



CARTERET COUNTY BEACH COMMISSION MEETING

Minutes
Pine Knoll Shores Town Hall
February 11, 2020, 2 pm

Attendance.

Commission Members Jim Normile (vice-chair), Larry Baldwin, Larry Corsello, Jimmy Farrington, Joel Fortune, Ken Jones Tom Rule, secretary Greg Rudolph, and the general public. Members Harry Archer, A.B. "Trace" Cooper (chair), Douglas Guthrie, and Woody Warren were absent.

- (1) **Call to Order.** – Vice-chair Normile called the meeting to order and noted Chairman Cooper had other obligations today but he has discussed the agenda with him and will share the Chairman's thoughts when relevant.
- (2) **Approval of Minutes - Regular Beach Commission Meeting (December 2, 2019).** – Vice-chair Normile asked the Commission if there were any corrections, additions, or comments regarding the December 2nd regular session minutes presented in the agenda packet. With no comments forthcoming, member Jones subsequently made a motion to adopt the minutes as presented, which was seconded by member Farrington and unanimously approved.
- (3) **2020 Beach Commission Officer Elections.** – Vice-chair Normile reiterated the annual election process is via a nomination procedure and voted upon by simple majority. Moreover, he spoke to Chairman Cooper who agreed to serve another term in this capacity if the Commission so desires him to do so. No other nominations were made by the Commission and member Farrington proceeded to nominate Mr. Cooper for another year's term as chairman. The motion was seconded by member Corsello and unanimously approved. The Vice-chair election is next and akin to Chairman Cooper, Vice-chair Normile also disclosed that he would be willing to serve another term. Member Jones quickly made a motion to re-elect Vice-chair Normile that was seconded by member Baldwin and unanimously approved.
- (4) **Room Occupancy Tax (ROT) and "Beach Fund" Update.** – Secretary Rudolph introduced the topic by noting we will dive deeper into the occupancy tax when we discuss the budget, especially from a calendar year perspective. Thus we will take a more fiscal year-to-date approach now, and to this effect the collection reports for October, November, and December are included in the agenda packet. This has been a very odd year compliments of *Florence* – last year during the winter shoulder months there was decreased inventory because of storm damage, but higher occupancy of the rooms that were available by displaced families and the need for a construction work force. This year, we are somewhat back to normal and therefore we experienced a decrease in occupancy tax revenue. Through the first six months of the 2019-20 fiscal year, we are ~3.5% down compared to FY 2018-19. However all the lodging facilities that were still under repair last summer have been fixed, and therefore our capacity should be larger during the upcoming peak

summer months. The secretary concluded that our nourishment reserve was ~\$17.2 million at the conclusion of December.

- (5) **Shore Protection Office Budget for FY 2020-21.** – The Vice-chair mentioned that ultimately, the Beach Commission needs to provide their concurrence to secretary Rudolph regarding the budget before it is submitted to the County's Finance Department, and eventually approved by the County Board. With this introduction in mind, the secretary introduced the FY 2020-21 budget topic by mentioning the Program Summary is included as the last 30+ pages of the agenda packet – it is a good resource document of all the project and policy issues we spend a majority of our time on, and the electronic version includes hyperlinks to all the important reports, news releases, correspondences, etc. that are salient to each issue. For our presentation today, the Program Summary is encapsulated in the first two slides ([1 & 2](#)), and each issue was provided a very subjective “+”, “-”, or “0” grade. Issues such as the Master Plan/Post-*Florence* Renourishment Project, the Endangered Species Act, Flood Insurance Rate Maps, Outer Continental Shelf Oil & Gas Leasing, the Corps of Engineers “50-year Plan”, Beach Monitoring, Waterway Projects, and other issues were summarized in a “year in review” format followed by a “what’s next” list for the same or other issues. In respect to the waterway projects, member Farrington asked how the State’s Shallowdraft Fund is endowed and is the amount they are generating adequate. The secretary responded the fund receives a set increase associated with boater registration fees and 1% of the marine gas tax. This generates over \$20 million annually and the reserve level is approximately \$40 million – this is a significant amount that needs to be leveraged, which the County is doing a good job of doing.

With respect to revenues from a calendar year perspective; 2019 was down by -1.2% compared to 2018 (\$7,527,797 v. \$7,621,795) and is almost certainly attributable to the inventory damage caused by hurricane *Florence*. The condo/cottage sector accounts for ~63% of the revenue collected, while the hotel/motel sector constitutes ~29%, and “other” is 8%. Interestingly, the main loss was in the hotel/motel sector ([Slide 3](#)), and although speculative; it’s not unreasonable to postulate that if the DoubleTree was not completely out of business all year; then the occupancy tax revenue would have been very close to 0% gain/loss or even into positive territory. The total rental income in 2019 is estimated at \$125,463,282 and we are foreshadowing a +1% increase rather than our customary +3% growth rate for our current fiscal year (2019-20) and return to +3% growth for FY 2020-21. The secretary continued by showing a series of graphs depicting the occupancy tax over time ([Slides 4 – 9](#)).

In terms of expenditures from a personnel standpoint ([slides 10 - 12](#)), we are proposing a 0% change in personnel and 0% for operations as well (postage, travel, replacing/fixing equipment, phone, etc.). Contracted Services is always our biggest expense (65% of the \$605,289 budget) and includes five components. There is a +2.6% increase or +\$10,000 in Contracted Services proposed for FY 2020-21 stemming mostly from the static line exception updates that are required by the N.C. Division of Coastal Management, which are due in 2020.

The secretary continued by reviewing the entire budget from reserve, to revenues (including municipal reimbursements for Phase I and II of the Post-*Florence* Renourishment Projects), to expenditures – the latter of which includes the total outlay for Phase II in our current year (FY 2019-20), but not for the Phase III effort planned in FY 2020-21 ([slide 11](#)). By letting the FY 2020-21 budget runs its course without a nourishment project, we can see how large of a reserve we could theoretically have at the conclusion of the fiscal year. In essence, this would be equivalent of what type of project we could afford, which equates to \$29 million.

Vice-chair Normile mentioned that Chairman Cooper is agreement with the budget and reminded the Commission that they will go into closed session to discuss personnel performance; and concluded by opening the floor for any questions. Member Rule asked if there were any details in the budget pertaining to an administrative assistant/policy analyst/waterways manger type of position that was mentioned at the last Beach Commission meeting. The secretary responded that he spoke to the County and since the Board has recently elected to potentially move forward with a 0.25% sales tax initiative in which half of the revenue would be dedicated to waterway dredging; we should wait until this referendum is passed (or not). In other words, the new revenue from the sales tax would be an ideal and related funding mechanism to hire new personnel for waterway dredging. Member Corsello further inquired to how much do we think a new hire would cost? The secretary estimated the total impacts to be ~\$90,000 including all benefits, etc. Member Baldwin continued that it might be a good idea to log the time spent on waterways projects to help support this initiative. Following these questions, member Jones made a recommendation to approve the budget as presented for the County's consideration, which was seconded by member Fortune and unanimously approved.

- (6) **Public Comment.** – John Brodman (audience, Pine Knoll Shores) asked if the Beach Commission has been approached or would be interested in becoming involved with the management/administration of a rip current warning system for the island. The Vice-chair replied that we (the Beach Commission) usually sticks “to putting sand on the beach” and let the municipalities do what is best for them in situations like rip currents - even though this (rip currents) is an important issue. Member Corsello added there is a proposal for the Towns to purchase electronic signs that would be placed across the entire island, and this could also help result in a more uniform approach.
- (7) **Other Business.** – Using the [project website](#), the secretary updated the Beach Commission concerning Phase II of the Post-*Florence* Nourishment Project which started last Thursday. Also, the secretary and the Commission discussed the \$44.5 million that was appropriated to the U.S. Army Corps of Engineers for the Bogue Banks Coastal Storm Damage Reduction Project. Although no formal action was taken, the discussion centered around procuring mete & bounds specific easements for the entire 25-mile long Bogue Banks oceanfront, parking/access requirements, and issues concerning the uncertain nature of future federal appropriations when maintenance events are needed. To this latter effect, we would not want to forego the engineered beach/FEMA monitoring and maintenance plan we have in effect if the uncertainty with the Corps program is too great. Member Baldwin noted this can be considered akin to other mega-infrastructure projects like sewer and water systems, highways, etc. The projects get constructed but the maintenance is deferred until these resources are almost beyond repair.
- (8) **March 2020 Meeting Date (March 23, 2020).** – It was agreed upon that the next Beach Commission meeting would be held on March 23rd at 2:00 pm, Pine Knoll Shores Town Hall. The secretary quickly added that the focal point will be Phase III of the Post-*Florence* Renourishment Project, which is scheduled for next winter (2020-21).
- (9) **Closed Session pursuant to G.S. 143-318.11 for the permitted purpose of discussing personnel.** – No formal action was taken by the Commission.
- (10) **Adjourn.** – Vice-chair Normile asked for any additional comments and with no additional comments forthcoming, the meeting was adjourned.