



CARTERET COUNTY BEACH COMMISSION MEETING

Minutes
Pine Knoll Shores Town Hall
May 20, 2019, 2 pm

Attendance.

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

- (1) **Call to Order.** - Chairman Cooper welcomed fellow Beach Commission members and the audience, and called the meeting to order.
- (2) **Approval of Minutes – Regular Beach Commission Meeting (February 18, 2019).** – Chairman Cooper asked the Commission if there were any corrections, additions, or comments regarding the February 18th regular session minutes presented in the agenda packet. Member Archer subsequently made a motion to adopt the minutes as presented, which was seconded by Vice-chair Jones and unanimously approved.
- (3) **2019 Beach Commission Officer Elections.** – Chairman Cooper summarized that at the last meeting, he mentioned he would like to step down as Chairman in a year or two, but would like to solicit a Vice-chair who could serve in a dual role including "Chairman in training". To this effect, Commissioner Normile has agreed to serve in this "Vice-chair/Chairman in training" capacity, and Chairman Cooper subsequently requested that if there are no hesitation in doing so, he would entertain a motion to appoint himself (Cooper) and Normile as Chair and Vice-chair, respectively. Several of the Commission members thanked both Cooper and Normile for their service in the past and their willingness to continue serving, which was punctuated by a motion from member Jones to appoint Cooper and Normile as Chair and Vice-chair, respectively. The motion was seconded by member Fortune and unanimously approved.
- (4) **Room Occupancy Tax (ROT) and "Beach Fund" Update.** – Chairman Cooper introduced the topic by noting that based on the numbers provided in the agenda, our peculiar offseason/shoulder season continues in the wake of hurricane *Florence*, which the secretary will explain in more detail. Secretary Rudolph continued (see [Slide 1](#)) that our 1st quarter of the calendar year (2019) or 3rd quarter of the fiscal year (2018-19) included the months of January, February, and March; which were up 53.4%, +4.5%, and +23.8%, respectively compared to the same months in the previous year. Collectively this equates to a +24.6% increase for the quarter (\$561,767 - 2019 vs. \$450,737 - 2018), resulting in an additional +\$55,515 applied to the Beach Fund compared to the same quarter in 2018. With respect to the fiscal year, we are 9 out of 12 months into FY 2018-19 and we're up by +2.99% compared to this same point in time in FY 2017-18. Of course we budget +3%

as an annual growth rate, so we're right on track. Granted while the most recent quarter's results are impressive, the month of July alone can yield \$2 million – 4 times as much than in the 3rd quarter of the fiscal year.

The secretary continued that as we have been discussing for months now, although the total inventory is lower compared to last year; construction workers and displaced families have been filling whatever inventory is available which has obviously bumped our occupancy tax revenue way up in the winter months. On the converse however, there is less inventory available now in the summer that can't accommodate the same amount of visitors we usually experience in June, July, August, etc. Chairman Cooper added that our fiscal year almost splits the summer in half, so it makes forecasting even more difficult. We are still forecasting a +3% growth rate for FY 2018-19, which concludes on June 30, 2019; and then a +1% growth rate for FY 2019-20 (July 1, 2019 to June 30, 2020) to reflect the inventory/occupancy issue we just discussed. And lastly, the secretary reported the nourishment reserve (Beach Fund) value was ~\$21 million at the end of March and before any transactions associated with the Post *Florence* Renourishment Project (Phase I) was executed. This is an important number to remember as we discuss the second phase of the project later in the agenda.

- (5) **2019-20 Beach Nourishment Planning Discussion.** – Secretary Rudolph discussed the outline for a [presentation](#) he and the team of Moffatt & Nichol (Johnny Martin, Sam Morrison, and Nicole Vanderbeke) would be providing today, which is detailed in the agenda packet as well. The overall goal of today is to; (1) review what went right and what improvements can be made with respect to Phase I of the Post-*Florence* Renourishment Project, and perhaps more importantly, (2) constrain what the Phase II nourishment plan should entail understanding the FEMA reimbursement (both the dollar amount and timing) is still in flux. Our goal is to get sand on the beach “somewhere” and complete the project “somehow”. If we want to construct a project next winter, then we need to get the bid out the door here in a couple of months and again we need to reconcile our funding and bid structure today in order to provide the correct guidance to Moffatt & Nichol.

Mr. Martin initiated the presentation by providing a timeline for the Phase I project that was just completed along the shorelines of Indian Beach/Salter Path (unincorporated area) and East Emerald Isle. Dune planting has also begun and should be completed by sometime in July ([slides 2 – 6](#)). Secretary Rudolph continued by summarizing the design of the Phase I project and concluded by detailing the final estimated cost ([slides 7 – 11](#)). Mr. Morrison followed by reviewing the lessons learned and what improvements can be made ([slides 8 – 18](#)).

With respect to lessons learned and other observations, Member Guthrie asked what the protocol was with respect to sand fencing – both in terms of location and installation procedures. The secretary replied that if certain installation guidelines are followed, then the CAMA Local Permit Officer can approve the sand fencing. Now with respect to where, the property owner in theory can place the fence anywhere on the beach really. We have been discouraging property owners from installing sand fencing too close to the water – if at all. Any sand fencing that is installed should be placed on the dune crest and AFTER the mechanical dune planter has passed by. But the reality is different despite our best efforts. Member Fortune asked if property owners can bulldoze sand. Secretary Rudolph responded that the answer is no unless they get a CAMA permit, which is usually only allowed after a storm and many Towns (such as Pine Knoll Shores) have ordinances forbidding bulldozing altogether.

The next segment of the presentation regarded funding, which Secretary Rudolph summarized to the Commission ([slides 19 – 21](#)). In general, the nourishment reserve will be at a level of \$12 million once the Phase I project is completely invoiced and this upcoming summer's occupancy tax receipts are collected. Using the \$12 million as a base, then matched in a 75% Reserve – 25% Town formula; this equates to \$16 million in hand (\$12 million reserve + \$4 million Towns). And lastly we're hoping for \$3 to \$5 million to be awarded by the State via S.L. 2018–138. Collectively this equates to \$19 - \$21 million available for the Phase II. That's not enough to nourish all the areas we would like but from a contracting standpoint, we can structure a "base + option" bid, whereas the base is what we have in hand (financially speaking) and the option is the rest and would only be awarded once FEMA notification is received. To this end, the secretary yielded the presentation back to Mr. Martin who subsequently reviewed the geographic ranges of the base and option reaches ([slides 22 – 27](#)).

The base bid zone would include Pine Knoll Shores and Emerald Isle central – the latter would basically extend the Phase I project westward for a few 1,000 linear feet and includes ~1.2 million cubic yards in total. The option would include "the rest" – Emerald Isle west and the remaining portion of Emerald Isle Central, west Atlantic Beach, and the hole in Salter Path (~1.45 million cubic yards). Member Fortune asked if we have enough sand for these and future projects in our borrow sites. Mr. Martin responded that we do and that was the goal of the Master Plan (i.e., to identify sand resources for the next 50 years). Mr. Morrison continued the presentation from this point detailing three procurement strategies with the goal of course being to increase competition ([slides 28 – 30](#)). We will almost certainly host an "industry day" teleconference with the dredging companies prior to the release of the bid solicitation – again hoping to generate interest and competition. The Beach Commission ultimately voted unanimously to pursue option 2 via a motion by Vice-chair Normile and second by member Jones. Option 2 is to award the base bid this winter (2019 -20) with a completion date of April 30, 2020 with the flexibility to award the option anytime in winter 2019-20 or before winter 2020-21. And lastly Mr. Martin concluded the presentation by outlining the regulatory/environmental loose-ends that will need to be addressed going forward ([slides 31 – 34](#)).

- (6) **Public Comment.** – None.
- (7) **Other Business.** – None.
- (8) **June 2019 Meeting Date (June 24, 2019).** – It was agreed upon the next Beach Commission meeting would be held on June 24th at 2:00 pm, Pine Knoll Shores Town Hall, or at a later date perhaps depending upon the formulation of the Phase II nourishment bid package discussed in agenda topic #5 above.
- (9) **Adjourn.** – Chairman Cooper asked for any additional comments and with no additional comments forthcoming, the meeting was adjourned.