

MINUTES OF SPECIAL MEETING OF THE EMERALD ISLE BOARD OF COMMISSIONERS Monday, May 20, 2002 – 9:30 A.M. – Town Hall

Mayor Schools called the meeting to order at 9:20 A.M. Board members present were Mayor Art Schools, Commissioners McElraft, Farmer, Marks, Messer and Eckhardt. Staff members present were Town Manager Frank Rush and Town Clerk Carolyn Custy.

ADOPTION OF AGENDA

Commissioner Marks made a motion to adopt the Agenda as presented. The board voted unanimously, with a vote of 5-0.

PUBLIC COMMENTS

Mr. Bill Reist, Woodcliffe Drive, commented, because there are terms in the budget to be discussed that he is not familiar with, he would hope that the board would educate the public as they go through it.

CONSULTING SERVICES CONTRACT FOR BOGUE INLET/WESTERN NOURISHMENT PROJECT

Mr. Rush informed the board that along with their copy of the Consulting Services Contract for Bogue Inlet/Western Nourishment Project, there is a Resolution Authorizing the Town Manager to Execute A Contract with Coastal Planning and Engineering for the first five tasks identified in that proposal. The intention would then be if we receive the permits or if it looks like it is pretty sure we will receive the permits, the town can continue its relationship with Coastal Planning and Engineering and execute a Contract for the remaining tasks in their proposal. A copy of the proposal is attached at the end of these Minutes and is entitled SCOPE OF PROFESSIONAL SERVICES BOGUE INLET CHANNEL RELOCATION AND BEACH NOURISHMENT PROJECT EMERALD ISLE, NORTH CAROLINA.

Mr. Rush told the board the total amount for everything is \$ 523,200. That amount is \$23,200 more than was budgeted in the project ordinance for the design services and environmental services, construction, etc. At this point Mr. Rush does not see this as a significant amount and thinks the town can absorb that as the project goes along.

The environmental/permitting component is actually less than what the town had budgeted. The engineering design portion is a little more than budgeted. Overall the board will need to look at it as a total and not how it compares to each line item.

The amount of \$348,700 will be financed with the Bond proceeds when the Bonds are sold later this year. In the meantime the town will have to up-front the money for this work until the Bonds are sold and reimburse the town those expenses. It will not have any impact on the Budget but will have an impact on the Cash flow as the town goes through the next seven months

or so.

Mayor Schools asked about the statement in the proposal that states “CPE shall prepare for and participate in up to three meetings with resource protection agencies and the public to address environmental issues. Mr. Tom Jarrett of CPE clarified those would be meetings that would require folks to come up from Florida, i.e. review tech, etc. Mr. Jarrett said he would be available for any and every meeting that may be held. Mr. Jarrett clarified that the meeting for May 29th with the permitting agencies would be one of those meetings. He also noted that there is a meeting to be held with the State and Federal Agencies that has not been scheduled yet that would be included.

Commissioner McElraft asked if the Contract could be amended to state “ A minimum of three face to face meetings”? The answer was “yes”.

Mr. Rush interjected there would be many small group meetings, a lot of correspondence and a lot of e-mails.

Commissioner McElraft stated it would be better to cap it because she does not want the town to pay for something that is not there.

Commissioner Eckhardt asked about PHASE III – Vibracores. He assumed that more coring than five (5) would be performed. Mr. Jarrett said the Jet probes would be used in selecting samples as well. As the jet is pushing to the bottom, there will be divers there and the way the jet probe works it goes into the bottom and pushes the materials out, and the sediments come up to the surface. Rather than actually collecting a sampling tube, you can watch the stuff come up and they will know how deep they are and what that sediment is. They will collect 3 odd samples of that material as it washes to the surface. Mr. Jarrett indicated the reason it was cut to 5 is because CSE has already done about 10, the Corps has done another 6 or 7 of the Channel.

Commissioner Farmer asked about Dudley Island being included? Mr. Jarrett said the main effort here is photographic analysis of the changes that have occurred. It would show changes in the marsh fields, sand strips, etc. Mr. Bill Cleary already has some of the surveys.

Mr. Jarrett noted that the project will affect the low tide delta, the location of the channel that is going to be pretty much back to where it was located in the 1970’s.

Mr. Jarrett said it should be noted that they would move the wave patterns analysis that was used in their presentation to closing. Two reasons for that the project would require an estimate of what the ebdtide delta would look like. Wave transformations would give them wave patterns. It does not take into account current impacts on transformations. Given the uncertainty associated with wave transformations and sediment transport prediction and shoreline response, they felt it was a little too much icing on the cake with an analysis that may or may not be any benefit, they decided to take that out.

Mr. Jarrett also said he is hoping at the Scoping Meeting that is coming up that will not become an issue.

Commissioner Eckhardt asked about a timeline as far as the project and the EIS is concerned? Mr. Jarrett does not have a feeling for a timeline at this time but he did discuss ebdtide deltas construction and contour shapes of those deltas briefly.

Commissioner Farmer said it seems to her that if you are taking sediments out of the deltas and putting it back on the beach and asked what was the big deal? You are still keeping it in the system.

Mr. Jarrett answered most of the problems around the State is they are very limited to borrow material in offshore resources. Bogue Banks is one of the exceptions. Commissioner Farmer stated one point for Emerald Isle is it does have good offshore sand sources.

Commissioner McElraft felt what we are doing is no more than Mother Nature, and Mr. Jarrett said that is correct. The channel will be just as deep and not much wider, if photographs are reviewed that were taken in earlier years.

Commissioner McElraft asked about the possibility of getting the Corps to cease dredging until this project is complete and Mr. Jarrett said it could be requested. They have done the same thing in several other places where nourishment has been done.

Mayor Schools asked, relative to the Contract, about traveling expenses and if they were included? Mr. Jarrett said they were and all services listed would be provided. If tires were found and have to come out that would be extra at the cost to remove them.

Another question from Mayor Schools was when payment is expected and Mr. Jarrett said they could make cost reports monthly or however the town wanted to handle it.

Mr. Frank Rush said that this is the proposal and the actual Contract language would be signed by himself and he would have Attorney Taylor review that before he signed it. Typically, they will bill monthly for a percentage of completion in lump sum amounts, i.e. if they have 10% done at the end of this month, then we will pay them 10%. The total amount budgeted for this project will not be spent the first month or so. It will be spread out.

Commissioner Marks asked if it were know if there are tires in the channel. Mr. Jarrett said some of them could have washed into the Inlet during the hurricanes. It can be added to the Contract that if chopped up tires or chunks of tires are picked up, then the contractor will be required to clean it up.

Mr. Rush wondered if there were accurate records of where the tires were put in the first place and how far away from Bogue Banks they were placed initially? Mr. Rudolph, Shore Protection Officer, said there was a map on the Marine Fisheries Web Site and it shows Bogue Banks and where they are located. He thinks one site is located about 2 miles off shore of Emerald Isle.

Mr. Eckhardt said some expectations have been set as to timing and he thinks they need to be careful with that.

Mayor Schools suggested setting up additional meetings like this one where issues could be discussed. Mr. Jarrett and Commissioner McElraft agreed it would help and would keep the board informed to the progress of the project.

Mr. Jarrett said as a matter of clarification and a matter that concerns him, the issue of Engineering Construction Services and that is the issue of "up to 50 days of construction is \$70,000". He assured the board that they would be on the job 50 days, 70 days or whatever it takes. He suggested the part about 50 days be taken out.

Mr. Rush said he had not included the final design of the beach at this point in time. It was anticipated that the Contract would be amended somewhere down the line if necessary for that additional \$37,000. If the board feels strongly this should be authorized at this time, it can be done. There is plenty of time to work up to that task. Mr. Rush said all of the tasks up to that time are essential to get to the design phase and give them the parameters with which to do the final design. The final design of the channel and beach has to be done at some point but all of the homework is included in the tasks leading up to that.

Commissioner Farmer asked Mr. Rush if there was some reason he did not want to put it in now? Mr. Rush answered that after we get through some of the geotechnical investigation and the geomorphic modeling, if it looks like it is going to be a “no go blow out of the water” due to complications with resource agencies and based on the results of all of their studies that maybe the town would want to save that expense if it looked like things were going “no where”.

The budget that Mr. Rush designed was discussed. He asked the board not to get too hung up on the numbers as far as a deficit because of the way he classified some of the things. The difference between the proposal of CPE and CSE includes everything, the design, construction and administration, bidding, specs, etc. but is \$23,200 more than what was budgeted but would include everything. He thinks what Mr. Jarrett is suggesting to go ahead and authorize the additional \$37,000.

If the final design is included, it would change the amount on the Resolution to \$385,700 and just add the final design task.

Commissioner Eckhardt made a motion to authorize the Town Manager to execute a Contract to include final design of the channel and beach. The board's vote was unanimous with a vote of 5-0.

Discussion took place on who will be present at the Scoping Meeting on May 29th. It is the intention to have all agencies to sit at the table to take part in discussions as well as representatives from the Bogue Banks Committee. Commissioner McElraft said Bob Eisenhour, John Kilgore and Jerry Huml are on the Bogue Banks Committee. Commissioner Farmer said it was her understanding that the agencies would be sitting at the table and that was it. They are the only ones they will be taking comment from.

Mr. Jarrett reminded the board it is an open meeting and is not restricted to one representative or one agency. They can bring 5 or 6 and if they have any comments to make then they will be able to be received.

Mr. Rush considers Hammock's Beach and Onslow County to be the most important stakeholders to have involvement. They have very direct involvement because Onslow County sponsored a navigational project at Hammock's Beach, which is right next door to Emerald Isle. This is Mr. Rush's rationale for including them at the table.

Commissioner Eckhardt asked for an update on the Pointe. Mr. Rush visited the Pointe last week and the sandbag project that was authorized is completed and looks good. John Kilgore, the 3rd house on Bogue Court, is in the process of installing additional sandbags along the rear of his house now. Now the house that is located next to the round house has lost a good part of his walkway.

Commissioner Marks said the channel is directed directly toward the channel and Mr. Rush said it looks like it is barreling into John Kilgore's house.

FY 2002-2003 RECOMMENDED BUDGET

Mr. Rush touched on General Budget Overview/Revenue Issues, Fund balance Discussion and five-year forecast at the regular meeting of the board on May 14. He did have a few other items to discuss. He has seen e-mails about the possibility of the ½ cent sales tax coming on early and he thinks this is a realistic possibility. There is a lot of opposition in the General Assembly that it will be perceived as a tax increase even though it is a local tax increase.

He encouraged everyone to attend the Mayor Association meeting Wednesday night. Senator Ballantine, Senator Thomas, Representative Preston and Representative Smith have been invited to this meeting. The purpose of the meeting is to talk about the Revenues, the picture at the State level and the impact at the local level.

A Resolution to ask the Governor to allow the ½ cent sales tax to go into affect early was suggested by Commissioner McElraft. Mr. Rush, in talking with the Managers in Beaufort and Morehead and Atlantic Beach, he volunteered to draft language for a Resolution for all the municipalities in Carteret County to adopt very similar to the Room Occupancy Tax. He plans to have this ready Wednesday night for people to take back to their boards for approval.

Everyone Mr. Rush has talked to is very supportive of this Resolution and he feels all of the boards are supportive of it.

Commissioner McElraft asked about the possibility of a meal tax and this was discussed very briefly. Mr. Rush said they tried, at the County Level, to get a handle on how many dollars would be generated by a meal tax, and they could not back into a number on it. The logical way is to look at the sales tax reports that are broken down by category but it is very difficult because of restaurants within hotels gets lumped into the category of hotel and motel proceeds. It became very difficult to rely on a number. If the sales tax does come this year, it would result in another \$175,000 for Emerald Isle this year and would go a long way to cutting the tax increase next year. It is scheduled to come on a year from now. Mr. Rush felt it would be in Emerald Isle's best interest to aggressively pursue this.

A decision on this issue could come in May, July, or September, depending on when the General Assembly wraps things up.

Mr. Rush distributed information on the Fund Balance, which compares information of the fund balance in other coastal communities. He feels that the town should try to preserve its fund balance at this time, get public comments, and maybe take a look at spending a little fund balance next year. That is certainly an option and he would be recommending that to the board if there were money going back into the fund balance this year. There is no expectation of any money going back into fund balance this year. Therefore, Mr. Rush cannot recommend appropriating anything from fund balance.

Emerald Isle, compared to some of the other communities in North Carolina, is a little on the low side. Mr. Tony Blalock, who is the President of the North Carolina Municipal Council (a North Carolina Bond Rating Agency), expressed a little concern about Emerald Isle's fund balance in a letter. Mr. Rush said he does not feel we are at any crisis level by any means but there are several are several reasons that he does not recommend using any fund balance next year. They are (1) we have about 1.3 million in undesignated fund balance and there is an ample amount of cash on hand just to fund operating expenses from July through December. Property taxes will not be collected in bulk until December and January and (2) there are some things that the town is up-fronting money right now. The Eastern Nourishment Contract, which was authorized for \$274,000 right now. That cash is essentially covered by cash that we have in the Beach Nourishment reserve fund with a minor \$20,000 to \$30,000 difference. This is not really a cash flow issue but this contract here today, \$375,000 to \$380,000, whatever is spent now until the time the bonds are sold is going to come out of the cash on hand. (3) The bonds have to be marketed later this year and investors and any bonding agencies in New York will look at the undesignated fund balance. The higher that number is, the better off the town will be to sell

those bonds and lastly (4) we hope we don't have any hurricanes this year which is always a big unknown.

One thing that may happen in this year, the Federal Government has paid 75% through FEMA with reimbursement for local disaster expenses and the State has covered the remaining 25%. North Carolina has been good in that part in that they picked up the balance that the Feds don't pay to the local municipalities. As everyone is aware, the State's budget is not very pretty this year. If the town gets a hurricane this year, there is a chance that \$25% recovery will be paid for by the town as opposed to the State in the past.

Commissioner McElraft asked when would the \$540,000 Occupancy Tax money given by the Beach Commission is available and Mr. Rush replied it would be for the first time next fiscal year. It is factored into the debt service reserve fund for the beach nourishment. Mr. Rush could not give an exact month which it would be received. The language in the Room Tax Bill specifies how it would be distributed and he cannot remember if it is monthly, quarterly or when. Mr. Rush said the Beach Commission could weight in on when and how it would be distributed, but ultimately it is going to be the County Commissioners decision. He cannot believe they would up-front it all. Mr. Rush said his feeling is by the time the town receives most of the money we will have already sold the bonds and the problem will correct itself for the most part.

Commissioner Marks asked since the tax bills are due on September 1st but most do not get paid until around December 31st, is there way that for each additional month after September there will be a 1% late fee added? Mr. Rush said some communities have a discount for paying early. Ms. Overman said the town has never provided a discount schedule, which would have to be adopted by the board, because (1) the bills are not out in June. The information is never received from the County until June so that puts the town into late July or August before the bills are put in the mail. The penalty schedule is set up by the State of North Carolina and in order to change it you would have to have Raleigh change the Tax Law.

Commissioner McElraft asked about setting up the Storm Water payments and the possibility of paying a small payment now with a balloon next year? Mr. Rush said they could have looked at alternative ways to structure that but when he presented the proposal to the board in January to get the land purchase paid for as quickly as possible, and to allow those revenues to go toward infrastructure associated with the project. Commissioner McElraft suggested using that money to balance the budget and then take the money we are expecting at least by next year, the \$200,000 plus or the \$400,000 sales tax revenue to then pay a balloon payment.

Mr. Rush said that was an option but he did not want to get the town into a hole for next year. He does not think things are going to get drastically better next year. If the board wishes to have another budget like we have proposed this year next year, then it could count on a windfall next year with the sales tax and the possibility of the County bringing on the additional ½ cent sales tax.

Mr. Rush went over the 5 year forecast for next year. He said in the forecast for next year there is a big increase in sales tax. That is the result of an additional roughly \$300,000 that would come as a result of the beach nourishment districts and it is also an additional \$175,000 from levying the additional ½ cent sales tax. The only other significant change on the revenue side the Lease/Purchase Proceeds in the amount of \$350,000 programmed in next year. That is

to hopefully purchase a new fire truck and this is completely offset by an expenditure.

On the expenditure side, the projection for all department expenditures as a total is approximately 3% of next years budget. Additional amounts of funding for Capital Outlay have been plugged in. In this year's recommended budget, there is only one Police car to be replaced. This is the only vehicle in the entire town that will be replaced this year. Allowances and projections have been added into the forecast to bring the town back to a normal year of Capital Outlay funding so that we can replace a few extra Police cars and replace any necessary capital equipment in Public Works, etc. There is a projected surplus of \$4,918, surplus that is based on keeping the tax rate at 20 cents next year. Next year come up, budgets may be cut again, positions may be cut and that may free up some of the additional sales tax money to lower the tax rate but there is also the other side that maybe the Governor or the State is going to take back more money from us next year. Things are uncertain right now.

Commissioner Messer asked when would the town get the additional sales tax on the beach nourishment and asked if that was \$400,000 or \$500,00. Mr. Rush said his figures come up to about \$500,000 of additional revenue. This comes quarterly and should come to the town based on a formula that is tied to how much property tax you levy each year. We will expect an additional \$500,000 from that affect. Because of the 9-month lag, the budget assumes that \$100,000 will come in this year and the remaining \$300,000 will come on the following year. Mr. Rush is anticipating a windfall of about \$400,000 but there is a delay to it.

The town will only receive one quarterly payment in this fiscal year for 02-03. The formulas will change at that time. The higher the tax, the bigger slice of the sales tax pie is received.

Commissioner McElraft asked for clarification that if the town receives the additional 1/2-cent sales tax next year in the amount of \$175,000 and \$300,000 on the beach nourishment sales tax the town would have \$475,000 that it would receive next year. Mr. Rush verified this was correct.

Mr. Rush noted if the board wants to cut the tax rate next year, what will have to be done next year is scale back on Capital Outlay as has been done this year. If the sales tax comes through and the town goes back to a normal Capital Outlay, it is felt the tax rate can be kept at 20-cents. If there is a desire to look for opportunities to cut the tax rate next year, it would involve scaling back Capital Outlay again and then taking a harder look at department budgets as has been done this year.

Commissioner Farmer indicated she has several problems. The first is whether this board did it or not the beach re-nourishment taxes were sold with money coming back, spend three get four back. Therefore to be putting this into the General Revenues for next year she has a problem with. The other problem if the forecast went out 8 years and showed what happens to the budget when the town is no longer getting that special tax money coming in, the town is going to be in bad shape. That money is being used to pay the general expenses of running the

town. Mr. Rush verified Commissioner Farmer was correct, that in the 9th year there is going to be a hole there but the board and Manager at that time will have to deal with it.

Mr. Rush felt that without major budget cuts again next year on the Capital side and perhaps dipping into operations and people, there will be a 20-cents tax rate again next year assuming it hold true as the present board goes through the budget process this year. This is just a projection and based on the best information available if the additional \$400,000 in sales tax revenue were not taken (1) the tax rate would probably be around 21-cents tax rate this year because there is \$100,000 programmed in and then next year if you took the other \$300,000 out you might be looking about a 23-cents tax rate.

Commissioner Farmer suggested being honest with everyone and saying your tax rate next year is going to be, when the board gets to that point, maybe 23-cents and we are going to give you 2 or 3 off as we said we would do, again whether it was this board or not, when we had the beach re-nourishment. She feels it should be made clear. She said it is not fair to the board to get stuck when the sales tax stops coming from the special tax district and that board is sitting there with this hole to fill, they are going to be talking about raising taxes 3-cents to 4-cents.

Mr. Rush cautioned everyone about quoting tax rates for next year and future years. A lot changes and a lot of decisions will be made that would affect tax rates upward or downward at that time.

Mayor Schools asked to go on with the schedule for the department heads.

POLICE DEPARTMENT

Chief Wilson informed the board he had left everything exactly as it was for this past year.

Mr. Rush indicated that overall this budget is decreased the most from the current year primarily because only one police car is being purchased next year.

Commissioner Eckhardt commented on the hourly rate of part-time personnel and said is seems low. Chief Wilson answered that part-time only make around \$6.00 an hour. He has been thinking about asking for a raise for these people. He asked that these salaries be left like they are at present and if someone does a good job during the year, give them \$.25 an hour.

The question was asked about hiring people in the summer and Chief Wilson felt it would be too much a liability to swear in police officers for three months, they start arresting people and have to be in court after their tenure. It would be better for the town to keep the same amount year around.

Mr. Rush indicated a decrease has taken place in the part-time and overtime salaries in

order to keep the budget down.

Commissioner McElraft has a problem with telephone bills and asked if the telephone system and billings could be re-evaluated. Mitsy Overman said the equipment belongs to Sprint. If you go with another company like MCI, the trunk boxes and thing like that would have to be replaced with their equipment. That would probably be a lot of money. Commissioner McElraft commented she thinks that when competition is brought in, that is where you get the savings. Ms. Overman said she is only dealing with Sprint because the balance owed on the equipment is about \$8,000 and it will be paid for. Sprint is proposing to give us voice mail and upgrading what we already have. They are also talking about a reduction in costs. Included is the Internet Services and computer services. She has been having trouble getting up with someone to really get a handle on services, prices, etc.

Mayor Schools said his concern is the equipment is 15 years old and there will come a time when it is going to be hard to get parts for it. You may have a good system but cannot get repair parts. Commissioner McElraft said a lot of companies are giving the phone systems free.

The board agreed other telephone service vendors should be considered and Commissioner Farmer commented that having trouble getting a response from Sprint speaks volumes. Mr. Rush related Ms. Overman finally got the attention of someone higher up at Sprint last week and when that proposal is received it will be reviewed and shared with the board. If it is not a significant enough savings, it can be put out for bid.

Ms. Overman told the board she has a quote from MCI as far as monthly service is concerned and they were not any cheaper than what we have. The board is not only discussing monthly service, but about changing the equipment also. If the equipment is changed out, Sprint would have to be bought out for the \$9,000 plus presently owed on the equipment., or wait until the end of the lease term and then do something.

Chief Wilson indicated he is worried about his budget. If gas goes up, he is afraid with the budget as tight as it is, he might to over budget next year. He will try to stay within budget, but it is unlikely he will.

Capital Outlay was discussed regarding the In-Car Cameras. Chief Wilson informed the board he was going to get a safety grant to purchase the one camera. Mr. Rush said the department goal was to purchase 4 each year until 12 cars are equipped. The town now has four now and two were cut from the general fund.

Chief Wilson spoke up on salaries. He said we are going to get behind again on salaries. Other places are paying \$34,000 to start and we are paying \$27,900. Officers can go to Raleigh and Charlotte and make \$6,000 more per year. It costs a lot to train officers. Mr. Rush indicated one of his projects for next year will be to take a look at paying by a classification system and come up with some ranges and intervals within those ranges for the purpose of awarding those "super stars" a little more than those who are simply doing their job and in this way, a distinction

can be made as to those who have been a long time and have a lot of experience. He would like to get into a more comprehensive paying classification system.

Mr. Rush brought the overtime pay to the board's attention. There is a significant decrease in overtime because in the past some of the overtime has been charged to the regular full-time salaries line item due to the way the computer system is set up. Some of the overtime that officers get is included in the full-time salaries line item where as next year, it will be broken out into a separate line item. If overtime is cut back more, there will be less appearance on the beach and streets than now but this is something that was felt had to be done.

Chief Wilson asked that for long range planning, the board consider a new police department. They are running out of room and are now renting storage buildings. Mr. Rush said there is a need for additional space for Planning and Inspections also and when the library actually moves, evaluation will need to take place and see if we can squeeze more space for planning. Ms. Overman asked about doing a second story with Administration on top? Mr. Conrad said you could put structural beams and columns on the outside of the building and go as high as you want to. The footing of the present building is not meant for a second or third story.

Mr. Bill Reist asked, in reference to an article he read in the paper, about the possibility of joining police forces between towns. He thinks it should be looked at because sharing police forces might provide the instance to cut down. He said it looks like there are enough police on duty, there are 5 officers on duty, and asked if that were really necessary? Chief Wilson remarked, there are not 5 on duty. Last night there were 3 and one was out sick so there were two actually on duty. Chief Wilson said there are three officers on the road 24 hours a day, 2 officers and one Sergeant.

Vehicles were discussed and the fact that they have over 100,000 miles on them because they are on the road 24 hours a day. With the equipment in the vehicles, they need to be run to keep the batteries up to allow the equipment to function properly. As far as the smaller vehicles are concerned, there are only 3 police vehicles that are made, the Ford, Chevy Lumina and Dodge Intrepid. Mayor Schools feels that if you do not get a vehicle that is police equipped with special radiators, special alternators and etc., you are wasting your time. Smaller vehicles are not the answer. Officer safety is a main concern in using smaller vehicles.

FIRE DEPARTMENT

Mr. Rush commented the Fire Department budget is \$16,779 higher than the current year and the reason is the proposed higher salaries for the Fire Department. Mr. Rush said he would have preferred to replace one of the trucks this year but Capital Outlay was cut to keep the budget in line. Chief Walker agreed that the trucks are getting old. Engine 2 is 14 years old, Engine 1 is 16 years old. Engine 2 needs repair to try to stop rust in the tank and make it last 3 more years. Replacement of Truck 4, which is a 1983, is due and doing so will take Engine 1 off

front line so the tank can be babied and hopefully get along without having to replace it. Everything else in the budget is relatively the same.

The hydrants on Ocean Drive, which have been buried with sand during past hurricanes, need to be raised up. There was one project on Loblolly Street where they have a structure that is 2,000 feet from a hydrant. It will cost \$4,500 to put a hydrant close enough where the fire department can get to it and this project will probably be put on hold next year.

Fire Department personnel were real upset last year with salaries. Mr. Rush had to deal with Fire Department salaries when he first came on board. Average length of time of employment for Fire Department personnel is about 8 years each and most are over that. They are trained and their certifications are current.

Commissioner Marks questioned why so much overtime and Chief Walker replied the problem with overtime is that when fires are going to occur is an unknown. Staffing must be scheduled (4 people on duty at all times) to handle any emergency that occurs. There is thirteen 28-day cycles in a year. In any given 28-day cycle, two shifts will get 4 hours overtime each and the third shift gets 28 hours. Chief Walker indicated he would like to give more overtime so he could send personnel to school to get certified in ISO III. In doing that, it would entail bringing everyone back for a 40-hour class and funds are not available.

Commissioner Farmer asked Chief Walker to describe the "Flag System" for warnings. It is Chief Walker's understanding that there would be two flags, a yellow one and a red one. The Beach Patrol while traveling down the beach in the mornings would post the appropriate flag. The yellow flag would probably be the normal flag flying and if there were any changes, the red flag would be put up. E911 has purchased street signs that have been placed on the beach. Street names were not put on them but the block numbers were. The flags would be attached to these posts all the way up the beach.

Commissioner Farmer had a problem in that the flags are a great if they are maintained according to changing conditions of the ocean. If they are not being changed to meet those conditions, they are a liability that the town is assuming.

Chief Walker said they are a managerial nightmare. Commissioner Farmer felt that what the town is saying is if the flag is not up you are OK and she does not want to say that to anyone. She thinks that warning them that they are swimming at their own risk should be enough.

The board agreed it would be too much to try to maintain the flag warning system properly so it was pulled from the budget. It can be re-evaluated at a later time.

Discussion of computers took place. One is to go in the Chief's office because he is using his personal computer at this time. The other computer was to be placed at Station II. The Fire Department is trying to work with Kinston and the rest of the County. Kinston has a computer programmer that had been hired for the Fire Department and she is a designer using ARC View, using the GIS maps, putting maps on CD's, so when an alarm comes in, the address can be typed in and it will give the fire department a two to three block area, shows exactly where the house is and highlights it. Preplans can also be computerized where you touch the screen on the preplans and it will give a design of that building.

Commissioner Farmer asked for an explanation of what the Beach Patrol duties are. The Beach Patrol started out as information officers. They go up and down the beach assisting visitors, telling people where the restaurants are and are basically Ambassadors to the town. They are trained and respond on water rescue calls. They make a difference in terms of response because they are the only ones who can get out on the beach at high tide. They have actually saved people who would have otherwise drowned.

Mayor Schools asked if Chief Walker had to cut \$30,000 from his budget where he would cut it. Chief Walker went back to the hydrant line item and said that the fire truck had been cut and that worries him. He has a loophole around it. When a fire truck is purchased, there is a lot of work involved and you don't just go out and buy it. It takes 6 months to have bids on it. Once the truck is delivered, you have one year before first payment is due. He would like to see the board consider going ahead and go out for bids and purchase the truck. There is a possibility the town can get the truck and pay for it a year later. That way we would stay on schedule.

Discussion took place on the telephone charges and about the possibility of putting in 911 phones where if the phone is picked up, it will dial 911 and nothing else. There is a delay in calling 911 with cell phones because it goes to Jacksonville or somewhere else before getting to Emerald Isle. Mr. Rush asked that the board let him take another look at the telephones and come back at the next workshop with information.

Commissioner McElraft questioned a difference of \$7,700 in building maintenance and Mr. Rush replied he had asked the departments to curtail any additional spending for the rest of this current year. All purchase orders have been cut off and department heads have been told to watch very carefully what they spend for the rest of this year. He will get an answer for Commissioner McElraft.

Mr. Rush has asked Carol Angus of Inspections and Alesia Sanderson of Parks & Recreation to delay their discussion until the next meeting.

The board set the next meeting for Tuesday, May 21, 2002 at 5:00 P.M. and all agreed with this date and time.

PUBLIC WORKS

A significant decrease of \$159,000 has occurred in Public Works. Some of that is the result of shifting some expenses from the Public Works Budget into the new Waste Management Budget that has been set up to more accurately account for the expenditures for Solid Waste. Approximately \$102,400 Capital Outlay has been eliminated in the current years budget. Salaries of two people from Public Works have been moved to Waste Management. There is no change in the recording structure because they are still Public Works employees. One position has been eliminated in Public Works and that is a position that was never filled.

Mr. Conrad commented that if anything else were cut it would be services. Public Works services 8 buildings, 50 miles of streets, 50 some easements, 100 miles of right-of-way and does it with 6 people.

Commissioner McElraft questioned watering of the right-of-way as to the department it comes from. The water for the ROW comes from Parks and Recreation Department and costs approximately \$50 to \$60 per month and there is one on each side of the road. Ms. Overman

will review and get figures together for the board.

Information signs at accesses were next discussed. There are several signs at accesses now. Discussion took place on the possibility of combining signs. Mr. Conrad said there is a combination sign on the street side for Leash Law, etc. The Sea Grant provides the Rip Tide Signs and depending on what the Fire Department does with their flag system, the Rip Tide Sign could be placed on one side of the post on the beach side.

It should be noted there is a part-time person in Inspections who can look for violations on the weekends. He is primarily looking for building inspections violations, over flowing trash, etc. He can also be used to look for some violations of the other signs posted.

Mr. Rush said the board had previously approved \$25,000 in the current years budget to go toward the Library. There is another \$25,000 planned for next year. The check is going to be cut today and they have agreed that if they do not build the library we will get our money back. Commissioner Farmer said she has a lot of trouble with that, mainly not because of the library, but because of Carteret County. She thinks they have big financial problems and she cannot believe they will go along with their part of the bargain. Meanwhile they are sitting on the town's \$25,000.

Mayor Schools commented he has talked to Bob Eisenhower and told him that the town was not giving its check until he gave them their check and Mr. Eisenhower said he is not giving his check until they actually sign the contract. Mr. Rush said the agreement between the town and the County does say that if they do not build the library, they will give us back our money. It does not say when or anything else. If the County tries to keep the \$25,000 without doing anything with it, Mr. Rush would be surprised.

Commissioner Farmer said the State has already done this to the town, the County has been saying they are going to build this new building and have the library move and Emerald Isle would get back its space.

Commissioner Marks asked Mr. Conrad of Public Works about using prison labor and Mr. Conrad indicated that in the past this has been found not to be effective. They have been used during disaster recovery and the hours they work and the supervision they require, the town has not found it effective. They are not allowed to drive vehicles and unless the rules have been changed, they are not allowed to use a lot of sharp objects and machinery. The town has to provide a supervisor at all times if they are used.

Mr. Conrad talked about Artie Dunn and a salary adjustment. He is very talented, he is not being paid for the services he performs and he should be making what a Fire Captain is making. He is second in command and if Mr. Conrad is not present, Artie fills in for him. He is not being paid for what he does. Mr. Dunn has been employed with the town for approximately 11 years. Public Works employees are not waiting for a call, they are not sitting in air conditioning, but rain or shine all day long they have work to do.

Mr. Rush responded this is another good example of why he needs to take a comprehensive look at these things. Everyone got the same amount for the next fiscal year except for the Fire Department personnel.

Commissioner McElraft suggested taking another department, like Public Works, next

year and concentrate on giving them a little more.

Mr. Rush said in his view, a better organized system is needed, take a close look at the duties, take a close look the experience, etc. and salary increases should be decided administratively between the Manager and the Department Heads. He would like to work toward the Board allocating a pot of money for salaries and let the Manger and Department Heads allocate it out among people based on performance and not get into these kinds of discussions at board meeting. That is a big project and there was no time to get into it this year but Mr. Rush would like to move to that in the future. A Pay Classification Plan would need to be adopted saying these are the positions that is authorized and the board say "this is the range of salaries the board is going to pay these people and now Mr. Manager you work within these parameters and you determine where it should go based on performance".

Mr. Conrad said he is for "Merit Raises". There are two kinds of people who do not like Merit Raises and that is people who do not merit a raise and the person who does not have the guts to tell a person that he/she does not merit a raise.

Mr. Conrad continued there is a Longevity pay (Bonus) in effect to encourage people to remain with the town.

Mr. Conrad informed the board that as far as he knows, this would be his last year employed with the Town of Emerald Isle. He has no control over who will take his position however Mr. Dunn is striving to achieve that position. He asked that consideration be given this fact.

Powell Bill Funds and uses of those funds were discussed, as was the DOT Mowing line item. DOT Mowing is a reimbursement from NCDOT for expenses toward keeping the ROW mowed in town.

There being nothing more scheduled to be discussed at this meeting, Mayor Schools called for a recess.

Commissioner Eckhardt made a motion to recess until 5:00 P.M. Tuesday, May 21, 2002. The board's vote was unanimous, 5-0.

The meeting was recessed at 1:40 P.M.

Respectfully submitted,

Carolyn K. Custy, CMC