

1 **MINUTES OF THE REGULAR SCHEDULED MEETING**
2 **OF THE EMERALD ISLE BOARD OF COMMISSIONERS**
3 **TUESDAY, JUNE 10, 2014 – 6:00 P.M.**
4 **TOWN BOARD MEETING ROOM**
5
6

7 **1. Call To Order**
8

9 The regular monthly meeting of the Emerald Isle Board of Commissioners was called to
10 order by Mayor Eddie Barber at 6:00 PM in the Emerald Isle Town Board Meeting
11 Room.
12

13 **2. Roll Call**
14

15 Present for the meeting: Mayor Eddie Barber, Commissioners Tom Hoover, Floyd
16 Messer, John Wootten, and Maripat Wright.
17

18 Absent for the meeting: Commissioner Nita Hedreen.
19

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

24 Also present during the regular meeting: Town Manager Frank Rush, Town Attorney
25 Richard Stanley, Asst. Town Manager/Finance Officer Mitsy Overman, Town Clerk
26 Rhonda Ferebee, Police Chief Jeff Waters, Fire Chief Bill Walker, Planning Director
27 Kevin Reed, Public Works Director Artie Dunn, and Fire Captain Jeff Strawser.
28

29 **3. Opening Prayer**
30

31 Opening prayer was offered by Public Works Director Artie Dunn.
32

33 **4. Pledge of Allegiance**
34

35 The Pledge of Allegiance was led by Aimee Fremaux, a rising 7th Grader at Broad
36 Creek Middle School. Aimee is the daughter of Phyllis and Fred Fremaux of Emerald
37 Isle.
38

39 Mayor Barber thanked Aimee and everyone wished her a Happy 12th Birthday.
40

41 **5. Adoption of Agenda**
42

43 ***Motion was made by Commissioner Messer to adopt the Agenda with Item 10 on***
44 ***the Agenda being tabled. The Board voted unanimously 4-0 in favor. Motion***
45 ***carried.***
46

1 **6. Proclamations / Public Announcements**

2
3 Mayor Barber announced Proclamations and notices for the public:

- 4
- 5 • **Proclamation – Rip Current Awareness Weeks – June 1 – 7 (14-06-10/P1)**
 - 6 • **Friday Free Flick – Friday, June 13 – 7 pm – Community Center**
 - 7 • **Youth Tennis Camp – June 16 – 20 – Blue Heron park Tennis Courts**
 - 8 • **Beach Safety Course – Monday, June 16 – 1 pm – Town Board Meeting**
 - 9 **Room**
 - 10 • **Police Educating the Public (PEP) – Tuesday, June 17 – 10 am – Town**
 - 11 **Board Meeting Room**
 - 12 • **EmeraldFest Concert – Thursday, June 19 – 6:30 – 8:00 pm – Western**
 - 13 **Ocean Regional Access**
 - 14 • **Summer Day Camp Begins – Monday, June 23 – 6 pm – Town Board**
 - 15 **Meeting Room**
 - 16 • **Planning Board Meeting – Monday, June 23 – 6 pm – Town Board Meeting**
 - 17 **Room**
 - 18 • **Coffee With A Cop – Thursday, June 26 – 9 am – Village Market**
 - 19 • **EmeraldFest Concert – Thursday, June 26 – 6:30 – 8:00 pm – Western**
 - 20 **Ocean Regional Access**
 - 21 • **Tiny Tots Triathlon – Saturday, June 28 – 10 am – Community Center**
 - 22 • **EmeraldFest Concert – Thursday, July 3 – 6:30 – 8:00 pm – Western Ocean**
 - 23 **Regional Access**
 - 24 • **July 4th Holiday – town Offices Closed, Community Center closed**
 - 25 • **July 4th Fireworks – Friday, July 4 – 9 pm – Bogue Inlet Pier**
 - 26 • **Beach Safety Course – Tuesday, July 8 – 1 pm – Town Board Meeting**
 - 27 **Room**
 - 28 • **Board of Commissioners Regular Meeting – Tuesday, July 8 – 6 pm – Town**
 - 29 **Board Meeting Room**
 - 30

31 Mayor Barber mentioned on a personal note Larry Shandler, a 20 year old was hurt
32 crossing 24 and 58 on Memorial Day weekend, he nor his parents had insurance, and
33 Mayor Barber's son was holding a fundraiser at his business Yard Barber on Saturday,
34 June 21, tickets \$10, and he hoped the community would support Larry as they helped
35 pay some of his medical bills.

36
37 **Clerks Note: A copy of Proclamation 14-06-10/P1 as noted above is incorporated herein by reference and**
38 **hereby made a part of these minutes.**

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1 **7. Introduction of Employees**

- 2
3 **a. Police Reserve Officers**
4 **b. Beach patrol / Lifeguard Team**

5
6 Mayor Barber thought since this was the start of our summer season that it would be a
7 good idea to introduce the Town's reserve Police Officers and Beach Patrol / Lifeguards
8 to the Board and community.

9
10 Police Chief Waters first introduced the Town's reserve officers, followed by Fire Chief
11 Walker, and Fire Captain Jeff Strawser introducing the Town's Beach Patrol /
12 Lifeguards.

13
The Town employs the following reserve Police Officers:

Amin Lopez	Christina Norman	Andrew Collins
Ronnie Hall	Tony Romano	David Halsey
Christina Grimes	Caleb Hooper	Gary Senters
Christopher Burroughs	Jonathan Barratt	Thomas Duty
Alan Bergman		

The Town employs the following Beach Patrol / Lifeguard members:

Liz Anderson	McKayla Edgren	Logan Cole
Jordan East	Jasmine Edgren	Ryan Lundquist
Christopher Moody	Sarah Susalla	Brandon Jones
Lindsay Haynes		

14
15 The Board and public welcomed and thanked these employees for their service.

16
17 **8. Public Comment**

18
19 Al Kulhawik, 8630 Sound Drive, spoke of an article in the newspaper on May 12 about
20 Emerald Isle talking about construction of boat slips. Mr. Kulhawik had concerns over
21 the commercial boat slips only. He said there was talk of putting 10 slips in the boat
22 launching area just for commercial use. Mr. Kulhawik said he understood our tax
23 dollars would pay for that plus the NC Wildlife would contribute. He was trying to
24 understand what the residents / taxpayers of Emerald Isle would get out of that since it
25 was for commercial use only. He could see if part of the slips were for the people of
26 Emerald Isle and some for commercial, but it says strictly commercial. He didn't see

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1 where the Town should be using tax dollars to build slips for commercial people; he
2 didn't see what they would gain.

3
4 Town Manager Rush responded that they discussed this concept a couple of months
5 ago with the Board, and the Board authorized going forward with a permit application.
6 Mr. Rush said they expect to learn the fate of that permit application later this summer
7 or early fall; at which time if they receive the permit, he expected to present a financing
8 plan to the Board, and at that time the Board would make a decision whether to go
9 forward. Mr. Rush said the financing plan was not fully developed at this point but he
10 envisioned a financing plan that does not rely on Town tax dollars for the construction.
11 He hoped to put together a workable financing plan that involved grant funding, and
12 more likely involved lease payments provided by the commercial vessel operators.
13 Town Manager Rush said that the intent behind the proposal was to provide a
14 permanent mooring location for recreational based commercial vessels, so that folks
15 that come to Emerald Isle on vacation would have the opportunity to go fishing in Bogue
16 Sound, sight-seeing, or possibly kayak or paddleboard operators, so the focus to this
17 point, which could certainly be refined by the Board of Commissioners, was to provide
18 an opportunity for those businesses to locate in Emerald Isle so our visitors wouldn't
19 have to go to Swansboro, Beaufort, but could enjoy those things in Emerald Isle.

20
21 Mr. Kulhawik said his concern was the paying of the slips, if it came from tax dollars he
22 had a problem with that, if a solution could be worked where our tax dollars weren't
23 being used there was nothing more he could say about that; though it would be nice if
24 some of those slips could be for the residents of Emerald Isle.

25
26 Mr. Rush said clearly the goal was to do this without relying on Town property tax
27 payers, as far as providing residential slips for lease in that area, that would be up to the
28 Board of Commissioners, he would just note that with only the 8-10 slips that they
29 envisioned there were probably a whole lot more demand for residential slips in
30 Emerald Isle and it would be very difficult to decide.

31
32 Mr. Kulhawik said you could do it on a seniority basis, it's been done in other cities and
33 towns where they have slips available, and it didn't have to be all commercial. He
34 thought it would be nice to do something for the residents rather than just the
35 commercial people since he didn't know if the commercial people who would rent the
36 slips even lived in Emerald Isle.

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1 **9. Consent Agenda**

- 2
3 a. Budget Amendment – General Fund
4 b. Capital Project Ordinance Amendments – Various Projects

5
6 *Motion was made by Commissioner Hoover to approve the items on the Consent*
7 *Agenda. The Board voted unanimously 4-0 in favor. Motion carried.*

8
9 Clerks Note: A copy of Budget Amendment and Capital Project Ordinance Amendments as noted above are
10 incorporated herein by reference and hereby made a part of these minutes.

11
12 ~~**10. Ordinance Amending Chapter 5 – Density, Intensity, and Dimensional**~~
13 ~~**Standards – of the Unified Development Ordinance to Clarify Building Height**~~
14 ~~**Regulations for Commercial Structures in the Business Zoning District and**~~
15 ~~**Certain Mixed Use Structures in the Village East, Village West, and Marina Village**~~
16 ~~**Zoning Districts**~~

17
18 Item 10 was tabled and removed from the Agenda.

19
20 **11. Resolution Authorizing Pre-Positioned Hurricane Debris Removal Contract**
21 **(14-06-10/R1)**

22
23 Public Works Director Artie Dunn addressed the Board concerning this agenda item.
24 The following excerpt from Town Manager Rush’s memo to the Board is provided for
25 additional background:

26
27 With hurricane season now upon us, the Board of Commissioners is scheduled to consider the attached resolution authorizing
28 the Town Manager to execute a pre-positioned disaster debris removal contract with Santee Modular Homes, Inc., Santee, SC
29 (Santee). This contract would only be activated if a hurricane strikes and the Town needs outside assistance to remove storm
30 debris.

31
32 The Town is wise to enter into a pre-positioned contract for debris removal, as it fosters a quick response in the event that a
33 storm does strike Emerald Isle. It also allows us to resolve contractual issues up-front, without the stress of responding in the
34 immediate aftermath of a hurricane. The Town has entered into a pre-positioned contract for the past several years, and
35 fortunately has only had to actually activate the contract twice. The Town activated its contract with Tarheel Specialties, Linden,
36 NC, in 2005 due to debris generated by Hurricane Ophelia, and activated its contract with Disaster Recovery Group and Tree
37 Services, Arden, NC, in 2011 due to debris generated by Hurricane Irene. The pre-positioned nature of the contract enabled
38 these contractors to begin work almost immediately after the storm, and also saved Town staff valuable time to devote to other
39 storm-related issues. I am hopeful that we will not be impacted by a storm this year and will thus not activate the debris contract,
40 however, I am pleased that we will be prepared ahead of time. The proposed contract with Santee requires debris removal
41 operations to begin with 48 hours of notice to proceed.

42
43 Barry Johnson, the Town’s FEMA consultant, Mitsy Overman, Assistant Town Manager, and Artie Dunn, Public Works Director,
44 coordinated the bid process for this pre-positioned contract. We received bids from 6 companies, and Santee is determined to
45 be the low bidder. Unit price costs are as follows:

46
47
48 Construction and Demolition Debris Removal \$8.15 per cubic yard
49 (disposal at the Coastal Environmental Partnership facility in Tuscarora, NC)

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1		
2	Construction and Demolition Debris Removal – Beach	\$8.20 per cubic yard
3	(disposal at Coastal Environmental Partnership facility in Tuscarora, NC)	
4		
5	Vegetative Debris Removal (disposal within 30 mile round trip)	\$7.00 per cubic yard
6		
7	Vegetative Debris Removal (disposal w/ 30-50 mile round trip)	\$7.25 per cubic yard .
8		

9 As noted in the attached letter from Barry Johnson, the Town's FEMA consultant, the determination of Santee as the low bidder
10 is based on an assumption of the amount of debris generated by a Category 2 storm, as outlined in the Town's bid documents.
11 As noted on the bid tabulation, Santee is the low bidder for one of the categories and is the 2nd lowest bidder for the other three
12 categories. The calculation of costs for debris expected from a Category 2 storm, however, results in Santee being lowest
13 overall bidder. Barry Johnson has completed a thorough evaluation of Santee, and is confident in their ability to complete the
14 work in a timely and quality manner.

15
16 The Board should note that the bid process was based on assumptions that the construction and demolition debris will be
17 disposed of at the Coastal Environmental Partnership's (formerly Coast Regional Solid Waste Management Authority) facility in
18 Tuscarora, NC, however, if Carteret County establishes a closer facility in the aftermath of a storm this strategy and pricing will
19 be re-evaluated. The bid process also assumed that vegetative debris would either be disposed of at a County vegetative debris
20 disposal facility located on NC 58 near Peletier or at a County location in the Newport area, hence the alternate bid prices for the
21 disposal of vegetative debris. The NC 58 location is obviously much more convenient for Emerald Isle, and we are hopeful that
22 the County will make this site available this year if necessary. All costs for hurricane debris removal should be eligible for FEMA
23 reimbursement if Carteret County is declared a disaster area.

24
25 Unlike some prior years, the Board should note that we do expect that FEMA and the NC Division of Emergency Management
26 (NCEM) will allow the Town to remove vegetative debris from NC 58 in 2014, and that the Town will be reimbursed by FEMA for
27 debris collection on NC 58. The Town is likely better equipped than NCDOT for a more timely response, and will have greater
28 flexibility to insure that customer service and community aesthetics goals are met. Unfortunately, the Board should again note
29 that FEMA and NCEM have indicated that the Town will not be reimbursed for collection of debris from private streets. This
30 ruling is completely illogical, in my opinion, as the residents on private streets are also Federal and State taxpayers and deserve
31 the same level of service. Our intention for private streets after future storms is to collect all debris in the same manner as the
32 rest of the Town. Depending on the nature of the storm and the volume of debris, Public Works may be directed to collect from
33 private streets or the Town's contractor will be dispatched to private streets at Town expense. We may also take a "hybrid"
34 approach by having Public Works collect the debris from the private streets, deposit the debris on public streets, and have the
35 contractor collect from the public streets (which is reimbursable). This "hybrid" approach was utilized after Hurricane Irene in
36 2011. I feel strongly that we owe the same level of service to our citizens who live on private streets as we offer to all other
37 residents.

38
39 The attached resolution also authorizes the execution of a contract with TAG Grinding Service, Inc., Dadeville, AL (TAG), as the
40 Town's second call contractor at specified unit prices. TAG was the second lowest bidder in the Town's recent bid process. The
41 contract with TAG would only be activated if Santee failed to perform under the contract.

42
43 A copy of Barry Johnson's debris contract recommendation and the complete bid tabulation are attached for the Board's
44 information.

45
46 The Board should note that the Town already has pre-positioned emergency pump and emergency generator rental contracts in
47 place for the 2014 hurricane season. The Board awarded 2-year contracts for each to Xylem Dewatering Solutions, Inc., Belville,
48 NC, in 2013 after completing a formal bid process. The Town's emergency pump contract includes portable 6" and 3" rental
49 pumps that can be deployed in locations other than the Town's fixed pump stations if needed. The Town's emergency generator
50 rental contract includes portable generators for each of the Town's fixed pump stations and the Community Center if needed. As
51 is the case for the debris contract, the emergency pump and generator rental contracts will only be activated if a hurricane strikes
52 Emerald Isle and the need for this equipment exists. The Federal Emergency Management Agency (FEMA) is expected to
53 reimburse the Town for 100% of costs associated with these contracts if activated.

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1
2 Public Works Director Artie Dunn outlined the bid process and the recommendation
3 made by the Town's FEMA consultant to award the pre-positioned debris removal
4 contract to Santee Modular Homes, Inc., with TAG Grinding Services, Inc. serving as
5 the "second call" contractor.

6
7 Town Manager Rush added that the Town had done this for several years now and
8 were fortunate they had only activated the contract twice after Ophelia and Irene. Mr.
9 Rush said they would expect that all expenses would be reimbursed by FEMA if we
10 were impacted by a storm that that was presidentially declared a disaster.

11
12 Mr. Rush noted that they did believe they would have the authority to collect on
13 Highway 58 going forward, and secondly, a reminder that they were not authorized to
14 collect debris from within gated subdivisions with private streets. Mr. Rush said the
15 strategy would be if and when the need arose they would either send their Public Works
16 crews in to collect the debris from the private streets, or decide to eat the cost and have
17 the Town pay for the collection from the contractor depending on the volume, or use
18 some type of hybrid approach.

19
20 ***Motion was made by Commissioner Wright to approve the Resolution Authorizing***
21 ***a Pre-Positioned Hurricane Debris Removal Contract. The Board voted***
22 ***unanimously 4-0 in favor. Motion carried.***

23
24 **Clerks Note:** A copy Resolution 14-06-10/R1 as noted above are incorporated herein by reference and hereby
25 made a part of these minutes.

26
27 **12. FY 14-15 Budget**

- 28
29 **a. Budget Ordinance**
30 **b. Fee Schedule**
31 **c. 5-Year Capital Replacement / Improvement Program**
32

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

35
36 The Board of Commissioners is scheduled to formally consider the FY 14-15 budget ordinance, fee
37 schedule, and capital replacement / improvement program at the June 10 meeting.

38
39 **FY 14-15 Budget Ordinance**

40 The attached FY 14-15 budget ordinance is identical to the Town Manager's Recommended Budget
41 presented on May 13 and reviewed by the Board at its May 20 and June 3 budget workshop meetings,
42 although it does accommodate two Board-directed adjustments described below. As you know, the
43 required public hearing was held on June 3, and the FY 14-15 budget ordinance is presented for formal
44 consideration and adoption at the June 10 meeting.

45
46 The total FY 14-15 budget across all Town funds is \$8,686,115, a \$285,257, or 3.2% decrease from the
47 adopted FY 13-14 budget. The General Fund tax rate for FY 14-15 is 14 cents per \$100 of assessed

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1 value, a 1.5-cent increase over the current 12.5 cent rate. However, the 1.5-cent rate increase is offset
2 by a 1.5-cent decrease in the Primary Benefit District (oceanfront and inlet-front) tax rate (from 4.5 cents
3 to 3 cents) and the elimination of the 1.5 cent Secondary Benefit District (all other properties) tax rate.
4 The net effect is no increase in the property tax rate or property tax bill for any Town taxpayers. This
5 adjustment is purely administrative, and a new \$450,000 transfer from the General Fund to the Future
6 Beach Nourishment Fund will maintain the Town's historical funding levels for future beach nourishment
7 projects without impacting the General Fund budget.
8

9 The FY 14-15 budget is essentially a "business as usual" budget that seeks to maintain the current
10 property tax rate for our taxpayers, recognizes the need to "pause" on additional capital improvements
11 (with the upcoming completion of significant storm water, bicycle path, and other projects included in the
12 2013 Community Improvements Package), and maintain the Town's high service levels and quality. The
13 FY 14-15 budget does not include any Town funding for new employees, new programs, or new capital
14 initiatives, but it does include funding to compensate Town employees fairly, replace necessary capital
15 items, and enhance staff capabilities. The FY 14-15 budget also envisions the Town moving forward with
16 two significant capital initiatives funded by outside funding sources – 1) the construction of new parking
17 lot and storm water improvements at the Eastern Ocean Regional Access (future ocean fishing pier site)
18 and 2) the construction of a new Welcome Center at Merchants Park (assuming acceptable lease terms
19 are approved by the Tourism Development Authority in the coming weeks).
20

21 As always, the General Fund represents the largest portion of the Town's overall budget. The FY 14-15
22 General Fund budget is \$8,454,128, and includes the following notable expenditures:
23

- 24 • the first debt service payment for new Fire Engine (\$95,498),
- 25
- 26 • the first debt service payment for 2013 Community Improvements Package (\$318,747),
- 27
- 28 • the resurfacing of Coast Guard Road from Dolphin Ridge to Ring Street (\$135,000),
- 29
- 30 • the replacement of beach access walkways at 1st Street, Tracy Street, and Shell Drive (\$50,000),
- 31
- 32 • a 2% cost of living adjustment for all Town employees, and additional 1% for certain employees
33 (\$60,196),
- 34
- 35 • the replacement of Police and Public Works vehicles (\$89,000),
- 36
- 37 • funding for information technology services contract with VC3, Inc. (\$74,600),
- 38
- 39 • a new lighted Christmas tree decoration (\$12,000), and
- 40
- 41 • a new \$450,000 transfer from the General Fund to the Future Beach Nourishment Fund (derived
42 from the 1.5 cent tax rate adjustment between the two funds).
43

44 The Board should note that the attached FY 14-15 budget ordinance accommodates two items directed
45 by the Board at recent budget workshop meetings. First, an additional \$5,000 has been provided to the
46 Fire Department to expand the concrete driveway at Fire Station 1 to make it easier for Fire Department
47 staff to back the new Fire Engine into the eastern bay. These additional funds have actually been
48 provided in the FY 13-14 budget, and I have asked Chief Walker to proceed with the driveway expansion
49 as soon as possible. Second, the FY 14-15 appropriation for the NonDepartmental cost center now
50 includes a \$1,000 contribution to Allies for Cherry Points to help support their efforts to promote the
51 importance of MCAS Cherry Point for our regional economy. The total, bottom-line appropriation for the
52 NonDepartmental cost center is identical to that included in the Recommended Budget, however,

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1 changes to the individual line items within the NonDepartmental cost center result in the provision of the
2 contribution to Allies for Cherry Point.
3

4 The attached FY 14-15 budget ordinance also includes appropriations for the Town's other annually-
5 budgeted funds (the Future Beach Nourishment Fund and the Separation Allowance Fund). The Future
6 Beach Nourishment Fund includes an FY 14-15 budget of \$681,987, with revenues derived from the 3
7 cent property tax rate in the Primary Benefit District (oceanfront and inlet-front properties) and the
8 \$450,000 transfer from the General Fund. The Separation Allowance Fund includes appropriations of
9 \$21,831 to be transferred to the General Fund for statutorily required payments to retired law
10 enforcement officers who meet certain criteria. The Town had previously reserved these funds in
11 anticipation of future expenses.
12

13 Under the FY 14-15 budget, the Town organization will operate with 57 paid full-time positions, the same
14 number as FY 13-14. Town staff continue to work hard to meet the demands in our community, and I
15 appreciate their commitment to maintaining our service levels and high service quality despite ever-
16 increasing expectations.
17

18 Fee Schedule

19 The Town's official fee schedule for FY 14-15 is presented in conjunction with the budget ordinance. The
20 fee schedule includes only a few minor fee increases:
21

- 22 • a \$5 increase in the annual solid waste fee charged to all developed residential properties, from
23 \$205 to \$210 (or the equivalent of \$17.50 per month; this increase will maintain the Town's policy
24 of funding 100% of solid waste expenditures with the annual solid waste fee),
25
- 26 • the annual beach driving permit fee for residents and property owners under the age of 65
27 increases from \$40 to \$50, and the annual fee for all non-residents and non-property owners
28 increases from \$80 to \$100 (these fees have not been increased in 14 years), and
29
- 30 • minor fee increases for short-term users of the Community Center, and a \$5 annual increase in
31 annual tennis court fees for residents and property owners (from \$20 to \$25).
32

33 All other Town fees for FY 14-15 are identical to the FY 13-14 fees.
34

35 5-Year Capital Replacement / Improvement Program

36 I have also attached an updated copy of the 5-Year Capital Replacement / Improvement Program, and
37 request that the Board formally adopt this plan in conjunction with the budget ordinance and fee schedule.
38 The attached plan is identical to the plan included in the Recommended Budget.
39

40 The total investment included in the 5-Year Capital Replacement / Improvement Program is nearly \$4.3
41 million, and is funded with a mixture of pay-as-you-go funding, installment financing proceeds, State grant
42 funding, and other outside funding sources. The Board should note that nearly \$1 million of the total
43 amount is associated with the construction of parking lot and storm water improvements at the Eastern
44 Ocean Regional Access (\$726,000) funded by a State grant and the construction of a new Welcome
45 Center (\$240,000) ultimately funded by TDA lease payments. The remaining approximately \$3.3 million
46 over the 5 year period is primarily allocated for scheduled vehicle and equipment replacements (including
47 \$800,000 for a new Fire ladder truck in FY 18-19), annual street resurfacing, and other relatively smaller
48 projects.
49

50 With the completion of significant bicycle path, storm water, and other projects included in the 2013
51 Community Improvements Package, I don't envision any significant new capital projects at this time.
52
53

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1 No Adjustments to Town Pay Plan Presented

2 The Board should note that I am not seeking Board approval for adjustments to the Town's official Pay
3 Plan. As noted above, the FY 14-15 budget includes cost of living adjustments for all Town employees,
4 and these will be implemented in July for all Town employees. Historically, the Board has also adjusted
5 the hiring rates and salary ranges for full-time positions each year in conjunction with the adoption of the
6 annual budget, however, I am not recommending any adjustments for FY 14-15.

7
8 Additional FY 14-15 Budget Information

9 I have again included summary information about the FY 14-15 Budget in your agenda packets. This
10 summary information is consistent with the budget totals included in the attached FY 14-15 budget
11 ordinance and the attached 5-Year Capital Replacement / Improvement Plan.

12
13 The following information is attached:

- 14
15
- 16 • "Quick Summary" of the FY 14-15 Budget
 - 17 • "All Funds" Summary
 - 18 • General Fund Budget Summary
 - 19 • Net Change in Annual Town of Emerald Isle Tax Bill (for selected property values)
 - 20 • Graph – General Fund Property Tax Rate History
 - 21 • Graph – Primary Benefit District Property Tax Rate History
 - 22 • Graph – Secondary Benefit District Property Tax Rate History
 - 23 • Town Organization Chart and Summary of Authorized Positions
 - 24 • General Fund 5-Year Forecast
 - 25 • Graph – Adjusted General Fund Balance
 - 26 • Property Tax Rate Breakdown
 - 27 • Itemized Property Tax Receipt
 - 28 • Graphs – Annual Solid Waste Service Fee History and Annual Solid Waste Service Fee
Revenues
 - 29 • Graph - Annual Bill – Average Value Property Owner
 - 30 • Graph – Annual General Debt Service Expenditures
 - 31 • General Fund Tax Rates for NC Beach Towns (FY 13-14 Actual)
 - 32 • Graph – General Fund Revenues
 - 33 • Graphs – General Fund Expenditures by Function / Category.
- 34

35 As you know, the detailed FY 14-15 Recommended Budget was distributed under separate cover on May
36 13, and copies have been made available for public review at Town buildings since that time. The FY 14-
37 15 Recommended Budget has also been posted on the Town's website since May 9. A full copy of the
38 FY 14-15 Approved Budget will also be made available in Town buildings and on the Town's website after
39 Board approval.

40
41 Town Manager Rush stated he was pleased to present the formal budget ordinance to
42 the Board for their consideration, also presented was the fee schedule, and the 5-Year
43 Capital Replacement / Improvement Program. Mr. Rush said the budget presented was
44 consistent with the Recommended Budget that was presented to the Board in May, and
45 also incorporated the items discussed at the two budget workshop meetings in May and
46 June.

47
48 Mr. Rush said the budget numbers were identical in this budget ordinance, with two
49 things to point out – first, they had included the \$5,000 for the concrete for Fire Station
50 One out of the current year FY13-14 budget, so they had addressed that need; and

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1 secondly, they had provided \$1,000 for Allies for Cherry Point for a contribution for that
2 organization, that was included within NonDepartmental, the bottom line for the
3 NonDepartmental did not change, they simply moved \$1,000 from one line item within
4 that cost center to the Allies for Cherry Point cost center.

5
6 Mr. Rush said the total budget was a little less than \$8.7 million, about a 3.2% decrease
7 over the current year adopted budget. Mr. Rush said as discussed at the May meeting
8 and the workshops the recommended general fund tax rate is 14 cents, a 1.5 cent
9 increase over the current year budget, however, it was completely offset by a 1.5 cent
10 decrease in both of the beach nourishment special tax districts, so bottom line for all
11 Town tax payers is that their property tax bill is identical for FY14-15 as it was for
12 FY 13-14.

13
14 Mr. Rush noted a few changes in the fee schedule, most notably a \$5 increase in the
15 annual solid waste fee, that fee was paid by all developed residential property owners,
16 not paid by vacant lot owners, also not paid by commercial property owners. Mr. Rush
17 stated that 100% of solid waste expenses; trash collection, recycling, yard debris
18 pickup, white goods pickup, and the beach strand trash collection. The fee would
19 increase from \$205 per year to \$210 per year; so the only change tax payers would see
20 on their annual bill would be the \$5 increase for next year.

21
22 Mr. Rush noted a few other minor fee increases; an increase in the annual beach
23 driving permit fee, currently those fees were \$40 and \$80, and would go to \$50 and
24 \$100 next year; and noted that those fees had not been increased in 15 years.

25
26 Mr. Rush highlighted key points of the 5-Year Capital Replacement / Improvement
27 Program, which essentially covered future vehicle/heavy equipment replacements over
28 the next 5 years.

29
30 Mr. Rush noted that typically each year he presented recommended adjustments to the
31 Town's Pay Plan, usually those were consistent with the cost of living increases
32 approved by the Board as part of the budget. Mr. Rush said he was not recommending
33 any changes to the Pay Plan this year and was essentially trying to create some
34 separation between our existing employees and our starting rates of pay.

35
36 ***Motion was made by Commissioner Messer to adopt the FY 14-15 Budget***
37 ***Ordinance. The Board voted unanimously 4-0 in favor. Motion carried.***

38
39 ***Motion was made by Commissioner Wootten to adopt the FY 14-15 Fee Schedule.***
40 ***The Board voted unanimously 4-0 in favor. Motion carried.***

41
42 ***Motion was made by Commissioner Hoover to adopt the 5-Year Capital***
43 ***Replacement / Improvement Program. The Board voted unanimously 4-0 in favor.***
44 ***Motion carried.***

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1
2
3 **Clerks Note: A copy of FY 14-15 Budget Ordinance, FY 14-15 Fee Schedule, and 5-Year Capital Replacement**
4 **/ Improvement Program as noted above are incorporated herein by reference and hereby made a part of**
5 **these minutes.**
6

7 **13. Comments from Town Clerk, Town Attorney, and Town Manager**
8

9 There were no comments from the Town Clerk or the Town Attorney.
10

11 Town Manager Rush mentioned there would be a meeting on Thursday night with the
12 group of volunteers Chief Waters had been working with on a Neighborhood Watch
13 Program, and he and Mayor Barber would meet with them. Mr. Rush said they hoped
14 to have the groups leadership attend a future Board meeting to brief the Board on their
15 efforts. Mr. Rush also noted that he expected the Board may see a request for rezoning
16 for the Island Harbor Marina property at their July meeting, as it would be considered by
17 the Planning Board this month. Commissioner Wootten asked why they were rezoning
18 when at the time they dealt with that area they made RV Park a special use for that
19 zone. Mr. Rush said that the marina property was essentially two parcels. The western
20 partial was already zoned Marina Village, and the eastern parcel was zoned Mobile
21 Home.
22

23 Mr. Rush also noted they were wrapping up all of the projects included in the community
24 improvements package, giving the status on each of the projects. Mr. Rush mentioned
25 the non-profit banners in the right-of-way, and what they planned was to have some
26 nice fixed poles set up at key intersections in Emerald Isle with the circular eyelets place
27 where groups could tie up their banner for non-profit charitable events in the future in an
28 effort to have things look a little neater. He envisioned that the groups would be
29 required to notify Planning and Inspections when they wanted to put their signs up.
30

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

34 **Proposed Change in County Sales Tax Distribution – July and/or August Meeting Agenda**

35 The Carteret County Commissioners discussed this issue at their “retreat” in March, and decided not to implement this change
36 for FY 14-15, but agreed to review the issue further this fall so that if they do make a change they will give the towns plenty of
37 time to plan for any changes. They will also apparently be reviewing potential “hybrid” approaches.
38

39 As discussed previously, this change is potentially devastating for the beach towns, and could result in the shifting of up to \$2.1
40 million annually from the budgets of the 4 beach towns to the budgets of the 7 mainland towns. In its simplest form, it is simply a
41 redistribution of wealth from the beach towns to the mainland towns. Emerald Isle could potentially lose \$600,000 or more
42 annually, the equivalent of 2 cents or more on the Town’s tax rate.
43

44 I plan to devote significant time toward this issue in June and July to put forth the best arguments possible against such a
45 change in the distribution formula so the Town is prepared to discuss this issue with the County and others this fall. I am planning
46 to present this information to the Board at the July and/or August meetings, and also to begin to engage our property owners on
47 this issue at that time.

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1
2 **Neighborhood Watch Program**

3 Police Chief Waters has been working with a dedicated group of volunteers to re-establish a strong Neighborhood Watch
4 Program in Emerald Isle. I am hoping to have Chief Waters and key volunteers make a presentation to the Board at the July or
5 August meeting to brief you on their efforts.
6

7 **Rezoning – Eastern Parcel of Island Harbor Marina Property**

8 The owners of Island Harbor Marina continue to consider the development of an RV park at the Island Harbor Marina site, and
9 the Board will likely consider a rezoning request for the eastern parcel at the July meeting. The western parcel is already zoned
10 Marina Village, and the request would be to rezone the eastern parcel from Mobile Home to Marina Village.
11

12 **New Welcome Center**

13 I have formally transmitted the draft agreement to the TDA, and expect the TDA Board of Directors to formally consider the
14 agreement in the coming weeks. I am hopeful that all necessary approvals will be in hand by the end of the summer, and that
15 construction can occur this fall and winter so that the new Welcome Center can be open to the public by Memorial Day 2015.
16

17 **Parking Improvements at Public Boating Access Area**

18 Town staff will be installing additional signage and adding decorative boulders in strategic locations at the Emerald Isle Public
19 Boating Access Area to discourage 1) single vehicles from parking in vehicle-trailer spaces, 2) beach strand visitors from
20 parking at the boat ramp facility, and 3) vehicles with trailers from parking in landscaping beds. We may also assign Town staff
21 to the facility for July 4th weekend to keep parking better organized at that location.
22

23 **Commercial Slips at Public Boating Access Area**

24 Due to other priorities, I have not yet submitted the permit applications for this project, but hope to do so in the coming weeks.
25 As discussed previously, the preliminary response from Federal and State permitting staff was generally favorable.
26

27 **Non-Profit Sign / Banner Holders**

28 Based on input from individual Commissioners, Planning Board members, Town staff, and others, I do not plan to present an
29 ordinance amendment to prohibit non-profit banners. Instead, Town staff will be installing attractive, fixed poles (similar to those
30 that support the Town Government Complex signs) at key locations that are designed for the non-profit banners.
31

32 I expect to have the poles set at Coast Guard Road / NC 58, Loon / NC 58, Mangrove / NC 58, Town complex, and perhaps at
33 the Eastern Ocean Regional Access and/or the eastern Town limits. I envision that we will simply require these groups to
34 coordinate with Planning and Inspections before installing their banners / signs, and require them to be securely fastened with a
35 professional appearance.
36

37 I hope to have the new poles in place by the end of summer. Town staff is currently focused on typical summer responsibilities
38 as we prepare for the prime tourism period from mid-June to late-August.
39

40 Please let me know if you have any concerns with this approach. We are seeking the right approach to remain supportive of
41 these groups and events while maintaining the aesthetics of the NC 58 corridor.
42

43 **Proposed State Legislation Restricting Municipal Authority to Regulate Tree Preservation, Removal, and Replacement**

44 Governor McCrory and several legislative leaders have indicated that this legislation has essentially no chance of being
45 approved in the 2014 short session, if ever.
46

47 **Proposed State Legislation to Cap Local Property Tax Revenues**

48 Fortunately, this provision that would have restricted a city or town from increasing property tax revenues more than 8% in a
49 fiscal year was eliminated from the Energy Modernization Act that has been signed into law.
50

51 **General Assembly Elimination of Privilege License Taxes**

52 As you know, Emerald Isle eliminated privilege license taxes in 2012, and made the necessary budget adjustments to absorb the
53 loss of approximately \$14,000 of revenue in the FY 13-14 budget. Due to a recently ratified law, no cities or towns may collect

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1 privilege license taxes after July 1, 2015, however, the General Assembly and Governor McCrory have indicated they plan to
2 authorize additional revenues to replace this lost revenue for cities and towns before July 1, 2015. I am hopeful that this may
3 result in a minor windfall for Emerald Isle in the FY 15-16 budget.
4

5 **Update – NC 58 Bicycle Path – Eastern Ocean Regional Access to Indian Beach Town Limits**

6 Approximately 1.7 miles of the 2.7 mile path have been paved, and the remaining 1 mile is nearly ready for paving. Barnhill
7 Contracting is expected to begin paving on or around June 9 and finish all paving that week. Upon completion of the paving
8 work, Barnhill and Town staff will complete remaining grading, seeding, and landscaping improvements to fully complete the
9 project.
10

11 NCDOT recently expressed concerns about the structural integrity of the hog-slat drainage features, and the Town is currently
12 having a structural engineer review the loading capacity for these features with the hope this information will address NCDOT's
13 concerns. I will provide additional information on this issue as it develops.
14

15 **Update – Coast Guard Road Bicycle Path**

16 Landscaping improvements are in progress, and more are planned to establish a grassy strip between the path and the vehicle
17 travel lane. Mulch will be installed along the back side of the entire path to re-establish a natural look.
18

19 New retaining walls will be constructed in 4 locations beginning June 9, and should take approximately 2 weeks to complete. A
20 few large trees along the back side of the path will also be removed.
21

22 The new bicycle path crossing near Wyndward Court has been well-received, and we have ordered additional signage that
23 should be installed in the next week or two. We are also considering installing rumble strips on the pavement near the crossing
24 in conjunction with the planned resurfacing of Coast Guard Road this fall. Please let me know your thoughts on the rumble strip
25 idea. We believe it will be an effective warning to alert drivers about the path crossing, but may also be perceived as a nuisance
26 for drivers and for nearby homeowners (noise from cars travelling over rumble strips).
27

28 **Update – Island Circle Storm Water Pipe Connection**

29 This project is complete, and all payments have been made to the contractor.
30

31 **Update – Coast Guard Road / Lands End Storm Water Pipe Connection**

32 All pipe segments are in the ground, and the only remaining work is the completion of the connections at the Lands End pump
33 house and at the main entrance to Dolphin Ridge. When the existing pipes were uncovered at Dolphin Ridge, it was discovered
34 that the pipe size was slightly larger than indicated on the plans, and different size valves and connections are needed. These
35 additional parts are on order, and will be installed as soon as they are received by the contractor. The remaining work at both
36 locations should not take more than a few days once the parts are on hand.
37

38 **Community Center Expansion**

39 The Community Center expansion is essentially complete, with only a few remaining items to be addressed (fire alarm, fire
40 doors, landscaping, storm water swale, etc.). We expect the new expansion to hold its first exercise classes by July 1.
41

42 **Ribbon Cutting Events for New Projects**

43 We have not yet organized any ribbon-cutting events to celebrate the completion of the new bicycle path segments, new
44 playground equipment, or the Community Center expansion, but plan to do so for later this summer when all remaining work is
45 complete.
46

47 **Eastern Ocean Drive Resurfacing**

48 I have discussed the Town's lingering concerns with the quality of this paving work with Onslow Grading and Paving, and have
49 provided a list of 9 locations still in need of correction. I am awaiting a response from Onslow Grading and Paving on this issue.
50 To date, the Town has paid \$200,000 of the \$260,000 contract amount, and the Town is still holding \$60,000.
51

52 **Regional Access Parking Fees**

53 The Town has collected \$40,220 in parking fees through June 1. This compares to \$28,500 through the same weekend in 2013.

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1
2 **EmeraldFest Concert Series**

3 The first EmeraldFest concert will be held on Thursday, June 19 at 6:30 pm at the Western Ocean Regional Access, and
4 continue every Thursday evening through August 21. Pure T Mommicked will perform on June 19.

5
6 **FEMA Irene Beach Nourishment Project Close-Out**

7 We have completed all necessary paperwork to close-out this project, but are still awaiting the final reimbursement of
8 approximately \$270,000. Of this amount, the Town will need to reimburse Carteret County approximately \$150,000.

9
10 **Eastern Ocean Regional Access (Future Pier Site) Parking and Storm Water Improvements**

11 The Town's contractor is preparing to submit formal permit applications, and I expect to have all necessary permits in hand by
12 late summer. I expect to present a construction contract recommendation to the Board by early fall, and to have the
13 improvements constructed this winter.

14
15 **Update to Residents & Visitors Guide**

16 Unfortunately, this project has been stalled due to more pressing issues and projects over the past few months. I still hope to
17 have an updated version printed and posted on the Town's website in the near future.

18
19 **New Kayak-Friendly Launching Docks**

20 Alesia Sanderson, Parks and Recreation Director, is proceeding with plans to install a new kayak-launching dock at Emerald Isle
21 Woods Park, and we hope to have this installed in July.

22
23 We have met some permitting resistance from the NC Division of Coastal Management for the new kayak-launching dock at the
24 EI Public Boating Access Area, and continue to work through this issue. Due to other more pressing projects, we have placed
25 this project on-hold temporarily, and will continue work on this issue later this summer.

26
27 **Surplus Fire Engine**

28 Chief Walker investigated the amount the Town would receive from a salvage yard for the 1989 Fire engine, and learned that the
29 Town would only receive approximately \$2,000 or less.

30
31 I have approached the Town of Indian Beach again, and encouraged them to consider a slight increase in their previous \$5,000
32 offer. I am awaiting a response from Indian Beach any day, and will likely authorize the sale if the new offer is reasonable.

33
34 **Police Vehicle**

35 The Town's insurance company authorized \$10,000 for the totaled Police vehicle involved in an accident on Memorial Day.
36 Chief Waters and I will be discussing the best strategy for the replacement of this vehicle in the next couple of weeks. We
37 believe we can function adequately without the replacement vehicle in the short-term, but will ultimately need to replace the
38 vehicle..

39
40 **Review of Federal Shore Protection Project by USACE Headquarters**

41 After 13 years (or 15, depending on how you measure it), the US Army Corps of Engineers leadership will be reviewing the
42 formal report on the feasibility of the 50-year Federal beach nourishment project for Bogue Banks. Greg "Rudi" Rudolph,
43 Carteret County Shore Protection Officer, will be participating in this presentation on Jun 27, and I am considering accompanying
44 him to this presentation in Washington, DC if my schedule permits.

45
46 Assuming the report is approved by USACE Headquarters, the authorization for the overall project would then need to be
47 included in subsequent Federal legislation, and this would likely not occur for at least 1 – 2 years or more. Following
48 Congressional authorization, the project would still need to compete for Federal funding in future appropriations processes. At
49 least we are making some progress!

50
51
52
53

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

2
3 There were no comments from the Board of Commissioners or Mayor.
4

5 **15. Closed Session – Pursuant to NCGS 143-318.11(6), for the Purpose of**
6 **Evaluating the Town Manager’s Performance**

7
8 ***Motion was made by Commissioner Hoover to enter Closed Session. The Board***
9 ***voted unanimously 4-0 in favor. Motion carried.***

10
11 ***Motion was made by Commissioner Wright to return to open session. The Board***
12 ***voted unanimously 4-0 in favor. Motion carried.***

13
14 Upon returning to Open Session ***motion was made by Commissioner Messer to***
15 ***provide a 2% salary increase for the Town Manager, plus a \$7,500 bonus. The***
16 ***Board voted unanimously 4-0 in favor. Motion carried.***

17
18 **16. Adjourn**

19
20 ***Motion was made by Commissioner Messer to adjourn the meeting. The Board***
21 ***voted unanimously 4-0 in favor. Motion carried.***

22
23 ***Meeting was adjourned at 7:30pm.***

24
25 Respectfully submitted:

26
27
28
29 Rhonda C. Ferebee, CMC, NCCMC
30 Town Clerk