

**MINUTES OF THE REGULAR SCHEDULED MEETING
OF THE EMERALD ISLE BOARD OF COMMISSIONERS
TUESDAY, OCTOBER 14, 2014 – 6:00 P.M.
TOWN BOARD MEETING ROOM**

1. Call To Order

The regular monthly meeting of the Emerald Isle Board of Commissioners was called to order by Mayor Eddie Barber at 6:00 PM in the Town Board Meeting Room.

2. Roll Call

Present for the meeting: Mayor Eddie Barber, Commissioners Tom Hoover, Jim Normile, Floyd Messer, John Wootten, and Maripat Wright.

Also present during the regular meeting: Town Manager Frank Rush, Town Attorney Richard Stanley, Town Clerk Rhonda Ferebee, Police Chief Jeff Waters, Public Works Director Artie Dunn, and Interim Planning Director Jim Jennings.

Also present – Ben Stroud, Williams, Scarborough, Smith, Gray, LLC (Town Auditors), Russell Overman, Carteret County Manager, Jimmy Farrington, Carteret County Commissioner, and Robin Comer, Carteret County Commissioner.

3. Opening Prayer

A moment of silence was observed for the recent death of former Emerald Isle Mayor Sam Stell, followed by the opening prayer offered by Mayor Barber.

Mayor Barber noted that he had attended the graveside service for former Mayor Sam Stell and his family asked that he convey how much Sam loved Emerald Isle and had enjoyed serving as Mayor.

4. Pledge of Allegiance

All who were present recited the Pledge of Allegiance led by the Green STEAM team – Keoki Trafton, Peter Miller, Noah McComb, Lisa Marie, Cristine Payne, Pepper Trafton, Kane Trafton, and Tammy Miller).

5. Adoption of Agenda

Motion was made by Commissioner Hoover to adopt the Agenda. The Board voted unanimously 5-0 in favor. Motion carried.

6. Introduction of New Employee

a. Caleb Hooper, Police Officer

Police Chief Jeff Waters introduced Caleb Hooper, the newest full-time Police Officer to the Board and public. Chief Waters stated he began his career as an officer with the Emerald Isle Police Department after graduating from the BLET program at Carteret Community College in March 2013. Chief Waters said he looked forward to working with Officer Hooper for years to come in the Police Department. The Board and public welcomed Officer Hooper.

7. Proclamation / Public Announcements

a. Recognition of Green STEAM – Water Tower Park

b. Proclamation – Mustaches for Kids / Brady Dauberman Scholarships (14-10-14/P1)

Mayor Barber introduced and recognized a group of young people representing Green STEAM who had transformed property known as the Water Tower Park into a beautiful and educational area for the enjoyment of the public. Mayor Barber presented the Green STEAM team with an award plaque in appreciation of their hard work and creativity on this project.

Mayor Barber thanked the group for the tremendous job they had done in making that area such a beautiful place.

Mayor Barber spoke of the Proclamation he had signed for Mustaches for Kids, a way to remember Brady Dauberman, the infant son of Chuck and Barbara Dauberman. Mayor Barber said the growing period for mustaches would run from October 30 through November 20 with the funds raised going toward two scholarships for Croatan seniors.

Mayor Barber also noted the following announcements for the public:

- **Blood Drive – Friday, October 17 – 2 pm – 7 pm – Community Center**
- **Gordie McAdams Speckled Trout Tournament – October 18 – November 29**
- **Bicycle and Pedestrian Advisory Committee Meeting – Tuesday, October 21 – 9 am – Community Center**
- **Police Educating the Public – Tuesday, October 21 – 10 am – Town Board Meeting Room**
- **Coffee With a Cop – Thursday, October 23 – 9 am – 4Js Coffee Shop and Bakery**
- **Halloween Carnival – Friday, October 24 – 6 pm – 8 pm – Community Center**

- **Planning Board Regular Meeting – Monday, October 27 – 6 pm – Town Board Meeting Room**
- **Trick or Treat – Friday, October 31 – 6 pm – 8:30 pm**
- **Shred-A-Thon – Saturday, November 8 – 10 am – 2 pm – Behind Police Station**
- **Board of Commissioner Regular Meeting – MONDAY, November 10 – 6 pm – Town Board Meeting Room**
- **Veterans Day Holiday – Tuesday, November 11 – Town Offices Closed, Community Center Open**
- **Emerald Isle Christmas Parade – Saturday, November 29 – 3 pm- NC 58**

Clerks Note: A copy of Proclamation 14-10-14/P1 as noted above is incorporated herein by reference and hereby made a part of these minutes.

8. Public Comment

Brief Summary: The public has the opportunity at this time to address the Board about any items of concern not on the agenda.

There were no comments from the public.

9. Consent Agenda

- a. Tax Releases**
- b. Minutes – September 9, 2014 Regular Meeting**
- c. Workplace Harassment Policy**
- d. Budget Amendment – Special Drug Fund (Police Equipment)**
- e. Resolution Amending Solid Waste Collection Contract (14-10-14/R1)**
- f. Special Lease Agreement with NCDOT – For Use of NC 58 Right of Way for New Welcome Center**

Commissioner Messer asked to be recused from voting on the Consent Agenda due to a possible conflict of interest related to the Resolution Amending Solid Waste Collection Contract.

Motion was made by Commissioner Hoover to excuse Commissioner Messer from voting on the Consent Agenda. The Board voted unanimously 5-0 in favor.

Motion was made by Commissioner Wright to approve the items on the Consent Agenda. The Board voted unanimously 4-0 in favor. Motion carried.

Motion was made by Commissioner Wright to bring Commissioner Messer back to the Board as a voting member. The Board voted unanimously 4-0 in favor.

Motion carried.

Clerks Note: A copy of Resolution 14-10-14/R1 along with all other consent agenda items as noted above are incorporated herein by reference and hereby made a part of these minutes.

10. Commercial Plan Review – The Islander Suites

Interim Planning Director Jim Jennings addressed the Board concerning this agenda item. The following excerpt from his memo to the Town Manager is provided for additional background:

The developer of the original Islander Suites renovation and conversion is proposing to raze the current office site next to it and to build a 46' by 144', 4-story structure that would house a 60-seat ground-floor banquet facility, as well as 24 condo suites (8 per floor on each of the remaining 3 floors). The properties are zoned Village West (see attached maps) and the proposed uses are permitted uses.

The project received a Special Use Permit at the August Board of Commissioners meeting to allow a mean roof height greater than 40 feet, namely 47 feet 9.25 inches. Attached are 8 Plan sheets:

- Proposed Site and Lighting Plan
- Sheet O-1: Elevations – Door and Window Glazing
- Sheet A-1: Exterior Elevations – Front and Right
- Sheet A-2: Exterior Elevations – Rear and Left
- Sheet A-3: Wall Section Details
- Sheet A-4: Floor Plans – First Floor Plan
- Sheet A-5: Floor Plans – 2 Bedroom – 2nd/3rd Floors
- Sheet A-6: Floor Plans – 1 Bedroom – 4th Floor

The proposed project complies with the requirements of the Unified Development Ordinance (UDO). Some of the more important or pertinent facts are that 127 parking spaces are required and 159 are being provided; at least 25% of the site must be vegetated and 26% is provided; no more than 35% of any façade may be glazed and the proposed glazing does not exceed 28% for any of the 4 elevations. The septic field will be located at the north end of the property, next to the entrance, and the impervious surfaces there will be removed.

The applicants plan to use the existing freestanding halogen lights to provide illumination for all of the parking areas and building grounds. In addition, 8 wall-mounted lights are proposed to be located next to each of the 1st Floor doorways.

The applicants intend to use the trash containers at the existing building for the new building, also. The UDO requires that the exterior wall faces that are viewable from a street have a visual break every 20 feet and that has been met.

The Town's Technical Review Committee (TRC) reviewed the project at its August meeting. Town staff requested several clarifications and minor revisions to the plan and noted several Fire Code issues that will need to be addressed in the building plans before a Building Permit can be approved. The Town's consulting engineer has found the stormwater plan to be consistent with the Town's requirements.

At its September 22 meeting, the Planning Board recommended to the Board of Commissioners that they approve the Development Plan (as represented by the 8 Plan sheets) for the proposed Islander Suites expansion. Staff will be present to answer any questions.

Commissioner Wootten asked about the timing of this project as the construction would not begin for about 18 months and whether this approval now would last that long.

Planning Director Jennings stated that the approval was for one year from the approval if approved, but he stated that beginning work didn't necessarily mean starting to dig in

the ground, it could be the application for a building permit, so he and they felt comfortable that timing would not be an issue.

Motion was made by Commission Wootten to approve the site plan, lighting plan, building elevations, and color scheme for the new Islander Suites mixed use structure. The Board voted unanimously 5-0 in favor. Motion carried.

11. Presentation - June 30, 2014 Comprehensive Annual Financial Report

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 for additional background:

Williams, Scarborough, Smith, & Gray (WSSG) CPAs has completed the Town's FY 13-14 audit, and a copy of the June 30, 2014 Comprehensive Annual Financial Report is attached for your review.

Charles Smith and/or Ben Stroud, WSSG, will brief the Board on the highlights of the financial statements and audit report at the October meeting. Because they are attending the October 14 meeting, the Board-appointed Audit Committee did not meet prior to the October 14 meeting to review the report.

The Town received an unqualified opinion from WSSG, and I am again pleased to report that the Town maintains a solid financial position. Town staff and I are committed to maintain and improve that financial position in the future. WSSG also did not identify any major concerns with our financial operations, and again expressed their opinion that the Town's assets are well-managed by our staff.

For a detailed explanation of the June 30, 2014 financial statements and audit report, please read the "Management's Discussion and Analysis" section in the report.

Some of the highlights of the June 30, 2014 financial statements and audit report include:

OVERALL FINANCIAL POSITION

- The Town had an officially reported net position (assets minus liabilities) of \$19,201,871 as of June 30, 2014. Total net position increased by \$791,998 from the prior year, due primarily to the collection of special district property taxes that are reserved for future, as-yet-unscheduled beach nourishment activities.
- The Town had total revenues of \$9,152,737 across all funds during FY 13-14, and issued \$2,855,000 of installment financing debt for capital needs. The Town had total expenditures of \$10,517,016 across all funds during FY 13-14, resulting in a \$1,490,721 increase in the Town's total fund balance. Nearly half of this increase in fund balance is associated with reserve funds for future beach nourishment activities, and much of the remaining increase is associated with the timing of construction payments for capital projects, and is temporary in nature.
- As of the close of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$3,422,247, an increase of \$1,490,721 in comparison with the prior year. As noted earlier, much of this increase is associated with the beach nourishment reserve and the timing of construction payments.

MINUTES OF THE REGULAR MEETING
OF THE EMERALD ISLE BOARD OF COMMISSIONERS
OCTOBER 14, 2014
Page 6 of 24

- The Town had \$2,312,948 of cash and cash equivalents on hand as of June 30, 2014. The Town also had net receivables of \$53,536 and \$691,771 of restricted cash and cash equivalents as of June 30, 2014. Additionally, a total of \$841,736 was due from other governments.
- The Town's Total outstanding debt at June 30, 2014 is \$4,030,771, and includes \$2,400,000 for bicycle path and storm water projects, \$455,000 for the purchase of a new Fire truck, and \$1,175,771 that is the remaining balance from a 2013 refinancing. The Town's total outstanding debt is equal to approximately 0.13% of the Town's total assessed valuation at June 30, 2014, a very low percentage.
- The Town's property tax collection rate for FY 13-14 was 99.52%, which is an excellent collection rate. A total of \$21,252 of FY 13-14 property taxes was uncollected as of June 30, 2014.

GENERAL FUND

- As of June 30, 2014, the Town's General Fund had a total fund balance of \$2,150,245, of which a total of \$1,359,281 is classified as unassigned fund balance.
- The total General Fund balance of \$2,150,245 is equal to 25.9% of total General Fund expenditures during FY 13-14 (\$8,314,214, including transfers out). This percentage is down from the previous year (28.5%), due to the fact that total expenditures include the one-time purchase of a new Fire truck. Total General Fund balance represents 25.4% percent of the FY 14-15 adopted budget of \$8,454,128 (including transfers out). It is important to note that the FY 13-14 adopted budget now includes a \$450,000 transfer to the Future Beach Nourishment Fund (special district property taxes were previously credited directly to that fund), which results in the appearance of a larger General Fund budget and affects the fund balance % calculation. If the \$450,000 transfer is not factored in this calculation, the fund balance % would be 26.9%.
- The total unassigned General Fund balance amount of \$1,359,281 is equal to 16.3% of total General Fund expenditures during FY 13-14 (\$8,314,214, including transfers out). Unassigned General Fund balance represents 16.1% of the FY 14-15 adopted budget of \$8,454,128 (including transfers out). The \$450,000 transfer to the Future Beach Nourishment Fund has the same impact on this fund balance % calculation as described above.
- The Town's two largest sources of General Fund revenue are property taxes and sales taxes. General Fund property tax revenues were \$3,767,874, while sales tax revenues totaled \$1,469,530. Solid waste fees are the third largest revenue source, with \$1,330,472 collected in FY 13-14. Combined, these three revenue sources represent nearly 79% of General Fund revenues for FY 13-14.
- Public Safety expenditures (Police, Fire, and EMS) continue to represent the largest portion of the General Fund budget. Total expenditures were \$3,549,313 in FY 13-14, or nearly 43% of total General Fund expenditures for FY 13-14. This total includes the one-time purchase of a new Fire truck in FY 13-14.
- Total debt service expenditures in FY 13-14 were \$246,489. Total debt service expenditures were equal to 3.0% of total General Fund expenditures (\$8,314,214, including transfers out), a very low percentage.

MINUTES OF THE REGULAR MEETING
OF THE EMERALD ISLE BOARD OF COMMISSIONERS
OCTOBER 14, 2014
Page 7 of 24

FUTURE BEACH NOURISHMENT FUND

- At June 30, 2014, the Future Beach Nourishment Fund had an ending fund balance of \$704,627. These funds will be added to future years' special district tax revenues, and reserved for future beach nourishment projects.

OTHER FUNDS

- The Special Drug Fund had an ending fund balance of \$4,266 as of June 30, 2014. These funds are restricted for Police Department expenses only, and are available for future appropriation to the Police Department.
- For the first time in FY 13-14, the Town utilized the Half-Marathon Fund. This fund was established to account for revenues and expenditures associated with the annual road race organized by a volunteer committee. Total fund revenues were \$65,511, and total expenditures were \$19,976. The fund balance of \$45,535 in this fund is reserved for future bicycle path improvements in the Town.
- The Town also utilizes a Pension Trust Fund to reserve funds for future special separation allowance payments to certain retiring Police Officers in the future. The Town had accumulated a fund balance of \$63,727 in this fund as of June 30, 2013, and the FY 13-14 budget included the appropriation of \$21,831 from this fund to be transferred to the General Fund for payments to the Town's first eligible retired officer. Because the General Fund experienced a surplus in FY 13-14, the \$21,831 appropriation was not ultimately transferred to the General Fund, and the Pension Trust Fund maintains a fund balance of \$63,731 (minor adjustment included) as of June 30, 2014. This fund balance is available for future separation allowance payments, including FY 14-15. The FY 14-15 budget includes a new \$21,831 transfer from the Separation Allowance Fund to the General Fund.

CAPITAL PROJECT FUNDS

- The Town utilizes several capital project accounts for ongoing, multi-year capital projects. Capital project funds still active as of June 30, 2014 include the NC 58 Bicycle Path Extension – EORA – Indian Beach project, the FEMA Irene Beach Nourishment project *, the Eastern Emerald Isle Storm Water Outfall project *, the NC 58 Bicycle Path Phase 3C project *, the Public Boat Launching Facility project, the Island Circle Stormwater Connection project, the Lands End Stormwater Connection project, the Coast Guard Road Multi-Use Path project, the NC 58 Bicycle Path – Fairfax – Ocean project, and the Coast Guard Road Bicycle Path Extension project. The 3 project accounts noted with an “ * “ now have no fund balance, and will be closed out.
- The NC 58 Bicycle Path Extension – EORA – IB (Eastern Ocean Regional Access - Indian Beach) project was funded by \$800,000 from the Town's \$2.4 million installment debt issued for the 2013 “Community Improvements Package”, and was not fully complete at June 30, 2014. A fund balance of \$114,434 at June 30, 2014 will likely be fully depleted upon final project completion.
- The Public Boat Launching Facility capital project fund was established to account for land acquisition expenses, grants, and other contributions associated with the new Emerald Isle Public Boating Access Area. This fund was used to account for revenues and expenses associated with the new soundside pier constructed in fall 2013, remains active, and now includes a total fund balance of \$6,747 that is available for other uses.

MINUTES OF THE REGULAR MEETING
OF THE EMERALD ISLE BOARD OF COMMISSIONERS
OCTOBER 14, 2014
Page 8 of 24

- The Island Circle Stormwater Connection capital project fund was utilized for this storm water project that was primarily financed by \$270,000 from the Town's \$2.4 million installment debt during FY 13-14. This project is now complete, and a total fund balance of \$2,140 is available for other uses.
- The Lands End Stormwater Connection capital project fund was utilized for this storm water project (that also included additional site work associated with the Coast Guard Road bicycle path) that was primarily financed by \$517,000 from the Town's \$2.4 million installment debt during FY 13-14. This project was not fully complete at June 30, 2014, and had a total fund balance of \$185,758. The majority of these funds have since been expended, however, we expect some remaining fund balance to be available for other uses after all project expenses are recorded.
- The Coast Guard Road Multi-Use Path capital project fund is primarily used to account for fundraising proceeds and related path improvements funded by these proceeds. This fund has a balance of \$50,089 at June 30, 2014, and these funds are available for future appropriation for bicycle path expenses as recommended by the Bicycle and Pedestrian Advisory Committee and authorized by the Board of Commissioners.
- The NC 58 Bicycle Path Extension – Fairfax – Ocean Drive capital project fund was utilized for this bicycle path project that was financed by \$440,000 from the Town's \$2.4 million installment debt during FY 13-14. This project is now complete, and a total fund balance of \$26,050 that is available for other uses.
- The Coast Guard Road Bicycle Path Extension capital project fund was utilized for this 1.1 mile path extension that was primarily financed by \$373,000 from the Town's \$2.4 million installment debt during FY 13-14. This project was not fully complete at June 30, 2014, and had a total fund balance of \$132,356. Only minor expenses occurred after June 30, 2014, and the vast majority of these funds are expected to be available for other uses after all project expenses are recorded.

I am also pleased to report that the Town was awarded the "Certificate of Achievement for Excellence in Financial Reporting" by the national Government Finance Officers Association for the very first time for its June 30, 2013 "Comprehensive Annual Financial Report", or CAFR. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. The report must satisfy both generally accepted accounting principles and applicable legal requirements. For the year ended June 30, 2012, a total of 86 NC municipalities received this certificate (out of approximately 550 municipalities in North Carolina), including Morehead City, Atlantic Beach, and Swansboro.

Ben Stroud, CPA, with Williams, Scarborough, Smith & Gray (WSSG) CPAs, presented the June 30, 2014 Comprehensive Annual Financial Report along with a PowerPoint presentation for the Mayor and Board. Mr. Stroud summarized the reports contained in the audit, highlighted important points on major financial statements, and provided closing remarks and fielded questions.

Mr. Stroud stated that this year they issued an unmodified report, a clean report finding nothing unusual or out of the ordinary. Mr. Stroud stated they also did a GAS report (Governmental Accounting Standards), where they looked at internal controls in place and found no deficiencies in internal control. Mr. Stroud also congratulated the Town on

receiving their first Certificate of Achievement for Excellence in Reporting awarded by the Government Finance Officers Association. The Town had submitted a CAFR, a comprehensive annual financial report which was above and beyond the normal report, and he understood the Town planned on submitting the CAFR again this year.

Town Manager Frank Rush pointed out other details of the financial reports for the benefit of the Board and public, adding that he appreciated the hard work of town staff, and working with Ben Stroud and Charles Smith of Williams, Scarborough, Smith & Gray, and was very pleased with the overall financial position of the Town.

Motion was made by Commissioner Wright to accept the June 30, 2014 Comprehensive Annual Financial Report as submitted. The Board voted unanimously 5-0 in favor. Motion carried.

12. Carteret County Sales Tax Referendum – Navigation Dredging

- a. Presentation
- b. **Resolution Supporting Proposed Carteret County Additional 1/4 Cent Sales and Use Tax for Navigation Dredging (14-10-14/R2)**

Representatives from Carteret County including County Manager Russell Overman, County Commissioner Jimmy Farrington, and County Commissioner Robin Comer presented comments to the Board regarding this agenda item. The following excerpt from Town Manager Rush's memo to the Board is provided for additional background:

The Board of Commissioners is scheduled to consider the attached resolution expressing the Town's formal support for an additional 1/4 cent sales and use tax in Carteret County to fund future navigation dredging projects in the County. The Carteret County Board of Commissioners has scheduled a public referendum, as required by NC General Statutes, on the proposed additional 1/4 cent sales and use tax for November 4, 2014. County Manager Russell Overman and County Commissioners Jimmy Farrington and Robin Comer will attend the October 14 meeting to brief the Board on this initiative.

Periodic navigation dredging of the Bogue Inlet connecting channel and the AIWW crossing is necessary to keep these waterways safe and accessible for area boaters, and is important to the quality of life for our residents and the vitality of the local tourism industry. Unfortunately, Federal funding for the Bogue Inlet connecting channel has essentially disappeared, with the exception of hurricane-relief funding, and funding for the AIWW crossing, while more available in recent years, is also likely at risk of future Federal budget reductions. As you know, the State recently created a new dedicated funding source for navigation dredging projects, and has established a 50% local cost-share for the use of State funds for these projects. On 4 occasions in the past 8 years, the Town, the County, and other area local governments have worked together on an ad hoc basis to assemble local funds for navigation dredging. This process was / is cumbersome and uncertain, and ultimately the local funds provided were derived from property taxes in each jurisdiction. Additionally, the future reliability of these local contributions is uncertain, and the Town has discussed the need for a dedicated local funding source for these projects on several occasions in the past. The proposed Carteret County 1/4 cent sales and use tax would create a dedicated local funding source for navigation dredging in the Bogue Inlet connecting channel (and the AIWW crossing, if needed in the future) and in other vital waterways in Carteret County.

The proposed 1/4 cent sales and use tax, if approved by the voters, is expected to generate approximately \$2.5 million annually for navigation dredging in Carteret County. The County has indicated that it would segregate these revenues from other County

MINUTES OF THE REGULAR MEETING
OF THE EMERALD ISLE BOARD OF COMMISSIONERS
OCTOBER 14, 2014
Page 10 of 24

funds, and would appoint a separate Waterways Management Board to administer these funds. The exact membership of this board has not yet been determined, however, it is reasonable to expect that at least one representative on this board would be an Emerald Isle or western Carteret resident, and that the membership of this board would fairly represent the various areas of Carteret County. Assuming 50% State funding for the Bogue Inlet connecting channel in the future, and also assuming that Onslow County (and Swansboro?) would provide 50% of the local share, the estimated annual cost for navigation dredging in the Bogue Inlet connecting channel is likely in the \$100,000 - \$150,000 range. (For example, a total annual cost of \$500,000 would likely be funded as follows: \$250,000 from the State, \$125,000 from Onslow County, and \$125,000 from the new 1/4 cent sales tax revenues.) With an estimated \$2.5 million generated annually by the new 1/4 cent sales tax, there should be sufficient funds available to meet the future navigation dredging needs in Bogue Inlet.

As noted earlier, the AIWW crossing has continued to receive Federal funding in recent years, although it has become more and more uncertain over time. The AIWW crossing is usually dredged every 3 years, at a cost of approximately \$1 million per dredging event. If it ultimately becomes necessary, it also seems likely that sufficient funds would be available for the AIWW crossing in the future. Assuming a total cost of \$1 million, a 50% State cost-share, and assuming no contribution from Onslow County, the estimated local cost would be approximately \$167,000 annually for the AIWW crossing (i.e., \$500,000 every 3 years). Again, with an estimated \$2.5 million generated annually by the new 1/4 cent sales tax, we would hope that these funds would be made available for the AIWW crossing if necessary in the future.

The Board should note that the attached resolution assumes that the revenues generated by the 1/4 cent sales tax would eliminate the need for the Town (and the other municipalities) to provide funding for the local cost associated with major waterways such as the Bogue Inlet connecting channel and the AIWW crossing (and other major waterways in the County). I am not certain if this detail has been fully clarified yet, and it will be important to express the Town's desire to eliminate the need for Town funding for navigation dredging in the Bogue Inlet connecting channel and the AIWW crossing (and other major waterways in the County) if the 1/4 cent sales tax is approved. The Town previously provided \$15,000 toward Bogue Inlet connecting channel dredging in FY 05-06, \$16,000 in FY 11-12, and \$15,000 in FY 13-14. The Town also provided \$45,000 toward AIWW crossing dredging in FY 05-06.

The Board should also note that other, non-major waterways in the County (i.e., not currently maintained by the US Army Corps of Engineers and/or not eligible for State funding assistance) may also be eligible for funding from the new 1/4 cent sales tax revenues, and the attached resolution assumes that Town funding may be required to match any County funding from the new 1/4 cent sales tax revenues. For example, the Town may wish to seek funding for navigation dredging in the old Emerald Isle ferry channel, within or leading to the Emerald Isle Public Boating Access Area, within the Bogue Sound Drive canal, and/or the McLean Drive canal at some point in the future, and I would expect that the Town may be required to match any County funding that might be secured from the new 1/4 cent sales tax revenues for these projects. I presume that the proposed Waterways Management Board will be tasked with developing policies regarding the use of the 1/4 cent sales tax revenues and any required matching funds.

It is also important to note that any navigation dredging projects that also involve a beach nourishment component (i.e., placement of dredge materials on the ocean beach) may also include the opportunity to use room occupancy tax revenues administered by the Beach Commission. Under current permit authority, it is not possible to place the dredge materials from the Bogue Inlet connecting channel on the ocean beach, however, there are efforts underway to potentially allow beach placement of these dredge materials in the future. The dredge materials from the AIWW crossing are routinely placed at The Point, and I would expect that practice to continue in the future, regardless of the funding source used for that work.

The Board should also note that, although the County Commissioners have clearly stated their intent to dedicate the 1/4 cent sales tax revenues for navigation dredging, future Boards of County Commissioners are not legally bound to use the funds for this purpose, and could adjust and/or add to the list of eligible expenditures to be funded by the 1/4 cent sales tax revenues.

Finally, the Board should note that an additional 1/4 cent sales tax levied by the County, if approved by the voters, will be paid by permanent residents, second homeowners, and visitors in the same manner as the existing 6.75% combined State and local sales and use tax. As you know, the State and local sales and use tax is charged on many items, including retail purchases, vacation rentals, certain services, and other items. The County has estimated that more than 50% of the sales tax revenue is

MINUTES OF THE REGULAR MEETING
OF THE EMERALD ISLE BOARD OF COMMISSIONERS
OCTOBER 14, 2014
Page 11 of 24

generated by visitors to Carteret County, thus the use of sales tax revenues for navigation dredging needs is likely preferable to the use of property tax revenues for these needs.

Russell Overman, County Manager began the comments providing background about the 1/4 cent sales tax referendum on the November 4 ballot. Mr. Overman stated that the General Assembly authorized counties to levy an additional 1/4 cent sales tax back in 2007, and it required authorization by referendum. Mr. Overman stated that Carteret County commissioners had never levied that sales tax and for the past years there had been discussion about dredging and maintenance needs of the waterways in the county. Mr. Overman stated that Emerald Isle was aware as the Town had participated in some of those as well as Carteret County, and there were a lot of waterways that had not been dredged for many years by anyone resulting in more of those needs coming before the county commissioners.

Mr. Overman said the county commissioners had begun looking at how they could pay to meet those needs, and sales tax was the only substantial revenue source that the General Assembly had authorized counties to enact that the county didn't already have in place. Mr. Overman said they estimated the 1/4 cent sales tax would generate approximately 2.5 million in annual revenue, the municipalities share in all the other sales taxes with the exception of the 1/4 cent sales tax as when that was authorized they only made that available to counties. Mr. Overman said that the county commissioners had approved a resolution in September stating it would be their intent to use the funds generated by the sales tax for the purposes of waterway dredging and maintenance; the funds by law were allowed to be used for any lawful purpose, it couldn't state on the ballot that it was just for a single purpose, either you are for or against the 1/4 cent sales tax. Mr. Overman further stated that as part of the county's proposal they would create a waterway management board that would actually take requests from the general public, councils, anyone who would like to submit a request about a particular waterway that needed dredging or maintenance and the waterway management board would be responsible for prioritizing those needs. Mr. Overman said that the funds would be able to be used as leverage for the State's shallow-draft inlet funding that was available as a 50% match, and so they could really maximize the county's dollars particularly in the early years because there had not been many to apply for the State's funds as of this time.

Commissioner Hoover asked what they called a waterway. Mr. Overman said in their discussions they were looking at that very open mindedly, he didn't think any decision had been made to say they would exclude this or that waterway. Mr. Overman knew that some of the towns on Bogue Banks had channels that came into the Town that they had been responsible for dredging, he felt they would look for those partnerships to still exist with the Town's being responsible for some of that dredging and they could certainly apply for the monies but it could be because of priorities with greater need they

MINUTES OF THE REGULAR MEETING
OF THE EMERALD ISLE BOARD OF COMMISSIONERS
OCTOBER 14, 2014
Page 12 of 24

may have to wait 3-4 years so there could be some joint funding as there had been on projects in the past.

Mr. Overman said this would apply to navigable waters and not storm drainage ditches.

County Commissioner Robin Comer added this would be for maritime travel-ways. Mr. Comer said that the Town had historically pitched in for Bogue Inlet but there were several areas from one end of the county to the other with the county being over 100 miles long. Mr. Comer said Down East had some needs and hadn't been funded, such as mouths of the harbors. Mr. Comer said he had always been conservative and didn't like taxes but he had sense enough to realize what made Carteret County great and the waterways and access were part of it, our economic engine and we needed to protect it. Commissioner Comer said that revenue funded from the gasoline sales tax for shallow-draft inlets was a dwindling fund, and would not be a pot that would continue to grow but would be a pot at some point in time when it got hit would not replenish itself. Commissioner Comer said they were trying to get ahead of the curve. He felt it was a great sales tool to promote Carteret County to know that we had established a commission to look after the beachfront but also going beyond that to establish a commission to look after the waterway and maritime traffic as well. Commissioner Comer outlined what he envisioned about the makeup of the committee and its role. Commissioner Comer felt Carteret County had a good history of having some smart committees and doing a good job of putting some environmental protections together. Commissioner Comer noted that this \$2.5 million that would be generated by 1/4 cent sales tax based on an informal study done by an economics professor at East Carolina University anticipated that 52% of the revenue generated would be coming from outside the county. Commissioner Comer felt if the Town Board could see the need for this and support it he felt they could get the public support and they would need it to get this referendum passed.

Commissioner Hoover recommended Rudi Rudolph, Carteret County Shore Protection Officer as being staff person to be involved in any committee formed.

County Commissioner Jimmy Farrington said he felt that Beaufort and Emerald Isle had stepped up and raised money, gone to other towns and asked them to raise money so that they could maintain the great resource we had in Bogue Inlet, but he felt the key for the County was not focusing directly on Bogue Inlet but from the numbers he had on the list of waterways needing maintenance Bogue Inlet was only about 5% of it because there were so many other places in need that actually hadn't been touched for several years. Commissioner Farrington pointed out the wildlife ramps such as the one in Cedar Point and Emerald Isle, noting those ramps were being used by not just people who come to Emerald Isle but people from all over the State, it was a shared interest and about 88% of the money that would be raised would be for places other than Bogue Inlet. Commissioner Farrington applauded Emerald Isle, Beaufort, and Morehead City

MINUTES OF THE REGULAR MEETING
OF THE EMERALD ISLE BOARD OF COMMISSIONERS
OCTOBER 14, 2014
Page 13 of 24

for coming up with funds and that meant a lot towards maintaining but it was not Emerald Isle's total responsibility to maintain Bogue Inlet.

Motion was made by Commissioner Hoover to approve the Resolution Supporting Proposed Carteret County 1/4 Cent Sales and Use Tax for Navigation Dredging. The Board voted unanimously 5-0 in favor. Motion carried.

Clerks Note: A copy of Resolution 14-10-14/R2 as noted above is incorporated herein by reference and hereby made a part of these minutes.

13. Resolution Authorizing Street Resurfacing Contract – Coast Guard Road (Dolphin Ridge to Point Emerald Villas) (14-10-14/R3)

Public Works Director Artie Dunn addressed the Board concerning this agenda item. The following excerpt from Town Manager Rush's memo to the Board is provided for additional background:

The Board of Commissioners is asked to approve the attached resolution authorizing a contract for the resurfacing of an ~ 1 mile segment of Coast Guard Road between Dolphin Ridge and Point Emerald Villas at the October 14 meeting. A resolution authorizing a \$150,190 contract with Onslow Grading & Paving, Inc., Jacksonville, NC, is presented for Board consideration, and this contract amount is within the FY 14-15 budget appropriated for street resurfacing.

As discussed previously by the Board, this segment of Coast Guard Road is adjacent to a new bicycle path segment that required the removal of approximately 3 feet of asphalt shoulder from Coast Guard Road in order to accommodate the bicycle path. The existing pavement markings on Coast Guard Road no longer provide a paved shoulder on the south side of Coast Guard Road in this area, and the vehicle travel lanes need to be shifted approximately 1 ½ feet to the north to provide for symmetrical road shoulders. This segment of Coast Guard Road has also been deteriorating in recent years, with numerous pothole repairs, particularly in the vicinity of Spinnakers Reach and Lands End. The combination of this deterioration and the need for new pavement markings to realign the vehicle travel lanes makes this an opportune time to resurface this segment of Coast Guard Road.

Artie Dunn, Public Works Director, solicited informal quotes from 4 contractors for this project, and the unit price quotes (based on 19,957 square yards) for 1.5 inches of asphalt overlay and fabric are as follows:

<u>Contractor</u>		
Onslow Grading & Paving, Inc.	Jacksonville, NC	\$ 9.88 per square yard
Morton Trucking, Inc.	Jacksonville, NC	\$ 10.10 per square yard
Barnhill Contracting Company	Kinston, NC	\$ 11.33 per square yard
Southern Asphalt, Inc.	Rocky Point, NC	\$ 11.65 per square yard.

Note that the unit prices have been adjusted slightly by Town staff in order to account for slight differences in the asphalt quantities estimated by the contractors so that the end result is a fair comparison of the price quotes submitted by each company.

The Board should note that we actually solicited bids for, and had hoped to resurface, a longer segment of Coast Guard Road from Dolphin Ridge Road to a point just beyond Ring Street (along the full length of the new bicycle path). The total square yard estimate of 19,957 square yards is the amount required for that full 1.3 mile segment. Unfortunately, the low price quote of \$197,175 submitted by Onslow Paving exceeds the Town's ~ \$150,000 budget for this street resurfacing project, and in order to remain within budget I am recommending that the scope of the contract be reduced to ~ 1 mile (from Dolphin Ridge Road to

MINUTES OF THE REGULAR MEETING
OF THE EMERALD ISLE BOARD OF COMMISSIONERS
OCTOBER 14, 2014
Page 14 of 24

Point Emerald Villas), which only requires 15,201 square yards of asphalt overlay and fabric. The segment from Point Emerald Villas to Ring Street has not deteriorated as significantly as the other areas at this time, and our approach would be to simply consider that segment for resurfacing at a later date when sufficient funds are available.

The Board should note that this contract does not include new pavement markings for this segment of Coast Guard Road, and we will contract separately for the pavement markings. We expect this cost to be approximately \$8,000 +/-, and can identify sufficient funds in the FY 14-15 budget for the pavement markings.

As noted, we had hoped to resurface the entire segment of Coast Guard Road adjacent to the new bicycle path, and initially believed we had sufficient funds to resurface the entire 1.3 mile segment to Ring Street. Unfortunately, the quotes came back considerably higher than recent historical street resurfacing prices (due to significant increases in the price of liquid asphalt), and exceed the Town's budget by approximately \$50,000. If the Board would still like to resurface the segment between Point Emerald Villas and Ring Street, we can certainly add that work back to the overall contract at the same unit price and identify additional funds for this work. We still anticipate the total savings associated with the 2013 Community Improvements Package to be approximately \$150,000, and a portion of these funds could be utilized for this additional street resurfacing cost if desired.

Depending on the contractor's schedule, we hope to have this resurfacing work completed later in October or November.

Public Works Director Artie Dunn outlined the informal bid process and the results with his recommendation that the contract be awarded to Onslow Grading & Paving, Inc.

Commissioner Hoover asked about the funds available in Powell Bill funds. Town Manager Rush stated that there was approximately \$36,000 left over and was simply there due to a lag in the timing of payments for the work done on Ocean Drive last year so that money was not actually available in the Powell Bill reserves.

Commissioner Hoover questioned whether it wouldn't be more expensive to have them do what we were asking and then have them come back to do the additional pavement work – having them come back to regenerate and set up. Public Works Director Dunn said it would more be determined on the price of liquid asphalt at the time that that segment was put out for bids. Commissioner Hoover asked Town Manager Rush about the \$150,000 left in the Community Improvements Package. Town Manager Rush said that as discussed several times over the past year our goal was to be able to resurface the entire length from Dolphin Ridge to Ring Street and they were extremely disappointed to see the bids come in as high as they did. Mr. Rush said they would have loved to have brought the Board a recommendation and struggled about whether to bring a recommendation for the full 1.3 mile segment all the way to Ring Street, but because they didn't have the funds in the budget and were still working through some issues with the remaining bike path and storm water projects the recommendation was just for the one mile stretch from Dolphin Ridge to Point Emerald Villas but certainly if the Board would like for them to go forward and do the additional segment down to Ring Street that was a possible source of funding, they could take \$50,000 and make it available for the resurfacing leaving a total of about \$100,000 left for the Board to consider doing something else in the future. Mr. Rush said the only caution was they were still struggling with issues on the eastern section of the bike path.

MINUTES OF THE REGULAR MEETING
OF THE EMERALD ISLE BOARD OF COMMISSIONERS
OCTOBER 14, 2014
Page 15 of 24

Commissioner Hoover felt he would really like to see them go ahead and do the remaining segment for \$50,000. Commissioner Wootten added to do the markings too, and get the whole thing done right. Town Manager Rush said if the Board believed they should do the remaining segment he would encourage them to approve the Resolution making that adjustment to take it all the way to Ring Street in the amount of \$197,313.

Commissioner Wootten felt it was because of the community improvements package such as the bike path and the storm water work down on Coast Guard Road that resurfacing it now with those funds seemed a logical expense.

Motion was made by Commissioner Hoover to approve the amended Resolution for \$197,313 Authorizing Street Resurfacing for the whole project (Dolphin Ridge to Ring Street). The Board voted unanimously 5-0 in favor. Motion carried.

Clerks Note: A copy of Resolution 14-10-14/R3 as noted above is incorporated herein by reference and hereby made a part of these minutes.

14. Resolution Authorizing Construction Contract for Parking Area and Storm Water Management Improvements at Eastern Ocean Regional Access (Future Ocean Fishing Pier Site) (14-10-14/R4)

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 for additional background:

The Board of Commissioners is scheduled to consider the attached resolution authorizing a contract with SunLand Builders, Inc., Newport, NC for the construction of parking lot and storm water management improvements at the Eastern Ocean Regional Access (EORA), the site of a future planned ocean fishing pier. The total amount of the contract is \$596,990, and is within the budget established for this project.

As you know, the Town previously entered into a partnership with the NC Aquariums for the construction of a new ocean fishing pier and ~ 13,000 sq. ft. pier house at this location, and the NC Waterfront Access and Marine Industry (WAMI) Fund awarded a \$2.2 million grant for detailed design and initial site improvements for the planned new pier facility. All detailed design work was completed in 2012, but the initial site improvements were never constructed, and the State later terminated the partnership between the Town and the NC Aquariums. A total of \$726,000 of State grant funds remained when the partnership was terminated, and the State eventually awarded the remaining grant funds to the Town to proceed with the initial site improvements, as originally intended. The completion of these site improvements now, with WAMI grant funds, will make it easier for the Town to ultimately proceed with construction of the planned ocean fishing pier in the future.

The initial site improvements in the construction contract include the construction of a 160-vehicle paved parking area utilizing asphalt and pervious pavers, and also significant sub-surface storm water infiltration features. The new parking area also includes concrete curb and gutter, sidewalks, and pavement markings. The design of the parking area (site plan attached) is nearly identical to the design that was completed in 2012, and is designed to integrate with the planned location of a future new pier house and concrete fishing pier. The new parking area includes separate entrance and exit lanes, and is designed with a continuous south to north loop through the parking area. The travel lanes through the parking area and 14 parking spaces will be paved with asphalt, and 146 parking spaces will be paved with concrete pervious pavers (similar to attached photo).

MINUTES OF THE REGULAR MEETING
OF THE EMERALD ISLE BOARD OF COMMISSIONERS
OCTOBER 14, 2014
Page 16 of 24

The parking area design preserves the existing bathroom building, wooden walkway, and new handicapped walkway to the beach, and includes sidewalks connecting to these features. The design also reserves most of the eastern portion of the EORA site (~ 300 ft. x 60 ft.) for an expanded wastewater drain field to serve the future new pier house. The Board should note that the existing small, older picnic shelter near the bathroom building will be removed and will not be replaced, as this area includes a total of 4 parking spaces. Existing vinyl fencing along the Pier Pointe boundary will also be removed, but may be salvaged and reinstalled at a later date by Town staff. The Board should also note that the existing monument for the old Emerald Isle Pier will be relocated to an area closer to the handicapped walkway.

Formal construction bids were solicited on the Town's website in August and September, in accordance with NCGS 143-129, and were opened on October 7. The Town received 3 bids for the project:

- SunLand Builders, LLC, Newport, NC \$596,990 ,
- Thomas Simpson Construction Co., Inc, Atlantic Beach, NC \$616,713 , and
- Morton Trucking, Inc., Jacksonville, NC \$727,180 .

SunLand Builders, LLC's bid has been reviewed by Moffatt & Nichol Engineers, and is in compliance with all bid specifications and includes all required submissions (5% bid bond, MWBE forms, etc.). The Board previously established a construction budget of \$674,650 for this project, thus the SunLand bid is well within budget.

The Board should note that the construction contract will include the installation of conduit necessary for site lighting in the parking area, however, it does not include the lighting fixtures or wiring. The Town will contract separately with Carteret-Craven Electric Cooperative for the purchase and installation of decorative lighting, and the total lighting cost is expected to be less than \$5,000. The Town will also contract separately for the resurfacing of Park Drive on the soundside of the project site, and will establish an asphalt cul-de-sac and three new parallel parking spaces on the soundside, along with additional landscaping. This work has a total estimated cost of approximately \$25,000.

The Board should also note that the Town does not yet have all required State permits in hand for the project, however, the required CAMA, storm water, and erosion & sedimentation control permits are expected to be issued within the next few weeks. The CAMA permit, however, will initially only allow construction landward of the 120 ft. CAMA setback line, and will not allow the placement of asphalt and concrete between the 120 ft. CAMA setback line and the ocean, which is the area that generally includes the handicapped parking spaces, turning radius, and 8 parking spaces near the bathroom building. Moffatt & Nichol will be coordinating a variance request that will be submitted to the Coastal Resources Commission in the next few weeks to seek permission for the placement of asphalt and concrete in this area, and we are confident that the variance will be approved in a timeframe that meshes with the construction schedule for this section of the parking area. In a worst-case scenario, if the variance is not approved, this area would either 1) remain as a gravel parking area, or 2) the turning radius would be shifted landward and would result in 20 fewer parking spaces. (The contract amount would be decreased accordingly based on specified unit prices.) Neither of these options is desirable, but both are likely tolerable in a worst-case scenario. Due to the deadlines described below, I don't believe we can wait until the variance is in hand to proceed with construction, and believe this approach is prudent.

Assuming Board approval of the attached resolution, we expect to execute the contract with SunLand and issue a notice to proceed by early November. The bid specifications require the project to be complete no later than April 1, 2015, and SunLand has indicated they can meet this deadline. This deadline is important to the Town because 1) the Town will begin charging weekend parking fees at the EORA in mid-April, and 2) the WAMI grant includes a May 31, 2015 deadline for completion.

Town Manager Rush stated that the Board was asked to consider a Resolution authorizing a contract with Sunland Builders for the construction of parking lot and storm water improvements at the Eastern Regional Access facility which was the site of the

MINUTES OF THE REGULAR MEETING
OF THE EMERALD ISLE BOARD OF COMMISSIONERS
OCTOBER 14, 2014
Page 17 of 24

future ocean fishing pier. Mr. Rush noted the total of the contact was \$596,990, and Sunland Builders who they had a lot of experience with and good working relationship with over the years. Mr. Rush said that they received two other bids for the project but Sunland Builders was the clear low bidder as outlined in the bid tabulation. Mr. Rush said the total budget for the project was \$674,650 so they were coming in under budget.

Town Manager Rush provided maps for viewing the proposed improvements and discussed the specifics related to parking and other work planned for the area. Mr. Rush said the remaining \$80,000 would be available for site lighting that was not included in this contract and they would arrange that separately with Carteret-Craven Electric Cooperative and they also intended to resurface Park Drive and the cul-de-sac at the end of Park Drive on the sound side and add a few parking spaces on the Park Drive right-of-way there as well as landscaping improvements.

Town Manager Rush also made the Board aware of a glitch in the project involving a CAMA permit for an area close to the oceanfront involving the 120 foot CAMA setback line and explained the plan to submit a variance request to Coastal Resources Commission, and the plan they would take in the event they were not able to secure the variance.

Motion was made by Commissioner Messer to approve the Resolution Authorizing Construction Contract for Parking Lot and Storm Water Management Improvements at Eastern Ocean Regional Access (Future Ocean Fishing Pier Site). The Board voted unanimously 5-0 in favor. Motion carried.

Clerks Note: A copy of Resolution 14-10-14/R4 as noted above is incorporated herein by reference and hereby made a part of these minutes.

15. Revised Resolution Requesting New Traffic Signal Poles on NC 58 (14-10-14/R5)

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 for additional background:

The Board of Commissioners is scheduled to consider the attached revised resolution formally authorizing a funding request to the North Carolina Department of Transportation and the NC General Assembly for the installation of new steel traffic signal poles at the Town's 4 signalized intersections along NC 58.

The revised resolution is similar to a previous Board resolution adopted in April 2014, but now includes additional language emphasizing the safety benefits associated with this project. The revised resolution also commits the Town to a 5% local match (\$36,000) toward the revised project cost of \$720,000 (\$180,000 for each of the 4 signalized intersections in Emerald Isle) recently estimated by NCDOT staff. These changes were recommended by Representative McElraft and Board of Transportation (BOT) Member Gus Tulloss, and are intended to enhance the Town's chances for successfully securing State funding for this project.

MINUTES OF THE REGULAR MEETING
OF THE EMERALD ISLE BOARD OF COMMISSIONERS
OCTOBER 14, 2014
Page 18 of 24

As discussed at the April 2014 meeting, the Town's 4 signalized intersections at Coast Guard Road, Loon Drive, Old Ferry Road, and Bogue Inlet Drive currently utilize traffic signals suspended by wire from creosote poles. Almost all NCDOT road improvement projects now incorporate steel traffic signal poles, and these poles are much more durable and much less likely to be damaged during future hurricane events. Because NC 58 is a two-lane highway and is the primary hurricane evacuation route away from Emerald Isle, the new traffic signal poles are more critical than in other inland areas. The addition of the steel traffic signal poles in Emerald Isle would also further enhance the aesthetics of the main commercial area in Emerald Isle.

Since the Board adopted the original resolution in April 2014, I have met with BOT Member Tulloss, Representative McElraft, and Senator Norm Sanderson about this project, and all are very supportive and have pledged to help identify funding for the project. If the Board approves the attached resolution, we will seek discretionary funding allocated by the Secretary of Transportation, NC House Speaker, and NC Senate President Pro Tem, and attempt to identify a total of \$684,000. As noted above and in the attached resolution, the Town would commit the remaining \$36,000, or 5% of the estimated project cost. BOT Member Tulloss and Representative McElraft believe it will be important for the Town to contribute toward this project in order to secure State funding from the NCDOT and General Assembly leadership. As you recall, the April 2014 resolution did not contemplate a Town contribution for this project, and the Board should consider whether or not this project is a high enough priority for Town funding. If the Board is comfortable with a 5%, or \$36,000 contribution, I will plan to include this contribution in the Town's FY 15-16 budget, or identify another feasible revenue source later this fiscal year. Based on the strong support and encouragement from Representative McElraft, Senator Sanderson, and BOT Member Tulloss, I believe the Town has a strong chance of ultimately securing the funding for this project.

The Board should note that the \$720,000 total cost estimate is for typical steel traffic signal poles, and does not include the cost for any decorative enhancements. NCDOT staff has informed me that the steel traffic signal poles can be painted or coated to match the community's aesthetic goals at an additional local cost, but they have not yet provided that cost estimate. If the Town is able to secure the necessary State funding, we could certainly revisit the cost for painting or coating the poles prior to installation.

A good example of the steel traffic signal poles is at the intersection of NC 24 and Taylor Notion Road in Cape Carteret. I have attached a photo of this intersection to illustrate the expectation at each of the 4 signalized intersections in Emerald Isle. I have also attached photo of the existing creosote pole and wire supporting the signal at the entrance to Emerald Plantation Shopping Center.

Town Manager Rush stated the Board had approved a Resolution in April requesting the NCDOT and the General Assembly work together to identify funding for new traffic signal poles at the four signalized intersections in Emerald Isle. Mr. Rush said in the revised Resolution one of the key changes was a greater emphasis placed on safety and hurricane evacuation routes. Mr. Rush said they were encouraged to emphasize those benefits of the project going forward and they think that may give a better chance for funding in the future. Mr. Rush said another comment following discussions with Representative McElraft and Senator Sanderson was that if the Town was willing to put forth some contribution towards this project it would enhance the chances of securing the funding from the house and senate leadership, as well as the Secretary of Transportation. The Resolution before the Board tonight recognized the higher cost, and placed a greater emphasis on the hurricane evacuation route, public safety benefits, and also indicated that the Town would be willing to provide a 5% match which came to a total of \$36,000, that number was completely discretionary and was a number he suggested being familiar with the Town's budget as we go forward the next few years. Mr. Rush did feel this would be a significant benefit for the Town, making the whole corridor safer and more attractive, and continue their efforts to improve the

overall aesthetic appearance in Emerald Isle, but nonetheless it was potentially an additional \$36,000.

Commissioner Hoover asked about the cost of coating the poles black. Town Manager Rush said there was an additional cost if the Town wanted to have the poles coated and painted. Mr. Rush said the expectation would be that the Town pays 100% for the cost of coating or any decorative features that go with the pole but that would be something he would come back to the Board with at a later date if we were successful and could get the funding.

Commissioner Wootten said he didn't have a problem holding some of the community improvement package money aside in anticipation of this.

Motion was made by Commissioner Wootten to approve the Resolution Requesting New Traffic Signal Poles on NC 58. The Board voted unanimously 5-0 in favor. Motion carried.

Clerks Note: A copy of Resolution 14-10-14/R5 as noted above is incorporated herein by reference and hereby made a part of these minutes.

16. Appointments – MCAS Joint Land Use Study Committee

Brief Summary: The Board will appoint either the Mayor or a Commissioner to the Policy Committee for a new Joint Land Use Study aimed at preserving the viability of MCAS Cherry Point and its related facilities. The Board will also consider appointing the Town Manager to the Policy Committee, and the Planning Director to the Technical Committee.

Motion was made by Commissioner Wright to appoint Mayor Eddie Barber to serve on the Policy Committee for the new Joint Land Use Study initiative. The Board voted unanimously 5-0 in favor. Motion carried.

Motion was made by Commissioner Wright to appoint Town Manager Frank Rush to serve on the Policy Committee and the new Planning Director to serve on the Technical Committee. The Board voted unanimously 5-0 in favor. Motion carried.

17. Comments from Town Clerk, Town Attorney, and Town Manager

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

Town Manager outlined for the Board his plans to seek formal building inspections assistance from Carteret County with their concurrence in order to enable the Town to continue a high customer service standard and maintain timeliness on building inspections, and provide more time for communication between our Building Inspector

MINUTES OF THE REGULAR MEETING
OF THE EMERALD ISLE BOARD OF COMMISSIONERS
OCTOBER 14, 2014
Page 20 of 24

and the contractors/homeowners. The Board concurred with the Town Manager on this issue.

Town Manager Rush noted the letter in packets from the Office of the State Fire Marshall regarding the next ISO Inspection. Mr. Rush stated that Chief Walker would be presenting an overview of the Town's strengths and weaknesses of that process in light of the upcoming inspection at their November meeting.

Town Manager Rush said he had included information about the controlled deer hunt in their packets which included Chief Waters' strategy for this year with plans to proceed unless the Board had other ideas or were uncomfortable with their planned approach.

Commissioner Wootten asked about the item in Managers Comments about the new Town logo and commissioning someone to develop one. He felt that was something they should discuss in the January and February timeframe. Mr. Rush said he wouldn't have anything to present to the Board until that timeframe. Mr. Rush said the thought behind it was to create a more identifiable logo or brand for Emerald Isle.

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

Request for County Inspections Assistance

If the Board concurs, I am planning to seek formal building inspections assistance from Carteret County in order to augment our capabilities in the Planning and Inspections Department. As you know, we have operated with only one building inspector for the past few years as the # of inspections decreased due to the decline in construction activity. We continue to experience gradual increases in the # of inspections, and completed nearly 2,500 inspections in FY 13-14, with our Chief Building Inspector handling most and the Planning and Inspections Director handling some of the more minor inspections. We also occasionally rely upon sporadic assistance from other nearby towns and the County.

I believe we are now at a point, however, where I believe we need to add additional regular, scheduled assistance in order to maintain a timely inspection schedule and in order to improve our customer service and communications with contractors, property owners, etc. We have been talking with County Manager Russell Overman in the past several weeks about an arrangement whereby the Town would contract with the County for regular inspections assistance. I envision reaching an agreement for 10 – 20 hours per week of assistance, likely varying depending on workload from day to day or week to week, with an inspector from the County's Cedar Point office being assigned a certain number of inspections by the Town of Emerald Isle. The Town would continue to retain the permit fee revenue, and everything would continue to operate as it has historically, with the County inspector performing the building inspection as if he was a Town employee. The Town would pay a fixed hourly rate to the County equal to their full cost to make the inspector available to the Town, including wages, benefits, vehicle, insurance, etc.

My goals for taking this approach are multiple. One, and most important, is to make sure that our service quality does not decline as the inspections workload continues to increase. Second, I would like to evaluate the quality of service provided by the County, and further consider future opportunities to partner with the County. Finally, I am not convinced that we have enough of a workload to justify adding one additional full-time equivalent inspector at this time, and this approach is a way to essentially hire a part-time inspector.

MINUTES OF THE REGULAR MEETING
OF THE EMERALD ISLE BOARD OF COMMISSIONERS
OCTOBER 14, 2014
Page 21 of 24

Please let me know your thoughts on this approach. I envision utilizing salary savings and/or additional permit fee revenues to fund most, if not all, of the cost of this arrangement. If the Board concurs, I will submit a formal request to the County and the County Manager will present a formal agreement to the County Commissioners at an upcoming meeting.

Fire Protection Survey Scheduled by Office of State Fire Marshal

I received the attached letter last week indicating that the Office of State Fire Marshal will conduct a new survey of our fire protection system in early January. The results of this survey will likely lead to a new ISO rating for the Town. The Town has not been rated in at least 15 years, and is somewhat overdue. As you know, the Town's ISO rating is a "4", which is excellent for a Town of Emerald Isle's size.

As discussed in the past, there is potential for the Town's ISO rating to increase due to the fact that Emerald Isle does not operate a third fire station. I am planning to have Fire Chief Walker brief the Board on this issue at the November 10 meeting. We will be working hard to maintain the current ISO rating, and seeking other ways to maintain the rating.

2015 Controlled Deer Hunt

The NC Wildlife Resources Commission recently completed the new deer population estimate, and estimates a total population of 105 deer in the western area of Emerald Isle. This compares with 159 in fall 2013. Although the population has decreased (you will recall that the Town's controlled hunt in early 2014 resulted in the removal of 50 deer and 58 fetuses), the NC WRC still recommends that the Town strive to remove 30- 50 deer with a controlled hunt in early 2015. I have attached a copy of the recent letter from the NC WRC Regional Biologist, Jon Shaw.

I have also attached a memo from Police Chief Waters outlining his recommendation for the 2015 controlled hunt. As you will see, he recommends using EIPD personnel only to remove deer for the 2015 controlled hunt, and only utilizing Town right of ways, Point Emerald Villas property, and Royall Oaks property. If the Board concurs with this approach, we will begin planning for the 2015 controlled hunt.

New Welcome Center

Mayor Barber and I met recently with TDA representatives to review a preliminary plan for the new Welcome Center (attached), and they were pleased with the plans. The only significant changes from the attached plans were a request for 1) the extension of a covered porch around the entire perimeter of the building, and 2) the need for only 1 interior bathroom (instead of 2).

I will be forwarding the preliminary plans to a qualified designer to finalize them for submission for the Town's review process and also to solicit construction bids. My goal is for the Board to award a construction contract in December, or perhaps January. I am still working toward a Memorial Day 2015 opening date.

RetireNC Presentation

At the suggestion of Commissioner Normile, I am hoping to arrange a presentation about the RetireNC program for the Board's November 10 or December 9 meeting agenda.

Recent Auction of Surplus Property

The Town recently yielded \$1,699 from an internet auction of old computer equipment and a damaged 2006 Ford Crown Victoria. These revenues will be credited to the General Fund.

NC Beach, Inlet, and Waterway Association Annual Meeting

The annual meeting for this group will be held on November 17 – 18 in Wrightsville Beach. Please let me know if you'd like to attend and we will make arrangements.

Coastal Local Governments – Meeting with Governor McCrory and CRC

Coastal local government officials have been invited to a special meeting and reception with Governor McCrory at the Coastal Resources Commission meeting in Wilmington on October 22. Mayor Barber and I plan to attend, and I submitted the attached "top 3 issues" on behalf of Emerald Isle. The #1 issue on the list is coastal homeowners insurance rates, and I suspect that the Governor will hear a great deal about that issue on October 22. Please let me know if others would like to attend.

MINUTES OF THE REGULAR MEETING
OF THE EMERALD ISLE BOARD OF COMMISSIONERS
OCTOBER 14, 2014
Page 22 of 24

Public Hearing – Coastal Homeowners Insurance Rates

The NC Insurance Commissioner will conduct this public hearing on October 20 in Raleigh, and I am planning to attend to listen to the comments. Comments are limited to industry officials and NC Department of Insurance officials.

Request to CRC to Amend Static Line Exception Rules

I will be attending the next CRC meeting on October 22 and 23, and will formally present the Town's request to amend the static line exception rules that was approved by the Board at your September meeting. I remain optimistic that we can ultimately secure a favorable change for the property owners in Ocean Reef, and elsewhere in Emerald Isle.

2015 Tax Revaluation

The County has released preliminary information indicating that Bogue Banks tax values will decrease by 9.18%. I don't have data for Emerald Isle yet, but if Emerald Isle's values decrease by the same percentage the Town's total tax value will likely be in the \$2.7 billion range (down from \$3 billion). The Town would need to increase the General Fund rate from 14 cents to approximately 15.5 cents to generate the same amount of revenue - if those numbers hold true.

Jean Preston Memorial Playground

The Town closed on the purchase of Lot 1, Shell Cove North in September. Alesia Sanderson, Parks and Recreation Director, and I will be working on a few playground design options for the committee to review, and the committee will then present their recommendation and/or options to the Board of Commissioners for formal review later this fall or winter.

Town Logo, Branding Initiative

With assistance from Commissioner Normile, I have commissioned a graphic artist to develop potential new "Emerald Isle" logos. I hope to identify a few options that project a positive and easily identifiable image of the Town, secure buy-in from interested stakeholders (businesses, staff, residents, etc.) and then secure approval from the Board of Commissioners. Ultimately, over time, I would like to include a new Town logo on all tourism promotion materials, Town letterhead, website, vehicles, clothing, signage, etc. in a comprehensive manner. The development of the potential new logos is the very first step in the process.

Static Line Exception Report / FEMA Monitoring and Maintenance Report

The Beach Commission has contracted with Moffatt & Nichol Engineers to update both of these reports for each of the Bogue Banks towns in the coming months. Emerald Isle's static line exception report is due in March 2015, and was originally approved by the CRC in 2010. The FEMA report has not been updated since 2005, and the new report will be synchronized with the 50-year "master plan" recently approved by the Board in July 2014.

Street Sign Replacement

As noted in the attached memo from Artie Dunn, Public Works Director, the Town is now required to replace all street name signs in Emerald Isle. The total estimated cost for this Town-wide effort is approximately \$32,000, and we intend to gradually replace the signs in phases over the next few years. The Board should note that the existing white poles with stenciled street names near the ground are no longer permitted, and will be replaced as part of this process.

Bogue Inlet Navigation Dredging Funds

After recent sidecast work in Bogue Inlet in late September, we should have approximately \$169,000 remaining for additional sidecast dredging in Bogue Inlet. These funds are being held by the US Army Corps of Engineers, and the next dredging event has not yet been scheduled, but will likely occur sometime in spring 2015.

Emerald Isle Police Department No Longer Presenting DARE Program

Despite initial assurances that EIPD would continue to present the DARE program, we recently learned that the Cape Carteret PD is now presenting this program to White Oak Elementary 5th graders with the new School Resource Officer. Police Chief Waters will explore other alternatives to reach out to Emerald Isle children in the future.

MINUTES OF THE REGULAR MEETING
OF THE EMERALD ISLE BOARD OF COMMISSIONERS
OCTOBER 14, 2014
Page 23 of 24

Carteret County Sales Tax Distribution Issue

This issue appears to be “on hold” until after January 1. We will continue to monitor this issue, and be prepared to defend the Town’s interest if / when necessary.

Finance Director Recruitment

The deadline for applications for the Finance Director position was Friday, October 10. I plan to review the applicants in the next week or so, and I hope to schedule interviews for later in October. My goal is to have a new Finance Director on staff by December 1.

Planning and Inspections Director Recruitment

The deadline for applications for the Planning and Inspections Director position was also Friday, October 10. I plan to review the applicants in the next month, and I hope to schedule interviews for sometime in November. My goal is to have a new Planning and Inspections Director on staff by January 1.

Nies Case Will Go to Court of Appeals

Superior Court Judge Jack Jenkins has granted summary judgment in favor of the Town in the Nies case, but an appeal was recently filed. Brian Edes, the Town’s NCLM-appointed attorney, believes the case will likely be decided by fall 2015.

NC 58 Bicycle Path – Indian Beach to Eastern Ocean Regional Access

All washout locations along the new bike path segment have been repaired, and the path is again fully paved with asphalt. Unfortunately, there is some new damage to the existing asphalt that is in the process of being addressed.

NCDOT has indicated that the Town will still be required to remove the hog-slat drainage features, and Public Works staff will gradually complete this work during the winter of 2014-15 and 2015-16. We expect to be able to complete most, if not all of this work, in-house.

We also intend to construct drainage improvements in the 1400 block along the new bicycle path to address chronic storm water concerns that have persisted for several years, and that have likely been exacerbated by the new bicycle path. Town staff are scheduled to meet with the Town’s consulting engineer on October 15 to review recent survey data and determine the most cost-effective solution.

Problem Houses, Nuisance Situations

We have been dealing with a few neglected homes in Emerald Isle in the past couple of years that don’t meet the legal standard for Town action, but that, nonetheless, are eyesores and ideally need to be cleaned up. These situations have been frustrating for nearby property owners and Town staff, and we are currently researching alternative approaches and potentially new ordinances to address these situations. Examples include homes on Inlet Drive, Sound Drive, and Archers Creek Court.

Eastern Ocean Drive Resurfacing Repairs

Onslow Grading and Paving has repaired the previously noted deficiencies, and the remaining payment of \$58,000 has been remitted.

Emerald Isle Christmas Parade

We have reversed the parade route, and will begin the parade at the Town Hall complex and finish at the intersection of Mangrove Drive and NC 58. The owners of the Woodpecker Lane private street have granted permission for the use of the private street as the parade detour route on November 29.

Islander Drive Properties

I have been talking with a group from Nags Head that may be interested in constructing an “adventure park” with ropes course and zipline elements in Emerald Isle. They may have some interest in the neglected properties on Islander Drive, and I am attempting to bring them together with the owner.

MINUTES OF THE REGULAR MEETING
OF THE EMERALD ISLE BOARD OF COMMISSIONERS
OCTOBER 14, 2014
Page 24 of 24

I am also considering the possibility of a future grant application(s) to purchase these properties for Town use or resale, solely in an effort to improve the appearance of this area.

Commercial Slips at Public Boating Access Area

Due to other priorities, I have not yet submitted the permit applications for this project, but hope to do so later this fall or winter. As discussed previously, the preliminary response from Federal and State permitting staff was generally favorable.

Non-Profit Sign / Banner Holders

When time permits this fall or winter, Town staff will be installing attractive, fixed poles (similar to those that support the Town Government Complex signs) at key locations that are designed for non-profit banners.

I expect to have the poles set at Coast Guard Road / NC 58, Loon / NC 58, Mangrove / NC 58, Town complex, and perhaps at the Eastern Ocean Regional Access and/or the eastern Town limits. I envision that we will simply require these groups to coordinate with Planning and Inspections before installing their banners / signs, and require them to be securely fastened with a professional appearance.

FEMA Irene Beach Nourishment Project Close-Out

We have finally received this reimbursement of nearly \$269,000. Of this amount, the Town will need to reimburse Carteret County approximately \$142,000.

18. Comments from Board of Commissioners and Mayor

There were no further comments from the Board of Commissioners.

Mayor Barber mentioned the NC League of Municipalities Conference that he, Town Manager Rush, and Jim Normile recently attended in Greensboro and that it was a great event, very worthwhile to attend and represent Emerald Isle.

Mayor Barber also invited one of the County Commissioners or County Manager Overman to attend lunch the following Thursday with the Emerald Isle Business Association so they could talk more about the sales tax referendum.

19. Adjourn

Motion was made by Commissioner Messer to adjourn the meeting.

The meeting was adjourned at 7:25 pm.

Respectfully submitted:

Rhonda C. Ferebee, CMC, NCCMC
Town Clerk