

Shore Protection Manager

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CARTERET COUNTY BEACH COMMISSION MEETING

Minutes

Emerald Isle Board Room (in person with spatial distancing - COVID-19 Precaution)

Remotely via Carteret County Zoom Account (<https://carteretcountync.zoom.us/>)

February 16, 2021, 2 pm

Attendance.

Commission Members A.B. "Trace" Cooper (*ex-officio*, past chair), Jim Normile (vice-chair), Harry Archer (remotely), Larry Baldwin (remotely), John Brodman, Larry Corsello, Jimmy Farrington, Mike Luther, Danny Navey, Tom Rule, Woody Warren, secretary Greg Rudolph, and the general public. Member Douglas Guthrie was absent.

- (1) **Call to Order.** – Vice-chair Normile called the meeting and requested the secretary to take a roll call of those Beach Commission members in attendance (either live or remotely).
- (2) **Approval of Minutes - Regular Beach Commission Meeting (November 16, 2020).** – Vice-chair Normile asked the Commission if there were any corrections, additions, or comments regarding the November 16th regular session minutes presented in the agenda packet. With no comments forthcoming, member Corsello subsequently made a motion to adopt the minutes as presented, which was seconded by member Rule and unanimously approved.
- (3) **2021 Beach Commission Officer Elections.** – Vice-chair Normile requested the secretary to review the ground rules of the election process as detailed in the agenda. Secretary Rudolph continued that per the Commission's by-laws, any Commission member is permitted to make a nomination for the chair and vice-chair positions that possess a one-year term, and these officers are then elected by simple majority of the Beach Commission members in attendance during the first meeting of the calendar year. As a note of conjecture, unfortunately but understandably, Chairman Cooper elected to step down from the Beach Commission altogether at the end of his term that just expired. Regardless, there are no limits for consecutive terms for the chair or vice-chair positions, and therefore member Normile is eligible to serve once again in the vice-chair (or even chair) position.

With that review in mind, vice-chair Normile opened the floor for nominations for the vice-chair position for 2021. Member Corsello nominated member Brodman and summarized Mr. Brodman's public service including his participation as a former board member for the Town of Pine Knoll Shores, his current service as Mayor of the Town; and Mr. Brodman has been active in attending Beach Commission meetings as well in the past in addition to serving on the N.C. Coastal Resources Advisory Council. With no other nominations, the Commission unanimously approved member Brodman to serve as vice-chair for 2021. The nomination and selection of the

chair followed with member Farrington nominating member Normile, which was seconded by member Corsello and unanimously approved with no other nominations.

* Moment of Appreciation and Plaque Presentation to Former Chairman A.B. "Trace" Cooper – In appreciation for serving on the Beach Commission for the past thirteen years and as the chair the most recent seven years, a plaque was presented to "Mayor Cooper", which was preceded by comments from the secretary and every Beach Commission member in attendance who expressed their thanks and admiration for the leadership, demeanor, and sage decisions Mayor Cooper has provided to the Beach Commission/Shore Protection Office over the years. Of note, the plaque included an aerial, drone photo of beach nourishment in action – although Mr. Cooper is the Mayor of Atlantic Beach, the photo was taken in Emerald Isle and therefore is representative of the "one island" approach the Beach Commission has taken and that Mayor Cooper championed during his tenure as chair.

- (4) Room Occupancy Tax (ROT) and "Beach Fund" Update. – Secretary Rudolph introduced the topic by noting we will dive much 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 included in the agenda packet are the collection reports for October, November, and December. All of which are records for each particular month which as we have discussed before, is an offshoot of COVID-19 and the resultant change to travel/vacation and work patterns regardless of the season (i.e., vacationing restricted to "within driving distance" and remote working). The secretary concluded that our nourishment reserve was slightly over \$28 million at the conclusion of December 2020 – much of that total is borne from FEMA reimbursement the Towns have provided for the Phase II Post-Florence Renourishment Project, and as we will discuss in the next agenda topic, much of this reserve funding will be applied to our upcoming Phase III Project.
- (5) Shore Protection Office Budget for FY 2021-22. – Chairman Normile 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. Also, the Program Summary included in the budget/agenda is a useful resource and would be "the" document to provide to someone if they wanted to see and understand what the Shore Protection Office/Beach Commission does. With this introduction in mind, the secretary introduced the FY 2021-22 budget topic by indeed mentioning the Program Summary that is included as the last 30+ pages of the agenda packet and as mentioned by the Chairman, 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. As what has become customary, the Program Summary is encapsulated in the first three slides of today's slide presentation (1-3), 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.

With respect to revenues from a calendar year perspective; 2020 was a record setting year (\$9,004,643) and was up by +19.6% compared to 2019 (\$7,527,797), and eclipsed our previous year of record in 2018 by +18.1% (\$7,621,797). The Secretary also noted the biggest jump by any

sector in 2020 can be found in the “other” sector that was up by over +165% compared to last year while the hotel/motel and condo/cottages sectors were up by single digits ([slide 4](#)). This intuitively makes sense because there were many visitors making last minute, on-the-fly vacation or remote working/living plans based on the ever-changing COVID-19 situation, which correlated to a massive spike in the other sector for 2020. Thus while individuals and families may have been renting condos/cottages; they were doing so by means of on-line booking resources and fall into the “less than five” category meaning the “other” sector received all the credit if you will. The secretary continued by showing a series of graphs depicting the occupancy tax over time ([Slides 5 – 11](#)).

In terms of expenditures from a personnel standpoint ([slides 12 - 13](#)), we are proposing a \$598,137 budget for FY 2021-22 compared to the \$606,993 FY 2020-21 value across the Personnel, Operations, Contracted Services, and Tax Administration Fee categories (i.e., *sans* Projects). This represents a -1.46% (-8.85%) decrease, which is mostly attributable to (1) a reduction in out-of-County travel costs as COVID-19 precautions will likely persist for a while, and (2) the absence of a one-time \$10,000 cost outlay in FY 2020-21 associated with the preparation of 5-year static line exception plan updates for Atlantic Beach, Pine Knoll Shores, Indian Beach, and Emerald Isle as these reports were required by the N.C. Division of Coastal Management. This decrease is slightly counterbalanced by a small increase associated with an escalation of the Tax Administration Fee, which is commensurate with our projected revenue and an even smaller increase for dues/subscriptions that has been predicated by our membership organizations, publications, etc.

The secretary continued by reviewing the entire budget (now including Projects) from reserve, to revenues (including municipal reimbursements for Phase II and III of the Post-*Florence* Renourishment Projects), to expenditures – the latter of which includes the total outlay for Phase III in our current year (FY 2020-21) – [slide 13](#). We expecting to conclude FY 2021-22 with a reserve level of ~\$16.8 million, which includes all expenditures/reimbursement for Phase III AND a reimbursement the County will need to make to the State (~\$3.6 million). The Commission may remember that we received a total of \$20 million of State funding that could be used to place sand on the beach in excess of the volume we lost because of *Florence*, and had to matched by the County. We simply won't utilize and cost-share the full \$20 million the State provided us and therefore will return the unused portion. Secretary Rudolph discussed this State reimbursement and all the outlays for the Post-*Florence* Renourishment Project (Phases I – III) over the course of the last three slides ([14 – 16](#)), in addition to a forecast of the FEMA fixed-cost funding that will be remaining for Pine Knoll Shores, Indian Beach, and Emerald Isle after the Post-*Florence* Renourishment Project is completed.

Chairman Normile concluded that the Commission will need to approve the “non-Project” elements of the proposed FY 2021-22 budget, which will be submitted to the County Finance Department for the County Board of Commissioners’ ultimate approval. To this end member Farrington made a recommendation to approve the budget as presented for the County’s consideration, which was seconded by member Corsello and unanimously approved.

(6) **Public Comment.** – None.

(7) **Other Business.** – None.

- (8) **March 2021 Meeting Date (March 22, 2021).** – It was agreed upon that the next Beach Commission meeting would be held on March 22nd at 2:00 pm, Emerald Isle Board Room and remotely.
- (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, but the Chair did disclose that he and the vice-chair Brodman will prepare a letter to the County regarding the secretary's job performance.
- (10) **Adjourn.** – Chairman Normile asked for any additional comments and with no additional comments forthcoming, the meeting was adjourned.