

1 MINUTES OF THE REGULAR SCHEDULED MEETING
2 OF THE EMERALD ISLE BOARD OF COMMISSIONERS
3 TUESDAY, NOVEMBER 15, 2005 – 6:00 P.M. – TOWN HALL
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6 The regular monthly meeting of the Emerald Isle Board of Commissioners was
7 called to order by Mayor Art Schools at 6:00 P.M.
8

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

12 Others present: Town Manager Frank Rush, Asst. Town Manager/Finance
13 Officer Mitsy Overman, Town Clerk Rhonda Ferebee, and Planning Director
14 Kevin Reed.
15

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

18 Town Manager Frank Rush requested space on the agenda to present to the
19 Board and the public some new aerial photography and surveys of Bogue Inlet
20 that he felt would be of interest.
21

22 **4. ADOPTION OF AGENDA**
23

24 *Motion was made by Commissioner Wootten to approve the Agenda. The*
25 *Board voted unanimously 5-0 in favor. Motion carried.*
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27 **5. PROCLAMATIONS / PUBLIC ANNOUNCEMENTS**
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29 Mayor Art Schools noted the following announcements for the public:
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- 31 • **Emerald Isle Holiday Parade – Saturday, November 26 – 4 pm –**
32 **NC 58 between Mangrove Dr and Town Hall**
 - 33 • **Town Hall Closed – Thanksgiving – Thursday, November 26 and**
34 **Friday, November 27**
 - 35 • **Community Center Closed – Thanksgiving – Thursday, November 26**
36 **(open on November 27)**
 - 37 • **Planning Board – Monday, November 28 – 6 pm – Town Hall**
 - 38 • **Board of Commissioners – Tuesday, December 13 – 6 pm – Town**
39 **Hall**
- 40

41 Mayor Schools also mentioned that the Lighting of the Tree would take place on
42 November 22 at 2 pm at Merchants Park. Also, Century 21 on Friday, November
43 18 planned to have a pig picking bake sale for Habitat for Humanity. The
44 Domestic Violence luncheon is scheduled for November 20 at 12:30 pm at the
45 Civic Center.
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4 **6. CONSENT AGENDA**
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- 6 • **Minutes – October 11 Regular Meeting**
7 • **Tax Refunds / Releases**
8 • **Budget Amendment – General Fund – Coast Guard Road Bicycle**
9 **Path Project**
10 • **Capital Project Ordinance – Coast Guard Road Bicycle Path Project**
11 • **Budget Amendments – Disaster Recovery Fund, General Fund –**
12 **FEMA**
13 • **Resolution Declaring Surplus Items for Public Auction – (05-11-15/R1)**
14

15 Commissioner Isenhour asked Town Manager Rush regarding the budget
16 amendment, the exact location of the bike path. Mr. Rush stated that the budget
17 amendment was to appropriate the funds contributed by Larry Watson to put in a
18 sidewalk in front of Bell Cove Village Shopping Center, the original plan being to
19 run a concrete sidewalk along the frontage of the shopping center on the west
20 side of Coast Guard Road. In working with the DOT and Larry Watson and
21 Ronnie Watson, in lieu of the additional traffic lanes planned, it became evident
22 that the smartest thing would be to not construct a sidewalk but to construct a
23 bicycle path on the east side of Coast Guard Road running from where the
24 existing bike path ends and down along the eastern side of Coast Guard Road
25 Ultimately the plan being to go all the way down Coast Guard Road at some
26 point in the future.
27

28 ***Motion was made by Commissioner Allen to approve the Consent Agenda.***
29 ***The Board voted unanimously 5-0 in favor. Motion carried.***
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31 **Note: A copy of Resolution 05-11-15//R1 is incorporated herein by reference and hereby made a part**
32 **of these minutes.)**
33

34 Town Manager Frank Rush provided an informative PowerPoint presentation for
35 the Board and the public showing the pictorial status of Bogue Inlet which
36 included surveys and aerial photography provided by Geodynamics. Mr. Rush
37 stated they planned to share this presentation with the Coastal Resources
38 Commission (CRC) to make the case that more time is needed for the sandbags
39 to stay in place, and remind them of the 4-6 year timeframe that was predicted
40 for the channel to fill in completely.
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7. PUBLIC COMMENT

Hans Van Welzen, 200 Gulf Stream Drive, Lands End homeowner, presented a petition to the Board expressing their concerns of the flooding problems. Mr. Van Welzen read the following prepared statement:

We, the Land End residents are seriously concerned over our continuing flooding problems. We are convinced that the flooding is not confined to Lands End, and this it is not of our own making. Rather, it reflects an inter-community problem involving all of the neighborhoods east of Lands End on the south side of Coast Guard Road. Flooding problems are very expensive issues and will not go away or get resolved by themselves. We ask the Town to urgently address this problem.

Mayor Schools after noting the record rainfalls here in Emerald Isle, stated that the Town is aware that this is something that needs to be dealt with, and while the Town will continue dealing with this issue, the Town Manager and the Board do want to get together to come up with a good plan. Mr. Rush added that he had spoken with representatives from Spinnakers Reach and Dolphin Ridge, and they are very receptive to meeting for discussion.

8. PROPOSED REZONING – RESIDENTIAL MOTEL HOTEL (RMH) TO RESIDENTIAL-2 (R-2) – OCEAN CREST

Kevin Reed, Planning Director addressed the Board concerning this agenda item. The following excerpt from Planning Director Kevin Reed's memo to the Town Manager is provided as background:

As you will recall, staff has been proceeding with the implementation measure identified in the 2004 CAMA Land Use Plan that involves the rezoning of certain properties from RMH to R-2. Specifically, the measure is to amend the Town's Zoning Map to rezone all developed areas which are currently RMH to R-2, except where the Future Land Use Map designates the areas as "mixed-residential". The Planning Board, at its meeting held on October 24, 2005, was asked to consider the next area. This area encompasses all of the properties located in Ocean Crest Subdivision. Following its discussion of the matter, the Planning Board voted unanimously (5 to 0) to recommend to the Board of Commissioners that the rezoning be approved.

Motion was made by Commissioner Wootten to open the Public Hearing. The Board voted unanimously 5-0 in favor. Motion carried.

There were no comments from the public.

Motion was made by Commissioner Isenhour to close the Public Hearing. The Board voted unanimously 5-0 in favor. Motion carried.

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5 **Motion was made by Commissioner Messer to approve the rezoning of**
6 **Ocean Crest subdivision from RMH to R-2, as depicted on the attached**
7 **map. The Board voted unanimously 5-0 in favor. Motion carried.**
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9 **9. DISCUSSION – EXISTING OFF-PREMISES SIGNS (BILLBOARDS)**
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11 Town Manager Frank Rush discussed the issue of existing off-premises signs
12 (billboards). Planning Direct Kevin Reed explained the ordinance to the Board
13 and what has been done during his time as Director. An excerpt from Town
14 Manager Rush's memo to the Board is provided as background:
15

16 I have scheduled time on the Board's November 15 agenda for the Board to discuss the issue of existing off-premises
17 signs (also considered billboards). There has been some question in the past about the Town's position on
18 modifications to existing off-premises signs, and we are seeking policy direction from the Board of Commissioners
19 regarding your goals for the Town's existing off-premises signs. Once this direction is received, and if necessary, staff
20 will draft appropriate amendments to the Town's ordinances to achieve your goals for existing off-premises signs.
21

22 The Town's sign ordinance clearly prohibits the erection of new off-premises signs. This prohibition has been in place
23 for several years, and was clarified by the Board in September 2004. There are currently 10 existing off-premises
24 signs in Town that were in place before the Town prohibited new off-premises signs, and these signs are considered
25 non-conforming signs that are allowed to remain in place unless certain conditions change. Section 19-139, Non-
26 conforming signs, reads as follows:
27

28 **Sec. 19-139. Nonconforming signs.**
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30 (a) *Intent.* Signs in existence prior to the adoption of the ordinance from which this article is derived and
31 which do not conform to the provisions of this article are declared nonconforming signs. It is the intent of this
32 section to recognize that the eventual elimination of nonconforming signs is just as important to the health,
33 safety, welfare, and appearance of the town as is the prohibition of new signs which would violate this
34 article.
35

36 (b) *General provisions.* Nonconforming signs may be continued, provided that they:

- 37 (1) Were erected prior to adoption of this ordinance.
38 (2) Are not to be changed or replaced with another nonconforming sign, nor modified in any way
39 except as noted in section 19-141(c). (*for maintenance purposes*)
40 (3) Shall not be expanded or relocated.
41 (4) Shall not be re-established after damage or destruction in excess of fifty (50) percent of the
42 sign square footage at the time of the damage or destruction.
43 (5) Shall not be modified in any way, which increases their degree of nonconformity.
44 (6) Shall be removed within ten (10) days of the close of the business which they advertise.
45

46 In recent years, Town staff have interpreted this ordinance to mean that the "copy" on these signs can be changed if it
47 advertises the same business (thus falling into the maintenance category). Town staff have not allowed the area of the
48 "copy" to be expanded (non-conforming signs shall not be expanded), nor have they allowed signs to be replaced with
49 "copy" for a different business (interpreted as replacing one non-conforming sign with another non-conforming sign;
50 closed businesses must remove signs within 10 days).
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5 There has been some question in the past about the ability to replace "copy" for a different business, and also the
6 ability to expand the area of "copy" within the frame of an existing off-premises sign, and different individuals and
7 groups cite different interpretations. It is understandable that there are different interpretations, and we are simply
8 seeking policy direction from the Board of Commissioners on your goals for the existing off-premises signs so that the
9 Town's ordinance can be clarified, if necessary. As such, we ask the Board to consider the following questions:

- 10
11 1. Is there a desire to see the existing off-premises signs come down eventually? The Board should note
12 that the "intent" of the existing ordinance is very clear: "the eventual elimination of non-conforming
13 signs". This is the central policy question on which direction is needed. If there is a desire to see these
14 signs come down, then the Town's ordinance should be rigidly constructed and stringently enforced. If
15 there is no desire to see these signs come down, then the ordinance should be crafted to encourage
16 these signs to remain attractive, functional, and neat in appearance.
17
18 2. What circumstances should cause the existing off-premises signs to be required to come down?
19 Triggers include significant damage of the "frame" of the existing sign, to the "copy" panels of the
20 existing sign, or when the specific business advertised closes (so as not to harm that specific business;
21 note that there may still be harm to the owner of the off-premises sign who would lose advertising
22 revenue). Clarification from the Board about your position on the use of such triggers would be helpful.
23
24 3. If the existing off-premises signs remain either for a period of time or indefinitely, should the sign be
25 considered as the "frame" of the sign, or the area of the "copy"? Perhaps the Town's definition of a sign
26 or off-premises sign should be amended to clearly define whether the sign is the "frame" or the "copy".
27

28 The answers to the questions above will likely provide a clear policy direction from the Board to the staff, and we can
29 draft any necessary ordinance amendments for consideration by the Planning Board and Board of Commissioners
30 upon receiving direction.
31

32 The Board should note that we are not seeking the Board's interpretation of the existing ordinance, as that is the role of
33 the staff and the Board of Adjustment and not the Board of Commissioners. The Board should also note that the
34 discussion should not dwell on specific signs in Town as the issue is not how the ordinance should apply to one sign in
35 Town but rather a determination of the Board's overall policy for existing off-premises signs. We have, however,
36 included digital photos of 9 of the 10 known existing off-premises signs (the only photo missing is the Emerald
37 Plantation Cinemas marquee sign) in Emerald Isle to remind you of what signs are out there.
38

39 Following discussion Commissioner Allen requested more time to study the
40 issue. The general consensus of the Board was to table this issue until the
41 December meeting.
42

43 **10. RESOLUTION AUTHORIZING AGREEMENT FOR PRESERVATION OF**
44 **THE EMERALD ISLE "GATEWAY" EASTERN SIDE - (05-11-15/R2)**
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46 Town Manager Frank Rush discussed this item with the Board. An excerpt from
47 Town Manager Rush's memo to the Board is provided as background:
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5 The Board of Commissioners is asked to approve the attached resolution authorizing the Town Manager to enter into
6 an agreement with Ms. Martha Howe to preserve the eastern side of the Emerald Isle "Gateway" area. Specifically, the
7 resolution authorizes the construction of an improved public street within the currently unimproved Crew Drive right-of-
8 way in exchange for the acquisition of a 30-ft. conservation easement along Ms. Howe's property on the eastern side
9 of NC 58.

10
11 As you know, the preservation of the "Gateway" is a key goal for the Town, as noted in the Town's 2004 CAMA Land
12 Use Plan. Our residents, property owners, and visitors enjoy the natural appearance of the main entrance into
13 Emerald Isle between the Cameron Langston Bridge and the Crew Drive / Coast Guard Road intersection, and we
14 have been working hard to insure the perpetual preservation of this area. After several months of negotiation, a verbal
15 agreement has been reached with Ms. Howe. Essentially, Ms. Howe is willing to grant a 30 feet wide conservation
16 easement along the eastern boundary of her property adjacent to NC 58 up to a point 265 feet northwest of the current
17 intersection of Crew Drive and NC 58. The conservation easement would prohibit the disturbance of any natural
18 vegetation and topography in this area, with the exception of the existing billboards remaining in place. Based on the
19 staking of a line 35 feet from the NC 58 right-of-way line, it appears that a 30 feet wide conservation easement will be
20 sufficient to preserve the natural appearance of the entrance to Emerald Isle after the remainder of the adjacent
21 property is developed in the future. A map indicating the proposed easement area is attached for your review.

22
23 In exchange for the granting of this conservation easement, the Town would construct an improved public street in the
24 currently unimproved Crew Drive right-of-way. The new street would be built Town standards, and would include a cul-
25 de-sac at the northern terminus (the cul-de-sac would be 60 feet in diameter only). The Crew Drive right-of-way
26 between the cul-de-sac and Bogue Sound would be retained for a public water access area, potentially with a future
27 public soundside pier if grant funds or private funds are made available. The Town does not have a detailed cost
28 estimate to construct the new street, however, it is expected to cost somewhere in the \$150,000 range. The Town
29 does not currently have funds budgeted for this purpose, and General Fund balance is the most likely funding source
30 for this project.

31
32 If the Board concurs with this approach, I will execute a preliminary agreement with Ms. Howe to reflect this
33 agreement. Formal legal instruments will then be prepared for execution in the coming weeks.

34
35 Town Manager Rush expressed his appreciation to the Howe family for their
36 willingness to work with the Town to preserve the "Gateway" area.

37
38 Doje Marks, 134 Sandcastle Drive, said she felt she was speaking for the
39 Highway 58 committee and the majority of those on the Land Use Plan
40 Committee that this was one of the premier goals for both committees,
41 preserving the "gateway". Ms. Marks thanked Mr. Rush, Mrs. Martha Howe, Mrs.
42 Georgia Murray, for making it happen.

43
44 Commissioner Wootten echoed Ms. Marks' comments especially to the Howe
45 family that this was a win-win situation.

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47 **Motion was made by Commissioner Wootten to approve the Resolution**
48 **Authorizing an Agreement for the Preservation of the Emerald Isle**
49 **"Gateway" – Eastern Side. The Board voted unanimously 5-0 in favor.**
50 **Motion carried.**

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Note: A copy of Resolution 05-11-15//R2 is incorporated herein by reference and hereby made a part of these minutes.)

Town Manager Rush added that he has also discussed securing a conservation easement with the property owners on the western side of Highway 58.

11. ORDINANCE AMENDING CABLE TELEVISION FRANCHISE AGREEMENT – FIRST READING-(05-11-15/01)

Town Manager Frank Rush discussed this item with the Board. An excerpt from Town Manager Rush's memo to the Board is provided as background:

The Board of Commissioners is asked to conduct the first reading of the attached ordinance amending the Town's cable television franchise agreement with Time Warner Cable at the November 15 meeting. The attached ordinance amendment would increase the franchise fee paid by Time Warner Cable from the current three percent (3%) rate to five percent (5%), effective January 1, 2006.

NC local governments are authorized to levy a franchise fee of up to 5% of gross cable television subscriber revenues in exchange for granting cable television companies the right to provide service and the right to utilize public right-of-ways for cable lines. Many local governments levy the full 5%, however, some local governments, including Emerald Isle, continue to levy a lower fee. A review of Emerald Isle's franchise agreements indicates that the fee in Emerald Isle has been 3% since August 1978. As the Town has grown, with more cable subscribers added each year and with cable television rates increasing over time, the Town's cable television franchise fee revenues have also increased and have become an important revenue source for the Town. For FY 04-05, Time Warner Cable remitted a payment of \$64,858, a 9% increase over the FY 03-04 payment.

Cable television is not currently subject to State taxation, however, beginning January 1, 2006 the State will begin levying a 7% State tax on cable television service. Cable companies will be granted a credit equal to the amount of local franchise fees paid, thus the total amount of State and local taxes and fees will not exceed 7% on the customer's bill. Because the cable companies must still collect 7% regardless of how much is remitted to local governments, the Town's residents will bear the same burden whether or not the Town's local franchise fee is 3% or higher (up to 5%). In short, if the Town's franchise fee is 3%, the State will receive 4% and the Town will receive 3%. If the Town's franchise fee is 5%, the State will receive 2% and the Town will receive 5%. It is obviously in the Town's best interest to increase the fee to 5%, and because these funds will stay in Emerald Isle as opposed to being sent to Raleigh, it is in the best interest of our residents and property owners to raise the fee to 5%.

An increase in the franchise fee to 5% will result in additional revenues of approximately \$43,000. If approved, these revenues will be available for appropriation in the FY 06-07 budget.

NC law requires that any ordinances granting a franchise or amending a franchise agreement be voted on twice at two separate meetings in order to be adopted. If the Board reaches a favorable vote on this ordinance at the November 15 meeting, I will schedule it for a second reading on the December 13 meeting agenda. Final adoption on December 13 will enable the Town to make the 5% fee effective January 1, 2006.

Motion was made by Commissioner Isenhour to adopt the Ordinance Amending the Cable Television Franchise Agreement. The Board voted unanimously 5-0 in favor. Motion carried.

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Note: A copy of Resolution 05-11-15/O1 is incorporated herein by reference and hereby made a part of these minutes.)

Town Manager Rush noted that any amendments to the cable television franchising agreement by law must be done over the course of two separate meetings. The first reading is tonight and the second reading will be on the December agenda.

12. RESOLUTION AUTHORIZING CONTRACT FOR DREDGING BOGUE SOUND DRIVE CANAL

Town Manager Frank Rush discussed this item with the Board. An excerpt from Town Manager Rush's memo to the Board is provided as background:

The Board of Commissioners is asked to approve a resolution authorizing a contract for the dredging of the canal adjacent to Bogue Sound Drive at the November 15 meeting. The bid process for this project is not yet complete, and bids are due to the Town at 2:00 pm on November 15, just hours prior to the Board meeting. Assuming that a sufficient number of bids are received, and the lowest bid is responsive and within budget, I intend to seek the Board's approval of the attached resolution with the name of the dredging company and the amount of the contract inserted.

The project involves the dredging of approximately 2,800 linear feet of the canal adjacent to Bogue Sound Drive to a depth of 4' at normal low water. The current depth of the canal at normal low water is 1' - 2', and makes navigation difficult for the boaters who utilize the channel. A total of approximately 5,700 cubic yards of material will be dredged from the canal and either trucked away or pumped to an upland disposal site located on land owned by the Emerald Isle Parks and Recreation Association, Inc. adjacent to Emerald Isle Chapel By The Sea.

The dredging companies will have the option of using a small pipeline dredge that would pump the material along Bogue Sound to the disposal site, or using a clam-shell dredge that would load the spoils into trucks to be hauled to the disposal site, which is located approximately 1.5 miles west of the canal. If the trucking option is used, the designated off-loading site is the public boat ramp located at the end of Kelly Drive. The contractor will be responsible for restoring the boat ramp to its pre-project condition upon completion. The contractor also has the ability to suggest an alternative off-loading site, provided that he secures permission from the property owner. There are a few vacant lots that may serve as a better off-loading site.

Permits for this project are already in hand, and they stipulate that all work must be complete by March 31, 2006. This work should not take more than 2 months to complete, and the selected contractor will be asked to begin work no later than January 1, 2006.

As you know, this project follows a previous project in 2004 that dredged approximately 550 linear feet of the western entrance channel to the canal to a depth of 4' at normal low water. As was the case for the 2004 project, the 2005 project is funded 80% by a grant from the NC Division of Water Resources. The 20% local match for the 2005 project is being funded through the one-time levy of a canal dredging fee on the property owners directly adjacent to the canal. This canal dredging fee was included on the 2005 property tax bill, and many property owners have already paid the fee.

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4 Town Manager Rush stated that bids were opened today at 2:00 pm and two
5 bids were received for the project. Mr. Rush said the low bid was for \$162,500
6 from Brooks Dredging which is \$42,500 higher than budgeted. Mr. Rush said
7 this bid is based on the removal of 5,700 cubic yards of sediment from the Bogue
8 Sound Drive canal. Mr. Rush said that he had met with some of the property
9 owners on Bogue Sound Drive and contacted the owner of Brooks Dredging to
10 discuss opportunities to reduce that cost. Mr. Rush said he would like to
11 continue negotiations with the contractor and come back to the Board at the
12 December meeting hopefully with a lower cost or perhaps a change in the scope
13 of work.

14
15 Following discussion it was determined that the Town Manager would continue
16 negotiations and bring the item back to the December meeting.

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18 **13. POST-CONSTRUCTION MONITORING REQUIREMENTS – BOGUE**
19 **INLET PROJECT – (05-11-15/R3)**

20
21 Town Manager Frank Rush discussed this item with the Board. An excerpt from
22 Town Manager Rush's memo to the Board is provided as background:

23
24 The Board of Commissioners is asked to approve a total of five items pertaining to the Town's post-project monitoring
25 commitments for the Bogue Inlet project. The first item is a resolution authorizing a contract with Coastal Planning &
26 Engineering (CPE) in the amount of \$335,850 for certain components of the overall monitoring program. The other
27 four items are budget and capital project ordinance amendments that are necessary to cover additional costs that are
28 not currently budgeted.

29
30 As you know, the Town made several post-project monitoring commitments outlined in a comprehensive monitoring
31 and mitigation plan approved by the Board of Commissioners prior to the start of the project. These commitments
32 were made in 2004 in order to secure necessary project permits from both the US Army Corps of Engineers and NC
33 Division of Coastal Management. The post-project monitoring commitments are summarized as follows:

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- 36 1. participation in a Donax species (coquina clam) research study,
 - 37 2. implementation of a Waterbird Management Plan for the Bogue Inlet project area,
 - 38 3. annual beach profile surveys of Emerald Isle and Bear Island,
 - 39 4. completion of aerial photography and photographic analysis of the Bogue Inlet project area at 6-month, 18-
40 month, 27-month, and 36-month intervals,
 - 41 5. 3 years of salt marsh and infaunal monitoring in the Bogue Inlet project area, and
 - 42 6. comprehensive analysis and ground-truthing efforts at the 36-month interval to determine impacts on
43 various habitats in the Bogue Inlet project area.

44 The Town has already secured services for items 1, 2, and 3 above, and this work has been underway for several
45 months. Work on items 4, 5, and 6 above is required to begin within the next two months, and the Town must make
46 arrangements to complete this work soon in order to meet the monitoring schedule required by the project permits.

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5 The attached proposal from CPE includes the services outlined in items 4, 5, and 6 above. The total cost for these
6 services is \$446,213, however, I have asked CPE to provide a separate cost proposal that does not include year 3 of
7 the salt marsh and infaunal monitoring commitments (item 5 above), which reduces the total cost to \$335,850. After
8 discussions with CPE and representatives from the US Army Corps of Engineers and NC Division of Coastal
9 Management, it may be possible to eliminate year 3 of the salt marsh and infaunal monitoring if the results from years
10 1 and 2 show no significant impacts. For this reason, I am hopeful that year 3 will not be required, and that the Town
11 will be able to avoid the \$110,363 cost associated with this monitoring. As such, I am requesting that the Board of
12 Commissioners approve the attached resolution authorizing a contract with CPE for all items, except for year 3 of the
13 salt marsh and infaunal monitoring, at a cost of \$335,850. The Board should note, however, that the Town may need
14 to identify additional funds for year 3 of the salt marsh and infaunal monitoring at that time if year 3 is in fact required
15 by the US Army Corps of Engineers and the NC Division of Coastal Management.
16

17 The capital project ordinance that established a budget for the Town's post-project monitoring commitments currently
18 has approximately \$263,000 available for the items included in CPE's proposal. As noted, the total cost of CPE's
19 proposal as recommended is \$335,850, a difference of nearly \$73,000 that is not budgeted. The one budget
20 amendment and three capital project ordinance amendments that are presented for the Board's consideration provide
21 the necessary funds to cover the difference of \$73,000. There is currently a remaining balance of \$17,465 in two older
22 capital project accounts associated with the Town's beach nourishment projects that is available for the post-project
23 monitoring expenses. The transfer of these funds for post-project monitoring expenses is accomplished via the three
24 capital project ordinance amendments.
25

26 The balance of the needed funds, \$55,535, would be transferred from the General Fund, and this is accomplished via
27 the attached budget amendment. In order to avoid any impact on the General Fund, the attached budget amendment
28 reduces the planned transfer of funds from the General Fund to the Beach Nourishment Debt Service Fund (originally
29 budgeted at \$150,000) by \$55,535. The result of this is a one-time reduction of \$55,535 in the Beach Nourishment
30 Debt Service / Reserve Fund in FY 05-06, which will ultimately reduce the amount of fund balance accumulated in the
31 Beach Nourishment Debt Service / Reserve Fund. I have attached an updated financial projection for the Beach
32 Nourishment Debt Service / Reserve Fund, and I do not believe that this one-time reduction will hinder the Town's
33 ability to retire the beach nourishment bonds. As you know, we have been projecting more than a \$600,000 surplus in
34 the Beach Nourishment Debt Service / Reserve Fund after all bonds are retired, and the updated financial projection
35 continues to indicate a surplus in excess of \$600,000.
36
37

38 ***Motion was made by Commissioner Wootten to adopt the Resolution***
39 ***Authorizing a Contract with CPE for Post-Project Monitoring. The Board***
40 ***voted unanimously 5-0 in favor. Motion carried.***
41

42 ***Motion was made by Commissioner Allen to adopt the Budget Amendment***
43 ***for the General Fund and Beach Nourishment Debt Service / Reserve Fund.***
44 ***The Board voted unanimously 5-0 in favor. Motion carried.***
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46 ***Motion was made by Commissioner Messer to adopt the Capital Project***
47 ***Ordinance Amendment for the Beach Nourishment – Eastern Phase***
48 ***Project. The Board voted unanimously 5-0 in favor. Motion carried.***
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4 ***Motion was made by Commissioner Isehour to adopt the Capital Project***
5 ***Ordinance Amendment for the Beach Nourishment – BANs account. The***
6 ***Board voted unanimously 5-0 in favor. Motion carried.***
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8 ***Motion was made by Commissioner Hedreen to adopt the Capital Project***
9 ***Ordinance Amendment for the Beach Nourishment – Monitoring account.***
10 ***The Board voted unanimously 5-0 in favor. Motion carried.***

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12 **Note: A copy of Resolution 05-11-15/R3 is incorporated herein by reference and hereby made a part**
13 **of these minutes.)**
14

15 **14. RESOLUTION AUTHORIZING CHANGE IN COMPENSATION FOR**
16 **MAYOR, COMMISSIONERS, PLANNING BOARD, AND BOARD OF**
17 **ADJUSTMENT – (05-11-15/R4)**
18

19 Town Manager Frank Rush discussed this item with the Board. An excerpt from
20 Town Manager Rush's memo to the Board is provided as background:
21

22 The Board of Commissioners is asked to approve the attached resolution authorizing a change in the compensation of
23 the Mayor, Commissioners, Planning Board, and Board of Adjustment members. The proposed changes are intended
24 1) to comply with guidance from the Town's auditors regarding compensation of the Mayor and the Commissioners,
25 and 2) to recognize the contributions of the Planning Board and Board of Adjustment with an increase in their monthly
26 compensation.
27

28 The Mayor currently receives a \$300 monthly payment, and the Commissioners currently receive a \$50 monthly
29 payment. These amounts have been in effect for at least 4 ½ years, and likely several years prior. In addition, the
30 Mayor and Commissioners also receive a monthly health insurance stipend that is equal to the monthly cost of
31 employee health insurance. This amount fluctuates from year to year, and is currently \$393. The Mayor and
32 Commissioners have received health insurance through the Town for at least the last 4 ½ years, and likely several
33 years prior. Thus, the total cost of the compensation provided to the Mayor on a monthly basis is \$693, and the total
34 cost of the compensation provided to the Commissioners on a monthly basis is \$443.
35

36 In some cases, the health insurance stipend has not been paid through the Town's payroll system and payroll taxes
37 have not been withheld. The Town's auditor has recommended that all health insurance stipends be paid through the
38 Town's payroll system, thereby resulting in the withholding of payroll taxes. In an effort to comply with the auditor's
39 recommendation, and also to "hold harmless" the Mayor and Commissioners from any additional tax liability, a new
40 compensation package is proposed. The attached resolution would establish the Mayor's monthly compensation at
41 \$825 per month, which is a total of \$132 more per month than currently paid. However, much or all of this increase is
42 likely to be withheld in the form of payroll taxes. The attached resolution would establish the Commissioners'
43 compensation at \$575 per month, which is also a total of \$132 more per month than currently paid. Again, much or all
44 of this increase is likely to be withheld in the form of payroll taxes. The net result of this change is that the Mayor and
45 Commissioners would receive approximately the same compensation after this change as they do now. The total
46 annual impact on the Town's budget associated with this change is approximately \$10,200.
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I have completed research on the compensation offered to elected officials of other larger NC beach towns and other local towns, and the proposed compensation package is comparable to other towns. A comparison is presented below. The Board should note that I have only included the total cost of the compensation provided, as there are many different types of compensation offered by various towns (i.e., some pay one set amount, others pay a set amount plus monthly travel allowances, others make a direct payment for health insurance, etc.).

Approximate Monthly Compensation Cost

<u>Town</u>	<u>Mayor</u>	<u>Commissioners</u>
Nags Head (set amount)	\$ 623	\$ 395
Kill Devil Hills (set amount) Tem)	\$ 650	\$ 450 (\$ 550 for Mayor Pro
Atlantic Beach (set amount + health)	\$ 800	\$ 600
Morehead City (set amount + health + travel)	\$ 825	\$ 675
Wrightsville Beach (set amount)	\$ 650	\$ 550
Carolina Beach (set amount + travel) Tem)	\$ 750	\$ 650 (\$ 700 for Mayor Pro
<u>County</u>	<u>Chair</u>	<u>Commissioners</u>
Carteret (set amount + health + travel)	\$1,050	\$ 900.

The Board should note that Emerald Isle, Nags Head, and Wrightsville Beach, (along with Oak Island), are ranked as the largest beach towns in NC by several measures, and are perhaps the most reasonable comparisons among beach towns. Emerald Isle is also by far the largest Town in Carteret County when comparing tax base and number of housing units.

Planning Board members currently receive \$25 per month, while Board of Adjustment members currently receive \$25 per meeting (they meet on average 3-4 times per year). These amounts have been in effect for at least the last 4 ½ years, and perhaps for several years prior. The attached resolution also changes the compensation provided to the Planning Board members and Board of Adjustment members in a small attempt to recognize their important contributions. The attached resolution proposes a monthly payment of \$50 for Planning Board members, and \$50 per meeting for Board of Adjustment members. The Board should note that payroll taxes will also be withheld from the Planning Board members and Board of Adjustment members. The total annual impact on the Town's budget associated with this change is approximately \$3,000.

If approved, these changes would take effect on January 1, 2006.

Town Manager Rush pointed out that Emerald Isle is the largest town in Carteret County in terms of tax base and in terms of number of housing units, as well as being among the largest beach communities in North Carolina. Mr. Rush felt the amounts proposed would address the auditors concerns, and that they were fair and comparable to what other Carteret County towns of similar size, and fair and comparable with other North Carolina beach towns as far as size.

Following discussion ***motion was made by Commissioner Allen to adopt the Resolution Authorizing Change in Compensation for Mayor, Commissioners, Planning Board, and Board of Adjustment. The Board voted unanimously 5-0 in favor. Motion carried.***

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1
2 **Note: A copy of Resolution 05-11-15/R4 is incorporated herein by reference and hereby made a part**
3 **of these minutes.)**

4
5 **15. ORDINANCE AMENDING TOWN CHARTER TO MAKE TECHNICAL**
6 **CORRECTION REGARDING MAYOR'S TERM – (05-11-15/O2)**

7
8 Town Manager Frank Rush discussed this item with the Board. An excerpt from
9 Town Manager Rush's memo to the Board is provided as background:

10
11 The Board of Commissioners is asked to approve the attached ordinance amending the Town Charter to make a
12 technical correction to make the recent change to a 4-year term consistent throughout the Town Charter.

13
14 In May 2005 the Town completed a lengthy process that culminated in an amendment to Section 3.3 (Terms,
15 qualifications, and vacancies) of the Town Charter to specify that the Mayor's term would now be a 4-year term. This
16 change took effect with the winner of the 2005 mayor's election. Town staff did not realize at that time that Section 4.1
17 (Regular municipal elections) also includes a reference to the length of the Mayor's term. That section was not
18 changed in May 2005, however, the attached ordinance would now change Section 4.1 to be consistent with Section
19 3.3.

20
21 This change is merely a technical correction, and has no bearing on the effective date of the Mayor's 4-year term,
22 which will begin in December 2005. The substantive change to the correct section of the Town Charter was
23 accomplished in May 2005, and that change governs this situation.

24
25 ***Motion was made by Commissioner Wootten to adopt the Ordinance***
26 ***Amending the Town Charter to Make Technical Corrections Regarding the***
27 ***Mayor's Term. The Board voted unanimously 5-0 in favor. Motion carried.***

28
29 **Note: A copy of Ordinance 05-11-15/O2 is incorporated herein by reference and hereby made a part**
30 **of these minutes.)**

31
32 **16. APPOINTMENTS – BICYCLE AND PEDESTRIAN ADVISORY**
33 **COMMITTEE**

34
35 Mayor Schools noted that the terms of 4 members of the Bicycle and Pedestrian
36 Advisory Committee expire in 2005. The expiring terms were established
37 originally as 1-year terms in order to provide for a staggering of terms on the 8-
38 member committee. The new appointees will serve a 2-year term expiring in
39 December 2007. He noted that all 4 current members have expressed a desire
40 to continue to serve.

41
42 ***Motion was made by Commissioner Wootten to appoint Bob Hines, Mark***
43 ***Brennesholtz, Debbie Doody, and Ed Johnson to the Bicycle and***
44 ***Pedestrian Advisory Committee for 2-year terms expiring in December***
45 ***2007. The Board voted unanimously 5-0 in favor. Motion carried.***

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**17. COMMENTS FROM TOWN CLERK, TOWN ATTORNEY, AND TOWN
MANAGER**

There were no comments from the Town Clerk.

Town Attorney Richard Stanley was on vacation and not in attendance at this meeting.

Town Manager Frank Rush said he wanted to set up a special work session with the Board to go over the Pay and Classification study and the Personnel Policy. The Board agreed to a meeting date of Monday, December 5th at 4:00 pm.

Town Manager Rush discussed briefly the status of the Coast Guard Road traffic improvements. Mr. Rush said that unfortunately, mostly because of the hurricane, they would not be able to do this project this winter; his goal was to try to construct in January or February 2007 in order to minimize traffic impacts.

Town Manager Rush mentioned the deer survey included in their packets for their review. Mr. Rush discussed the federal beach nourishment appropriation for FY 06 for beach nourishment and dredging activities.

18. COMMENTS FROM BOARD OF COMMISSIONERS AND MAYOR

Commissioner Allen asked regarding Agenda Item 10 – Resolution Authorizing Agreement for Preservation of the Emerald Isle “Gateway” – Eastern Side, whether Powell Bill monies could be used for the road construction. Mr. Rush responded that he would look into that as a possible option.

Commissioner Hedreen requested that the deer survey be placed on the website for the public to view.

There were no further comments from Commissioner Isenhour, Messer, Wootten, or Mayor Schools.

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19. ADJOURN

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

Meeting was adjourned at 7:20 pm.

Respectfully submitted:

Rhonda C. Ferebee
Town Clerk