



## CARTERET COUNTY BEACH COMMISSION MEETING

Minutes  
Pine Knoll Shores Town Hall  
July 8, 2019, 2 pm

### **Attendance.**

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

- (1) **Call to Order.** - Chairman Cooper welcomed fellow Beach Commission members (including member Jones via phone) and the audience; and subsequently called the meeting to order.
- (2) **Approval of Minutes – Regular Beach Commission Meeting (May 20, 2019).** – Chairman Cooper asked the Commission if there were any corrections, additions, or comments regarding the May 20<sup>th</sup> regular session minutes presented in the agenda packet. Member Corsello subsequently made a motion to adopt the minutes as presented, which was seconded by member Fortune and unanimously approved.
- (3) **Room Occupancy Tax (ROT) and "Beach Fund" Update.** – Secretary Rudolph immediately noted the May occupancy collection report was received hours after the agenda packet was e-mailed to the Beach Commission; and therefore the next two summary slides ([1 & 2](#)) have been made current through May, not April as provided in the printed agenda. That issue notwithstanding, while the April 2019 collection was down by -18% compared to the April 2018 collection; the May 2019 collection was up by an eye-opening +77% compared to the May 2018 collection. It is obvious some of the weekend collections in the early or latter stages of the months are getting parlayed into the previous or following monthly collection reports. Thus while the May numbers are impressive it would not be surprising if some of the June collection has been weaved into the May report, and accordingly we could see a slight dip in June – or something to this effect. Regardless, the occupancy tax is up by +5.7% for the fiscal year with one reporting month remaining and is up by +24.8% through the first five months of the calendar year. Chairman Cooper added that we should brace ourselves for a slight dip in collections over the summer as we have discussed – there's not enough inventory this summer in the wake of hurricane *Florence* to accommodate the same or more visitors that traditionally spend their summer vacations along Bogue Banks/County. But hopefully this will be just a little dip and we will be fully recovered next summer (2020). Secretary Rudolph continued our best estimate of the nourishment reserve value was ~\$10 million once we take our revenues/expenditures current through May 2019 and the costs associated with the Post-*Florence* Phase I Project through June 30<sup>th</sup> – [slide 2](#).

- (4) **2019-20 Beach Nourishment Planning Discussion II.** – Chairman Cooper introduced the topic by noting that at our last meeting, we established a nourishment plan moving forward balancing the cash we have in hand with potential FEMA fixed-cost funding, but the State’s recent award to the County totaling \$15 million has changed our thinking on how to sequence the project and therefore our bid strategy as well. Secretary Rudolph consequently introduced the team of Moffatt & Nichol (Johnny Martin, Sam Morrison, and Nicole Vanderbeke) who along with the Shore Protection Office would be providing the presentation today ([Slides 3 - 21](#)).

Mr. Morrison initiated the presentation by reviewing the Phase I Project that was just completed and transitioned to our path forward for Phase II. The Phase II effort was envisioned to utilize a “base + option” format – basically the base represented what cash reserves we had in hand to perform beach nourishment and the option would be awarded only if FEMA fixed costs were awarded. Geographically, the base included Pine Knoll Shores and Emerald Isle Central, with the remainder as the option (Emerald Isle West, Slater Path State oceanfront, and Atlantic Beach West). Now with the State funding that has been awarded and reviewing the most recent survey data, the base and option areas have been changed; AND there are four different scenarios that have been developed that need to be constrained today so our bid structure can be developed and solicited ([Slides 3 – 7](#)).

The secretary subsequently discussed the funding we have in hand that again with the State funding has jumped from ~\$21 million to ~\$31 million total for the base year of Phase II. Importantly, the State funding requires a 1 to 1 local match AND the State funds cannot be used to reimburse the grantee for sand that is federally reimbursed. Hence our focus has shifted to the areas of Bogue Banks that are FEMA engineered and/or areas that require more sand along the FEMA engineered beaches than *Florence* took away – at least for the base year of Phase II. For the option year, the secretary took the funding just discussed and meshed that total with the funding that would be possible if FEMA fixed-cost is awarded. This represents that maximum project if you will (~\$100 million). And lastly, the FEMA fixed cost-funding program allows the municipalities to keep any funding that is not spent on beach nourishment (as long it is only used in the future on eligible “category G” projects). So with these points established as our ground rules, we have developed 4 scenarios that range to spending the least amount of money, to leveraging all or part of State funding, to spending everything (all local, State, & FEMA funding) – [Slides 8 – 10](#).

Mr. Martin continued the presentation by summarizing the four different scenarios ([Slides 11 – 21](#)), which Mr. Martin added was a task in itself (i.e., limiting the scenarios to just four). The ground rules in developing the scenarios included; (a) keeping the base year to ~\$31 million to maximize the State funding received (with the compulsory 1:1 cost-share), (b) FEMA fixed cost is still an uncertainty (if and when), and (c) regardless of the funding source, select the areas in the most need of sand. The non-FEMA engineered beach zones are eligible for State/local cost sharing and also will be considered “engineered” after the Phase II effort (Atlantic Beach West, State Salter Path, and the area of Emerald Isle West known as Bogue Inlet Ocean). In fact these non-FEMA engineered beach zones in addition to the sand in excess of what was lost to *Florence* in Pine Knoll Shores generally compromises the base bid in all four scenarios. Scenario 1 and 2 have the same base bid and encompass a larger geographical footprint in Emerald Isle West/Bogue Inlet compared to the base bid in Scenarios 3 and 4. The options for all four scenarios are different.

Member Corsello asked if we had a cost break down for each of the Towns. Mr. Martin and secretary responded that we do but it is complicated and should be considered more of a range – each scenario has a different State, County (nourishment reserve), FEMA, and Town match for the base bid and the option so again it can get cumbersome and we can discuss the ranges for Pine Knoll Shores after the meeting. Member Corsello replied that he understood and expressed his appreciation for going through scenarios in the level of detail that we did. Chairman Cooper added that in general, any sand that will not be FEMA reimbursed/fixed cost is a 50% State; 37.5% Nourishment Reserve, and 12.5% Town cost (i.e., “75% County – 25% Town” split). Member Baldwin asked if we had enough sand in our borrow sources for this work, which was subsequently answered by Mr. Martin – there is 10 million cubic yards permitted just for this Phase I and II effort, and our maximum under any scenario is~ 4.5 million cubic yards. Thus no problems.

Vice-Chair Normile speaking as one of Emerald Isle’s representatives on the Beach Commission disclosed that he preferred Scenario 2 because it would maximize the footprint in Emerald Isle West/ Bogue Inlet in the base year and that is a good safety net if FEMA funding does not come to fruition – that’s a critical area of the beach. Scenario 4 (exhaust all funding sources) is a bit of an overkill and we should be a little more frugal. Of course then Scenario 1 is not enough. Chairman Cooper added that one of the strengths of the Beach Commission is that we really do take an island wide approach and this is a good discussion – i.e., weighing more coverage in Emerald Isle West/Bogue Inlet Ocean (Scenario 2) vs. maximizing all State funding (Scenario 3) and getting Bogue Inlet Ocean covered in the option years. The Commission and Moffatt & Nichol discussed ways of perhaps bidding Scenario 3 project in a manner that can also get some sand in Bogue Inlet Ocean (i.e., changing the fill densities in all the reaches to accommodate this, or add sand to the contract if a lower bid cost is received, etc.). Vice-chair Normile subsequently made motion to proceed with Scenario 3 with whatever small changes the engineers can make to get sand into the Bogue Inlet Ocean reach. The motion was seconded by member Corsello and unanimously approved. Chairman Cooper added that it should be understood that if the FEMA fixed-cost is awarded, then the Beach Commission also approves exercising the option for Scenario 3 as well. The Commission agreed by consensus.

- (5) **Public Comment.** – Ted Lindblad (audience/Pine Knoll Shores resident) asked if the Commission was pursuing any studies that could say one way or the other whether if nourishment is negatively or positively impacting rip currents. The secretary and Chairman replied that there are so many other factors that play into water rescues that it would be almost impossible to prove one way or the other (e.g., more visitors at the regional public accesses equate to more rescues, public education, human behavior, etc.).
- (6) **Other Business.** – None.
- (7) **August 2019 Meeting Date (August 26, 2019 or TBD).** – It was agreed upon the next Beach Commission meeting would be held on August 26<sup>th</sup> 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 #4 above.
- (8) **Adjourn.** – Chairman Cooper asked for any additional comments and with no additional comments forthcoming, the meeting was adjourned.