

Shore Protection Manager

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CARTERET COUNTY BEACH COMMISSION MEETING

Minutes

Pine Knoll Shores Town Hall

August 23, 2004, 2 pm

Acronyms:

NCDCM – N.C. Division of Coastal Management

TDA – Tourism Development Authority

USACE – United States Army Corps of Engineers

Attendance.

Commission chair Buck Fugate, Vice-chair William Donnelly, Commission Members Jack Goldstein, Joan Lamson, Pat McElraft, Art Schools, Jim Willis III, secretary Greg Rudolph, and the general public. Members Doug Brady, Ted Lindblad, Joe Stroud, and Dr. John Wells were absent.

- (1) **Call to Order.** – Chairman Fugate welcomed Commission members to the meeting and proceeded to call the meeting to order.
- (2) **Approval of Minutes (Regular Beach Commission Meeting – July 26, 2004).** – Chairman Fugate asked the Commission if there were any corrections or additions to the July 26th meeting minutes. There were no comments from the Commission and Member Goldstein subsequently motioned that the minutes for the July 26th regular Beach Commission meeting be approved as presented. The motion was seconded by vice-chair Donnelly and unanimously approved.
- (3) **Occupancy Tax and “Beach Fund” Update.** – Secretary Rudolph mentioned that the Commission received the June 2004 occupancy tax report in the past month, which constitutes the last report in the 2003-04 fiscal year. Secretary Rudolph also guided the Commission to a spreadsheet in the agenda packet and highlighted the year-to-date column that delineated the monthly percentages of increase or decrease of revenue compared to the previous fiscal year (2002-03). Based on these data, the July 2003 collection represented a 7% increase compared to July 2002 and that trend continued throughout the year with a 7.13% increase in occupancy tax revenue in fiscal year 2003-04 compared to 2002-03. The increase in the previous year was 3.15% (comparing fiscal year 2002-03 v. 2001-02).

Member Schools received a phone call just before the Beach Commission meeting with the July 2004 occupancy tax revenues and noted that this was the first time ever that a single month registered over \$1 million in revenue. Last year's revenue (2003) was ~\$938,000 – this year's revenue (2004) is \$1,140,000, which represents an approximate 20% increase. Member Schools added that there have been concerns raised that rental cottages along Bogue Banks may be charging an excessive amount, however, areas in Currituck County for instance charge even higher rates yet their occupancy is full. Moreover, along Bogue Banks the higher dollar oceanfront

rentals are booked throughout the summer but the lower dollar rentals a few rows off the oceanfront do not enjoy quite the same level of occupancy. Member Goldstein mentioned that because oceanfront property values and costs have risen so sharply the past couple of years, it is anticipated that the owners of these homes and condominiums will likely charge a higher rental fee to receive the proper return on their investment. This could create a crisis in the respect that potential renters could either elect to not pay higher rates or conversely, would be willing to pay higher rates and therefore creating a big surge in occupancy tax revenue.

Secretary Rudolph briefly reviewed the "Beach Fund" in fiscal year 2003-04 as a continuation of the occupancy tax discussion by noting that the ending balance is approximately \$300,000 greater than anticipated. This is attributed to a couple of issues including a higher than anticipated occupancy tax revenue, and the fact that local cost-share matching funds were not requested by the USACE in regards to the Bogue Banks 50-year Shore Protection Project. Secretary Rudolph subsequently asked member Schools for an update concerning the occupancy tax audit, where member Schools disclosed that a contract between County Tax Service, Inc. and Carteret County has been executed. The audit should begin in mid-September.

- (4) **Nomination Committee Appointments and Upcoming Beach Commission Vacancies.** – Chairman Fugate mentioned that there are no stipulations in the Beach Commission bylaws regarding that member appointments have to take place in October. The month of October is often the month before municipal and County elections and therefore the timing of the appointment process is poor considering that many elected officials serve on the Beach Commission and are subject to change in November. Therefore, it seems like a more rational approach to change the appointment process to a time after the November election season of every year. It is recommended that the Beach Commission approve a motion to move the Commission member nomination/appointment process to a time subsequent to the November election season. Member Lamson made a motion that the nomination and appointment process for Beach Commission membership should take place in December from this point forward. The motion was seconded by vice-chair Donnelly.

Member Schools asked if January 1st would be the effective date of the Beach Commission appointment. Member McElraft stated that this should be the case and the Beach Commission agreed with this premise. Member Schools added that member McElraft was up for a reappointment on the Beach Commission in October last year, yet her re-election for the EI Town Board did not transpire until November. Member Willis asked if the terms would cease this year for those members whose terms expired this upcoming October. Member Goldstein responded that the State has ruled that members of appointed committees/commission are allowed to serve until removed. Member Goldstein added that the TDA has a similar nomination/appointment process, i.e., nomination/appointments in December with the term beginning in January. The chairman asked for a vote on the floor reading; that the nomination and appointment process for Beach Commission membership will take place in December from this point forward, and that the terms of new appointments will begin on January 1st. The motion was unanimously approved.

- (5) **Beach Restoration Projects.** – Chairman Fugate noted that because Congress is in the middle of their summer recess, there has been little activity concerning the status of our Beach Restoration projects or other legislative issues. Member Schools added that although the permits for the Bogue Inlet Channel Erosion Response Project have not been received to date, he spoke with

NCDCM today and that the 401 Water Quality Certification permit borne form the Division of Water Quality should be forthcoming this week and that the State and Federal permits are being prepared.

- (6) **2003-2004 Annual Report – Bogue Banks Beach and Nearshore Mapping Program.** – Chairman Fugate introduced Dr. Timothy Kana and Phillip McKee of Coastal Science & Engineering to the Beach Commission. Dr. Kana proceeded to thank the Beach Commission for their cooperation and support, and initiated his Power Point presentation that summarized the draft report detailing the findings of the 2003-04 Bogue Banks Beach and Nearshore Mapping efforts. Note – Visit <http://www.protectthebeach.com/monitoring.htm> for an electronic copy of the final report, including the executive summary that covers the main points discussed during Dr. Kana's presentation.
- (7) **Other Business.** – Member Willis mentioned that an observational buoy will be installed near the divide separating Raleigh and Onslow Bays later this year to measure waves, winds, and currents. Member Willis added that the location of the buoy is advantageous in measuring the energy that possibly wraps around the Cape Lookout shoal complex.
- (8) **September 2004 Meeting Date (September 27, 2004 – proposed).** – It was agreed upon that the next Beach Commission meeting would be held on September 27th at 2:00 pm.
- (9) **Adjourn.** – Chairman Fugate asked for any additional comments. No further comments were forthcoming from the Commission and the meeting was adjourned.