

1                                   **MINUTES OF THE REGULAR SCHEDULED MEETING**  
2                                   **OF THE EMERALD ISLE BOARD OF COMMISSIONERS**  
3                                   **TUESDAY, AUGUST 11, 2009 – 6:00 P.M. – COMMUNITY CENTER**  
4

5  
6                   **1. Call To Order**  
7

8                   The regular monthly meeting of the Emerald Isle Board of Commissioners was  
9                   called to order by Mayor Art Schools at 6:00 PM in the Emerald Isle Community  
10                  Center Lounge.  
11

12                  **2. Roll Call**  
13

14                  Present for the meeting: Mayor Art Schools, Commissioners Nita Hedreen, Tom  
15                  Hoover, Floyd Messer, John Wootten, and Maripat Wright.  
16

17                  Others present during the regular meeting: Town Attorney Richard Stanley,  
18                  Town Manager Frank Rush, Asst. Town Manager/Finance Director Mitsy  
19                  Overman, and Town Clerk Rhonda Ferebee.  
20

21                  **3. Opening Prayer**  
22

23                  Caleb Meadows, youth member from Emerald Isle Chapel by the Sea offered the  
24                  Opening Prayer for the Town Board meeting.  
25

26                  **4. Pledge of Allegiance**  
27

28                  After opening prayer all who were present recited the Pledge of Allegiance.  
29

30                  Following the Pledge of Allegiance Mayor Art Schools and Town Manager Frank  
31                  Rush presented a Certification of Appreciation to Parks and Recreation Director  
32                  Alesia Sanderson for her 20 years of service to the Town of Emerald Isle.  
33

34                  **5. Adoption of Agenda**  
35

36                  Mayor Schools requested that Item 7 g. on the Consent Agenda – Resolution  
37                  Authorizing Federal Funding Requests – SAFETEA LU / New Bicycle Paths be  
38                  moved from the consent agenda to a place on the regular agenda.  
39

40                  ***Motion was made by Commissioner Wright to adopt the Agenda with Item***  
41                  ***7g moved to a separate category. The Board voted unanimously 5-0 in***  
42                  ***favor. Motion carried.***  
43

44                  Mayor Schools introduced Zuhra Dost from Kabul, Afghanistan. Zuhra has been  
45                  accepted into the Initiative to Educate Afghan Women (IEAW) program which  
46                  provides 4 year scholarships and will be attending Brenau University in

1  
2 Gainesville Georgia. Alicia Baucom coordinates the program in this area and  
3 currently has 5 Afghan girls in this part of the county. Mayor Schools and his  
4 wife Diane have had the pleasure of having Zuhra stay with them for the past  
5 three weeks before going to school.

6  
7 **6. Proclamations / Public Announcements**

8  
9 Mayor Schools announced the following public announcements for the public:

- 10  
11 • **Friday Free Flick – Friday August 14 – 7 pm – Community Center**  
12 • **New Town Administration Building Opens – Monday, August 17**  
13 • **Beach Jive After Five – Thursday, August 20 – 5:30 pm – Western**  
14 **Ocean Regional Access**  
15 • **Planning Board Regular Meeting – Monday, August 24 I- 6 pm –**  
16 **Location to be announced**  
17 • **Labor Day Holiday I- Monday, September 7 – Town Offices Closed,**  
18 **Community Center Closed**  
19 • **4<sup>th</sup> Annual Emerald Isle Day 4 Kids / Crime Free Event – Saturday,**  
20 **September 19 – 10 am to 2 pm – Community Center**  
21 • **Walk to D’Feet ALS – Saturday, September 19 – 9 am – Holiday**  
22 **TravLPark**

23  
24 **7. Consent Agenda**

- 25  
26 a. **Tax Refunds / Releases**  
27 b. **Minutes – June 9, 2009 Regular Meeting**  
28 c. **Minutes – July 14, 2009 Regular Meeting**  
29 d. **Minutes – July 28, 2009 Special Meeting**  
30 e. **Resolution Amending Personnel Policy – FMLA (09-08-11/R1)**  
31 f. **Resolution Amending Personnel Policy – Public Information**  
32 **(09-08-11/R2)**  
33 g. **(Item 7g - Resolution Authorizing Federal Funding Requests –**  
34 **SAFETEA LU / New Bicycle Paths – removed by motion from**  
35 **Consent Agenda and placed as separate Item 8a on Regular Agenda)**

36  
37 ***Motion was made by Commissioner Hoover to approve the items on the***  
38 ***Consent Agenda. The Board voted unanimously 5-0 in favor. Motion***  
39 ***carried.***

40  
41 **Clerks Note: A copy Resolutions 09-08-11/R1 and 09-8-11/R2, and all other Consent Agenda items as**  
42 **noted above are all incorporated herein by reference and hereby made a part of these minutes.**  
43  
44  
45

1  
2 **8. Public Comment**  
3

4 John DeMichelle, 209 Ocean Drive, mentioned his comments made at the last  
5 Board meeting in July about garbage and thanked Kelly and Frank for their  
6 efforts to get things cleaned up in his area. Mr. DeMichelle expressed that he  
7 continued to have concerns with the company that works for the real estate  
8 companies rolling the cans out early in the morning long before 3 pm the day  
9 before collection as stated in the ordinance causing cans to be out on the street a  
10 whole day ahead of time.

11  
12 Mayor Schools said that they would check into the situation. Town Manager  
13 Rush noted that Kelly Gamble in the Administration office had been working with  
14 the real estate companies to try and bring them into compliance with that  
15 standard. Town Manager Rush added that the approach, especially during the  
16 busy summer months when there were a lot of people in Town, had been more  
17 lenient with the roll out times.

18  
19 **8a. Item 7g from Consent Agenda – Resolution Authorizing Federal**  
20 **Funding Requests – SAFETEA LU / New Bicycle Paths removed by motion**  
21 **from the consent agenda to be placed as separate item on Agenda.**  
22 **(09-08-11/R3)**  
23

24 Town Manager Frank Rush addressed the Board regarding this agenda item.  
25 The following excerpt from Town Manager Rush's memo to the Board is provided  
26 for additional background:

27  
28 The Board of Commissioners is scheduled to consider the attached resolution authorizing two Federal funding  
29 requests for additional bicycle paths in Emerald Isle. First, the resolution authorizes a \$620,000 request, to be  
30 matched with \$155,000 from the Town, for an additional extension of the NC 58 bicycle path up to 4 miles. Second,  
31 the resolution also authorizes a \$320,000 request, to be matched with \$80,000 from the Town, for an additional  
32 extension of the Coast Guard Road bicycle path up to 1.7 miles.  
33

34 These requests would seek funding from an upcoming new authorization of the Safe, Accountable, Flexible, Efficient  
35 Transportation Equity Act: A Legacy for Users, or SAFETEA-LU. SAFETEA-LU is the latest version of the periodic,  
36 comprehensive Federal transportation project authorization bill that was adopted in 2005 and that is set to expire in  
37 September 2009. At this time, it is not certain whether the US Congress will extend the existing SAFETEA-LU  
38 authorization or complete a new SAFETEA-LU authorization. If a new authorization is approved, it will include specific  
39 Congressionally-directed projects. In light of this potential new authorization, Senator Kay Hagan and Senator Richard  
40 Burr have both issued a call for potential projects to be included in a potential new SAFETEA-LU authorization.  
41

42 As you know, the Town has been very active in constructing new bicycle paths in recent years, and has a long-term  
43 goal to eventually have a dedicated asphalt bicycle path along the entire length of Emerald Isle on NC 58 and Coast  
44 Guard Road. The Town currently has 2.3 miles of dedicated bicycle path along NC 58 and Coast Guard Road, and up  
45 to an additional 4 miles is scheduled for construction along NC 58 later this year and early next year. As it is now likely  
46 that the current NC 58 extension will not extend 4 miles, and may only be in the 2 – 3 mile range, that would leave a  
47 remaining segment along NC 58 of up to 4 miles. Coast Guard Road currently has a .3 mile long bicycle path near NC  
48 58, and an additional 1.7 miles would extend the bicycle path all the way to The Point.  
49

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1  
2 Because of an earlier deadline, request forms have already been completed and submitted to Senator Hagan. Senator  
3 Burr's deadline is August 14, and if the Board approves the attached resolution these requests will be submitted on  
4 Senator Burr's request forms. The Town's chances for funding through the new SAFETEA-LU authorization are  
5 uncertain, but it is certainly worth pursuing for the benefit of our residents, property owners, and visitors. If the Town's  
6 projects are ultimately included in a new SAFETEA-LU authorization, the local match could be provided in future years  
7 and perhaps in a phased approach.

8  
9 Mayor Schools said that the key thing of interest to him with this grant program  
10 was particularly Coast Guard Road because it had been difficult finding grant  
11 funds for that road and he didn't want to turn down the opportunity.

12 Commissioner Wright agreed adding that they had really looked hard for grant  
13 funding for Coast Guard Road and had not found anything.

14  
15 ***Motion was made by Commissioner Wootten to approve the Resolution***  
16 ***Authorizing Federal Funding Requests – SAFETEA-LU / New Bicycle Paths.***  
17 ***The Board voted unanimously 5-0 in favor. Motion carried.***

18  
19 **Clerks Note: A copy Resolutions 09-08-11/R3 is incorporated herein by reference and hereby made a**  
20 **part of these minutes.**

21  
22 **9. New Public Boat Launch Facility**

- 23  
24 **a. Resolution Accepting NC Division of Coastal Management Grant**  
25 **(09-08-11/R4)**  
26 **b. Resolution Accepting NC Wildlife Resources Commission Funding**  
27 **(09-08-11/R5)**  
28 **c. Amendment to Lease with Emerald Isle Parks and Recreation**  
29 **Association, Inc. for McLean Park**  
30 **d. Lease Agreement with NC Wildlife Resources Commission**

31  
32 Town Manager Frank Rush addressed the Board regarding this agenda item.  
33 The following excerpt from Town Manager Rush's memo to the Board is provided  
34 for additional background:

35  
36 The Board of Commissioners is scheduled to consider 4 separate actions associated with the acquisition of land for a  
37 new public boat launch facility at the August 11 meeting.

38  
39 Project Summary

40 As discussed several times in recent months, the Town has executed a purchase contract for a 16-acre tract (5 acres  
41 of upland area) of land in the Shell Cove North subdivision. The tract (actually 7 separate lots) is located directly west  
42 of and adjacent to the Chapel By The Sea and the Town-controlled McLean Park site (8 acres total; 4 upland acres).  
43 The tract includes a recently dredged canal and boat basin with access to deep water in Bogue Sound and the Atlantic  
44 Intracoastal Waterway (AIWW). The purchase price for the land is \$4.25 million, and the contract is contingent upon  
45 the Town's receipt of significant grant funding from various State and County sources.

46  
47 The Shell Cove North land and McLean Park would be combined, and would be conveyed to the NC Wildlife  
48 Resources Commission (WRC). WRC would construct and maintain a new public boat launching facility on the site. A  
49 conceptual plan prepared by WRC engineers indicates as many as 125 vehicle / trailer parking spaces on the site,  
50 which would make the site the largest public boat launching facility in coastal North Carolina. The site would also

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1  
2 eventually include other soundfront park amenities, including a new pier, picnic shelter, bathhouse, and potentially  
3 other amenities.  
4

5 As you know, the Town's financing plan targets several State and County funding sources for the \$4.25 million  
6 purchase price. The Town has received commitments thus far for \$1,658,750 from two State sources and has  
7 committed an additional \$541,250 of Town funds for the project to bring the total currently available to \$2.2 million.  
8 Additional funding requests for up to \$2.5 million are pending, however, not all requested funds are expected to be  
9 awarded.  
10

11 The Town's land purchase contract requires a partial closing (minimum of 4 lots) on September 1, 2009, with a closing  
12 on the remaining portion of the land (3 lots) no later than September 1, 2010. As you know, the Town is expecting  
13 funding decisions from Carteret County (\$1.5 million) and the NC Parks and Recreation Trust Fund (\$500,000) in the  
14  
15 next few weeks. The decisions made by these two entities will determine whether or not the Town proceeds with the  
16 required partial closing on September 1. Assuming favorable decisions by these two entities, the Board will need to  
17 approve the attached 4 actions in order to be ready to complete a partial closing on September 1.  
18

19 Resolution Accepting NC Division of Coastal Management Grant

20 The NC Division of Coastal Management (DCM) has awarded the Town a grant in the amount of \$358,750 for a portion  
21 of the land acquisition cost (this figure is included in the \$1,658,750 amount referenced above). This grant is a  
22 reimbursement grant that requires the Town to expend its own funds for the land acquisition, and then seek  
23 reimbursement from the NC Division of Coastal Management. In order to utilize these funds for a September 1 partial  
24 closing, the Town must execute a formal grant agreement with the NC Division of Coastal Management. The attached  
25 resolution authorizes the Town Manager to execute such an agreement.  
26

27 The required local match for this grant is \$119,583, and will be provided by a combination of Town funds and other  
28 grants and contributions used to complete the land acquisition.  
29

30 If the Town proceeds with a partial closing on September 1, the Town will expend its own funds for the partial land  
31 acquisition, and will then submit a formal reimbursement request on September 2. The Town can expect to receive  
32 reimbursement of the \$358,750 grant within 60 days after submitting a request.  
33

34 Resolution Accepting NC Wildlife Resources Commission Funding

35 The NC Wildlife Resources Commission (WRC) has awarded the Town a total of \$1.3 million for a portion of the land  
36 acquisition cost (this figure, added to the DCM grant equals the \$1,658,750 amount referenced above). The WRC  
37 award has two components - \$500,000 associated with the prior completion of the dredging, boat basin, and other site  
38 improvements, and \$800,000 recently made available to the WRC by the NC Division of Coastal Management  
39 specifically for this project. The attached resolution authorizes the Town Manager to accept these funds from the WRC  
40 for the land acquisition.  
41

42 The WRC has already remitted \$500,000 to the Town, and the remaining \$800,000 is expected prior to September 1,  
43 provided that a formal long-term lease agreement between the Town and the WRC is executed (see description  
44 below).  
45

46 The combination of the DCM grant, WRC funding, and the Town's commitment results in a total of \$2.2 million  
47 available for a potential September 1 partial closing. The total closing cost on September 1 is \$2,428,000, and the  
48 Town will need to rely on a favorable commitment from Carteret County prior to September 1 in order to provide the  
49 remaining \$228,000 needed for partial closing.  
50

51 Amendment to Lease with Emerald Isle Parks and Recreation Association, Inc. for McLean Park

52 The McLean Park land that would be incorporated into the design for the new public boat launching facility is  
53 technically owned by the Emerald Isle Parks and Recreation Association, Inc. (EIPRA), a separate non-profit  
54 corporation whose members are appointed by the Board of Commissioners. The Town and the EIPRA entered into a

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1  
2 50-year lease in January 2008 that enables the Town to develop the McLean Park land as a new soundfront park, as  
3 originally intended by the Town and the EIPRA before opportunity for the new public boat launching facility arose.  
4

5 The attached lease amendment supersedes the January 2008 lease agreement, and specifically authorizes the Town  
6 to sub-lease the McLean Park land to the NC Wildlife Resources Commission for the construction and operation of the  
7 proposed new public boat launching facility. The lease amendment also stipulates that a portion of the McLean Park  
8 land located immediately east of the existing Church building and Pastor's home will be reserved for use by the Chapel  
9 By The Sea (to be conveyed by fee simple title at a later date). The lease amendment envisions the Town retaining a  
10 30 ft. strip of land along the eastern boundary of McLean Park (adjacent to Marsh Cove subdivision) for an access road  
11 to the new public boat launching facility.  
12

13 The term of the lease amendment is 99 years, with a provision for 3 automatic 50-year renewals. The annual rent  
14 payment from the Town to the EIPRA is \$1.  
15

16 The EIPRA Board of Directors has not yet considered this lease amendment, however, they have previously voted  
17 unanimously to support the new public boat launching facility project and the concepts outlined in the lease  
18 amendment. I am planning to schedule a meeting of the EIPRA Board of Directors for later this month to formally  
19 consider the lease amendment. I have also discussed the area to be reserved for the Chapel By The Sea with Pastor  
20 Clay Olsen, and he is in agreement with this plan.  
21

22 Lease Agreement with NC Wildlife Resources Commission

23 As a condition of the NC Wildlife Resources Commission (WRC) releasing the full \$1.3 million for the land acquisition  
24 by September 1, a formal long-term lease agreement must be executed between the Town and the WRC. The  
25 attached lease agreement was drafted by Town Attorney Richard Stanley based on input from the WRC staff and me  
26 (based on Board comments), and is attached for the Board's formal consideration.  
27

28 The key provisions of the lease agreement are as follows:  
29

- 30 • the Town will lease the combined site (+/-24 acres: 7 lots in Shell Cove North plus the McLean Park land) to the  
31 WRC for 99 years, with 3 automatic 50-year renewals,  
32
- 33 • the annual rent payment from WRC to the Town is \$1,  
34
- 35 • WRC will design, permit, construct, operate, and maintain (major maintenance only) a new public boat launching  
36 facility on the site,  
37
- 38 • in light of pending closure of Island Harbor Marina on December 31, 2009, efforts will be made to open the new  
39 facility as soon as possible,  
40
- 41 • the facility will be an official NC WRC public boat launching facility, and both parties agree to allow free public boat  
42 access at the site including vehicle and trailer parking, open 24 hours a day 7 days a week with no closure of the  
43 site, except for repair and improvements or emergency situations,  
44
- 45 • WRC will place special emphasis on storm water management, an attractive parking area, and attractive  
46 landscaping in the project design,  
47
- 48 • WRC will be responsible for major maintenance items, including boat ramps, bulkheads, docks, canal dredging,  
49 parking lot, storm water features, lights, buildings, and other major improvements unless otherwise agreed to or  
50 developed by the Town,  
51
- 52 • Town will be responsible for daily and routine maintenance, including landscaping, mowing, cleaning of restrooms,  
53 trash collection, and any major improvements agreed to or developed by the Town,  
54

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- Town will have the ability to develop other soundfront park features as funds permit over time on those areas of the overall site not used by the WRC, and
- WRC will maintain adequate property and liability insurance for the entire facility.

As of August 6, I have not yet received official comments on the attached lease agreement from the WRC staff or the State Property Office. The terms and conditions in the attached lease agreement are consistent with all previous discussions with WRC staff, thus I do not expect any significant changes. I hope to receive their official comments prior to the August 11 meeting, and will share those comments, if any, with the Board at that time. If those comments are not in hand by the August 11 meeting, I would like the Board to review the attached lease agreement, and perhaps authorize the Town Manager to execute a lease agreement that is consistent with the significant terms in the lease, subject to the review and approval of the Town Attorney.

Town Manager Frank Rush discussed the conceptual site plan with the Board also describing the area to be excluded from the lease agreement that at least conceptually had been discussed up to this point to simply convey that property from Parks & Recreation Association, Inc. to the Emerald Isle Chapel By The Sea to enable them to meet their future parking and expansion needs. Mr. Rush said that was also consistent with the spirit of the existing lease agreement between Parks & Recreation Association, Inc. and Emerald Isle Chapel By The Sea. Town Manager Rush stated that the conceptual plan was prepared by the Wildlife Resources Commission and the Wildlife Resources Commission had agreed to construct a bathroom facility as a part of the overall boat launching facility, and he wasn't sure at this point what other amenities they may be willing to construct but hopefully they could incorporate a sound front pier. Mr. Rush felt beyond that any kind of picnic shelter, playground, ball field, would be dependent on town funding or grant funding.

***Motion was made by Commissioner Messer to approve the Resolution Accepting NC Division of Coastal Management Grant. The Board voted unanimously 5-0 in favor. Motion carried.***

***Motion was made by Commissioner Hoover to approve the Resolution Accepting NC Wildlife Resources Commission Funding. The Board voted unanimously 5-0 in favor. Motion carried.***

***Motion was made by Commissioner Wright to approve the Amendment to Lease with Emerald Isle Parks and Recreation Association, Inc. The Board voted unanimously 5-0 in favor. Motion carried.***

***Motion was made by Commissioner Wootten to approve the Lease Agreement with NC Wildlife Resources Commission. The Board voted unanimously 5-0 in favor. Motion carried.***

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1  
2 Town Manager Rush stated regarding the Wildlife Resources lease with the  
3 Board's concurrence if they were comfortable with he and the Town Attorney  
4 signing off on any minor changes they would proceed that way and he would  
5 inform them of any changes made; with anything deemed to be significant  
6 brought back to the Board. The Board concurred.

7  
8 **Clerks Note: A copy Resolutions 09-08-11/R4, 09-08-11/R5, Amendment to Lease with Emerald Isle**  
9 **Parks & Recreation Association, Inc. and Lease Agreement with NC Wildlife Resources Commission**  
10 **are all incorporated herein by reference and hereby made a part of these minutes.**

11  
12 **10. Alcohol and Drug-Free Workplace Policy**

13  
14 Town Clerk Rhonda Ferebee addressed the Board regarding this agenda item.  
15 The following excerpt from Town Manager Rush's memo to the Board is provided  
16 for additional background:

17  
18 The Board of Commissioners is scheduled to consider the attached new Alcohol and Drug-Free Workplace Policy at  
19 the August 11 meeting. The proposed policy replaces the Town's current alcohol and drug policy that was adopted in  
20 1992.

21  
22 The new policy was written by Town Clerk / Human Resources Officer Rhonda Ferebee after extensive research, and  
23 with significant input from Town department heads. The new policy is modeled after a recent policy adopted by the  
24 City of Washington, NC, but also includes input from Professional Nursing, the local alcohol and drug testing laboratory  
25 that serves the Town. Policies from several other municipalities, including Kitty Hawk, Nags Head, Oak Island, Clinton,  
26 Farmville, and Atlantic Beach, were also reviewed and incorporated into the final policy presented to the Board.

27  
28 The attached memo from Rhonda Ferebee includes a summary of the key provisions and significant changes included  
29 in the new policy. The primary goals of the new policy are:

- 30  
31
- to protect the public that we serve by insuring that our employees are not under the influence of alcohol or drugs,
  - to provide a safe and healthy workplace for our employees that is free of alcohol and drug use,
  - to ensure that Town services are provided in a responsible manner by a respectable work force,
  - to comply with Federal regulations for commercial driver license holders, and
  - to promote the overall health and wellness of our employees.
- 32  
33  
34  
35  
36  
37

38 Specific expectations are outlined for Town employees, and specific procedures are outlined for pre-employment,  
39 random, and reasonable suspicion alcohol and drug testing. In the past, the Town's current policy has not always  
40 been implemented as thoroughly and consistently as I would like. The new policy clarifies and broadens the list of  
41 employees that are subject to alcohol and drug testing, and should improve the effectiveness and consistency of the  
42 Town's alcohol and drug testing program in the future.

43  
44 The basic philosophy of the new policy is that alcohol and drug abuse will not be tolerated by the Town of Emerald Isle.  
45 I firmly believe that our residents, property owners, and visitors have every right to expect that their Town employees  
46 will be responsible, law-abiding individuals who are not under the influence of alcohol or illegal drugs. The new policy  
47 is clear that a positive alcohol and/or drug test is grounds for dismissal on the first offense, whether it is associated with  
48 a prospective employee, as a result of reasonable suspicion, after an accident, or simply a random test. In actual past  
49 practice, and as envisioned in this new policy, dismissal will be the outcome in nearly every case involving alcohol  
50 and/or drug issues involving Town employees. The new policy does reserve the Town Manager's authority to make  
51 special exceptions in cases involving special circumstances, however, it is rare that this authority will be utilized.

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1  
2 In general, the Town of Emerald Isle is fortunate to have a qualified, dedicated, and respected group of individuals  
3 providing services for our residents, property owners, and visitors. I would not expect to have to utilize this new policy  
4 very often in the future, however, I believe the new policy will be very helpful to our employees, supervisors, and me in  
5 addressing these issues in the future.  
6

7 The Board should also note that the Town organization is committed to helping our employees deal with personal  
8 problems in their lives, whether they are alcohol or drug related, or other problems. You will note that the new policy  
9 references an Employee Assistance Program (EAP). Although the Town's current policy references an EAP, the Town  
10 does not currently offer an EAP to our employees. We are currently assessing EAP vendors, and plan to execute an  
11 agreement with a local EAP service in the near future in conjunction with the implementation of this new policy. The  
12 availability of a Town EAP will hopefully provide a mechanism for our employees to receive help with their problems at  
13 an early stage before it has a significant impact on their work performance or job status, and hopefully before any  
14 punitive actions would ever need to be taken against an employee.  
15

16 Rhonda Ferebee will present the new policy to the Board at the August 11 meeting, and she and I will be available to  
17 answer any questions.  
18

19 Commissioner Wootten and Commissioner Hedreen expressed some concerns  
20 about the draft policy including the intention to pre-test all new hires, testing  
21 procedures, as well as language regarding use of prescribed or over-the-counter  
22 medication in amounts beyond the recommended dosage. The Board felt they  
23 would like more time to review the draft policy.  
24

25 ***Motion was made by Commissioner Wootten to table this item until next***  
26 ***month. The Board voted unanimously 5-0 in favor. Motion carried.***  
27

28 **11. Identity Theft Prevention Policy**  
29

30 Asst. Town Manager / Finance Officer Mitsy Overman addressed the Board  
31 regarding this agenda item. The following excerpt from Town Manager Rush's  
32 memo to the Board is provided for additional background:  
33

34 The Board of Commissioners is scheduled to consider a formal Identity Theft Prevention Policy and Breach Response  
35 Plan at the August 11 meeting. The attached policy was prepared by Mitsy Overman, Assistant Town Manager /  
36 Finance Officer, and was modeled after a policy recommended by the NC League of Municipalities.  
37

38 In response to concerns about the increasing risk of identity theft, the Federal Trade Commission now requires all  
39 municipalities to develop, adopt, and implement a formal identity theft prevention program. Initially, this requirement  
40 applied only to municipalities that operate a public utility system, but the requirement has now been expanded to all  
41 municipalities. As you know, the Town of Emerald Isle does not operate a public utility system, however, certain  
42 records maintained by various Town departments are sensitive in nature and could be used to commit identity theft.  
43

44 The basic goal of the attached policy is to promote a greater awareness of potential identity theft risks among Town  
45 employees so that they are more cognizant of these issues if their jobs require the handling of sensitive and  
46 confidential personal information. The attached policy will be provided to all Town employees whose jobs involve the  
47 handling of sensitive information and each such employee will be required to sign the attached form.  
48

49 The attached policy includes the following:  
50  
51

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- a list of examples of sensitive identifying information (social security numbers, credit card numbers, fingerprints, etc.) and confidential information (911 information, criminal investigations info, etc.) that should be considered for special protection by Town employees,
- a requirement for each Town department to develop internal procedures and limit access to sensitive and confidential information,
- procedures for creating, handling, maintaining, storing, and disposing of sensitive and confidential information (show only last 4 numbers of credit cards, shredding of files, physically secure sensitive information, proper computer security),
- a list of indicators, or "red flags", that sensitive information may be being fraudulently used (alerts from consumer reporting agencies, altered or forged documents, inconsistencies in identifying information, unusual number of inquiries, etc.), and
- procedures for identifying and responding to a suspected breach of sensitive and confidential information, and requirements to notify potentially affected individuals (the Town will directly notify all individuals whose sensitive or confidential information may have been compromised).

Much of the policy includes commonly known risks or common-sense practices, however, it is helpful to have this information in a formal policy to remind Town staff of the need to be attentive to these concerns as they perform their jobs.

To our knowledge, the Town has not suffered any breaches in sensitive or confidential information in recent years.

Mitsy Overman will review the attached Identity Theft Prevention Policy at the August 11 meeting, and will be available to answer any questions.

The Board discussed this proposed policy. Commissioner Hedreen felt that having a formal policy that outlined methodology and training of employees, making them more aware of actions required on their part would help reduce the liability for the Town and was a good idea.

***Motion was made by Commissioner Hedreen to adopt the Identity Theft Prevention Policy. The Board voted unanimously 5-0 in favor. Motion carried.***

**Clerks Note: A copy of adopted Identity Theft Prevention Policy incorporated herein by reference and hereby made a part of these minutes.**

## **12. Internal Control Policy**

Asst. Town Manager / Finance Officer Mitsy Overman addressed the Board regarding this agenda item. The following excerpt from Town Manager Rush's memo to the Board is provided for additional background:

The Board of Commissioners is scheduled to consider a formal Internal Control Policy at the August 11 meeting. The attached policy was prepared by Mitsy Overman, Assistant Town Manager / Finance Officer, and has been reviewed by Town department heads, the Town Manager, and the Town's audit firm.

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1  
2 The attached Internal Control Policy emphasizes and documents various procedures used by Town staff that are  
3 intended to:

- 4     • insure the accuracy of financial information,  
5  
6     • promote the efficient and effective use of Town resources,  
7  
8     • insure compliance with appropriate laws, regulations, and other oversight bodies, and  
9  
10    • prevent, deter, and identify opportunities for theft and fraud.

11  
12 Town staff have been utilizing the vast majority of these controls for many years, however, many of these controls were  
13 not formally documented prior to the preparation of the attached Internal Control Policy. The Town's audit firm  
14 highlighted the need to document these controls during the Town's last financial audit, and that recommendation  
15 resulted in the development of this formal Internal Control Policy.

16  
17 The attached policy includes controls in the following areas:

- 18  
19     • the Town's accounting system, including, among others  
20       o segregation of billing, collection, and reporting duties,  
21       o review of departmental cash receipts, and  
22       o independent bank statement reconciliation;  
23  
24     • Statutorily-required controls, including, among others  
25       o budget compliance,  
26       o official record-keeping, and  
27       o bonding of key staff;  
28  
29     • the Town's tax collection system, including, among others  
30       o maintenance of tax records,  
31       o releases and refunds, and  
32       o write-offs;  
33  
34     • cash disbursements / accounts payable, including, among others  
35       o appropriate expenditure controls,  
36       o verification of and accuracy of payments due, and  
37       o multiple check signatures;  
38  
39     • payroll disbursements, including, among others  
40       o documentation of hiring and salary decisions,  
41       o verification of compensable time, and  
42       o verification of direct deposits;  
43  
44     • the Town's purchasing procedures, including, among others  
45       o purchase order authority, and  
46       o requirements for competitive quotes;  
47  
48       and  
49  
50     • the investment of Town funds.

51  
52  
53 Mitsy Overman will review the attached Internal Control Policy at the August 11 meeting, and will be available to  
54 answer any questions.

1  
2 ***Motion was made by Commissioner Messer to adopt the Internal Control***  
3 ***Policy. The Board vote unanimously 5-0 in favor. Motion carried.***

4  
5 **Clerks Note:** A copy of adopted Internal Control Policy is incorporated herein by reference and  
6 hereby made a part of these minutes.

7  
8 **13. Appointment – Emerald Isle Parks and Recreation Association, Inc.**

9  
10 **Brief Summary:** There is one vacancy on the Emerald Isle Parks and  
11 Recreation Association, Inc. for a term that expires in August 2012.

12  
13 ***Motion was made by Commissioner Wootten to appoint Linda Hughs to the***  
14 ***Emerald Isle Parks and Recreation Association, Inc. for a term that will***  
15 ***expire in August 2012. The Board voted unanimously 5-0 in favor. Motion***  
16 ***carried.***

17  
18 **14. Comments from Town Clerk, Town Attorney, and Town Manager**

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

21  
22 Town Manager Rush stated that barring any unforeseen major catastrophe this  
23 would be the last board meeting held in the gymnasium. Town Manager Rush  
24 also updated and discussed with the Board the status of the NC 58 bike path  
25 project as well as the status of the Static Line Exception.

26  
27 The following is an excerpt from the Town Manager Comments memo to the  
28 Board for additional items of importance:

29  
30 **Town Administration Building**

31 The new building is just about complete, and we expect to receive a CO later this week. We expect to complete the  
32 move from the Town Meeting Room to the new building later this week and this weekend, and open for business on  
33 Monday, August 17. I expect that there will be some typical moving-related glitches, however, we should be able to  
34 provide basic customer service later this week and early next week. I also expect that there will be minor items to be  
35 addressed in the coming weeks, and we will address these items as they surface.

36  
37 **NC 58 Bike Path Project**

38 Draft plans and specifications have been submitted to NCDOT for preliminary in-house review. We are working  
39 through various issues with NCDOT regarding the design and layout of the new bike path and hope to have these  
40 issues resolved by the end of August. We hope to secure approval to begin the bid process in early October. My goal  
41 is to present a contract award for consideration by the Board at the November Board meeting.

42  
43 The design process for this project has been frustrating, and this project appears to be experiencing a much higher  
44 level of scrutiny from NCDOT than the Town's previous bicycle path projects, although in our opinion there aren't any  
45 significant differences between the previous projects and this one. The result is that the current project is likely to  
46 include more expense for grading, fill dirt, storm water measures, retaining walls, and relocation of utility pedestals than  
47 previous projects, which will ultimately result in less bicycle path distance.

48  
49

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1  
2 Based on our engineer's preliminary cost estimate, we now believe we will be fortunate to achieve a total of 2 miles of  
3 new bicycle path rather than 4 miles as hoped. The project will be bid in approximately 1-mile increments, and the  
4 Board will be presented with options about which 1-mile segments to award in November.  
5

6 **Aquarium Pier at Emerald Isle**

7 The design team led by Moffatt & Nichol Engineers and BJAC Architects is nearing completion of the programming  
8 phase of the design, and will soon present a formal report to the NC Aquariums, the Town, and the Advisory  
9 Committee. This report will summarize the various comments and input received over the past few months, and will  
10 outline the likely design parameters for the project. This report is expected in mid-August, and the Advisory Committee  
11 will meet again on September 23 at 10 am to discuss the report and provide additional feedback.  
12

13 There had been some prior discussion about holding a public informational meeting about the project in September,  
14 however, the Advisory Committee decided to wait until spring to hold such a meeting.  
15

16 **The Point**

17 We continue to monitor oceanfront erosion at The Point, and will make a decision on the ability to open the vehicle  
18 ramp at The Point in September prior to the start of beach driving season on September 15. It will also likely be  
19 necessary to again prevent vehicles from traveling further west on the oceanfront beyond the Channel Drive walkway.  
20

21 We continue to believe that this round of oceanfront erosion is not as severe as we experienced in 2007, and that it will  
22 repair itself. There is again evidence of sand moving onto the beach and down the beach from the east in this area,  
23 and we believe the same natural repair will occur as occurred in 2008. We are also still on track to receive additional  
24 sand from the dredging of the Atlantic Intracoastal Waterway in November and December.  
25

26 **General Fund Cash Flow**

27 As noted on the attached monthly budget report, the Town's General Fund cash is approximately \$900,000. Including  
28 all Town funds, total cash is approximately \$3.6 million, so the Town is not in any critical situation at all, however, I  
29 wanted to make the Board aware of the General Fund cash situation. I don't believe that the Town will have any  
30 difficulty meeting its obligations in a timely manner, however, we will be closely monitoring the Town's General Fund  
31 cash balances. The summer months are typically the period of the year with the lowest cash balances, and this  
32 decrease is more significant this year because the Town has completed several capital projects and has depleted  
33 funds that had been reserved for capital projects in recent years.  
34

35 **Beach Vitex Work To Occur in September and October**

36 Parks and Recreation Department staff will be working on the removal of beach vitex plants from 51 locations on the  
37 oceanfront in September and October, the ideal time to remove the plants. The treatment process involves three  
38 separate herbicide applications that are accomplished by scratching the bark and "painting" the herbicide directly on  
39 the plant. Once the vitex is dead, it will be removed from the site.  
40

41 Permission letters have been received from 35 of the affected property owners, and a reminder letter will be sent to  
42 these property owners to let them know that the work will occur this fall (rather than last fall as originally hoped). A new  
43 request for permission will be sent to the other 16 property owners. No removal will occur without permission of the  
44 property owner. In most instances, the area from which the vitex will be removed is small and/or scattered, and natural  
45 vegetation should reoccupy those areas relatively quickly. In a few locations, the vitex area is significant, and  
46 replacement dune plants will be installed in February or March, the optimal time for dune plantings.  
47

48 **Police Grant Denied**

49 As you know, the Town had applied for Federal funding to restore the frozen Police Officer position earlier this year.  
50 The grant process was extremely competitive, and although the Town has not yet received formal notification of denial,  
51 we believe that we were not selected for funding. Chief Hargett and I will be reviewing the status of the Police  
52 Department budget and overall Town revenues in the coming months, and may recommend that this position be  
53 reinstated later this year or early next year.  
54

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1  
2 **Clean Water Management Trust Fund Grants**

3 The latest version of the State budget includes a \$50 million appropriation for the Clean Water Management Trust  
4 Fund (CWMTF), and the CWMTF has previously indicated that any new FY 09-10 funds would be used to honor FY  
5 08-09 grant awards. As you know, the Town was awarded \$75,000 for a storm water study to identify ways to  
6 eliminate or improve storm water outfalls that lead to Archer's Creek, and was also awarded \$97,000 to remove  
7 existing storm water outfalls in eastern Emerald Isle that lead to Bogue Sound. Both of these grants are relatively  
8 small, and I am hopeful that the CWMTF will release funding for at least one, if not both, of these grant awards later  
9 this fall.

10  
11 **2009 Tax Bills**

12 Town staff expect to mail out the 2009 tax bills later this week. 2009 taxes are technically due in September, but  
13 penalties do not begin until January 2010.

14  
15 **Representative Walter B. Jones, Jr.**

16 Congressman Jones will attend the next meeting of the Crystal Coast Mayor's Association on Wednesday, August 19  
17 at 6:30 pm in Swansboro. Mayor Schools, Mayor Pro-Tem Messer, and I will attend. I expect that the proposed  
18 changes to the Coastal Barrier Resources System and Federal funding for dredging and beach nourishment will be  
19 among the topics for discussion.

20  
21 **Status of the Static Line Exception**

22 With the apparent forthcoming adoption of the State budget, I expect that the General Assembly will adjourn soon  
23 thereafter. Unless something changes, I expect the General Assembly to adjourn without addressing the CRC  
24 regulations approved last September that pertain to graduated setbacks and the static line exception. The result would  
25 be that those rules would go into effect later this month. The Town would then need to submit its 25-year beach  
26 nourishment plan to the CRC for consideration later this year or early next year. I hope to present a draft 25-year  
27 beach nourishment plan to the Board in November or December for your review, and then submit the Town's approved  
28 plan soon thereafter. If the CRC ultimately approves the Town's plan, the non-conforming lots on the east end of Town  
29 would use the actual first line of stable vegetation for oceanfront building setbacks rather than the static line, thus  
30 making many, but likely not all, of those properties conforming again.

31  
32 **Request for Proposals for Banking Services**

33 You may recall that one of my goals for quite some time has been to solicit competitive proposals for Town banking  
34 services. The Town has utilized First Citizens Bank for many years, and there are no complaints about First Citizens'  
35 services. However, it is prudent to occasionally solicit proposals for these services, and I still hope to accomplish this  
36 sometime soon. I simply wanted to let the Board know that I have not forgotten this item.

37  
38 **Green Challenge Committee**

39 Alesia Sanderson, Parks and Recreation Director and Co-Chair of the Town's Green Challenge Committee, submitted  
40 this update:

41  
42 "Frank –

43  
44 The Green Challenge Committee has focused on primarily education among employees regarding recycling  
45 and energy reduction. When the committee was first formed there were only two departments recycling and  
46 now all departments are participating. Although a small step, it is an important one to get our employees in  
47 that state of mind. At the Community Center we were having a problem with rain run off washing over the  
48 sidewalks. We have installed rain barrels in these locations to eliminate the problem as well as provide water  
49 for plantings around the building.

50 Carteret Craven EMC has conducted an energy audit and the findings have been forwarded to department  
51 heads as well as yourself. Aside from the change order to LED exit lights in the new administration building,  
52 removal of lights in vending machines at community center and unplugging exercise equipment nightly, I  
53 have not seen many of these suggestions implemented and feel that some coaxing from you would be  
54 helpful.

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1  
2 The committee is currently working on developing an Energy Plan which will need to be adopted by the BOC  
3 in coming months. It is necessary that this plan be on file with the State Energy Office in order to apply for  
4 Federal Recovery Energy Grant funds for solar panels for Town buildings. We are compiling information from  
5 all departments now to determine where they may be most beneficial. Applications will be accepted through  
6 August or September for round one of funding and again through April 2010 for round two. We will keep you  
7 up to date on where we stand.

8 Thanks! Alesia"  
9

10 I have not yet had an opportunity to focus on the findings of the recent energy audit, but plan to work with the  
11 appropriate department heads to implement more of the suggestions in the near future. As Alesia noted, Town staff  
12 are preparing a Town Energy Plan, and are also developing a grant application to outfit Town buildings with solar  
13 electricity. These items will be presented to the Board at an upcoming Town meeting.  
14

15 **15. Comments from Board of Commissioners and Mayor**

16  
17 There were no further comments from the Board of Commissioners. Mayor  
18 Schools welcomed Bobby O'Donnell a new resident in Town in attendance.  
19 Mayor Schools stated that Mr. O'Donnell is a physician at Camp LeJeune, and  
20 also a new member of the EMS squad.  
21

22 **16. Closed Session – Pursuant to NCGS 143-318.11(5), for the Purpose of**  
23 **Discussing Potential Real Estate Acquisition**

24  
25 ***Motion was made by Commissioner Messer to enter Closed Session. The***  
26 ***Board voted unanimously 5-0 in favor. Motion carried.***  
27

28 ***Motion was made by Commissioner Hoover to return to Open Session. The***  
29 ***Board voted unanimously 5-0 in favor. Motion carried.***  
30

31 There was no action taken as a result of Closed Session.  
32

33 **Adjourn**

34  
35 ***Motion was made by Commissioner Wooten to adjourn the meeting. The***  
36 ***Board voted unanimously 5-0 in favor. Motion carried.***  
37

38 ***The meeting was adjourned at 7:40 pm.***  
39

40 Respectfully submitted:  
41  
42  
43

44 Rhonda C. Ferebee, CMC  
45 Town Clerk  
46  
47