiday – Monday, January 21 – Town Offices**
15 **Closed, Community Center Open**
- 16 • **First Aid & CPR Class – Thursday, January 24 – 10 am – Community**
17 **Center (must pre-register)**
- 18 • **Board of Commissioners Annual Budget Planning Workshop – Fri,**
19 **Jan 25 – 8:30 am – Town Admin Building**
- 20 • **Planning Board Regular Meeting – Monday, January 28 – 6 pm –**
21 **Town Board Meeting Room**
- 22 • **Youth Tennis Clinics – February 4 – March 11 – Mondays – Blue**
23 **Heron Park Tennis Courts**
- 24 • **Board of Commissioners Regular Meeting – Tuesday, February 12 –**
25 **7 pm – Town Board Meeting Room**
- 26 • **22nd Annual St. Patrick’s Festival – Saturday, March 16 – 9 am – 5 pm**
27 **– Emerald Plantation Shopping Center**
28

29 Mayor Schools arrived for the meeting at this time. Mayor Schools had attended
30 a meeting of elected officials with Governor McCrory in New Bern and briefly
31 spoke about the meeting.
32

33 **7. Public Comment**
34

35 Wayne Cunningham, 2001 Emerald Drive, asked about the possibility of future
36 repaving of Ocean Drive between 1st and 25th Street. Town Manager Rush said
37 that the paving of that area of Ocean Drive was definitely a top priority. Mr. Rush
38 said the Board would be discussing the issue in the upcoming budget workshop
39 and they actually had received a quote to pave the whole section. In addition,
40 Mr. Rush said he had asked Artie Dunn, Public Works Director to install some
41 drainage improvements before the paving.
42
43
44

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2 **8. Consent Agenda**
3

- 4 a. Regular Meeting Minutes – December 11, 2012
5 b. Tax Refunds / Releases
6 c. Budget Amendment – General Fund – Recycling Containers
7 d. Resolution in Support of North Carolina Coastal Caucus (13-01-08/R1)
8

9 *Motion was made by Commissioner Hoover to approve the items on the*
10 *Consent Agenda. The Board voted unanimously 4-0 in favor. Motion*
11 *carried.*

12
13 Clerks Note: A copy of Resolution 13-01-08/R1 and all other Consent Agenda items as noted above
14 are incorporated herein by reference and hereby made a part of these minutes.
15

16 **9. Proposed Refinancing of Existing Town Debt**
17

- 18 a. Public Hearing
19 b. Resolution Approving Financing Terms (13-01-08/R2)
20

21 Town Manager Frank Rush addressed the Board concerning this agenda item.
22 The following excerpt from his memo to the Board is provided for additional
23 background:
24

25 The Board of Commissioners is scheduled to conduct a formal public hearing and formally consider the refinancing of
26 existing Town debt at the January 13 meeting.
27

28 The attached Resolution Approving Financing Terms authorizes a new installment financing agreement with Branch
29 Banking & Trust (BB&T) in the amount of \$1,400,000, and would consolidate the Town's 4 existing installment
30 financing agreements into one new installment financing agreement. The new installment financing agreement
31 includes an annual interest rate of 1.59% over a 6-year term, and results in annual debt service payments of \$246,489.
32

33 As discussed at the December Board meeting, The Town currently has 4 existing installment financing agreements for
34 1) the purchase of the 1.2 acre tract on which the Town Administration Building is located, 2) the construction of storm
35 water improvements in the Coast Guard Road area, 3) the construction of the Town Administration Building, and 4) the
36 purchase of land adjacent to the Emerald Isle Public Boating Access Area. The total combined outstanding balance is
37 approximately \$1,400,000, and the current interest rates on the existing agreements range from 3.25% to 3.60%. The
38 4 existing agreements have remaining terms of 4 – 8 years. The Town's total General Fund debt service budget for
39 the 4 existing agreements for FY 12-13 is \$297,317.
40

41 With the considerably lower interest rate (1.59%) offered by BB&T, the new installment financing agreement would
42 result in total net interest cost savings of approximately \$83,000 over the remaining terms of the 4 existing agreements.
43 The combination of the lower interest rate and the consolidation of the existing installment financing agreements with
44 different remaining terms (4 – 8 years) into one new agreement with a 6-year term will also reduce the Town's annual
45 General Fund debt service budget by approximately \$50,000 for the next several years.
46

47 The new installment financing agreement would be secured by the Town Administration building and adjacent land
48 only, and includes a 1% prepayment penalty.
49
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1
2 The Town solicited proposals from several financial institutions in December, and received proposals from BB&T, First
3 Citizens Bank, and Sound Bank. First Citizens Bank quoted an annual interest rate of 1.64% for a 6-year term, and
4 Sound Bank quoted an annual interest rate of 2.125% for a term up to 7 years. Wells Fargo submitted a letter
5 acknowledging the Town's solicitation, but declined to offer a proposal. Surprisingly, the Town did not receive a
6

7 proposal from PNC Bank, which provided the original financing (as RBC Bank) for the storm water improvements and
8 the construction of the Town Administration Building.
9

10 The Board should note that the Town also solicited proposals for new installment financing agreement with a 5-year
11 term in December. BB&T quoted an annual interest rate of 1.48%, First Citizens Bank quoted an annual interest rate
12 of 1.55%, and Sound Bank quoted the same 2.125% annual interest rate. Because of the very small difference in rates
13 for the 5-year term and the 6-year term, and due to a desire to reduce the annual General Fund debt service budget, I
14 am recommending the 6-year term with BB&T. All official submissions to the NC Local Government Commission
15 (LGC) reflect the 6-year term option, however, if the Board disagrees with this approach and would like to instead
16 pursue the 5-year term, I believe that change could likely be made fairly easily. The annual debt service payment for
17 the 5-year term would be \$292,554, and would result in total net interest cost savings of approximately \$99,000 over
18 the remaining terms of the 4 existing agreements.
19

20 The proposed refinancing will be formally considered by the LGC at its meeting on January 8, and is expected to be
21 approved. The LGC's approval will be contingent upon the Town Board conducting the scheduled public hearing on
22 January 8. Town staff will forward documentation regarding the January 8 public hearing to LGC staff after the
23 January 8 Town Board meeting. The closing on the new installment financing agreement is tentatively scheduled for
24 January 22, 2013.
25

26 ***Motion was made by Commissioner Messer to open the Public Hearing for***
27 ***the Proposed Refinancing of Existing Town Debt. The Board voted***
28 ***unanimously 4-0 in favor. Motion carried.***
29

30 There were no comments from the public.
31

32 ***Motion was made by Commissioner Messer to close the Public Hearing.***
33 ***The Board voted unanimously 4-0 in favor. Motion carried.***
34

35 ***Motion was made by Commissioner Wright to adopt the Resolution***
36 ***Approving Financing Terms. The Board voted unanimously 4-0 in favor.***
37 ***Motion carried.***
38

39 **Clerks Note: A copy of Resolutions 13-01-08/R2 as noted above is incorporated herein by reference**
40 **and hereby made a part of these minutes.**
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2 **10. Status of The Aquarium Pier at Emerald Isle**
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- 4 **a. Current State Position**
5 **b. Amendment to Pier and Ocean Access Agreement**
6 **c. Proposed Site Improvements**
7 **d. Request for Use of Remaining WAMI Grant Funds**
8

9 Town Manager Frank Rush addressed the Board concerning this agenda item.
10 The following excerpt from his memo to the Board is provided for additional
11 background:

12
13 The Board of Commissioners is scheduled to receive an update on the current status of The Aquarium Pier at Emerald
14 Isle at the January 8 meeting, and also consider three items aimed at moving the project forward as a Town-only
15 project in the future.

16
17 The Board will consider a draft Amendment to Pier and Ocean Access Agreement between the Town and the NC
18 Department of Environment and Natural Resources (NCDENR) that essentially terminates the partnership between the
19 Town and the NC Aquariums, but allows for the project to continue as a Town-only project. The Board will also review
20 and consider proposed site improvements to be constructed at the project site with remaining Waterfront Access and
21 Marine Industry (WAMI) grant funds awarded for the project, and will consider a formal request for the remaining WAMI
22 grant funds to be transferred to the Town for the proposed site improvements.

23
24 Current State Position

25 As discussed last summer, the NC General Assembly included a provision in the ratified FY 12-13 State budget
26 (Session Law 2012-142, excerpt attached) that specifically prohibits the NC Aquariums from constructing or operating
27 any new ocean fishing piers (or other satellite areas) without expressed authorization from the NC General Assembly.

28 As you know, previous budget actions by the NC General Assembly had resulted in the redirection of the NC
29 Aquariums' admissions receipts that had been targeted to fund a portion of the future construction of The Aquarium
30 Pier. Considering the State's current budget challenges and shifting State priorities, these actions are understandable
31 and not surprising.

32
33 As you know, the Town conveyed its interest in the Eastern Ocean Regional Access properties to the State several
34 years ago as the Town's contribution toward The Aquarium Pier at Emerald Isle project. As noted in the WAMI grant
35 application in 2007 (prior to the onset of the "Great Recession" in late 2008), the Aquariums' and the Town's goal was
36 to complete construction of The Aquarium Pier by spring 2012, and this appeared to be reasonable at the time. The
37 executed documents that conveyed the properties to the State included a reverter clause, however, that stipulated that
38 if the project was not completed by December 31, 2012 that the properties would revert back to the Town. Initially, we
39 did not envision that this reverter clause would ever be enforced, however, much has obviously changed in the past 5+
40 years.

41
42 David Griffin, NC Aquariums Director, recently reminded me of the reverter clause, and also expressed the need for
43 the NC Aquariums to execute the General Assembly's directive included in Session Law 2012-142. David Griffin
44 expressed his desire to proceed with the reversion of the properties to the Town, and we also discussed amending the
45 existing Pier and Ocean Access Agreement (the document that formalized the partnership between the Town and the
46 NC Aquariums) to essentially terminate the partnership. A draft Amendment to Pier and Ocean Access Agreement is
47 presented for formal Board consideration at the January 8 meeting.

48
49 The termination of the partnership is obviously disappointing, but is understandable considering the economic and
50 political changes that have occurred over the past few years. Although the State will no longer be a partner with the
51 Town on this project, I believe the perpetual existence of an ocean fishing pier remains a high priority goal for the Town
52 in the long-term, and I suspect there is interest among the Board of Commissioners in continuing our efforts to realize

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1
2 the construction of a new ocean fishing pier in Emerald Isle in the future. Fortunately, Bogue Inlet Pier remains in
3 operation now and for the foreseeable future, however, it is conceivable that Bogue Inlet Pier will cease to exist at
4 some point in the future due to storm impacts or future redevelopment opportunities. Because the ocean fishing pier
5 experience is a valued piece of Emerald Isle's heritage and overall tourism draw, I believe the Town should continue to
6 pursue this goal in the future. The attainment of this goal represents a significant challenge, and it is likely that the goal
7 will not be achieved in the next 1 year, 2 years, or perhaps 5 years, however, the Town has a track record of
8 overcoming significant challenges, and I am optimistic that the Town can ultimately formulate a responsible funding
9 plan to make a new ocean fishing pier a reality in the future. I am seeking the Board's feedback and confirmation of
10 my thoughts on the Town's continued pursuit of this long-term goal at the January 8 meeting.

11
12 Assuming the Board's desire is to continue the Town's pursuit of a new ocean fishing pier, Session Law 2012-142
13 actually includes a provision that is potentially very helpful in continuing the Town's progress toward the eventual
14 construction of the project. Session Law 2012-142 includes a provision whereby any remaining grant funds for NC
15 Aquarium pier projects (in Emerald Isle and Carolina Beach) may be transferred to the local partnering municipality for
16 completion or fulfillment. This provision was specifically inserted by the NC General Assembly to assist Emerald Isle
17 and Carolina Beach. As you know, the NC Aquariums, in partnership with the Town, was awarded a \$2.2 million
18 WAMI grant for design work and initial site improvements for The Aquarium Pier at Emerald Isle. Design work is
19
20 essentially complete, and a new soundside pier was constructed in 2012. A total of approximately \$732,000 +/- of
21 grant funds remain available that could be transferred to the Town for additional site improvements for a future new
22 ocean fishing pier. If the Board confirms the Town's continued pursuit of a future new ocean fishing pier, and is
23 comfortable with the proposed site improvements, I will forward a formal request to the NC Division of Marine Fisheries
24 (the agency that administers the WAMI grant program) for these funds.

25
26 Amendment to Pier and Ocean Access Agreement

27 The attached Amendment to Pier and Ocean Access Agreement was drafted by me, and has been reviewed by Town
28 Attorney Richard Stanley and NC Aquariums Director David Griffin. The attached Amendment includes the following
29 significant provisions:

- 30
- 31 • specifically references and executes the NC General Assembly's directives in Session Law 2012-142 by
32 terminating the partnership between the Town and the NC Aquariums,
 - 33
 - 34 • recognizes the Town's continued long-term goal to construct and operate a new ocean fishing pier,
 - 35
 - 36 • designates the Town as the sole project administrator, and also authorizes the transfer of all completed
37 plans, designs, and documentation from the State to the Town for future use,
 - 38
 - 39 • reiterates the NC General Assembly's directive in Session Law 2012-142 that the Town may utilize
40 remaining WAMI grant funds for initial site improvements,
 - 41
 - 42 • implements the reverter clause for the Eastern Ocean Regional Access site, and directs the State to record
43 a quit claim deed in conjunction with the execution of this agreement, and
 - 44
 - 45 • transfers responsibility for the coordination of the Aquarium Pier Advisory Committee to the Town.
 - 46

47 If approved by the Board at the January 8 meeting, I will forward this draft agreement to David Griffin for delivery and
48 (hopefully) execution by new NCDENR Secretary John Skvarla. The draft agreement will also likely be reviewed by
49 other State agencies or attorneys, and may be amended by those agencies and/or Secretary Skvarla. This process
50 may take several weeks, but I am hopeful that Secretary Skvarla will ultimately approve the Amendment, particularly
51 since it executes a previous directive by the NC General Assembly. Mayor Schools and I plan to reach out to
52 Secretary Skvarla to discuss many issues of importance to the Town, and I am hopeful that he will assist the Town on
53 this issue.
54

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1
2 Proposed Site Improvements

3 The approved WAMI grant awarded to the NC Aquariums (in partnership with the Town) included funding for design
4 work and construction of initial site improvements, and recognized that future pier and pier house construction funding
5 was still yet to be determined. Moffatt & Nichol Engineers (the design firm selected by the NC Aquariums) has
6 essentially completed the design work for the entire project, including the associated site improvements. I recently met
7 with Moffatt & Nichol to review the design and prepare a proposal for moving forward with initial site improvements with
8 the remaining \$732,000 of WAMI grant funds.
9

10 After reviewing the work completed by Moffatt & Nichol, reviewing the scope of the original WAMI grant award, and
11 considering the amount of remaining WAMI grant funds, I am proposing that the Town seek to use the remaining
12 WAMI grant funds for the following:
13

- 14 • construction of a new 160 vehicle parking lot with asphalt travel lanes, pervious paving blocks for the parking
15 spaces, and concrete curb and gutter,
- 16
- 17 • construction of significant subsurface storm water management features,
18
- 19
- 20 • resurfacing of the Park Drive right-of-way on the soundside portion of the property, including the paving of a
21 gravel cul-de-sac area, and
22
- 23 • the addition of 3 parking spaces on the soundside portion, along with a paved walkway to the new soundside
24 pier.
25

26 I have attached a copy of Moffatt & Nichol's cost estimate for the oceanside improvements, and these items equal
27 approximately \$726,000. The Board should note that approximately \$34,000 of this total is identified as contingency,
28 and I am hopeful that this amount will be sufficient to fund the cost of the improvements on the soundside portion and
29 any additional design fees. The Town may ultimately need to contribute some funding for the completion of this work,
30 however, I do not expect that amount to be significant (and may not be necessary at all, depending on the outcome of
31 the bid process).
32

33 Based on discussions with Moffatt & Nichol, I believe that the initial site improvements are laid out and can be
34 constructed in such a manner that they will not be negatively impacted by the eventual construction activities
35 associated with a new ocean fishing pier and pier house. Great care would be taken to avoid or minimize any
36 construction impacts at that time.
37

38 Assuming that Board and NCDENR approvals are granted, I would expect to begin permitting activities for these
39 improvements later this spring, with a goal to secure necessary permits and award a construction contract in late 2013.
40 Ideally, construction would occur in spring 2014 prior to the summer tourism season.
41

42 Request for Use of Remaining WAMI Grant Funds

43 The Board is asked to approve the attached draft letter to Dr. Louis Daniel, the Director of the NC Division of Marine
44 Fisheries (and lead administrator for the WAMI grant program), that formally requests the use of the remaining
45 \$732,000 +/- for the construction of the proposed site improvements discussed above. The draft letter communicates
46 the Town's request, outlines the proposed improvements, and expresses the Town's commitment to the eventual
47 construction of a new ocean fishing pier in Emerald Isle in the future.
48

49 I have had several discussions with Dr. Daniel about the Town's planned use of these funds (as authorized in Session
50 Law 2012-142), and he has expressed some apprehension about releasing these funds due to concerns about 1) the
51 WAMI grant program parameters and 2) uncertainty about the Town's ability to develop a responsible funding plan for
52 future construction of a new ocean fishing pier. I have previously communicated to Dr. Daniel the Town's continued
53 commitment to this project, but with the practical realization that it is now a long-term goal for the Town (for obvious
54

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1
2 reasons). I believe it would be helpful for the Board of Commissioners to express this commitment to Dr. Daniel to
3 hopefully assuage his concerns, and I drafted the attached letter with that goal in mind.
4

5 I have previously communicated to Dr. Daniel that the Town intends to continue its pursuit of this goal in the future,
6 with a primary focus on the construction of the actual 1,000 ft. long concrete fishing pier. I have explained that the
7 Town would likely not proceed with the approximately 13,000 sq. ft. pier house structure originally envisioned, and
8 would likely construct the pier structure initially and then plan a 1,000 – 2,000 sq. ft. pier house after the pier structure
9 is completed. The total estimated cost for construction of the concrete pier structure only is approximately \$10 million.

10
11 The development of a responsible funding plan for the construction of the new pier structure will certainly be a
12 significant challenge for the Town, but I believe it is possible with hard work and creativity over time. \$10 million is a
13 significant sum of money, however, I believe the Town can assemble a variety of funding sources over the long term,
14 potentially including the following:
15

- 16 • the NC Division of Coastal Management's annual CAMA grant program,
- 17
- 18 • the NC Division of Marine Fisheries' annual Coastal Recreational Fishing License program,
- 19
- 20 • grant opportunities through the NC Wildlife Resources Commission,
- 21
- 22 • grant opportunities through the NC Division of Water Resources,
- 23
- 24 • the NC Parks and Recreation Trust Fund,
- 25
- 26 • Federal grant and/or appropriation opportunities,
- 27
- 28 • private fundraising activities,
- 29
- 30 • non-profit grant opportunities,
- 31
- 32 • debt supported by Pier admission fees, and / or
- 33
- 34 • general Town revenues.
- 35

36 As you know, the Town has been very aggressive, and also very patient, in its pursuit of grant funding for beneficial
37 community projects. I would expect the Town to approach this challenge in the same manner, fully recognizing that the
38 attainment of the goal will take several years and also with the appropriate respect for Town taxpayers' contributions.
39

40 I have communicated the following key points to Dr. Daniel in support of the Town's request to utilize the remaining
41 WAMI grant funds for the initial site improvements:
42

- 43 • the original WAMI grant proposal submitted by the NC Aquariums (in partnership with the Town) included the
44 proposed initial site improvements, and the Town is simply completing the full scope of work outlined in that
45 grant proposal (attached),
46
- 47 • the NC General Assembly specifically and intentionally authorized the transfer of remaining grant funds to
48 local partnering municipalities,
49
- 50 • that the Town of Carolina Beach has already received grant funds (from a different grant program
51 administered by NCDENR) via the provision in Session Law 2012-142,
52
53
54

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- that the Town recognizes the long-term nature of the project, and will continue to pursue all potential construction funding sources (regardless of source) in the future,
- that the original WAMI grant proposal also did not have "concrete" funding sources for the construction of the pier structure and new pier house, and relied on uncertain future revenue sources, much as the Town is now, and
- that even if the Town is unable to assemble the necessary construction funding in the long-term that the WAMI grant program included the following language (underlines added by me):

"In 2007, the N.C. General Assembly created the \$20 million Waterfront Access and Marine Industry (WAMI) Fund to acquire waterfront properties or develop facilities to provide, improve or develop public and commercial waterfront access."

With the Board's reiteration of support in the attached letter and the reiteration of the points expressed above, I am hopeful that Dr. Daniel will be comfortable with the Town's request to use the remaining WAMI grant funds for the proposed site improvements. The completion of the proposed site improvements will enable the Town to make additional progress on this project, and will make it easier and more affordable to achieve a new ocean fishing pier in the future. Without the WAMI funds, the Town's ability to achieve the goal will obviously be more challenging. I suspect that the ultimate decision on the transfer of the remaining WAMI grant funds will rest with new NCDENR Secretary Skvarla, and I am hopeful he will be supportive of the Town's request.

If the Board is no longer interested in pursuing the construction of a new ocean fishing pier in the long-term, then I recommend that the Town not proceed with the Amendment to Pier and Ocean Access Agreement outlined above, and simply request that the State execute a quit claim deed for the Eastern Ocean Regional Access Properties. I also recommend that the Town inform Dr. Daniel that we will not be requesting the use of the remaining WAMI funds so that he can determine the most appropriate disposition of those funds.

Town Manager Rush following a detailed summary of this agenda item noted that if the Board believed that the pier as a Town only project over the long term was still a key goal for the Town and that they should continue working toward that then he recommended approval of the items in their packets and moving forward, if they felt it was time to abandon that project goal then they would not submit those items to the Aquariums and to the Division of Marine Fisheries.

Mayor Schools asked for any comments from the public.

Don Eglinton, 2408 Emerald Drive, property owner and a member of the Aquarium Pier Advisory Committee, thanked the Mayor and Board for giving him the opportunity to serve on the Aquarium Pier Advisory Committee, he felt privileged to do it and had learned a lot. Mr. Eglinton had learned how important this was to the Town. Mr. Eglinton commented on a few things that Town Manager Rush had pointed out. First, the point Mr. Rush made about the vulnerability of the Bogue Inlet Pier was something they all understood, and that sooner or later that pier would go away. Mr. Eglinton felt if there was a desire to have a fishing pier then this project was the opportunity to do that; it was already fully designed. Second, Mr. Eglinton spoke of the availability of money, stating that if the money was not taken now and used to advance the project, the money

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1 would disappear and the project plan as engaged would be that far behind.
2 Lastly, Mr. Eglinton said that this Town was fortunate to have a truly
3 extraordinary Town Manager. Mr. Eglinton said who knew where we would be
4 five years from now, and the one thing he had come to know and respect about
5 Frank Rush was that he was in many respects extraordinary but he was like a
6 magician when it came to finding money. If five years from now Bogue Inlet Pier
7 goes away because God takes it he felt Town Manager Frank Rush would find
8 another source of money.

9
10 The Mayor and Board thanked Mr. Eglinton for his service on the committee.

11
12 Commissioner Messer stated that he felt they should move forward; he felt the
13 Town had to have a boat access and a pier; and as mentioned at some point
14 they probably weren't going to have a pier unless they built one. He felt this was
15 a good opportunity with a little head start to continue to pursue. The Board as a
16 whole concurred.

17
18 ***Motion was made by Commissioner Messer to approve the Amendment to***
19 ***Pier and Ocean Access Agreement. The Board voted unanimously 4-0 in***
20 ***favor. Motion carried.***

21
22 ***Motion was made by Commissioner Hoover to determine that the State has***
23 ***not been able to construct the Aquarium Pier project, and therefore has not***
24 ***met the conditions in the original Pier and Ocean Access Agreement and***
25 ***Special Warranty Deed, and that the Eastern Ocean Regional Access***
26 ***properties previously conveyed by the Town to the State should revert***
27 ***back to the Town of Emerald Isle, as stipulated in the Special Warranty***
28 ***Deed. The Board voted unanimously 4-0 in favor. Motion carried.***

29
30 ***Motion was made by Commissioner Hedreen to approve the Proposed Site***
31 ***Improvements. The Board voted unanimously 4-0 in favor. Motion carried.***

32
33 ***Motion was made by Commissioner Wright to approve the Request for Use***
34 ***of Remaining WAMI Grant Funds. The Board voted unanimously 4-0 in***
35 ***favor. Motion carried.***

36
37 Clerks Note: All approved items as noted above are incorporated herein by reference and hereby
38 made a part of these minutes.

39
40 **11. Resolution Authorizing Information Technology Services Agreement**
41 **(13-01-08/R3)**

42
43 Town Manager Frank Rush addressed the Board concerning this agenda item.
44 The following excerpt from his memo to the Board is provided for additional
45 background:
46

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1 The Board of Commissioners is scheduled to consider the attached resolution authorizing an information technology
2 (IT) services agreement with VC3, Inc, Raleigh, NC (with other offices in Columbia, SC and Atlanta, GA) at the January
3 8 meeting.

4
5 The attached resolution would enable the Town to implement VC3's "virtual office advantage" solution (a "cloud"-
6 based, hosted IT solution) for 11 computer workstations in the Town organization. The implementation of the "virtual
7 office advantage" for these 11 computer workstations is intended to serve as a "test" phase for VC3 and the "virtual
8 office advantage" solution. If the Town is pleased with the "test" phase, my intent is to implement the "virtual office
9 advantage" solution for the entire Town organization sometime in FY 13-14. The total cost associated with the
10 attached resolution for the remainder of FY 12-13 is approximately \$13,500.

11
12 Current Town IT Infrastructure / Evolution to the Proposed IT Services Agreement

13 The Town organization currently utilizes approximately 50 computer workstations, and this total includes 15 mobile
14 data terminals (laptop computers) installed in Police vehicles last year. The Town relies on 2 servers in the Town
15 Administration Building and the Police Department, and utilizes specialized financial management / human resources
16 software, building inspections software, and Police records management software housed on Town servers. The Town
17 also utilizes "hosted" (stored on off-site servers and accessed via the internet through the software provider's website)
18 software for Fire Department records management and Parks and Recreation services. The Town's website and email
19 accounts are "hosted" off-site by a private hosting company, but are maintained and updated by Town staff. The Town
20 utilizes individual internet connections through Time Warner Cable to each Town building on our campus, and also
21 utilizes wireless internet services through Verizon for the Police vehicles. The Town also maintains certain
22 redundancies for emergency purposes.

23
24
25 Information technology support services are provided on an overtime basis by Police Lieutenant Paul Cheshire. Lt.
26 Cheshire has provided these services for approximately 15 years, and has provided quality support for Town staff
27 during that time. The Town's cost for Lt. Cheshire's services have averaged approximately \$7,000 - \$8,000 per year in
28 the form of overtime compensation, however, Lt. Cheshire also performs many IT services during his scheduled work
29 hours as a Police Lieutenant, and his IT duties sometimes interfere with his Police duties. Additionally, for
30 understandable reasons, Lt. Cheshire is sometimes unable to respond as quickly as desired by Town staff in a time of
31 crisis. Lt. Cheshire's IT duties have continued to increase in quantity and complexity over the years, and I believe the
32 organization and the ever-changing technology have simply outpaced Lt. Cheshire's capabilities (to some extent) and,
33 more importantly, his availability to the organization. I have believed for the past few years that the Town organization
34 is in need of and would benefit greatly from improved IT support services.

35
36 I have previously considered requesting Board authority to hire a full-time IT Director, however, I no longer believe that
37 is the most cost-effective solution for the organization, nor would it be a comprehensive solution to the Town's IT
38 needs. Lt. Cheshire and I have also investigated entering into an arrangement with a private IT consulting firm to
39 essentially provide an expanded version of the services that Lt. Cheshire currently provides utilizing the current Town
40 IT infrastructure. I do not believe this is the best solution now, as I believe the best long-term solution for the Town is
41 to migrate to the "cloud" and hosted solutions like VC3's "virtual office advantage" (or any other "cloud"-based or
42 hosted solution offered by other vendors). I believe there are many benefits to this approach, including expert
43 assistance with strategic IT decisions, improved support services, elimination of replacement hardware, consistent
44 software usage, improved system security, improved backup processes, protection of data and function during and
45 after a hurricane or other emergency situation, portability, access to workstations anywhere at any time, monitoring of
46 employee internet usage, improved records management, archiving of data, and more.

47
48 How a "Cloud"-Based or Hosted Solution Works

49 With the Town's current IT systems, the Town owns all of the hardware and most of our data is stored in a
50 decentralized manner on the Town's hardware. Each employee's files are stored on his / her computer workstation,
51 and certain employees have access to specialized software (financial system, Police records system, etc.) stored on
52 centralized servers. Each employee has an email account and access to the internet for communication and research
53 purposes.
54

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1 With the "virtual office advantage" solution, all software and data would be stored off-site at VC3's facilities in
2 Columbia, SC (with backup at a facility near Washington, DC), and our employees would simply access their
3 workstation through the internet. It will look and function exactly the same as it does now, however, everything would
4 be hosted on VC3's servers. The employee simply needs an internet connection to access his / her entire workstation,
5 and can access it from any device at any time at any location, as long as they have internet access. The employee
6 could access their workstation from his / her office, from his / her home, on a smartphone, on an iPad, in Australia, or
7 in Stella. VC3 would provide a "thin-client" device (essentially a computer workstation that sits on the desk and
8 connects to the internet to enable access to the workstation) for each employee. The employee could use that device,
9 or any other device to access his / her workstation at any time.

10
11 With this solution, all software (Microsoft Word, Excel, etc.) is standardized and updated at the same time for all
12 employees, and license fees are included in VC3's fees. The Town would no longer need to purchase computers,
13 servers, fax machines (fax capabilities are integrated via email), or other hardware devices. The only Town hardware
14 needed in the future would be printers and any additional devices that may be desired (for example, iPads, additional
15 monitor screens, additional keyboards, etc.).

16
17 All support would be provided by VC3's personnel on call on a 24/7/365 basis. Because the software and data is
18 hosted on VC3's servers, almost all support issues can be resolved remotely. Because everything is hosted, all data is
19 backed up routinely. VC3 is responsible for system security, and is much more capable than Town personnel. If a
20 hurricane impacts Emerald Isle and damages our computers, it would not impact our data because it would all stored in
21 Columbia, SC and Washington, DC. If Town staff need to relocate to an off-island emergency operations center, all we
22 would need to do is access the internet and have our full IT system at our fingertips.

23
24
25 Perhaps a simple way to think about the hosted solution is to think about your own personal online banking experience.
26 All of that data is hosted on the bank's servers, and you are simply accessing the data and making transactions via the
27 internet (with appropriate security measures). You can access that data on your home computer, your smartphone, or
28 any other computer, and it's always the same data updated in real time, and it all looks the same. Other simple ways
29 to think about the hosted solution are Facebook, iCloud, online newsletter tools such as Constant Contact, and others.
30 In essence, they are all essentially the same type of system. The "virtual office advantage" offered by VC3 is
31 essentially the same thing, but expanded to include all work-related IT tools.

32
33 Additionally, VC3 would assign one of their staff to serve as the Town's IT Director. This individual would be available
34 to assist with strategic IT decisions, identify opportunities to improve Town services with new information technology,
35 and address any concerns or issues that may arise with the VC3's services. I envision this individual being a valuable
36 contributor to the Town's management team.

37
38 I have attached additional information from VC3 about the "virtual office advantage" solution.

39
40 VC3 Proposal, "Test" Phase, and Future Improvements

41 If the Board approves the attached resolution, I expect to execute an agreement with VC3 for 11 workstations later this
42 winter. Town staff in the Town Administration Building and all Town department heads would transition to the "virtual
43 office advantage" solution over the next 90 days. My intent is for these 11 staff members to test the new solution and
44 determine its applicability for the rest of the organization. This approach also enables the Town to reduce its initial
45 cost. The initial agreement for the 11 workstations would have a 3-year term, however, the Town would be allowed to
46 terminate for convenience if VC3's services were not acceptable. Based on numerous discussions with VC3, Lt.
47 Cheshire, other VC3 clients, and others, I do not expect this will be the outcome, but that option will be available for the
48 Town if ultimately necessary.

49
50 The base cost per workstation for all services is \$140 per month, with additional costs for various options selected by
51 the Town and also a \$600 per month organization-wide cost regardless of the number of workstations. For the first 11
52 workstations, with all anticipated options, I expect the monthly cost per workstation to be approximately \$300 per
53 month (which is higher than I would like), but will go down considerably when additional workstations are added. The
54

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1 initial annual cost for these 11 workstations is expected to be approximately \$39,500. I expect that these 11
2 workstations would not go online until March or April, thus the cost for the remainder of FY 12-13 is approximately
3 \$13,500, including one-time start up costs of approximately \$3,600.

4
5 Like most other things, there is an economy of scale with the "virtual office advantage". The more workstations added
6 in the future, the lower the average cost per workstation. Each additional workstation added in the future is expected
7 to cost approximately \$165 per month, and if / when the entire organization transitions to VC3, I expect the cost per
8 workstation per month for the entire organization to average out to approximately \$180 per month. If / when the entire
9 organization transitions (all staff workstations, but not the Police Department's mobile data terminals) to VC3, I expect
10 our annual cost to be approximately \$70,000 - \$85,000 per year, depending on the exact configuration of workstations
11 for Police Officers and Firefighters in the stations and also Federal and State limitations on Police data. This is a
12 significant expense for the Town, but I believe it is much more cost-effective than hiring a full-time IT Director (who will
13 likely not have the same breadth of knowledge and expertise as VC3's personnel), and that it will ultimately provide
14 added value and efficiency for Town staff and ultimately our customers.

15
16 My intent is to budget the necessary funds in the FY 13-14 budget for the entire organization to transition to VC3
17 sometime after July 2013 after the "test" phase enables us to judge the applicability for the entire organization.
18 Assuming that the Town expands its agreement with VC3 (which I hope and expect would occur), I also intend to
19 proceed with transitioning our telephone system to a VOIP ("voice over internet protocol") system offered by VC3
20 sometime in FY 13-14. Preliminary proposals from VC3 indicate that a VOIP solution will reduce the Town's total
21 annual phone system expense by approximately \$5,000 - \$10,000 per year after initial equipment costs are recouped.
22 I need to complete additional research to determine the exact amount of savings, however, I am certain it will be a less
23 expensive alternative for the Town in both the short-term and the long-term. The Town's current telephone system is
24 now approximately 10 years old, and the replacement of this system with a similar system would likely be very
25 expensive.

26
27 Why VC3?

28 I am recommending that the Town enter into a relationship with VC3 for several reasons. Most importantly, VC3
29 places an emphasis on small and medium sized local governments, and has a keen understanding of the needs of
30 local government. VC3 has several other local government clients in North Carolina, and is endorsed by the NC
31 League of Municipalities. In fact, the NC League of Municipalities is currently utilizing some of their services and is
32 planning to expand their relationship in the future. Closer to home, the Town of River Bend has contracted with VC3
33 for the past couple of years for both the "virtual office advantage" and the VOIP solutions, and River Bend has been
34 extremely pleased with VC3's solutions and services.

35
36 Lt. Cheshire and I have met with VC3 representatives several times over the past year+, and I have been very
37 impressed with their staff and services. In short, I am sold on the products and the company, and believe that a
38 relationship with VC3 for IT services and telephone services will best position the Town organization for continued
39 success and future improvement. As we all know, information technology changes quickly and often, and it would be a
40 great help to have their assistance in the future – both for the Town staff and also as we explore new ways to enhance
41 Town services using technology in the future.

42
43 The Big Questions – Should we spend the money? How to pay for it?

44 As noted earlier, I am convinced that a relationship with VC3 for IT services represents the best option for the Town
45 now and for the foreseeable future. The annual cost, however, is quite significant, but I believe that the Town
46 organization, the technology, and the expectations of our customers have evolved to the point that the Town should
47 expand its IT capabilities. The bottom line, however, is that the organization has survived to this point, and we can
48 certainly continue to survive for some time longer by operating in the same manner as the past. However, I believe we
49 are already feeling the limits of our current approach, and IT issues will certainly not get any easier going forward,
50 particularly since Lt. Cheshire is also needed for ongoing Police duties. Most importantly, I continue to believe that *we*
51 *can do better.*

52
53
54

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1 For the remainder of FY 12-13, the total estimated cost for the 11 workstation "test" phase is approximately \$13,500. I
2 believe this expense can be accommodated with current year budget savings associated with the refinancing of the
3 Town's debt. For FY 13-14, assuming the Town transitions other computer workstations to VC3, the estimated cost
4 will be in the \$70,000 - \$85,000 range. I am proposing to utilize the annual savings associated with the refinancing of
5 the Town's debt (approximately \$50,000 per year) to fund the expanded agreement with VC3. Additionally, the Town
6 will realize additional savings of approximately \$7,000 - \$8,000 per year by relieving Lt. Cheshire of IT duties, and the
7 transition of the phone system to a VOIP solution would result in additional savings of \$5,000 - \$10,000 per year.

8
9 Other savings are more difficult to quantify, however, it is important to note that the Town would no longer incur
10 expenses for new computers (replacement of the thin-client devices are included in VC3's fees), new servers (likely
11 \$7,000 or more), and software upgrades (all Microsoft upgrades are included in VC3's fees). In addition, timely
12 support services, remote access to employee workstations, and the portability of employee workstations should
13 improve the efficiency of Town staff.

14
15 Mayor Schools noted that many towns in North Carolina and South Carolina as
16 well as the North Carolina League of Municipalities contracted with VC3 and had
17 used for a good while and were pleased with it, so it was a proven system. Town
18 Manager Rush added that VC3 had a specific focus on small and medium local
19 governments which added to their attraction.

20
21 Mayor Schools asked for comments from the public.

22
23 Malcolm Boartfield, 5307 Emerald Drive, expressed some concerns he noted in
24 reading over some of the written information – one being that 2 gigabytes of data
25 for email was highly unrealistic in any situation, he felt they should take another
26 look at that – the average site where email was stored was probably 100 times
27 that 2 gigabyte situation. Mr. Boartfield also questioned the data ownership once
28 VC3 took possession and started this service. Mr. Rush stated that the data was
29 the Town's property and would be returned if the agreement was terminated. Mr.
30 Boartfield also asked about data protection, the integrity of the data that they
31 would be storing, his concern was with sending unencrypted data to a site over
32 the internet, not a virtual line, but an internet line, so data was highly vulnerable.

33
34 Mayor Schools assured Mr. Boartfield that the Town Manager would consider all
35 of those factors before signing a contract.

36
37 ***Motion was made by Commissioner Wright to approve the Resolution***
38 ***Authorizing Information Technology Services Agreement.***

39
40 Commissioner Hedreen asked about the agreement in the packet. Mr. Rush
41 stated that the agreement in Board packets would be modified somewhat and
42 other details remained to be worked out. Mr. Rush said he would not expect to
43 execute an agreement until after the refinancing was finalized and would spend
44 more time on the agreement, including having Town Attorney Stanley review and
45 discuss additional provisions. He felt the agreement would be executed in the
46 next month or so and implemented in the March / April timeframe. This was a
47

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1
2 representative agreement and the agreement would probably be very similar but
3 this was not the final agreement.

4
5 Town Manager Rush said he was basically looking for the Board's authority for
6 him to move forward with this concept and execute the agreement after working
7 out the details.

8
9 ***Following this discussion, the Board voted unanimously 4-0 in favor.***
10 ***Motion carried.***

11
12 **Clerks Note: A copy of Resolutions 13-01-08/R3 as noted above is incorporated herein by reference**
13 **and hereby made a part of these minutes.**

14
15 **12. Ordinance Amending Chapter 2 – Administration – and Chapter 12 –**
16 **Offenses and Miscellaneous Provisions – of the Code of Ordinances**
17 **(Comprehensive Review) (13-01-08/01)**

18
19 Town Manager Frank Rush addressed the Board concerning this agenda item.
20 The following excerpt from his memo to the Board is provided for additional
21 background:

22
23 As part of the Town's ongoing comprehensive review of all Town ordinances, the Board of Commissioners is
24 scheduled to consider proposed amendments to Chapter 2 – Administration – of the Code of Ordinances at the
25 January 8 meeting. Because certain provisions currently located in Chapter 2 are proposed to be relocated to Chapter
26 12 – Offenses and Miscellaneous Provisions, the attached ordinance amendment also includes amendments to
27 Chapter 12.

28
29 As you know, the Town is undertaking a comprehensive process that is intended to review, clarify, and condense the
30 entire Code of Ordinances of the Town of Emerald Isle. The Town is now more than 55 years old, and numerous
31 ordinance amendments have been made over the years with input by many different groups and individuals, all likely
32 with good intentions, and sometimes there are unintended impacts on or conflicts with other ordinance provisions.
33 State law and common practice also change over time, and this sometimes leads to out of date provisions or
34 confusion. In other cases, it may be helpful for the Town to critically ask itself if it really needs certain ordinance
35 provisions.

36
37 As discussed previously, my goal is for Town staff and me to complete a comprehensive review of all Town ordinances
38 with a critical eye. During this review, conflicting or confusing provisions will be targeted for clarification, unnecessary
39 provisions will be targeted for elimination, and in some cases out of date or un-enforced provisions will be targeted for
40 elimination. My goal is to present comprehensive amendments to each of the 16 current chapters of the Code of
41 Ordinances over an approximately 16 month period. One chapter will be presented each month, and at the end of the
42 16 month period the entire Code of Ordinances will have been thoroughly reviewed and updated – ideally in a simpler,
43 leaner, more user-friendly, easier-to-understand format. As you know, the Town Charter and Chapter 1 were recently
44 reviewed and updated versions were approved by the Board in the past few months. Chapter 2 – Administration is the
45 next chapter to be presented to the Board under this comprehensive review process.

46
47 As was the case for previous amendments, the proposed amendments to Chapter 2 are presented in two attached
48 documents. One draft is presented in typical ordinance format utilizing the underline and ~~strikethrough~~ features to
49 make it easier to examine the changes, and the other draft is a "clean" copy of the proposed new version to make it
50 easier to read in its entirety.

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1
2 The most significant proposed amendments to Chapter 2 include the following:
3

- 4 • the addition of a new section highlighting the duties of the Board of Commissioners (the duties of many other
5 Town officials are already listed, but the Board's are not currently included),
6
- 7 • a reference to the Board's monthly meeting schedule,
8
- 9 • a reference to the Municipal Records Retention and Disposition policy,
10
- 11 • clarifications to the personnel roles of the Board of Commissioners and Town Manager, consistent with
12 existing ordinance provisions regarding the Council-Manager form of government,
13
- 14 • references to various Manager-recommended and Board-adopted policies governing employment with the
15 Town, including the Personnel Policy, Sexual Harassment Policy, Drug and Alcohol Policy, and other
16 policies,
17
- 18 • deletion of the sexual harassment provisions in the Code of Ordinances, as these issues are addressed in
19 the Town's Sexual Harassment Policy,
20
- 21 • clarification of the need for two signatures on all Town checks, with authorization for the Mayor, Mayor Pro-
22 Tem, Town Manager, Finance Director, and Town Clerk, consistent with current practice,
23
- 24 • references to various Manager-recommended and Board-adopted policies governing financial matters,
25 including the Fiscal Policy, Internal Control Policy, Identify Theft Policy, Purchasing and Contracting Policy,
26 Disposition of Surplus Property Policy, and Capital / Fixed Asset Policy, and
27
- 28 • deletion of the purchasing and disposition of surplus property provisions in the Code of Ordinances, as these
29 issues are addressed in the Town's official Board-adopted policies.
30

31 The other significant proposed amendment is the relocation of ordinance provisions regarding the consumption of
32 alcoholic beverages on Town property and public areas. These provisions are currently codified in Chapter 2 –
33 Administration, but the substance of these issues would be better located in Chapter 12, at least temporarily until
34 Chapter 12 comprehensive amendments are considered in the coming months. The new provisions for Chapter 12
35 have been clarified from the existing provisions in Chapter 2, but the substance of the ordinance has not been
36 changed. Essentially, the Town does not allow the consumption of alcoholic beverages on or within any Town property
37 unless a special event permit is obtained and certain requirements are met, as outlined in the ordinance.
38

39 The Board should note that I have added a provision in the new Chapter 12 sections that does make it clear that it is
40 legal for the public to drink beer and wine on the public trust beach strand. This is the only public area in the Town
41 (except in cases where a special event permit has been issued) that it is legal to consume beer and wine. This has
42 been the Town's policy for many years, but is not currently codified. As such, it is important to note that beer and wine
43 consumption is permitted on the public trust beach strand at the Town's regional access facilities, but is not permitted
44 in the parking areas, restroom areas, and recreation areas located off the beach strand.
45

46 I look forward to discussing the attached ordinance amendment with the Board at the January 8 meeting. If the Board
47 is comfortable with the proposed amendments, the Board may consider adoption at the January 8 meeting. If the
48 Board would like more time to review the proposed amendments, formal Board action can certainly be delayed until the
49 February meeting.
50

51 **Mayor Schools asked for comments from the public.**

52
53 There were no comments by the public.

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1
2 Town Manager Rush pointed out that revised agenda information for this item
3 had been provided at their places tonight with small changes made to Sections
4 2-28 about privileges for past and present Mayors and Commissioners and
5 Sections 2-85 which just reflected the appropriate gender of our current Town
6 Clerk.

7
8 ***Motion was made by Commissioner Hedreen to approve the Ordinance***
9 ***Amending Chapter 2 – Administration – and Chapter 12 – Offenses and***
10 ***Miscellaneous Provisions – of the Code of Ordinances (Comprehensive***
11 ***Review), including additional changes to Sections 2-28 and 2-85 as***
12 ***presented. The Board voted unanimously 4-0 in favor. Motion carried.***

13
14 **Clerks Note:** A copy of Ordinance Amendment 13-01-08/O1 as noted above is incorporated herein by
15 reference and hereby made a part of these minutes.

16
17 **13. Comments from Town Clerk, Town Attorney, and Town Manager**

18
19 There were no comments from the Town Clerk or Town Attorney.

20
21 Town Manager Rush reported to the Board and public that effective that day he
22 had named Lieutenant Jeff Waters as Acting Police Chief. As the Board was
23 aware Chief Hargett had been injured in an accident over a year ago and was
24 now scheduled for some additional surgery and he was restricted by his doctor to
25 not work for some time. Lt. Waters would serve as Acting Chief until further
26 notice; Lt. Waters had served in that role in two previous occasions.

27
28 Mr. Rush also updated the Board on the ongoing bridge work, beach
29 nourishment status, status of the 1% beach preservation local options sales tax,
30 and the plans for clearing a 200 foot segment on both sides of the causeway to
31 open up the views in that area.

32
33 The following is an excerpt from the Town Manager Comments memo to the
34 Board providing additional background information for all items of importance:

35
36 **NC 58 Bridge Work**

37 Weekday 24-hour lane closures will be in effect again from 7 pm on Sunday, January 6 until 7 pm on Friday, January
38 11. Both lanes will be open again next weekend, from 7 pm on Friday, January 11 until 7 pm on Sunday, January 13.
39 A similar schedule will be in effect each week until 7 am on Friday, March 15. Beginning at 7 pm on Sunday, March
40 17, weekday nighttime-only (7 pm until 7 am) lane closures will be in effect.

41
42 The contractor, Penhall Company plans to continue to utilize flagmen for traffic control between the hours of 6 am and
43 6 pm and rely on signals during the nighttime hours. I have requested that they extend the flagmen hours by one
44 additional hour until 7 pm each night to accommodate the evening rush hour traffic returning to the island, however,
45 NCDOT and Penhall have not committed to this one additional hour. I will make this request again if it appears it will
46 be helpful.

47
48

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1
2 **2013 Budget Planning Workshop**

3 This meeting is scheduled for Friday, January 25 at 8:30 am in the Town Administration Building. I expect the meeting
4 to last until early afternoon. I will be circulating a draft agenda to the Board within the next week. Please let me know
5 if there are any particular items you'd like the Board to discuss at the January 25 meeting.
6

7 **FEMA Irene Beach Nourishment Project**

8 The beach nourishment project is still on track, and we expect work to begin in eastern Emerald Isle in February, and
9 then move to western Emerald Isle. A pre-construction meeting is scheduled for January. We expect all work to be
10 complete by March 31.
11

12 **Beach Access Walkway Replacements**

13 Work is expected to begin on the Tammy Street and Alex Court walkway replacements this week, and we expect all
14 work to be complete prior to Easter weekend.
15

16 **Coast Guard Road Bicycle Path Extension**

17 We expect SunLand Development and Construction to begin grading work for the new bicycle path segment from
18 Ocean Oaks Drive to Dolphin Ridge this week. We expect to have the new bicycle path segment open prior to Easter
19 weekend.
20

21 **NC 58 Bicycle Path Extension**

22 All permits are in hand for this project, but we are still awaiting final approval from NCDOT on the design for the new
23 bicycle path extension. NCDOT has given verbal indications that they will approve the plans any day now. We remain
24 hopeful that we can complete a bid process later in January and include a construction contract on the Board's
25

26 February meeting agenda, however, it may be delayed until the March meeting agenda. We will be working hard to
27 complete this project prior to the summer season.
28

29 **Proposed 1% Beach Preservation (Local Option Sales and Use) Tax**

30 I have not learned any new information about the NC General Assembly's consideration of our proposal, however, I
31 believe that momentum is growing for some solution – whether it be similar to our proposal, room occupancy tax
32 adjustments, a direct State appropriation, or some other solution. It is appearing more likely that the NC General
33 Assembly may consider major tax reform in the 2013 session, and it may be possible for this issue to be addressed as
34 part of that package.
35

36 I will remain engaged with Representative McElraft and others on this issue, and will work toward any reasonable
37 funding alternative to “make up” for the anticipated 25% State share for our future beach nourishment activities. As
38 you know, we need to identify a revenue source for an average of approximately \$700,000 - \$800,000 annually that
39 was previously expected from the State.
40

41 **Fixed Piping from Island Circle Pump Station to El Woods Park**

42 I hope to present cost information to the Board about this project at the January 25 budget planning workshop. I am
43 hopeful that sufficient funding can be included in the FY 13-14 budget to install this pipe within the next year.
44

45 **Eastern Emerald Isle Storm Water Outfall Removals**

46 Public Works expects to complete the 4th Street and 6th Street locations by the end of January. Despite slower
47 progress than desired, we believe that we can still complete all remaining work by the NC Clean Water Management
48 Trust Fund's deadline of May 31, 2013.
49

50 **Eastern Ocean Drive Storm Water Improvements / Planned Resurfacing**

51 Public Works will soon begin work on several new storm water infiltration systems in the chronic flooding areas on
52 Ocean Drive in eastern Emerald Isle. Public Works will be working to complete these new systems by March, at which
53 time we plan to resurface all or at least a portion of the Ocean Drive segment between 1st Street and 25th Street. I plan
54 to discuss this issue in more detail with the Board at the January 25 meeting.

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1
2 **Live Oak Street Pedestrian Bridge**

3 Alesia Sanderson, Parks and Recreation Director, is still awaiting the receipt of engineered plans for the construction of
4 the new walkway. Once we receive the plans, they will be presented to local volunteers to determine their interest in /
5 ability to provide construction labor for the project. We also plan to meet with nearby property owners to address any
6 concerns about the project. We were supposed to have the completed design by the holidays, but that did not occur.
7 We hope to receive the completed design any day now, and still plan to have the new walkway constructed and open
8 to the public prior to the summer.
9

10 **New Soundside Pier at Emerald Isle Public Boating Access Area**

11 We anticipate receiving the formal grant award package within the next week. The NC Wildlife Resources Commission
12 in unable to provide design assistance, so we will be soliciting a local design firm to complete the minimal design
13 required. I do not expect a significant cost for this work.
14

15 The CAMA permit modification is currently in process, and we don't expect any significant delays in modifying the
16 CAMA permit. Our goal is still to award a construction contract in late winter or early spring and have the new pier
17 completed before the summer.
18

19 **NC 58 Causeway Clearing**

20 We are planning to clear underbrush from four distinct areas along the NC 58 causeway within the next couple of
21 weeks. Each area will be approximately 200 feet in length, with two areas on each side of the causeway in areas
22 closer to the base of the bridge. We have received two quotes for this work, and plan to award a contract to East
23 Coast Bush Cutters of Maysville, NC for \$2,000.
24

25 No significant large trees will be removed, and all vegetative debris will be mulched and distributed on site. If this turns
26 out well, we will plan to clear additional areas later this winter or spring. This work is expected to open up some of the
27 beautiful views of Bogue Sound in this area.
28

29 **Cape Emerald Ponds**

30 Cape Emerald is a private, gated subdivision with private streets, but, as you know, has a public storm water pipe
31 running from the ocean-side through the subdivision that empties into a series of ponds near the soundfront. These
32 ponds eventually drain into Bogue Sound. The Town has historically maintained the storm water pipe and the outfall
33 leading from the ponds to Bogue Sound, however, pond maintenance has historically been shared. Generally
34 speaking, Cape Emerald POA has maintained the fountains in the ponds, however, the Town has completed dredging
35 of the ponds.
36

37 I have an outline of a "pond agreement" between the Town and the Cape Emerald POA, and will be drafting a formal
38 agreement for Cape Emerald and Board review and consideration in the coming weeks. I had hoped to have this
39 agreement on the Board's January meeting agenda, but did not have time to complete it. I expect to have it on the
40 February meeting agenda.
41

42 **Fire Department Ladder Truck to Be Repainted**

43 The ladder truck, a 1998 model, has experienced some corrosion in recent years, and is scheduled to be repainted.
44 The truck is expected to be out of service for about 4 – 6 weeks in February and March. The cost to repaint the truck is
45 approximately \$17,000, and funds were included in the FY 12-13 budget. The repainting will help to insure that the
46 truck remains in service until at least FY 18-19, the scheduled replacement year, and hopefully longer. The new
47 replacement truck will likely cost in excess of \$700,000 at that time.
48

49 **New Ambulance**

50 Emerald Isle EMS has ordered a new ambulance from Select Custom Apparatus, Falkland, NC, and expects to take
51 delivery later in January. The new ambulance is being purchased for \$143,000, and EI EMS will receive a credit of
52 \$10,000 for trading in the old ambulance, resulting in a total net cost of \$133,000. The FY 12-13 EMS budget includes
53 a net of \$128,000 for the new ambulance, however, I believe EMS can cover this slight cost overrun.
54

MINUTES OF THE REGULAR MEETING
OF THE EMERALD ISLE BOARD OF COMMISSIONERS
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1
2 **Parks and Recreation Trust Fund (PARTF) Grant Application**

3 The Town's 2013 PARTF grant application for the purchase of Lot 1 – Shell Cove North is due on January 31, and I will
4 be working with Alesia Sanderson to complete the grant application in the next few weeks. As you know, the Town is
5 seeking a total of \$87,500 to fund 50% of the land purchase.
6

7 **Request for New Legislation Clarifying Authority of Oceanfront Municipalities to Regulate Activities on the**
8 **Public Trust Beach Strand**

9 I have transmitted the Town's request and the resolution adopted by the Board at the December meeting to
10 Representative McElraft. I have also sent copies of the Board's resolution to all 20 of the other NC oceanfront
11 municipalities seeking their support. I am hopeful those municipalities will consider the resolution sometime in
12 January, and I will forward any other resolutions to Representative McElraft. I remain hopeful she will introduce the
13 requested legislation soon thereafter.
14

15 **New Bulkhead for Cedar Street Sound Access**

16 Public Works will be installing a new wooden bulkhead on the east side of the pier at the Cedar Street sound access
17 later this spring. We hope to complete this project prior to Memorial Day weekend.
18

19 **Village East Rezoning**

20 The Planning Board will consider the mass rezoning of properties in the Village East planning area to the new Village
21 East zoning district at their meeting on January 28. The proposed rezoning may appear on the Board's February
22 meeting agenda.
23

24 **14. Comments from Board of Commissioners and Mayor**

25
26 Commissioner Hedreen advised that she would be out of State for the next
27 month's regular meeting.
28

29 There were no further comments from the Board of Commissioners or Mayor.
30

31 **15. Adjourn**

32
33 ***Motion was made by Commissioner Messer to adjourn the meeting. The***
34 ***Board voted unanimously 4-0 in favor. Motion carried.***
35

36 ***The meeting was adjourned at 8:05 pm.***
37

38 Respectfully submitted:
39
40
41

42 Rhonda C. Ferebee, CMC
43 Town Clerk