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6 **MINUTES OF THE SPECIAL MEETING**  
7 **OF THE EMERALD ISLE BOARD OF COMMISSIONERS**  
8 **TUESDAY, JUNE 2, 2009 – 6:00 P.M. – COMMUNITY CENTER**  
9

10 A special meeting of the Emerald Isle Board of Commissioners was called to order by  
11 Mayor Art Schools at 6:00 PM in the Emerald Isle Community Center Lounge.

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13 Present for the meeting: Mayor Art Schools, Commissioners Floyd Messer, Tom  
14 Hoover, Nita Hedreen, John Wootten, and Maripat Wright.

15  
16 Others present were Town Manager Frank Rush, and Asst. Town Manager Mitsy  
17 Overman.

18  
19 Motion was made by Commissioner Wootten to amend the agenda to add closed session  
20 to discussion potential real estate acquisition. All in favor.

21  
22 Motion to approve amended agenda was made by Commissioner Wright. All in favor.

23  
24 **4. FY 09-10 Budget –**  
25 **a. b. General Comments**  
26

27 Town Manager Frank Rush explained that the sales tax revenue for the General Fund has  
28 been reduced to account for projected decreases. The Office of State Budget and  
29 Management have revised their forecast for FY 09-10 and Mr. Rush said he has made  
30 that adjustment in the budget which resulted in a reduction of \$50,000. He further stated  
31 that the Board, at their last budget workshop, decided to begin charging \$80.00 for beach  
32 driving permits to non-residents and non-taxpayers over age 65. Previously, permits for  
33 all non-taxpayers and non-residents were free. This resulted in an increase of  
34 approximately \$10,000.

35  
36 Mr. Rush said the expenditures were reduced by \$40,000. This is assuming that the  
37 Coast Guard Road Storm Water Project will be discontinued during FY 09-10. The  
38 project consisted of new pumps, storm water ponds and receiving sites to help alleviate  
39 flooding in the Coast Guard Road area. The Town has been monitoring the water quality  
40 and levels since 2006 at a cost of \$40,000 yearly. The Town has not had any negative  
41 impacts during the monitoring process and has asked the Division of Water Quality to  
42 temporarily stop the monitoring. Mr. Rush said he sent a letter to the Division in an  
43 effort to save money in FY 09-10. The town plans to reinstate the monitoring in the  
44 future.  
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2 Town Manager Frank Rush commented that the 09-10 Recommended Budget included a  
3 recommendation that new special district taxes be established in FY 11-12 to finance  
4 future beach nourishment projects. The recommended special district tax rates were 5  
5 cents for oceanfront properties and 1 cent for non-oceanfront properties, to be  
6 supplemented by State and County funding. Upon further review, the amount anticipated  
7 from the County room occupancy tax revenues has been increased, thereby resulting in a  
8 need for special district taxes of only 3 cents for oceanfront properties and 1 cent for non-  
9 oceanfront properties. Mr. Rush referred the Board to page 21 of the budget handout. In  
10 FY 11-12, the annual solid waste fee is eliminated, the property tax rate is increased to  
11 9.8 cents per \$100 of assessed value and the new beach district tax rate of 3 cents  
12 (oceanfront) and 1 cent (non-oceanfront) established in FY 11-12. The combination of  
13 these factors will enable the Town to maintain a favorable sales tax ratio in future years.  
14 The Board will discuss these issues later in 2009 during the review of the Town's long-  
15 term beach nourishment plan.

16  
17 The recommended total budget for the Town is \$9.1 million, a reduction of  
18 approximately 1.5 million from the current budget. Mr. Rush explained that the Town  
19 was able to keep the 7-cents per \$100 of assessed property value tax rate by cutting  
20 expenses, such as the reduction of three full time staff positions. These positions were a  
21 full time Code Enforcement Officer, Equipment Operator and Police Officer. This staff  
22 reduction takes us from 61 full time personnel to 58. Other cutbacks included no  
23 funding for walkway replacements. There were no staff raises and no new capital  
24 projects were funded. Mr. Rush said he did limit funds for capital equipment to replace  
25 two police vehicles.

26  
27 The Town did see an increase of approximately \$50,000 over last year for employee  
28 health insurance.

29  
30 Commissioner Hedreen said the town was able to keep the health insurance, even though  
31 it was a significant additional cost and she was real happy that Mr. Rush was able to  
32 accomplish this with no tax increase and no degradation of services we now provide our  
33 residents and visitors.

34  
35 Mr. Rush said the beach nourishment special district tax rate will also remain the same at  
36 16.2 cents per \$100 of assessed property value for oceanfront owners and 1.1 cents per  
37 \$100 for non-oceanfront owners. The proposed annual solid waste fee of \$180. per  
38 developed property will also stay the same for next year.

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41 **c. Official Public Hearing**

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43 Commissioner Hedreen made a motion to open the public hearing on the proposed FY  
44 09-10 budget. All in favor. No comments were made.

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Commissioner Hedreen made a motion to close the public hearing. All in favor.

Commissioner Wootten made a motion to go into closed session pursuant to NCGS 143-318.11(5) for the purpose of discussing a potential real estate acquisition.  
All in favor.

Commissioner Wootten made a motion to return to open session. All in favor.

No action was taken as a result of closed session.

Commissioner Wootten made a motion to adjourn. All in favor.

The meeting adjourned at 6:45 pm.

Respectfully submitted

Mitsy Overman,  
Assistant Town Clerk