

1
2 MINUTES OF THE REGULAR SCHEDULED MEETING
3 OF THE EMERALD ISLE BOARD OF COMMISSIONERS
4 TUESDAY, MAY 9, 2006 – 6:00 P.M. – TOWN HALL
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6 The regular monthly meeting of the Emerald Isle Board of Commissioners was
7 called to order by Mayor Art Schools at 6:00 PM.
8

9 Present for the meeting: Mayor Art Schools, Commissioners Pete Allen, Nita
10 Hedreen, Floyd Messer, John Wootten, and Maripat Wright.
11

12 Others present: Town Attorney Richard Stanley, Town Manager Frank Rush,
13 Asst. Town Manager & Finance Officer Mitsy Overman, Town Clerk Rhonda
14 Ferebee, Planning Director Kevin Reed, Parks & Recreation Director Alesia
15 Sanderson, and Police Chief Bill Hargett.
16

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

19 **4. ADOPTION OF AGENDA**
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21 *Motion was made by Commissioner Hedreen to adopt the Agenda. The*
22 *Board voted unanimously 5-0 in favor. Motion carried.*
23

24 **5. INTRODUCTION OF NEW EMPLOYEES**
25

- 26 a. **Police Officer Barry Knauff**
27 b. **Police Officer William Smith**
28

29 Police Chief Bill Hargett introduced to the Board and audience two of the Town's
30 newest full-time Police Officers, Barry Knauff and William Smith. Mr. Hargett
31 noted that Mr. Knauff came to the Town from Greenville, having received his
32 training from Pitt Community College, and Emerald Isle being Mr. Knauff's first
33 duty station. Mr. Hargett stated that Mr. Smith comes to the Town from Onslow
34 County, having worked previously with the Onslow County Sheriff's Department,
35 adding that Mr. Smith received his training at Coastal Carolina Community
36 College in Jacksonville. The Board warmly welcomed the new officers to
37 Emerald Isle.
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4 **6. PROCLAMATIONS / PUBLIC ANNOUNCEMENTS**
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6 Mayor Art Schools noted the following proclamations and announcements for the
7 public:
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- 9 • **Proclamation – National Day of Prayer – Thursday, May 4 – (06-05-09/P1)**
- 10 • **Proclamation – EMS Week – May 14 – 20 – (06-05-09/P2)**
- 11 • **Bicycle and Pedestrian Advisory Committee – Monday, May 15**
12 **– 6:00 pm – Community Center**
- 13 • **TENTATIVE – Beach Jive After Five – Thursday, May 18 – 5:30 pm –**
14 **WORA (dependent on completion)**
- 15 • **Bicycle Rodeo – Saturday, May 20 – 10:00 am – 2:00 pm –**
16 **Community Center**
- 17 • **Budget Workshop – Monday, May 17 – 9 am – Town Hall**
- 18 • **Planning Board – Monday, May 22 – 6:00 pm Town Hall**
- 19 • **Budget Workshop and Public Hearing – Thursday, June 1 – 6:00 pm**
20 **– Community Center**
- 21 • **Village East & Village West Design Workshop – Saturday, June 3 –**
22 **Time TBA, All Day – Town Hall**
- 23 • **Fishing Derby – Saturday, June 10 – 9:00 am – 11:00 am – Bogue**
24 **Inlet Pier**
- 25 • **Board of Commissioners – Tuesday, June 13 – 6:00 pm – Town Hall**

26
27 **Note: A copy of Proclamation 06-05-09/P1 and 06-05-09/P2 are both incorporated herein by**
28 **reference and hereby made a part of these minutes.)**
29

30 Mayor Schools noted that May 19th is Bike to Work Day and encouraged
31 everyone to ride their bikes as often as possible. Mayor Schools stated that
32 WITN-7's *On the Road* program will be coming to Emerald Isle on June 21st,
33 broadcasting their morning show from here, good publicity for the Town. Mayor
34 Schools said WITN-7 would be here in Town Hall on May 24th from 5:30 to 6:30
35 to talk about their plans. Parks & Recreation Director Alesia Sanderson
36 announced that the Parks & Recreation Department is sponsoring a bus trip to
37 Raleigh to see the Broadway production of *The Lion King* on October 1st, selling
38 45 tickets at \$130 per person with a sign-up deadline of June 1st.
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2 **7. CONSENT AGENDA**
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- 4 a. Tax Refunds / Releases
5 b. Minutes – March 14, 2006 Regular Meeting
6 c. Minutes – March 30, 2006 Special Meeting
7 d. Budget Amendment – General Fund – Bogue Inlet Connecting
8 Channel
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10 *Motion was made by Commissioner Allen to approve the Consent Agenda.*
11 *The Board voted unanimously 5-0 in favor. Motion carried.*
12

13 **8. PUBLIC COMMENT**
14

15 There were no comments from the public.
16

17 **9. PRELIMINARY PLAT – LIVE OAK ESTATES SUBDIVISION**
18

19 Kevin Reed, Planning Director provided an overhead presentation as he
20 addressed the Board concerning this agenda item. The following excerpt from
21 Planning Director Kevin Reed's memo to the Town Manager is provided as
22 background:
23

24 A request has been received from Lawrence Spell, et als, for preliminary plat approval for the proposed Live Oak
25 Estates Subdivision. The property to be subdivided is located on the north side of Osprey Ridge Drive and consists of
26 approximately 11.74 acres. The owners wish to subdivide the property in order to create 10 building lots. The property
27 is currently zoned Residential Motel-Hotel (RMH) and all of the proposed lots meet the minimum size requirement of
28 12,500 square feet for a single-family home. The subdivision will be served by private streets that will extend off of the
29 end of two existing Town streets. The applicants have indicated at this time that the private streets will not be gated.
30 The Town's 2004 CAMA Land Use Plan, specifically the Future Land Use Map, projects the property as Mixed
31 Residential; therefore, the proposed subdivision is consistent with the Plan.
32

33 The Carteret-Craven Electric Cooperative and Bogue Banks Water Corporation have indicated that they can serve the
34 proposed development. The State has issued an Authorization to Construct for the water system to serve the
35 development. The applicants have provided copies of their applications to the Carteret County Health Department for
36 the proposed project. The Health Department has determined that Lots 1-7 are provisionally suitable for on-site
37 wastewater systems and has issued an Improvement Permit for each of these lots. To date, Town staff had not
38 received a copy of septic permits for Lots 8-10. In addition, no report from a licensed soil scientist has been received
39 regarding the suitability of these lots for septic. The Town's consulting engineer, Greg Meshaw, has reviewed the
40 stormwater plan for the proposed development and has determined that it is consistent with the Town's Stormwater
41 Ordinance. Staff has received information from the Fire Department concerning the name of the proposed subdivision.
42 Chief Walker has expressed concern that the name, Live Oak Estates, is too similar to an existing Town street, Live
43 Oak Street. The Planning Board was made aware of this issue at its April meeting and took no action on changing the
44 proposed name of the development.
45

46 The Planning Board considered this request at its meeting held on April 24, 2006. Following its discussion of the
47 request, the Planning Board voted unanimously to recommend to the Board of Commissioners that the preliminary plat
48 be approved subject to the condition that the applicants provide either (1) a copy of the septic permits issued for Lots
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2 8-10 or (2) a copy of a report from a licensed soil scientist regarding the suitability of these lots for septic. You will find
3 attached a copy of the preliminary plat. Please note that the plat does not contain the topographical information for the
4 development since adding the information to the plat makes it difficult to read.
5

6 Mr. Reed in response to a question from Commissioner Wootten concerning the
7 remaining 3 lots, stated that prior to final plat approval and recordation, the
8 developers either need to indicate that they have their septic permit in hand, or
9 they need to indicate on the map that is being recorded, which lot has not been
10 approved for septic, and identify that lot by number, the risk being on the
11 developer in proceeding.
12

13 Commissioner Hedreen had concerns about the name. Commissioner Hedreen
14 felt that when the Police Chief or Fire Chief raises a concern that it may cause
15 confusion, that they have an opportunity to eliminate that now.
16

17 Ronnie Watson, a property developer, said that they had no problem changing
18 the name.
19

20 ***Motion was made by Commissioner Messer to approve the preliminary plat***
21 ***for Live Oak Estates subdivision, contingent upon proof of septic***
22 ***suitability for lots 8, 9, and 10, and a name change suitable, and agreement***
23 ***between Town staff and developers. The Board voted unanimously 5-0 in***
24 ***favor. Motion carried.***
25

26 **10. PRESENTATION – 2007 CARTERET COUNTY TAX REVALUATION**
27
28

29 Carl Tilghman, Carteret County Tax Administrator, presented to the Board an
30 informational PowerPoint presentation of the 2007 Carteret County Tax
31 Revaluation. Mr. Tilghman provided an overview of the revaluation process and
32 methodology.
33

34 ***(A copy of the PowerPoint presentation and accompanying informational***
35 ***brochure as provided to the Board and audience from the Carteret County***
36 ***Tax Department are attached to and hereby incorporated into these***
37 ***minutes.)***
38

39 Mr. Tilghman stated that revaluation of real property must be done at least every
40 8 years as required by North Carolina state law; county boards of commission
41 have authority to value real property at a time more frequent than 8 years, and
42 the current period of valuation as established by the Carteret County Board of
43 Commissioners is 6 years. Mr. Tilghman noted the last valuation was in 2001,
44 and the next is scheduled for 2007. Mr. Tilghman stated that after 2007, the
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Carteret County Board of Commissioners has established a 4 year cycle so that the following revaluation will then be 2011. Mr. Tilghman added that this schedule is subject to change by individual Boards of Commissioners as the process goes along.

Mr. Tilghman provided information concerning how values will be determined, and provided examples of property sales randomly throughout the county. The example given by Mr. Tilghman of an Emerald Isle residential property showed an increase in value of 344% from the tax value in 2001 versus the sale price in 2005. Two examples given of Emerald Isle vacant land sales of residential lots showed an increase of 710% in one example and 517% in another.

Mr. Tilghman discussed the amendment that was passed by the General Assembly in 2003 that requires each governing body to publish a revenue-neutral tax rate that will illustrate to the tax paying public the difference in the revaluation values as it will affect the tax rate. Mr. Tilghman explained the appeals procedure.

Mr. Tilghman indicated that the process is moving along in a timely manner, announcing that he is making himself available to speak with groups such as civic groups, social clubs, homeowners associations, etc, if requested, in order for the public to learn and know what their rights are, acknowledging that some individuals will have trouble paying after this revaluation. Mr. Tilghman stated that to qualify for the Homestead Exemption for their personal residence they would need to apply for this relief; to qualify their income would need to be less than \$19,700 per year, and they must be over 65 or permanently disabled.

Mr. Tilghman answered numerous questions from the Board. Commissioner Hedreen expressed the concern that there are many Emerald Isle property owners who are under age 65 but are on fixed incomes because of early retirement, but would not qualify under the requirements of the Homestead Exemption. Mr. Tilghman stated the Homestead Exemption is covered by state law and it is a requirement that is applied uniformly throughout the state. Mr. Tilghman said that payment plans can be set up, but that would not affect the assessed value and tax liability. The Board thanked Mr. Tilghman for his presentation.

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11. WESTERN OCEAN REGIONAL ACCESS PARKING LOT

- a. Budget Amendment – General Fund
- b. Budget Amendment – Regional Access Fund
- c. Resolution Authorizing Construction Contract Change Order
 – (06-05-09/R1)

Alesia Sanderson, Parks and Recreation Director addressed the Board concerning this agenda item. Ms. Sanderson stated that due to a design error discovered in late April in the size of the parking spaces and the layout, and following many design revisions to retain as many parking spaces while maintaining the aesthetic look for the park, they were able to come up with a plan that reduced the number of parking spaces from 203 to 164. Ms. Sanderson added that in order to do this it would require a change order in the amount of \$35,000 with Onslow Grading and Paving, a result of additional rock, grading, paving, and other items necessary for the project.

Doje Marks asked Ms. Sanderson if there was still a provision to be able to back an ambulance down the walkway. Ms. Sanderson said there would be signs posted for emergency vehicles only, and she would be glad to discuss with Ms. Marks further to ensure the signs would be suitable.

BUDGET AMENDMENT
 FY 2005-06

The budget for FY 2005-2006 is hereby amended as follows:

GENERAL FUND

	Increase	Decrease
<u>Revenues</u>		
Appropriation from Fund Balance	35,000	-
TOTAL	35,000	-
<u>Expenditures</u>		
Transfer to Regional Access Fund	35,000	-
TOTAL	35,000	-

Copies of this ordinance shall be filed with the Finance Officer, Budget Officer, and Town

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Clerk, to be kept on file by them for their direction in the disbursement of Town funds for this project.

Adopted this _____ day of _____, 2006.

Attest:

 Rhonda C. Ferebee, Town Clerk

 Arthur B. Schools, Jr., Mayor

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Motion was made by Commissioner Wootten to approve the General Fund Budget Amendment as presented. The Board voted unanimously 5-0 in favor. Motion carried.

BUDGET AMENDMENT
 FY 2005-06

The budget for FY 2005-2006 is hereby amended as follows:

REGIONAL ACCESS FUND

	Increase	Decrease
<u>Revenues</u>		
Transfer from General Fund	35,000	-
TOTAL	35,000	-
<u>Expenditures</u>		
WORA Parking Lot Improvements	35,000	-
TOTAL	35,000	-

Copies of this ordinance shall be filed with the Finance Officer, Budget Officer, and Town Clerk, to be kept on file by them for their direction in the disbursement of Town funds for this project.

Adopted this _____ day of _____, 2006.

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Attest:

Rhonda C. Ferebee, Town Clerk

Arthur B. Schools, Jr., Mayor

1
2 **Motion was made by Commissioner Wootten to approve the Regional**
3 **Access Fund Budget Amendment as presented. The Board voted**
4 **unanimously 5-0 in favor. Motion carried.**

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6 **Motion was made by Commissioner Wootten to approve the Resolution**
7 **Authorizing a Construction Contract Change Order. The Board voted**
8 **unanimously 5-0 in favor. Motion carried.**

9
10 **Note: A copy of Resolution 06-05-09/R1 is incorporated herein by reference and hereby made a part**
11 **of these minutes.)**

12
13 Ms. Sanderson pointed out at Commissioner Wootten's request that even as the
14 rain gardens had to be reduced, which reduced the exterior rain gardens from 24'
15 wide to 10' wide, and the interior rain garden from 19' to 5' wide; and as reported
16 by NOAA that Emerald Isle received 1.96" of rain on Sunday; on Monday
17 morning there was no standing water at the access, while there was standing
18 water remaining at other surrounding properties.

19
20 **12. RESOLUTION AUTHORIZING PURCHASE OF UTILITY EASEMENT TO**
21 **SERVE EMERALD ISLE WOODS PARK – (06-05-09/R2)**

22
23 Alesia Sanderson, addressed the Board concerning this agenda item. The
24 following excerpt from Ms. Sanderson's memo to the Town Manager is provided
25 as background:

26
27 An easement for utilities is necessary to provide electricity and a six inch water line for a stand pipe for fire protection to
28 the bath house at Emerald Isle Woods. Mrs. Paxon Holz who owns the undeveloped lot at 407 Christina Court has
29 generously offered to sell a 10' easement for utilities to the Town for \$10,000. Please note that the cost to run the
30 electrical lines alone along Amberjack (from Coast Guard Road through the park) would have exceeded \$22,000 while
31 the easement reduces that amount to \$4,707. The easement also permits the required proximity to a fire hydrant for
32 the bath house with the installation of a stand pipe.

33
34 The easement is located along the southeastern property corner of 407 Christina Court and runs 96 feet southwesterly
35 directly adjacent to and along the southern property line. The easement is 10' wide.

36
37 Ms. Sanderson noted that they had known since the beginning that they would
38 need an easement for utilities, which included electricity as well as a 6" water line
39 to provide fire safety for the bathhouse structure. Ms. Sanderson said town staff
40 believed they could secure that initially without purchasing such an easement,

1
2 and after numerous failed attempts to do so, Mrs. Paxon Holz generously agreed
3 to sell the Town a 10' easement for utilities for the amount of \$10,000. Ms.
4 Sanderson noted that in her memo to the Board she broke down the cost of just
5 the electricity going up Amberjack Drive, the central road through the park, would
6 have been in excess of \$20,000. Ms. Sanderson said she also went ahead and
7 priced the cost of the 6" water line as well, and the Town would have had to
8 spend approximately \$56,000 to get the utilities from Coast Guard Road. Ms.
9 Sanderson noted that this is quite a significant savings even though purchasing
10 the easement, by spending approximately \$16,000 in lieu of \$56,000.

11
12 Following discussion ***motion was made by Commissioner Wright to approve***
13 ***the Resolution Authorizing the Purchase of a Utility Easement to Serve***
14 ***Emerald Isle Woods Park. The Board voted unanimously 5-0 in favor.***
15 ***Motion carried.***

16
17 **Note:** A copy of Resolution 06-05-09/R2 is incorporated herein by reference and hereby made a part
18 of these minutes.)
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20

21 **13. BOGUE INLET AIWW CROSSING DREDGING**

- 22
23 a. **Budget Amendment – General Fund**
24 b. **Budget Amendment – Beach Nourishment Debt Service / Reserve**
25 **Fund**
26 c. **Resolution Authorizing Funding Partnership with NC Division of**
27 **Water Resources and Area Local Governments – (06-05-09/R3)**
28

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

32
33 The Board of Commissioners is asked to approve three items associated with a joint funding proposal for maintenance
34 dredging of the Atlantic Intracoastal Waterway (AIWW) crossing at Bogue Inlet.
35

36 First, the Board is asked to approve a General Fund budget amendment appropriating \$45,000 for a Town contribution
37 toward this project. Second, the Board is asked to approve a procedural budget amendment for the Beach
38 Nourishment Debt Service / Reserve Fund for the same amount. Third, and most importantly, the Board is asked to
39 authorize the attached Resolution Authorizing a Funding Partnership with the NC Division of Water Resources and
40 Area Local Governments to accomplish this dredging work this summer.
41

42 The US Army Corps of Engineers ("the Corps") has historically maintained the Bogue Inlet connecting channel ("the
43 connecting channel") and the Atlantic Intracoastal Waterway in our area ("the Bogue Inlet AIWW crossing"), and these
44 navigable waterways are enjoyed by many area businesses, residents, property owners, and visitors. The dredging of
45 both of these waterways has historically been funded 100% by the Federal government, however, recent budget
46 difficulties at the Federal level have reduced and/or eliminated funding for this work.
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2 It is important to understand that these are actually two separate projects for the Corps, and that they are dredged with
3 different types of dredges and funded with different Federal appropriations.
4

5 The Bogue Inlet Connecting Channel

6 The Bogue Inlet connecting channel is the approximately 20,000 linear ft channel that leads from the AIWW south to
7 the Atlantic Ocean, and includes the 7,000 linear ft. channel dredged by the Town of Emerald Isle in 2005. The
8 connecting channel has been historically maintained by the Corps with government-owned sidecast dredges, which
9 simply dredge the material from the bottom and cast it approximately 100 – 150 ft. to the side away from the channel.
10 The sidecast dredge does not have the capability to place dredged material on the beach, and is intended solely to
11 provide short-term navigation benefits with an expectation that repeated dredging will be necessary to keep the
12 channel open when shoaling occurs. The authorized depth of the connecting channel is 6 ft. at mean low water.
13

14 The Corps has historically dredged the connecting channel several times per year as needed, depending on shoaling
15 conditions and the availability of the government-owned sidecast dredges. It is important to note that the entire 20,000
16 linear ft. channel is not dredged during each dredging cycle or even each year. In fact, some areas of the connecting
17 channel have likely been dredged very infrequently, as shoaling conditions in certain areas of the connecting channel
18 are minimal and have not required significant dredging. In recent years, most sidecast dredging in the connecting
19 channel has occurred across the ocean bar (at the extreme southern end of the connecting channel) and at various
20 intermittent locations between the AIWW and Dudley Island.
21

22 The President and Congress have historically appropriated approximately \$600,000 - \$700,000 per year for this work.
23 As you know, there was no Federal funding appropriated in the Federal FY 05-06 budget, and the Town of Emerald
24 Isle partnered with the NC Division of Water Resources and other area local governments on a plan to finance 40 days
25 of sidecast dredging this summer. That plan has been approved by all parties, and this work will occur this summer.
26 As you know, the total cost of this work is \$390,000, and the NC Division of Water Resources contributed \$285,000 of
27 this amount. Area local governments contributed an additional \$95,000, of which Emerald Isle's share was \$15,000.
28

29 The Bogue Inlet AIWW Crossing

30 The Bogue Inlet AIWW crossing is an approximately 5,000 linear ft. segment of the AIWW located adjacent to Cedar
31 Point at its intersection with the Bogue Inlet connecting channel. (A map depicting the Bogue Inlet AIWW crossing and
32 the Bogue Inlet connecting channel is included in the attached summary sheet.) The Bogue Inlet AIWW crossing is
33 one of 8 AIWW crossings in North Carolina maintained every 2 - 3 years by the Corps, and is usually dredged with a
34 privately-owned pipeline dredge that is under contract to the Corps. The pipeline dredge uses suction to remove
35 dredge spoils and then pumps the spoils away to a designated disposal site, often the ocean beach. The Corps
36 usually groups the work at all 8 AIWW crossings into one competitively-bid contract to achieve an economy of scale
37 and minimize expensive dredge mobilization costs. As such, when the Bogue Inlet AIWW crossing is dredged it is
38 usually part of a much larger, state-wide contract. The authorized depth of the Bogue Inlet AIWW crossing is 12 ft. at
39 mean low water.
40

41 Appropriations for the Bogue Inlet AIWW crossing are usually included in a larger appropriation for the entire AIWW in
42 North Carolina, and are not typically budgeted separately (due to the interdependent grouping of the 8 AIWW crossings
43 into one contract). In Federal FY 05-06, the Corps identified a need for approximately \$5 - \$6 million for all 8 AIWW
44 crossings in NC, however, the Federal FY 05-06 budget included only \$1.3 million, with only approximately \$500,000 of
45 this amount available for actual dredging, which was obviously not sufficient. The Corps was awarded an additional
46 appropriation as a result of impacts from Hurricane Ophelia, and now has a total of \$2.3 million available for the
47 dredging of AIWW crossings in North Carolina. This amount is not sufficient to dredge all 8 AIWW crossings this year,
48 however, the Corps and the NC Division of Water Resources have formulated a plan to dredge 4 of the 8 AIWW
49 crossings this year, including the Bogue Inlet AIWW crossing.
50

51 The Bogue Inlet AIWW crossing was last dredged in spring 2003, and the dredged material was deposited on the
52 ocean beach in the vicinity of Wyndtree Drive, where the Corps has an authorized disposal site. The Town has
53 secured permitting and logistical approvals to have the material from the next dredging of the Bogue Inlet AIWW
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2 crossing placed directly at The Point in front of the sandbags. An estimated total of 55,000 – 80,000 cubic yards of
3 material would be dredged from the AIWW crossing and placed at The Point.
4

5 According to the most recent survey completed by the Corps (February 22, 2006), the Bogue Inlet AIWW crossing is as
6 shallow as 1-2 feet in some places, and the majority of the width of the AIWW channel is shoaled to a great degree. I
7 have attached copies of the February 22 survey for your information.
8

9 Joint Funding Proposal – Bogue Inlet AIWW Crossing Dredging

10 As noted above, the US Army Corps of Engineers and the NC Division of Water Resources have formulated a plan to
11 dredge 4 of the 8 AIWW crossings in NC this summer, including the Bogue Inlet AIWW crossing. Bids have been
12 submitted and a contract has been awarded. The total cost of this work is \$3.8 million, and the Corps has committed
13 its \$2.3 million to this effort. The NC Division of Water Resources has committed an additional \$1.5 million to fund the
14 \$3.8 million contract, however, they are seeking reimbursement of 50%, or \$750,000 from the area local governments
15 adjacent to the 4 AIWW crossings. This plan results in a total project cost-share of approximately 60% Federal funds,
16 20% State funds, and 20% local funds. This split is certainly not as desirable as 100% Federal funding, however, it is
17 much better than not having the work done or having a larger percentage placed on State and local governments.
18

19 The attached summary sheet includes the details of a joint funding proposal for the dredging of the Bogue Inlet AIWW
20 crossing. The total amount requested from Onslow-Carteret area local governments for the Bogue Inlet AIWW
21 crossing dredging is approximately \$207,000. The joint funding proposal calls for a 1/3, 1/3, 1/3 split between Onslow
22 County (\$69,000), Carteret County (\$69,000), and the 4 towns adjacent to the Bogue Inlet AIWW crossing. As
23 indicated above, Emerald Isle's share would be \$45,000, and would comprise the bulk of the \$69,000 contributed by
24 the 4 towns. The rationale for Emerald Isle's higher amount is that 1) Emerald Isle will receive the added benefit of the
25 sand at The Point, and 2) the difficulty for the 3 smaller towns to afford a larger contribution.
26

27 Because this work involves a beach nourishment component, Carteret County is authorized to use room occupancy tax
28 funds administered by the Carteret County Beach Commission. The Carteret County Beach Commission has
29 approved a \$69,000 contribution, and that contribution will be the subject of a formal budget amendment at an
30 upcoming Carteret County Board of Commissioners meeting. Onslow County, Swansboro, Cedar Point, and Cape
31 Carteret have all been advised of the forthcoming request. The initial response from Onslow County officials has been
32 positive thus far. We hope to secure approval from all of the area local governments by early June.
33

34 Budget Amendment – General Fund

35 The attached General Fund budget amendment appropriates the Town's \$45,000 contribution for this project.
36 Because the Town's Beach Nourishment Debt Service / Reserve Fund is in excellent financial condition, it is possible
37 to decrease the FY 05-06 General Fund transfer to the Beach Nourishment Debt Service / Reserve Fund by \$45,000
38 and allocate these funds for the Bogue Inlet AIWW crossing dredging.
39

40 The \$45,000 decrease in the transfer from the General Fund to the Beach Nourishment Debt Service / Reserve
41 (BNDSR) Fund will not have an adverse impact on that fund. Current projections, factoring in the attached budget
42 amendment, indicate that the BNDSR Fund will have an ending balance of approximately \$685,000 after all beach
43 nourishment bonds are retired in FY 12-13.
44

45 Budget Amendment – Beach Nourishment Debt Service / Reserve Fund

46 The attached budget amendment is procedural in nature, and simply reflects the \$45,000 decrease in the Transfer
47 from the General Fund.
48

49 Resolution Authorizing Funding Partnership with NC Division of Water Resources and Area Local Governments

50 The attached resolution authorizes the Town's participation in the joint funding proposal outlined above. The resolution
51 also authorizes the Town Manager to seek the suggested contributions from the other local governments in the
52 Onslow-Carteret area.
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 2 Commissioner Allen asked what would happen if Cape Carteret, Cedar Point, or
 3 Swansboro didn't join in. Mr. Rush said the \$207,000 is a worst case scenario,
 4 based on a maximum of 80,000 cubic yards coming out of the channel. Once
 5 they actually do the dredging if it winds up being 70,000 cubic yards, for
 6 example, then the total cost would be less. In addition, Mr. Rush said the
 7 \$207,000 figure includes a 15% contingency built into it as well. Mr. Rush said
 8 he is hoping it will be less than \$207,000 for everyone, and if one of the
 9 communities does not participate he hoped that the savings from the contingency
 10 or reduced quantity would cover that additional amount. Mr. Rush said that he
 11 had tried to convey to the other communities that primarily this is a navigation
 12 project, significant navigation benefits associated with the project, Emerald Isle
 13 happens to get a secondary benefit of the sand.
 14

BUDGET AMENDMENT
 FY 2005-06

The budget for FY 2005-2006 is hereby amended as follows:

GENERAL FUND

	Increase	Decrease
<u>Revenues</u>		
TOTAL	-	-
<u>Expenditures</u>		
Transfer to Beach Nourishment Debt Service / Reserve Fund	-	45,000
NonDepartmental - Bogue Inlet AIWW Crossing Dredging	45,000	-
TOTAL	45,000	45,000

Copies of this ordinance shall be filed with the Finance Officer, Budget Officer, and Town Clerk, to be kept on file by them for their direction in the disbursement of Town funds for this project.

Adopted this _____ day of _____, 2006.

Attest:

 Rhonda C. Ferebee, Town Clerk

 Arthur B. Schools, Jr., Mayor

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7

Motion was made by Commissioner Hedreen to approve the General Fund Budget Amendment as presented. The Board voted unanimously 5-0 in favor. Motion carried.

BUDGET AMENDMENT
FY 2005-06

The budget for FY 2005-2006 is hereby amended as follows:

BEACH NOURISHMENT DEBT SERVICE / RESERVE FUND

	Increase	Decrease
<u>Revenues</u>		
Transfer from General Fund	-	45,000
TOTAL	-	45,000
<u>Expenditures</u>		
Appropriation to Fund Balance	-	45,000
TOTAL	-	45,000

Copies of this ordinance shall be filed with the Finance Officer, Budget Officer, and Town Clerk, to be kept on file by them for their direction in the disbursement of Town funds for this project.

Adopted this _____ day of _____, 2006.

Attest:

Rhonda C. Ferebee, Town Clerk

Arthur B. Schools, Jr., Mayor

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14

Motion was made by Commissioner Hedreen to approve the Beach Nourishment Debt Service / Reserve Fund as presented. The Board voted unanimously 5-0 in favor. Motion carried.

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1
2 ***Motion was made by Commissioner Hedreen to approve the Resolution***
3 ***Authorizing a Funding Partnership with the NC Division of Water***
4 ***Resources and Area Local Governments for Bogue Inlet AIWW Crossing***
5 ***Dredging. The Board voted unanimously 5-0 in favor. Motion carried.***

6
7 **Note: A copy of Resolution 06-05-09/R3 is incorporated herein by reference and hereby made a part**
8 **of these minutes.)**
9

10 **14. PRESENTATION - FY 06-07 RECOMMENDED BUDGET**

11
12 Town Manager Frank Rush provided a detailed PowerPoint presentation
13 summarizing for the Board the FY 06-07 Recommended Budget. A copy of the
14 Town Manager's Budget Message is provided as follows:

15
16 May 9, 2006

17
18 Dear Honorable Mayor Schools and Commissioners:

19
20 I am pleased to present the FY 06-07 Recommended Budget for your review and consideration. The total
21 Recommended Budget across all funds is \$9,073,498 including the special district tax collections and debt service
22 payments associated with the locally-funded Emerald Isle beach nourishment projects. This total does not include an
23 additional \$5,875,450 budgeted for the upcoming FEMA Ophelia Beach Nourishment Project that will be constructed
24 during FY 06-07.

25
26 **GENERAL OVERVIEW**

27 The largest portion of the total budget is the General Fund. The total General Fund budget is \$6,405,416, which is a
28 \$132,672, or 2.12% increase in expenditures over the FY 05-06 original budget. The budget is balanced, and I am
29 pleased to report that the recommended General Fund property tax rate for FY 06-07 is 15.5 cents per \$100 of
30 assessed value, the same rate as FY 05-06. I believe the Recommended Budget represents a fiscally responsible
31 spending and work plan for FY 06-07, and includes funding for the most pressing issues facing the Town at this time.
32 As you know, a stable General Fund tax rate was the Board of Commissioners' top priority heading into the FY 06-07
33 budget process, and I am pleased that the Recommended Budget addresses this priority.

34
35 The Board of Commissioners should note that although I believe the FY 06-07 Recommended Budget is a responsible
36 plan, it was perhaps the most difficult budget process in my 5 years with the Town. There were several capital items
37 requested that I believe would be beneficial for our residents, property owners, and / or Town staff, however, there are
38 not sufficient revenues projected to honor all of these requests. As such, the Recommended Budget reflects only
39 those items that I believe reflect the highest priorities of the community. Additional salary and operating costs for each
40 of the Town's departments were the primary factors contributing to slightly less capital spending than desired or
41 originally projected. I do not believe, however, that the FY 06-07 Recommended Budget will prevent the Town from
42 replacing necessary capital equipment in a timely manner, and I do believe that all of the Town's departments will
43 continue to operate effectively and efficiently under the Recommended Budget.

44
45 It is always a top priority of mine to make sure that the long-term impacts of current budget decisions are carefully
46 analyzed so that the Board of Commissioners is aware of any potential tax rate impacts in future years. I have once
47 again included an updated General Fund 5-Year Forecast in the Recommended Budget booklet, and this forecast is
48 based on the FY 06-07 budget recommendations, future planned capital expenditures (as outlined in the 5-Year
49 Capital Replacement / Improvement Program), reasonable inflation rates, and modest growth in the Town's revenue
50 sources. The 5-Year Capital Replacement / Improvement Program includes many beneficial capital projects that have
51 been discussed by the Board of Commissioners, and for the first time in several years the General Fund 5-Year
52 Forecast indicates consistent deficits in future years. The Board of Commissioners will be faced with important

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1
2 decisions about the inclusion of these projects in the Town's plan, the pace at which these projects are completed,
3 and / or the potential need for any General Fund property tax rate increases in future years. I look forward to assisting
4 the Board in formulating its collective priorities and achieving the Town's goals in a fiscally responsible manner.
5

6 As noted above, the FY 06-07 Recommended Budget does enable Town departments to continue current service
7 levels and replace necessary capital equipment in FY 06-07. The Recommended Budget also includes funding for
8 several beneficial capital projects. Among these projects are the completion of the FEMA Ophelia Beach Nourishment
9 Project, storm water pipe repairs in Cape Emerald, traffic improvements near the intersection of Coast Guard Road
10 and NC 58, the acquisition of a conservation easement along the "Gateway" and associated construction of Crew Drive
11 Extension, additional sidewalks and bicycle paths, the replacement / repair of soundside access facilities damaged
12 during Hurricane Ophelia, and the construction of handicapped-accessible beach access walkways and observation
13 areas at the Town's two largest beach accesses. The FY 06-07 Recommended Budget also envisions the initiation of
14 design work for a new EMS station, an expanded Police Station, and new Town Hall building. This design work would
15 be accomplished with funding outside of the FY 06-07 Recommended Budget.
16

17 As you know, the Town will soon solicit bids for a new solid waste services contract. These bids are expected in mid-
18 June, and the bid prices may impact the Town's annual solid waste service fee. In the absence of the results of the bid
19 process, the Recommended Budget assumes business as usual for solid waste, and includes the current \$150.00
20 annual fee. As you know, the amount of the solid waste fee has been established each year to cover 100% of the cost
21 of the Town's solid waste services. As such, I am recommending that the Board of Commissioners delay action on
22 setting the annual solid waste fee until after the bid process is complete and the annual costs can be more accurately
23 estimated. I anticipate the Board of Commissioners considering a new solid waste contract in late June or early July,
24 and setting the annual solid waste fee at that time.
25

26 The FY 06-07 Recommended Budget also includes the 5th year of special district taxes to finance the debt service
27 payments on the beach nourishment bonds. As you know, and as was communicated to the voters prior to the
28 referendum, the Town's financing plan calls for these special district taxes to remain in effect for a total of 9 years. The
29 Town's financing plan intentionally stabilized the Primary Benefit (oceanfront) District rate at 48 cents per \$100 of
30 assessed value, and the Secondary (non-oceanfront) Benefit District rate at 3 cents per \$100 of assessed value for the
31 entire nine-year period. I am pleased to report that the FY 06-07 Recommended Budget retains the 48-cent and 3-cent
32 special district rates for the 5th year in a row, and enables us to meet our debt service obligations according to
33 schedule.
34

35 For the 4th year, the Recommended Budget also includes a detailed Capital Replacement / Improvement Program to
36 effectively plan for future capital needs. The Board should note that the Capital Replacement / Improvement Program
37 included in this document reflects established capital replacement schedules developed by the department heads and
38 myself, includes special projects already underway, and includes recommendations for additional projects over the
39 next five years. While I believe I have included many projects aimed at addressing the Board's priorities, the Board
40 should thoroughly review and amend this plan before adoption so that it adequately reflects your priorities. As noted
41 above, the projects contained in the 5-Year Capital Replacement / Improvement Program are the major factor in the
42 projection of annual General Fund budget deficits in future years. The Board should carefully review this plan and
43 consider the need for, benefits associated with, and the timing of the recommended projects balanced against the
44 Board's fiscal responsibility.
45

46 Again, I am extremely pleased to present this Recommended Budget to you with a stable General Fund property tax
47 rate. The following pages include a detailed discussion about the many issues impacting the FY 06-07 Recommended
48 Budget.
49

50 **FY 06-07 BUDGET GOALS and CAPITAL PLANS**

51 Based on direction from the Board of Commissioners over the past year, and priorities expressed at the Board's
52 special planning workshop in February, I compiled the following list of the Board's expressed goals heading into the FY
53 06-07 budget process and capital planning process:
54

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- 1
- 2
- 3 1. Present a Recommended Budget with no increase in the General Fund tax rate,
- 4
- 5 2. Maintain the Town's General Fund balance at a level that is acceptable to meet cash flow needs, address
- 6 disaster recovery needs, and maintain a sound financial position,
- 7
- 8 3. The design and construction of a new EMS station and expanded Police Station are the top capital project
- 9 priorities,
- 10
- 11 4. The Island Circle area is the next priority area for storm water solutions along Coast Guard Road, followed by
- 12 the Spinnakers Reach area, and
- 13
- 14 5. Limit the term of any new debt to 10 years, and utilize only for major capital projects.
- 15

16 In addition to the budget goals expressed by the Board, I also established the following budget goals for FY 06-07 and
17 the 5-year capital plan. These goals are as follows:

- 18
- 19 1. Consider long-term implications of annual budget decisions, and attempt to minimize any tax rate increases
- 20 over the foreseeable future,
- 21
- 22 2. Limit expenditures to the maximum extent practical while continuing current service levels,
- 23
- 24 3. Maintain acceptable funding levels for the replacement of essential capital equipment, and schedule such in
- 25 a manner that stabilizes annual capital expenditures,
- 26
- 27 4. Continue investment in projects and services that will have a measurable and visible impact on the quality of
- 28 life in Emerald Isle, and
- 29
- 30 5. Provide for fair compensation for Town employees to promote healthy morale.
- 31

32 I believe that the FY 06-07 Recommended Budget and 5-Year Capital Replacement / Improvement Program reflect all
33 of these goals. Each of the components of the FY 06-07 Recommended Budget is rooted in the accomplishment of
34 one or more of these goals.

35
36 **FY 06-07 GENERAL FUND DISCUSSION**

37 As noted earlier, the FY 06-07 Recommended Budget for the General Fund is \$6,405,416, a \$132,672, or 2.12%,
38 increase from the FY 05-06 original budget.

39
40 The various Town department budgets have changes ranging from a 2.19% decrease up to a 6.46% increase. The
41 Board should note that the budget for the non-profit Emerald Isle Emergency Medical Services has increased by
42 12.90%, and legal expenses are budgeted at 33.33% less than FY 05-06 (neither of which are Town departments).

43
44 The vast majority of the increases for Town departments are associated with higher salary and operating costs. The
45 higher salary costs are primarily in the form of additional overtime and part-time expenditures and a new full-time
46 position in the Parks and Recreation Department. The higher operating costs reflect increasing inflationary pressures,
47 including surging gasoline prices, and a demand for more services from our residents and property owners. The Board
48 should note that proposed funding for employee salary adjustments is not included in the salary category, but is
49 instead budgeted in a separate NonDepartmental account.

50
51 The FY 06-07 Recommended Budget includes no debt service payments, as the Town now has no outstanding
52 General Fund debt. A total of \$430,000 is included for pay-as-you-go capital projects in FY 06-07, with an additional
53 \$100,000 earmarked for transfer to the Beach Nourishment Debt Service / Reserve Fund.
54

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1
2 On the revenue side, total revenues are projected to increase by an identical amount of \$132,672, or 2.12%. Due to
3 continued high levels of new construction adding to the Town's tax base, an increase of \$55,288 in property tax
4 revenue is anticipated with the 15.5 cent rate. The sales tax continues to be the Town's other most important revenue
5 source, and an increase of \$98,875 is projected in FY 06-07. The Town is expected to receive an additional \$49,898 in
6 cable television franchise fees, and an additional \$35,000 in interest earnings is projected in FY 06-07. The revenue
7 increases described above are offset by the exclusion of one-time revenues that were included in the FY 05-06 budget,
8 and also due to the fact that the FY 06-07 budget does not rely on the use of General Fund balance to balance the
9 budget. Other General Fund revenue sources are expected to remain relatively constant, with relatively small
10 increases or decreases projected for most revenues.

11
12 **Significant FY 06-07 General Fund Revenue Issues**

13 Additional Property Tax Revenues Anticipated Due to Strong Growth

14 The Town's total taxable value is now estimated at nearly \$1.509 billion, and reflects slightly more than a 2% increase
15 over the total taxable value used to formulate the FY 05-06 budget. The significant amount of new construction
16 continues to assist the Town in maintaining a stable property tax rate.

17
18 In FY 06-07, each 1 cent of the General Fund property tax rate will generate nearly \$151,000 of revenue, resulting in
19 total projected property tax revenues of \$2,337,183. The effect of the growth in the tax base is an additional \$55,288
20 of anticipated property tax revenue.

21
22 The property tax continues to be the Town's largest single revenue source, providing nearly 37% of the Town's total
23 General Fund anticipated revenues for FY 06-07.

24
25 Sales Tax Continues to Be the Town's 2nd Most Significant Revenue Source

26 As you know, the levy of the special district taxes to fund the Town's beach nourishment projects has resulted in
27 significant additional sales tax revenues for the past 4 years, and the sales tax now represents more than 29% of the
28 Town's annual General Fund revenues.

29
30 A total of \$1,888,875 is projected for FY 06-07, and this amount is \$98,875 more than the FY 05-06 original budget
31 anticipated, and nearly \$64,000 more than the revised projection for FY 05-06. The FY 06-07 Recommended Budget
32 assumes a 3.5% growth rate in the sales tax revenue in FY 06-07, which is slightly less than the guidance provided by
33 the NC League of Municipalities, which forecasts a growth rate of 5% or higher. The FY 06-07 Recommended Budget
34 includes a smaller growth factor due to the impact that the Town's 1-cent property tax rate reduction in FY 05-06 will
35 have on the distribution of sales tax revenues to Emerald Isle. As you know, the sales tax distribution method used in
36 Carteret County is directly related to the amount of property taxes levied by a County or municipality. Essentially, the
37 more property taxes levied, the greater proportion of sales tax revenues, and the less property taxes levied, the smaller
38 proportion of sales tax revenues. (A tax rate increase by Carteret County and / or other municipalities in the County
39 also affects Emerald Isle's sales tax revenues.)

40 I believe that the 3.5% growth factor used to estimate FY 06-07 sales tax revenues is reasonable, however, I am
41 reluctant to assume a higher growth factor for the reasons stated above.

42
43 Slight Decrease Budgeted for Development Permit Fees

44 The FY 06-07 Recommended Budget anticipates a total of \$252,500 from development permit fees, which is slightly
45 less than the amount included in the FY 05-06 original budget.

46
47 Building permit fees make up the bulk of revenues in this category. The anticipated amount of building permit fees for
48 FY 06-07 is \$230,000, which is equal to the revised total expected from building permit fees for FY 05-06. The amount
49 collected in FY 04-05 was \$268,404, and was \$244,609 in FY 03-04. We believe that we may be beginning to see a
50 slight slowdown in the pace of new construction, and we don't believe that the Town can depend on this revenue
51 source as heavily as the past few years. Of all of the Town's revenues, I am the least confident in the estimate for
52 building permit fees because of uncertainty regarding the pace of new construction. The Board should note that actual
53 building permit fee revenues in FY 01-02, prior to the recent building boom, were \$137,583.
54

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1
2
3 The FY 05-06 Recommended Budget assumes that approximately 100 new homes will be initiated in Emerald Isle over
4 the next fiscal year, which is approximately equal to the total projected for FY 05-06 (there were 73 through March 31).
5 There were a total of 114 new homes initiated in FY 04-05, 127 in FY 03-04, 128 in FY 02-03, and 67 in FY 01-02.
6

7 Although I am reasonably comfortable with the FY 06-07 Recommended Budget estimate for development permit fees,
8 the Board should note that a downturn in the current construction boom could adversely affect our revenues and
9 require mid-year budget adjustments. Even a return to previous historical averages could have an adverse impact on
10 Town revenues.
11

12 Increase in Cable Television Franchise Fees

13 The State of NC recently enacted a statewide sales tax of 7% on all cable television services. The implementation of
14 this statewide sales tax included a provision to credit the cable television companies for the amount of local franchise
15 fees paid, up to 5%. Because the Town's fees had previously been established at 3%, the State would have begun
16 collecting an additional 4% from cable television subscribers in Emerald Isle. In effort to retain more of these revenues
17 locally as opposed to sending them to the State, the Town increased its cable television franchise fee to 5% in January
18 2006. The result is that the cable television subscriber will continue to pay 7%, however, 5% will be remitted to the
19 Town and 2% will be remitted to the State.
20

21 This change is expected to increase the Town's cable television franchise fee revenues by \$49,898 in FY 06-07. The
22 total amount of cable television franchise fee revenue budgeted is \$117,350.
23

24 The Board should note that there is currently legislation under discussion at both the Federal and State levels to
25 eliminate local franchising authority, and replace this system with a Federal and/or State franchising system. Most of
26 the proposals discussed have included a replacement of this revenue source for local governments, however, this
27 issue should be monitored closely over the coming months.
28

29 Additional Interest Earnings

30 A total of \$100,000 is projected in General Fund interest earnings in FY 06-07. This amount is \$35,000 more than
31 anticipated in the FY 05-06 original budget, and is comparable to the revised amount projected for FY 05-06.
32

33 The Town was earning approximately 2.64% on its investments in April 2005, and is now earning approximately
34 4.61%. It appears that the Federal Reserve Board has slowed the pace of interest rate increases somewhat, however,
35 additional small increases are anticipated.
36

37 Slight Growth in Solid Waste Service Fee Revenues Budgeted

38 The FY 06-07 Recommended Budget anticipates a total of \$964,386 from solid waste service fees, an increase of
39 \$12,722, or 1.34% over the FY 05-06 budget amount. As noted above, the FY 06-07 Recommended Budget maintains
40 the \$150 annual fee, however, this fee may be adjusted depending on the results of the Town's current bid process for
41 solid waste services.
42

43 Other Revenues

44 As noted earlier, other General Fund revenue sources are expected to remain relatively constant, with small increases
45 or decreases projected in FY 06-07. There are a few notable exceptions, however.
46

47 The Town continues to experience healthy growth in utility franchise taxes and telecommunications sales taxes. Utility
48 franchise taxes and telecommunications sales taxes have been increasing at a rate of approximately 5% - 6% over the
49 past few years, and a similar increase is anticipated in FY 06-07. Overall, a total of \$265,200 is anticipated from these
50 revenue sources in FY 06-07, an increase of \$15,450 over the FY 05-06 amount.
51

52 The FY 06-07 Recommended Budget includes an anticipated \$15,000 contribution from Carteret County for
53 recreational purposes. These funds are earmarked for sidewalk and bicycle path "stubs".
54

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1
2 The FY 05-06 budget relied on a total of \$56,534 from the US Fire Administration for the purchase of specific Fire
3 equipment, and there is no grant funding from this source included in the FY 06-07 Recommended Budget.
4 Additionally, \$24,000 from a special, one-time canal dredging fee for the property owners along Bogue Sound Drive
5 canal was included in FY 05-06 and is not included in FY 06-07.
6

7
8 Finally, the FY 05-06 budget relied on \$50,000 from General Fund balance to balance the budget. These funds were
9 specifically earmarked for the Coast Guard Road Traffic Project. There is no appropriation from General Fund balance
10 included in the FY 06-07 Recommended Budget. All funds budgeted for capital projects are derived from current
11 revenues.
12

13 **Significant FY 06-07 General Fund Expenditure Issues**

14 Cape Emerald Pipe Repairs

15 A total of \$115,000 is included in the FY 06-07 Recommended Budget to be transferred to a new capital project
16 account to "slip-line" an approximately 400 ft. long segment of Town-maintained storm water pipe in the Cape Emerald
17 subdivision.
18

19 This storm water pipe conveys storm water runoff from the Ocean Oaks and Cape Emerald subdivisions to detention
20 ponds in Cape Emerald prior to discharge into Bogue Sound. The pipe segment to be replaced is located between the
21 terminus of Ocean Oaks Drive and the pond located adjacent to the Cape Emerald tennis courts, and has been a
22 constant source of problems over the past several years. The Town has completed repairs on this pipe numerous
23 times over the years, however, the problems continue to occur. A recent inspection revealed that portions of the pipe
24 are completely deteriorated, and complete replacement or "slip-lining" are the only options. Because the "slip-lining"
25 option involves limited disturbance to the neighborhood, and because it is less expensive than complete pipe
26 replacement, we are recommending this option.
27

28 Coast Guard Road Traffic Improvement Project

29 The FY 06-07 Recommended Budget includes the transfer of an additional \$120,000 to the capital project account
30 established for this project. These funds will supplement a previous appropriation of \$60,000 in FY 05-06 and result in
31 a total project budget of \$180,000. This amount is consistent with preliminary estimates developed by the Town's
32 consulting engineer.
33

34 These funds will be used to lengthen existing turn lanes and construct additional turn lanes on Coast Guard Road
35 between Deer Horn Drive and NC 58. The preliminary design for this project has been favorably reviewed by Town
36 staff, the Town's engineer, the adjacent property owners, the Board of Commissioners, and the NC Department of
37 Transportation, and is expected to relieve traffic congestion in this area.
38

39 This work is currently in the design phase, and is expected to be constructed in January 2007. The January 2007 time
40 frame is ideal due to the fact that the project will result in significant disruption of traffic patterns on Coast Guard Road,
41 which is the only way in and out for many of our residents and property owners.
42

43 Acquisition of "Gateway" Conservation Easement / Construction of Crew Drive Extension

44 A total of \$130,000 is included in the FY 06-07 Recommended Budget to construct a 1,200+/- linear ft extension of
45 Crew Drive between Coast Guard Road and Bogue Sound. This project serves as compensation to the adjacent
46 property owners for providing a 30 ft. wide conservation easement along NC 58 between Coast Guard Road and the
47 Cameron Langston Bridge in the area commonly referred to as the "Gateway".
48

49 This project will insure that no removal of vegetation or alteration of the topography occurs along the eastern side of
50 the "Gateway" within a 30 ft. strip adjacent to the NCDOT right of way. The preservation of the "Gateway" is a key goal
51 outlined in the Town's 2004 CAMA Land Use Plan.
52
53
54

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1
2 The Town's consulting engineer provided a preliminary cost estimate of \$130,000 for this project. The Town is still
3 awaiting execution of the appropriate legal documents with the owner of the "Gateway" property, and detailed design
4 work would begin shortly after execution of a final agreement.
5

6 More Sidewalks and Bike Paths

7 The FY 06-07 Recommended Budget includes \$30,000 for two small sidewalk and bicycle path projects. A total of
8 \$15,000 is included to construct an approximately 600 ft. segment on the north side of NC 58 between the Town Hall
9 complex and Lee Street. This additional segment would provide a safe link to the Archers Point and Canal Drive
10 neighborhoods that are home to several Emerald Isle children.
11

12 A total of \$15,000 is also included to provide sidewalk and bicycle path "stubs" along the existing NC 58 sidewalks and
13 bicycle paths at signalized intersections. There exists a significant width of grass between the NC 58 travel lanes and
14 the new sidewalks and bicycle paths, and it is difficult to cross NC 58 safely in these locations. Additionally, the
15 presence of these "stubs" will increase the likelihood of the Town receiving pedestrian signals from NCDOT in the
16 future. A \$15,000 contribution from Carteret County is earmarked for these "stubs".
17

18 One New Position Included in FY 06-07 Recommended Budget

19 The FY 06-07 budget includes approximately \$34,000 (salary and benefits) for the creation of a new Parks
20 Maintenance Worker position in the Parks and Recreation Department. This position will augment the existing Parks
21 Maintenance staff, which now has additional responsibility for the bicycle paths and the new Emerald Isle Woods Park
22 set to open in June. The Town is also committed to maintaining and enhancing the aesthetics of the NC 58 corridor
23 and our beach access, sound access, and park facilities, and the new position will help to meet these goals. Finally,
24 the Town is experiencing a greater need to repair and replace existing, older beach access walkways, and this position
25 will help in this area as well.
26

27 As you may recall, the Town previously requested an additional inmate labor crew for the Parks and Recreation
28 Department. This additional crew has not materialized this year, and we are apparently in line behind two other
29 communities.
30

31 Employee Health Insurance Premiums Up Slightly / Additional Increases Avoided by Slight Reduction of Health
32 Benefits

33 The Town's current employee health insurance premium will increase from \$394 per employee per month to \$411 per
34 employee per month, resulting in an additional annual expense of approximately \$12,000.
35

36 In order to limit the Town's additional cost to \$411 per employee per month, the co-payments for doctor visits have
37 been increased from \$10 (primary care) and \$30 (specialist care) to \$20 and \$40, and the annual deductible has been
38 increased from \$250 to \$500. If the Town chose to maintain the current co-payments and deductible, the cost would
39 rise to \$449 per month. With the \$411 monthly payment, the Town will save approximately \$28,000.
40

41 Although this change represents a reduction in employee benefits, I do not believe that the change will significantly
42 harm our employees. The new health insurance plan is still very competitive with other employers, who have also
43 gradually increased co-payments and deductibles over the years to deal with increasing health insurance costs. I have
44 also made a conscious decision to place greater emphasis on employee salaries in the FY 06-07 Recommended
45 Budget, as discussed below.
46

47 Employee Salary Adjustments

48 The FY 06-07 Recommended Budget takes a slightly different approach to employee salary adjustments than previous
49 years. Rather than incorporating a cost-of-living adjustment into each department's budget, I have included a separate
50 amount of money for organization-wide salary adjustments in the NonDepartmental account. I am seeking the Board's
51 concurrence to allocate these funds in this manner and allow me to work with the Town's department heads to
52 determine the best way to distribute these funds to the Town's employees.
53
54

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1
2 As you may recall, the Town has historically budgeted an amount sufficient to provide a cost-of-living increase equal to
3 the change in the consumer price index for the previous year. This amount has ranged from 2.5% to 3.2% over the
4 past 4 years. The Board of Commissioners has also appropriated an additional amount for the past 3 years for
5 targeted salary adjustments for certain positions, and this amount has generally been equal to approximately 1% of the
6 Town's full-time payroll.

7
8 The change in the CPI for the 12 months ending in March 2006 was equal to 3.4%. Following the recent practice of
9 allocating an additional 1% results in a total salary adjustment equal to 4.4% of the Town's full-time payroll. As such, I
10 have included a total of \$93,500 in a NonDepartmental account for organization-wide salary increases in FY 06-07. I
11 have also included an additional \$18,000 for the associated benefits (FICA, retirement, 401k).

12
13 The Board should note that the change in the CPI for the United States was 3.4%, but the CPI for the "South-Urban"
14 area was actually 3.7%. I have previously used the "South-Urban" category in previous budget years, but chose to
15 utilize the lower figure this year in an effort to balance the budget.

16
17 Scheduled Funding for Capital Equipment Replacements

18 The FY 06-07 Recommended Budget implements the Town's 5-Year Capital Replacement / Improvement Program,
19 and allocates sufficient funds for scheduled major replacements. The following are funded in the FY 06-07
20 Recommended Budget:

- 21
22
- three replacement Police cars to replace vehicles with excessive mileage, age, and wear,
 - the early replacement of the Police Department's Beach Vehicle, which has deteriorated more rapidly than expected, and
 - the replacement of a 5-year old riding mower in the Parks and Recreation Department.
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29 All of these scheduled replacements have been re-assessed prior to the budget process, and are judged to be in need
30 of replacement. All surplus vehicles will be auctioned off through the Town's website. All of these replacements are
31 funded with pay-as-you-go revenues in the FY 05-06 Recommended Budget.

32
33 The Board should note that two originally scheduled vehicle replacements, a pickup truck in the Public Works
34 Department and a pick-up truck in the Fire Department, have been delayed and rescheduled for FY 07-08. I believe
35 that these vehicles can survive another year without diminishing the quality of the Town's services or the efficiency of
36 our departments.

37
38 Other Notable Expenditure Items

39 The Recommended Budget also includes funding for several other notable items, as follows:

- 40
41
- a total of \$30,000 to connect the Doe Drive storm water pumping station to the Deer Horn Drive pond for eventual pumping to Emerald Isle Woods,
 - a total of \$35,000 for storm water monitoring activities at Emerald Isle Woods; the Town is still awaiting final approval from NC Division of Water Quality on monitoring plan,
 - an additional \$36,000 over the FY 05-06 original budget for gasoline and vehicle expenses across the organization (the average amount per gallon anticipated is approximately \$2.75; note that the Town does not pay State fuel taxes),
 - a total of \$225,970 contributed to Emerald Isle EMS, which is a \$25,820 increase over the FY 05-06 amount; this amount includes funding to continue and expand the vehicle replacement capital reserve fund,
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- a total of \$15,000 for Land's End to offset the cost of their storm water management operations that benefit other areas of Town,
- a total of \$6,500 to implement recommendations from the Town's Safety Committee, including alarm systems in the Public Works building and the Community Center,
- a total of \$12,000 for the purchase of a thermal imaging camera to improve firefighter safety,
- a total of \$14,300 to replace exercise equipment in the Community Center,
- a total of \$23,000 for improvements to bathhouse facilities at Merchants Park, the Eastern Ocean Regional Access, and Blue Heron Park,
- a total of \$5,000 to construct needed drainage improvements on Ocean Drive in the eastern areas of Town; our plan is to allocate \$5,000 annually to address the main problem areas with small infiltration systems,
- a total of \$10,000 toward a potential 50th anniversary celebration of the Town's incorporation, and
- a total of \$8,004 to replace the Police Department's bullet-proof vests; this expense is offset by grant funding.

Design Work for New EMS Station

The recommended 5-Year Capital Improvement / Replacement Program includes the construction of a new EMS station in FY 07-08, to be funded primarily by proceeds from the sale of the existing EMS station and the EMS reserve.

The FY 06-07 Recommended Budget assumes that design work for the new EMS station will occur during FY 06-07, and that design expenses will be borne by the EMS reserve (estimated to have approximately \$216,000 at June 30, 2006). The design process will have oversight from Emerald Isle EMS and the Joint EMS Committee that includes representatives from the Town.

Design Work for Expanded Police Station / New Town Hall

The recommended 5-Year Capital Improvement / Replacement Program includes the construction of an expanded Police Station (into the area currently occupied by Town Administration and the Board meeting room) and a new Town Hall building in FY 07-08. These projects are projected to be funded with a new debt issue (10 year term) in the estimated amount of \$1,500,000.

The FY 06-07 Recommended Budget assumes that design work for these projects will occur during FY 06-07, and that design expenses will be temporarily funded by General Fund balance and then rolled into the planned debt issue in FY 07-08.

GENERAL FUND BALANCE

As noted earlier, the FY 06-07 Recommended Budget does not rely on the appropriation of General Fund balance. The Board should note that the Town's available General Fund balance is projected to decrease from approximately \$2.23 million as of June 30, 2005 to approximately \$1.88 million as of June 30, 2006. The primary reason for this decrease is the use of \$315,000 to fund the grant match for the construction of Emerald Isle Woods Park during FY 05-06.

The \$1.88 million of available fund balance projected at June 30, 2006 is equal to approximately 29% of the FY 06-07 Recommended Budget amount, and continues to represent a healthy fund balance level for a town of Emerald Isle's size and location. The Board should note, however, that this is the lowest level of General Fund balance since 2003, and I would prefer that this amount be slightly higher. As such, have not recommended the use of General Fund balance to balance the FY 06-07 budget. I remain hopeful that this amount will gradually increase over time.

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1
2 **FEMA OPHELIA BEACH NOURISHMENT PROJECT**

3 The FY 06-07 Recommended Budget for the Disaster Recovery Fund includes the appropriation of \$5,875,450 for the
4 FEMA Ophelia Beach Nourishment Project. This project is currently in the design / permitting phase, and will be
5 constructed in the winter of 2006-2007.
6

7 This project is funded 100% by the Federal Emergency Management Agency, and will replace approximately 570,000
8 cubic yards of nourished sand lost during Hurricane Ophelia last September. The sand will be placed in the areas that
9 suffered the greatest losses during Ophelia: a 2.2 mile stretch between 6th Street and the Eastern Ocean Regional
10 Access and a separate 1.2 mile stretch between Shell Drive and Conch Court.
11

12 **OTHER FUNDS**

13 **Beach Nourishment Debt Service / Reserve Fund**

14 FY 06-07 is the 5th year of the Beach Nourishment Debt Service / Reserve Fund, which is used to account for the
15 special district tax collections and principal and interest payments on the beach nourishment bonds. The total budget
16 for this fund is \$2,491,374.
17

18 This is the 4th year of principal payments on the 2002 bonds, and 2nd year of principal payments on the 2004 bonds.
19 Nearly \$2.1 million of special district taxes will be collected in FY 06-07 to provide the bulk of funding necessary for the
20 FY 06-07 debt service payments.
21

22 The Beach Nourishment Debt Service / Reserve Fund is expected to have a fund balance of approximately \$2.78
23 million at June 30, 2006. This fund balance will be depleted gradually over the remaining years of the debt service
24 schedule, including the use of \$193,012 in FY 06-07.
25

26 Current projections indicate that the final ending balance in this fund will be approximately \$685,000 in FY 12-13 after
27 all bonds have been retired. This projection is based on an annual transfer of \$100,000 from the General Fund to the
28 Beach Nourishment Debt Service / Reserve Fund until FY 10-11. The Board should note that the transfer from the
29 General Fund was previously projected to be \$150,000 until FY 10-11, however, rising interest rates are expected to
30 increase interest earnings in the Beach Nourishment Debt Service / Reserve Fund, thus allowing the reduced transfer
31 from the General Fund.
32

33 **Disaster Recovery Fund**

34 The expected FEMA reimbursements associated with the FEMA Ophelia Beach Nourishment Project are included in
35 the Disaster Recovery Fund. The FY 06-07 Recommended Budget for the Disaster Recovery Fund also includes the
36 reconstruction / repair of 7 soundside public access facilities damaged during Hurricane Ophelia. A total of \$131,208 is
37 anticipated to be reimbursed by FEMA for this work.
38

39 The soundside access facilities to be replaced / repaired include Cedar Street Park pier, Cape Emerald pier, Bluewater
40 Drive pier, and walkways at Lee Street, Ridge Road, Piney Street, and 24th Street. The Town must have this work
41 completed by March 2007 in order to receive FEMA funding.
42

43 **Regional Beach Access Fund**

44 This fund will be used to budget and account for the construction of handicapped-accessible beach walkways and
45 observation areas at the Eastern Ocean Regional Access and the Western Ocean Regional Access. The Town has
46 been awarded CAMA grants in the amount of \$107,250 for this work that will be matched with \$35,750 from the Town.
47 The local match for the grants was appropriated from the General Fund in FY 05-06, and is being rolled forward into
48 FY 06-07. These improvements will be constructed in the fall of 2006.
49

50 **Special Separation Allowance Fund**

51 For the first time in several years, the Recommended Budget does not include a contribution to the Special Separation
52 Allowance Fund. This fund is projected to have a balance of approximately \$64,000 as of June 30, 2006, and should
53 be sufficient to meet any pending obligations in the short-term. There are currently no Emerald Isle law enforcement
54

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1
2 officers eligible for the Special Separation Allowance payment. The Town should continue to monitor the pending
3 obligations to soon-to-be retiring law enforcement officers and consider additional payments to this fund in future years.
4

5 **Special Drug Fund**

6 This fund accounts for restricted Police Department revenues resulting from drug seizures. The actual revenue
7 collections in this fund are highly variable; thus a total of only \$2,500 is anticipated in FY 06-07. If there is a need to
8 utilize additional funds received, a budget amendment will be presented for the Board's consideration during the fiscal
9 year. These funds may only be used for Police Department equipment. At June 30, 2006, we project the balance in
10 this fund to be approximately \$6,000.
11

12 **CAPITAL REPLACEMENT / IMPROVEMENT PROGRAM**

13 The total 5-year investment recommended in the Capital Replacement / Improvement Program is approximately \$15.5
14 million, and is funded with a mixture of pay-as-you-go funding, FEMA reimbursements, grant funding, and installment
15 financing proceeds.
16

17 The 5-Year Capital Replacement / Improvement Program includes many beneficial items for the community, however,
18 these items come with a cost. As noted earlier, the General Fund 5-Year Forecast includes all of the items in the
19 Capital Replacement / Improvement Program, but projects deficits in future years. As noted earlier, the Board of
20 Commissioners will need to carefully consider the items included in this plan.
21

22 Some of the significant items in the plan include the following:
23

- 24 • all capital replacements and capital projects included in the FY 06-07 Recommended Budget, including the
25 \$5.87 million FEMA Ophelia Beach Nourishment Project,
26
- 27 • the use of \$500,000 of pay-as-you-go funds in FY 07-08 for construction of storm water improvements in the
28 Island Circle area (preliminary work will occur in FY 06-07, however, no funds are included in the FY 06-07
29 Recommended Budget for storm water improvements due to the time-sensitivity of other capital projects),
30
- 31 • the allocation of \$250,000 annually in FY 09-10, FY 10-11, and beyond for future storm water improvements
32 along the Coast Guard Road corridor, with Spinnakers Reach as the next planned phase of the overall
33 project (the total estimated cost for the Spinnakers Reach phase is approximately \$800,000 - \$1,000,000),
34
- 35 • the construction of a new EMS station on Town-owned property adjacent to Fire Station 1 in FY 07-08, to be
36 funded with \$200,000 from the EMS reserve, \$350,000 from the sale of the existing station, and \$50,000
37 from the Town's General Fund,
38
- 39 • the use of \$100,000 of pay-as-you-go funds in FY 07-08 to secure off-island property for a Public Works
40 storage yard (other options may include the use of a small corner of Emerald Isle Woods, McLean Park, or
41 Fire Station #2; additional research is necessary),
42
- 43 • the issuance of \$1.5 million of installment financing debt in FY 07-08 for the expansion of the Police Station
44 and construction of a new Town Hall,
45
- 46 • the issuance of \$1,000,000 of installment financing debt in FY 07-08 for the purchase of land for and
47 construction of a new Fire Station along Coast Guard Road in order to meet ISO requirements (additional
48 research is necessary to determine other, less expensive options),
49
- 50 • the use of \$124,000 of pay-as-you go funding in FY 08-09 for a new Parks Maintenance Building (current
51 building damaged by flooding during Ophelia; currently investigating other options to re-utilize the existing
52 building),
53
- 54 • the issuance of \$400,000 of installment financing debt in FY 08-09 to replace an aging Fire Engine.

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- the use of NCDOT grant funds and required local matching funds to construct an additional bicycle path in FY 08-09, the next date that grant funds are expected to be made available,
- the use of Parks and Recreation grant funds and required local matching funds to construct improvements at McLean Park in FY 08-09 (preliminary improvements to be completed by Town personnel as time permits),
- the use of \$50,000 annually of pay-as-you-go funding to replace aging beach walkways that are maintained by the Town (the needs are becoming greater and greater, and a dedicated Town funding source should be identified to begin to make progress; not eligible for CAMA grant funds),
- the use of CAMA grant funds and required local matching funds to acquire and develop additional small beach parking lots within ¼ mile of the beach strand,
- the annual replacement of Town vehicles and equipment with pay-as-you-go funding,
- the annual resurfacing of Town streets with Powell Bill funds,
- annual appropriations of pay-as-you-go funding for additional sidewalks, and
- annual appropriations of pay-as-you-go funding for soundside public access improvements.

The Board should note that the most significant policy decisions in the Capital Replacement / Improvement Program are the construction of an expanded Police Station and new Town Hall, the timing of future phases of the Coast Guard Road Storm Water Project, and the potential need for a new Fire Station 3. These projects represent the largest dollar amounts included in the Capital Replacement / Improvement Plan and also represent additional General Fund debt.

I look forward to working with the Board to review the Capital Replacement / Improvement Program.

2007 REVALUATION

As you know, Carteret County's next revaluation is scheduled for 2007, and this revaluation will have a significant impact on Emerald Isle. The Town's current total assessed value, based on 2001 dollars, is approximately \$1.508 billion. This figure is expected to reach as high as \$4 - \$5 billion in 2007.

I have included a chart in the "Summary Budget Information" section of the FY 06-07 Recommended Budget document that outlines potential revaluation scenarios for Emerald Isle. As we have discussed previously, Emerald Isle's General Fund property tax rate could potentially fall to as low as 5 cents per \$100 of assessed valuation.

If the Town's total assessed value increases by more than 210%, the Town will find itself in a position whereby a revenue-neutral tax rate will not be legally permissible due to the State-minimum of 5 cents. The result of the application of this State law is a potentially unintended windfall for the Town's budget in FY 07-08.

LOOKING AHEAD

As in previous budgets, I have put considerable effort into planning for future capital expenditures and reasonably anticipated revenue adjustments, and the General Fund 5-Year Forecast included in the FY 06-07 Recommended Budget document incorporates all of this information.

Looking ahead over the next five years, the Town's budget situation appears to be less stable than previously projected. Incorporating the Capital Replacement / Improvement Program, the Town is facing potential deficits in the General Fund of approximately \$850,000. Under the current tax values, the Town could potentially face the need for as much as a 5-cent tax rate increase in order to accomplish all of the projects outlined in the Capital Replacement /

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1
2 Improvement Program. We will certainly be working diligently over this time period to minimize the severity of any tax
3 rate increases that may be necessary, however, the Board should be aware of this potential. Of course, we must also
4 be cognizant of potential negative impacts from natural, manmade, or economic disasters, and the occurrence of any
5 of these could also impact the Town's tax rate in the future.
6

7 There are a few additional points that the Board should remain aware of regarding the Town's financial future:
8

- 9
- 10 • The Town continues to rely more and more heavily on sales tax revenues to balance the General Fund
11 budget. To illustrate this point, a graph is once again included in the Summary Budget Information section of
12 the FY 06-07 budget document. You will note that in FY 01-02, the Town received approximately 30 cents of
13 sales tax revenue for every General Fund property tax dollar received, and that in FY 06-07, the Town
14 expects to receive 80 cents for every General Fund property tax dollar received. Without these additional
15 sales tax revenues, the Town's General Fund property tax rate would be significantly higher than 15.5 cents.

16 This positive impact is associated entirely with the beach nourishment special tax districts. The Town's sales
17 tax revenues are highly dependent on the sales tax distribution method utilized by the Carteret County Board
18 of Commissioners, which is currently based on the total amount of property taxes levied. The Board should
19 continue to monitor any efforts at the County level or by other municipalities to change the distribution
20 formula, which has obviously worked in our favor. A switch from the property tax method to the per capita
21 method would have significant negative impacts on the Town's budget. I don't envision this occurring, as the
22 County would also lose if the formula is changed, however, circumstances change and anything is possible.
23

24 The Board should also recognize that FY11-12 is the last year that the Town will receive additional sales
25 taxes associated with the beach nourishment special tax districts. Although that date is still several years
26 away, it will become important in future years to adequately plan for the loss of those sales tax revenues at
27 that time.
28

- 29 • Although it requires discipline, and this year will likely require some potentially difficult choices, I again
30 recommend that the Town adhere to a responsible Capital Replacement / Improvement Program in the
31 future. This tool is very helpful in projecting annual capital expenditures, as it enables sound financial
32 planning for major capital investment and provides for the orderly replacement of the often expensive capital
33 equipment that is essential for quality service delivery. Adherence to a Capital Replacement / Improvement
34 Program will enhance the Town's ability to manage the property tax rate over the long haul. The Capital
35 Replacement / Improvement Plan is also helpful to communicate the Town's plans to its residents and
36 property owners, and can provide confidence that the Town is addressing its challenges and opportunities,
37 and indications of potential future tax rate increases.
38
- 39 • The Board should continue to exercise discipline with regard to the General Fund balance. As noted earlier,
40 the General Fund balance has declined slightly over the past year due to the construction of Emerald Isle
41 Woods Park, and is projected to be at approximately \$1.88 million as of June 30, 2006. This amount
42 represents approximately 29% of recommended FY 06-07 General Fund expenditures.
43

44 **CLOSING**

45 As I noted earlier, I am pleased to present a Recommended Budget that retains the General Fund tax rate of 15.5
46 cents. If adopted, this will be the 4th year in a row without a tax rate increase.

47 I believe the Recommended Budget respects our taxpayers, limits operating expenditures to the maximum extent
48 practical, invests appropriately in our employees, and allocates funding for important and beneficial projects. As noted
49 earlier, the development of the FY 06-07 Recommended Budget was more difficult than previous years, and I would
50 have liked to include additional items and projects in the budget. In the end, however, it was necessary to craft a
51 Recommended Budget that effectively balanced the need to maintain the 15.5 cent tax rate with the desire for
52 additional items and projects. I am confident that the FY 06-07 Recommended Budget has struck a fair and thoughtful
53 balance. I am hopeful that the Board and the community will be pleased with these recommendations.
54

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1
2 I would be remiss if I did not express my thanks to the Town's department heads and all of our employees for their
3 efforts to make Emerald Isle an even better place than it already is. We are fortunate to have a dedicated and
4 competent workforce serving our residents, property owners, business community, and visitors.
5

6 I also thank the Mayor and the Board of Commissioners for creating a productive and pleasant work environment for
7 myself and the Town staff to work within. I am thankful for your continuing support for me personally and for the entire
8 Town organization.
9

10 I look forward to reviewing the Recommended Budget and Capital Replacement / Improvement Plan with you in the
11 coming weeks. There are likely some difficult choices to be made, in particular with regard to desired future capital
12 projects, and the Town staff and I stand ready to assist the Board in any way possible.
13

14 Respectfully submitted,

15
16 Frank A. Rush, Jr.
17 Town Manager
18

19 Mr. Rush noted there was a Budget Workshop scheduled for Wednesday, May
20 17th, as well as an additional Budget Workshop scheduled for Thursday, June 1st,
21 with a goal of having the Board adopt a budget on Tuesday, June 13th. The
22 Board thanked Mr. Rush for his presentation.
23

24 **15. APPOINTMENT – BICYCLE AND PEDESTRIAN ADVISORY COMMITTEE**
25

26 **Summary of this Item:** There is currently one vacancy on the Town's
27 **Bicycle and Pedestrian Advisory Committee due to the recent resignation**
28 **of Bob Hines. The term of this position expires in December 2007.**
29

30 ***Motion was made by Commissioner Messer to appoint Alice Taylor to the***
31 ***Bicycle and Pedestrian Advisory Committee for an unexpired term that***
32 ***expires in December 2007. The Board voted unanimously 5-0 in favor.***
33 ***Motion carried.***
34

35 **16. COMMENTS FROM TOWN CLERK, TOWN ATTORNEY, AND TOWN**
36 **MANAGER**
37

38 There were no comments from the Town Clerk. The Town Attorney was not
39 present at this time to make comments as it was necessary that he leave the
40 meeting early due to scheduled travel.
41

42 Town Manager Rush updated the Board on the opening of the Western Ocean
43 Regional Access parking lot, hoping to be open before Memorial Weekend, and
44 ideally by the first Beach Jive After Five on May 18th.
45
46
47
48

1
2
3 Mr. Rush said that he had included information to the Board concerning motels,
4 hotels, condo-tels, put together by Planning Director Kevin Reed; the Planning
5 Board is working on this issue. Mr. Rush also said the Town received a letter
6 from Governor Easley asking for nominations for the Coastal Resources
7 Commission by May 31st. Mr. Rush asked the Board to give some thought to
8 someone they may want to nominate.
9

10 **17. COMMENTS FROM BOARD OF COMMISSIONERS AND MAYOR**

11
12 There were no further comments from the Board of Commissioners or Mayor.
13

14 **18. ADJOURN**

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

18
19 ***The meeting adjourned at 7:30 pm.***

20
21 Respectfully submitted:

22
23
24
25 Rhonda C. Ferebee
26 Town Clerk
27