

May 22, 2003 Minutes

TOWN OF EMERALD ISLE MINUTES OF THE SPECIAL MEETING MAY 22, 2003 – 9:00 A.M. – TOWN HALL

Mayor Art Schools called the meeting to order at 9:00 A.M. Town Board present were: Mayor Schools, Commissioners Messer, Marks, Farmer, Eckhardt and McElraft. Staff present were Town Manager Frank Rush, Assistant Town Manager Geogia Overman, Town Clerk Carolyn Custy and Inspections Planner Carol Angus.

ADOPTION OF AGENDA

Commissioner Farmer made a motion to adopt the agenda and the board voted unanimously, 5-0. Motion carried.

GENERAL PUBLIC COMMENT

None.

PRELIMINARY/FINAL PLAT – SPINNAKERS REACH PHASE IV

This request for approval of the preliminary/final plats was made at the last board meeting and the board unanimously sent the storm water plan to Mr. Art Daniel for his review before approval of this subdivision. Ms. Angus related a letter had been received and was brought up late afternoon yesterday and Mr. Daniel seemed to reiterate the same feelings the planning board did about the one on one as they are coming through for development. However he did want the easements marked on the final plat report, which did not present any issue.

Ms. Angus did have a copy of each of the storm water plans that Mr. McLean did.

Mr. Odom, Prestige Engineering, related he did not have any other questions.

Commissioner Farmer thanked Mr. Odom and Mr. Campbell for going through this. Obviously there has been some disagreement on what is a waiver and what is an interpretation and she is sorry for all of this.

Commissioner Farmer wanted to talk about a couple of things. The background information in their packets go out to the public and she has some concerns about what was in that background information; the first being that the Land Plan allowed and even encouraged this type of development. The problem is it is in a wetlands trough. Her issue was that the public reading that on-line would have no

idea there was a flooding problem in that trough where the development was proposed. There was another statement that there was ample land available for development but again because there was no mention of

wetlands, you look at a 43000 square foot lot “Wow, that is a huge piece of land.” Actually it isn’t because half of it is water and she felt that would have been helpful for the public to have known that as well. Commissioner Farmer also had some concerns about the development for lots 113 and 114. That is an area that has flooded in the past to the point where the town raised Coast Guard Road to the tune of \$30,000. She is not sure that the board can put anything on the plat that says should this water spill onto the town road, Emerald Sands would be responsible for any costs the town might incur to keep Coast Guard Road passable.

Mr. Odom said they have a version of Phase IV that could be placed on the website showing all the wetlands if that would help alleviate some of Commissioner Farmer’s concerns. Commissioner Farmer said her comments about the public being aware are too late but in the future anything like that which could be provided to the town would be great.

Mr. Rush clarified these were two lots that were not approved for conventional septic systems. Mr. Odom said he does not know what the owner’s plans are. They have talked a lot about those two lots in the past. Some type of layouts have been done for those lots but he never has really, at this particular time, told Mr. Odom to not show those lots.

The board could direct the Inspection Office to pay particular attention to those two lots when and if something for those two lots came about. Commissioner Farmer noted that as long as they were complying with the ordinance, her understanding is that the Building Inspector cannot do anything. As long as those lots are platted – Mr. Odom did say that the ordinance does talk about dumping water on the town streets.

Commissioner Farmer noted that at one time the storm water was almost spilling over on the road and she does not think that is an expense the taxpayers should have to pick up.

Commissioner Farmer also said she understands that Phase IV has been redelineated. She is shocked that the wetlands are in the exact same position they were in 1994. She thinks the wetlands are probably bigger than they are showing on

the plat. Mr. Odom said Mr. Taylor (Jimmy) requires them to redelineate. They actually have coordinates on each of those wetlands and they place the plat on the ground before they develop every lot. They have been fairly close to what is there now. He does not feel there is a big difference. Mr. Odom said Mickey Sugg (Corps of Engineers) drove through Spinnakers and approved the wetlands as delineated in 1994. Commissioner Farmer said that if the Corps OK’d it there was nothing the town could do.

Commissioner Farmer did not know if there was anything that could be placed on the plat that would say Emerald Sands would be responsible for flooding that may occur on Coast Guard Road.

Commissioner McElraft said it might get a reversed reaction from that and be sued because the town is dumping water on these lots. She recommended being careful. Commissioner Farmer disagreed and said “That’s not true.” Commissioner McElraft disagreed and said not necessarily. Commissioner McElraft related the Spinnaker’s Landing is coming up in there also. Anything that is coming over the road is coming into that area.

Mr. Odom said they would be glad to put a note on the map that says lot 113 and lot 114 should be developed carefully so their water does not go over Coast Guard Road. Commissioner Farmer agreed with this.

Commissioner Eckhardt suggested discussing this more since the Corps of Engineers has jurisdiction over wetlands that are not associated with the town. Commissioner Farmer said they do not have jurisdiction over isolated wetlands and she thinks what the Corps is saying that all of these wetlands are connected.

Mr. Odom disagreed and said that is not what it says. They have ruling where any kind of federal owned – like migratory birds, etc. It has nothing to do with whether they are connected to the sound or not. Mr. Odom would agree that these are isolated wetlands but because of the other plan before it was set up associated migratory birds was the main thing. There is deer there and those types of things.

Commissioner Farmer noted reference a,b,c,and d, all require a 15 foot easement around them and she does not know if the town has been adhering to that requirement on wetlands easements.

Commissioner Farmer also noted that Emerald Sands was required by the Corps to have in Spinnaker's Covenants the following sentence: No filling of wetlands shall be undertaken beyond that required for the streets. She went on to say that the town, in 1993, also became a party to these covenants which she thinks was the only subdivision in town making the town a party of them, they put in the following sentence: To insure that the subdivision is maintained consistent with the laws of the State of North Carolina, Carteret County and the City of Emerald Isle, the State of North Carolina, Carteret County and the City of Emerald Isle and any regulatory body or office thereof is specifically empowered to take such action necessary by joint officers to enforce any of these covenants against the owner or association.

Commissioner Farmer said there could not be filling in this subdivision. She just wanted to remind everyone. The town, before 1995 or 1996, were allowing these wetlands to be filled. She certainly recognizes that the developer has met all town requirements for approval and she also thinks further development in this trough where all these wetlands lies is irresponsible and that the town doesn't have anything to prevent it. While she does not support this, she also recognizes that her hands are tied.

Commissioner McElraft made a motion to approve the Preliminary/Final Plat of Spinnakers Reach Phase IV with additional language that will not allow lots 113 and 114 to dispense storm water on Coast Guard Road to be added to the plat. The board voted, 4-0. Commissioner Farmer did not vote therefore her vote counted as a yes. Motion carried.

PRELIMINARY/FINAL PLAT – SOUTH BEACH

Ms. Angus related that this subdivision was also discussed on May 13th at the regular meeting and had similar problems that Spinnaker's Reach Phase IV had. Mr. Daniel, Planning Board Chairman, was asked to also look at the storm water plan for this project as well. Ms. Angus said Mr. Daniel commented

to her yesterday, when she talked to him about the letter, was how fortunate this piece of property was in the fact that almost every piece of this property has it's own storm water filtration system naturally. He had no problem with the letter as it is because of the configuration of each individual lot on that property which may have some reason as to why the configuration of the lots are a little out of sync than is usually seen. It didn't happen by mistake so obviously they went to some work to come up with the filtration for the

storm water. There were no specific conditions that Mr. Daniel recommended to be put on the map.

Commissioner Farmer noted if Mr. Daniel was happy with the storm water plan she was also.

Commissioner Messer made a motion to approve the Preliminary/Final Plat for South Beach and the board voted unanimously, 5-0. Motion carried.

Mr. Billy Farrington complimented the town on the sidewalks that have been constructed. He asked if they were on town property or on owner's property? Mayor Schools answered that they were on the right-of-way. He asked if the town was exempt from any type of storm water plan for the sidewalks? There has been 1,000 square feet added to each lot of impervious area and he was wondering if the town had done anything for storm water. Mr. Rush said the town did not do a storm water plan for the sidewalks. Mr. Farrington asked if the board thought they should abide by the rules. He thinks the town needs to review this, adding these things to the parking lot where the sidewalks are going in. Mr. Farrington said he thinks sidewalks are the best thing in the world but everyone needs to abide by the same rules. The town is not doing that. The town has not done one thing for berms, swales, etc.

Mayor Schools said they would consider Mr. Farrington's concerns and he also agreed that it needed to be looked at.

FY 2003-2004 RECOMMENDED BUDGET

Mr. Rush informed the board that the budget is balanced at 18.5 cents for the tax rate. Mr. Rush noted the department heads will be present to discuss their requests. He and Ms. Overman had reviewed the budgets with the department heads and cut expenditures where they could be cut.

There have been increases in the Capital Outlay line. The budget is essentially the last year except for the Capital Outlay line so this budget is 21% higher than the current year by \$1.1 million dollar. The majority of that, probably about \$900,000 would be capital outlay that would be financed like the fire truck and brush truck that the town is being proposed and the debt service for the trash cans. Mr. Rush said

one thing is catching up on the Capital Outlay since it was deferred last year. This would be replacing equipment that was not replaced last year. A primary focus was put into the budget this year to replace/purchase equipment needed for employees to perform their jobs and do it safely.

Because of the sales tax dollars, the town is sitting with no tax increase. Mr. Rush suggested considering that when those sales tax dollars fall off five years from now that the town is going to have to find ways to plug a hole, roughly \$500,000 dollars.

The next item touched on was a new telephone system that would replace the outdated system we have now and would also provide voice mail capabilities. We could live without that this year but it would improve the effectiveness at town hall.

This budget is the Commissioner's budget that is based on the knowledge of the community desires and the financial situation. Mr. Rush asked that the board modify as needed giving consideration to their priorities.

Commissioner Eckhardt noted that a neighbor explained to him the other day and he certainly knew it, that there would be a tremendous increase if the town had the sales tax. The neighbor said the 3 cents he is paying to save 3 cents over here. He asked what has he saved? Commissioner Eckhardt feels the town has to be very careful when they count the fact that "we saved everybody a lot of money when the money like teaching children about daylight saving time – you cut two feet one end of the blanket and sewed it on the other end of the blanket. Mr. Rush was looking at it concerning the tax rate and recognizing that the additional beach nourishment tax will need to be replaced.

Mr. Rush said the County Commissioners could wipe this out with one vote and they have to do it by June 15th. They have to vote on the sales tax each year and if they change it, he feels they will wind up loosing themselves and then all the beach towns would go bonkers on them. It is very important and Mr. Rush does not want the County changing anything because he does not want to come back next with a big tax increase but there is going to come a time when that is going to drop off.

Mr. Rush touched on the Fund Balance June 30, 2002, which had an actual balance of \$1,380,266. The Projected General Fund Balance at June 30th 2003 is \$1,442,386 and the projected General Fund Balance at July 1, 2003 is \$1,392,386.

The goal is to maintain that and increase the fund balance if at all possible. Revenues are projected to exceed expenditures in FY 02-03, and FY 03-04 budget relies on \$50,000 appropriated from fund balance earmarked for major Community Center renovation.

Mr. Rush also informed the board that the undesignated fund balance at 6/30/03 would be approximately 26% of the 03-04 budget. The Local Government Commissioner likes small towns to be higher than this. Mr. Rush has a personal goal to bring it up to 50% within the next 5 years. At some time, the board should go on record with an official goal on that since this is considered to be low.

Commissioner Farmer thinks it is a balancing act between protecting the town in times of emergency and at the same time not passing the tax payers any thing that will require more of their money than you absolutely have to. She is concerned that the town's bond rating was good. She asked if the bond rating was so good, how come the town is being told that it has only half of the general fund now that it should have? Mr. Rush said he plans to bring to the board, at some point in time, a plan that will

give a percentage and the board can adopt it or change the percentage. The bond rating was based on several facts. It was based on the Fund Balance, the overall financial position, the tax base was a big factor and they were very impressed with the proactive nature of setting aside all that money collected in taxes, having that additional reserve there, planning to pay off the bonds in a shorter time than expected. A lot factors are applicable and fund balance is one of the most important one and they want to make sure if the town hits hard times, it will have something to fall back on.

Mr. Rush included a 5-year forecast to be used as a planning tool for the future and a copy of the entire budget has been incorporated into these Minutes at the end.

Mayor Schools said that the last financial statements the agencies reviewed were for the year ended 6/30/2001. The agencies liked the fact that the town had been adding to its reserve each year. For the year ended 6/30/2002, we used money in the reserve. We need to get back to where we are consistently adding to the reserve.

The recommended budget by function is: Governing Body - \$77,964; Legal - \$20,000; Administration - \$352,467; Planning and Inspections - \$269,551; Police –

\$1,185,643; Fire - \$1,226,601; EMS - \$187,000; Public Works - \$315,572; Solid Waste - \$893,000; Powell Bill - \$148,000; Parks and Recreation - \$515,539; and Nondepartmental - \$224,537.

Discussion was held with each department head on his/her budget.

The meeting was adjourned at 3:00 P.M. by a motion from Commissioner Messer and an unanimous vote of 5-0.

Respectfully submitted,

Carolyn K. Custy, CMC
Certified Municipal Clerk