

Shore Protection Manager

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CARTERET COUNTY BEACH COMMISSION MEETING

Minutes

Pine Knoll Shores Town Hall

January 23, 2006, 2 pm

Acronyms:

CBOC – County Board of Commissioners

EI – Emerald Isle

IB – Indian Beach

PKS – Pine Knoll Shores

USACE – United States Army Corps of Engineers

Attendance.

Commission chair Buck Fugate, vice-chair William Donnelly, Commission Members Tom Doe III, Jack Goldstein, Jerry Huml, Joan Lamson, Ted Lindblad, Pat McElraft, Stewart Pickett, Jim Willis III, secretary Greg Rudolph, and the general public. Member Jim Stephenson was absent.

- (1) **Call to Order.** – Chairman Fugate called the meeting to order and introduced the newest member of the Beach Commission, Stewart Pickett; the current Mayor of IB. The Commission proceeded to introduce themselves and greet member Pickett.
- (2) **Approval of Minutes (Regular Beach Commission Meeting – November 28, 2005).** - Chairman Fugate asked the Commission if there were any corrections, additions, or comments regarding the minutes presented in the agenda packet. Member Huml mentioned a typographical error and the minutes were subsequently approved by a unanimous vote with the noted correction. The motion was made by member Huml and seconded by member Doe.
- (3) **2006 Beach Commission Officer Elections (chair and vice-chair).** – Chairman Fugate opened the floor for nominations for the 2006 chairmanship of the Beach Commission. Member McElraft nominated member Fugate for the chairmanship. This nomination was seconded by member Pickett and with no other nominations forthcoming, member Goldstein motioned that the nominations for the chair be closed. This motion was seconded by member Lindblad and member Fugate was unanimously approved by the Beach Commission to continue serving as chairman.

Chairman Fugate continued the election process by asking for nominations for vice-chair, noting that member Donnelly is currently serving in this capacity. Member Doe nominated member Donnelly for another term as vice-chair. The nomination was seconded by member McElraft with the motion to close the nomination process for vice-chair made by member Goldstein and seconded by member Pickett. The vote on the floor to elect member Donnelly as vice-chair for 2006 was unanimously approved.

- (4) **Occupancy Tax and "Beach Fund" Update.** – Secretary Rudolph mentioned that there has not been a month in the current fiscal year (FY 2005-06) that the occupancy tax has been down in relation to the same month in the year prior. To date, the occupancy tax collection is up by over 16% compared to this same time in the last fiscal year. Also the December 2005 receipt was received just after the Commission's agenda packet was prepared and this receipt total is also significantly up compared to December 2004. Although the winter receipts contribute very little compared to the peak summer and shoulder months, it appears that last fiscal year's total will be eclipsed before June; the last month of the fiscal year. Thus the June receipt will essentially constitute the "profit margin" for the fiscal year. Traditionally this has not been the case as June has been the month where the collection rate for the year is determined to be up or down, and by what magnitude. Member Fugate asked if the recent trend in the hotel/motel market (closings and conversion to condos) will have a detrimental effect to the occupancy tax. Member Doe mentioned the Tall Ships event in the County scheduled for the July 4th weekend and what a great event it will be albeit some of the logistics may be uncomfortable. Members Goldstein and Lamson mentioned the high rental prices that lodging facilities are planning to charge in relation to this event.

Member Lamson mentioned her concern regarding the closure of hotels and redevelopment of these properties into condominium complexes, and the impacts this type of redevelopment has upon the occupancy tax and local government's ability to plan. One of the issues of concern that member Goldstein subsequently echoed was the lack of entertainment for children on the island in the wake of redevelopment, including the closure of miniature golf courses, arcades, and pier facilities. This could negatively impact the level of return visits that the island currently enjoys. Member Lamson subsequently suggested a multi-group study of what these impacts and the changing face of the island may truly represent. The group should likely include the County's Tourism Development Authority and Economic Development Council, and it would be beneficial for the Beach Commission to have representation as part of this new organization. After some conversation it was agreed that the Beach Commission should request the CBOC to develop a task force to investigate the potential effects of redevelopment. Member McElraft mentioned that EI has very few facilities for children and the rental houses have installed pools and other features to help keep families occupied for the weekly vacation. Members Pickett and Doe added that the eastern half of the island is undergoing these transitions and the expectations for families to enjoy themselves away from the rental cottage or hotel room that have previously been established may change for the worse (less opportunities). Secretary Rudolph mentioned that the redevelopment of the oceanfront also impacts the ability of municipalities to secure additional beach parking and access facilities, which also has a correlation to the Beach Commission's role regarding project implementation. Members McElraft and Huml mentioned that EI is attempting to change ordinances concerning new large-scale oceanfront developments that would mandate parking and access. Member McElraft continued that the Commission and local municipalities should continue to encourage a public beach image, not a private beach image. Member Huml added that the purpose of the ordinance the EI planning board and Town commissioners are considering is to fulfill the USACE's parking and access requirements for Federal participation in beach nourishment. Member Lamson proceeded to make a motion for the Beach Commission to recommend a multi-agency/group County Task Force dedicated to study the lodging and land-use changes occurring along Bogue Banks and to recommend strategies to accommodate these changes. The motion was seconded by member Doe and was unanimously approved.

- (5) **Discussion – FY 2006-07 Budget Guidance and Initiatives.** – Secretary Rudolph disclosed that traditionally departmental budgets for the County are due in February and it has been recently announced that budgets are due to the County's finance department on February 20th. The next Beach Commission meeting is scheduled for February 27th, a full week after the budgets are due to the County and last year a similar circumstance aroused and the budget was approved via e-mail. The Secretary asked if the Commission would prefer having a special meeting to adopt the budget, or adopt the budget via e-mail. Member McElraft asked if the Commission would be receptive to forming a budget committee and further asked if the Shore Protection Manager's salary could include a 10% raise for FY 2006-07. Member McElraft made a motion to this effect that was seconded by member Lamson. Member Doe asked if the proposed raise would create any conflicts with the County's salary schedule. Member McElraft replied that this proposed raise should not present any problems and chairman Fugate mentioned that the Shore Protection Manager position is unique in North Carolina and it is difficult to develop a comparative analysis of what the position is worth to the County. The chairman requested a vote for the motion on the floor that was unanimously approved. The Commission also agreed to approve the budget via e-mail and if any concerns arose, then a special meeting could be called.

Secretary Rudolph continued that on a "macro level", there are a couple of important items to mention in regards to the FY 2006-07 budget. For one, this fiscal year (FY 2005-06) is the last year which includes municipal allocations of \$1 million to the Bogue Banks municipalities. Thus in FY 2006-07, the "Beach Fund" reserve will begin experiencing large annual increases and accrual rates in the order of \$1.3 to \$1.5 million per year, not \$300,000 to \$500,000 per year. Also, the portion of the occupancy tax distributed to the Beach Fund will drop from 50% to 40% per the enacting legislation for the occupancy tax (S.L. 2001-381)

The secretary referred the Commission to the new initiatives outlined in the Commission's agenda packet and summarized the first initiative; a new logo. The County's Shore Protection Office and Beach Commission was initiated almost 5 years ago and the logo for the Shore Protection Office was developed in-house rather quickly and it may be time to seek some professional development of a logo and formalize the matter with the Beach Commission's input. Once the logo is agreed upon, it is proposed that new business cards, polo shirts, labels, nametags for the Beach Commission, and other supply/name recognition materials can be purchased with the new logo. The secretary added that he has spoken with the County's Economic Development Council who recently underwent a similar labeling change and the cost is estimated to be within the couple of thousand of dollars range. Member Lamson supported the logo concept and added that a good logo provides the image needed to receive the type of National recognition that the Commission requires. Member Willis disagreed and mentioned that he likes the current image and the fact that it was created in house; in Carteret County. Moreover, the Commission is not marketing anything. Vice-chair Donnelly replied that the Commission is indeed marketing by attempting to demonstrate the type of stature that reflects the Beach Commission when the group takes stances on issues, etc. Chairman Fugate agreed with the vice-chair, mentioning that a good logo provides credence to the Commission and the Shore Protection Office when speaking at venues. Member McElraft mentioned that the \$2,000 figure appeared to be a little high for a logo design fee. Secretary Rudolph replied that the fee would include logo design and the purchase of labels, shirts, stationary, and other supplies. Member Doe mentioned that he likes the current logo and doesn't see the need to invest in a new logo. However, he is not wholeheartedly opposed to the measure and subsequent to a few other comments, made a motion for the Beach Commission

as a body to agree to the concept of developing a new logo and to include these costs and associated supply costs as part of the FY 2006-07 budget. The motion was seconded by member Pickett and was approved by a 9-1 vote (Willis dissent).

The chairman asked the secretary to discuss the second initiative for the upcoming fiscal year; the virtual mapping project. Secretary Rudolph mentioned that there is a tremendous amount of monitoring and other research conducted along the beaches of Carteret County and actually much of the work is funded by the Beach Commission in attempts to fulfill permit conditions or to gain a better understanding of the coastal environment. However, the end products are usually in a hard copy form that sits on the shelf or in electronic form that take a long time to download and review. There are a couple of websites in the Nation that make these data "virtual", with an analogy lying in many County tax offices where web users can import their choice of parcels, water lines, topographic maps, and other data. Moreover, web users can customize the layers they wish to see and isolate areas germane to their interest. The proposed project for the Beach Commission takes a similar approach, but provides beach data in the same type of user-friendly orientated format. For instance, a user could zoom into PKS, click the 1978 shoreline, then click off the shoreline and import the 1986 shoreline, and continue by adding aerial photos, turtle nesting data, etc. We also have data for Core and Shackleford Banks as well that can be incorporated into the program. The secretary continued that the virtual mapping initiative therefore; (a) serves the public well by making the data more accessible for taxpayers, and (b) provides data for consultants and resource agencies whereby duplicative efforts for searching reams of data can be avoided, thus saving costs for future projects. The Shore Protection Office has also been interfacing with a local geologic mapping firm, *Geodynamics, LLC*, to generate a cost estimate. The Shore Protection Office estimates that the initiative will cost approximately \$15,000 – \$20,000 for the first year and a couple to several thousands of dollars in subsequent years to troubleshoot and add new data to the program. The cost justification also includes computer storage considerations and software licensing.

Member Lamson disclosed that it is believed Bogue Banks is quite possibly the most data rich island along the east coast and the best way to negate some of the unsubstantiated criticism that comes to the forefront is to have the data at everyone's fingertips, which is exactly what the proposed virtual beach mapping initiative would do. Member Lindblad asked if there were any problems in soliciting just one firm for the work, and as a comment, he mentioned he was supportive of the initiative and stressed the importance of making the information available to the public via announcements, presentations, workstations, etc. Secretary Rudolph replied that because this is a service contract, there are no legal stipulations regarding the number of bids required for a project of this type. Chairman Fugate mentioned that it would be a good idea to solicit more bids however as due diligence. The Commission agreed with the chairman's statement. Member McElraft asked if the USACE would give the County in-kind credit for the data presented in the virtual mapping program. The secretary responded that the County and the USACE agreed to \$200,000 for in-kind credit as part of the feasibility study agreement and this is a maximum number that has already been awarded to the County. Thus while there is no current mechanism to claim in-kind credit now, a future in-kind credit can be requested in the next phase of the Shore Protection Project or another project. Member Doe also supported the project and mentioned that the sooner the project could be implemented, the better as the method of communication in today's world is electronic. Member Doe however did mention that dial-up users may not be able to enjoy the program because of computer speed and therefore the data may

need to be provided to users via CDs and DVDs, which the Shore Protection Office would be willing to make. Also, member Doe recommended that computer servers be optimized to possibly include non-County servers as well. Member Doe subsequently made a motion for the Shore Protection Office to include the virtual mapping initiative in the proposed FY 2006-07 budget that will be presented to the Beach Commission next month (February). The motion was seconded by member Pickett and unanimously approved.

Before proceeding to the next topic, member Lamson reinforced the fact that FY 2005-06 is the last year that the municipal allocations will be provided out of the apportionment of the occupancy tax designated for beach nourishment. However, PKS has been in-line for the Section 933 Project and project costs will continue to go up and up. Member Lamson continued by asking the Commission if there were any possibility to re-institute the municipal allocations for another year or two. Chairman Fugate replied that any changes in the allocations would require a modification of State law by the State Assembly, which would be unlikely. Also, the Beach Fund reserve was conceptualized to cover the costs of the Shore Protection Project, and even though the prospects of that project are not great, it is important that the reserve is allowed to accrue. Although a portion of the reserve could be provided to PKS, that could set a precedent for other communities to request funding from the reserve, and eventually that would short change the 50-year Shore Protection Project. Secretary Rudolph added that by law the reserve can only accrue to \$15 million with any excess reserve funds given to the County's Tourism Development Authority. If that \$15 million threshold is realized, then it is likely the Beach Commission would recommend that the reserve balance should be distributed to the Bogue Banks municipalities; most likely in the same formula used in the occupancy tax law regarding municipal allocations. Also, there are costs associated with the recommendations that will be contained in the Olsen Associates, Inc. Independent Review of the Morehead City Harbor that will need to be budgeted for.

Member Huml asked the Commission for their thoughts to develop a new administrative assistant position for the Shore Protection Office. Chairman Fugate replied that community members in Onslow County have shown some interest in retaining the Shore Protection Manager for services related to water resources in Onslow County. Any funding for these services remitted by Onslow County could be utilized to hire an administrative assistant. However these discussions are very preliminary. The Commission expressed some concern regarding workload obligations if a Carteret-Onslow agreement could be struck. Secretary Rudolph also briefly mentioned that if the personnel of the Shore Protection Office is expanded, then there will also be space limitations as the Shore Protection Office currently occupies a single room in the County's western visitor center. Member McElraft also mentioned the possibility of hiring temporary help as a possible interim solution.

- (6) **Beach Projects Update.** – Secretary Rudolph guided to Commission to the agenda packet where the lone dredging/pumping bid result for the Section 933 Project was located and as mentioned to the Commission in the past several weeks, the bid was well above the government estimate. In off-line conversations with Marlowe & Co. and the dredging community, it appears that the demand for beach work in Florida and the Gulf of Mexico coupled with the increased demand for the same boats and labor that are working for the offshore oil industry have plagued the dredging community and their capacity to submit reasonable bids for North Carolina projects. The Wrightsville Beach renourishment project also received a lone bid that was well above the government estimate. Chairman Fugate also noted that the government estimate was also very low and contributed to

the problem. Member Lindblad noted that the Commission has fought vigorously for Federal funds that were appropriated this year and last year. Member Lindblad continued by asking where did these funds go? Secretary Rudolph replied that the Shore Protection Office and PKS have a meeting with the USACE early in February to discuss three main topics pertaining to the Section 933 Project; (1) the carry over of funds that were appropriated this year, (2) providing a realistic cost figure for next year, and (3) ensuring that enough shoal material is dredged from the entrance channel to have a meaningful beach nourishment project in FY 2007. To answer member Lindblad's original question, the appropriation bill language for FY 2006 does state that the USACE can transfer funding for individual projects to next year, which is a positive development. Last year (FY 2005), that language was not in place and the funds that were appropriated were lost. Member Willis asked where is the funding residing that the State and PKS contributed last year. The secretary replied that these funds are with the USACE and should be in an interest-bearing account. Secretary Rudolph added that PKS is continuing to negotiate parking and access agreements although recent developments regarding the Section 933 Project have and will make this more difficult. Member Lamson continued by noting that PKS is in no big rush to secure these facilities because the commitment from the USACE/Federal government to execute a project is suspect. Secretary Rudolph also mentioned that there were last ditch attempts to secure additional Section 933 Project funding in the Hurricane emergency supplemental bill, but that effort failed. The complete list of projects in the supplemental for N.C. pertaining to *Ophelia* is included in the Commission's agenda packet.

- (7) **Public Comment.** – None.
- (8) **Other Business.** – Member Willis expressed his concern that Bogue Inlet (Bear Island side) and Beaufort Inlet (Shackleford Banks side) are not adequately addressed in the Commission's/Shore Protection Office's beach monitoring plan. It is important to gain these data to fend off/answer any criticism that could develop regarding the beach nourishment activities that have taken place along Bogue Banks. Secretary Rudolph mentioned that the geographical range of the monitoring program was expanded last year as the frequency was reduced from twice a year along Bogue Banks only to once a year along Bogue Banks, Bear Island, and Shackleford Banks. The scope of work was confined to the budget.
- (9) **February 2006 Meeting Date (February 27, 2006 – proposed).** – It was agreed upon that the February Beach Commission meeting would be held on February 27th at 2:00 pm.
- (10) **Adjourn.** – Chairman Fugate asked for any additional comments and with no additional comments forthcoming, the meeting was adjourned.