

Shore Protection Manager

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CARTERET COUNTY BEACH COMMISSION MEETING

Minutes

Pine Knoll Shores Town Hall

October 27, 2008, 2 pm

Attendance.

Commission Chair Buck Fugate, Vice-Chair William Donnelly, Commission Members A.B. "Trace" Cooper, Jack Goldstein, Tom Hoover, Joan Lamson, Ted Lindblad, Art Schools, Jim Stephenson, Jim Willis, secretary Greg Rudolph, and the general public. Member Pete Allen was absent.

- (1) **Call to Order.** – Chairman Fugate called the meeting to order.
- (2) **Approval of Minutes - Regular Beach Commission Meeting (August 25, 2008) and (September 29, 2008).** – Chairman Fugate asked the Commission if there were any corrections, additions, or comments regarding the August 25th regular session minutes presented in the agenda packet. With no comments forthcoming from the Commission, member Goldstein motioned the minutes be approved as presented. The motion was seconded by member Donnelly and unanimously approved. The Chairman subsequently asked for a motion to approve the September minutes notwithstanding any comments or corrections; which was consequently made by member Goldstein and seconded by member Lindblad. The motion on the floor passed unanimously.
- (3) **Occupancy Tax and "Beach Fund" Update.** – Secretary Rudolph summarized the July, August, and September occupancy tax collection reports are attached to the Commission's agenda packet, which constitutes the first quarter of the fiscal year (FY 2008-09). If we look at the combined revenue for July and August, then we can conclude the collection was only 0.5% off from last year's receipts. The July collection was down but the August figure was up, and actually eclipsed the \$1 million mark for the first time in occupancy tax history. However, it is likely that some of the July receipts were reported in August, and again, the combined July/August collection was very close to last year's values. However, the September value was 15% off from last year and this drags the year-to-date figure to -2.7% compared to the first quarter of last fiscal year (FY 2007-08). This results in revenue shortfall of approximately ~\$35,000 compared to last year. While this is a relatively small number in a ~\$1.8 million annual revenue stream, we will likely see this slight downward trend continue. The secretary added that the Beach Commission's revenue projections use a 3% annual growth rate, and if this estimate needs to be revisited, then we can do so when the FY 2009-10 budget is prepared this coming January or February. Also, the occupancy tax receipts when reviewed by hotel vs. condo sectors demonstrates the exact trend seen this year for the overall tax, i.e., both sectors were down in July, up in August, and down in September. And lastly, the beach nourishment reserve is estimated to be at a level of ~\$7 million.

Member Goldstein added that if the monthly collections are slightly down in the winter months, then the overall impact to the yearly revenue is very low and conversely, if the collections

are slightly down in the busy, high revenue summer months, then the overall impacts are much worse. Member Lindblad added that the State's projections for sales tax are down and we should expect a similar trend for the County's occupancy tax. Chairman Fugate concluded an occupancy tax committee consisting of himself, member Schools, Lamson, and Stephenson met with four occupancy tax collectors, and while they were very sympathetic to the Beach Commission's need for additional funding mechanisms, both groups agreed that pursuing any changes to the occupancy distribution formula was not a prudent measure during this time of National and State financial stress. The Shore Protection Office/Beach Commission is also planning to hold a meeting with the four beach Towns along Bogue Banks to discuss long-term beach nourishment plans, funding needs, and mechanisms to accommodate any funding shortfalls that may be ahead. The secretary added that he hopes this meeting will take place in December or early January after the 2008 beach monitoring report is completed. Member Willis asked if this means that the Beach Commission is giving up on the 50-year U.S. Army Corps of Engineers (Corps) Shore Protection Project. Chairman Fugate replied that this does not signal a formal relinquishment of the 50-year Shore Protection Project – it's just that we need to do contingency planning.

- (4) **Funding Request - Atlantic Intracoastal Waterway (AIWW) Inlet Crossing Maintenance and Beach Disposal (Bogue Inlet)**. – Secretary Rudolph initiated a summary by differentiating the differences between the “Bogue Inlet Project” and the “AIWW Inlet Crossing at Bogue” by utilizing images projected on screen that were included in the agenda packet. The Bogue Inlet Project is maintained by the Corps utilizing a sidecast dredge that follows the deep water channel at the time of maintenance and sprays the shoal material to one side of the navigation channel of the other. Ideally dredging maintenance occurs 2 to 4 times a year. However Federal funding has been spotty in the past several years, including a couple of years when no funding was appropriated for the project. Local governments and the State furnished funding at this point in time. Federal funding has been appropriated this past fiscal year and looks promising for the current fiscal year as well. The secretary continued that the “ocean bar” reach of the Bogue Inlet Project was repositioned by the Town of Emerald Isle (2005) in an effort to reduce erosion along the Point shoreline. The funding request in front of the Beach Commission today however has nothing to do with the Bogue Inlet project, but rather focuses in the area of the AIWW where the Bogue Inlet Project connects into the AIWW – this is termed as the “inlet crossing”.

The inlet crossing at Bogue is one of 8 crossings in the State along the AIWW and the Corps contracts with the industry pipeline fleet to conduct this work on an infrequent basis (roughly every 2-3 years). Because a pipeline dredge is utilized, the dredged shoal material must be placed in an upland disposal site or beach. The disposal area for the inlet crossing at Bogue is located along the oceanfront of Emerald Isle – there have been 11 maintenance events since 1984 that averaged roughly 44,000 cubic yards of material per event. Currently, there is shoaled area at the inlet crossing at Bogue that the Corps would like to address this year along with other projects at Lockwoods Folly, Shallotte Inlet, and areas near SouthPort. However the Corps has not received adequate funding to dredge all of these areas and the State's Division of Water Resources has offered to split the difference 50% – 50% with local governments. It is anticipated that the entire shortfall for the inlet crossing at Bogue will be \$498,000 with the State offering \$249,000 and the area local governments furnishing the other \$249,000. The secretary continued that he and the Town Manager for Emerald Isle (Frank Rush) discussed the matter, and elected to pursue a 1/3 – 1/3 – 1/3 split between the Town, Carteret County, and Onslow County – or \$83,000 apiece. This “1/3” formula was employed in 2006 for the same scope of work. Also because the dredging work

involves beach nourishment, the portion of occupancy tax designated for beach nourishment can be utilized for the inlet crossing effort, and consequently is subject of the request now in front of the Beach Commission.

In terms of sand placement, approximately 50,000 cubic yards of shoal material (maximum) has been identified for the FY 2009 effort and Emerald Isle is seeking regulatory clearance to place the material along the inlet shoreline at the Point rather than the oceanfront shoreline area. If approved, the dredged sand would be utilized to add elevation at the spit that has formed near the 4-wheel drive ramp at the inlet. The dredging window for beach nourishment ends on April 30th and the inlet crossing project at Bogue would be the last project in the Corps contract. If the Town's regulatory request is denied, then the dredged sand will be placed on the oceanfront. The Corps has also conducting sand compatibility analyses and the shoal material passes the State's standard for beach nourishment (<10% mud from a navigation channel). Member Willis asked if the sand would be better utilized if it was placed along the oceanfront and allowing the material to drift towards the inlet spit. Member Schools and Frank Rush (audience and Town Manager of Emerald Isle) replied the entire oceanfront and inlet area is filling in naturally, and the dredged material is anticipated to raise the elevations where it is needed. Secretary Rudolph concluded that the request is to authorize the expenditure of \$83,000 for this project that will be matched by the Town of Emerald Isle and Onslow County, who have already approved their requests on October 5th and 20th, respectively. This total (\$249,000) is being matched by the State. Member Donnelly made a motion to approve the resolution contained in the Beach Commission's agenda packet that authorizes an \$83,000 for the inlet crossing work at Bogue with concurrent beach nourishment as proposed. The motion was seconded by member Willis and unanimously approved.

- (5) **Public Comment.** – None.
- (6) **Other Business.** – None.
- (7) **November 2008 Meeting Date (November 24, 2008 – proposed).** – It was agreed upon that the next Beach Commission meeting will be postponed by a week, and will now be held on December 1, 2008 at 2:00 pm.
- (8) **Adjourn.** – Chairman Fugate asked for any additional comments and with no additional comments forthcoming, the meeting was adjourned.