

Shore Protection Manager

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CARTERET COUNTY BEACH COMMISSION MEETING

Minutes

Pine Knoll Shores Town Hall

September 25, 2003, 2 pm

Acronyms:

AB – Atlantic Beach

ASBPA – American Shore & Beach Preservation Association

CBOC – Carteret County Board of Commissioners

CSE – Coastal Science & Engineering

EI – Emerald Isle

FEMA – Federal Emergency Management Agency

TDA – Tourism Development Authority

UNC-IMS – University of North Carolina Institute of Marine Sciences

USACE – United State Army Corps of Engineers

Attendance.

Commission chair Buck Fugate, vice-chair William Donnelly, Commission Members Bob Gallo, Jack Goldstein, Art Schools, Jim Willis III, secretary Greg Rudolph, and the general public. Members Doug Brady, George Herrmann, Pat McElraft, Joe Stroud, and Dr. John Wells were absent.

- (1) **Call to Order.** – Chairman Fugate proceeded to call the meeting to order.
- (2) **Approval of Minutes.** – Member Gallo motioned that the minutes for the August 25th regular Beach Commission meeting be approved as presented. The motion was seconded by member Goldstein and unanimously approved. Member Goldstein also noted a correction on Page 2 of the minutes.
- (3) **Occupancy Tax and “Beach Fund” Update.** – Secretary Rudolph mentioned that the County's July 2003 occupancy tax collection report was attached to the agenda packet and as intimated at the last Beach Commission meeting, the July 2003 collection was very high and represents an increase of 7.25% compared to the July 2002 collection report. Also, the agenda packet included a budget forecast from FY 01-02 through FY 09-10, complete with the final revenue/expenditure figures for FY 02-03. Two budget forecasts were actually included in the agenda packet. One of these sheets contained revenue projections based on older projections, while the second sheet takes the FY 02-03 collection and assumes a 3% annual increase. This difference would represent a \$1,000,000 difference in the collection and would keep the beach fund in a positive balance in FY 09-10 even if the Shore Protection Project was constructed in FY 2006-08. Member Willis asked what the acronym PED represented. Secretary Rudolph replied that PED stood for Preconstruction, Engineering, and Design that would produce the final plans and specifications for the Shore Protection Project.

Chairman Fugate mentioned that he would digress for a moment by commenting on the ASBPA annual conference that was held earlier in the week. Chairman Fugate was impressed that the Beach Commission was doing the correct things that other communities have been doing for 15 years or more to secure a Shore Protection Project. Although the Beach Commission expects to secure the Shore Protection Project in a few years, no other community has accomplished this task in this short of time and without a shore protection manager or similar position. For this reason, an occupancy tax will always be necessary.

Chairman Fugate also noted that the Beach Commission and CBOC subcommittees met earlier in the month to discuss the CBOC's proposed changes to the occupancy tax legislation. The meeting was very cordial and the subject matter was limited to the two CBOC recommendations in the occupancy tax legislation that affected the Beach Commission. One concerned the elimination of the TDA position on the Beach Commission and no final resolution was reached. The other provision included omitting any reference that the CBOC shall be bound by the Beach Commission's recommendations. Chairman Fugate added that the tourism coalition developed certain guidelines in 1997 that would negate any possibility that occupancy taxes could be used for general fund type purposes, and also provided a special provision for coastal communities that would permit a 50/50 split of collections for tourism (advertising and marketing) and beach nourishment (tourism-related items). It is important that there is some guarantee stipulated in the language that the occupancy tax collections will be used for beach nourishment. The CBOC asked that the Beach Commission develop alternative language and bring this language back to the CBOC to consider. Chairman Fugate recommended waiting until the TDA meets with the CBOC subcommittee first before revising the legislation.

Vice-chair Donnelly asked if the Beach Commission could obtain the legislative history of the occupancy tax legislation. In this manner, some of the rationale of the legislation can be reviewed. Chairman Fugate replied that this undertaking is being investigated. Member Goldstein noted that in the 1970s, the local governments and league of local municipalities were in favor of the occupancy tax and the travel industry was actually against the tax. The travel industry would support occupancy tax legislation if the distribution of the revenue was 50/50 (advertising and promotion/municipal general funds). The County governments refused this offer. In 1983, several western counties were successful in passing occupancy taxes where 100% of the revenues would go towards advertising and promotion. This eventually led to the current occupancy tax guidelines that were strengthened in 1997. Member Goldstein explained that the old occupancy tax bill passed in 1989 included 55% of the revenues apportioned to the Tourism Development Bureau, 25% divided among the towns, and 20% to the County for tourism related items.

- (4) **Selection Process for the Bogue Banks Beach and Nearshore Mapping Program.** – Chairman Fugate noted that the Beach Commission surveying subcommittee interviewed three firms that were all well qualified and the surveying program would be successful with any of the firms. Although the Beach Commission was pleased with the UNC-IMS program last year, the surveying subcommittee decided that CSE had the most favorable price although the scope of work would be slightly different than UNC-IMS. Ultimately, the subcommittee felt comfortable with the 25 years of experience CSE brings to the surveying program and dealings with FEMA and beach maintenance. Member Gallo made a motion to endorse the subcommittee's recommendation to have CSE conduct the island-wide surveying program. Vice-chair Donnelly seconded the motion.

The motion on the floor was unanimously approved. Member Gallo and vice-chair Donnelly noted that in order to protect the tax base on Bogue Banks, that beach surveying is necessary.

(5) **Beach Restoration Projects.**

A. **Bogue Banks Shore Protection and Brandt Island Pump-Out/Section 933 Projects Update.** – Chairman Fugate noted that the \$3 million necessary to construct Phase I of the Section 933 Project was included in the final Senate Bill released last week. The chairman also noted that there is no direct path or roadmap to securing beach nourishment appropriations and expressed appreciation to Grady Fulcher in the audience and all of Beacon's Reach constituency that fought for the Senate appropriation. Member Goldstein asked which Senator was responsible for the appropriation. Secretary Rudolph noted that although Senator Domenici included the appropriation upon a recommendation from Senator Dole, the House Energy and Water Appropriation subcommittee staff elected to include the appropriation and thought that because Senator Domenici is the Republican chair, then the appropriation would be stronger if Domenici included the appropriation upon a recommendation from a fellow Republican Senator (Dole). Chairman Fugate added that the House/Senate Conference still has to meet and include the appropriation their bill. Vice-chair Donnelly asked what type of sand distribution was included in the Section 933 Project. Secretary Rudolph replied that the fact sheet in the agenda packet included the sediment volumes for each community and that AB would be receiving more sand than originally anticipated. Member Willis asked if Fort Macon would receive additional sand to compensate for the losses incurred from Hurricane Isabel. Secretary Rudolph replied that it is uncertain what action if any, will be taken. Chairman Fugate added that as a curiosity, the most recent survey of the inner harbor did not reveal any major shoaling from Hurricane *Isabel*.

Vice-chair Donnelly asked when would the Section 933 Project be secured. Secretary Rudolph responded that the House/Senate Conference could meet next week but more likely would meet the second full week in October. Member Gallo asked when the Project Cooperation Agreement needs to be signed. Secretary Rudolph replied that the USACE is trying to postpone the agreement date to time when the appropriation is fully secured. Secretary Rudolph also noted that two complexities exist in the Project. One is that if the House/Senate Conference does not pass a bill in October, then a continuing resolution will need to be passed that may extend well beyond the Section 933 Project construction start. The Shore Protection Office has been discussing this with Marlowe & Company and will likely try to include a Section 933 Project provision in the continuing resolution language. The other complexity stems from the fact that Norfolk Dredging is planning to file a suit against the winning firm for the Brandt Island Pump-Out/Section 933 Project; Bean Stuyvesant. If an injunction is issued, then the entire Project will be delayed indefinitely. Also, the next USACE Project Delivery Team meeting is scheduled for October 1st, 10 am, EI Town Hall. The resource agencies and advocacy groups have been invited to this meeting.

(6) **Other Business.** – Chairman Fugate mentioned that the Beach Commission member reappointments have been postponed by the CBOC until the October 6th regular meeting. The

Beach Commission has provided a list of TDA members that would be willing to participate on the Beach Commission to the CBOC.

- (7) October 2003 Meeting Date (October 27, 2003 – proposed). – It was agreed upon that the next Beach Commission meeting would be held on October 27th at 2:00 pm.
- (8) Adjourn.