

1                   MINUTES OF THE REGULAR SCHEDULED MEETING  
2                   OF THE EMERALD ISLE BOARD OF COMMISSIONERS  
3                   TUESDAY, DECEMBER 11, 2007 – 6:00 P.M. – COMMUNITY CENTER  
4

5 The regular monthly meeting of the Emerald Isle Board of Commissioners was  
6 called to order by Mayor Art Schools at 6:00 PM.  
7

8 Present for the meeting: Mayor Art Schools, Commissioners Nita Hedreen, Tom  
9 Hoover, Floyd Messer, John Wootten, and Maripat Wright  
10

11 Others present: Town Attorney Richard Stanley, Town Manager Frank Rush,  
12 Asst. Town Manager/ Finance Officer Mitsy Overman, Town Clerk Rhonda  
13 Ferebee, Public Works Director Artie Dunn, and Parks and Recreation Director  
14 Alesia Sanderson  
15

16 Also present: North Carolina State Representative Pat McElraft  
17

18 After roll call all who were present recited the Pledge of Allegiance.  
19

20 **4. ADOPTION OF AGENDA**  
21

22 Town Manager Rush advised the Board that he had replaced the resolution for  
23 Agenda Item 9e with a revised resolution titled Resolution of Intent to Complete  
24 Land Swap with Emerald Isle Realty.  
25

26 ***Motion was made by Commissioner Hoover to adopt the Agenda to include***  
27 ***the revised Item 9e. The Board voted unanimously 5-0 in favor. Motion***  
28 ***carried.***  
29

30 **5. PROCLAMATIONS / PUBLIC ANNOUNCEMENTS**  
31

32 **a. 2057 Time Capsule**  
33

34 Mayor Schools explained the 2057 Time Capsule that will be stored in a display  
35 case in the new Town Administration Building. Mayor Schools noted that this is  
36 the last meeting this year in celebration of the Town's 50<sup>th</sup> Birthday and the time  
37 capsule was purchased to be displayed in the new Town Administration Building  
38 until it is opened 50 years from now. A list of items being stored inside the  
39 capsule was provided and is attached to and hereby made a part of these  
40 minutes.  
41

42 Mayor Schools noted the following public announcements:  
43

- 44 • **Friday Free Flick – “Ratatouille” – Friday, December 14 – 7 pm –**  
45 **Community Center**
- 46 • **Planning Board Regular Meeting – Cancelled for December**

- 1
- 2
- 3 • **Christmas Holiday – Monday and Tuesday, December 24 – 25 – Town**
- 4 **Offices and Community Center Closed**
- 5 • **Christmas Holiday – Wednesday, December 26 – Town Offices**
- 6 **Closed, Community Center Open**
- 7 • **New Years’ Holiday – Tuesday, January 1 – Town Offices and**
- 8 **Community Center Closed**
- 9 • **Youth Recreational Opportunities Committee – Monday, January 7 –**
- 10 **6 pm – Community Center**
- 11 • **Board of Commissioners Regular Meeting – Tuesday, January 15 – 6**
- 12 **pm – Community Center**
- 13 • **Open House – New Police Station – Tuesday, January 15 – 5 pm –**
- 14 **6 pm**
- 15

16 **6. INSTALLATION OF ELECTED OFFICIALS**

- 17
- 18 **a. Oaths of Office to Commissioners Hedreen, Hoover, and Messer**
- 19 **b. Election of Mayor Pro-Tem**
- 20 **c. Oath of Office to Mayor Pro-Tem**
- 21

22 North Carolina Representative Pat McElraft was present to administer the Oaths  
23 of Office to the recently re-elected Commissioners Hedreen, Hoover, and  
24 Messer.

25  
26 Representative McElraft spoke of how proud she was, noting that when they talk  
27 about premier storm water ordinances all over the whole state they talk about  
28 Emerald Isle, and she knew that all of the Board had a part in that, and she  
29 thanked the members of the Board for their dedication.

30  
31 Following the Oaths of Office ***motion was made by Commissioner Hoover to***  
32 ***nominate Commissioner Floyd Messer as Mayor Pro-Tem. The Board***  
33 ***voted unanimously 5-0 in favor. Motion carried.***

34  
35 Representative Pat McElraft administered the Oath of Office to Mayor Pro-Tem  
36 Floyd Messer.

37  
38 **7. CONSENT AGENDA**

- 39
- 40 **a. Minutes – November 1, 2007 Special Meeting**
- 41 **b. Tax Refunds / Releases**
- 42 **c. Resolution Authorizing Grant Application for Polaris Ranger Vehicle**
- 43 **d. Budget Amendment – Fire Department Donations (07-12-11/R1)**
- 44
- 45

- e. **Resolution of Intent to Amend the Boundaries of the Primary Benefit Municipal Service District and Secondary Benefit Municipal Service District – 199 Bogue Court (07-12-11/R2)**
- f. **2008 Meeting Schedules – Board of Commissioners / Planning Board**

*Motion was made by Commissioner Hedreen. The Board voted unanimously 5-0 in favor. Motion carried.*

Note: A copy of above noted Consent Agenda items including Resolutions 07-12-11/R1 and 07-12-11/R2 are incorporated herein by reference and hereby made a part of these minutes.

## **8. PUBLIC COMMENT**

**Brief Summary: The public will have the opportunity to address the Board about any items of concern not on the agenda.**

There were no comments from the Public.

## **9. PROPOSED LAND PURCHASE**

- a. **Public Hearing on Proposed Installment Financing Agreement for Land Purchase**
- b. **Resolution Authorizing Filing of an Application for Approval of a Financing Agreement (NC Local Government Commission) (07-12-11/R3)**
- c. **Resolution Authorizing Installment Financing Agreement for Seller-Financing (07-12-11/R4)**
- d. **Resolution Authorizing Land Purchase Contract (07-12-11/R5)**
- e. **Resolution of Intent to Complete Land Swap With Emerald Isle Realty (07-12-11-R6) (Replacement Resolution as approved with adoption of Agenda)**
- f. **Capital Project Ordinance**

Town Manager Frank Rush addressed the Board concerning this agenda item. The following excerpt from Town Manager Rush's memo to the Board is provided as background:

The Board of Commissioners is scheduled to consider the purchase of a 1.2 acre +/- vacant tract of land located at 7507 Emerald Drive, directly across from the existing Town Hall complex. The purchase price for the property is \$650,000. There are several action items pertaining to the purchase of the land on the agenda for the December 11 meeting.

The purchase of the property represents a unique opportunity for the Town to secure land strategically located adjacent to the Town Hall complex. The purchase of the land will allow for future expansion of Town facilities in close proximity to the existing Town Hall complex, and will insure the most effective and efficient provision of Town services in the future. A portion of the property could be used immediately for the construction of the new Town

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1  
2 Administration Building (this use would require approximately 1/3 of the total land area), with the remainder reserved  
3 for future use, OR the entire tract could be reserved for future use.  
4

5 A boundary and topographic survey of the property is attached for the Board's review. The property to be purchased is  
6 one tract of land that consists of 4 vacant lots. The property is indicated as lots 3, 4, 5, and 6 on the attached survey.  
7 Each of the 4 lots is of the typical residential lot size in Emerald Isle, with an average size of 80 feet wide by 163 feet  
8 deep. All of the 4 lots are located on a high, sandy ridge, and are considered to be quality building lots on the ocean  
9 side of NC 58. The elevations on the tract range from 6 ft. above sea level (in a low depression) to 30 ft. above sea  
10 level, with the vast majority of the tract at elevations of 15 – 25 feet. The tract has total road frontage on Emerald Drive  
11 of 320 feet. The current owners of the property are Mr. and Mrs. Clark Wylde.  
12

13 The property is currently zoned Residential Motel Hotel (RMH), which allows single family and multi-family residential  
14 development and limited commercial uses – including hotels and motels. The Town's Land Use Plan projects this  
15 property as "Commercial Corridor". Use of the property for future Town facilities is consistent with both the current  
16 zoning and the Land Use Plan.  
17

18 The Town has a contract to purchase the land for \$650,000. The contract was executed on November 21, 2007 by the  
19 Town Manager, but includes a typical contingency indicating that the Board of Commissioners must approve the  
20 contract for it to be valid. A copy of the contract is attached for the Board's review. The contract also includes several  
21 other contingencies, including approval of the proposed installment (seller) financing contract by the NC Department of  
22 State Treasurer, a suitable septic system evaluation, and a satisfactory land survey. If all contingencies are satisfied,  
23 the closing would occur on or before January 15, 2008.  
24

25 The total purchase price equates to an average lot price of \$162,500 per lot. Given the high real estate values in  
26 Emerald Isle in 2007, and the fact that other comparable lots are listed for more than \$250,000 each, this appears to  
27 be a fair and reasonable purchase price for the Town. The per lot price of \$162,500 is perhaps lower than even the  
28 lowest-priced lots in Emerald Isle, which are generally in locations much further from the Atlantic Ocean or Bogue  
29 Sound.  
30

31 As noted above, the real estate purchase contract includes an installment (seller) financing contract. The contract calls  
32 for the Town to make a \$65,000 down-payment on the property at closing, and then finance the remaining \$585,000  
33 balance over a period of 9 years. The contract specifies an annual interest rate of 3.6%, which is comparable to the  
34 rate the Town could receive from a private lending institution. Because the Town is a governmental entity, the interest  
35 earnings will be tax-exempt for the sellers, hence the low interest rate. The contract calls for annual principal and  
36 interest payments on January 15 of each year, with level principal payments of \$65,000 per year plus accrued interest.  
37 A copy of the payment schedule is attached to the contract. The first payment on January 15, 2009 would equal  
38 \$86,060, and this amount would gradually decline to \$67,340 on January 15, 2017.  
39

40 A detailed description of each action item follows.  
41

42 Public Hearing on Proposed Installment Financing Agreement

43 First, the Board is scheduled to conduct a public hearing on the proposed installment (seller) financing agreement for  
44 the purchase of the land. A public hearing is required prior to Board action to enter into the financing agreement.  
45

46 As noted earlier, the sellers are willing to provide financing at terms comparable to the terms available from a private  
47 lending institution. The terms of the proposed seller-financing agreement are actually identical to the terms offered to  
48 the Town by RBC Centura for a nearly identical financing agreement in November.  
49  
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1  
2 Resolution Authorizing Filing of an Application for Approval of a Financing Agreement (NC Local Government  
3 Commission)

4 The proposed installment (seller) financing agreement must be approved by the NC Local Government Commission  
5 prior to closing on the financing. The attached resolution authorizes the Town Manager to submit the appropriate  
6 application, and also outlines the need for the proposed land purchase and the reasons for utilizing an installment  
7 (seller) financing agreement.  
8

9 The NC Local Government Commission (LGC) will consider the Town's application at its January 8, 2008 meeting in  
10 Raleigh. We do not anticipate any difficulty in receiving the LGC's approval due to the fact that the Town maintains a  
11 solid financial position, has limited outstanding debt other than the remaining beach nourishment bonds (the \$500,000  
12 debt on the new EMS Station is the only other Town debt), and because of the benefits of the land purchase.  
13 Assuming LGC approval on January 8, the closing on the land purchase and the installment (seller) financing  
14 agreement would occur on or before January 15, assuming all other contingencies are satisfied.  
15

16 Resolution Authorizing Installment Financing Agreement for Seller-Financing

17 This attached resolution formally authorizes the Town Manager and other Town officials to execute the installment  
18 (seller) financing agreement described above with the sellers, Mr. and Mrs. Clark Wylde.  
19

20 This attached resolution indicates that the installment (seller) financing agreement will be consistent with the seller-  
21 financing addendum included in the real estate purchase contract dated November 21, 2007. As noted above, the  
22 contract calls for a total loan amount of \$585,000 over a 9-year period at an annual interest rate of 3.6%.  
23

24 As noted in the attached resolution, the debt will be secured by the land itself. Town Attorney Richard Stanley will  
25 prepare the installment (seller) financing contract and the associated Deed of Trust with direction from the NC Local  
26 Government Commission and in consultation with the sellers' accountant and/or attorney. As noted in the attached  
27 resolution, the installment (seller) financing agreement is a qualified, tax-exempt obligation.  
28

29 Resolution Authorizing Land Purchase Contract

30 The attached resolution formally authorizes the purchase of the land, and would satisfy the contingency in the contract  
31 that requires formal Board of Commissioners approval.  
32

33 All other contingencies would remain in effect, and it will be incumbent upon the Town Manager and the Town Attorney  
34 to insure that the other contingencies are satisfied prior to closing.  
35

36 Resolution Authorizing Land Swap with Emerald Isle Realty

37 The attached resolution would authorize the Town Manager to complete a land swap with Emerald Isle Realty that  
38 would consolidate Emerald Isle Realty's property in this area, and would move the Town's new property slightly west  
39 and closer to the intersection of NC 58 and Seagull Drive. The land swap is advantageous for both parties.  
40

41 The 1.2 acre +/- tract is located directly across NC 58 from the Town Hall complex, and is directly in between two other  
42 parcels owned by Emerald Isle Realty. The 4 lots to be acquired by the Town are labeled as lots 3, 4, 5, and 6 on the  
43 attached survey. Lots 2 and 7 are owned by Emerald Isle Realty. If the Board approves the attached resolution, the  
44 vast majority of lot 6 would be transferred to Emerald Isle Realty, and the Town would receive lot 2. Both lots are of  
45 similar quality. Lot 2 is slightly smaller than lot 6 and has a slightly irregular shape, and as a result the Town would  
46 retain 2 feet of road frontage (for the entire 163 feet of depth) on lot 6. Lot 6 would be reduced to 78 feet wide by 163  
47 feet deep, and would remain a conforming residential lot.  
48

49 The attached resolution indicates that the land swap would occur at no cost to either party.  
50

51 **Clerks Note: The above Resolution Authorizing Land Swap with Emerald Isle Realty was replaced during the**  
52 **Board's Adoption of the Agenda at the request of Town Manager Rush with Resolution of Intent to Complete**  
53 **Land Swap with Emerald Isle Realty)**  
54

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1  
2 Capital Project Ordinance

3 The attached capital project ordinance formally appropriates funding for the land purchase. The ordinance  
4 appropriates a total of \$650,000 for the purchase, with \$65,000 to be transferred from the General Fund, and \$585,000  
5 derived from the installment (seller) financing contract.

6  
7 The capital project ordinance is largely procedural in nature, as no cash will actually be exchanged for the installment  
8 (seller) financing contract.

9  
10 ***Motion was made by Commissioner Messer to open the Public Hearing on***  
11 ***the Proposed Installment Financing Agreement. The Board voted***  
12 ***unanimously 5-0 in favor. Motion carried.***

13  
14 There were no comments from the Public.

15  
16 ***Motion was made by Commissioner Messer to close the Public Hearing.***  
17 ***The Board voted unanimously 5-0 in favor. Motion carried.***

18  
19 Based on a question from Commissioner Wootten, Town Manager Rush noted  
20 that based on projections included in the Fiscal 07-08 budget, early projections  
21 indicate an approximate \$330,000 deficit at the current 6.7 cent rate, so it will  
22 certainly be a challenging budget year. Mr. Rush added that the 5-year  
23 projection includes the 5-year capital improvement program and there will  
24 certainly be some flexibility for the Board to adjust the project schedule or the  
25 scope of the projects to be pursued.

26  
27 Commissioner Wootten felt that a major reason for doing this was the grand  
28 opportunity to be able to put the new Town Administration Building there.  
29 Commissioner Messer agreed, commenting on the foresight of people well  
30 before now, that if not for them this land wouldn't be sitting here being used right  
31 now, so whether this land would be used for a Town Hall or not it would at least  
32 free up the land behind the current Town Hall for further expansion, and anytime  
33 you could buy that much land on a main thoroughfare in any town for this kind of  
34 money he felt was a bargain.

35  
36 ***Motion was made by Commissioner Wright to approve the Resolution***  
37 ***Authorizing the Filing of an Application for Approval of a Financing***  
38 ***Agreement. The Board voted unanimously 5-0 in favor. Motion carried.***

39  
40 ***Motion was made by Commissioner Wootten to approve the Resolution***  
41 ***Authorizing an Installment Financing Agreement for Seller Financing. The***  
42 ***Board voted unanimously 5-0 in favor. Motion carried.***

43  
44 ***Motion was made by Commissioner Messer to approve the Resolution***  
45 ***Authorizing a Land Purchase Contract. The Board voted unanimously 5-0***  
46 ***in favor. Motion carried.***

1  
2 ***Motion was made by Commissioner Hedreen to approve the Capital Project***  
3 ***Ordinance for the land purchase. The Board voted unanimously 5-0 in***  
4 ***favor. Motion carried.***

5  
6 ***Motion was made by Commissioner Wootten to approve the Resolution of***  
7 ***Intent to Complete the Land Swap with Emerald Isle Realty. The Board***  
8 ***voted unanimously 5-0 in favor. Motion carried.***

9  
10 **Note: A copy of all above noted items including Resolutions 07-12-11/R3 through 07-12-11/R6 are**  
11 **incorporated herein by reference and hereby made a part of these minutes.**

12  
13 **10. NEW TOWN ADMINISTRATION BUILDING**

- 14  
15 **a. Decision on Building Site**  
16 **b. Rejection of Construction Bids**  
17

18 Town Manager Rush noted that this item involves two different decisions, one to  
19 formally make a decision on the building site for the new Town Administration  
20 Building, the other being the recommendation that the Board reject the  
21 construction bids received last Thursday for the new building. The following  
22 excerpt from Town Manager Rush's memo to the Board is provided as  
23 background:  
24

25 The Board of Commissioners is scheduled to consider two actions pertaining to the new Town Administration Building  
26 at the December 11 meeting. First the Board is asked to determine if the new building should be located on the 1.2  
27 acre +/- vacant tract of land located across from the Town Hall  
28 complex OR on the previously identified site between the existing Town Hall building and the tennis courts. Second,  
29 the Board is asked to formally reject all bids received during the recent construction bid solicitation for the new building.  
30

31 Decision on Building Site

32 There has been previous discussion about the idea of locating the new Town Administration Building on the 1.2 acre  
33 +/- vacant tract across from the Town Hall complex. If the Board approves the proposed land purchase, the Board  
34 should make an official decision on whether or not to locate the new building on the 1.2 acre +/- tract OR proceed with  
35 the original plan to build the new building between the existing Town Hall building and the tennis courts.  
36

37 There are pros and cons associated with each approach. The new tract is a much more visible location for the new  
38 building, and will be easier for the public to recognize and locate. The new building will also foster a greater sense of  
39 identity for the Town in this location. The location of the new building on the new tract would also eliminate the  
40 "crowded" feel of the originally planned location. The originally planned location could be reserved for future Town use,  
41 possibly including the future construction of a skate park or other future Town building.  
42

43 The new building would only occupy approximately 1/3 of the new tract, and there would be sufficient remaining land  
44 for future expansion, potentially including a future new Board meeting room. The new building and associated parking,  
45 septic, and storm water facilities will likely occupy approximately 15,000 – 20,000 sq. ft. of the new property, which  
46 would leave approximately 32,000 – 37,000 sq. ft. for future use.  
47  
48  
49  
50

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1  
2 On the negative side, the new tract is located across NC 58, and will require Town staff and the public to cross the  
3 road to access other Town offices and facilities. This issue is not as great of a concern during the off-season,  
4 however, NC 58 can be difficult and potentially dangerous to cross during the tourism season. This concern could  
5 likely be alleviated with the installation of a crosswalk (but not a signal) at the intersection of Seagull Road and NC 58.  
6 The location of the new building on the new tract will also result in additional cost for the construction of a 13-vehicle  
7 parking area and more involved site clearing and grading. The "ballpark" cost estimate for the additional grading  
8 expense is approximately \$15,000 - \$20,000, and the "ballpark" cost estimate for the parking area is approximately  
9 \$20,000 - \$25,000.

10  
11 A copy of the boundary and topographic survey for the new property is included in the agenda packet under item #9. If  
12 the Board decides to locate the new building on the new property, it appears that the best location on the new property  
13 would be on the far western end of the property. This area would be most of lot 2 and a portion of lot 3, assuming that  
14 the associated land swap with Emerald Isle Realty occurred. If the land swap did not occur, the best location would be  
15 on most of lot 3 and a portion of lot 4. The remaining land to the east would be reserved for future Town use.

16  
17 A copy of the site plan for the originally planned location is also attached, and has been approved by the Planning  
18 Board. This location does not require additional parking because the overall Town Hall complex already has ample  
19 parking to meet the Town's ordinance requirements.

20  
21 Rejection of Construction Bids

22 The Town solicited construction bids for the new Town Administration Building in early November, and opened bids for  
23 the project on December 6. The bid solicitation was based on the construction of the new building on the location  
24 between the existing Town Hall building and the tennis courts, as the Town did not begin to pursue the 1.2 acre +/-  
25 tract until mid-November.

26  
27 As you know, the new building includes approximately 3,950 sq. ft. of usable office space on two stories. The new  
28 building includes offices for a total of 8 employees, and includes an elevator to reach the second story. The building is  
29 relatively small, with most new homes constructed in Emerald Isle exceeding this size. The established project budget  
30 is \$800,000, and is based on a per square foot cost estimate of \$200.

31  
32 The Town received a total of 4 bids for the project, and all are over the established project budget. The bids are as  
33 follows:

34	Norstate Contracting, Greenville, NC	\$ 996,000
35	Thomas Simpson Construction, Morehead City, NC	\$ 1,018,122
36	Bluewater Builders, Emerald Isle, NC	\$ 1,085,500
37	Group III Management, Kinston, NC	\$ 1,193,000.

38  
39  
40  
41  
42  
43 The apparent low bidder was Norstate Contracting, however, a review of their bid indicated that the bid was not  
44 comparable to the other 3 bids. Norstate's bid included a different elevator than specified, and the adjustment of the  
45 bid for this discrepancy would result in Thomas Simpson Construction becoming the low bidder. The Board should  
46 note that each of the 3 remaining bids include a heavy-duty elevator that is not necessary for the project (but was  
47 mistakenly specified), and if the bids included the correct elevator then the bids of the remaining 3 contractors would  
48 likely be significantly less than the amounts indicated above (perhaps as much as \$75,000 - \$100,000 less). This  
49 adjustment would result in the low bid being in the \$900,000 - \$950,000 range.  
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52  
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1  
2 I have discussed the reasons for the higher than anticipated bids with the architect, and we believe there are several  
3 modifications that can be made to the design that will result in lower construction cost without sacrificing function or  
4 quality to a significant degree. Because of the need to modify the building plans, and because of the potential  
5 relocation of the new building to the 1.2 acre +.tract, I recommend that the Board reject all bids and that the Town  
6 initiate a new bid solicitation process in January. The Town is much more likely to secure a more favorable price for  
7 construction by re-bidding the project than attempting to negotiate with the low bidder.  
8

9 If the Board rejects all bids, the new bid opening date will be set for January 29, 2008, and a contract award  
10 recommendation would be included on the Board's February 12 meeting agenda.  
11

12 Town Manager Rush pointed out the supplemental information provided tonight  
13 for the Board; a memo from the architect outlining some of the things to look at to  
14 refine the design to limit cost. Mr. Rush stated that his expectations would be to  
15 identify the design changes over the next few weeks, solicit bids in early January,  
16 open bids at the end of January, and hopefully have a construction contract on  
17 the February meeting agenda.  
18

19 Commissioner Messer asked if there was anything peculiar about this building,  
20 stating that he could not believe it could not be built for \$200 per square foot.  
21

22 Town Manager Rush noted the mistake in the specs of a heavy duty elevator  
23 with a price tag of approximately \$130,000 when the elevator that should have  
24 been specified would have probably cost around \$45,000. Mr. Rush said there  
25 are several items included in the specifications that are perhaps more  
26 extravagant than needed that the architect built in to make the project more of a  
27 showpiece, and he felt we really need to err more on the side of functionality  
28 without sacrificing the appearance or quality to a great degree. Mr. Rush felt  
29 with the list from the architect he felt confident they could get very close to the  
30 \$800,000 if not below. Mr. Rush added that the building itself is smaller than  
31 most of the new homes that are built in Emerald Isle and shouldn't be anything  
32 terribly complicated.  
33

34 Commissioner Messer said he didn't feel that the Town should give up things  
35 needed just for the sake of getting it under budget, which would still put the Town  
36 paying too much for the building in his opinion. He felt there is someone out  
37 there who can build the way they want for less than \$200 per square foot.  
38

39 Town Manager Rush noted the modifications that could be made that would  
40 make a significant change in the overall cost of the project, and still have a  
41 building that Emerald Isle would be proud of in the future.  
42

43 *The general consensus of the Board was to locate the new Town Administration*  
44 *Building on the tract across from the Town Hall complex.*  
45  
46  
47

1  
2 ***Motion was made by Commissioner Messer to reject all construction bids***  
3 ***received on December 6, 2007 for the new Town Administration Building.***  
4 ***The Board voted unanimously 5-0 in favor. Motion carried.***  
5

6 **11. RESOLUTION AUTHORIZING CONSTRUCTION CONTRACT FOR NEW**  
7 **PARKS MAINTENANCE BUILDING (07-12-11/R7**  
8

9 Public Works Director Artie Dunn and Parks and Recreation Director Alesia  
10 Sanderson both addressed the Board concerning this agenda item. The  
11 following excerpt from Town Manager Rush's memo to the Board is provided as  
12 background:  
13

14 The Board of Commissioners is scheduled to consider the attached resolution authorizing a construction contract for a  
15 new Parks Maintenance Building at the December 11 meeting. The attached resolution authorizes a \$68,217 contract  
16 with Smithson, Inc., Rocky Mount, NC, for a 1,600 sq. ft. metal building to house the Parks Maintenance function and  
17 for repairs to the existing Public Works main building.  
18

19 As you know, the existing Parks Maintenance Building, located near the Town Hall tennis courts and directly adjacent  
20 to Archers Creek, was heavily damaged by flooding during Hurricane Ophelia in September 2005. The flood waters  
21 were approximately 5 feet high in the building, and caused considerable damage to the building's electrical system and  
22 the equipment housed therein. The flooding caused by Hurricane Ophelia was the 4<sup>th</sup> flood event to impact the  
23 building since 1996, with each flood event resulting in damage to the building and contents and disruption of Parks  
24 Maintenance functions. Although the structure itself is still intact and is being used for storage, flood prevention  
25 regulations do not allow the restoration of the electrical system in the building at a practical location (the electrical  
26 system would have to be located entirely above the 10 ft. elevation, which would be near the ceiling of the building).  
27 The lack of a practical electrical system and the potential for future flooding make it necessary to replace this structure.  
28

29 The Parks Maintenance function has operated out of converted office space in the Community Center since Hurricane  
30 Ophelia, and has utilized different locations for "shop work" since that time, including outdoor areas, the Public Works  
31 building, and the existing Parks Maintenance building (with generators and/or extension cords). Although staff has  
32 adjusted relatively well to these difficulties, this overall work environment is not as productive and efficient as it could  
33 be and Parks Maintenance functions have likely suffered as a result. Alesia Sanderson (Parks and Recreation  
34 Director), Artie Dunn (Public Works Director), and I have struggled to find an acceptable solution to this problem since  
35 Hurricane Ophelia, and finally devised a workable strategy for which funding was included in the FY 07-08 budget  
36 adopted by the Board in June 2007. The FY 07-08 budget includes a total of \$106,000 for a new Parks Maintenance  
37 Building to be erected adjacent to the Public Works storage building on the Town Hall campus.  
38

39 The new Parks Maintenance Building, if approved by the Board, will be a 1,600 sq. ft. metal building located on the  
40 north side of the existing Public Works storage building. This location is well above the flood plain, and is conveniently  
41 located to both Public Works and Parks and Recreation facilities. The new building will be 40 ft. wide by 40 ft. deep,  
42 and will share a common wall with the existing Public Works storage building. The building will include 2 overhead  
43 doors and will be 16 ft. high, which will enable the construction of office and additional storage space on a mezzanine  
44 level in the new building. The existing footprint of the building is currently covered with asphalt, and a new 4" concrete  
45 slab will be poured for the new building. The existing Parks Maintenance building is approximately 1,500 sq. ft. in size,  
46 including a ground-floor office, and is only approximately 8 ft. high. The new building, with a mezzanine level office,  
47 will result in a net increase of approximately 300 sq. ft. for the Parks Maintenance function.  
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As you know, Artie Dunn solicited proposals for this work in October and we had planned to request Board approval at the November 13 meeting. Just prior to the meeting we learned of additional concerns regarding the selected contractor, and rejected all proposals. Artie Dunn made some adjustments to the Town's request for proposals for our second solicitation, and re-solicited proposals in November. The main difference between the second solicitation and the first is that we have now specified that no down payment will be provided, that a progress payment for the cost of building materials will be provided upon delivery to the site, and that the balance of payment will be made upon completion.

The Town received a total of 4 proposals for the new building during the second solicitation. As was the case before, the proposals also include necessary repair work to the main Public Works metal building, and that work would also be authorized by the attached resolution. The FY 07-08 Public Works budget includes a total of \$10,000 for this work (in addition to the \$106,000 allocated for the new Parks Maintenance Building). The 4 proposals are listed below:

<u>Contractor</u>	<u>New Parks Maint Building</u>	<u>Public Works Building Repairs</u>	<u>Total Cost</u>
Smithson, Inc. Rocky Mount, NC	\$ 61,243	\$ 6,974	\$ 68,217
Royall Commercial Contractors, Swansboro, NC	\$ 58,868	\$ 11,500	\$ 70,368
BJ & Associates, Morehead City, NC	\$ 66,925	\$ 15,325	\$ 82,250
Edwin N. Holt General Contractor, Swansboro, NC.	\$ 84,600	\$ 6,400	\$ 91,000

Artie Dunn has contacted previous customers of Smithson, Inc., and all have provided good references about the company's performance. The owner of Smithson, Inc., Mr. E.G. Smithson, owns a vacation home in the Swansboro area, and also operates a satellite office from his home.

The total budget for the new Parks Maintenance Building and the repairs to the main Public Works Building is \$116,000. The low bid submitted by Smithson, Inc. is approximately \$48,000 less than the amount budgeted. The Board should note, however, that the proposals from all 4 contractors include the building construction and concrete slab only, and do not include the construction of planned office and storage space on a mezzanine level. The remaining funds in the budget will be used to contract separately for the construction of the office and storage space and associated electrical, plumbing, and HVAC work. Some of this work will likely be done by Public Works staff. We do not expect to utilize the full remaining \$48,000 for these items, and hope to have a significant amount left for other Town needs.

The new building should be complete and functional this spring. The site of the new building is currently used for outdoor storage by the Public Works Department, however, these items will be reorganized. We expect to be able to make better use of the space in the existing Public Works storage building by reorganizing and/or disposing of unnecessary items. The existing Parks Maintenance building will continue to be used for storage of items that can either be moved easily if a flood event is likely or that will not be damaged by flooding.

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1  
2 Town Manager Rush noted the location of the new building will be on the north  
3 side of the Public Works storage building between the Public Works building and  
4 Archers Creek, on very high ground on an area that is currently paved and used  
5 for outdoor storage. Ms. Sanderson added that it was essential that something  
6 be constructed for the Parks Maintenance function of the Parks and Recreation  
7 Department. Ms. Sanderson noted the expensive equipment being stored  
8 outside, staff really doesn't have anywhere to work, and Public Works is  
9 overcrowded with their own employees. Ms. Sanderson commended Parks  
10 Maintenance staff for the job that they have been able to do with the ever  
11 increasing responsibilities with the new infrastructure added in the Town.

12  
13 Public Works Director Artie Dunn responded to a question from Commissioner  
14 Hoover about the location on the north side, that the north side toward the creek  
15 is more accessible with no land to clear or backfill. Town Manager Rush added  
16 that this project actually came in considerably under budget.

17  
18 ***Motion was made by Commissioner Hoover to approve the Resolution***  
19 ***Authorizing a Construction Contract for a New Parks Maintenance Building.***  
20 ***The Board voted unanimously 5-0 in favor. Motion carried.***

21  
22 **Note:** A copy of Resolutions 07-12-11/R7 is incorporated herein by reference and hereby made a  
23 part of these minutes.

24  
25 **12. DISCUSSION – CREW DRIVE IMPROVEMENTS / GATEWAY**  
26 **CONSERVATION EASEMENT**

27  
28 Town Manager Frank Rush addressed the Board concerning this agenda item.  
29 The following excerpt from Town Manager Rush's memo to the Board is provided  
30 as background:

31  
32 The Board of Commissioners is scheduled to make a final decision on how to proceed with the Crew Drive  
33 Improvements project and the associated acquisition of the "Gateway" conservation easement at the December 11  
34 meeting. As you know, the Board last discussed this issue on November 13, and directed me to send a letter to the  
35 Howe Family and present several acceptable options to resolve the issue of the road location. The Board established  
36 a November 30 deadline for a response from the Howe Family, and indicated that a final decision on how to proceed  
37 would be made at the December 11 meeting.

38  
39 The attached letter to Mr. R. Andrew Harris, the Howe Family's attorney, dated November 15, 2007 offered a total of 5  
40 options that would be acceptable to the Town and asked the Howe Family to choose one of the 5 options. Those  
41 options are consistent with the Board's discussion at the November 13 meeting, and are summarized in the letter to  
42 Mr. Harris. As of December 6, I have received no formal response from Mr. Harris nor the Howe Family. The lone  
43 communication since the November 13 Board meeting was an email inquiry from Mr. Harris on November 14 about the  
44 potential for the Town to apply for a grant to construct the road as outlined in Option 1B (use of pervious pavement). I  
45 responded to Mr. Harris that I did not believe that strategy was feasible nor timely.

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1  
2 As you know, the Town has invested a great deal of time, energy, and financial resources to reach agreement on the  
3 road location issue, complete the Crew Drive road project, and secure the associated "Gateway" conservation  
4 easement. I believe the Town has exercised extreme patience with the Howe Family, and has made an exceptional  
5 effort to address their concerns in a fair and reasonable manner. Unfortunately, it appears that these efforts have  
6 failed, and it is now necessary for the Board to make a final decision on how to proceed. I offer the following two  
7 options for the Board's consideration:  
8

9 Option X - Road Construction.

10 The Town proceeds with the construction of Crew Drive as outlined in Option 1A (traditional asphalt  
11 construction with the cul-de-sac located approximately 236 ft. from Bogue Sound). I believe this option is  
12 consistent with the language of the June 2006 agreement (attached) between the Town and the Howe  
13 Family, and that it is consistent with the spirit of the negotiations that led to that agreement. The Howe  
14 Family has previously indicated that this option is not acceptable to them despite my assertions above.  
15

16 Town Attorney Richard Stanley drafted the agreement between the Town and the Howe Family, has  
17 reviewed the agreement, and believes that Option 1A is consistent with the agreement. The Town Attorney  
18 believes that the Town has legal standing to proceed with road construction and legally compel the transfer  
19 of the "Gateway" conservation easement.  
20

21  
22 The appropriate language in the June 2006 agreement is included in Paragraph 4, which reads as follows:  
23

24 "PAVING OF CREW DRIVE. Town will improve and pave at its cost Crew Drive as a public street  
25 in accordance with the Town's paving standards no later than 6 months from the date the  
26 conservation easement is executed and placed in escrow in accordance with Paragraph one  
27 above, unless Town is prevented by CAMA Regulations from securing a permit within such time  
28 period or by other conditions or events beyond the Town's control, in which event the time to  
29 complete the paving will be extended for a reasonable time in which to allow the Town to complete  
30 the paving. The paving will be completed in such a manner as to prevent the shedding of water on  
31 the Party of the First Part's adjoining lands using ditching, piping, or other means. The end of  
32 Crew Drive at its terminus with Bogue Sound will be made into a cul-de-sac or turn around, and the  
33 area at the end of the street and lying between its terminus and Bogue Sound will become a public  
34 park named in honor of Martha Howe. The Town will pursue in good faith CAMA grant funds to  
35 construct a "viewing pier" extending into Bogue Sound to be located entirely within the extended  
36 right of way lines of Crew Drive, and if such grant funds are not forthcoming, the Party of the First  
37 Part may construct the pier upon approval of design and location by the Town at her sole costs and  
38 as a charitable deduction to the Town."  
39

40 The Board should consult with the Town Attorney to further understand the level of risk associated with this  
41 approach before making a final decision. He will be available to address this issue at the November 13  
42 meeting.  
43

44 Option Y - Termination of Agreement.

45 The Town indicates its desire to terminate the June 2006 agreement, and abandons plans to construct the  
46 Crew Drive road improvements and acquire the associated "Gateway" conservation easement. This option  
47 avoids the potential legal challenge inherent under Option X above, but results in the area commonly known  
48 as the "Gateway" remaining vulnerable to future commercial development. The Howe Family's property is  
49 currently zoned B-1, and the Town's Land Use Plan designates this area as "Commercial Corridor". It is  
50 possible that any future commercial development would include the removal of vegetation and alteration of  
51 topography in this area. Current Town regulations would not guarantee that the existing vegetation and  
52 topography along NC 58 would remain intact if the property is developed.  
53  
54

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1  
2  
3 If this option is pursued, the remaining project budget of \$115,000 can be allocated for other Town  
4 expenditures or appropriated to General Fund balance.

5  
6 As you know, the preservation of the "Gateway" area with its attractive entrance to Emerald Isle is a key  
7 Town goal. If this option is pursued, the Town should continue to explore other alternatives to achieve this  
8 important goal.  
9

10 Andy Harris, Attorney speaking on behalf of the Howe family, said that they did  
11 respond at the November meeting that they were willing to do Option 1B which  
12 was to take the street down to 125 feet from the water by using the semi-  
13 pervious asphalt. This was one of the options but the Town wanted the Howe  
14 family to pay for it and they weren't willing to do that as it is not what they  
15 considered to be part of the deal they negotiated, and he understood there was a  
16 difference of opinion on that. Mr. Harris said that the Town had used this  
17 pervious asphalt on a project in the western end at the beach access in which  
18 grants were obtained. Mr. Harris said that he turned the option over to Mr. Rush  
19 that this might be something the Town could pursue to offset the cost for using  
20 the pervious asphalt, but Mr. Rush responded that was not something he felt was  
21 prudent to pursue. Mr. Harris said if there was a way to work this out they were  
22 willing to do so using Option 1B but other than that they were of the opinion that  
23 the agreement was not worth pursuing either.  
24

25 ***Motion was made by Commissioner Messer to terminate the agreement***  
26 ***with the Howe family concerning the Crew Drive Improvements and the***  
27 ***Gateway Conservation Easement. The Board voted unanimously 5-0 in***  
28 ***favor. Motion carried.***  
29

30 Rhett Ricks, Howe family member thanked the Board, noting it had been a long  
31 struggle, with a very important lesson learned in the process.  
32

33 **13. PRESENTATION – JUNE 30, 2007 AUDIT REPORT**  
34

35 Town Manager Frank Rush addressed the Board concerning this agenda item.  
36 The following excerpt from Town Manager Rush's memo to the Board is provided  
37 as background:  
38

39 Thompson, Price, Scott, & Adams (TPSA) CPAs has completed the Town's FY 06-07 audit, and a copy of the audit  
40 report is attached for your review. Mitsy Overman, Assistant Town Manager / Finance Officer, will brief the Board on  
41 the highlights of the financial audit at the December meeting. The Board-appointed Audit Committee met on Monday,  
42 December 10 to review the audit report with TPSA and Town staff, and will also be available to comment on the audit  
43 report at the December 11 meeting.  
44  
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1  
2 I am pleased to report that the Town has received a clean audit report. TPSA did not identify any significant  
3 deficiencies in our financial operations, and expressed their opinion that the Town's assets are well-managed by our  
4 staff. I am again pleased to report that the Town maintains an excellent financial position, and staff and I are  
5 committed to maintain and improve that financial position in the future.  
6

7 A copy of the FY 06-07 audit report is attached for your review. Some of the highlights from the recent audit include:  
8

9 OVERALL FINANCIAL POSITION

- 10  
11 • The Town had officially reported net assets of \$4,851,285 as of June 30, 2007. The Board should note, however,  
12 that the calculation of net assets does not include the Town's investment in two significant beach nourishment  
13 projects.  
14

15 The calculation of net assets includes \$10,400,000 of outstanding General Obligation Bonds issued to finance the  
16 Town's beach nourishment projects, and the additional sand placed on the beach as part of this project is not  
17 included as a capital asset. If the additional sand placed on the beach was capitalized and depreciated with a 10-  
18 year life cycle, the Town's net assets would be more than \$20 million.  
19

20 The Town's total capital assets are valued at \$10,353,017.  
21

- 22 • As of the close of the current fiscal year, the Town's governmental funds reported combined ending fund balances  
23 of \$5,084,901, a decrease of \$182,623 in comparison with the prior year. The Board should note that the primary  
24 reasons for this decrease were the planned use of \$105,726 of General Fund balance and \$149,783 of Beach  
25 Nourishment Debt Service Fund balance.  
26
- 27 • The Town's total outstanding debt decreased by \$2,125,000 during the fiscal year, due to an additional year of  
28 principal payments on the Town's beach nourishment bonds. Total outstanding debt at June 30, 2007 is  
29 \$10,400,000, all of which consists of outstanding beach nourishment bonds and will be fully retired by FY 12-13.  
30 The Town had no other outstanding debt as of June 30, 2007, however, the Town has plans for three new debt  
31 issues in FY 07-08 for major capital improvement projects.  
32
- 33 • The Town's outstanding debt at June 30, 2007 is equal to 0.68% of the total assessed value in Emerald Isle,  
34 based on the 2001 taxable value. This percentage drops to .24% based on the 2007 taxable value. The Town's  
35 officially adopted Fiscal Policy establishes a debt limit of 2% of total taxable value. North Carolina General  
36 Statutes limit the amount of General Obligation debt that a unit of government can issue to 8 percent of the total  
37 assessed value.  
38
- 39 • The Town maintained an outstanding property tax collection percentage of 99.80%. The Town is responsible for  
40 the collection of all property taxes, with the exception of property taxes on motor vehicles, which are collected by  
41 Carteret County. The Town's property tax collection rate is 99.96%, while the County's motor vehicle tax  
42 collection rate in Emerald Isle is 92.01%.  
43

44 GENERAL FUND

- 45  
46 • As of June 30, 2007, the Town's General Fund had a total fund balance of \$1,871,849. A total of \$1,171,972 is  
47 available as undesignated fund balance. The Town's total General Fund balance decreased by \$105,726 over  
48 the course of the fiscal year, due primarily to conscious decisions by the Town to utilize General Fund balance for  
49 various capital projects.  
50  
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1  
2 The Board should note that the actual use of General Fund balance was much less than projected during the FY  
3 07-08 budget process, when projections indicated a decrease of approximately \$319,000. The primary reasons  
4 that the decrease was not as significant include the receipt of approximately \$76,000 of FEMA administrative  
5 reimbursements and \$62,000 of unbudgeted video programming sales tax revenues.  
6

- 7
- 8 • The total General Fund balance of \$1,871,849 is equal to 27.26% of total General Fund expenditures (including  
9 transfers out) during the previous year (\$6,866,886). This percentage is down slightly from the previous year  
10 (29.17%) due to the intentional use of undesignated fund balance for various capital projects. Total General Fund  
11 balance represents 25.35% percent of the FY 07-08 adopted budget of \$7,383,048.

12 Although the decrease in General Fund balance is of some concern, the intentional use of fund balance for one-  
13 time capital projects and the maintenance of a 25% level are consistent with the Town's officially adopted Fiscal  
14 Policy. The Town should be reluctant to utilize any significant amount of General Fund balance in the future until  
15 this percentage increases. The FY 07-08 General Fund budget includes a direct \$150,000 appropriation to  
16 General Fund balance to replace fund balance used in FY 06-07.  
17

- 18 • The undesignated General Fund balance is \$1,171,972. This amount is equal to 17.06% of total General Fund  
19 expenditures (including transfers out) during the previous year (\$6,866,886). Undesignated General Fund  
20 balance represents 15.87% of the FY 07-08 adopted budget of \$7,383,048.  
21

22 The undesignated General Fund balance level is of some concern to the Town for cash-flow reasons during the  
23 summer and fall months when  
24 current expenditures routinely exceed current revenues. These cash-flow concerns are mitigated by the  
25 availability of a significant undesignated fund balance in the Beach Nourishment Debt Service Fund, however, as  
26 these resources could be made available to the General Fund on a short-term, emergency basis if necessary.  
27

- 28 • General Fund revenues (not including transfers in) in FY 06-07 totaled \$6,743,857, and exceeded budget  
29 estimates by \$138,590 (due primarily to the FEMA administrative reimbursement and video programming sales  
30 tax receipts). General Fund expenditures (not including transfers out) totaled \$6,199,670 and were \$126,813 less  
31 than budgeted. After considering transfers in and transfers out for various capital projects, the General Fund  
32 ended FY 06-07 with a net deficit of \$105,726. This net deficit was financed by General Fund balance, as noted  
33 earlier.  
34

- 35 • The Town's two largest sources of General Fund revenue are property taxes and sales taxes. General Fund  
36 property tax revenues were \$2,376,652, while sales tax revenues totaled \$1,908,450. Solid waste fees are the  
37 third largest revenue source, with \$1,085,765 collected in FY 06-07. Together, these three sources represent  
38 nearly 80% of General Fund revenues.  
39

- 40 • Public Safety expenditures (Police and Fire) continue to represent the largest portion of the General Fund budget.  
41 Total expenditures were \$2,675,419 in FY 06-07, or approximately 39% of total General Fund expenditures  
42 (including transfers out for various capital projects).  
43

- 44 • The Town invested a significant sum on various capital projects during FY 06-07, with a total of \$592,216  
45 transferred from the General Fund to various capital project accounts. Projects funded during FY 06-07 include  
46 the Coast Guard Road Traffic Improvements Project, the Crew Drive project, the Islander Drive sidewalk, and the  
47 Police, EMS, and Town Administration building projects.  
48  
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BEACH NOURISHMENT DEBT SERVICE FUND

- The Town's Beach Nourishment Debt Service Fund had a year-ending fund balance of \$2,625,447. This amount decreased by \$149,783 from the previous year, in accordance with the financial plan established to retire the Town's beach nourishment bonds. The Town intentionally maintains a large fund balance in the Beach Nourishment Debt Service Fund in the early years of the debt service payments for the beach nourishment bonds and will gradually deplete this balance over the 8-year term of the bonds. Fund balance levels in this fund peaked in FY 06-07, and will be gradually depleted until the final bond payments in FY 12-13.
- The Town continues to make timely principal and interest payments on the beach nourishment bonds. The Town made the fourth annual principal payment (\$1,175,000) on the 2002 bonds and the second annual principal payment (\$950,000) on the 2004 bonds.

OTHER FUNDS

- The Town utilized the Disaster Recovery Fund in FY 06-07 to account for expenses associated with two projects caused by Hurricane Ophelia, and the associated FEMA reimbursements. A total of \$6,926,718 was reimbursed by FEMA to fund the construction of the FEMA Ophelia Beach Nourishment Project and the repair and replacement of soundside piers damaged by Ophelia.

The Board should note that the Disaster Recovery Fund ended the year with a negative balance (\$20,356), and these funds must be provided by other Town funds. Town staff will initiate the appropriate budget amendment to address this issue later this year. This negative balance is primarily associated with timing differences for Ophelia-related expenses and FEMA reimbursements.

- The Special Drug Fund had an ending fund balance of \$52,381 as of June 30, 2007. These funds are restricted for Police Department expenses only.
- The Town utilizes several capital project funds for ongoing, multi-year capital projects. All capital project accounts have a positive ending balance as of June 30, 2007. In some cases, the projects are complete and small surpluses are available for other uses. In other cases, work is ongoing and remaining project funds are earmarked for anticipated project expenses.
- The Town has a total balance of \$63,727 in the Special Separation Allowance Fund that is being accumulated for future, statutorily-mandated separation payments to law enforcement officers. This amount is sufficient to cover anticipated liabilities at this time.

As noted earlier, TPSA provided a favorable opinion of the Town's financial management practices. TPSA did note one item, however, that needs improvement. The Town was again cited for "Segregation of Duties" due to the fact that there are a limited number of personnel available to perform financial tasks. The Town has received this comment during past audits, and staff have attempted to further segregate duties to minimize the risk of fraud. Mitsy Overman and I will be working closely with TPSA in the coming months to address this issue again.

Town Manager Rush outlined the highlights from the audit, noting that this was the first year of a 3-year arrangement with the new auditors Thompson, Price, Scott & Adams, CPAs of Wilmington, the Town's practice being to change auditors every three years. Mr. Rush stated that the June 30, 2007 Audit report indicates that the Town maintains a very solid financial position. Town Manager Rush stated that the Town has an outstanding 99.8% collection rate in Emerald Isle which is phenomenal. Mr. Rush stated that the Audit Committee consisting

1  
2 of Mayor Schools, Commissioners Wright and Messer met on December 10 with  
3 the auditor. The Audit Committee indicated they were pleased with the audit  
4 presentation.

5  
6 Following further discussion ***motion was made by Commissioner Wootten to***  
7 ***accept the June 30, 2007 Audit Report. The Board voted unanimously 5-0***  
8 ***in favor. Motion carried.***

9  
10 **14. RECOMMENDATION – CARTERET COUNTY BEACH COMMISSION**  
11 **APPOINTMENT, EMERALD ISLE SLOT**

12  
13 **Brief Summary:** The Town has been asked to make a recommendation to the  
14 Carteret County Board of Commissioners for an upcoming vacancy in one of the  
15 two slots on the Carteret County Beach Commission designated for Emerald Isle  
16 residents.

17  
18 The upcoming vacancy is currently occupied by William “Buck” Fugate, who has  
19 expressed interest in being reappointed. The new term is a 3-year term that will  
20 expire in January 2011.

21  
22 Commissioner Hoover stated that he felt that Buck Fugate is an excellent  
23 representative for the Town of Emerald Isle.

24  
25 ***Motion was made by Commissioner Hoover to continue with Buck Fugate.***  
26 ***The Board voted unanimously 5-0 in favor. Motion carried.***

27  
28 **15. COMMENTS FROM TOWN CLERK, TOWN ATTORNEY, AND TOWN**  
29 **MANAGER**

30  
31 There were no comments from the Town Clerk or Town Attorney.

32  
33 Town Manager Rush mentioned that the Board may hear media reports in the  
34 near future that indicate that Emerald Isle EMS will begin billing for service. Mr.  
35 Rush said that is a result of Carteret County’s efforts to try to make all of the  
36 EMS squads in Carteret County use the same billing software and the same  
37 billing system, contracting with a third party company for those services. Mr.  
38 Rush said at this time all they have agreed to do is participate in using the same  
39 vendor as the other EMS squads in the county. They plan to discuss with the  
40 Joint EMS Committee exactly how the new arrangement will work; what the fees  
41 will be, what the money will be used for, in the coming months. Mr. Rush said  
42 they have every intention of including the Town in discussions and decisions  
43 going forward.

44  
45

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1  
2 Mr. Rush announced the Town Employee Christmas Breakfast would take place  
3 on Thursday, December 20, hoping that the Board would be able to attend, also  
4 noting the Police Department Open House scheduled for January 15 at 5 pm.

5  
6 Mr. Rush said in regard to the 4<sup>th</sup> easement of the Doe Drive Storm Water  
7 Connection, the owner had voluntarily agreed to provide this easement. Once in  
8 hand they would proceed with this connection.

9  
10 Mr. Rush noted that NCDOT plans to extend the existing right turn lane that  
11 leads from the highway onto Coast Guard Road from 150 ft to approximately 450  
12 ft. The work will start sometime in January and they expect to be done within the  
13 month if not sooner. Mr. Rush said the project will result in the removal of  
14 several crepe myrtle trees and they plan to replant once the project is completed.  
15 Mr. Rush added that he is awaiting an answer from NCDOT as to whether they  
16 will resurface the segment from the bridge to Coast Guard Road in conjunction  
17 with the turn-lane project.

18  
19 Mr. Rush discussed grant funding opportunities, one being the Parks and  
20 Recreation Trust Fund (PARTF) grant with applications due January 31; PARTF  
21 provides a maximum grant of \$500,000 for selected projects, and there is a  
22 dollar-for-dollar matching requirement. Mr. Rush said this is the same grant  
23 program that provided the funding for Emerald Isle Woods. *The Board indicated*  
24 *they would prefer to hold off and discuss this further in the upcoming budget*  
25 *workshop.* Mr. Rush also mentioned a North Carolina Trail Program that has  
26 grant awards for \$75,000 to be matched with \$25,000 to try to do something in  
27 Emerald Isle Woods, adding that he would pass on more information as he  
28 learned more about it but otherwise he would shy away from the PARTF grant  
29 application at this time.

30  
31 The other grant program Mr. Rush indicated was through the NC Division of  
32 Water Quality known as the Section 319 nonpoint source pollution grant  
33 program. Mr. Rush felt that Artie Dunn and Alesia Sanderson and their staff had  
34 really done a lot to improve both the aesthetics and the storm water management  
35 on the east end of town both on the street and to Bogue Sound. Mr. Rush said  
36 they were contemplating a grant application to request funding to eliminate storm  
37 water discharges either on the eastern end of Emerald Isle or along Archer's  
38 Creek. Mr. Rush felt this could be a good grant program to try to secure money  
39 with dollar figures that are more manageable heading into next years budget,  
40 particularly as we would be using town staff, getting credit for in-kind matching  
41 funds. *The Board expressed favor in pursuing this grant program.* Mr. Rush  
42 said a more defined proposal would be prepared for the Board to review.

43  
44  
45

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1  
2 Mr. Rush said that the Board also had in their packets tonight a draft contract  
3 proposed by Island Cat Allies to contract with the Town as the sole provider of  
4 feral cat services. Mr. Rush said they had also specifically requested that the  
5 Town discontinue the practice of loaning out cat traps to our residents, and the  
6 contract calls for compensation of \$5,000 per year. *Following discussion the*  
7 *consensus of the Board was to leave things as is at this time.*

8  
9 Lastly, Mr. Rush brought the Board up to date on the potential new strategy for  
10 oceanfront erosion near the Point.

11  
12 **16. COMMENTS FROM BOARD OF COMMISSIONERS AND MAYOR**

13  
14 There were no further comments from the Board of Commissioners or Mayor.

15  
16 **17. ADJOURN**

17  
18 ***Motion was made by Commissioner Messer to adjourn the meeting. The***  
19 ***Board voted unanimously 5-0 in favor. Motion carried.***

20  
21 **The meeting was adjourned at 7:40 pm.**

22  
23 Respectfully submitted:

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26  
27 Rhonda C. Ferebee, CMC  
28 Town Clerk  
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