

**TOWN OF NORTH TOPSAIL BEACH
REGULAR BOARD MEETING
JANUARY 4, 2007
7:00 P.M.**

PRESENT:

Mayor W. Rodney Knowles, Mayor Pro-tem Larry Hardison, Aldermen Richard Farley, Fred Handy, Richard Peters and Daniel Tuman, Bradley Smith, Town Manager, Loraine Carbone, Town Clerk, Robert Kilroy, Attorney

QUORUM:

Mayor Knowles called the meeting to order at 7:00 p.m. in the North Topsail Beach meeting room and declared a quorum present.

INVOCATION:

Rev. Tom Greener, of the Faith Harbor United Methodist Church, gave the invocation.

PLEDGE OF ALLEGIANCE:

The Board of Aldermen and citizens present recited the Pledge of Allegiance.

APPROVAL OF AGENDA:

Manager Smith requested to remove budget amendment #1 since a salary had been coded in the wrong line item. Alderman Farley noted that we are increasing salaries and we need to look at how that occurred. Manager Smith said he would explore that more and get documentation. The zoning map will be removed since we didn't have the workshop.

Alderman Handy moved, seconded by Alderman Tuman approval of the Agenda as amended. The motion passed unanimously.

COMMITTEE REPORTS:

Beach Nourishment – Dick Macartney

Although our Beach Nourishment Committee did not meet in December, the process of beach nourishment did make some significant progress through a couple of important meetings. In addition, I am pleased to report that the grant application for state funds in the amount of \$10,200,000 for beach nourishment was prepared and submitted by Ms. Cox to the NC Division of Water Resources.

On December 18th Mayor Pro Tem Hardison, Shelia Cox, and I attended a briefing of the Alternative Formulation by the Wilmington District of the US Army Corps of Engineers to the regional and Washington DC headquarters of the Corps of Engineers. The two hour presentation which included remarks by the local towns was well received by the superior offices and we are pleased that this step went so well. What was involved was that the plan outlined to construct a sand dune 15 feet high fronted by a 50-foot wide beach berm constructed to an elevation of 7 feet above sea level for 52,150 linear feet for all of Surf City and 3.85 miles of North Topsail Beach was accepted. The next phase will be to release the plan for public comment probably sometime in April. Also the

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Wilmington Office was directed to begin the coordination with State and Federal Agencies for preparing the Environmental Impact Statement.

First costs of this federally cost shared project are currently estimated at \$75,724,000 with renourishment cost at 4 year intervals at a cost of \$11,109,000 each time for a fifty year period. With maintenance the annual cost annual over this time is estimated at \$7,704,000. With expected annual benefits of \$35,719,000 of which \$16,246,000 are hurricane and storm damage and \$16,000,000 are recreation benefits, the project benefit-cost ratio is 4.6 to 1.

With expected progress this project will be constructed over 4 years beginning in 2012. Of course there are still many hurdles to be cleared but it appears there are sufficient funds allocated federally and cost shared by this town and Surf City to sustain the project through September 30, 2007.

Three years ago the three towns on the island established the Topsail Island Shore Protection Commission. The purpose of this group is to pursue beach nourishment for the entire Island working together along with county officials from Pender and Onslow Counties. The group meets monthly and monitors the lobbying efforts of the Washington firm of Marlowe and Associates which helps secure the federal funding required to keep both Topsail Beach's federal project and our joint project with Surf City on track.

At the Commission's December meeting, the group elected a new chair and vice chair allowing Mike Curley of Surf City to take a break from the leadership he has shouldered the past two years. Ms. Mary Meece of Topsail Beach is the new chair and our, Mr. Hardison, is the vice chair, in line to become Chair in 2008. With a change of the political control of Congress today the status of our beach nourishment project can be affected. Presently, according to our lobbying contact, things still look good but they stress that we should schedule our annual Congressional lobbying trip to Washington this spring. Last year Mr. Hardison went and the year before Mr. Handy was part of the Island town's joint effort.

The next meeting of the Beach Nourishment Committee is scheduled for Wednesday January 17th at 6:30 PM. However, I understand that later this evening the board will discuss if they desire to disband the committee.

Hopefully the decision will be in favor of continuing the difficult process of maintaining and improving the shoreline of the town's most significant asset. Regardless, I want to compliment the members of the board and the Mayor for the steadfast way they have supported the efforts of the beach nourishment committee over the past several years and especially this past year in which I have served as chair.

Planning Board – Mike Yawn, Chairman:

The Planning Board held our regular meeting on December 14. Actions:

Septic Moratorium – The Planning Board unanimously recommends:

1. To encourage our Board of Aldermen to pressure North Topsail Utilities to meet their commitments.
2. To explore other alternatives for sewer service for our Town.
3. That the Planning Board recognizes that septic tanks are a public safety and health issue.

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- 4. The Planning Board urges the Board of Aldermen to work with the Town Attorney and the League of Government to see if it is possible to have a moratorium on septic systems and create the required verbiage.

Bridge Ordinance

We have concluded that no changes to our ordinances are required. Ms. Hill stated that she will do some research and would write up some procedures and reference the state statutes. Ms. Hill also stated that she would contact DOT and see what the recommendation is as far as having bridges inspected on a regular basis.

Duplexes and PRDs

Our direction is that we should not make any changes until Ms. Booker, the new consultant, reviews the Town Ordinance for inconsistencies and 2006 General Assembly-required changes.

Zoning Map

Mr. Riggs had some concerns about the two access easements serving islands at the north end. These have been added to the map. He also has issues about the zoning districts and accreted land at Sanford Island. As these now reflect the BOA motion of August 2005, to change these would require a challenge. Mr. Riggs understands that.

Other concerns:

- 1. The zoning of lots on and near Goldsboro Lane. These were rezoned in 2003.
- 2. There is one small piece of property in North Topsail Beach that is on the other side of the New River Inlet, as the inlet has shifted south. The zoning map may need to reflect that.
- 3. Rezoned properties with mixed zones (buildable zoning and Con-D) that were 100% rezoned as a buildable zone by Boards of Aldermen...possibly not intentionally, but none the less done so by the wording of the rezoning motions. There are about 6 of these areas. My recommendation (which was Mr. Richter's recommendation, and agrees with the August 2005 BOA motion) is that the most legal way to proceed is to adopt them as 100% rezoned, then if we want to re-zone the portions that really were intended to be left as Con-D, follow the normal process. Mr. Charles Riggs had a question on this. He stated that when he puts a rezoning package together, he includes a legal description of the property. He asked that when there has been discussion on whether a portion or entire tract of land was intended to be rezoned, does the property description in the legal advertisement have any bearing on the interpretation of the Board's motion. This is a good question for our Town Attorney. Attorney Kilroy noted that the statutes of limitations run out on that.

Mr. Riggs also stated that he is concerned about conservation districts. Mr. Riggs had a copy of the 1991 Land Use Plan. He stated that the original Land Use Plan and ordinances for North Topsail Beach allowed for one dwelling for every 3 acres of Con-D. He asked when Con-D zoning was changed to not allow any dwelling except for accessory uses. Mr. Riggs also stated that the 1994 Land Use Plan shows one dwelling for every 3 acres in Con-D. Mr. Riggs stated that since we are looking at the zoning map he also thinks it is important to look at the conservation district rules and if and when they changed. Since then, I have done some research and this was changed in the mid 1990's. The 1998 ordinances on municode on Con-D are the same as the ones we have now.

Also, we have a new opening on the Planning Board, and an opening for a new alternate. The next Land Use Plan meeting is going to be held 1/11 at 5:30 pm. Next Planning Board is 1/11 at 6:30 pm. Flo Archambault is unable to serve and Damon Savas' term will expire in February and we have an opening for an alternate too.

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Mr. Yawn questioned the six month period of time to allow challenges and Attorney Kilroy said that the statute of limitations is two months which was formally nine months.

The Zoning Map Joint Workshop was re-scheduled to Friday, January 12th at 10:00 am. Alderman Tuman felt that an aerial would be good to show the mean high water mark and Mr. Yawn said that it could be a lay over on the map. Alderman Farley felt that they would be running the risk of tying ourselves to a high water mark and Manager Smith said it would be just as an overlay and not part of the official zoning map.

Alderman Farley questioned Goldsboro Lane being rezoned in 2004 and Mr. Yawn corrected his earlier statement and said it was adopted in July of 2003.

Alderman Farley questioned if the easements were private why do we need those easements on our maps. Mr. Yawn stated that these were on the 1992 maps and THEY wanted to be consistent.

Recreation & Appearance Committee – Bill Horstmann

The committee held their regularly scheduled monthly meeting on Tuesday, December 12th at the home of Rose Peters. Yard of the month was awarded to Patricia Moylan at 231 Seashore Dr, for their extensive display of Christmas decorations.

The major topics of discussion were:

1. The Snowflake decorations were praised: for the enhancement they add to the beauty of our town. A recommendation was made and strongly supported that we ask that the snowflakes remain up for an extended period of time past the holiday season.
 2. The committee is very interested in considering some type of community spirited activity. Some ideas were brought up; however it was felt that more discussion and brain-storming should take place at our January meeting. It is our goal to have some type of regularly scheduled activity to gather the people of the town together in hopes of building friendships and a community spirit.
- We are open to ideas and suggestions from the Board and hope that in working together we can make a difference in making improvements in the quality of life for all of NTB's residents.

The committee continues to seek new members to participate in sharing ideas on how to improve the appearance of our town and improve recreational activities. Meeting on 2nd Tuesday of each month at 7:00 PM in Town Hall. Please support our committee by purchasing Dining Guides (Crystal Coast & Carolina Coast) - T shirts or Ca\$h Donations.

Alderman Farley asked if his committee mad a request for some funds and Mr. Horstmann said yes, we put items down that we wanted, for example, plants, lighting, more Christmas decorations at the park, lighting up the walk way on the Gazebo.

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MANAGER'S REPORT:

1. Lydia King, finance Officer, will be out of Town on Wednesdays for the next 6 weeks. Gregg Whitehead, Richland's Manager, called and has requested assistance in the finance area. His clerk Eva is having surgery and will be out for 6 weeks. Lydia will run their accounts payables and payroll for them. We are doing this in the spirit of cooperation with another town. I feel that when we need assistance, Gregg will help us out.
2. I have spoken to Ginger Booker with the Piedmont Triad COG concerning the revisions of our Zoning ordinance. Ginger has reviewed Chapter 7 and is willing to work with us. We will be scheduling at least 4 workshops with the P&Z Board along with the public as we go through this process. I feel confident that Ginger will give us a quality product.
3. I did not attend the Topsail Island Shoreline Protection Meeting due to injury of my back. I will let Larry Hardison update the Board on this matter.
4. Planning and Zoning met and made several recommendations on the septic tank issue. This is an agenda item.
5. Board of Adjustment training was held for all members by Robert Kilroy. This was invaluable training to the members. There were two that could not make the meeting and I will have a follow up training with them in the very near future.
6. Of course we held the Town's Christmas dinner and appreciation dinner for our volunteers at the Atlantis Restaurant. I feel that everyone had a great time and enjoyed themselves. The Town also held a staff Christmas party at Loraine's on the 21st. Again a good time was had by all in attendance.
7. I will be attending the NC City County Managers Association annual meeting in the Triad between February 7-9.
8. The Board needs to set a date for the annual retreat. Available dates at this time are Tuesday, February 6th or Tuesday the 13th starting at 9:00 a.m. Items that need to be discussed are beach nourishment, land use issues and anything else that any member of the Board would like to see discussed. Please get with me immediately so that I may set the agenda for the retreat and get a moderator for the meeting. This needs to be set in February before I and staff begin the 2007-2008 budget process. The Board decided to hold the Retreat on February 6th and 13th at 10:00 am
9. I want to commend Lydia King for her hard work and dedication to the Toys for Tots drive. She headed it up and constantly worked to obtain donations or either money or new toys. We had a very successful toy drive and made a brighter Christmas for many needy children in the area.
10. I met with Bill Horstmann from the recreation and appearance committee to discuss an annual event to help bring the Town together and start obtaining a sense of community. We discussed a possible annual fall festival with a Bar B Q cook-off theme. We will start organizing this almost immediately and would love your feedback in what you would like to see in this area.
11. The next 4 Town Meeting is set for Thursday, January 18th at 6:30 p.m. in Surf City at the Mainsail Restaurant. Please let Loraine know if you can attend.
12. Fire Department is having a volunteer drive on Saturday, January 6, 2007 and we will have a cook-out and we encourage you to stop by.

Alderman Farley asked if staff could look at ordinances of other towns that address large holes on the beach. The holes could be a problem for turtle watchers who walk the beach when it is dark.

OPEN FORUM:

Gary Rowland, 127 South Permuda Wynd, asked if there was a consideration for abandoning the beach nourishment committee. He noted that in the Town Survey that was taken, the number one issue was the beach and sand issue and he wanted to remind the Board of that. He suggested to the Aldermen and

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Mayor that we also have trouble getting citizens involved on committees. We have divergent groups as far as view points are concerned. To even consider abandoning that group now with beach nourishment being our main issue would be unconscionable. Mr. Rowland said that they would pull our representation from the Shoreline Protection Commission too if they did this. We should use the survey to develop its strategic plan so we have an idea of where we are going.

Mike Yawn noted that topics for the Retreat could be NTB implementing recycling, bike path extension and keeping green space for the Town. We have a lot of green space on the sound side and we could do something with the county. Mosquito control on the sound side is a bigger issue and is a health issue.

Dr. Chiang, 3634 Island Drive, said he wanted to reiterate that he didn't think the bond referendum was a manifesto of the owners and voters of NTB. The survey was the exact opposite, but most of the homeowners could not vote and they couldn't change their registration in order to vote. There was no mention of cost sharing. The southern district was only getting 40% of sand and he was uncomfortable as to how to vote, but he did vote for it to protect the future of NTB. We are the only beach that hasn't been renourished. We are going to let the beach die and not do anything about it. The main reason we are undervalued is because if there is no beach no one will come here. If he knew this he would have bought somewhere else, but he enjoys coming here. He said he was surprised we want to undo what we have spent so far. We need more ideas on how to do it. He said he is a doctor and when he tells patients they have cancer he can tell them there are some treatments. He said he hadn't heard good alternatives for beach nourishment. Dr. Chiang asked the Board to be more sensible in this new year. He said he would like to meet all of the Board members on a personal level.

Bob Hale, Old Village Lane said that the people voted the bond down. The committee agreed unless there is outside funding we will not package this project. The ocean district voted it down substantially. He said that he valued everyone's opinion and this is how we voted. He said unless you come up with funding, there is no way retirees like he could afford to pay for this. The bottom line is people voted 79% to vote it down.

CONSENT AGENDA:

The consent agenda consisted of the December 7, 2006 Board Meeting minutes, Department Head Reports, Benefit Accrual Report and Budget vs. Actual.

Alderman Tuman moved, seconded by Alderman Handy approval of the Consent Agenda as presented. The motion passed unanimously.

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NEW BUSINESS

a. Septic Tank Moratorium

Manager Smith noted that the public hearing was not held last month. Instead the P&Z Board discussed this item at their December meeting. They have recognized that septic tanks are detrimental to the health and welfare of the Town particularly during major storm events. They also recommend that the Town move forward with pressuring NTU, Inc. to stay on schedule or even to expedite their proposed expansion schedule. They also recommend that the Town research alternative ways to get sewer capacity for the Town. Finally, P&Z recommend that the Town staff and Town attorney work in conjunction with the League legal staff and the School of Government to draft a moratorium resolution that would stand up to legal challenges. Attorney Kilroy recommend that the P&Z Board conduct a formal well advertised public hearing to obtain both citizen and developer input as well as put into the record of problems caused by these systems. Manager Smith said he knows that this is not fast tracking this issue, but it is a complex legal issue and he knows that no one on the Board wants to intentionally put the Town in a lawsuit that we would lose.

Manager Smith said that the real problem is the above ground systems and a compromise could be if an owner would sign an agreement that when a main line sewer system is in place they would tie in at that time. The attorney should draft a resolution. Mayor Knowles questioned regular septic tanks vs. new peat systems and asked if there was some way we could handle that differently. Alderman Handy noted that those systems are vented and any water would fill them with water so the weight would not let it come out of ground. It is supposed to be safer than the older systems. We need to come up with a moratorium with the exception that a developer make it part of the covenant that the home be hooked up to sewer when it is available.

Alderman Farley stated that the resolution presented at the last meeting said it would be in effect until June 2007 and he assumed we would use that date and asked if that was tied into North Topsail Utilities (NTU) and Alderman Tuman said no. Alderman Farley noted that at their last meeting they approved building ten duplexes where they will pump sewer under the ground; where are we going with this? Manager Smith said that they would tie in. Alderman Farley said that they have been given this assurance before and they have limited application. Septic doesn't allow them to build as big of a home. If we have a long term moratorium then we could look at this.

Alderman Handy stated that when he suggested this he said he wanted staff to draw up a proposal, but they gave it to the Planning Board before he could see it. He said he wanted a permanent moratorium. He suggested that whoever is building property, they should make it a part of their covenant and part of the sale's contract that they will agree when sewer taps are available they will hook

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up. Mr. Denittis questioned at what cost and would it be fair and Alderman Handy said that when a tap is available they have to hook up. Mayor Knowles said that sewer has a franchise area. Alderman Farley noted that it may be cheaper for someone to fine us in court than to get a tap. Allowing septic tanks and forcing people to hook up later on, we could have an event that would cause waste to run through our streets.

Alderman Handy noted that our problem is if someone wants to build with a septic system the county will approve it if it is an approved system. Alderman Tuman said that our ordinance requires you meet minimum lot size. Mayor Knowles noted that in Nags Head they have nothing but septic and they make it look attractive. Manager Smith suggested that they appoint a committee of a couple of Aldermen along with Mike Yawn, staff and the attorney to review this. Mr. Yawn said that one thing you have to do is you have to hold a public hearing and you should set one for your next meeting. Mayor Knowles said that they would have to clarify legal ramifications.

Alderman Peters asked if they could use this to get some leverage over the utility company or as an alternative could they work with Surf City? Alderman Tuman noted that NTU has a very aggressive plan which is twice as aggressive as Swansboro. We need to bring them back here to our next meeting or the March meeting and let them state where they are in this process. Their last report had nothing new to report since they were still in the design phase then, but they should be looking at contracts now. Surf City is expanding its capacity on waste water treatment, but how do we get our collection lines to Surf City since it is a million dollar a mile now and who will pay the fees when they are connected to a service that is serving them. Alderman Tuman said that he has suggested that Stump Sound has needs unsatisfied and we need a strategy whereas we use the expansion for their purpose and take our lines and ship them to Surf City, but we can't have both. Collection lines have been paid down by owners of NTB. Manager Smith said we could start our own system today and take their lines and pay for what we took. If we put in a town system we could cut out everyone else. Alderman Tuman noted that the new owners are sincere at NTU. Mayor Knowles asked if there was any incentive to guarantee them customers. Attorney Kilroy said to phase out septic tanks over time. Mayor Knowles said to demand hook-ups and give them the incentive.

Mr. Horstmann said that he had an understanding that NTU would correct the odor at the pump station and he asked if the Town had any response from them. Manager Smith noted that he wrote them a letter last month to respond to us on that. They need to pump it more frequently. Alderman Tuman said that he would just have to make a phone call and ask them to respond to him and we can appeal to the Utilities Commission. We should post the Commission's number

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on the website. (The number for Consumer Complaints Information is Toll Free 1-866-380-9816 and the website is www.ncuc.commerce.state.nc.us)

b. Beach Nourishment Committee Status

Manager Smith said that this item was originally on the agenda and then pulled because he thought it was about beach nourishment and not specifically about the committee status. Mr. Farley has added this to the agenda for discussion and decision. Does the Board want to keep in place the committee or does the Board feel that the Board of Aldermen can handle this without the aid of a committee. Mr. Smith apologized for any problems that adding this may cause. He has reviewed the Suggested Rules of Procedure for a City Council from Fleming Bell that the Board adopted previously. This is a separate issue and not reconsideration of an already voted on motion.

Alderman Farley said that he personally felt that we have gotten past the point that we need this committee. This committee was set up to respond to citizen's desire to have beach nourishment. After that vote it is not as aggressive as we anticipated and we should place this issue back into the hands of the Board of Aldermen. We get summaries from the committee and he didn't think there was anything in that report that an alderman could provide. He was happy to hear that Mayor Pro Tem Hardison would be Vice Chair of the Shoreline Protection Commission. We have staff to monitor the CBRA project and if the Town continues beach nourishment, the Board can make that decision.

Alderman Farley said that he sees a lack of citizen participation for Beach nourishment and people are not interested. He noted that when the Board holds a meeting they fill this place up and have standing room only when we take an action. There are problems just filling the committee itself and he said he was aware of many who have resigned from this committee and he questioned if they didn't like the way the committee functions. They are not enthusiastic and past members voted against the bond referendum and most are non ocean front. Voters voted against it and the Board of Aldermen should start making decisions exclusively. We could always revive the committee at some point, but he felt there was no benefit of an extra layer of government since they have the expertise. We can either move forward or not and we pay plenty of money to engineers.

Alderman Handy said that he disagreed. Until we get to the point where we could afford it we need to have a Beach Nourishment Committee. Highway 210 has been washed away and the original one is out in the surf. We are losing footage and something needs to be done. Nourishment has been proven to work. Alderman Farley said that is not the issue – does the committee serve any purpose to encourage citizens to support it. The committee only received 75

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positive votes and there is no benefit at this point. Alderman Farley said if this committee is just for public relations, he was not interested in that kind of committee. Alderman Handy said if you talk with Mr. Macartney it is more than that.

Alderman Tuman said that he shared Alderman Handy's thoughts. We have had a committee as far back as 1992 to address beach and dune maintenance. It involved from pushes and maintenance from storms of 1996 to getting ready for beach restoration from a committee level. A Board of Alderman member once chaired this committee and since then it has been on a citizen level and they did a great job to get us ready for the referendum. It wasn't the committee that failed and the bond would have had a better chance if we went with the committee's recommendations instead of the Board's. Alderman Tuman said that he is an alderman, but he didn't consider himself more important than anyone else and he supports the Beach Nourishment Committee.

Alderman Peters noted that the real issue is how we use the committee and what direction do they go in or what direction do they give back to us. The big issue is who is giving the direction to the committee. As a Board we advocated oversight. Alderman Peters noted that he has gone to many meetings and he hasn't seen other Board members there. He said he has not agreed with everything the committee has done, but we need to explore other alternatives and the Board needs to be more proactive. This Committee serves as an escape valve for this Board.

Alderman Peters moved to defer any action on this issue until we have a workshop/retreat regarding the subject of beach nourishment and how we are going to get there and what we are going to do.

Alderman Peters said that the consensus of the survey is that the Town does want beach nourishment. He said he knows the vote, but he felt that until we had it out amongst ourselves, we should not take a motion to dissolve this committee and especially it sets a very poor precedent to the citizens that we don't need it.

Mayor Pro Tem Hardison said that it was unfortunate that we are at this point to disband this committee. He said he was disappointed that it has come this far in order to begin to talk about issues regarding the referendum and regarding the causes for people voting the way they did and causes of how things were done. He said that he felt that he wasn't in the loop in terms of communication by the chairperson of beach nourishment. He said there were times that he heard the Board had agreed to something and he hadn't experienced that. Much of what people felt was that they were led around with the expediency of getting things done without raising questions. He said he could appreciate the amount of work various committee members put in and he wouldn't want this proposal as being

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viewed as a matter of not appreciating it, but we need to take the time to discuss amongst ourselves and determine where we are going to go from here. If it means disbanding the committee, then do so and start again.

Alderman Farley noted that someone said our survey indicated that the number one issue was beach nourishment and that is not so. The idea that there is a divergent group on this committee is nonsense and he was here to take the flack. He disagreed on the idea that it would be a poor precedent to ignore the citizen survey, since wouldn't it be poor to ignore the vote? He questioned the committee being in place since 92 since nothing was brought forward from then. Before the committee was formed in 2000, it was chaired by an alderman and it never got off the ground and then former Alderman Flynn got it off the ground. Alderman Farley said the plan was not the committee's plan - it was Alderman Tuman's plan. He suggested that the difference between .12 and .10 was the key and he didn't think the vote indicated that.

Alderman Tuman said that he liked Alderman Peter's recommendation that in fact we had a referendum and it failed and we need to decide where to go from here and we will do that at a workshop. How do we want the committee to serve the town, how do we help them know what the Board's sentiments are? He said that he suspected the committee would welcome support from the manager, Mayor and Board to help them do their job. Like any other plan it changes over time - like a terminal groin in concert with legislature. There may be merit in buying a little dredge to do maintenance, but let the committee and staff explore options since it is derelict not to do anything.

Alderman Handy said a main concern is one of outward appearance. He said that he has received emails that they agreed with beach nourishment but they didn't agree with the funding. It will send out negative signals to outside agencies if we voted down this committee. We need to send out the message that we are not opposed to beach nourishment. It is not good for public relations.

Alderman Peters said that each individual needs to set priorities on how to accomplish beach nourishment and we need an agenda. The first item should be how we are going to approach public officials to finance beach nourishment. In this meeting we have to outline priorities and financing should be the number one objective. If we don't get funding we don't go anywhere and he proposed that they meet next week on this. Alderman Farley questioned Alderman Peters making a motion to postpone it and he said they should vote on it. You are telling the public that you are going to disregard their vote.

Alderman Tuman said that we have a big challenge and the path we were on led us to failure. We need to establish a dollar amount that is affordable and compare it against the total cost of the project and then determine a diplomatic

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approach to get that amount. We need to define a plan that the Town will support.

Alderman Farley moved, seconded by Mayor Pro Tem Hardison to disband the Beach Nourishment Committee and to move all activity to the Board of Aldermen.

The motion did not pass with Aldermen Handy, Tuman and Peters voting nay.

OPEN FORUM:

Tom Leonard, 218 Coastal Drive noted that the two cents on beach nourishment was misinterpreting the vote since we didn't vote down renourishing but just how we would pay for it.

Jerry Convy, 20 Porpoise Place said that this vote was not against tax districts or beach nourishment but it was the money. He said that the Mayor and Board did not solicit funds and he felt that Mr. Macartney did a great job. Our elected officials have not gone to the state or county. Get us funds before it becomes a viable bond referendum. He noted that his wife sent an email to them regarding CBRA zones and they need to address that at their Board Retreat. Mayor Knowles stated that they had CBRA representatives here last year and there is something positive going on and we have contacted our legislators. Mr. Convy felt that nothing was being presented by the Board and said that we need the money first. Alderman Tuman said that they had initiated an effort under former Manager Don Betz and Alderman Godwin and he suggested that they resurrect that. He said that they had appealed to Fish and Wildlife on the CBRA designation on River Road and we need to follow up on that. Alderman Farley said that they have gone to the state and to the county and they are in contact with them. The idea that no one has done anything is not true. Mr. Convy said that hearing about this grant was the first time he knew we were working with the state and Alderman Farley said that they went to the state last year and met with the Department of Water Quality.

Alderman Tuman noted that they also went to the county and made a presentation and we were looking for a return on the tax dollars that we provide. We received \$200,000.00 with the promise that they will respond to our requests and needs once this Town takes a position that it wants beach nourishment. He thought that they needed to discuss how to overcome that next time. We took the initiative to ask for a change in the way that the sales tax is distributed and to do it on an advalorem basis. Alderman Tuman said that this Town won't go anywhere unless our manager is in concert with the Mayor to take the initiative. Alderman Handy said if they receive citizen's opinions they will know what they need to get their vote, but they need to do the ground work first. This has been

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done over and over again. The county has said numerous times that they would give us money if the Town does beach nourishment. Jerry Convy said that they need commitments from the state and county.

Mike Yawn said that he agreed with Bob Hale in regard to outside funding and with Dr. Chiang that they treat every area of the beach fairly. His concern was that we are delaying decisions on going forward on spending money now with consultants and town employees. CPE said we have 6 to 9 months to delay the project and we wouldn't lose the money, but we have to stop spending now. Manager Smith noted that they are not spending money on any new projects or new expenditures.

Dr. Chiang asked how did Emerald Isle do it, they got funding from the state and federal and why were they able to do it and he was told because they are not in a CBRA zone. Alderman Farley said that they did not get funding for their first project and they funded it themselves. They did get some state money when they went over budget. Dr. Chiang noted that Hawaii is willing to pay to renourish their beaches and the state is willing to pay for tourism there. Congressman Walter B. Jones should help us. He said he couldn't believe that Savannah got Congressman Jones to help them and he can't help us.

Gary Rowland, 127 S. Permuda Wynd asked why could Topsail Beach and Surf City get more support from the state and he was told that they are in a different county. Alderman Farley noted that Surf City is not in a CBRA zone. Alderman Tuman said that Topsail Beach did get some money from the state. Terry Leonard, 218 Coastal Drive asked if there was a permanent solution to water line breaks on their street since Coastal Drive has had six repairs. Alderman Tuman said that they have had rapid responses from ONWASA, but if they have an overload it will run. We have a very primitive water system and problems with shifting sands and tubing cuts and it's a service problem. There are no plans to redo the redistribution line. Alderman Tuman said that he has a workshop next week and he will challenge the service department. Mrs. Leonard said that the other problem is the way they repair the road with irregular patches and Manager Smith said that they would look into that.

ATTORNEY'S REPORT:

Attorney Kilroy had nothing to report

MAYOR'S REPORT:

Mayor Knowles wished everyone a Happy New Year and he was looking forward to a better year.

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ALDERMEN'S REPORT:

Alderman Handy said if they wanted an answer to their tax problems they could vote that all the land that is empty be put in commercial, if not, they need to figure some way to work around the taxes.

Alderman Tuman, Peters and Mayor Pro Tem Hardison wished everyone a Happy New Year.

ADJOURNMENT:

Alderman Handy moved, seconded by Mayor Pro Tem Hardison to adjourn the meeting at 9:14 p.m. The motion passed unanimously.

Minutes prepared and submitted by Loraine M. Carbone, CMC, Town Clerk.



Mayor W. Rodney Knowles

2/1/07

Date Approved

**TOWN OF NORTH TOPSAIL BEACH
JOINT WORKSHOP ON ZONING MAP
BOARD OF ALDERMEN AND PLANNING BOARD
JANUARY 12, 2007
10:00 A.M.**

PRESENT:

Mayor W. Rodney Knowles, Mayor Pro-tem Larry Hardison, Aldermen Richard Farley, Fred Handy, Richard Peters and Daniel Tuman; Planning Board Members: Mike Yawn, Sue Tuman, Damon Savas, Gary Rowland, Don Martin; Bradley Smith, Town Manager, Loraine Carbone, Town Clerk, Deborah Hill, Planning/Zoning/CAMA Officer

QUORUM:

Mayor Knowles called the meeting to order at 10:00 a.m. in the North Topsail Beach meeting room and declared a quorum present.

Mike Yawn said that one issue is the jut out in the Surf City town line. It does match Surf City boundaries and it has accreted in the canal. This property is taxed in Onslow County and he thought they should leave this alone since it is not an issue. The next one is Sanford Island and they have drawn this up and it matches the stack of 34 properties. Mr. Riggs felt it should have more R5 there. The other issue Mr. Riggs has is the area shown over the water and it has accreted now and he may have to appeal that one. Mr. Riggs looked at the 82 and 92 maps and he is also concerned about the area under the water and he wants that shown on the map and it needs to be zoned and shown ownership.

Mr. Yawn noted that another issue is Goldsboro Lane and the actual rezoning amendment and motion that occurred. There are 18 different tax parcels and it doesn't say which lot is R5 or R10 and the map isn't mentioned in the motion and the motion is vague. It is R10 in the Onslow County GIS data base and Mr. Yawn recommended leaving that as it is on the map today as R10 and if someone wants to repeal it they could. Alderman Farley said it could have been that R10 was the argument to rezone it to R20.

Mr. Yawn noted on another property it was only intended to rezone a portion and leave the rest Conservation District (ConD) and the way the motion was stated it doesn't say that. The property that is owned by Otha Herring does the whole property and this was brought up in 2005. Mayor Knowles said that the front of the property went from R10 to R20 with the remainder being ConD. When the property was rezoned it came out as "no zoning", which we can't have. The Board acted on incorrect information. Mr. Yawn noted that the way the motion was worded it wasn't ConD and we have to go with the actual motion even though it was a mistake and it was intended as ConD. Property owners could come back to dispute it. We need to do it all as R20 and to immediately rezone the back of it to ConD. There are other properties like that.

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Alderman Tuman said that they could change it the way they want it and the way it was intended and hold a public hearing prior to adopting the map. Mr. Yawn said that they would have to identify all the property owners.

Manager Smith noted that when the motion was made it was poorly worded and when the Board approved it they adopted the minutes and then they had 6 months to change it and that has now passed. The proper way is to leave it and do a rezoning and go back and justify that it was a mistake. Alderman Tuman said to do them all at once and hold a hearing. Mr. Yawn said that Ms. Hill's hands are tied right now without a current zoning map and Alderman Tuman suggested that they identify those things that are not correct and at the next meeting hold a public hearing and adopt it. Manager Smith said that they couldn't call for a public hearing at a workshop, but they could do that at the February meeting. Mr. Yawn noted that the Planning Board has to hold a hearing first.

Alderman Peters asked if they could determine where the zoning changes were and Mr. Yawn said that they had to go through the list of properties. It is proper to adopt the map as it is and then rezone it. They could rezone it like the 92 map and put ConD back. Alderman Farley noted that once you mention the parcel number then that is the problem, so whatever Mr. Minshew had asked us to rezone the Board did that. Mr. Yawn said that Mr. Richter told them that unless a specific portion was to be rezoned one way or another, the fact they said "property" means the whole property. Alderman Farley said that they were supposed to give them a map of what they wanted rezoned and Mr. Yawn questioned if the motion determined that. Alderman Tuman said that the Board has the authority to do less or more than the original request. The way it was recorded, the Board rezoned the entire lot. Alderman Farley noted that recording is administrative. Alderman Tuman said they are basically going back and changing it to the intent of the Board to what the original request was. Manager Smith said we would have to do it legally since they could come back and challenge it and take the minutes to court. Alderman Farley questioned if someone requested something to be changed and we voted yes he didn't know where you could expand on that further. Alderman Peters asked if the minutes were a literal interpretation and Manager Smith said yes, but a motion didn't identify the sections of the property.

Sue Tuman noted that because of these problems they now have a form determining the area of the property to be re-zoned. Alderman Farley said if they didn't ask us for it why were they given more than what they asked for. Mrs. Tuman noted that a number of properties got rezoned that way but we now have a form that is specific. Mayor Knowles stated that most of these properties were never addressed to be rezoned, but it was just added to the back. Mr. Yawn said that ambiguous motions were made and our consultant and attorney said to do it

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this way and we need to follow processes. At the August 2005 Board meeting the Aldermen said not to arbitrarily rezone these and to follow the process. Alderman Tuman noted that he had made a proposal if we believe that was the intent of the Board and it was an administrative problem, then we need to follow proper procedures now.

Alderman Farley noted that another rezoning at the same location was to rezone Hunter Cove and asked if that was part of the same area at the end of 23rd Street. He also asked how the second rezoning impacted the property we are talking about, where is it and if the description was the same, did we rezone the same properties? If all of it is R20 and some is ConD, we need to look at the rezoning of Minshew's property and the rezoning of Hunter's Cove. It stated Mobile Home and ConD to R20. Alderman Tuman felt there was no evidence of R20 on the map. Mr. Yawn said if you look back at the 92 map, it shows some bit of R20 in ConD space. Some of the ConD may need to be R20.

Mr. Yawn noted that there were four other properties in question. #11 is the one where they had questions about whether the entire depth of these four lots should have been made conditional use R10 and leave the back as ConD. There are houses on all of these lots now and Mr. Yawn didn't think that they would rezone this one back to ConD because of that. Alderman Farley questioned if they were large lots would someone come in and subdivide the remaining lots and reconfigure it later on and he asked if there was any way to control that? Mr. Yawn said it was stated in the statutes; that in splitting acres you could do it repetitively and you could join lots by using a loophole in the statutes. We will have the consultant look into this issue.

#15 - the motion of October 2003 made it R20 for the entire property. Mayor Knowles said for some unknown reason, they were under the false impression that they had unzoned property in town which you can't have. Mr. Yawn said they could go back and take wetlands in the future.

#19 - was rezoned in 02/05 and was donated to the Town as Conditional Use R5 and this may be wrong on the map right now. Manager Smith said in the future they should leave it at R20 and don't put in conditional use.

#21 - was rezoned to R20 but it was rezoned to R15. Padgett Properties is completely R15 but we didn't leave ConD.

Gene Graziosi found a mistake on a lot that is completely R10 and the back half should be ConD. Mr. Yawn noted that our zoning map may not show new lots. Mayor Knowles said if someone has 10,000 sq. ft. and if they want to divide it into two lots they don't have to come to us, but could we be stricter? Manager

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Smith stated that they couldn't stop it, but the property owner could notify us to keep our maps straight.

Mr. Yawn said that based on the maps there is a little bit of the Town that is north of the inlet and Mayor Knowles said it could have accreted. Mr. Yawn said that some of these properties were done administratively and do they have an obligation to notify the owners. Mr. Rowland questioned if they have a moral obligation. Manager Smith said they would advertise a public hearing on the changes that will be corrected. Alderman Tuman noted that any property owner who reads the paper and who reads the website should know that. Someone did buy property under the assumption it was R10 only to discover that it wasn't. Mr. Yawn said they would have to go back to the property owner who sold the property, but if it changed multiple times it may be a problem.

Alderman Farley questioned the property behind the Village of Stump Sound and asked when that was changed since the 82 map doesn't show it and Manager Smith said that the Mylar shows it. Alderman Farley said that he went to Onslow County and looked at their minutes and it was rezoned to R10 but it was R20 and he asked if they could go back to the County records. Mr. Yawn questioned that when the Town adopted the map in 1990 doesn't that supersede what the county did and Manager Smith said that becomes the map when the Town was adopted. Mr. Yawn said if we want to go back to ConD we should follow that process and Manager Smith said we should do it all at once at a Public Hearing.

Mr. Graziosi noted that on #25 Mr. Riggs had problems with it because the area was R5 and you are changing it and he thought there were four more lots with questions.

Manager Smith suggested adopting the map in February and then go through the rezoning corrections and plan on holding a Public Hearing in March with the Planning Board and bring it back to the Board in April.

Mr. Yawn asked if Holland Consulting could have the map updated for the February meeting so the Board could adopt this map then and the Planning Board could hold a public hearing in March and the Board of Aldermen hold a public hearing in April.

Alderman Farley noted that is a two month lag time between when we adopt the map and when we make the changes and what happens with people coming in with projects in the meantime. Manager Smith said that staff could do the rezoning and hold off on it.

Alderman Tuman suggested going ahead with the Planning Board holding a public hearing in February to incorporate the changes and not adopt the map

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until after that and then do it all in March. Advertisement will be done and letters to adjoining property owners will be sent out. Mayor Knowles said to adopt the map in February and they don't need a public hearing and have the Planning Board hold a public hearing in February.

Manager Smith commended Ms. Hill on all of the violations and work she has done.

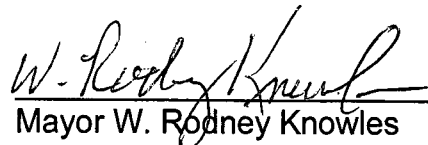
Mr. Yawn noted that he wouldn't be here for the next Board meeting. He said that the Planning Board met last night and reviewed Ms. Hill's procedures on bridges. In regard to the Land Use Plan (LUP) meeting, he asked the Board if they wanted to review the pages they have before it goes to the state and suggested sending it to them by email. The next LUP meeting will be at 5:00 pm before their February Planning Board meeting.

Manager Smith said that the consultant will be at the February 8th meeting and they will have four to five meetings with her as well as phone conferences.

ADJOURNMENT:

The meeting adjourned at 11:30 a.m.

Minutes prepared and submitted by Loraine M. Carbone, CMC, Town Clerk.



Mayor W. Rodney Knowles

2/1/07

Date Approved

**TOWN OF NORTH TOPSAIL BEACH
REGULAR BOARD MEETING
FEBRUARY 1, 2007
7:00 P.M.**

PRESENT:

Mayor W. Rodney Knowles, Mayor Pro-tem Larry Hardison, Aldermen Richard Farley, Fred Handy, Richard Peters and Daniel Tuman, Bradley Smith, Town Manager, Loraine Carbone, Town Clerk, Robert Kilroy, Attorney

QUORUM:

Mayor Knowles called the meeting to order at 7:00 p.m. in the North Topsail Beach meeting room and declared a quorum present.

INVOCATION:

Alderman Handy gave the invocation.

PLEDGE OF ALLEGIANCE:

The Board of Aldermen and citizens present recited the Pledge of Allegiance.

APPROVAL OF AGENDA:

Manager Smith added a Resolution Requesting Legislation that NTB is Added to House Bill 845 (Local ATV Use) and House Bill 2027 (Golf Carts) to the Consent Agenda. Mayor Knowles added a Closed Session after the Aldermen's Report to discuss a personnel matter. Alderman Farley requested that the Planning Board appointments be tabled until next month.

Alderman Handy moved, seconded by Alderman Tuman approval of the Agenda as amended. The motion passed unanimously.

REPORT FROM ONWASA

Alderman Tuman noted that at their last meeting, Mrs. Leonard from Coastal Drive had a concern with the water line failures at the north end and conditions of the streets after repairs. Alderman Tuman introduced officials from ONWASA, David Walker, Director and Frank Sanders, Director of Operations who would address these issues.

Mr. Sanders noted that a month ago he rode the area since he was new to ONWASA and he said it was educational to drive the streets. He looked at the areas of Coastal, Marine, Oyster, Port, Seagull and a section of New River Inlet Road where water line breaks had occurred. He reviewed the maintenance problems and he said that all the leaks have been on the service lines on the main to the meter, but not on the main lines. He said it was easier to make repairs and it holds the costs down. The problem with the service lines is that they have been put in like spaghetti and when pressure changes the lines move. There are shells in the lines causing it to leak. Mr. Sanders said it has become a maintenance issue for ONWASA on a weekly basis sometimes and it is a

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nuisance for them and they want to address it. An aerial photo depicted the problem areas. They want to replace all the service lines, go through where there are houses, and put service lines inside a larger plastic pipe to protect it. The cost of the project is about \$75,000. The asphalt is \$120,000 with a contingency of \$30,000; therefore the total cost is \$225,000. The schedule is conservatively long and they will have to advertise once they have approval of the Board since it is not in the budget now and award the bids in 30 days. It may take up to five to six months.

The problem is how the lines were constructed and the material used and the depth. PVC pipe will replace the lines. A Capital Improvement Project is planned with a pipe line that runs from Highway 210 to the Pender County line. At present is a lower grade plastic than we use and there are problems with the slip joint which causes problems when there are storms. They will replace that line with a new 12 inch line with fusible joints. ONWASA shuts valves when a storm is coming, but this would change that with a better pipe line in that area. They are looking at 34,000 linear feet or 6.4 miles of pipe, at 3.8 million dollars -- to be funded in 2009-2011. The water pressure should remain the same.

Alderman Handy noted that the biggest issue here is the rentals on a seasonal basis, May through September, and he hoped there would be no interruption in service. Mr. Sanders said they would try to do the repairs at night.

REPORT FROM NORTH TOPSAIL UTILITIES

Danny Lassiter gave the following Report:

It has been four months since Rick Durham and Eddie Baldwin last addressed the North Topsail Beach Town Board. (October 5, 2006)

A brief history of our corporate make up was presented and how NTU was acquired. Now owned by AIG, (Insurance Company)

A brief history of the treatment plant was presented. Current approved plant capacity is 873,500 gpd/3.4 mgd at final build out in 2008.

Roughly 6,000 additional taps will be available at build out.

We are behind approximately three months on the plant expansion schedule.

We plan to have the first phase ready for operation by March 2008 and the second phase ready September 2008.

Main Lift Station odor problems:

Since the last update in October of 2006, we have been obtaining quotes and availability of units to scrub the exhaust air at the main lift station.

A unit should be purchased and installed by the end of April of 2007.

NTU is continuing to upgrade existing pumping stations at the rate of 8 per year.

NTU wishes to continue to strive to improve its facilities and to work with the North Topsail Town Board to make this community a safe and pleasant place to live and work.

Alderman Tuman requested that North Topsail Utilities (NTU) notify the manager when they have completed the submission of plans for the expansion. He noted

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that last February, when AIG was acquiring NTU, the estimate was the first expansion would be in operation May of 2007 and now it is March of 2008. Alderman Tuman said that their progress affects the progress of NTB. What was recommended was a good faith agreement, but one year later, it is a concern and we will monitor where you are at. If we continue to see further slips we will go back to the Utilities Commission and ask you to respond why things are where they are.

Alderman Farley asked how many taps have been requested and Mr. Lassiter said there were 400 on the list originally. Alderman Peters noted that he went to their office to sign up for a tap and he was told that the list is not applicable at this time. He was told that the first 80 will be honored and thereafter it would be first come, first served. Mr. Lassiter said that total list will be honored and once the plan is updated then that list will be null and void. Once there is availability you will be entitled to hook up. Alderman Peters questioned the 80 on the list and Lillian noted that the 80 have already been assigned and they will pick up where they left off, but we are not taking anymore names to put on the list. The taps will go to who has waited for years. She said to check back in September and they would have a better idea of allocations. Mr. Lassiter said that they stopped taking names because it was unmanageable and now it is first come, first served. Some tried to sell taps and tried to swap them and it became a nightmare. Lillian noted that the prepaid taps have always been on record and the new list is people who have signed up to get taps now.

Alderman Farley asked if there were any procedures implemented to take care of the little guy and Mr. Lassiter said that individuals will pay standard fees and developers will be asked to help pay for plant capacity. Alderman Farley said that he didn't want the taps to all go to developers. Alderman Tuman thought that one of the agreements was to avoid situations that gave rise to complaints by individuals that someone bought a lot of taps when availability was scarce. The agreement was anyone requesting taps would only receive 8 taps at one time in advance. Once the new capacity comes online, anyone with a prior reservation will be asked to utilize this within so many days and if he is not ready he will lose that tap. Mr. Lassiter said that was correct. Once the reserve tap period is ended then they have the opportunity to tie on, but if they are not ready they lose their guarantee status. We are tripling the size of the plant and an additional 6,000 taps will be utilized. We are making plans for future plants. Alderman Farley asked if a developer wants to come in and subsidize the cost would they get a number of taps and Mr. Lassiter said the 8 taps are for the 400 on the list. Once we have 6,000 taps they could get as many as they want.

Alderman Peters said he was told to call back in 3 to 4 months, but how can he get a tap right now and Mr. Lassiter said to call to see the progress of availability. Alderman Peters asked what their progress was in fulfilling the 400 and Mr.

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Lassiter said once the first phase of the plant is completed – about 14 months. Alderman Peters said for 14 months he would be in limbo. Alderman Farley said he was still concerned with the little guy not getting taps and there will be 900 new homes on Old Folkstone and that could be 1/6 of your allocation. Mr. Lassiter noted there were several developments and they are not providing service since they are treating waste water on site. Alderman Tuman said that the Stump Sound area is an area of big growth with demand for water and sewer. ONWASA has a plan for satisfying the Sneads Ferry area and over the next year or so they will finalize a plan. NTU had an aggressive plan and he hoped they could do that, but they are slipping now. Mayor Knowles said that the odor is there every day and Mr. Lassiter said that they have a plan to correct that.

REPORT FROM THOMAS BEST ON INSURANCE RATES

Why ?

- To maintain the towns' current ISO fire rating of class 6.
- To continue providing substantial savings to the Citizens on fire insurance rates.
- To explain that this is just one part of the DOI Inspection that will impact the Citizens of NTB on their fire insurance rates.
- To enhance the protection of our Citizens Property.
- To Enhance the Life Safety factor for our Citizens and Firefighters.

Life Safety/Protection of Property and Firefighter Safety

- Ability to conduct life saving operations upon initial arrival on scene.
- Currently we will have to wait for additional firefighters before conducting life saving actions.
- Ability to conduct initial fire attack on arrival to reduce substantial property damage.
- Currently we will have to wait for additional fire companies to show on scene in order to conduct property protection operations.
- Ability to follow NFPA standards of 2 firefighters in 2 firefighters out on fire operations.
- Currently we will have to wait for additional personnel to show on scene.

ISO RATING/PERSONNEL

- Currently a Class 6
- Inspected Nov 10 2003 by DOI for minimum rating of 9S, did not meet minimum requirements due to shortage of PERSONNEL. (Still short on personnel as of 18 Jan. 2007)
- Due to high transient population hard to maintain a full roster any length of time.
- Currently have (25) on roster but out of the 25 take away the paid staff (5), out of the (20) left take away (15) of the volunteers who can not show up on every call and we have (5) volunteers who normally will if in the area respond to the calls.
- We have (7) volunteers not military that live in other fire districts.
- We have (8) Marines currently on our roster, (1) is currently deployed and (3) more will be deploying this spring.
- Town does not have a big pool to recruit from, average age of citizens 40 to 70, Marines make up 50% of the department.

Insurance Savings

- Due to class 6 rating, home owners are paying less on their fire insurance rates
- If we cannot maintain the class 6 rating all home owners will have an up to 49% + increase in their fire insurance rates.

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Maintaining Equipment

- The town has a major investment in each piece of apparatus it has purchased.
- Paid fire fighters would enhance the maintenance and general up keep of vehicles and stations alike.
- Fire apparatus has to be operated on a continuous basis to be in a good operational state.
- In the very near future one of our first out engines will need to be replaced due to being over 20 years old and starting to have maintenance and lack of needed seating for firefighters.
- Currently the Chief and Assistant Chief handle the daily maintenance and weekly checks along with the paid staff and volunteers.

Summary

- It was only a matter of time before we were to be inspected (The 10 November 2003 inspection was to ensure that we were meeting the minimum requirements for the 9S rating.
- It will be only a matter of time for us to be inspected for our class 6 rating (been told that all Onslow County fire departments will be inspected in 2008).
- Home Owners will be the ones who will have to pay more for insurance due to loss of class 6 rating to a 9S or class 10 unprotected.
- The town is continually growing, it may not be commercial growth but the residential is enormous and the structures are 3 to 4 stories with 3000 Sq Ft or better.
- We need to realize that we have been fortunate enough not have had multiple structure fires with in the town but we need to be prepared to provide our citizens with the proper protection.
- In all honesty we can not give them the maximum protection they require at this time.

Fire Marshal Best noted that they were put on probation because of the lack of personnel. Jean Miller asked if he has recruited high school seniors and Mr. Best said that during the summertime they don't want to be here. A paid firefighter counts as 3 volunteers. Alderman Peters noted that at budget time they have asked them for more personnel and Mr. Best said they would again. Manager Smith said that they are trying to recruit volunteers with cook outs, etc. Mayor Pro Tem Hardison asked if one paid firefighter accounts for three volunteers for inspection purposes and Mr. Best said that they have to be on a roster that they responded to a fire. If we can get to 10 and augment it by volunteers we will cover it with no breaks. Alderman Handy said that one problem we have is the number of Marines since they are deployed more often. Manager Smith said if it's a fire during the day a Marine still can't help us. There is training on March 10th and Cherry Point is bringing a simulator to do a burn of a partial aircraft.

Recognition of Buddy Godwin:

Mayor Knowles recognized Buddy Godwin for his achievements and that the American Society of Mechanical Engineers awarded him the 2006 Safety Codes and Standards Medal. The Mayor also thanked Mr. Godwin for his contributions to the town in promoting beach nourishment.

COMMITTEE REPORTS:

Beach Nourishment – Dick Macartney

The beach nourishment committee held its regularly scheduled meeting on January 17th.

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The new business for that meeting was the election of leadership for the coming year and formulating recommendations to this board of aldermen regarding the topic of beach nourishment.

The committee did unanimously re-elect the chairman and vice chairman for 2007. That means that I continue as chair and that Becky Bowman retains her position of Vice Chair. After much discussion relative to the motion made and seconded to ban the beach nourishment committee we did have an open discussion as to our advice to the Board.

Succinctly put it would be to **make the care and future of the town's beach resource the top priority for town planning and direction.**

The rationale for this is that there is no other topic that fills this meeting room as does the issue of beach nourishment. It is apparent that the town has not satisfied either the 80% of its residents and owners who want beach nourishment or the 80% of its voters who do not want a \$34,000,000 tax levy for it. So what to do?

Our committee consensus is **MONEY FIRST PLAN SECOND.**

In other words this board needs to find outside funding for a private beach nourishment project to correspond with the federal project already being planned. Given that Federal funding is not available because of the CRBA designation for much of the island that leaves state and county sources for the outside funding. Last month we reported that Ms Cox has submitted a grant to the state for slightly over \$10 MM dollars. That is a start... but the glaring deficiency in our funding picture is the Onslow County reluctance to address our town problem. So the plan to address that must be the first issue for the Board retreat next week.

After money comes prioritizing the planning. Do we scale back the plan to nourish the beach the full length of the town? What do we do about the New River Inlet and the erosion its constant dredging is causing down drift? How do we keep the federal project moving forward given that the local portion of the funding required will be substantial given the initial construction cost of \$75 million? What do we do about the need to continue the permitting process if we want to keep our options opens? What is the decision relative to the consulting firm we have retained for the past several years to give recommendations about coastal engineering issues?

But most of all how to we convince our property owners, residents and voters that we are capable of protecting their properties, and the town infrastructure? Are we looking into alternative erosion control technologies? Are we properly taking stands about the Inlet dredging? Are we properly laying claim to the tax dollars that our town is contributing to Onslow County?

Yes board members there are many facets to beach management. Our committee feels that is indeed incumbent upon this board to direct their beach nourishment committee in the scope and direction you want the town to take regarding its beach. So we are looking forward to your decisions, hopefully soon, about the strategy and tactics for the overriding issue for our town.

Mayor Pro Tem Hardison said that he received an email that Mr. Macartney sent to Shelia Cox and in it he mentioned that he didn't expect we would be dissolved, but it would be nice to have our Aldermanic Liaison defend us rather than to concur with Mr. Farley since he is now the Vice Chair for the Topsail Island Shore Protection Commission. Mr. Macartney said it was his duty and he used "aldermanic" as an adjective. Mayor Pro Tem Hardison said it had quality as a "maniac" and asked why Mr. Macartney would copy him on that email. Mr. Macartney said that he thought it would be nice if he came to their defense.

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Mayor Pro Tem Hardison asked if he heard his preference as to his vote for dissolving the committee and he made it clear that his vote was not for or not against the committee but against the leadership of it. Mayor Knowles suggested that they take this issue up at a later time. Mayor Pro Tem Hardison felt it was not appropriate and it was important.

Planning Board – Paul Dorazio:

Paul Dorazio said that the following is a report that Chairman Mike Yawn prepared since he was out of town for the meeting:

Planning Board met 1/11; went over the proposed private bridge process, and made suggestions to Ms. Hill. Looking at fire trucks and cement trucks that would have to access the bridges. Also had discussions on the zoning maps prompted by citizen input.

Land Use Plan team met 1/11; went over the 72 pages plus maps in the existing conditions section. We had a number of changes for Holland and Associates. Will revisit these on 2/8 at 5:00 pm. After that they go to the state, just to show that we are progressing. Will be sure to get the BOA .pdf files at that time.

They held a workshop with the Board of Aldermen on 1/12; topic was the zoning maps. Several changes were suggested. Plan is to have Holland and Associates update the map and the Planning Board will hold a public hearing at their March meeting on the 5 to 7 properties that are felt to need rezoning due to vague motions by past Boards of Aldermen. Then the BOA can hold hearings on April 5th and formally rezone these within the proper process.

Alderman Farley questioned the amount of bridges and Mr. Dorazio said that they could foresee that because the property is so valuable. Fire Marshal Best said that people are talking about it and there are 167 lots on the two islands.

MANAGER'S REPORT:

1. I have spoken to Ginger Booker with the Piedmont Triad COG concerning the revisions of our Zoning ordinance. Ginger will be here on the 8th of February at the Planning and Zoning meeting. I encourage each Board member to attend this first meeting.
2. I attended the Topsail Island Shoreline Protection Meeting on 23 January. Projects are still on schedule. The Committee also voted to send Mike Curley to the national conference.
3. I did not attend the Planning and Zoning meeting due to attending the COG meeting with Alderman Peters.
4. Board of Adjustment training was held for 2 members by me last Friday afternoon. This brings all members having attended training for Board of Adjustment.
5. I will be attending the NC City County Manager's Association annual meeting in the Triad between February 7-9.
6. The annual retreat is set for Tuesday 6 February starting at 8:30 am. Larry Moolenaar will be the moderator to keep us on track and on point. I will finish the agenda tomorrow and email it to each of you and Larry at the COG. Items that need to be discussed are beach nourishment, land use issues, recreation opportunities, recycling, green spaces, dune protection, an annual festival, and

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anything else that any member of the Board would like to see discussed. Please get with me immediately so that I may finish the agenda for the retreat.

7. I grilled out for the fire department on 6 January. Alderman Farley was present. We discussed ways to get more volunteers and to get better attendance at fire calls. I will be doing this again this month to continue the dialogue between the fire department and management.
8. I attended the Beach nourishment meeting on the 17th. Dick Macartney has already reported on this.
9. I attended the Four Town Meeting in Surf City on the 18th. Mayor Pro Tem Hardison, Aldermen Handy and Peters were in attendance.
10. The Mayors' meeting was held in Richlands on the 24th. Mayor Knowles and I attended. The presentation was given by a local SBI agent on computer crimes and meth labs.
11. I would like to attend the ASBPA 2007 Coastal Summit in DC on March 21st -23rd to help in lobbying efforts for beach nourishment assistance from the Federal Government and to lobby for CBRA designation changes.
12. I will be attending the NCBIWA Conference in Pine Knoll Shores on February 22nd and 23rd.

Alderman Farley asked if the manager researched a sand hole ordinance and Manager Smith said that he did have some examples to show him but he did not have them prepared for this meeting.

Alderman Tuman noted that at the last meeting the CBRA zone designation of River Road was discussed and Manager Smith said he was following up on that. Alderman Tuman requested that the manager have the Town goals for the retreat and the CBRA designation. Alderman Handy requested that septic tanks be on the agenda for the retreat and Alderman Peters said he wanted growth in the Conservation District areas addressed.

OPEN FORUM:

Gene Graziosi said he had noticed the amount of ConD areas in this town and there were more in 1982. One reason you were designated CBRA was because you didn't have land that was developed. You were punished because of that, good argument or not.

CONSENT AGENDA:

The consent agenda consisted of the January 4th and 12th, 2007 Board Meeting minutes, Department Head Reports, Benefit Accrual Report and Budget vs. Actual and a Resolution Requesting Legislation that NTB is added to House Bill #845 and House Bill #2027. Alderman Farley asked when using an ATV is there any liability with officers when not wearing helmets. Manager Smith said he would have to look into that, but that he would require that on the road. Alderman Peters noted that a couple of years ago the Turtle Hospital asked to take an ATV on the beach and they were declined. The Mayor said that this is just for the police department's use. Fire Marshal Best said that Jean Beasley has used an ATV recently on the beach.

Alderman Handy moved, seconded by Alderman Peters approval of the Consent Agenda as amended. The motion passed unanimously

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NEW BUSINESS:**Budget Amendment #1:**

| | <u>Account</u> | <u>Name</u> | <u>Budget</u> | <u>Increase Decrease</u> | <u>Amended Budget</u> |
|-----|----------------|------------------------------|---------------|------------------------------|---------------------------|
| | 10-335-00 | Miscellaneous | \$500.00 | \$300.00 | \$800.00 |
| | 10-335-10 | Misc Permits & Fines | \$300.00 | \$4,500.00 | \$4,800.00 |
| | 10-336-06 | Beautification Donations | \$100.00 | \$1,401.00 | \$1,501.00 |
| (1) | 10-336-08 | NTB Holiday Donations | \$0.00 | \$1,490.00 | \$1,490.00 |
| | 10-336-11 | Special Revenue Plants | \$0.00 | \$745.00 | \$745.00 |
| (2) | 10-348-03 | GHSP Equipment | \$0.00 | \$8,606.00 | \$8,606.00 |
| (2) | 10-348-05 | COPS More Grant | \$0.00 | \$718.00 | \$718.00 |
| | 10-348-08 | Officer Grant | \$6,000.00 | \$11,470.00 | \$17,470.00 |
| (3) | 10-348-09 | GCC Grant - Software | \$0.00 | \$5,172.00 | \$5,172.00 |
| | 10-335-15 | Misc Insurance | \$0.00 | \$445.00 | \$445.00 |
| (4) | 10-335-18 | Hurricane Ophelia | \$0.00 | \$423,559.00 | \$423,559.00 |
| | 10-355-00 | Building Permits | \$23,000.00 | \$700.00 | \$23,700.00 |
| | 10-355-02 | Electric Permits | \$10,000.00 | \$4,000.00 | \$14,000.00 |
| | 10-355-06 | Technology Fees | \$2,800.00 | \$800.00 | \$3,600.00 |
| | 10-355-07 | Re-Inspection Fees | \$200.00 | \$250.00 | \$450.00 |
| | 10-359-01 | Refuse Collection Prior Year | \$1,000.00 | \$300.00 | \$1,300.00 |
| | 10-359-50 | Vacant Lots SWF | \$15,000.00 | \$2,300.00 | \$17,300.00 |
| | 10-359-51 | Additional Cart SWF | \$6,500.00 | \$500.00 | \$7,000.00 |
| (5) | 10-335-13 | Bike & Ped Grant | \$0.00 | \$5,460.00 | \$5,460.00 |
| | | | \$65,400.00 | \$472,716.00 | \$538,116.00 |

Revenues increased by \$472,716.00

- (1) **Donations received for Purchase of toys; Toys for Tots Program (875 toys bought & collected)**

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- (2) Grants received for purchase of Equipment
- (3) Grant received for purchase of software
- (4) FEMA reimbursement for Hurricane Ophelia
- (5) Reimbursement grant awarded during fiscal year 05-06 for pedestrian & bike study; completed fiscal year 06-07

| | <u>Account</u> | <u>Name</u> | <u>Budget</u> | <u>Increase Decrease</u> | <u>Amended Budget</u> |
|-----|----------------|------------------------------------|---------------|------------------------------|---------------------------|
| | 10-410-33 | Departmental Supplies- Govern Body | \$100.00 | \$600.00 | \$700.00 |
| (1) | 10-410-51 | NTB Holiday Donations | \$0.00 | \$1,490.00 | \$1,490.00 |
| | 10-410-58 | Tax Refunds | \$100.00 | \$900.00 | \$1,000.00 |
| (2) | 10-410-90 | Employment Security Commission | \$0.00 | \$7,576.00 | \$7,576.00 |
| (3) | 10-410-61 | Litigation | \$9,000.00 | (\$6,000.00) | \$3,000.00 |
| (4) | 10-420-03 | Salaries-Hurricane Crew | \$0.00 | \$3,920.00 | \$3,920.00 |
| | 10-420-05 | FICA | \$14,410.00 | \$300.00 | \$14,710.00 |
| | 10-420-17 | M & R Vehicles-Admin | \$100.00 | \$300.00 | \$400.00 |
| | 10-420-31 | Gas, Oil & Tires- Administration | \$300.00 | \$600.00 | \$900.00 |
| | 10-420-33 | Departmental Supplies-Admin | \$1,500.00 | \$700.00 | \$2,200.00 |
| (5) | 10-420-45 | Contracted Services | \$30,000.00 | \$27,000.00 | \$57,000.00 |
| | 10-420-54 | Insurance & Bonds | \$35,000.00 | (\$4,000.00) | \$31,000.00 |
| | 10-420-76 | Lease Purchases | \$25,000.00 | (\$1,000.00) | \$24,000.00 |
| | 10-491-07 | Retirement- Inspections | \$2,200.00 | \$300.00 | \$2,500.00 |
| | 10-491-16 | M & R Equipment-Inspections | \$0.00 | \$100.00 | \$100.00 |
| | 10-491-53 | Dues & Subscriptions- Inspections | \$1,000.00 | \$150.00 | \$1,150.00 |
| | 10-491-57 | Miscellaneous- Inspection | \$0.00 | \$50.00 | \$50.00 |
| | 10-500-33 | Supplies for Buildings | \$3,000.00 | \$1,000.00 | \$4,000.00 |
| (6) | 10-500-54 | Flood Insurance | \$31,000.00 | \$6,280.00 | \$37,280.00 |
| | 10-510-35 | K9 Unit Supplies | \$1,500.00 | \$200.00 | \$1,700.00 |
| (7) | 10-510-54 | GHSP Equipment | \$0.00 | \$4,839.00 | \$4,839.00 |

| | | | | | |
|------|-----------|--------------------------|--------------|---------------|--------------|
| (7) | 10-510-56 | COPS More Grant | \$0.00 | \$718.00 | \$718.00 |
| (8) | 10-510-62 | GCC Grant- Software | \$0.00 | \$6,896.00 | \$6,896.00 |
| (7) | 10-510-61 | Officer Grant | \$0.00 | \$4,214.00 | \$4,214.00 |
| | 10-545-17 | M & R Vehicles | \$1,500.00 | \$200.00 | \$1,700.00 |
| | 10-560-73 | Street Repairs | \$0.00 | \$850.00 | \$850.00 |
| | 10-620-12 | Snowflakes | \$3,200.00 | \$160.00 | \$3,360.00 |
| | 10-620-27 | Special Events | \$2,000.00 | \$215.00 | \$2,215.00 |
| | 10-620-73 | Bike & Ped Grant | \$0.00 | \$260.00 | \$260.00 |
| (6) | 10-690-54 | VFIS Insurance | \$11,800.00 | \$381.00 | \$12,181.00 |
| (9) | 10-690-58 | DOI Grant- EMS | \$0.00 | \$9,747.00 | \$9,747.00 |
| (10) | 10-695-00 | DMC Grant- Land Use Plan | \$17,500.00 | \$6,230.00 | \$23,730.00 |
| | 10-695-91 | Planning Board | \$100.00 | \$200.00 | \$300.00 |
| (11) | 10-695-93 | Beautification Committee | \$300.00 | \$3,668.00 | \$3,968.00 |
| | 10-720-83 | Condemned Houses | \$0.00 | \$1,000.00 | \$1,000.00 |
| (12) | 10-999-01 | Contingency | \$104,231.00 | (\$26,667.00) | \$77,564.00 |
| (13) | 10-999-05 | FEMA Funds | \$0.00 | \$419,339.00 | \$419,339.00 |
| | | | \$294,841.00 | \$472,716.00 | \$767,557.00 |

Expenditures increased by \$472,716.00

- (1) Donations received for Purchase of toys; Toys for Tots Program (875 toys bought & collected)
- (2) Monies paid through ESC for Former Employee
- (3) Litigation is reduced to offset other expenditures (current case is coming to a close)
- (4) Project Manager final closeout with FEMA and submitted closeout paperwork
- (5) Additional contracts entered into after beginning of Fiscal Year; \$4500 Zoning Map, \$17,500 re-write zoning, \$5,000 cable audit
- (6) Flood and VFIS insurance renewal higher than anticipated
- (7) Grants from fiscal year 05-06 that were not expended during Federal Fiscal Year

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- (8) Grant received for purchase of software mobile data terminal; offset by revenue
- (9) EMS Grant Received-- Board agreed through resolution to provide matching funds if grant was awarded to EMS (see attached Resolution)
- (10) Grant monies not used during fiscal year 2005-2006 to complete Town's Land Use Plan
- (11) Monies received from donations funding fiscal years ending June 30, 2006 and 2007 (see attached sheet for project list)
- (12) Contingency reduced to offset other line items
- (13) FEMA reimbursement for Hurricane Ophelia- Less Hurricane Crew Salaries & FICA

Manager Smith said that the issue before was salaries which had been coded wrong and there are no adjustments now in salaries except for hurricane related salaries. Highlights are the NTB donations, Cops More grant, grant for software and bike and pedestrian grant. The Fema money is in the Fema line. There is some money left in litigation. Mayor Knowles asked Attorney Kilroy if there were any repercussions with the Litvak issue and Attorney Kilroy said he had a mediation with Attorney Lee Crouch yesterday and they filed a petition for an extension, but have not filed a petition. Manager Smith noted that there was an increase in employment security funds. Contracted services increased because of the zoning map being revised by Holland Consulting and the re-writing of the zoning ordinances and the cable audit.

Alderman Farley questioned the GHSB equipment expenditure and asked if money was spent somewhere else and Manager Smith said they spent part of it last year and the grant was in hand with a notice to proceed and then you could expend the money. The money came in this year.

Alderman Farley moved, seconded by Alderman Handy to approve Budget Amendment #1. The motion passed unanimously.

DRC Contract:

Manager Smith noted that this was the renewal of the contract that we currently have with DRC. Chief Salese helped with the negotiations and they are looking at alternate sites for debris removal. There was a reduction of some costs. Alderman Tuman noted that the county requested to handle unincorporated areas, but they want municipalities to pay the tab to the final destination. He asked what our plan was for getting rid of our debris and Manager Smith said they are working on temporary sites. Alderman Tuman said the impact on our budget would be the ultimate destination.

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Alderman Tuman moved, seconded by Alderman Handy to approve the renewal of the DRC Contract. The motion passed unanimously.

Beach Nourishment Appointment:

Manager Smith said that Dr. Chiang has put in his application to be a member of the Beach Nourishment Committee.

Alderman Handy moved, seconded by Alderman Tuman approval of the Appointment of Dr. Chiang to the Beach Nourishment Committee.

Alderman Farley said he was concerned because several meetings ago Dr. Chiang stood up and made an eloquent speech and he stated he lived in Greenville. Our policy requires that you be a resident in this town. He may be a registered voter but he doesn't meet our standard. Alderman Farley said another concern he had was when we have a need to go to Onslow County for funding and we have someone from Pitt County to make a presentation. Mayor Pro Tem Hardison asked if this wouldn't be true for all committees. Alderman Tuman noted that in his application he is maintaining a residence here and he is a registered voter. Laws in NC state that you can have multiple residences.

Alderman Farley said that ultimately the buck stops here and he does not meet the spirit of the law. Mayor Pro Tem Hardison noted that this issue came up at the referendum if a person is a permanent resident here or not. If we have policies that state requirements then we have to follow them. Alderman Tuman stated that he had lived in Vermont and at NTB, but he was a registered voter here. Mayor Pro Tem Hardison said that we need to be consistent and Alderman Tuman said he meets our requirements.

The motion passed three to two with Alderman Farley and Mayor Pro Tem Hardison voting nay.

MAYOR'S REPORT:

Mayor Knowles noted that the Resort Towns committee is looking at ways that towns can spend their occupancy taxes and they are looking at property tax increases also.

ALDERMEN'S REPORT:

Alderman Farley said that they have good school news in that Dixon won the academic derby.

Aldermen Handy and Tuman thanked everyone for attending.

Alderman Peters said that he and the manager went up to the ECC meeting and Mayor Knowles said it would be good for someone to bring back information to our town.

Mayor Pro Tem Hardison thanked everyone for attending.

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Alderman Tuman said that he was encouraged by ONWASA's response after Mrs. Leonard spoke and he approached ONWASA and was pleased with their investigation and rapid conclusion to address the problems.

Alderman Peters was not satisfied with the explanation on the report of the list from NTU and he asked the manager to follow up on what is going on.

Alderman Tuman said they are obliged to report on new additions to the list and services provided.

Closed session:

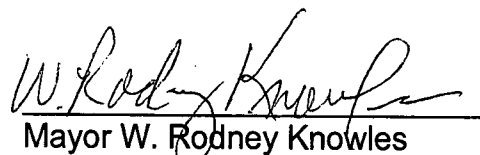
Alderman Handy moved, seconded by Alderman Farley to go into closed session at 9:25 pm to discuss a personnel issue. The motion passed unanimously.

Alderman Tuman moved, seconded by Alderman Handy to come out of Closed Session and no decisions were made at this time. The motion passed unanimously.

ADJOURNMENT:

Alderman Tuman moved, seconded by Alderman Farley to adjourn the meeting at 10:00 p.m. The motion passed unanimously.

Minutes prepared and submitted by Loraine M. Carbone, CMC, Town Clerk.



Mayor W. Rodney Knowles

3/1/07
Date Approved

**TOWN OF NORTH TOPSAIL BEACH
BOARD RETREAT
FEBRUARY 6, 2007
8:30 A.M.**

PRESENT:

Mayor W. Rodney Knowles, Mayor Pro-tem Larry Hardison, Aldermen Richard Farley, Fred Handy, Richard Peters and Daniel Tuman, Bradley Smith, Town Manager, Loraine Carbone, Town Clerk, Larry Moolenaar, Moderator

APPROVAL OF AGENDA:

Mayor Knowles requested that item 3. (Internal day to day operations of Town Hall) be placed between 11. and 12. Alderman Farley asked Mayor Pro Tem Hardison if he wanted it moved. Mayor Pro Tem Hardison said that he hoped number 3. would be up front since he felt it was the most important thing right now. He also hoped that the agenda would not be labored with issues we are struggling with. Alderman Handy said we could end up with that issue and will be able to recap. Mayor Pro Tem Hardison said they had problems because of faults in number 3. Alderman Tuman felt it should be towards the end since this topic is a primary issue to the Board and not to the general public. Mayor Pro Tem Hardison asked what a retreat should be all about since he thought a Board Retreat was to focus on issues that the Board contends with.

Larry Moolenaar noted that the agenda was set unless there is a reason to change it.

Alderman Tuman moved, seconded by Alderman Handy to rearrange the agenda by putting issue 3. between 11. and 12. The motion failed with Aldermen Farley, Peters and Mayor Pro Tem Hardison voting nay.

Mr. Moolenaar noted that his role is to keep the process on track and he will look at the timeframe. This retreat is intended for the Board to work things out and make decisions.

Internal day to day operations of Town Hall:

Mayor Pro Tem Hardison said there were issues with the Board and the Town and how we do our business. He was concerned with the overall management of day to day operations and how staff relates to Board members and vice versa. He felt there were expenditure oversights and he said he has had opportunities to go through two budget reviews/audit reports and both times there was something at fault with the process. Nothing he heard was illegal, but there was something about how we do things that caused thoughts of what are we doing. In regard to Board expectations of the manager and staff there was a point that we were not getting information that we felt we should get. We are dealing with serious issues and many times we ended up with three/two vote for or against. In regard to the Bond Referendum we held, that vote indicated to the public that

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we are not together on things. He felt that they needed to clear the air to open things up amongst themselves.

Alderman Farley felt that they should take advantage of the contracting procedures that the League offers. We need to look at online bidding and reverse auction and it could result in a 10% savings. Mr. Moolenaar asked if the Town has procedures on contracts and Manager Smith noted that they abide by the General Statutes rules. Mayor Pro Tem Hardison noted that his concern was with paperwork in terms of expenditures and signing off on certain documents. Mr. Moolenaar said that Eastern Carolina Counsel (ECC) distributes a lot of grants and they have procedures that they follow. Mayor Pro Tem Hardison said that the bottom line is the Board has been working against itself and we should look at how we are doing things and do better.

Alderman Farley said that he was not happy with the procedures since the town park had an expenditure of \$24,000 to put landscaping in and that is a breakdown in the process. Manager Smith noted that any change orders should come back in front of the Board, unless it is minor, and then he could approve it. He said that his policy is to talk to them about it and he goes strictly by the book. Mayor Knowles noted that was part of the grant and landscaping wasn't put in. Manager Smith said it was an expenditure oversight, you approve the budget, he receives invoices first and stamps approval or we use purchase orders that he signs off on. Checks are signed by Lydia King and Mayor Knowles so we have tight procedures. In regard to the sand contract, the advertising bid language was incorrect.

Mr. Moolenaar asked if they had documentation if it was over a certain percentage. Contracts need to be tighter and the manager implements that, but you need to go back to a source document.

Alderman Peters said that they have questions on how information flows to different body members here without a specific process since various individuals know more than others and there is information swirling around. The use of emails by some seems to serve to distort things. Some decisions are made over email communications without discussion among our Board. Mr. Moolenaar said that there will always be email and the Manager and just two aldermen can't approve a contract. Mayor Pro Tem Hardison said that they are a dysfunctioning body and Mr. Moolenaar noted that they will never get a unanimous vote on everything. You need more procedures or the group is not working together. Manager Smith said that overall, day to day, he is not a micro manager. He stated that in his experience they have an excellent staff here and they are all hardworking employees and it is very easy for him to work with this staff.

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Alderman Farley felt that some of their Board and the Mayor are influenced too much. Manager Smith said that everyone has a right to his time and no one could influence him to break his integrity. Alderman Farley disagreed. Manager Smith said that the Mayor is the higher official and Alderman Farley questioned if the Mayor had any executive powers. Alderman Tuman noted that they were off the issue right now and the concern is that some of the Board is influencing the staff was his point. Alderman Farley said that individuals could be influencing the Town Manager. Alderman Peters said that a lot of emails are about beach nourishment and different viewpoints. Alderman Tuman said from a legal point of view, if he has an opinion he could communicate with an email. Manager Smith suggested that they copy everyone when they email.

Alderman Tuman felt that emails were more convenient than phone calls. Mayor Pro Tem Hardison said that emails are sent to others, and they copy everyone and they can be mean. Mr. Moolenaar said it is human nature; email is more of a record. Mayor Pro Tem Hardison asked the Manager who checks invoices and Manager Smith said three different people. Mayor Pro Tem Hardison asked if there were people authorized to sign certain things and Manager Smith said that he does and Mrs. King or Mrs. Carbone if he is out of town. He said if we were both gone he would appoint an acting manager. Alderman Farley said that when we get our budget we are over on expenditures. We went into contingency and then we go over anyway. Manager Smith ensured the Board that they would know if they will go over.

Mr. Moolenaar said that ECC has procedures with signing and there are never any discussions and the Board has to approve it. Manager Smith said that he could draft a procedure.

Alderman Tuman asked the manager to examine procedures for contracting and budget management and report back to the Board and look to see if there are any inadequacies. We need to adopt procedures that satisfy our needs. We didn't have an amendment at the end of the fiscal year and when the auditor reviewed it he picked that up. Alderman Farley said that they went over budget without their authorization. Alderman Tuman questioned if you go over budget on a line item do you correct it before or after and Mr. Moolenaar said it was ideal to do it in advance. Alderman Handy said the difference with a line item and the department budget is that you could move money within a department. Manager Smith said that line items can go over, i.e., gas. Mr. Moolenaar said if procedures are in place there wouldn't be questions.

Mayor Pro Tem Hardison said it was important to have procedures and more important to make sure that we ensure that procedures are followed. He said that before Manager Smith got here there would be unauthorized people signing invoices, namely, Chief Salese was signing off. Mrs. Carbone explained that

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only happened a couple of times when she could not be here when she was Interim Town Manager and she asked Chief Salese to sign in her absence. Mayor Knowles said that Chief Salese was authorized and Manager Smith said that Mrs. King couldn't do both. Alderman Farley questioned if they authorized it that way and Alderman Tuman asked if they were obliged to authorize that. Manager Smith said when he was in SC he would rotate and authorized day to day issues when he wasn't in. Alderman Handy noted that Mrs. Carbone emailed the Board and she let them know that she would be away and that Chief Salese would oversee Town Hall. Alderman Tuman said they should just make it clear who has responsibility. Mayor Knowles asked Mayor Pro Tem Hardison if he saw anything not right when he signed checks and he said that he sometimes had questions. Alderman Farley said that he was asked one time to sign invoices and there were four or five items that he had questions on such as invoices paid twice, etc. Mayor Pro Tem Hardison asked how far down the line do you go to have someone in charge and Mr. Moolenaar said the Board should decide the pecking order.

Alderman Handy felt that they hire a manager and the manager handles day to day operations. Hiring and firing is up to the Town Manager and hiring and firing the manager is our responsibility. Alderman Handy said that the question of an employee leaving is the responsibility of the manager. Alderman Tuman said if an individual has a specific issue he could go to the manager. He said if he had information that he wanted to share with the manager and he could influence how he does his job he should be able to share that with him and not share it with the Board. There has been some objection that issues presented to the manager have had undue influence. Alderman Farley said take the individuality out of each of us and if one wants to be informed he agreed. Manager Smith said he would give the information to all of them.

Mayor Pro Tem Hardison said if you have a situation where you have a long term employee and that person disappears, wouldn't that be something that the Aldermen should be aware of and everyone knows but you. Mr. Moolenaar said if this is an employee who is third or fourth from the top, then you gave the responsibility to the manager and it could be a judgment call.

Mr. Moolenaar said if you have a procedure in writing and include more information they could smooth things out. Manager Smith said he wouldn't want the Board to influence him if he was letting someone go because of inept work. Alderman Farley said that sometimes we start to be defensive when an Alderman brings something up. As long as a person is not doing something inappropriate, why an Alderman is questioning something is not a problem. We all are defensive. Alderman Tuman said if you want information then you need to go to the manager and request it, but not for personal needs. If he refuses, then it's a Board issue or take it to the Mayor and Alderman Farley asked, why the Mayor.

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Alderman Tuman said he represents the Board and he needs to have discussion one on one, if he is not successful then he brings an issue in front of the Board. The Mayor represents the Board to the community. Alderman Farley said that he didn't see it that way and that each individual is elected and they are given the responsibility to interface with the manager. Alderman Tuman said if you want to by pass the Mayor there is nothing to prevent you from doing that.

Beach Nourishment:

Manager Smith said that they either had to break beach nourishment down or find other means. The State grant application is in and they will have to lobby the county, but if they don't have outside sources it will be voted down again. If we tell the state we are stopping then our grant will not be considered. We need to look at the project as a whole and look at the south end. There could be 10 million we have to put up in today's dollars. That is our share of the south end - and it could be up to 15 million. Alderman Tuman noted that the issues are: a. our contracts that are in progress and do we continue; b. scope of project; c. funding; d. financing; e. allocation of costs; f. separation of responsibilities. We have contractors who are doing the permitting - do we continue or terminate?

We have a lot invested so far and we should continue. Topsail Beach went back and proceeded after they stopped for almost 10 years. Manager Smith suggested that they lay the ground work and don't lose what they have done.

Alderman Peters said that he didn't think we would go anywhere unless we answer who will do what, who will represent this town to go to the state, county and federal for assistance. He said that we need to have our Mayor and Manager get on board before anything is done. Simultaneously, we want something in writing that we will get support, leaving our options open to continue the permitting process. Alderman Tuman noted that this would require leadership of the Manager to carry the responsibility and he would have a committee to his disposal. The Mayor should head up the activity to pursue obtaining funds with the assistance of the town and staff and a committee. He said that he would accept some responsibility to assist in securing that.

Alderman Tuman noted that his observation in going to county meetings is that the senior elected official is who people look to. Mayor Knowles said that he was looking at forming a finance committee to look at that. We will have to get an idea of what we have incoming and if we go advalorem - what money are we talking about and pursue what we will get from the county. They need to see that we are committed. If we don't show any effort they will not give us anything.

Alderman Peters said that he had stressed at a beach nourishment meeting that we need county officials here. He said that he had mentioned it to the Manager that we need to get the county here and the Manager agreed. Manager Smith called the County and he had confirmation from Commissioner Aragona and County Manager Clifton that they would come. Alderman Peters said he was later told that the Mayor didn't want them here and he felt that was a blatant missed opportunity to get a spokesperson from the county. Mayor Knowles said

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that he called Mr. Clifton that day and asked him what he could offer but he wouldn't commit to anything so he told him he didn't have to attend then. Alderman Peters said that is why the bond referendum was defeated because they didn't know what we would receive from the County. Alderman Handy said that he knew of commissioners who wanted to know if we wanted beach nourishment and the bottom line is they won't commit unless we want it. Alderman Peters noted that we now have a worse situation, but someone has to stand up. Alderman Farley felt that the idea that citizens want this is not correct, they voted it down. It is all about the money. It was a good plan and it put the responsibility where it belonged and the people said no and you can't dismiss 25% of the people. Alderman Peters said that we are also talking about strong feelings about Holmberg as an alternative and some people can't wipe that out of their minds. Alderman Tuman said that people want an alternative and that issue is still out there and Alderman Farley said is it wrong that people are opposed to it. Alderman Tuman noted that people are entitled to their vote. Alderman Peters thought it was closer to 20% that didn't want it. That still leaves 75% that support beach nourishment and they want to protect their homes. We still have to fulfill what is best for the town and our mission is to fulfill that need. Alderman Farley said prove to me that there is 75%. We had a meeting here and called for a show of hands whether you want the bonds to go through and more than half said no.

Alderman Peters said there was some deep resentment on some people on the ocean front paying the same and that won't happen. There is a resentment of others having to pay for something on the beach. Beach front owners state that everyone uses the beach and we won't resolve these issues, but that doesn't mean they don't want nourishment - they just don't want to pay for it. Alderman Farley said that he didn't believe that was what people were saying, they have a problem with the amount of sand and the CBRA issue. Alderman Peters noted these are big issues and the town has to mitigate them. Alderman Tuman felt it would be a mistake to just walk away. There are funding issues and concerns if the 80/20 formula was approved that this Board would change that formula. The real issue was the dollar amount was horrendous added to the big dollar impact of revaluation. We need to go back and establish how much we will put on the citizens and what would the town ask outside forces to fund and he was not sure a nickel was the right number.

Alderman Handy noted that people didn't know that it was a maximum amount. Alderman Peters said that is why we missed the opportunity to have the county at our meeting. He noted that many folks went to the NCBIWA meeting and it was said that we have two alternatives - do nothing or retreat. He did not believe there was only 75% who wanted to retreat - he thought it was greater. Alderman Tuman said that we couldn't ignore that we surveyed people and it is a fact that

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80% said that we should address erosion. Alderman Farley said that the election was another signal.

Mr. Moolenaar asked if they wanted to walk away from beach nourishment. Mayor Pro Tem Hardison felt the "no" was literally. Alderman Farley said that until citizens tell him any different, they should sit and not spend anymore money. Mr. Moolenaar said that a larger group states that we need to address it. Alderman Farley said that they spend more than what they take in on tax revenues and given the opportunity to protect their property they voted against it.

Alderman Peters noted that when he ran for Alderman he said he was for equitable beach nourishment. Mr. Moolenaar said that they were bringing up specifics on percentages and a group stated that they wanted to do something, but maybe they were saying they voted it down, but it was the amount of funding, but if it was free they would do it. The rest of the Board is saying it was between money and free and you don't want to walk away from it. Before we move forward we have to do some things, it's how you say it and not how you do it. It is extremely important that if we decide to move forward that we should hear what the citizens have to say. There are things that could tell us more of what the referendum was about. If we don't take the time to analyze and touch base with people who voted and find out from them what they think, then we can't do it the same way we did it before. People who were against it had their individual reasons, but he didn't feel they were absolutely against doing something about erosion.

Manager Smith noted that the facts were two competing votes - the survey showed that 75% plus wanted something to be done on erosion and 80% on the bond referendum said no. It is a credibility issue. People felt that the formula could be changed and they didn't understand it was a maximum amount. If we have a huge storm event and you lose houses there will be a change in that formula with GO bonds. Dealing with erosion in NC is retreat or fix. If you have property you have to maintain it. If we go with a dime across the board, it will probably pass. We would only raise 1.5 million/year - up to 2 million and would be 3 million short. We could change the scope of the project and separate the districts and do it in stages. Erosion will continue and money is the issue and we need to find new technologies and lobby legislature. Alderman Tuman thought it was 4.5 million/year since with interest it is higher. Manager Smith said to look at numbers and not people, but to help the quality of life for citizens and balance that. A funding committee is a good way to get started. The NCBIWA meeting is the end of this month and the DC trip is next month and we need to lobby for money and CBRA designation.

Alderman Farley noted that the ocean front benefits the most since they are at risk and we may get some trust with at least two districts. We need to make sure

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that non-ocean front has veto power as well as create trust. Mr. Moolenaar said that we are still down too far and questioned if we had answered the question - do we want to walk away? The next question is do you want to continue to honor contracts on the table through the permitting process. Alderman Tuman said yes but Alderman Farley disagreed. Mayor Pro Tem Hardison said it was secondary. Mr. Moolenaar asked if they were committed to go forward with the contract. Alderman Tuman said only at minimum and we need to formulate to get funding. It would be a bad position to cancel contracts and go to others for funding if our credibility was shot. If we convince people to support us financially it would be helpful that it was unanimous. Alderman Peters asked Alderman Farley if he represented the segment that was against it since he has been a spokesperson for adamant people in that category. Alderman Farley said there was a silent majority that didn't want it. Alderman Peters said he had received recent emails and they still want us to do something, but differently and Alderman Farley said that wouldn't be cost effective. Mr. Moolenaar said that they had a consensus to move forward. Mayor Pro Tem Hardison felt there were things to do before we go forward. Mr. Moolenaar said to make sure they go forward in the right direction and asked if they should do another survey. Alderman Handy noted that they did one within the past year and they had a vote too. The survey said to address beach erosion and the ballot said we don't want to pay for it. Mr. Moolenaar stated that the face value in general is that they want to do something. If you keep the contracts and move forward and look at the scope of the project you need to get to the point of how you fund it and what people will agree on.

Mayor Knowles felt they could get money through lobbying efforts and an advalorem tax from Onslow County would give us more than we are getting now. If we talk about a transfer tax we need to go to the General Assembly. There are other ways to look at this. Mr. Moolenaar said we need to see how we can get the financing and Alderman Tuman noted that forming a committee has been proposed. Alderman Peters felt that committees were pushed off and they did not accomplish much and Mayor Knowles said it wouldn't be pushed off. Alderman Peters suggested setting timeframes and parameters. Alderman Farley felt that another committee was a waste of time. Alderman Tuman said that he had proposed a committee with the Manager and Mayor to carry the message. He didn't want this to appear as a set up for failure and they need to draw on other resources to pull information from. He said he had input from Topsail Beach's mayor and manager and how they pulled their proposal together for funding. Alderman Farley felt that the manager and mayor could do it, but not a committee. Mayor Pro Tem Hardison said he didn't want to start asking questions of who is on committee and if it is a balanced group. Alderman Tuman said he volunteered to help and Alderman Farley said they couldn't have Aldermen on committees.

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Alderman Peters suggested reorganizing beach nourishment under one framework. Mr. Moolenaar said that they still have that committee and the Mayor and Manager are heading up the financial piece of this project. Alderman Peters felt it was integration and that they will have to each be part of each other. There will be a tremendous amount of meetings. Manager Smith said he would make sure they were coordinated. Alderman Peters said that beach nourishment has wanted that guidance. Alderman Tuman noted it was the overall responsibility with the Manager and Mayor spearheading it.

Mr. Moolenaar asked if the Mayor and Manager were political and did their lobbying part do we need to talk about other issues. Manager Smith said there could be alternatives for the project. Alderman Peters noted that other opposing viewpoints in emails are that we take the money to continue the permits and designate it for political action and lobbying. Alderman Handy said if we don't finish permitting and we do lobbying work we won't have approval for it. Manager Smith said that the vote will be in March to continue with CP&E. We can slow them down and we have a six month window and the money will trickle out until the committee can resolve the funding.

Dune Protection:

Manager Smith said we could write an ordinance to install and maintain sand fencing and other approved plants to stabilize dunes. There are breaches in the dune and we need a consistent way of putting fencing up. Alderman Handy felt it would be difficult to get everyone on board to do this since we have absentee owners. Manager Smith said that the Town could do it and assess the property owner and Alderman Tuman said that enforcement will be a challenge. Manager Smith said they could put a lien on their property. Alderman Farley said he was not interested in this ordinance at all. Every election, the paper asks, do you want any new laws and the response is we have enough laws. Nature has built up these dunes and he was hesitant to force citizens to do what they don't want to do and he felt that we didn't have a lot of breaches. Mayor Pro Tem Hardison suggested sending a letter out to citizens that they could do this to help with their own property. If some ignore it then we could look into it further. Manager Smith said that he has been here six months and he gets complaints that their neighbors don't do anything. Manager Smith said if you lose your CAMA setback your property is worthless. Alderman Tuman noted that we have complaints of people not putting sand fence in properly.

CBRA Designation:

Manager Smith noted that citizens have complained that we haven't done anything in changing the Town's CBRA designation and he informed them that the Town has worked on this issue for the past few years. Alderman Handy noted that having a CBRA designation has not stopped the building here but it has affected people getting insurance. Manager Smith agreed that it did not slow

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development as the Federal government thought it would. Citizens complained that they didn't know they wouldn't be able to get insurance in a CBRA area. Alderman Tuman said that we have to take the initiative to change this and Manager Smith agreed and said that is why he wanted to go to the DC conference to lobby this issue for the Town. He said he has been reviewing files on this issue. Alderman Peters asked if we could ask Howard Marlowe for his assistance. Discussion took place on the changes of designation on River Road. Alderman Peters asked if they needed to re-activate the Mayor's Task Force and Manager Smith said that he would research this issue and find out where the appeal was.

CAMA Regulations:

Alderman Peters' concern was that CAMA allows swimming pools and it is destructive to the dunes and it also part of the allowable pervious surface. Alderman Peters felt that a swimming pool should not be in the 60 ft. setback and he suggested that the Town correct this and have regulations on swimming pools. Alderman Farley asked if it was permitted by CAMA and there is no storm water issue, why would we want to address that. Setbacks are made so a structure doesn't get destroyed and pools are not structures. If there is a safety issue then he could go along with it. Mayor Knowles noted that CAMA has new regulations proposed.

Mr. Moolenaar suggested that the Manager look at the rules and have the Planning Board review the facts. Alderman Farley felt that we had something in place to handle damage to the dunes. Alderman Peters had a concern with larger homes with pools that go into the setbacks. Alderman Farley said if beach nourishment comes here do we even want to consider changing the setbacks. The reason for setbacks is protection for homes so they would be protected even greater. He questioned if the Town would enforce stricter setbacks than CAMA. Alderman Handy noted that if we change the setback some people would not be able to build on their lots. Alderman Peters noted that this issue is out there and if we get nourishment the indication is that it doesn't change your setbacks and it doesn't make a lot buildable.

Land Use Issues:

Manager Smith added parking, status of condemned houses and Land Transfer Tax under this topic.

Septic Tank Issues:

Alderman Handy said that he wanted to do away with septic tanks, but he did not want to stop building, rather, no permits should be issued for those requesting septic, their covenant should state that they apply for a tap and hookup be within 90 days once a tap is available. If anyone has a proposal for septic we will approve it, but when sewer is available they must hook up. If there is a storm they would have to go

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through this same process before repairing the system. Alderman Handy noted that he has talked with builders and they do not oppose that. He had septic for 30 years, but after Hurricane Fran, all the septic washed out into other properties. We are not mandating this. If it is an above ground system and a house is damaged, debris will damage them. Manager Smith said we would hold a public hearing at a Planning Board meeting and the attorney can draft an ordinance. Alderman Farley noted that we spoke with NTU and in March 2008 we should have more capacity therefore septic wouldn't be affected so we are talking about 14 months and it won't have much of an impact. We may not have much luck with the owner. If their system is functioning fine we could cause a legal nightmare. Alderman Farley asked if ONWASA would run a parallel system and Alderman Tuman said that nothing is planned now. Manager Smith said they would eventually get everyone on a central sewer system. Alderman Handy noted that if property was sold it should be in the covenant that they would also apply for sewer.

Alderman Peters asked if there were any other options and Manager Smith said that he has spoken with Surf City informally to run lines and they said they would be more than happy to discuss that. Alderman Tuman noted that DENR took capacity away from NTU and they restored 100,000 gallons of capacity. Their "Consent Agreement" stated if they couldn't satisfy local demand then they were obliged to go to someone else who could. In regard to looking at Surf City, if they are adding capacity, usually you have to pay a capacity fee and that could be a \$3500 additional fee.

Subdivision regulations:

Manager Smith noted that the zoning ordinance will be worked on and they are looking at the issue of subdividing duplexes. He said that Deb Hill will rewrite this and that will save us money. Alderman Tuman noted that Miss Hill couldn't handle what she does now. He said he was still not happy that they missed the public hearing on the zoning map because the advertising slipped. Manager Smith noted that Ginger Booker won't do subdivisions, just zoning. Alderman Farley questioned the amount of \$17,500 for Ms. Booker since he thought it was \$10,000.00. Manager Smith said that Holland Consulting said it would cost \$30,000. Subdivisions are not a huge issue right now and maybe we could put that in the next budget or maybe Miss Hill could handle it later.

ConD:

Manager Smith noted that the survey revealed that citizens want less density and they want us to conserve wetlands, but we have found wetlands filled in recently. Alderman Farley noted that the word is expansion and do we want to expand it? It would require rezoning people's property. He asked if there was any land that should be ConD and Manager Smith said that would come back to you after the zoning map is adopted.

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Green Spaces:

Manager Smith felt it would cost money if we purchased property for green spaces. Mayor Knowles thought that a land owner gave space instead of money. Alderman Farley said that we keep getting donations of land, but how useful are they to the Town? When subdivisions come to us shouldn't we take the \$50,000 instead of the green space? We should look at increasing that amount from \$50,000.00. Alderman Peters said that the intent of this is to see what staff could do to work with Land Trust and Conservation groups to get money donated to obtain land to keep it from being developed. Alderman Tuman recommended that they ask the Planning Board to review green space and review grant money and identify green space. Mr. Moolenaar summarized that the Board was interested in expanding green space and have an inventory of potential space and inform conservation groups to purchase them.

Annexation issues:

Manager Smith noted that if they annexed more than their voting population none of them would be sitting here. Alderman Tuman stated that a decade ago when this came up North Shore County Club was violently opposed to it and they influenced the state legislature. Sneads Ferry is now looking to incorporate. Alderman Farley felt that the people in Sneads Ferry should decide their own fate. It was the consensus of the Board not to investigate any annexation issues.

Parking:

Manager Smith asked if there was enough parking since we have one per bedroom now but houses have more bedrooms and they are more like mini-hotels. Alderman Farley noted that when the ordinance was put in he didn't like the wording and he had concerns because of individual permits. There are specific definitions on parking spots and he asked if that was checked and Manager Smith said it is now. Alderman Tuman said we need to clarify that addition and secondly, what constitutes a parking space. Alderman Peters noted that there are 17 cars at one house and 13 at the one beside of it. They are parking in the right of way and all over and we need to enforce it. An owner sent us an email and said to limit the amount of cars people can bring in and we need to get control of our town. Builders shouldn't dictate to us.

Condemned Houses:

Manager Smith noted that we have two condemned homeowners that have applied for permits that we are reviewing. Staff knows that no one will get a permit until we verify they are under the 50% rule. They don't have any setbacks. They have to bring in a structural engineer to verify that the building is sound and they have to meet the parking requirements. The only way to meet the parking is a private easement and they will have to have the neighbors to sign off and the road must be wide enough for emergency vehicles. Alderman Farley noted that in our ordinance it required that parking had to be on their lot

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and he questioned what inactive means. Manager Smith noted that appraisals came in high and it is harder to go past the 50% rule. One of the houses is being reappraised and if it is out of line we will have them all reappraised.

Land Transfer Tax:

Alderman Peters said that this could be an alternative for all communities on the coast that have had increased real estate values. County coffers could go hand in hand with lobbying needs to see what could be done. He thought that Dare County had received approval to implement a Land Transfer Tax. Mayor Knowles said that at least 10 or 12 years ago, Dare County and Nags Head implemented this and the first 5 years the county received the tax and now Nags Head is the recipient and they go back and forth. Mr. Moolenaar noted that legislation this year states that if one county could do something then all counties could. Alderman Peters suggested that all coastal groups get together and push it. Mayor Knowles noted that real estate companies are against this, but the Resort Town group is working on it and we will have to lobby for this. Alderman Farley asked if they wanted to implement a 1 or 2% tax for beach nourishment. Alderman Peters questioned the benefits they get here for their significant property taxes. This community gets almost nothing from the county so why should we pay all these taxes for services we don't receive. Alderman Farley said that the idea of picking and choosing what we don't or do use is not right. Alderman Smith noted that none of our citizens are using the welfare system and they should get some service from the county. Alderman Farley noted that they use the court system, library and sheriff's department. Mr. Moolenaar asked if they wanted to pursue a transfer tax and Alderman Farley said that it depended on how we use it. The consensus was to pursue this.

RECREATION ISSUES:

Manager Smith said that they were moving forward with the bike path extensions and they are working to tie into Surf City and hopefully a path to the north end. Alderman Handy noted that they spoke on cutting the length of the bike path going south so we would be in budget and Manager Smith said that they have to do both sides of the road at a sizeable increase. Staff will apply for grants if you think it is worth it. Mayor Knowles questioned if repairs could be paid with the Powell Bill and Manager Smith said yes. Alderman Farley questioned the contracts since they were told it wouldn't cost taxpayers anything because of grants, therefore the Board approves it and contracts go higher and we have to go back to the taxpayers. They may have voted for the bike path differently if they knew the costs would increase and the same thing happened with the park. He would prefer the worst case scenario.

Parks:

Manager Smith said he would like to have more neighborhood parks and the south end is a goal.

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Annual Festival:

Manager Smith felt that the Town needed to be more cohesive since people are not involved here and an annual festival would bring a sense of community. He said he was looking at a barbecue festival and in March he would like to have an ad hoc committee to look at doing something this coming fall or next fall. Mayor Pro Tem Hardison felt that they should make it more conducive to what we have on the island as a theme. Alderman Farley felt they should look at events that they could fill up rental units by generating money for our owners during the off season. Loraine Carbone noted that she attended a workshop at Eastern Carolina Council on special events about six years and location has always been an issue.

Sanitation issue:

Manager Smith noted that recycling is expensive to run. A drop off center is fine but it has to be managed since everyone will drop off trash in our bins. Alderman Farley noted that the county has an office strictly for re-cycling issues and they make work with us. Alderman Peters asked if they had areas where they could set one up and Manager Smith said public works or town hall may have an area. Alderman Tuman said that the option to go to Old Folkstone's Recycling Center should be put in the next newsletter.

Garbage cans:

Manager Smith noted that realtors and out of town property owners are against a roll back policy and he is asking for prices to have this done. He suggested that they could do it for a fee of \$175.00 – subscribe for the whole year and hire someone part time. Alderman Farley said he was opposed to having town staff do this, but a private contractor could do it. He asked if there was a possibility of having Waste Industries charge them separately and apart to do it and put a decal on the can on whom has paid. Manager Smith said he mentioned that to them and they are not set up for that. Alderman Farley said that eventually we would keep the part time person and absorb that cost. Manager Smith said they could subscribe for the whole year to have the service and Alderman Farley noted that it would have to be monitored. Alderman Peters noted that the next mailing to homeowners should make them aware of the roll back ordinance.

Monday pick up:

Alderman Handy felt that the problem of trash pick up on a Tuesday is that renters are leaving on Saturday and the trash is out too long. Holly Ridge has Monday and he talked with Mayor Padgett and they had a meeting and they decided they wouldn't change. Mayor Padgett said that they didn't want the expense of the mailing to inform them of the change, but if we pay for it they may change it. It would be a postage bill for mailings to Holly Ridge and to NTB but he thought it was worth it. Alderman Farley didn't think it was that much time

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between Friday and Monday. Mayor Pro Tem Hardison didn't think it was worth the agitation with the other town, but Alderman Handy felt that for appearance sake it would be worth it. Alderman Tuman noted that people leave on a Saturday and cleaners come in and trash goes out on Saturday.

Alderman Peters and Handy favored Monday and Aldermen Tuman, Farley and Mayor Pro Tem Hardison favored Tuesday. Therefore the consensus was to leave it on Tuesday.

Alderman Peters said to look at the seven months when you don't have twice a week and trash is out from Saturday to Tuesday and Alderman Tuman said to change it to Monday. The Board will continue to look at this.

Board Internal Issues:

Mayor Pro Tem Hardison felt at times that they have been rude, divisive and closed and this has come out from one issue to another. Agreeing to disagree is good but there are attempts to be mean and rude and they are not communicating. He said that he is not the only one and others could say the same. Mr. Moolenaar asked if they held works sessions before meetings and they hadn't as a group. Mr. Moolenaar suggested that a half hour before a meeting they could discuss issues before the meeting and staff is there to clarify issues so you don't have in-depth discussions in public. Or you could agree that you will work on it. Mayor Pro Tem Hardison said it is not just a matter of being nice, but also being respectful too and he said that he hasn't seen that with some individuals. Mr. Moolenaar suggested that they keep the meeting more business rather than personal. Mayor Pro Tem Hardison noted that people don't go crazy here but some things come out in different places. Alderman Farley said that someone would come up with an idea and someone else would say that they don't have to talk about that. If you have an idea or concern you should be able to discuss it. We need to allow people to speak with no rolling of eyes and to argue professionally. There are some boards where you don't have to second a motion. If there is an argument - 1/5 of the Board is valid. He said he could be guilty of this and it does happen and it should stop because it is unprofessional.

Mayor Knowles said that once in awhile questions come up and someone doesn't understand an issue and they need to call someone after they received the board package. Manager Smith noted that questions could cut down on animosity with the Board. It is a credibility issue when the public sees you all disrespectful to each other, how do you think they feel, they question government. Manager Smith suggested that they don't take things to a personal level and he said they could call him anytime if they have questions. Alderman Farley said the issue is not answering it but how we respond if they don't. He said he didn't expect to be stopped in the middle of a question.

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Alderman Peters questioned if a pre-meeting would cut the length of a Board meeting and would this preliminary meeting help us? Manager Smith said they could hold an agenda meeting two days before and go over everything if that would help or do that an hour before a meeting. There should be professionalism and respect for each other. Towns that work together move forward and when they don't they don't get anything done. Mayor Pro Tem Hardison hoped that people understood that he was not speaking only in terms of himself since others here have had experiences in those areas. Mr. Moolenaar asked what the pleasure of the Board was and he said their interaction with each other and the community would be better. There seemed to be a lack of understanding of another person's position. Mayor Pro Tem Hardison wanted to get away from polling people on emails. Alderman Handy felt a pre-meeting might last just as long. Alderman Farley noted that they are putting the same amount of time in and why not do it in front of the public. It is rare we get to a meeting and he could change anyone's mind and he was not sure they could accomplish anything at another meeting. Alderman Peters said there has been numerous times when they have apologized to the public on the length of the meetings.

Mr. Moolenaar asked if the agenda had timeframes. Manager Smith felt that some meetings should take only thirty minutes to an hour. Alderman Peters said that he has received input on how wordy they are and sitting up here is easier than being in the audience with no control. Mr. Moolenaar said they need to decide if their goal is to have a two hour meeting. Mrs. Carbone noted that people in the audience are speaking out of turn and are having discussions in the back and it is hard to hear the Aldermen speak. Alderman Farley noted that the two open forums was a good idea. Mayor Pro Tem Hardison said that they need to control the meeting and they spend a lot of time responding to responses from the audience and they are not here to debate with them. Alderman Handy said they should have a rule amongst themselves that they don't respond to the audience while they have discussions. Alderman Handy suggested that when Board packages are given out that Board members review the items and call the manager with any questions. Mr. Moolenaar said that they need to try not to point, counterpoint, point, etc.

Appointments to committees:

Mayor Pro Tem Hardison thought it would be a great idea not to be afraid of someone who may have a different opinion on an issue when choosing them for a committee since it helps people to think about things. It is not good to have everybody agreeing on the same issue. Manager Smith agreed that having a dissent on a committee is a good thing.

Alderman Farley noted that we have beach nourishment folks here and that committee is not representative of our community. For example, the man they

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just appointed spoke for the beach nourishment project and he was asked to be on the committee. Why wasn't the man who spoke against it not asked to be on the committee? Mr. Moolenaar said that they should make a concerted effort to have both sides of an issue on committees.

Open Discussion:

Mayor Pro Tem Hardison said that after last week's meeting regarding the residency issue for committee members, he suggested that they should get standards as to how to determine how a person is eligible. Alderman Tuman had suggested that if an individual states he lives in a certain place that is enough and that he is a registered voter. Mayor Pro Tem Hardison noted that when he left here he thought beyond the committee issue and asked if they would have problems in the future on questions of referendum on what makes a legal resident and that is something we should bear in mind. We may need a sub-committee to see what we should look for. Alderman Tuman noted that the applicant said he owned a home here and elsewhere but claimed his residency here and this constituted legal residence. You declare where you live, as long as you pay taxes and you are registered with your car regardless if your job is elsewhere and this is criteria that the Board of Election states. Alderman Handy said the same goes for state legislators since half own condos elsewhere. Mayor Pro Tem Hardison said that is spelled out, but his point was whether or not we are opening ourselves up for someone who owns a lot or property who can influence our decisions. Alderman Tuman noted that he had a home in Vermont and they were prejudicial on second homeowners. In the Homesteading Law, second property owners were paying all the property taxes. People set up their residency in Vermont because they were prejudiced against them. We are making decisions that have affected part time residents.

Alderman Farley said that his argument is what people perceive. There was a debate on the building height and people supported the building height in this town yet there is a perception that this Board was out of control that we reduced it. Alderman Tuman noted that they are just trying to protect their investment. Alderman Farley said with that argument put forth, real estate prices are up, and they are building bigger houses, so should we then allow six story buildings? Alderman Tuman said who is going to play God and determine who is a resident and who is not. Alderman Farley said that we may have to make that decision as to what we think is appropriate. Mayor Pro Tem Hardison said his issue is that just as much as we are sensitive to the upper end we must also be sensitive to the lower end.

Mayor Knowles reminded everyone that when we voted to incorporate in 1990 there were 300 in Town and the voters were between 260 and 280 and those figures have gone up and down and we are still getting that amount who vote even though we have more citizens.

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Alderman Peters said another issue is when we approved beach nourishment as a Board and this was another area we fell flat on and we just threw that issue to the public. Why couldn't we advocate for citizens to vote for nourishment. As a town, why should we be limited? Manager Smith noted that state law won't let you advocate to use tax money to support or go against a referendum. Alderman Peters said that we need to get it to the citizenry and the Beach Nourishment Committee needs to try to bring this through. Alderman Handy said it was an educational process and Alderman Farley said with so much more knowledge, it was subverted by a letter sent out so he didn't buy into this argument - if they don't want it they don't have to.

Mayor Knowles said that he went through Hazel and other hurricanes and you will think more about beach nourishment - it's the whole island and not just ocean front. Alderman Peters said that he received criticism that the proposal was not good and the ball was dropped and the Mayor felt they had so little time and it was rushed.

The Board Retreat adjourned at 3:45 p.m.

Minutes prepared and submitted by Loraine M. Carbone, CMC, Town Clerk.



Mayor W. Rodney Knowles

4/5/07

Date approved

**TOWN OF NORTH TOPSAIL BEACH
REGULAR BOARD MEETING
MARCH 1, 2007
7:00 P.M.**

PRESENT:

Mayor W. Rodney Knowles, Mayor Pro-tem Larry Hardison, Aldermen Richard Farley, Fred Handy, Richard Peters and Daniel Tuman, Bradley Smith, Town Manager, Loraine Carbone, Town Clerk, Robert Kilroy, Attorney

QUORUM:

Mayor Knowles called the meeting to order at 7:00 p.m. in the North Topsail Beach meeting room and declared a quorum present.

INVOCATION:

Alderman Fred Handy gave the invocation.

PLEDGE OF ALLEGIANCE:

The Board of Aldermen and citizens present recited the Pledge of Allegiance.

APPROVAL OF AGENDA:

Alderman Peters moved, seconded by Alderman Handy approval of the Agenda as presented. The motion passed unanimously.

COMMITTEE REPORTS:

Beach Nourishment – Dick Macartney

The beach nourishment committee held its regularly scheduled meeting on February 20th. Gary Rowland gave a thorough review of this board's February 6th retreat and its discussion relative to Beach Nourishment. The committee was pleased to hear that the process of planning for shoreline protection was something that this board wanted to continue. We were also encouraged that the discussion relative to continuing the contract with C P & E so that the permitting process may be recharged was favorable. As we understood it there is a 4-1 preference for containing the permitting process, however, Mr. Hardison suggested last evening at the Topsail Island Shoreline Protection Meeting that the vote should be recorded as 3-2. As our beach nourishment process is stopped dead in its tracks without professional coastal engineering resources we encourage this board to make it perfectly clear to the town manager that he can reinstate the work plan for C P & E. The agenda that I reviewed prior to this meeting did not have a vote scheduled on the C P & E contract. Even though the December 2006 Board minutes state: *Alderman Peters moved, seconded by Alderman Tuman to defer any decision on where we are going until a later workshop when we can review this issue in more depth. The motion to continue discussions on beach nourishment and pursuing the permit process passed three to two with Alderman Farley and Mayor Pro Tem Hardison voting nay.*

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Since this is not completely clear it would appear to me that it would be appropriate at the end of my report to confirm by a board vote that it IS THE DESIRE OF THIS BOARD TO RESUME WORK ON OBTAINING PERMITS FOR BEACH NOURISHMENT notwithstanding the fact that final plans and financing are not yet available.

Alderman Farley thought the vote was on the agenda and Manager Smith pulled it. We had said we would stop all spending until the retreat and the vote was to continue discussion and to continue the permitting process. Alderman Farley thought they wouldn't spend any money until they had later discussions and the intent was clear what Alderman Peters wanted. Alderman Tuman said that the motion he seconded was that they wouldn't make any changes in beach nourishment at the time including suspending the contract and they would have further discussion at the retreat. Since December, the Town Manager hasn't spent any money on CP&E.

The only other major decision coming at the retreat that was reported at our meeting was; that the board appointed a "task force" consisting of Mayor Knowles and Manager Smith to solicit outside funding for the purposes of beach nourishment. As we understand this directive is that task force will select other members for the task force as needed, but that our beach nourishment committee does not have to address the money issues unless so communicated to us by Manger Smith.

Regarding the liaison issue with our committee, we have been disappointed that our appointed liaison, Mayor Pro Tem Hardison, has not been active in our meetings and that he has voted against our very existence. To put that contentious issue behind us, we want to say that we feel that Manager Smith can be effective in keeping the proper communication with us as he is a regular attendee at our meetings and is supporting the beach issue by attending the NCBIWA meetings and the ASBPA Coastal Summit in Washington, DC. However, we continue to hope Mr. Hardison will resume his interest in our committee.

Alderman Farley questioned if he was saying that they didn't want Mr. Hardison on the committee and Mr. Macartney said no, we want him to be active.

At our meeting we reworked our Beach Nourishment Committee Mission and Objectives statement which I will read for the record:

Mission:

To develop plans and evaluate alternatives that will provide shoreline protection and stabilization through beach nourishment. Through these efforts to reduce the potential for storm, wave and erosion related damage to development located along the North Topsail Beach shoreline and to landward aquatic habitats, flora, and fauna.

Objectives:

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To organize and inform our North Topsail Beach, citizens, local, state and Federal elected officials on the value and importance of beach nourishment and dune restoration and protection.

To assist obtaining Federal, state, and county assistance and funding to further Beach Nourishment and Renourishment.

Coordinate with the U.S. Army Corps of Engineers, U.S. Fish and Wildlife Service and Topsail Island Officials in Shore Protection and Stabilization Projects.

To seek new beach nourishment technologies.

To actively research and recommend programs and projects to the Board of Aldermen of North Topsail Beach.

The areas of change from our previous charge was to reduce our role in obtaining funding as in reality that is our elected officials responsibility, and to state that our objective is to prepare and recommend to the Board which again is the only way that projects and programs can be authorized. Hopefully this is an improvement but we will certainly consider input from the board as to our activities.

Before ending my remarks I want to thank the members of this board, and town staff, as well as members of our committee, that attended last week's meeting in Pine Knoll Shores of the North Carolina Beach Inlet and Waterways Association. Although I did not attend I understand that some very topical issues were addressed such as efforts to lobby for terminal groins for additional inlet stabilization, the proposal of new CAMA setback lines, and ground water runoff rules. I am certain that these topics will affect our town and will be thoroughly reviewed by the board and staff.

Finally, there has not been any new progress on our joint Federal Beach Nourishment Project but I have been advised that it is likely the Corps will brief us soon on the near shore hard bottom issue and the state agencies suggestions.

Alderman Farley asked who changed what their mandate was and Mr. Macartney noted that it came up that they hadn't reviewed it in some time and they changed "to assist obtaining Federal, state, and county assistance and funding to further Beach Nourishment and Renourishment" since it didn't stipulate what their role was. Alderman Farley said the last time the Board had to approve a mission statement and Mr. Macartney stated that he was submitting it now.

Planning Board – Mike Yawn, Chairman:

The Planning Board met 2/8/2007:

- * Discussed plans w/ Ginger Booker on updating the zoning ordinances.
- * Reviewed proposed town procedures for private bridges. We will revisit this on 3/8/2007.
- * Unanimously recommended that the Board of Aldermen approve the updated zoning map at the 3/1/2007 BOA meeting.

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- * Discussed section 7-271 on minor subdivisions, and the subdivisions in the past that may have violated this part of our ordinance. Divide into ... without prior... meets requirements. Some lots have been subdivided that do not meet this.
- * Had a request from a non-citizen property owner to amend the ordinances so that a non-citizen property owner could serve on the Planning Board.
- * Unanimously approved officers for 2007 (Mike Yawn, Chair; Paul Dorazio, Vice Chair).

The next Planning Board meeting is a 2-part meeting on 3/8/2007. From 5-7 pm we will meet with Ginger Booker on the zoning ordinance. Then at 7pm we will have the normal Planning Board meeting.

The Land Use Plan Committee met 2/8/2007:

- * Finished all updates on the draft sections thus far. Holland and Associates are to get updated copies to the BOA, Mayor, and Town Manager.
- * The next step is to start the policy sections. This is the most important part of the Land Use Plan.
- * Moved our regular meetings to the THIRD Monday of each month; our next meeting is Monday 3-19-2007 at 6:30pm.

Mayor Knowles said that they had concerns with the closing of Highway 172 and he asked Mr. Yawn if he could attend future meetings and Mr. Yawn said he would be glad to attend.

Alderman Farley said he was confused on what was going on with the newer duplexes being built and were there three separate lots since it states the unit only, but do they own underneath and have they created three lots. Miss Hill said they are subdivided into separate ownership and 50/50 share of the lot. They own the land in partnership with the duplex owner. The value of the lot is minimum and the balance of worth is in the unit. Alderman Farley asked if that requires them to meet some sort of standard and Miss Hill said the definition of a duplex is a one hour firewall and a townhouse has to have a two hour firewall separation. Alderman Tuman noted that we have houses that don't meet the code. It's a permitted use and the way the tax parcel ID is established assumes a subdivided lot. The big difference between tax parcel and lot requirements are for our ordinance to address. Mr. Yawn said they would have to look at individual deeds and he will work with Ginger Booker on this.

Board of Adjustment:

Miss Hill noted that they reviewed the Charles Harris property at 2802 Island Drive and there was confusion as to additional conditions and that was clarified

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and the board restated their approval of the variance. The lot was created prior to incorporation and didn't meet 7-151.

MANAGER'S REPORT:

1. Further clarification on Ms. Booker's scope of work is as follows. She will rewrite chapter 7 concerning zoning issues only. She will not address the sign portion (this is OK) or the sub-division portion of the ordinance (Deb Hill will rewrite the sub-division ordinance with my input and assistance). She will address and all of the mistakes that now exist in Chapter 7 and will incorporate all NC legislative zoning changes required by statute, and any other miscellaneous changes as needed to give the Town a complete and comprehensive and logical zoning ordinance. She has requested from all Planning and Zoning members and Board of Aldermen to provide a list of issues and complaints concerning Chapter 7. She will address these as we go through the process of rewriting the ordinance. I have received some of these from some members but not from everyone. Please, to insure a quality product that everyone can accept, submit your issues immediately to either me or Deb Hill via email. Ms. Booker will be here on the 8th for the P&Z meeting to start the process moving. I anticipate this to last approximately 4-6 months for a finished product for the Board of Aldermen to adopt and put into place. This will then be sent to Municode for codification.
2. Addressing the overall issue of codification of existing ordinances that have not been codified is a major concern. I have asked our Town Clerk to get all of the old changes together and get a cost from Municode. I will then either do it this budget if costs are not excessive or budget for the new 2007-2008 budget and get them submitted immediately in July. This will bring us up to date and we will stay on course by submitting changes annually.
3. I attended the NCBIWA with several Board members and Beach nourishment Committee members last month. A major concern is the new storm water phase II regulations that are about to come into effect. Deb Hill will rewrite our ordinance to come into compliance with the new rules. Also of concern are the proposed CAMA regulations concerning setbacks and the static line of vegetation. I will be attending the CRC meeting this month to give input and to stay on top of how this will come out.
4. I attended the Topsail Island Shoreline Protection Meeting on 27 February. Projects are still on schedule. The Committee will have representatives from Senator Burr's office; Senator Dole's office and Representative Jones office attend meetings over the next couple of months to reinforce our position on beach nourishment issues.
5. I attended the NC City County Managers Association annual meeting in the Triad from February 7-9. This was an excellent opportunity for me to reconnect with the Managers' Association and NCSU professors from the MPA program.
6. I attended a meeting with the fire department on 3 February. We continued discussing ways to get more volunteers and to get better attendance at fire calls. I

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will be doing this again this month to continue the dialogue between the fire department and management.

7. I attended the Beach nourishment meeting on the 20th. Dick Macartney has already reported on this.
8. The Mayors' meeting was held in Holly Ridge last night. Mayor Knowles, Mayor Pro Tem Hardison, Alderman Farley and I attended. The presentation was given by Mrs. Farley concerning child issues in Onslow County.
9. I am attending the national water meeting in DC from March 21st to the 23rd to help in lobbying efforts for beach nourishment assistance from the Federal Government and to lobby for CBRA designation changes. I will be taking a packet containing beach nourishment issues and CBRA issues along with pre-CBRA maps and post CBRA maps to leave with our Congressional delegation. It is my hope to meet with all of NC's delegation and impress upon them the need for beach nourishment money from the Federal level and to address our CBRA issues that are having a huge impact on our residents in these areas.
10. I will be going to Raleigh Tuesday to meet with DOT officials concerning some of the washout areas that now have small bridges over them and the issue of land locked properties. Local DOT officials from Wilmington will be in attendance and I am attending at their request. While in Raleigh it is my intention to meet with Sen. Brown and Rep. Grady to give them copies of our grant application for beach nourishment and to request even more money in the way of legislative direct contributions. This will allow me to have face time with each and to mend any fences from past mistakes.
11. I am enclosing a copy of the P&Z Board members and their terms. These new dates will put the staggered terms back in line and correct past inconsistencies with appointments of unexpired terms. The actual date of appointment is not addressed in Chapter 7 and I will correct this short coming with Ms. Booker in the new draft. I feel that May is the time for the terms to run.
12. I am enclosing a preliminary calendar for me for the month of March for your info.

Alderman Farley asked the Manager to share with the citizens several situations where people are filling in wetlands. Manager Smith noted that Miss Hill has reported one problem and they will continue to protect our wetlands. Alderman Farley said that they had approved a PRD near the St. Regis and it has come to light that they didn't own the land. Manager Smith said that one of their consultants said they purchased the land, but they just have a contract on the property which gives them control. They have to put a bigger deposit on the property until they own it. He said they are not requesting that they pull the conditional use and Alderman Farley noted that they presented it that they bought the property. Manager Smith said that the power of attorney gives them control of the property and they will meet all requirements that they made to this Board. Alderman Tuman noted that one requirement of us is to challenge them whether or not they own the land and they chose to develop it. In regard to future applicants does an option to buy satisfy requirements of ownership and

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Attorney Kilroy said they just have the right to buy. Alderman Tuman said that they would have to meet the new stormwater requirements. Attorney Kilroy said that the manager broke it down to the elements and told them what they had to do and we shouldn't have any other problems with them. Alderman Handy asked if there were any provisions in filling wetlands and repairing vegetation they cut down and Miss Hill said the Corps or Division of Water Quality would have to address that. She said if anyone sees something that doesn't look right please let her know.

Alderman Farley questioned the static vegetation line since in the Bond Referendum, the ocean front didn't want to pay for that and you are saying that residents could put sand on the beach and they will have a million dollar property. Manager Smith said if you go with the static line and you've done nourishment and you have natural accretion you could look at that in 5 or 10 years. Mayor Knowles said that he had information on this from the conference.

OPEN FORUM:

Ed Doherty, Old Village Lane said that last November the bond referendum was rejected 8 out of 10 and one reason was that it was too expensive for the town. If we don't receive outside funding we can't afford that. Since then you have agreed outside funding is needed and we haven't received that yet. You are planning on spending more money and he felt the Town should underscore to people in the county and state that we are serious but we have already spent money. The reality is not money spent, but the 79% no vote. If you ask the county and state for help you need to get citizens behind you. Mr. Doherty suggested having a special election and ask the citizens that if we get dollars are you in favor of nourishment. To underscore this, he said he had a petition from 120 citizens not to spend money until we have a new plan which includes funding and technology. We don't want you to stop investigating alternatives, but until a plan is in place don't spend the \$400,000.00.

CONSENT AGENDA:

The consent agenda consisted of the February 1, 2007 Board Meeting minutes, Department Head Reports, Benefit Accrual Report, Budget vs. Actual, Business Personal Audit Memorandum of Understanding and Surplus Fire Department Equipment.

Alderman Farley requested that the benefit accrual and budget vs. actual reports be put under Old Business d and e.

Alderman Handy moved, seconded by Mayor Pro Tem Hardison approval of the Consent Agenda as amended. The motion passed unanimously.

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OLD BUSINESS:

a. Adopt Zoning Map:

Alderman Handy moved, seconded by Alderman Tuman to adopt the revised Zoning Map.

Alderman Farley thought that they would have some amendments and make the changes all at one time because of the issues with the map. Manager Smith noted that Mr. Yawn felt we should get the map done and then the Planning Board will work on the issues. Alderman Handy thought we would approve the map and that it isn't locked into stone and we could change it whenever we wanted to. Alderman Farley's concern was that whatever the timeframe may be, we would have a development that we shouldn't and Manager Smith said he would hold that up administratively.

The motion passed unanimously.

b. Virginia Booker's Contract – Zoning Ordinances:

The Board reviewed Ms. Booker's scope of work for the zoning ordinance rewrite. She will not be rewriting the sub-division regulations. Deb Hill has requested to do this rewrite. The Board has already approved the budget amendment that included the amount for this contract. This is the formal acceptance of the scope of work.

Manager Smith noted that the final payment won't be released until this is adopted. When you adopted the budget amendment you approved it, but he was now bringing it back as a contract.

Alderman Handy moved, seconded by Alderman Tuman approval of Virginia Booker's Contract to rewrite the Zoning Ordinance.

Alderman Peters asked if there was a method of how she originated the price and Manager Smith said it was based on how long and how many times she would have to come here. Alderman Peters felt that was vague and Alderman Farley asked what the expenses could run. Manager Smith said there would be at least three nights at a hotel.

Alderman Handy amended his motion to put a cap of \$25,000 to the contract and when it gets to that point the Manager would have to go to the Board for approving any additional costs. Alderman Tuman seconded the amended motion. The motion passed unanimously.

c. Beach Nourishment Funding Committee Appointments:

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Manager Smith said that he and the Mayor had been assigned the task of obtaining outside funding for the beach nourishment project. He felt that they needed to add a couple of others to this committee. His suggestion was to appoint one other alderman, one member from the beach nourishment committee and possibly a member from the Planning and Zoning Board and one citizen at large to aid in this endeavor.

Mayor Knowles recommended Buddy Godwin, Alderman Dan Tuman and Dawn Brannon, V.P. of Bank of America.

Alderman Farley noted that they adopted the policy that no alderman could serve on a committee. Mayor Knowles said this would be an advisory group. Alderman Farley said this is a committee and we don't adhere to our rules. Manager Smith said this is an Ad Hoc committee. Alderman Handy noted that the policy was just for standing committees. Mayor Knowles said he had the prerogative to do this.

d. Benefit accrual report:

Alderman Farley said he had a concern since comp time has more than doubled, sick time is down and vacation time is up. Manager Smith said there is a heavy work load and officers have to fill in. We need to look at overtime when we start the new budget since comp time is a liability and he would rather pay out when money becomes available.

e. Budget vs. actual:

Alderman Farley noted that the telephone line item was budgeted for \$32,000 and we are 3/4 into the fiscal year and we have only spent half of it and he did not want to spend the excess somewhere else. Alderman Farley felt there was a weakness in budgeting and Manager Smith said they need to look at historical and technology.

Alderman Tuman said that there were no outstanding items in requests for last year in comparison to actual spending. He felt that Issues like this should be brought to the manager prior to the meeting to have the background information. Alderman Farley felt that people need to find out what is happening to their money. Alderman Peters said that this line item was also based on large mailings that were utilized and mailing has gone up in cost and the budget amount was accurate originally. Also, a Newsletter has not gone out yet. (Finance Officer Lydia King later explained to the Manager that the State phone bill is always two months behind.)

Mayor Pro Tem Hardison asked if an item was over 100% is that an automatic red flag at this point. Manager Smith said that it depends, i.e. 410-93

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employment security has already been spent, but it won't be spent again. Alderman Farley noted that salaries are at 55% and he thought it would be at 75% and Manager Smith said that some employees haven't received their raises yet.

Alderman Farley questioned the Beach nourishment line item and asked if the CBRA permits and Coastal Planning & Engineering were additional and if we anticipated spending \$400,000 where is the money coming from. Manager Smith said that it was not all spent this year. There was an increase in the southern end for the federal project. It is close to half a million on the southern end. Alderman Farley said the Corps' cost share on the south end of Town spent \$60,000 and we budgeted \$200,000. CP&E added in the south end into the project and that is over and we haven't spent money on CBRA permits.

Alderman Farley said it was inappropriate spending to use contingency funds and it should be allocated to a line item. Manager Smith noted that contingency in each department is discretionary. Alderman Farley said he has read the treasurer's policy manual and Manager Smith said that he does not look at that and uses the government policy. Alderman Farley said that you cannot pay from the contingency line item and Manager Smith said that could have been used to pay the increase to Attorney Jeff Poley for the bond referendum.

Mayor Pro Tem Hardison said that they talked about this last year regarding the contingency budget. Alderman Tuman noted that what is reflected is what the Board approved. Manager Smith said that he didn't have the historical data with him. Mayor Knowles said that in the future any questions that need research to please let the Manager know.

NEW BUSINESS:

a. Resolution for Mosquito Control:

Alderman Handy moved, seconded by Alderman Peters approval of the Resolution for Mosquito Control. The motion passed unanimously.

b. Planning/Zoning Board Appointments:

This Board is in need of a regular member and two alternates. At this time, Gary Rowland is a First Alternate and he is interested in becoming a full member. The other applicants are: Thelton Gregory Ludlum and Isaac C. Baker

Manager Smith said that they also need to adopt terms for the members.

Alderman Tuman moved to approve the term expiration schedule and to appoint Gary Rowland to a permanent term expiring May 2010 and approve

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the two applicants as alternates as submitted, Thelton Gregory Ludlum and Isaac C. Baker. The motion failed for lack of a second.

Alderman Handy said that they are not in a rush to put an alternate in and they could look at possible additional volunteers.

Alderman Tuman moved, seconded by Alderman Handy to approve the terms for the Planning Board Members and to approve Gary Rowland as a permanent member. The motion passed unanimously.

Alderman Tuman requested that the Manager solicit applications.

c. Beach Hole Ordinance Discussion:

The Board had asked Manager Smith to find examples of other Towns' ordinances that deal with holes being dug on the beach. Samples of ordinances were given to the Board to review. Manager Smith said that after deciding what they would like to see in the new ordinance Attorney Kilroy should be directed to write said ordinance for their approval at the April Board meeting.

Alderman Peters questioned the enforcement of the ordinance and Manager Smith said he would train the police officers.

OPEN FORUM:

Bob Hale asked for clarification and questioned if there had been a vote to spend the \$400,000 for CP&E.

MAYOR'S REPORT:

Mayor Knowles asked everyone to support and attend the Inaugural Polar Plunge which will benefit the Special Olympics at Beach Access 2 on Saturday, March 3, 2007.

ALDERMEN'S REPORT:

Mayor Pro Tem Hardison said, in response to Mr. Hale's question, if we are not going to deal with the CP&E permitting process what is going to happen. Manager Smith said we will not spend any money and this item will be on the agenda next month. He said if they want a grant you have to show you have your plans in place or you don't get it, it's a fact. We have already spent 1.2 million dollars.

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Alderman Peters asked Manager Smith for an update on garbage and Manager Smith said he would have something next month.

Alderman Handy said he appreciated everyone coming out tonight. He charged the Manager to contact local ministers to do the invocation on a 6 month basis.

Alderman Farley said he was happy that they will add the CP&E item next month but he was not happy with how that happened.

Alderman Tuman noted that he had called the Manager to remove it from the agenda since it was determined we had a contract with CP&E and we would honor that contract so he didn't see it necessary to have it on the agenda. That was recorded and approved in January. Alderman Farley said it was not his obligation to tell the Manager to take it off. Alderman Tuman said that he asked the Manager to read the minutes of December and the discussion at the retreat.

ADJOURNMENT:

Alderman Handy moved, seconded by Alderman Tuman to adjourn the meeting at 9:04 p.m. The motion passed unanimously.

Minutes prepared and submitted by Loraine M. Carbone, CMC, Town Clerk.



Mayor W. Rodney Knowles

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Date Approved

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**TOWN OF NORTH TOPSAIL BEACH
REGULAR BOARD MEETING
APRIL 5, 2007
7:00 P.M.**

PRESENT:

Mayor W. Rodney Knowles, Mayor Pro-tem Larry Hardison, Aldermen Richard Farley, Fred Handy, Richard Peters and Daniel Tuman, Bradley Smith, Town Manager, Loraine Carbone, Town Clerk, Robert Kilroy, Attorney

QUORUM:

Mayor Knowles called the meeting to order at 7:00 p.m. in the North Topsail Beach meeting room and declared a quorum present.

INVOCATION:

Alderman Handy gave the invocation.

PLEDGE OF ALLEGIANCE:

The Board of Aldermen and citizens present recited the Pledge of Allegiance.

APPROVAL OF AGENDA:

Alderman Tuman moved, seconded by Alderman Handy approval of the Agenda as presented. The motion passed unanimously.

COMMITTEE REPORTS:

Beach Nourishment – Dick Macartney

Our Beach Nourishment Committee has met 5 times since November, but are frustrated because “we are dead in the water” without an Engineering resources to answer what if questions. Beach Nourishment got started in this town back in 1998 or so. Once the Federal project was started we still needed a solution for the CRBA area 7.5 miles of the 11. C P & E was hired to develop the options back in 2002 I believe. Working since then we still are at least a year away from getting regulatory approval to do anything with our CBRA area shoreline.

Since the November vote we have had a cooling off period and rightly so. People need to get involved and they are. We need to listen to what was wrong with the first plan, but we still have to address our long term erosion problem. Our committee has stated and has agreement from this board that outside financing is a necessary ingredient in any plan. The mayor’s committee is a very favorable recognition by the board that Money is the most important issue. However, to raise money and to evaluate alternative plans our town needs an engineer. None of our citizens has this training.

CP & E is a renowned coastal engineering firm with 73 specialized and educated staffers dealing in coastal engineering from the Gulf coast to New York. To be sure they have

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not missed our work the past 5 months as they are busy with other projects including the one in Topsail Beach.

Our Project Engineer Mr. Tom Jarrett has been working with other coastal communities to develop alternative beach erosion solutions and has proposed a terminal groin test. That should help people realize that things other than dredging are being considered. Tom, an ex-Engineer with the Corps, lives in Wilmington and is available and willing to help our committee when we call. We would like to call him and ask him to meet with our committee and interested citizens to offer various plans which we can discuss. This does a couple of things - it proves to the outside funding sources that we are still in search for a combination that will allow us to protect our beaches. It proves to State and Federal agencies that we are serious and that they must respond to our pending draft environmental impact statement.

So we are hopeful that our board tonight will once again listen to the concerns of our citizens regarding beach erosion and take action to keep in place a process that will allow work to continue to find a plan or plans that will pass a voter referendum at some future time. The first step in that journey is to remove the suspension of the C P & E engineering efforts. They have said it will cost around \$400,000 for them to advise the town and respond to the concerns of the environmental agencies.

At the same time our Federal project joint with Surf City will be moving ahead for \$350,000 of which \$175,000 will be federal dollars recently approved in the 2007 Corps work plan.

Yes, beach nourishment is expensive, but to stop a process that has been going on for 10 years just because the numbers did not suit the first time is not prudent. Let's keep working together to find solutions that will be voted on favorably by our voters.

Planning Board – Mike Yawn, Chairman:

The Planning Board held a workshop with Ginger Booker on March 8th. This was very productive and they went over major organizational changes to the zoning ordinance. The next workshop is April 12th at 1:00 p.m.

Planning Board held their regular meeting on March 8th. Topics included:

- * Private bridges - had a number of representatives from NC DOT to describe their standard. They were very helpful and will be assisting town staff with added documentation.
- * Discussed re-zonings for two properties as recommended by the BOA. Those are on the April 12th Planning Board agenda. We do have questions about whether the BOA would like to rezone properties 11 and 19.
- * Staff reports

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The next Planning Board is April 12th @ 6:30 p.m.

Land Use Plan Team met on March 19th. They are starting the policy definition part of the plan. They went over policy requirements from CAMA, schedules, and over many of the CAMA areas in detail.

The next LUP meeting is Monday, April 23 @ 5:00 p.m.

Alderman Farley said he heard that anyone who owns a duplex doesn't own the land underneath them. Manager Smith said if it was illegally subdivided then they own the property underneath it. Mr. Yawn noted that Ginger Booker is working on the inconsistencies.

Board of Adjustments – Jerry Convy:

Their last meeting was held in February and a report was given in March. He said there was an error on the Harris case that was given to the Board. The Town doesn't have any time limits on the verbiage and we didn't put in a six month revision, this is state law, and once given a variance they have six months. This restriction is not necessary to be placed in a variance. He requested that the Harris case be put back on for the April meeting. They explained to him that he had six months to get permits. Manager Smith said he thought that once a variance was granted it went with the land, but Mr. Convy noted that it goes away once six months is up. You can restrict the six months but not liberalize it by giving him nine months and he can re-apply. Alderman Farley said he thought Mr. Convy said the intent was that people don't get variances when they want to turn around and flip the property. Alderman Tuman didn't think that the Board of Adjustment had to do anything since it was a six month lifetime variance and if he doesn't apply for a permit it is null and void and he would start the process again.

MANAGER'S REPORT:

1. I have met with NCDOT and ONWASA separately to discuss the issue of replacing the lines on and around New River Inlet Road. DOT has agreed to resurface New River Inlet Road after ONWASA has replaced the lines and made the necessary patching. ONWASA has agreed to have DOT and I sit in on the pre-construction meeting to coordinate the resurfacing work to be done.
2. With the tourist season upon us, parking will again become an issue. I have had several complaints made to me by both citizens and Board members about parking problems. Most of the issues arise from overflow parking on the right-of-ways. This happens under a couple of different circumstances. The first is renters come with more vehicles than the home can accommodate and then the parking spills into other people's driveways and the public right-of-way. The other time parking becomes an issue is when anyone (permanent citizens or renters) has a party or reception of some type. When someone has a party or wedding, etc. then their guests are faced with parking on the right-of-ways. These times are for a short (less than 8 hours) period and then they are gone after the event. I propose that all public right-of-ways be designated as "NO PARKING EXCEPT BY PERMIT". This allows a compromise for someone having an event at their home. The Police Department could issue the permits. Each permit would have the date and times that it is valid. The permits could either be a courtesy and free or we could charge a nominal fee per vehicle or a single

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fee for the event. The permits would not be given out for someone to park on the right-of-way for several days. No renters that need the parking for overflow for a weekend or longer would be issued a permit. If everyone agrees with this way of handling overflow parking, then I would draft an ordinance for the designation of the no parking except by permit areas and have it ready for Board approval at the May Board meeting.

3. I met with Waste Industries to discuss the garbage issues. I have a bid for them to switch to Monday and pull back the carts. This would cost the Town an additional \$8281.35/month or an additional \$3.25/cart/month. This would bring the amount charged per cart to \$155.00/year. Waste industries also would request a 5 year extension of the existing contract which is set to run out in 2008. Waste Industries has also given me a proposal for just changing to Monday and not pulling back the carts. The increase is approximately \$3500/month or \$1.38/cart/month and a request for a 5 year extension. If Holly Ridge agrees to change their day to Tuesday, then there would be no new cost to our existing contract.
4. I have had several requests from citizens for sea oats. We can continue as the Town has in the past and purchase the plants and then have the property owners pick up the plants for planting. Last year the Town went another way. The Town was to purchase 120,000 plants and have them planted by inmates (free labor). This did not occur due to the lack of available inmate labor. The Town paid for and planted 100,000 plants. Sheila and Lydia did most of the planting. This has left the dunes with a hit or miss program for stabilization through plants. About 10% of our frontal dunes are vegetated. I have a proposal from Coastal Transplants to plant several different species of plants, fertilization, and sand fencing installation to maintain the dunes in a uniform manner. I feel that with the slow progress on beach nourishment we are left with the dunes being our main defense from storms. Some are planted and some are not. Sand fencing has been installed in some areas and not in others. Also, a lot of the fencing that has been installed was installed wrong per CAMA guidelines. We just have no Town wide consistency in regards to the dunes. Since the Board did not approve my plan of mandating each property owner to maintain their dunes, I feel that this proposal would be a reasonable alternative. The cost for initial work would be about \$300,000/year for 3 years. Then the contract would be lowered to cover maintenance of the dunes.
5. I have received a request form the interim Chief of Police concerning the drug dog, Robbie. Since the Town acquired the dog we have under utilized him. We just do not have the drug activity in Town to keep the dog working. The dog has become quite expensive to maintain. There are food costs, vet bills, and trainer costs associated with keeping a dog. Surf City Chief has requested the use of the dog on several occasions. Surf City has used the dog many more times than we have actually used the dog. The Chief would like to donate the dog to Surf City. In return Surf City would reimburse the Town \$2500 for k-9 equipment and would make the dog available to North topsail Beach when needed. A letter outlining the Chief's concerns and the proposal is included. Unless any of you have a problem with this request, I am going to approve it effective next week.
6. Holland Consulting has sent us a subcontract to continue the work on our Land Use Plan. This is an extension of the already Board approved contract with Holland. There is no increase or surprises. The Mayor and Attorney Kilroy must sign this new contract. This is just for your information that we are continuing with the Town's original decision for the Land Use Plan. Also we have a State grant to help offset the cost of the plan. Finally, a copy of the plan to date has been sent to each of you individually. You should be receiving it in the next day or so. Please let me know if you do not receive one.
7. I met with Bass Hampton today concerning a major motion picture that will be filmed here in Town at Hampton Colony in June. Mr. Hampton is the Location Manager for Carolina Pictures. At this time we are working with him and his staff on the logistics of the filming—parking, night filming, CAMA requirements, and base camp setup. This will be very positive publicity for the Town.
8. I have enclosed a copy of my calendar for April. I will not bore you with the meetings that I attended last month. Each of you received a copy of last month's calendar.

Alderman Farley noted that the trash cart used to be \$75.00 and we are doubling the cart fee in three years. Manager Smith said they would have to charge if they

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wanted the Town to put the cans back. Alderman Peters said that at the Board Retreat they had agreed to pay to send out a notice to the Holly Ridge citizens if their board agreed to change the day of their pick up and he asked if this was done. Manager Smith said he had not followed up on that.

In regard to sea oats, Alderman Tuman said that he supported a dune program and felt that when they lose a dune and there is sand there the dune should be planted and fenced. State legislation supports us and we get county money and we should dedicate it to where it is needed. Alderman Farley felt if it was private property then they should take care of their own property. Mayor Knowles said that they should take this up at budget time.

Manager Smith noted that Casey Fillinger is doing an excellent job as interim police chief.

Alderman Farley asked if there was anything we could do on the height of the shoulders on the road work on New River Inlet Road. He said they once talked about a scraper to get the water off the road.

OPEN FORUM:

Mel Hauser, St. Regis, said in looking at the contract with CP&E, this week the Hurricane Center issued its forecast and what doesn't get mentioned here are the hurricanes and encroaching high tides. Hurricanes occurred often in the 90's and they will return. Mr. Jarrett gave a presentation on how much safer the town would be with more sand. Other towns fared better, but we could expect roads to be washed away making the remaining homes unreachable. Replacing New River Inlet Road will result in the destruction of many houses and he asked how the town could condemn so many homes. If you look at fifty homes valued at \$400,000, it is 2/3 of the high end estimate of the beach nourishment plan. The Town will lose half of its town value and the remaining home owners will incur expenses. Residents claim that the beach is a problem just for ocean front and they are not seen as part of the community. They voted the referendum down with signs. 80% of the number isn't accurate and the Board thought it wasn't a good plan.

Wayne Pace provided the following statement that was not read in its entirety due to the 3 minute Open Forum rule but it is scanned here as presented to the Town Clerk:

Good evening, Mayor Knowles and Aldermen. I am Wayne Pace. My wife and I own a condominium at St. Regis Resort. Thank you for convening this forum and allowing non-resident taxpayers like us to give our opinions and inputs on the very important issue of beach nourishment. I also want to thank Mr. Macartney and the members of the Beach Nourishment Committee for their long hours of dedicated work to find the right solution for beach nourishment in North Topsail Beach. I have recently begun to educate myself about beach nourishment and one of the things that I learned very quickly is that Mr. Macartney is an authority and that North

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Topsail Beach residents and owners are fortunate that he chairs our committee.

My purpose tonight is to urge the Board to approve the \$400,000 continuation of funding for the engineering services and support that is provided by CP&E to the Beach Nourishment Committee and the town. There are many reasons to continue the funding, two or three of which I would like to mention to the Board in my comments.

1. First, you should continue the funding in order to give the town the best possible scientific advice. We all know that beach nourishment is an issue that has and will continue to face North Topsail Beach for as long as any of us can foresee. It is essential that the beach nourishment committee and the board have the best possible scientific advice as you continue to seek solutions. I have recently been able to read carefully many sections of the coastal engineering reports provided to the town by CP&E. Having myself been a professional scientist for over 30 years, I find that these reports are of high-quality, thorough and unbiased. They provide the committee and the board with the scientific and engineering information necessary to make informed decisions. This kind of unbiased engineering support is essential as the committee continues to examine the numerous alternatives that have been proposed, from sand replenishment through installation of hardened structures.
2. Secondly, I believe that you should continue the funding so that all the possible solutions can be evaluated scientifically as well as politically. For example, last year's referendum necessarily addressed only one possible apportionment of the cost of beach nourishment between oceanfront and non-oceanfront properties. I believe that, by careful engineering analysis and surveys, we can find an apportionment that is satisfactory to all residents and taxpayers, including oceanfront, non-oceanfront and owners in both the southern federal region and in the northern CRBA region. By satisfactory, I mean an apportionment that will be approved by the required voter in the affected areas. For example, I know I have had discussions with other owners like myself of alternatives that have not yet even been proposed seriously. In order for these proposals to be proposed formally and their costs determined carefully, the engineering support of CP&E is essential. We must continue to base our analysis on sound engineering principles and to examine all possible approaches before we abandon beach nourishment. This issue is much too important to the residents and to the nonresident taxpayers of North Topsail Beach to stop at this crucial juncture.
3. Finally, you should continue the funding to avoid having to restart the process of obtaining the necessary nourishment permits. I am sure that you have been told many times about the importance of continuing the beach nourishment permitting process without interruption, and you are well aware of the costs the town would incur if the process had to be restarted from the beginning. If I have my figures correct, the town has already spent \$1.4 million in order to reach the present status in the permitting process. Starting anew could not be less expensive to reach the same point than the costs already incurred. The support of CP&E is essential in order to continue the permitting process without interruption and to therefore relieve the town and its taxpayers of the burden of investing once again in engineering services to achieve a result that we have already achieved at the present. Thank you very much for your kind attention. Respectfully, Wayne Pace, Ph.D.

Dr. Chiang, 3634 Island Drive, asked the Board to consider continuing funding. We have spent 1.4 million dollars already and it would be a waste to put it aside. He said he has seen the petition and he disagreed with that since the vote was to

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stop beach nourishment. He didn't think it was designed to carry the votes. It was all negative from the southern district and he doesn't support that petition. Dr. Chiang noted that he was first against it and then he voted on it since he believes that nourishment is in the best interest for all of NTB. If we have more damage from hurricanes it will hurt the town. We will get positive publicity from this movie and Wilmington is taking a lot of credit. Emerald Isle didn't pass the first time and we need to do it right and look at the options to make it work. Everyone should unite as neighbors and friends.

John Barazzo, 184 Seashore Drive said that he was not a resident but he takes pride in what he owns and he has a vegetated dune and sand fence. He said he read in the retreat minutes that the Board discussed recycling and asked if that could be part of the new contract.

Robert Swantek, 3773 Island Drive, said that at the last meeting a task force was established by the Mayor and he asked if anything has been done and have they gone to Raleigh to get funds? Mayor Knowles said they haven't done anything so far. Mr. Swantek noted that the state just bought Chimney Rock and approved renovating a house for a 30 million dollar total and we can't get anyone to give us money for beach nourishment. He said that we need to get someone to lobby for us in Raleigh. Mayor Knowles noted that these are your congressmen and you need to contact them. Mr. Swantek said don't just give money to give to a company that just takes our money.

CONSENT AGENDA:

The consent agenda consisted of the February 6th and March 1st 2007 Board Meeting minutes, Department Head Reports, Benefit Accrual Report and Budget vs. Actual.

Alderman Handy had a correction to the February 6th minutes on page 10, last paragraph in regard to the septic tank issue. It should state "for those requesting septic, their covenant should state that they apply for a tap and hookup is within 90 days once a tap is available."

Alderman Handy moved, seconded by Alderman Tuman approval of the Consent Agenda as amended. The motion passed unanimously.

OLD BUSINESS:

a. Beach Nourishment Permitting with CP&E:

Manager Smith noted that at the December meeting the Board voted to temporarily halt spending with CP&E for the Town's permits for the beach nourishment project. CP&E was notified of this decision and spending was halted. At the Board retreat, a consensus of continuing the permitting process was reached. This was non-binding and had no effect on changing

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your December vote. The Board needs to vote to either continue the permitting process or to continue with the temporary halt to spending. He has already been notified informally that State agencies think that this is a defunct project and are not willing to make their required comments on our preliminary environmental impact statement.

We also have a grant application in at the State level for outside assistance that will be in jeopardy if we do not notify the agencies that we are moving forward. A PDT meeting has been set for April 25th and CP&E needs to know if they should go forward. A break down to date of project spending was reviewed by the Board and approximately \$400,000 is needed to obtain permits.

Alderman Farley noted that he looked at the bills today and a recent invoice we had was \$350,000 and \$165,000 and there are questions on the bills and he felt that it didn't include monitoring.

Alderman Tuman moved, seconded by Alderman Peters that North Topsail Beach honors its contract to completion with Coastal Planning & Engineering regarding beach nourishment activities.

Alderman Farley didn't think we should spend this money since people voted this down. They had every opportunity to support it and no one is arguing for it. We save \$400,000/year in taxes and it costs us 3 million dollars to save that money. This will not stop a hurricane; it is just for erosion and has a limited impact for people in our town. One citizen said where he lives it will be another 450 years before it gets back to him. Citizens of this town got up on Tuesday, November 8th in large numbers and voted no. We used a survey of people who said they wanted it. He said he would rely on those who voted against it and he requested that they don't approve any more money for this.

Mayor Pro Tem Hardison said he was still puzzled as to why we have just ignored the results of the referendum. Or at least tried to look or analyze what some problems were about the plan to improve it. We should have used the time since then to poll people, or call people to find out how things might be improved or changed or be more acceptable. There is a wide range of why people voted why they did. People felt that nature is going to be nature and do want it wants to do. To continue a process that people feel strongly about and objected to and to have a body to totally ignore their response - he didn't think that was good for nourishment in the future.

Alderman Tuman said that they need to focus on the contract with CP&E and whether or not it is in the Town's best interest to do nourishment. This contract is to complete the basic work to determine that beach nourishment is technically feasible should the Town pursue this in the future. In regard to the Feasibility

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Study, CP&E is at work to find sand and that it meets quality standards and environmentally issues that need to be overcome. This is important work and necessary to receive financial assistance from the state and county and in order to preserve the Town's options for the future, we have to continue this work. We need the data to establish if it is feasible. Five years ago they said there wasn't enough sand around and we went to the Corps and to CP&E and the Corps is doing the same work for the non-CBRA section of Town. There is skepticism with the county that the Town supports this, but we need to complete the contract or we kill any opportunity to pursue it. This is a small amount of money to complete this contract.

Alderman Handy said this will also be giving us answers to federal and state governments. Federal will want to know if we met environmental issues and we will need the impact study to continue.

Mayor Pro Tem Hardison said that we are jumping beyond the most important thing we have to work with and that is the people who will support nourishment. People have to be acknowledged and when they are not, they will let you know that and if they continue to be ignored you may win the battle now, but how can you go to the state and county if you don't have people behind you. He said he has heard two or three people say that we don't need it and don't want it, but he didn't see people who say we don't want it, but look at this again and see if something we can come up with is something that will be acceptable.

Alderman Farley noted that it was said that Emerald Isle turned this down twice, but they didn't since it went to the county and it was slaughtered. The precincts had one or two for it. In regard to hurricanes, we saw pictures that had a project done, the difference is they had a federal project and had 25% more sand and we won't be able to stand up to that. If you told people in the beginning that this would cost 34 million dollars we never would have gone forward. We should honor the people's vote since they knew what they were voting on.

Alderman Peters said there was a petition signed opposing the expenditure, but he firmly believes that we as a Town are not willing to retreat and not to give up. The only legal alternative we have to retreat is beach nourishment and any other alternatives like solid structures have to go through state approval and will take many years, but we are open to be included in a groin study with Ocean Isle. A petition was carefully written to cease the specific spending until such time as a new plan can address NTB erosion is approved by the citizens of NTB. The only permissible plan is beach nourishment and any other plan will take lengthy years to achieve. Much of the issue of approving additional funds is that there is the position of suspicion that we may not do beach nourishment or we may lose the funds. We as a Board are not ignoring you. It is a lose - lose situation that we are in right now and if we do approve the additional funds we could lose the \$400,000. If we don't, we could lose significantly more by having to start over

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with another type of program. The only way for a win - win solution is to approve the contract and with every citizen, resident and owner to resolve to work together and determine a plan or plans to address erosion which would ultimately be approved by the voters. Everyone must decide to work together to this common goal despite our many differences of opinion and geographic location otherwise total retreat is the answer.

Alderman Farley noted that a comment was said before about the viciousness of people who are against this. When you allude to the petition, one of the problems that some of the proponents of this plan had are they believe it is just a handful of people and just one part of the community that is against it and that is wrong since it is widespread. People expressed their opinion and he said he applauded them. Alderman Peters said that he also admires these folks, but we haven't demonstrated that we can work together. There were many reasons why people signed this petition, but we have to search out everyone we have as citizens and see what they want.

The motion passed three to two with Alderman Farley and Mayor Pro Tem Hardison voting nay.

NEW BUSINESS:

a. Ordinance – Digging Holes on Beach Strand:

The following ordinance is proposed to address holes and digging on the beach. It is modeled after Surf City's and Topsail Beach's ordinances.

AN ORDINANCE AMENDING CHAPTER 10 – ARTICLE 11. BEACHES – DIVISION 1. GENERALLY

New Section 10-22 – Digging of holes on beach strand

Add the following language:

Sec. 10-22. Digging of holes on beach strand.

To help prevent personal injury and damage to property, it shall be unlawful for any person, firm, or corporation within the corporate limits of the Town of North Topsail Beach to dig into the sand on any part of the beach strand greater than twelve (12) inches deep, without having a responsible person attending the area to prevent any person or persons from walking into any existing hole and risking personal injury, and to allow public safety vehicles the ability to respond to emergencies without risk of damage to equipment or personal property. Prior to leaving the area, and 30 minutes prior to sunset, any hole greater than twelve (12) inches deep shall be filled to level with the surrounding area, leaving the area in the same general condition in which it was found.

Persons violating this ordinance shall be cited and punished pursuant to the provisions of N.C.G.S. 14-4.

This Ordinance shall become effective upon adoption.

Adopted this 5th day of April 2007.

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Mayor Knowles asked that the language, "and 30 minutes prior to sunset" be added after "Prior to leaving the area".

Alderman Handy moved, seconded by Alderman Tuman approval of "An Ordinance Amending Chapter 10 – Article ii. Beaches – Division 1. Generally – Digging of holes on beach strand.

Alderman Farley requested clarification from Attorney Kilroy why we didn't need a public hearing and Attorney Kilroy noted that it is an ordinance for public safety and health. Manager Smith said you can change an ordinance anytime in NC if it is not on zoning. Alderman Farley noted that we did discuss this twice.

The motion passed unanimously.

b. Resolution and Agreement between County and NTB for Advalorem Distribution of Local Sales Tax:

The Board reviewed the Resolution in support of the Interlocal Cooperation Agreement for the Division of Sales Tax and the actual Agreement between the County and the Municipalities.

RESOLUTION IN SUPPORT OF THE INTERLOCAL COOPERATION AGREEMENT FOR THE DIVISION OF SALES TAX BETWEEN THE COUNTY OF ONSLOW

WHEREAS, the Town of North Topsail Beach recognizes that it would be in the County's best financial interest to change the method by which the local sales taxes are distributed to municipalities within the County from a *per capita* to an *ad valorem* basis; and

WHEREAS, the *ad Valorem* basis would also benefit the Town of North Topsail Beach; and

WHEREAS, after last year's reassessment, the County is collecting \$5.5 million more from the Town of North Topsail Beach; and

WHEREAS, The Town of North Topsail Beach will be encountering astronomical expenses in dealing with beach erosion; and

WHEREAS, the County would gain money for their school systems by distributing local sales taxes on an *ad Valorem* basis, wherein presently the County loses money by using the *per capita* basis; and

WHEREAS, the Town of North Topsail Beach does not have the same annexation authority that other municipalities in the County have, thus allowing them to expand their revenues through annexation.

NOW, THEREFORE, BE IT RESOLVED, that the Town of North Topsail Beach does hereby acknowledge that the *ad Valorem* basis for distributing the local sales tax would benefit both the County and the Town and that the Board of Aldermen unanimously support the "Interlocal Cooperation Agreement" for the Division of Sales Tax.

Adopted this 5th day of April 2007.

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Manager Smith said that this is a five year agreement and when looking at the budgets in general, the phase-in doesn't hurt any town or city. If the county thinks that per capita is better for them in the future then that will be phased in. Alderman Handy stated that Jacksonville took in Camp Lejeune and they have no expense there. Mayor Knowles noted that 1990 was when they made the change and that was when we incorporated.

Alderman Tuman moved to approve the "Agreement" and also approve the resolution but to change the title by deleting the other towns in the county. Alderman Handy made the second. The motion passed unanimously.

Mayor Knowles noted that a couple of years ago they requested that the county discuss this with us and no citizens attended the county meeting. Alderman Handy said when a proposal in the county was to change zoning of a piece of property near North Shore Country Club they had many attend the meeting and the proposal was turned down. We need to have a strong voice at the county meeting.

Mayor Knowles agreed and said that this is not a done deal and if you know a commissioner please call him. Alderman Tuman said that the impact is great for this town. When implemented we will go from receiving \$200,000 to almost 1.3 million dollars and it is so significant that that it has the City of Jacksonville upset and they are running a commercial on the government station against it and they talk about NTB and how everyone are millionaires here. The Onslow County meeting is on April 16th at 7:00 p.m. when the advalorem tax distribution is on the agenda and it would be a big impact if our citizens attend.

c. Budget Amendment #2

Manager Smith noted that we are doing well with the budget and we may have one other before the end of the year to do any cleanup so we don't get caught by the auditor like we did last year. Alderman Farley said he was not comfortable that the manager said that we would go over budget and then come up with an amendment to make the auditor happy since we shouldn't be going over the budget. Alderman Farley said we shouldn't be overspending what the Board has approved and saying we need it anyway and we should work within the budget. Manager Smith said a perfect example was part time salaries for firemen, what is he supposed to say, tell them they can't go to a fire until he gets more money in the budget? There is also maintenance and repair at the fire station and we have to fix the roof.

Alderman Farley said that he could understand a roof leak, but the idea that we will clean up after overspending is bad policy. Alderman Tuman noted that if you are asking for a budget amendment there should be language up front that explains what it is you are requesting and why you are doing it and a rationale for

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it. You shouldn't say you will spend as you do and you reconcile the numbers and we are either ahead or we are short and need an amendment – that sounds like bad management. Manager Smith reviewed the general fund revenues and expenditures and explanations were given for various line items.

Alderman Farley questioned beach nourishment and asked if there was a mistake in the budgeted amount? He said we are increasing this fund \$45,000 on one item and \$3,000 on another one and he had posting questions on some items. Manager Smith said that was money that was spent on the hardbottom study which was \$51,000. The TISPC minutes of April 27, 2006 stated that we agreed that the district would proceed with Surf City and NTB if NTB voted to fund the CP&E study and NTB would move forward with their own near shore hardbottom survey and submit their costs for an in-kind work credit with the Corps. Since that was on the southern end for both projects that information could be used for any project. He said he put it into the federal southern end and it could go into either place. Alderman Farley said the issue is that money came out of the Corps line item which is not in the budget for CP&E on their contract and they posted it against one of their line items. Manager Smith said that on our books we can show it on either one. Alderman Farley noted that the one he suggested was where we put the expenditures of all those items. Manager Smith noted that the contract had an increase, but that was before he got here and we had to pay for it. Alderman Farley noted that the issue is that this fund continues to rise and he has no confidence when we are adding \$45,000 and possibly another \$50,000.

| <u>Account</u> | <u>Name</u> | <u>Budgeted</u> | <u>Increase Decrease</u> | <u>Amended Budget</u> |
|----------------|----------------------|-----------------|------------------------------|---------------------------|
| 20-301-06 | Prior Year Taxes | \$0.00 | \$1,200.00 | \$1,200.00 |
| 20-317-00 | Penalties & Interest | \$0.00 | \$800.00 | \$800.00 |
| 20-335-00 | Miscellaneous | \$0.00 | \$2,040.00 | \$2,040.00 |
| 20-335-03 | Hurricane Ophelia | <u>\$0.00</u> | <u>\$141,570.00</u> | <u>\$141,570.00</u> |
| | | \$0.00 | \$145,610.00 | \$145,610.00 |

Revenues increased by: \$145,610.00

Expenditures

| <u>Account</u> | <u>Name</u> | <u>Budgeted</u> | <u>Increase Decrease</u> | <u>Amended Budget</u> |
|----------------|-----------------------------|-----------------|------------------------------|---------------------------|
| 20-720-07 | Retirement | \$1,235.00 | \$485.00 | \$1,720.00 |
| 20-720-08 | CBRA Permits | \$290,000.00 | \$45,430.00 | \$335,430.00 |
| 20-720-13 | CP&E Addition | \$121,000.00 | \$3,300.00 | \$124,300.00 |
| 20-720-48 | Pre-Construction Monitoring | \$240,000.00 | (\$45,175.00) | \$194,825.00 |
| 20-720-98 | FEMA Fund Reimb | <u>\$0.00</u> | <u>\$141,570.00</u> | <u>\$141,570.00</u> |
| | | \$652,235.00 | \$145,610.00 | \$797,845.00 |

Expenditures increased by: \$145,610.00

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| | <u>Account</u> | <u>Name</u> | <u>Budgeted</u> | <u>Decrease</u> | <u>Budget</u> |
|-----|------------------|------------------------------------|---------------------|---------------------|---------------------|
| | 10-317-00 | Penalties & Interest | \$3,500.00 | \$550.00 | \$4,050.00 |
| | 10-335-00 | Miscellaneous | \$800.00 | \$230.00 | \$1,030.00 |
| | 10-355-01 | Meeting Room Deposit | \$500.00 | \$100.00 | \$600.00 |
| | 10-335-10 | Miscellaneous Permits & Fines | \$4,800.00 | \$1,000.00 | \$5,800.00 |
| (1) | 10-335-18 | Hurricane Ophelia | \$423,559.00 | \$381,720.00 | \$805,279.00 |
| | 10-336-06 | Donations Beautification Committee | \$1,501.00 | \$170.00 | \$1,671.00 |
| | 10-350-00 | Recreation Fees | \$200.00 | \$50.00 | \$250.00 |
| | 10-355-00 | Building Permits | \$23,700.00 | \$11,500.00 | \$35,200.00 |
| | 10-355-02 | Electrical Permits | \$14,000.00 | \$2,000.00 | \$16,000.00 |
| | 10-355-06 | Technology Fees | \$3,600.00 | \$800.00 | \$4,400.00 |
| | 10-355-07 | Re-inspection Fees | \$450.00 | \$125.00 | \$575.00 |
| | 10-357-05 | DCM-Land Use Plan | \$10,500.00 | \$900.00 | \$11,400.00 |
| | 10-359-01 | Refuse Collection Prior Year | \$1,300.00 | \$600.00 | \$1,900.00 |
| | 10-359-50 | Vacant Lot SWF | \$17,300.00 | \$250.00 | \$17,550.00 |
| | 10-359-51 | Additional Cart-SWF | \$7,000.00 | \$450.00 | \$7,450.00 |
| | 10-368-00 | Other State Revenues | \$100.00 | \$3,243.00 | \$3,343.00 |
| | 10-355-01 | Mechanical Permits | <u>\$9,000.00</u> | <u>\$500.00</u> | <u>\$9,500.00</u> |
| | | | \$521,810.00 | \$404,188.00 | \$925,998.00 |

Revenues increased by: \$404,188.00

(1) Final Reimbursement for Hurricane Ophelia

| | <u>Account</u> | <u>Name</u> | <u>Budgeted</u> | <u>Increase</u> | <u>Amended</u> |
|--------|------------------|------------------------------------|---------------------|---------------------|---------------------|
| | 10-410-58 | Tax Refunds | \$1,000.00 | \$1,200.00 | \$2,200.00 |
| | 10-420-09 | Workers Compensation | \$28,500.00 | \$4,214.00 | \$32,714.00 |
| | 10-420-32 | Office Supplies- Admin | \$3,400.00 | \$150.00 | \$3,550.00 |
| | 10-420-33 | Departmental Supplies- Admin | \$2,200.00 | \$300.00 | \$2,500.00 |
| | 10-490-02 | Salaries- Planning | \$34,800.00 | \$3,000.00 | \$37,800.00 |
| | 10-490-05 | FICA- Planning | \$2,665.00 | \$230.00 | \$2,895.00 |
| | 10-490-07 | Retirement- Planning | \$1,563.00 | \$400.00 | \$1,963.00 |
| | 10-490-33 | Departmental Supplies- Planning | \$2,023.00 | \$600.00 | \$2,623.00 |
| | 10-491-07 | Retirement- Inspections | \$2,500.00 | \$1,776.00 | \$4,276.00 |
| | 10-491-33 | Departmental Supplies- Inspections | \$450.00 | \$400.00 | \$850.00 |
| (1) | 10-500-15 | M&R Building - Grounds | \$9,900.00 | \$6,000.00 | \$15,900.00 |
| | 10-560-13 | Street Lights | \$19,000.00 | \$2,800.00 | \$21,800.00 |
| | 10-620-12 | Snowflakes | \$3,360.00 | \$650.00 | \$4,010.00 |
| | 10-620-13 | Park Utilities | \$9,500.00 | \$2,076.00 | \$11,576.00 |
| | 10-620-15 | M&R Park | \$3,500.00 | \$1,000.00 | \$4,500.00 |
| | 10-620-27 | Special Events | \$2,215.00 | \$100.00 | \$2,315.00 |
| (2) | 10-690-03 | Part-time Salaries Fire | \$7,000.00 | \$4,000.00 | \$11,000.00 |
| | 10-690-06 | Group Insurance Fire | \$16,520.00 | \$4,400.00 | \$20,920.00 |
| | 10-690-32 | Office Supplies- Fire | \$250.00 | \$200.00 | \$450.00 |
| | 10-695-93 | Beautification Committee | \$3,968.00 | \$170.00 | \$4,138.00 |
| 4/5/07 | 10-999-05 | FEMA Funds Reimb | \$419,339.00 | \$381,720.00 | \$801,059.00 |

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(3)

| | | | | |
|-----------|----------------------------------|--------------------|---------------------|--------------------|
| 10-410-50 | Donations to Other Organizations | \$5,500.00 | (\$500.00) | \$5,000.00 |
| 10-410-53 | Dues & Subscriptions- GB | \$2,000.00 | (\$500.00) | \$1,500.00 |
| 10-420-26 | Advertising | \$7,500.00 | (\$1,300.00) | \$6,200.00 |
| 10-420-53 | Dues & Subscriptions- Admin | \$1,300.00 | (\$250.00) | \$1,050.00 |
| 10-420-76 | Lease Purchase Agreement | \$24,000.00 | (\$100.00) | \$23,900.00 |
| 10-999-00 | Contingency | <u>\$77,564.00</u> | <u>(\$8,548.00)</u> | <u>\$69,016.00</u> |
| | | \$691,517.00 | \$404,188.00 | \$1,095,705.00 |

Expenditures increased by: \$404,188.00

\$0.00

- (1) Roof on South End Fire Station has a hole and has to be repaired
- (2) Incentive Pay for Volunteer Firefighters
- (3) Final Reimbursement for Hurricane Ophelia

Alderman Tuman moved seconded by Alderman Handy to approve Budget Amendment # 2. The motion passed four to one with Alderman Farley voting nay.

d. Public Records Law – Open Discussion of Law

Alderman Farley noted that recently the Daily News wrote about "open records week". He said it was important how government functions giving access of information to those who request it. People request information they are entitled to and sometimes they can't get it and he wanted us to confirm that this won't happen in our town. Mrs. Carbone explained that staff always accommodates any requests that they receive.

e. Formation and Appointment of Town Committees

Alderman Farley said at the last meeting the Mayor formed a committee and he felt he shouldn't have done that. It states in the "Suggested Rules of Procedure for a City Council" that the council or the mayor, if the mayor is delegated that power by the council, may establish and appoint members for such temporary and standing city committees and boards as are needed to help carry on the work of city government." "The only board that mayors have statutory power to appoint is housing authorities." Alderman Farley said that the Mayor insisted he had the right to do it and he doesn't. He said he didn't understand why he would appoint a committee without coming to the Board. Mayor Knowles noted that when the Town was first incorporated, it was written in the first ordinances that the Mayor had the right to form a standing committee and this is just a fact finding committee that would report to the Board. Mayor Knowles said if it wasn't on beach nourishment he wouldn't have a problem. Alderman Tuman said there should be no discussion until a motion was made.

Alderman Farley moved, seconded by Mayor Pro Tem Hardison that the funding committee be disbanded until the Board appoints such a

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committee. The motion failed with Aldermen Tuman, Handy and Peters voting nay.

f. Beach Nourishment Board Liaison

Mayor Knowles noted that Mayor Pro Tem Hardison has stepped down as liaison to beach nourishment and the Topsail Island Shoreline Protection Commission (TISPC) and Alderman Peters will take his place.

Alderman Tuman moved, seconded by Alderman Handy that Alderman Peters be appointed as the liaison to the Beach Nourishment and TISPC.

Alderman Farley asked why they were voting if they didn't need to vote. He didn't see the point of having liaisons and asked what they were supposed to do? Mayor Pro Tem Hardison said that this was an issue that started last year. We didn't have a definite decision as to who will be assigned to certain committees. Alderman Tuman said it was also to have someone who is mindful as to the interests of the Board on beach nourishment and the TISPC and advise the Board on various issues. Mayor Pro Tem Hardison said in reality, someone could be assigned to a committee and that group could select who they want to liaison with. He said he didn't think his attendance was an issue and said that his absence from the committee wasn't negligence but he refused to be there and be ignored. Alderman Farley felt that these committees only speak to those with similar views as them. Mayor Pro Tem Hardison said that Alderman Peters will do a fine job and he will support him.

The motion to appoint Alderman Peters as liaison to Beach Nourishment and TISPC passed three to two with Alderman Farley and Mayor Pro Tem Hardison voting nay.

OPEN FORUM:

Mary Convy asked to be on the email list when special meetings were called.

Mr. Macartney apologized to Mayor Pro Tem Hardison and commended him for the excellent job he did on the committees.

Mr. Swantek said he was very disappointed in this council since they acted like little babies, arguing back and forth, and not listening to the people. 277 to 271 are not listening to the people.

Mr. Doherty echoed that comment and he said on behalf of those who signed the petition it was fiscally irresponsible with no funding in the horizon to approve the CP&E contract to continue the permitting process.

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ALDERMEN'S REPORT:

Alderman Peters said as he indicated you are not being ignored and he reiterated that if we continue going as we are going with these differences of opinion with nothing being accomplished we are going no where. We are in a position to vote one way or the other way and there is a difference, but we have to work together for protection of our beaches. Mr. Doherty said their cover letter was explicit to proceed, but before you spend money you need to come up with a new plan. Alderman Peters said that they all have divergent ideas and they need to mesh those to a plan and in the interim we lose our funds we have already spent if we have to start over. The only way for a win - win solution is to emerge tonight to say we will work together.

Alderman Handy thanked everyone for attending the meeting.

Alderman Farley said it's not just about beach nourishment regarding committees, but it's certain powers and you can't just give away powers and adhere to procedures. This oversteps bounds and is detrimental to the Town.

CLOSED SESSION:

Alderman Tuman moved, seconded by Alderman Handy to go into closed session at 9:35 p.m. to discuss a legal issue. The motion passed unanimously.

OPEN SESSION:

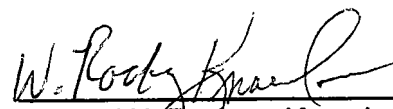
Alderman Tuman moved, seconded by Alderman Handy to go into Open Session at 10:18 p.m. The motion passed unanimously.

Alderman Tuman moved, seconded by Alderman Handy to accept Attorney Kilroy's advice within the closed session. The motion passed three to two with Mayor Pro Tem Hardison and Alderman Farley voting nay.

ADJOURNMENT:

Alderman Tuman moved, seconded by Alderman Handy to adjourn the meeting at 10:20 p.m. The motion passed unanimously.

Minutes prepared and submitted by Loraine M. Carbone, CMC, Town Clerk.



Mayor W. Rodney Knowles
May 3, 2007

Date/Approved

**TOWN OF NORTH TOPSAIL BEACH
REGULAR BOARD MEETING
MAY 3, 2007
7:00 P.M.**

PRESENT

Mayor W. Rodney Knowles, Mayor Pro-Tem Larry Hardison, Aldermen Richard Farley, Fred Handy, Richard Peters and Daniel Tuman, Town Manager Brad Smith and Town Attorney Robert Kilroy

QUORUM

Mayor Knowles called the meeting to order at 7:00 p.m. in the North Topsail Beach meeting room and declared a quorum present.

INVOCATION

Mayor Knowles acknowledged Reverend Tom Greener and announced that he was moving to Durham and thanked him for attending the Town meetings. Reverend Greener then gave the invocation.

PLEDGE OF ALLEGIANCE

The Board of Aldermen and citizens recited the Pledge of Allegiance.

APPROVAL OF AGENDA

Manager Smith requested two additions, under New Business, Item 10. d, Call for Public Hearing for Budget Presentation; and Closed Session for personnel as Item 15. **Alderman Handy made a motion to approve as amended. Alderman Tuman seconded and the motion passed unanimously.**

COMMITTEE REPORTS

Beach Nourishment – Dick Macartney

Since the board approved the continuation of the C P & E contract at the last meeting we asked Mr. Tom Jarrett of C P & E to attend and speak at our BN committee meeting on April 18th

We asked him to present our options and to tell us where we are in the permitting process. Jarrett recapped some of our options and they basically all start with the data we had to do the entire town beach. The committee consensus was that we need to take one step at a time and that beach nourishment will likely be a several phased approach.

Since the erosion seems to be heaviest at the Northern end of the island and that the shifting inlet is causing much of this Mr. Jarrett spent a great deal of time explaining what was happening and comparing and contrasting our New River Inlet with the Bogue Inlet project that C P & E designed and managed for Emerald Isle. In addition to changing the inlet direction and deepening it we asked him to discuss the desirability of a terminal groin. Although Tom is working on getting that idea accepted by the legislature he stated that is probably 5 years away with positive political developments. So that brings us back to an inlet project. Costs vary depending on what is done with the minimum figure \$5MM and ranging up to \$20MM and even more with a terminal groin added to protect it.

Since money is the critical issue before we can develop a starting point or a plan for beach nourishment we are looking for input from the mayor's task force on financing.

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Mr. Jarrett told us that it would probably be the spring of 2008 before any permits would be issued given that we had the six month hiatus. Although I was not able to attend the Project Development Team meeting for our project on April 25th I understand that was very helpful. There was good direction from the agencies and the Army Corps of Engineers as to changes needed in the Preliminary EIS. Interestingly there was a request that a section be added outlining the town's support for the project and the plan for obtaining financing.

So it appears to me that the weight of the future for a privately funded beach nourishment project is squarely on the back of the mayor and his task force. Suffice it to say we need to see an aggressive plan for meetings of this group and an outline of what paths the town is going to pursue for outside financing.

On another front the Topsail Island Shore Protection Committee at its April 24th meeting elected Alderman Peters to fill the position of Vice Chair caused by the resignation of Alderman Hardison. It is planned that he will succeed to Chairman in January. This committee has recently had presentations by representatives from Sen. Burr and Sen. Dole and has been solidifying federal support for the projects in Topsail Beach and our joint project with Surf City.

Planning Board – Chairman Mike Yawn

On April 12th met with Ginger Booker the Consultant to assist with planning & zoning sections of the ordinances. The Planning Board reviewed two sections re-writes by Ms. Booker and the PB has one more section to review. The PB reviewed eight rezoning public hearings. The first Rezoning Case #R-07-01 was unanimously recommended for approval. Rezoning Case #R-07-02 was recommended to rezone as CON-D. The PB then reviewed rezoning cases #R-07-03 through #R-07-08 on Goldsboro Lane. These six parcels are zoned as R-10 and were requested to rezone as R-5. The PB unanimously denied these six requests. The next PB meeting is scheduled for May 10th at 6:30 p.m.

The Land Use Plan meeting was held on April 23rd and Landon Holland of Holland Associates attended. The policy section of the Land Use Plan was discussed. A topic discussed was the need for more beach accesses for the Federal Project requirement and possibly for the local project in the future. Policy could be adopted that would state if a developer was developing property on the beach that a portion must be assigned as beach accesses. Mr. Holland would draft the policies based upon the previous 1998 Land Use Plan plus the input from the Land Use Plan survey.

Board of Adjustments – Jerry Convy

The Board Of Adjustments met on April 19th and heard three cases. The first Case #V-07-01 was a request by Scott Linzey for a variance from Sec. 7-129 to allow a swimming pool on a substandard lot. The minimum width requirement is 60' and his lot is 54.6'. The BOA granted this variance based on staff recommendation.

Case #A-07-05 was an appeal by Attorney Maura Johnson for David Luther who has received a notice of violation issued January 26th that commercial activities are not permitted in R-15 zoning districts. The Town Attorney determined that Mr. Luther was currently in compliance and recommended that no further action be taken on this case. Manager Smith then added that Mr. Luther had not changed his website advertisement and that he had a call into Attorney Johnson. This issue may have to be brought before the BOA again. The Mayor mentioned that Mr. Luther's house was a single family residential home and questioned how individual rooms could be rented out. The Manager stated that was a good point and he would look into that issue.

Case #A-07-01 was an appeal by Attorney Joseph E. Stroud, Jr. for Mark Evans concerning Seaside Inn. This case has been continued until this month's meeting until a determination can be made.

The BOA uses the Zoning Book by Zoning Board of Adjustments of NC as a guideline to grant variances. Mr. Convey talked with David Owens the author of Introduction to 2001 Zoning. Mr. Owens stated that the Town's ordinances have little instructions concerning procedures and dispositions of cases. The BOA should adopt Chapter 3, the rules of procedures as our guidelines.

Manager's Report

3 May 2007

1. I have made several calls to DOT concerning the no parking issue. I finally got in touch with Robert Vause and he directed me to Dan Cumbo, District Traffic Engineer in Wilmington. Mr. Cumbo has not returned my call yet. As soon as I get up with him I hope to work out the logistics of the parking ordinance and have it before the Board next month.
2. I continue to work with Bass Hampton, Location Manager, with the upcoming motion picture. Everything is going well at this time.
3. I met with Alan Libby on the 20th to discuss and brainstorm about the proposed festival. The biggest issue is going to be logistics, specifically parking. We need an area big enough to accommodate the cooks, vendors, and crowds and still have somewhere to park. We will have another meeting this month and I urge any Board members to participate.
4. On Tuesday, May 8th at 9:00 a.m. NTI, Group will be presenting the reverse 911 system that Surf City has just started using. Lydia has contacted County Manager Lori Brill and requested if we could sit in on the presentation. Lori has graciously agreed to let several of us sit in on this presentation. Lydia and I will be attending. If any Board member or the Mayor wishes to attend, please contact either me or Lydia.
5. I met with Eddie Baldwin, NTU, Inc. concerning the odor and he has given me a letter stating that the scrubber system is now in place and should be working. Please inform me if you notice any odors.
6. Gregg Whitehead and I have coordinated the Town Hall day schedule and each of you should have received an email with the schedule. This gives us time to meet with our delegation and voice our concerns over issues that are important to North Topsail Beach. We also want to voice opposition to several bills that the League opposes. Handouts will be given to you in Raleigh at the registration table. The Mayor and I will be staying for the dinner with the Senator Brown and Representative Grady.
7. Staff and I continue to work on the budget and make revisions where necessary. It will be presented balanced at the next workshop.
8. Rode the beach yesterday with the Fire Chief and Police Chief to look at beach access points and crosswalks. Thomas Best, Fire Chief pointed out that the crosswalks that come across the dune then stairs split off or are built to an angle. These particular crosswalks make it hard to push sand around. The building code should be examined and possible changed to require that the stairs are built straight out towards ocean.
9. Land issues continue to take up the majority of mine and Debra Hill's time regarding plans, reviews and pools.
10. Letters will be mailed out to property owners that have sand fencing erected incorrectly.

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OPEN FORUM

Bob Swantek of 3772 Island Drive commented it was great to notify owners about their sand fencing but the Town has other ordinances that they do not follow. He mentioned the 42 garbage containers on Island Drive and Memorial Day is upon us. If the Town makes ordinances they should enforce them.

Mike Yawn of 207 Tamarix Court urged the Board to place the sales tax windfall from Onslow County into the general fund balance. This money could be used after a hurricane or if the Town is sued. He urged the Board to hold the general fund tax level at ten cents per hundred and to reduce the BN tax to a revenue neutral number.

Victor Schlotter of 100 Bay Court has been a resident for over 4 years and is a contractor. His issues are the lack of consistency with our government and our interpretations of our ordinances and regulations. During the past four years he has seen three different building inspectors for the Town, three zoning, planning & CAMA officers, two secretaries and three town managers. He mentioned that each time there is a turn over with a position that a new hire makes a different interpretation of the ordinances. People rely on the interpretation of the ordinances to make decisions such as whether they want to live in NTB and for investments and to plan their futures. For example someone goes to Town Hall gets the requirements for building on a lot. They then purchase a million dollar lot and proceed with building. Then nine months into the project the Town has a new inspector or CAMA officer that has a different interpretation of the ordinances and states something is not by the code or ordinance and it greatly affects the property owner, the contractor and the community. This is not being consistent nor is it fair and does not support our constituency.

CONSENT AGENDA

The consent agenda consisted of the April 5th Board minutes, Department Head Reports and Benefit Accrual Report. Alderman Farley requested that the Budget vs. Actual be pulled. **Alderman Handy moved that the consent agenda be approved as requested without the Budget vs. Actual. Alderman Farley seconded and the motion passed unanimously.**

OLD BUSINESS

Set Date for Second Budget Workshop

The next budget workshop was set for Thursday, May 24th at 9:00 a.m.

Budget vs. Actual

Alderman Farley stated he was concerned about the way the budget vs. Actual is prepared. On some of the reports money was spent month over month but was not reflected in the monthly column. Plus the Board had decided that no more money would be spent on BN, and then on Feb 19th \$330,000 was spent on BN. The Mayor explained that money was paid out on work previously performed. Manager Smith asked what line item the \$330,000 was spent from. Alderman Farley corrected himself and stated it was actually \$230,000 spent. The December 1st report reflected \$490,000 in expenditures then the February 19th report there is \$721,000 in expenditures. Manager Smith informed him that was for previous work. Alderman Farley commented the Town made expenditures that were never reflected in the month to date column and

wonder how that could happen. The Manager stated he would look into this issue with the finance officer and review the reports.

NEW BUSINESS

Call for Public Hearing For Rezoning

Alderman Tuman called for a Public Hearing For Rezoning For June 7th at 7:00 p.m. Alderman Farley seconded the motion and it **passed unanimously**.

Discussion of Town Clerk's Position

The Manager recommended that the Board choose a committee consisting of the Mayor and a couple Board Members, the Attorney or Manager to start the review process of the Town Clerk resumes. Alderman Farley suggested that the Mayor and Board receive a copy of the dozen applicants and choose the top five and interview those. Alderman Handy suggested after that the interviews would commence as directed by the Mayor.

Rewrite and Reorganize Chapter II of Administration of Town Code

The Manager commented that this chapter was lacking in descriptions such as the Mayor and Mayor Pro-Tem. The Mayor explained that when the original ordinances were written, and then supposed to be written into the final book, that the Town still does not have, items were omitted. The Manager suggested that a committee of the Mayor, Two Board Members, Attorney and Manager could rewrite within two or three workshops. The final would be ready for adoption within a couple of months.



Call for Public Hearing

The Manager stated he does not recommend adopting the budget until the end of June during a special meeting in order to achieve the most accurate revenue estimates. Alderman Tuman moved to hold a Public Hearing for the Fiscal Year 2007-2008 during the Board's Regular June 7th meeting. Alderman Peters seconded the motion and it passed unanimously.

OPEN FORUM

Mr. Yawn suggested that somehow the public be informed of the Chapter II rewrite workshop and the budget workshops. The Manager stated he would have the information placed on the Town's website. The Mayor added the workshops should also be listed on the Town's sign.

ATTORNEY'S REPORT

Attorney Kilroy reported that the Curtis Jackson matter had been resolved and he thought signed off. The Manager commented he thought Ms. Deborah Hill had signed it.

A meeting was held with Mr. Riggs and Mr. Jackson and had him to reconfigure their property. The back section was left undeveloped. The Manager added the back lots were probably unbuildable lots. Mr. Yawn confirmed the property is R-10 in the front and CON-D in the back.

Attorney Kilroy received an amended complaint from property owners near the north-end of Town by Attorney vonLembke's original suit. It mentions the physical taking,

placement of sand dunes onto the property, and an allegation of trespassing. The large document looks intimidating but only 13 pages are related to the legal cause of action. Attorney Kilroy stated the Town would file an answer and he would leave the document with the Manager in case Board members would like a copy.

Alderman Farley asked if the Jackson's were proposing to build on their land when the Town zoning maps illustrated their property as unbuildable. The Manager stated they were under 2 acres for three lots and they were not to make a road and that is all that town staff reviewed. Attorney Kilroy added a flag was attached to the map.

MAYOR'S REPORT

The Mayor reported that the Manager and he attended a breakfast with Congressman Walter Jones, Jr. in Greenville a couple of weeks ago. After the breakfast they talked with Congressman Jones and he stated there would be federal money allocated for the NRI and beach nourishment, but he will not know how much until late June or in July. Congressman Jones plans to check with Gulf County, Florida regarding their CBRA zone and possibly adding NTB onto their bill.

Senate Bill 1852 has been introduced which allows mining from inlets but prevents the use of inlet material for beach nourishment. The Mayor stated he would obtain more info next week when he attends another meeting in Raleigh.

ALDERMEN'S REPORT

Mayor Pro-Tem Hardison commented that he felt the Board addressed the topics tonight in a reasonable time frame. He thanked everyone for attending the meeting. Alderman Peters addressed the garbage issue and urged the Manager to inform residents and property owners of the garbage ordinance. It is not good to pass an ordinance and then not enforce it, and if the problem is not corrected then the Town should consider adding a fine. The Manager agreed but responded without a fine attached he can not make a difference. He has talked with the real estate association and they are adamantly opposed to anything other than the town paying for the roll back service. Alderman Peters mentioned there are two types of renters; the weekenders and the weekly renters. The Manager believes the weekend visitors should be workable; he is promoting having a neighbor pull back the carts. He included an educational piece within the spring newsletter that was recently mailed.

Alderman Peters addressed Mr. Schlotter's comment about being consistent. He believes that is the Board's most important goal to achieve continuity and what Mr. Schlotter is pointing out is the prior failures of previous Boards not being consistent. He believes this Board is striving to correct that issue. The Manager added that the Board has been very supported of him and the staff to try to be more consistent in upholding the interpretation of the ordinances. The Board is looking are rewriting some of the ordinances that there are issues with.

Alderman Tuman stated the Onslow County Commissioners did approve of the sale tax distribution for the cities and municipalities in Onslow County from the per capita method to the ad valorem method. A resolution was passed last month stating that NTB

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would agree with the other municipalities to soften the blow to the City of Jacksonville by a phase-in process. The City of Jacksonville did not opt for the phase-in process.

ONWASA is planning to replace the service water lines at the north-end of the town. They should start the project towards the end of May and complete within 90 days. DOT plans to resurface the NRT Road after the water lines installation.

Alderman Tuman is on the ONWASA Board of Directors and there has been ongoing concern of being able to provide adequate sewer service for the Town of North Topsail Beach. The sewer company can not add additional sewer capacity. The agreement between ONWASA and the State Utilities Commission stated if the local demand could not be satisfied then another source must be located to assist with meeting that demand.

Alderman Handy mentioned the OC tax distribution and that the Towns of Surf City and NTB did not like the five year phase in and phase out programs. However, we passed them in order to help the City of Jacksonville. He mentioned the tremendous increase in the property values of NTB. However, there is not emphasis on the amount of taxes the NTB property owners will have to pay. North Topsail Beach is contributing large amounts to the County and that is why NTB is asking for a fair distribution of the sales tax.

Alderman Tuman requested that property owners need to understand how the benefit of from an ad valorem sales tax distribution works. It could be explained on the Town's website or the next newsletter. There were cautions from Onslow County Commissioners; if the money is used for tax relief as opposed to real requirements for the community then the following year OCC would have to rethink the tax method distribution. There are numerous tax payers complaining about the tax burdens. The needs within the community must be planned appropriately and met. Alderman Peters requested he would like more information on this matter. The Mayor stated that would be addressed in the next budget workshop.

Alderman Farley stated there is a lot of talk that everyone wants beach nourishment. The vote outcome was discussed and the districting concept which is actually done many places. On April 17, Nags Head had a vote on a \$32 M Beach Nourishment Project. The County had guaranteed that they would pay \$8M if the voters passed it. The voters rejected the BN project. The ocean front was to pay .37 cents and the non-ocean front was supposed to pay .05 cents and it was still rejected. He does not believe that there is a lot of support for beach nourishment.

Several years ago the Mayor gave 79 year old Lenore Lanier a certificate of recognition; he had received his bachelor's degree and then his master's degree. Alderman Farley received an email notification a couple days ago that Mr. Lanier had passed away. He was a fine gentleman and was a retired marine. On behalf of the Board Alderman Farley offered his condolences to his family. The Mayor added Mr. Lanier was a man of tremendous talents and was an accomplished musician.

In the coming days the North Topsail Shores Baptist Church will move off the island and temporarily meet in Sneads Ferry. Alderman Farley commented it is sad when the town loses a church and thinks the town needs more churches not less.

CLOSED SESSION

Alderman Handy moved to go into a Closed Session for personnel at 8:50 p.m. Mayor Pro-Tem Hardison seconded the motion and it **passed unanimously**.

OPEN SESSION

Alderman Handy moved to go into Open Session. Alderman Tuman seconded the motion and it **passed unanimously**.

ADJOURNMENT

Alderman Handy moved to adjourn the meeting at 10:00 p.m. Alderman Farley seconded the motion and it **passed unanimously**.

Minutes prepared and submitted by Shelia H. Cox, Capital Projects Coordinator.



Mayor W. Rodney Knowles

7-5-07

Date Approved

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**TOWN OF NORTH TOPSAIL BEACH
REGULAR BOARD MEETING
JUNE 7, 2007
7:00 P.M.**

PRESENT

Mayor W. Rodney Knowles, Mayor Pro-Tem Larry Hardison, Aldermen Richard Farley, Fred Handy, Richard Peters and Daniel Tuman, Town Manager Brad Smith and Town Attorney Robert Kilroy .

QUORUM

Mayor Knowles called the meeting to order at 7:00 p.m. in the North Topsail Beach meeting room and declared a quorum present.

INVOCATION

Alderman Handy gave the invocation.

PLEDGE OF ALLEGIANCE

The Board of Aldermen and citizens recited the Pledge of Allegiance.

SWEARING IN OF CHIEF CASEY FILLINGER

The Mayor swore in Casey Fillinger as the new Chief of Police for North Topsail Beach.

APPROVAL OF AGENDA

Mayor Knowles suggested moving item 12 Presentation of 2007-2008 Fiscal Year Proposed Budget and Public Input up to number 7.

Aldermen Handy made a motion to approve the agenda as amended. Aldermen Tuman seconded the motion, motion passed unanimously.

COMMITTEE REPORTS

Beach Nourishment Report from Dick Macartney

BN Report
NTB Board of Aldermen Meeting
June 6, 2007

Although my report does not reflect the activities of the last meeting of the BN committee as I was out of town, I believe the report tonight is an important step for our committee and our town.

After the defeated bond referendum, it was the recommendation of the BN committee that beach nourishment was MONEY FIRST.....Plan Second. This board helped immensely in this approach by allowing the mayor to appoint a task force for financing.

At the recent meeting of this task force it was reported that the following funds were planned as part of the 2007/2008 town budget.

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\$520,000 from the town share of the 3% occupancy tax.
\$450,000 from the \$.03 tax rate designated for beach nourishment.
\$1,035,000 from the increase in sales tax revenue refunded to the town by the County Commissioners.

This \$2,000,000 total should be recurring each budget year. There is also pending a request for a state grant of \$10,250,000 for our project from NCDENR. Although this grant is still in the approval process we have the support of our state representative, Robert Grady, and state senator, Harry Brown that will support and help us receive these funds.

Our consultant, CP&E has provided preliminary costs for a phased construction plan. It has been thought that the first phase for BN should be the New River Inlet Channel Relocation with disposal of 635,000 CY of sand along the 14,000 feet of beach south. The cost estimate for normal market condition of this first phase is \$3,972,000.

In the fiscal year ending this month the town's BN budget will have a surplus of about \$550,000. This combined from surpluses in earlier years computes to about 1.2 million dollars sitting in the surplus account.

So with about \$3 MM available it is likely that our committee will support this board of aldermen authorizing a contract for phase one construction as outlined as soon as our CAMA permit is issued, which possibly, may be in time to do the construction this coming winter.

This is truly encouraging news for those property owners at our North end where erosion has been severe, especially recently. This week our town CAMA officer posted on the town website 30 structures which are imminently threatened—that is the structure is within 20 feet of the toe of the dune—including all eight Topsail Reef buildings and, incidentally, my own residence.

Of course the \$3MM I identified does not meet the construction cost of \$4MM which will also be inflated with some other preliminary costs. The solutions for the shortfall are several. We are encouraged that some money will be forthcoming from the state; if not the grant then from appropriated funds from the General Assembly such as sister town Topsail Beach is receiving. Our committee is also going to revisit the concept of creating a special ocean front tax district so that the board may set an additional tax rate for those parcel owners who will be protected with sand from the inlet. As a final assurance one member of the finance task force, a banker, assured that bank financing for a short term loan of \$2MM was not a problem to expedite phase one.

So thank you Board for finding the sales tax refund from the County, for steadfastly adhering to the \$.03 town tax for BN, and for supporting our committee's work.

Just one other comment, there was a Senate bill introduced in Raleigh May 22nd for the Coastal Resource Commission to allow construction of a terminal groin in conjunction with a pilot project to study the use of terminal groins to stabilize ocean inlets. There are some in this town who believe stabilizers and groins are good alternatives to dredging off shore sand. I believe there is a resolution later on the agenda to support SB 599. I suggest you approve it. Even if the bill passes and even if we decide a terminal groin is appropriate for New River Inlet such a structure is at least 2 and possibly 5 years distant because of the Environmental Impact Statement that would have to be completed and approved.

Thank you

Dick Macartney
Chair of Beach Nourishment Committee

Planning Board Report from Mike Yawn

First, I will remind the Board of Aldermen and the public here tonight that we have 2 openings for alternates for the Planning Board. Please apply!

Land Use Plan Committee met May 15. We worked though a number of sections on future policy, using the CAMA template, our previous plan and the survey results as guides. Next meeting we should complete the policy sections, so the first draft of the Land Use Plan will nearly be completed. Next meeting is Monday June 25 at 5pm.

Board of Adjustment Report from Jerry Convy

Board of Adjustment met on May 17th, the following items were considered. The continuation of CASE A-07-01 Appeal by Attorney Joseph Stroud for Mr. Mark Evans President proposed Seaside Developers, LLC. There was a 3-1 decision, Board upheld the Staffs decision not to issue a Building Permit and to consider the November 30th 2004 Zoning Permit void.

CASE A-07-03 Appeal by Wendy L. Purser of Hampstead Pool, Spa & Patio Inc. The Board made a 2-2 decision up held the Staff's decision that a shared pool is considered Public and a Conditional Use Permit is required, this will have to go to the Planning Board.

Presentation of 2007-2008 Fiscal Year Proposed Budget from Brad Smith- Town Manager

Manager Smith stated the budget has not changed except for one thing since the Board had their last workshop. He stated when the Board first got the budget they proposed a new fire engine, it will take about six months to get it and the payments were roughly \$48,000. a year. What he is now looking at is purchasing a demonstration vehicle that has 6000 miles on it that is under full warranty and will save the Town approximately \$70,000.00. He stated that will lower the payments roughly \$10,000.00. He stated the Fire Chief /Public Works Director has requested the first year, the \$10,000.00 be used to purchase a gator type vehicle for taking care of beaches and accesses, they can do it much quicker with that than they can with a pick up truck.

Manager Smith stated that is just a general overview of the changes, he stated if the Board looks on the first page, where proposed revenues the change there is outside sources from \$421,600.00 - \$353,765.00.

Town Managers Budget letter to the Mayor and Board of Aldermen

As a result of three workshops with the Board of Aldermen the following 2007-2008 Fiscal Year Budget is presented for consideration for adoption. The budget is presented projects a levy of \$ 1,919,414.00 based upon the Town's total value of \$1,506,516,851.00 as of May 27, 2007, with the recommended property tax rate of 13 cents per \$ 100.00 valuation for the General Fund. The levy is based upon a collection rate of 98%. This represents an increase in ad valorem revenues by \$ 274,899.00 over last years approved budget. If the Town maintains the current 10 cents per \$ 100.00 of

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valuation, revenues would be reduced by \$ 168,129.00 compared to 2006-2007 revenues. Also recommended is a dune tax of 3 cents resulting in a levy of \$ 442,915. The Town's total tax rate for the general fund and the beach nourishment fund as recommended is 16 cents per \$100.00 assessed valuation. This equates to \$ 1,600.00 for a property appraised at \$ 1,000,000.00.

In Fiscal Year 2007-2008 the Town expects to operate at a higher level of service than past years. I am proposing the Town contract for a reverse 911 system which will allow the Town to communicate more effectively with the Mayor and Board of Aldermen, all citizens, committee members, and employees. I am proposing \$ 18,000.00 for a new sound system for the Board of Aldermen's meeting room. I have budgeted \$ 18,000. to have all of the changes to the Town Ordinances for the last several years to be codified and updated on Municode's and Town's website. This is a critical part of the communication that the Town must maintain to its citizens.

This codification will allow all citizens, contractors, real estate agencies, developers, and anyone doing business with the Town to read and understand all of the ordinances. The Town will be updating all of our computers and copiers this year for approximately \$35,000.00.

I am requesting an addition of one planning position. The Planning Department is currently understaffed and not able to meet the increased demands of Planning, Code Enforcement, CAMA, Zoning, and Floodplain Management. An additional planner will improve the response time of permit requests and will cut down on compensatory time. The position will also allow the Planning and Zoning Department to be more responsive to the Mayor and Board of Aldermen, Planning and Zoning Board Members, and Board of Adjustment Members.

I am proposing the addition of one fulltime firefighter. I am also requesting 5 additional firefighters funded by applying for a Homeland Security (SAFER) Grant that will fund 90% of the requested positions the first year, 70% funding the second year, 50% for the third, 30% for the fourth year, and the fifth year the Town will have to fund the entire amount. Also, the Town will be replacing a 20 year old fire engine. The new engine is approximately \$321,165.00 with lease purchase payment of approximately \$38,773.00 for 12 years. These changes in the Fire Department will allow the Town to maintain its ISO fire rating of 6. The new planning position will allow the Town to respond to the increased development.

There is \$7,000.00 more in police part time salaries. This is due to increased demands on the Police Department. This will also allow for the Town to maintain two officers on duty at all times even when the Department is understaffed due to illness, vacations, court duty, or loss of an officer. Also the Police Department will be rotating out one unmarked car and lease purchasing a new Ford Crown Victoria for approximately \$30,000.00.

These additions to the Town staff and capital equipment will allow the Town to maintain the current level of service in most departments while increasing the level of service in both the Fire Department and the Planning and Zoning Department.

The Town has one Capital Project continued from Fiscal Year 2005-2006. The construction of Bike Path Phase II starts at the Onslow County Beach Access # 2 and continues designated bike lanes on both sides of Highway 210 South (Island Drive) to the Village of Stump Sound. The Bike Path Phase II has been revised from its original length to stay within the Town's budget. This project has been started and is near completion.

The Town will pursue additional funds to complete the bike lanes to the southern line of Town limits.

The 3 cents recommended for the Beach Nourishment will cover obtaining permits and preconstruction monitoring for the proposed projects. These funds will also cover the current expenditures the Town has for Beach Nourishment such as plants, and crosswalk repairs. The Town continues to maintain the 3% accommodations tax collections in this fund as well.

I am proposing that the Town adopt a phased in plan for addressing beach erosion. The Town would take one large project and break it down into 3 viable phases. The phases would be: (1) north end and inlet dredging, (2) central portion of the Town, and (3) the southern end, which is part of the Federal project between North Topsail Beach and Surf City. The Town needs approximately \$3,000,000.00/ year to accomplish the goal of migrating beach erosion. The first project could be started as early as fall 2007.

These funds would come from several revenue sources. Approximately \$ 1.1 million from all of the additional sales tax and growth in future sales tax revenues (appropriated from the newly established capital reserve fund), \$500,000 local accommodations tax (which is required by general statute to be use for beach nourishment), and approximately \$450,000 from the current 3 cents tax per \$100 valuation of property for the beach nourishment fund. This will leave a shortfall approximately \$950,000.00 per year. The Town will continue to strive for commitments of funds from Onslow County in the way of the County's Room Occupancy Tax revenues collected in the Town of approximately \$500,000.00. The Town has also applied for a grant from the State in the amount of \$10.1 million. If the Town is to accomplish the goal of mitigating beach erosion, then the Town may have to summit and additional 2 cents per \$100.00 valuation toward the beach nourishment fund. This would bring the property owner's tax obligation to 5 cents per \$100.00 of property valuation. This equates \$500.00 on \$1,000,000.00 of property valuation. When the initial three phases are completed, then I would suggest that the cost of maintenance and replenishment be estimated and a tax rate be set for beach nourishment.

I am requesting a new fund for the Town. This will be a Capital Reserve Fund. This will be funded by the additional sales tax that the Town will realize in 2007-2008 due to the County's change from per capita distribution to a more fair distribution based on ad valorem value. This amounts to a little over \$1,000,000.00 per year for the Capital Reserve Fund. This fund will be used for capital project only. Once established, the Board may not borrow from the fund or appropriate from the fund except for capital expenditures. Examples of proper expenditures would be a fire engine, police car, dune restoration, bike paths, parks, land acquisition, beach nourishment, or any other capital expenditure. After this year's initial set up, the fund will be self sustaining. The Town can borrow from it for a capital expenditure and pay the fund back over a number of years depending on the amount and type of expenditure. This will allow the Town to keep its debt down and reduce lease purchases. This would also be beneficial for the Town acquiring a good bond rating.

Finally, I would like to thank the staff for their hard work in helping to prepare the 2007-2008 budget. Each department continues to work diligently to keep expenditures to the absolute minimum. He stated this is the first time he has ever asked for a tax increase and he does not take that lightly.

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Manager Smith suggested that the Board set a date for the adoption and Public Hearing. He stated that it needs to be advertised between June 18th and June 29th. The Board decided to have the Public Hearing on Friday June 22, 2007 at 10:00 A.M.

OPEN FORUM

Mr. James Strickland 3560 Island Dr. came forward to speak. He asked about the 3 cents on the \$100,000.00 is only a few dollars. He stated that it was \$30.00 not \$8.00 or \$9.00 that was mentioned. In his case it is \$270.00, his taxes have gone up 28.67 % from 2005-2006, in 2006-2007 they will go up to 55.71%, and he doesn't consider it very small. Mr. Strickland asked Mr. Smith when he talks about 10 cents, and then Mr. Smith mentions 3 cents below on page one, then Mr. Smith jumps to 16 cents. Bridge him between 10 & 16 cents. Mr. Smith stated page one is recommended at 13 cents per \$100.00 value, the rate right now is 10 cents per \$100.00 value on the general fund, and 3 cents goes towards Beach Nourishment that is a total of 13 cents. Mr. Strickland stated that it is 13 cents that everyone is paying not 10 cents.

Mr. Strickland heard a discussion on the Capital Reserve Fund about the need for the 3 cents increase, he asked if the Town is not paying their bills today and why does the Town need to go up 3 cents. Manager Smith stated that 1 cent of the 3 cents is to cover the revaluation of property.

Mr. Strickland stated that he sent an e-mail on June 1, 2007 asking about Budget Line Item so he could compare 2007 to 2008 and have not received any e-mails back. He asked if the Town could put it on line. The Mayor stated that it would be a good idea.

Mr. Robert Hale 153 Old Village Lane came forward to speak. He stated that the citizens have input but what ever the Board Members say goes. He stated there was also a referendum on Beach Re-nourishment, 79% of the people said they didn't want to do it. The vote was 80-20 split; now the Town is talking about funding Beach Re-nourishment 100-0, there is no split, and everyone has to pay the same. He stated that he has no problem with funding Beach Re-nourishment but people that come to the beach should have to pay too. If the citizens are going to fund Beach Re-nourishment then it is a private beach.

Mr. George Moore came forward to speak. Mr. Moore stated that he is not here as the Fire Chief, he is here as the Rescue Chief. He wanted to request that the Town does a resolution like they did last year when the Town assisted the volunteer rescue squad up to \$10,000.00 matching funds from the State which would be a total of \$20,000.00 that they could use if they were allowed to. He stated right now all of their night vision equipment is Gen one, he stated that they are up to Gen four now, they need to update their equipment, and they lost one pair due to age. He stated the County is helping them out as well; they are purchasing the new 800 Mega Hz radios and they will be getting two of those. He stated they are up dating their water rescue communication equipment, they found a business that makes them for the military and they are water proof. Manager Smith asked if that was in the budget. Mr. Moore stated that yes it was, last year there was a resolution drawn up by the Board.

Mr. Yawn- Planning Board Chairman came forward to speak.

1) The BN tax rate remains at 3 cents per hundred. The 3 cents per hundred was a one-year-only increase last year from the post-revaluation revenue neutral rate of 1.1 cents per hundred, to pay for very specific items in fiscal year 2006-7, such as dredging the New River Inlet/Intracoastal crossing, and preparing for the bond vote. Do the math, before reval we had a 5 cents per hundred BN tax, and about \$350M of valuation, for a total of \$175K a year in BN taxes. Now we have about \$1.5B in valuation with a rate of 3 cents per hundred, raising \$450K a year. Why the huge increase??? There is no project to spend this money on! And there should not be a project until we get to vote on it.

2) The plan is to put ALL of our sales tax windfall into a capital reserve fund. OK, I can see some value in that. But rather than allocating it to ONLY capital projects, why not put it in a general reserve fund that could pay to repair hurricane damage or pay off damages from a lawsuit...or any other rainy day event? Why tie our hands by designating this as a capital-only fund?

3) And IF the sales tax reserve is to be put into a capital-only fund...why not go ahead and tap that fund for capital expenses for 2007-8 (the new fire truck and new police car...plus laptops, sound system, and anything else that qualifies as capital).

Some aldermen are claiming that Onslow County expects us to save the sales tax windfall for BN, rather than spend it on what we want. But it is OUR money; we should do with it as we please. In fact, I feel that if we keep our tax rate constant at 13 cents per hundred, the Onslow Commissioners have nothing to complain about. In the papers, Zander Guy has stated that he will use the Surf City portion of the Onslow sales tax windfall to reduce property taxes!!

I urge you as our town aldermen to hold the tax rate at 13 cents per hundred. Cut the BN tax rate back to the revenue neutral 1.1 cents per hundred. Spend part of the sales tax windfall on capital items, avoiding long term financing costs. Hold our overall tax rate at 13 cents per hundred.

Please, vote against this tax increase!

Mr. Gary Rowland 127 S. Perruda Wynd came forward to speak. He stated that we have all heard interesting questions on the Beach Nourishment Issue; the one thing he can't clarify in his mind is why we moved to the Island, we are on an Island. He stated there are issues and problems having to do with the beach on this Island. A lot of the citizen's life savings are tied up in the property that we have purchased to live here and we seem to lose sight of the fact that we're on an Island. He stated that we need to protect A) The Island, B) Our property. It's a matter of protection.

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He stated that the Citizens get emotional when it comes to taxes and he understands that, he's not in favor of raising taxes under any conditions however there are exceptions to it and the protection of our beaches and therefore our property is still our single most important thing we have. He stated it's not only the beach, it's the infrastructure of the whole Town and he is at a loss to understand why we can't keep that first and foremost in our minds why we while we evaluate this problem.

MANAGER'S REPORT: 7 June 2007

1. The Chief and I now have permission to draft a new parking ordinance based on my conversations with the Mayor and Board of Aldermen. The Chief is working on the ordinance and should have it read for your adoption at the July meeting.
2. I have been working hard on the Jackson property issue and should have a resolution within the next 30 days or less. I will meet with Mr. Jackson's attorney, Charles Riggs and Mr. Kilroy to review their plans and see if it meets all of our ordinances concerning zoning and sub division. After that I will have the School of Government to review the request and have their concurrence before Ms. Hill signs off on anything.
3. I have met with Eddie Baldwin from NTU, Inc. about their permit. They had requested a fast track review but it has been denied. They are still working through the State's permitting process. I will continue to monitor this situation and from the Board as things change. The newly installed scrubber system seems to be working. I have not received any complaints about the smell and I have not noticed any odors.
4. I and Alderman Handy attended Town Hall Day in Raleigh to lobby our State Senator and State Representatives. We met with all but one during the day and had dinner with all that night. Gregg Whitehead from Richlands did an outstanding job coordinating the schedule and dinner. I think that the day went well and that we were effective in lobbying for North Topsail Beach and the issues that we all face.
5. The Budget has been completed and is in your packets and on the agenda for your consideration. You should adopt the budget the last week of June. This will give staff time to review all revenues one final time before adoption.
6. I will receive the background checks on your clerk finalists on Monday. We should set Wednesday afternoon for a special meeting with a closed session for personnel for you to review the reports and make a decision on the position.
7. I have interviewed many candidates for the receptionist position and have hired a new employee. Her name is Kim Weaver. Kim began work on Friday. She will be a productive member on our Town staff.
8. Ginger Booker continues to work on our Zoning Ordinance rewrite. There are several issues that must be resolved in the next couple of weeks. Ms. Hill and I are going to meet with Ginger next week to go over the entire document. Parking and pools along with duplexes and non-conforming and illegal lots are the hot issues that must be resolved.
9. ONWASA is replacing the lateral lines and the main water line along New River Inlet Road. As soon as they have finished and patched all cuts, then I will meet with Mr. Robert Vause with NCDOT to schedule the repaving of New River Inlet Road.
10. The Beach Nourishment Finance Committee met last week and each member has been tasked with several jobs each. We are working hard on outside funding, particularly State and County funding for the projects. Our next meeting is 29 June, 2007

Manager Smith stated he was going to try and schedule a festival meeting in July, he stated there was no way he can get one done this fall but he will have help from the new Town Clerk when she gets here.

He stated that the garbage fees, we are still having non compliance despite his efforts, he has appealed to the Real Estate Agencies. He has gotten negative reactions from out of town property owners. The Town may have to implement a fine on this.

Manager Smith stated that he and Attorney Kilroy need to go over and rewrite Section 2 in the Personnel Policy.

Manager Smith stated that the County wants to have a Town Hall style meeting here at our Town Hall sometime in July. He stated at the July meeting we can figure out the date they want to have that.

Mayor Knowles announced that the new Town Clerk Kathleen Clough she is from Maryland, she will be coming on board July 16, 2007.

CONSENT AGENDA

Alderman Handy moved that the last months Board Minutes be removed from the Consent Agenda since a hard copy is not in the Board Package and add discussion to the Audit Contract for 2007-2008 under Old Business Number 1. Alderman Tuman seconded the motion, motion passed unanimously.

OLD BUSINESS

Discussion of Audit Contract for 2007-2008

Alderman Farley suggested that the Board considered assigning one or two Aldermen to work directly with the Auditor. Manager Smith stated they have had a finance committee in the past that works with Budget with the Manager before it is presented to the Board. Mr. Farley stated that maybe they don't work directly with the Auditor but be a contact person/ liaison. Alderman Pefers asked Alderman Farley if he wanted to volunteer to be the liaison. Alderman Farley stated that he would be glad to do it. Alderman Tuman suggested talking to the Auditor to make sure it was ok to do this. The Mayor recommended contacting the Auditor and let him what the Board wants to do and the next meeting appoint someone to be the liaison.

Alderman Peters made a motion that a liaison be established and work with the Auditor. Alderman Handy seconded the motion. Alderman Tuman amended the motion to add if the Board has a desired liaison to identify the liaison and he would amend the liaison for the Board is Alderman Farley. Alderman Peters seconded the motion, motion passed unanimously.

NEW BUSINESS

A. Resolution for ONWASA Bylaws Change

Alderman Tuman stated that ONWASA has approached the Board and asked them for approval of three proposed resolutions. 1) Resolution for changing the Bylaws- ONWASA is proposing changing their bylaws to allow for a non- elected individual to sit on the ONWASA Board.

Alderman Handy moved to approve the resolution. Alderman Tuman seconded the motion. In discussion Alderman Farley believes they need to keep elected officials only on the Board. Motion passed 3-2. Alderman Farley and Mayor Pro-Tem Hardison voted against.

B. ONWASA request for Declaration of Intent to Adopt Rules and Regulations to Regulate and Control the Discharge of Sewage to Sewer Systems

Alderman Tuman stated ONWASA is proposing to adopt an ordinance very similar to what municipalities and counties routinely adopt for water and sewer use. This is a standard ordinance to regulate water and sewer use.

Alderman Tuman moved to support the resolution. Alderman Handy seconded the motion, motion passed unanimously.

C. ONWASA Resolution of Support for Legislative Research Committee to Study Methods of Disposing Wastewater and Municipal Wastewater Treatment Plants

Alderman Tuman stated that this Resolution of Support of AN Act to Authorize a Legislative Research Commission to Study Methods of Disposing Wastewater at Municipal Wastewater Treatment Plants. This is a resolution to support a Legislative Research Commission to study all methods of wastewater disposal as alternatives to land application.

Alderman Tuman moved to adopt the Resolution. Alderman handy seconded the motion, motion passed unanimously.

D. Budget Amendment # 3 for 2006-2007 Fiscal Year Budget

Manager Smith stated the revenues haven't increased and the expenditures haven't increased, there were some lines that were getting out of balanced but the departments as a whole were not, this was moving this around to balance out those lines to make them representative to actual expenditure in that department and in that line. The biggest change was in the legal fees line 10-410-04 Professional Services that is because Attorney Kilroy has preformed answering the North End Condemnations and the Litvak case. Alderman Handy asked if anything has changed. Manager Smith stated that nothing has changed.

Alderman Farley stated that it is not accurate because the contingency did change. Manager Smith stated that overall it didn't change but they did take out almost \$19,000.00 out of contingency.

Alderman Farley had a concern on the revenue side on the currant taxes they would lose \$150,000.00 of revenue and we are only adjusting it down \$40,000. Which means basically we are only losing \$ 40,000.00?

Alderman Tuman moved to approve revised Budget Item # 3 submitted June 6, 2007. Alderman Peters seconded the motion, motion passes 3-2 with Alderman Farley and Mayor Pro-Tem Hardison voted against.

E. Resolution of supporting hardened Structures- Senate Bill 599

Manager Smith stated that the resolution was prepared by Mr. Mcartney based on Senate Bill 599. Manager Smith stated that if the Town gets it, it will solve a lot of the Town's problems. He stated it is a tool that the Town is asking for and they have introduced the bill, Short Title is the Inlet Stabilization Pilot Program, it's not tied to one Town like it was before, now it is a generic bill that you can get a Conditional Use Permit for which is two- five years away at the earliest.

Alderman Tuman stated that the bill empowers the Coastal Resources Commission to entertain the Town's request to implement a pilot project to study the use of terminal groins for ocean inlet stabilization. There are no funds that go along with it. If the Town wants to do it we have to find ways to pay for it.

Mayor Pro-Tem asked what kind of materials would be use. Manager Smith stated it would be wood, rock or steel.

Alderman Tuman moved to support the Resolution support hardened structures- Senate Bill 599. Alderman Handy seconded the motion, motion passed unanimously.

Public Hearing for Rezoning Case R-07-01

Alderman Tuman moved to open the Public Hearing. Alderman Handy seconded the motion, motion passed unanimously.

Manager Smith stated that on this Public Hearing, the owner requested for this Public Hearing to be tabled until July

Alderman Handy moved to table the Public Hearing on the request of the owner. Alderman Peters seconded the motion. Alderman Farley voted against. Motion passed 4-1.

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Public Hearing for Rezoning Case R-07-02

Ms. Hill stated the rezoning request on Tax Parcel ID 768-9.2, 89.64 acres owned by Otha E. Herring. This site is located off the northwest side of Island Dr and approximately ½ mile from the intersection of NCSR 1568 and NCSR 210. The front part of the property was intended to be R-20 and the back part of the property was intended to be CON-D.

Ms. Hill stated prior to the Town's incorporation, the 1982 Zoning Map indicated that the entire 89.64 acre tract was within the Conservation District. The 1992 Zoning Map indicated the entire 89.64 acre tract was within the Conservation District. In October 2002 the Board of Aldermen approved the rezoning and development application for the property to be rezoned to a Conditional Use R-10.

Ms. Hill stated that the parcel was split and has two Parcels ID# 768-9.1 and 768-9.2. Tax Parcel ID 768-9.1 was rezoned from CUR-10 to R-20 on August 5, 2004 by the Board of Aldermen. The unofficial 2004 Zoning Map indicated that the front portion along Island Drive, also know as Whitfield Shores was in R-20 Zoning District and the back portion ID # 768-9.2, remained Conservation District.

Ms. Hill stated that the Planning Board recommends that the Board of Aldermen rezone the site from R-20 to CON-D as amended.

Alderman Tuman made a motion to rezone the back of the property from R-20 to CON-D per the request. Alderman Peters seconded the motion, motion passed unanimously.

Public Hearing for Rezoning Case R-07-03

Ms. Hill stated the next two cases R-07-03 and R-07-04 Mr. Johnson is here to speak on them when she is finished with her staff report, they are both owned by Herring Sisters LLC. R-07-03 Tax Parcel ID 774-22 on Goldsboro Lane. Ms. Hill stated that Mr. Privott are here for R-07-05.

Alderman Tuman made a motion to combine all of the rezoning Cases R-07-03 through R-07-08. Alderman handy seconded the motion, motion passed unanimously.

Ms. Hill stated that she wanted to read a letter that Mr. and Mrs. Privott wrote to her. His notice was received June 3rd, 2007 which does not give adequate time to make arrangements to attend a meeting June 7th. I have not heard or seen anything which would influence my opinion, therefore I must object to this

rezoning. How often can a property come up for rezoning, this was defeated at a recent Board of Aldermen meeting per the city manager, this could serve as an official objection and notarized. Yours truly, Mack Privott.

Ms. Hill stated for all six of these properties the results from the Planning Board were the same, they were all denied, and they did not meet the requirements of Section 7-93 for rezoning.

Ms. Hill stated the Planning Board is recommending to the Board of Aldermen that the Zoning for all six properties remain R-10 and the rezoning request be denied.

Alderman Handy asked Ms. Hill if this makes any of the homes illegal. Ms. Hill stated they would all be non-conforming because they are less than 10,000. Sq. ft.

Mr. Johnson came forward to speak. He stated that this is a situation trying to bring this into conformity; it's not spot zoning because it's a sub division that was in place before the incorporation of the Town as mentioned earlier. He stated that in his opinion it does meet the criteria under 7-93. He stated the proposal to place all properties similarly situated in the area in the same category which it does, in this area these are 5000 sq ft. lots. He stated it's in the public interest to bring these lots into conformity because if you always have someone coming back before the Board of Adjustment to make adjustments within reality these lots existed for a long period of time and there is no change that has lead to this, those Variances would need to be grated so why go that process if we can bring them into conformity now. He stated we are not changing to another district we would be changing it to R-5 to comply with what is on the ground and that is 5000 sq ft. lots. The neighborhood won't be adversity affected, it would be positively affected because it will bring these lots into conformity and it is consistent with land use principals.

Mr. Privott 329 Goldsboro land came forward to speak. He stated he is neither for nor against the rezoning although he is basically opposed to the rezoning. He has owned property on North Topsail Beach since before it was a Town. He stated is opposed to the rezoning because it brings in more duplexes and more rental property.

Alderman Tuman asked Mr. Privott if one of these properties is his and one that you did not request. Mr. Privott stated no, he did not request the rezoning.

Alderman Tuman moved to close the Public Hearing. Alderman Handy seconded the motion, motion passed unanimously.

Alderman Farley made a motion to deny the request for the rezoning. Alderman Tuman seconded the motion. Motion passed unanimously.

ATTORNEY'S REPORT

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Attorney Kilroy stated he made an application to court last Monday to get a refund of all of the deposits in the condemnation cases and will be around \$14,000.00 to \$15,000.00 back.

MAYOR'S REPORT

The Mayor reported that the Town Clerk will be here on July 16th. The new receptionist Kim Weaver is working out well. He stated it is good to have Casey Fillinger as the Town's new Police Chief.

ALDERMEN'S REPORT

Mayor Pro-Tem Hardison thanked the citizens for coming to the meeting tonight. Aldermen Tuman and Handy thanked the citizens as well and wished the fathers in the audience a Happy Fathers Day.

CLOSED SESSION FOR LEGAL ADVICE AND PERSONNEL

Alderman Handy made a motion to go into a closed Session at 10:30 p.m.

Alderman Farley seconded the motion, motion passed unanimously.

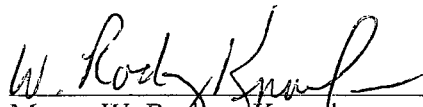
No action was taken in the closed session.

ADJOURNMENT

Alderman Handy made a motion to adjourn the meeting at 11:00 p.m.

Alderman Farley seconded the motion, motion passed unanimously.

Minutes prepared and submitted by Terrie Woodle, Permit Specialist.



Mayor W. Rodney Knowles

7-5-07

Date Approved

**NORTH TOPSAIL BEACH
BOARD OF ALDERMEN
SPECIAL MEETING
BUDGET PUBLIC HEARING
JUNE 22, 2007
10:00 A. M.**

PRESENT: Mayor W. Rodney Knowles, Mayor Pro- Tem Larry Hardison, Aldermen Richard Farley, Fred Handy, Daniel Tuman, Town Manager Brad Smith

NOT PRESENT: Richard Peters

CALL TO ORDER: Mayor Knowles called the meeting to order at 10:00 a. m. in the North Topsail Beach Meeting room.

APPROVAL OF AGENDA:

Alderman Tuman made a motion to approve the agenda. Alderman Handy seconded the motion, motion passed unanimously.

Mayor Knowles opened the Public Hearing on the 2007-2008 Budget

ITEM 6: PUBLIC HEARING for 2007-2008 BUDGET

Mr. Smith stated the Aldermen have the Budget before them, nothing has changed it is exactly as presented at the last meeting. The Budget message has been cleaned up a little bit and numbers have been checked. He stated if the Board wants to keep a balanced tax rate of what the Town already had, the three cents then for every penny the Board takes off of that it will be \$147,000.00 out of the capital reserve fund if the Board establishes that. He stated the Capital Reserve Fund would then be used for Capital and the Town has enough Capital in it that the Town can do that.

Mr. Smith went over the highlights of the Budget message. The levy of \$1,919,302.00 based upon an appraised value of \$1,506,516,851.00 as of May 27, 2007. Tax rate of .13 cents per \$100.00 for the general fund is based upon the rate of 98%. This represents an advalorem revenue increase by \$274,787.00 over last year's amended budget.

Mr. Smith stated if the Town maintained the current .10 cents per \$100.00 the Town will be reduced by \$137,998.00 approximately a penny that is where one of the three pennies comes from that the he is requesting. He also recommends keeping the dune tax at .03 the same as before, this won't bring in quite as much as before because of the valuation. The tax rate for both the General Fund and Beach Nourishment .16 per \$100.00 of value which on a \$1,000,000.00 piece of property that would be \$1,600.00.

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Mr. Smith stated the Town expects to operate on a higher level of service than in past years. He stated the contract for the reverse 911 system allows communication with anyone on cell phones, regular phones and e-mails. He stated in the budget is \$18,000.00 for a new sound system that also includes a new recording system. There is also \$18,000.00 budgeted for changes to the Town's Ordinances that haven't been codified in the last few years, this will get the Town up to date and get it on the website where it should be so that any citizen can see all of the Town's rules and all of the Town's Ordinances.

Mr. Smith stated the computers and copiers will be updated \$35,000.00. He is requesting one additional Planning position. He stated an additional planner will improve the response time of permits to our citizens, it will cut down on comp time and will also keep CAMA permits from going statutory and the position will allow Ms. Hill the head Planning Officer to be more responsive to the Mayor, Board, Planning Board and members of the Board of Adjustment on the meetings she has to do every month.

Mr. Smith stated there is one additional Fire Fighter full time paid, and five additional funded by Homeland Security. He stated 90% of that will be paid by the Federal Government the first year, 70% the second year, 50% the third year, 30% the fourth year and the fifth year the Town will have to take up the whole amount. He is also looking to replace a 20 year old fire engine; the new engine is approximately \$389,000.00 with a lease purchase of \$46,963.00, he stated if the Town goes with the used engine that would come down and the payment would be \$10,000.00 less which would then be used for a Gator for Public Works.

Mr. Smith stated there is \$7,000.00 more in Police salary; this is part time salary and reserve salary due to increase in demand. He stated he has already had to do a couple of budget amendments on that. He stated they will also be rotating out one unmarked police car and lease purchasing a new Ford Crown Victoria (straight Police car, Police package unmarked). The unmarked gold car will be the Town car; the old Town car has already been surplused. He stated the additions of Town Staff and Capital will allow the Town to maintain the current level of service in most departments and increase the level of service in both the Fire Department and the Planning and Zoning Department.

Mr. Smith stated there is one capital project that is ongoing and is almost finished and that is the Bike Lane, it goes from Stump Sound back to where it ties to the existing lanes on the share the road project. He stated once this is finished the Town will be pursuing other funds to continue the Bike Path both to the south end so it can tie into Surf City and to the north, eventually all the way to the Beach Club. He stated there is .03 cents recommended for Beach Nourishment or Dune tax which will cover and obtain the permits, preconstruction monitoring for the proposed projects. He stated that the Town is now working to address beach erosion in three phases and they will be on a pay as you go plan, each phase will cost approximately \$6,000,000.00, the phases will be on a three

year cycle to allow the Town to save funds and obtain outside funds and then do a small portion of it without increasing the burden on the citizens.

Mr. Smith stated that the County wants to see the permits in hand and would like for the Town to do a non bonded referendum or a non bonded survey to give the commitment because of the negative publicity that the vote in November gave.

Mr. Smith stated these funds will also cover expenditures in the Town for beach nourishment such as plants, chemicals for eradication of beach vitex, cross walk repairs and continue to maintain the three percent accommodation tax which is approximately \$ 500,000.00 in that fund and that is by State Statute. He has requested a new fund for the Town's Capital Reserve; this will be used for Capital Projects only. This is about a \$1,000,000.00 a year from the excess sales tax that the Town is getting above what they normally get. He stated if the Town uses this for Beach Nourishment and next year if the county takes this away then all of this will have to be reassessed.

Mayor Knowles asked if anyone from the Public would like to address the Board.

Mr. Swantek 3772 Island Dr. came forward to speak. He stated he can't understand how the Board of Aldermen can sit there; the Town is getting windfall money from the County. Every Penny the Town takes out it's a hundred and some thousand, that is still going to leave the Town a lot of money to put in the Capital fund and still have the same taxes. He stated the citizens just got hit with the assessment there is no reason the Town should raise the taxes, if anything the Town should lower our taxes at least by a penny or three cents that we are already putting in for Beach Nourishment. He stated regardless of what anyone says we know that the Capital Fund is going to be used for Beach Nourishment, everyone knows that and knows that the Board is trying to back door the citizens because we all know where it is going to go. He stated that the citizens are already paying .03 why pay .06 for it, we should be lowering our taxes by at least a penny or more, not raising it by .03.

Mr. Macartney 1214 New River Inlet Road came forward to speak. He stated that he would like to speak in favor of the Town Manager's budget message; he thinks he has done a good job. He stated he does not like to pay taxes anymore than anyone else. He stated Mr. Farley pointed out the biggest issue facing this Town is Beach Nourishment. He stated that he works with this every day and they turned down the budget referendum, and still have a beach problem and have thirty threatened structures. He stated the New River Inlet has water under the reef right now and is sucking water out. He stated the Town can't do anything until the Town gets permits, they have lost a year in that process with the bond referendum and not getting the PDT team back, the state is dragging their feet because they think this Town does not want Beach Nourishment and that well maybe the case. He stated the County commissioners who Mr. Smith met with to ask for another \$ 500,000.00 to make sure the Town had all the money they needed for phase one, they said maybe but we want to make sure that the people want it. He stated the Beach Nourishment Committee met the other night and endorsed the idea of the referendum. He stated Mr. Doughtry this morning in the Daily News suggested a referendum and Mr.

Macartney thinks everyone wants a referendum. He stated if the Town passes this budget now the way it is the money the Town is talking about putting aside in the Capital Reserve Fund stays there, it's not being spent, and he stated they are not spending any money for Beach Nourishment, it's going for good things and it's for the future. He stated he is here today are here for the future of this Island. He thinks it is a very principal decision the Town Manger recommended and he endorses it.

Don Martin 207 Oyster Lane came forward to speak. He stated he has one simple message, Please don't raise our taxes.

Carol Evans 209 Seashore Drive came forward to speak. She stated she had a statement to read from someone who could not be here but first she has a comment of her own. She stated she thought it would be good if everyone had a copy of the survey they had earlier that they are all quoting from so diligently, they would discover the Town did not support Beach Nourishment, they said they would like to see them do something about beach erosion. She stated that might be Beach Nourishment to the Board but maybe to all those voters that said no that is not what they saw. She stated that we have lost sight of the fact that maybe there were things on the survey that needed to be addressed so why have another survey if no one paid attention to the first one. She stated that 79% of the voters said no to the Beach Nourishment Bond Referendum in November 2006 they made an unequivocally clear statement, they said we do not want to pay for Beach Nourishment out of their taxes. She stated in March 2007, 120 citizens reaffirmed that message by signing a petition asking the Town to not spend anymore money on Beach Nourishment until a new Beach Nourishment funding plan is voted on by the voters of North Topsail Beach.

Ms. Evans stated in April Aldermen Tuman, Handy and Peters ignored that petition and voted to spend over \$400,000.00 of tax payer's money to secure a Beach Nourishment Permit. She stated now the Town wishes to fund \$450,000.00 of new expenses by raising their property taxes even though 1.2 Million dollars of new sales tax revenue is about to be returned to North Topsail Beach. She stated the reason for not using a portion of the 1.2 Million to pay for the \$450,000.00 of new expenses is the Beach Nourishment Committee wishes to reserve all of the 1.2 Million to fund a phased implement of Beach Nourishment. She stated to do so without the consent of the voters of North Topsail Beach would be unconscionable. She stated to improve a tax increase would be to again blatantly ignore the wishes of the majority of the citizens of North Topsail Beach.

Ms. Evans asked all of the Aldermen of North Topsail Beach when they were elected as Aldermen of North Topsail Beach you pledged to faithfully represent the wishes of the majority of our Town. She asked them to honor that pledge now by rejecting the proposed tax increase and allow North Topsail Beach Voters to decide whether or not they want any or all of their new tax refund money to be spent on Beach Nourishment. She asked the Board to put the recommendation of the Beach Nourishment Committee on the ballot in November and let the voters decided once and for all whether or not they wish to proceed with Beach Nourishment, this is the only right way, the democratic way

to determine whether or not the citizens of North Topsail Beach wish to proceed with such an expensive and controversial project.

Mr. Yawn 207 Tamarx Court came forward to speak. He wanted to read something from last year's budget letter. He stated the Town's tax rate is recommended as .13 per \$100.00 valuation, .13 per \$100.00 valuation is 2.23 cents higher than the revenue neutral rate of 10.77 cents per \$100.00. He stated for this year the Town is proposing going from .13 to .16 per \$100.00, if the Board adopts .16 in just thirteen months the Board will take the citizens tax rate from 10.77 cents per \$100.00 to .16, up 48 1/2 %. He stated that he does not think the Board wants to go down in history as the elected officials that raised the Town's taxes nearly 50% in 13 months, what a good way to end your public service. He stated the Beach Nourishment tax rate is at .03 and that .03 was a one year only increase for last year above the revenue neutral rate of 1.01 cents to pay for some very specific things such as dredging the New River Inlet crossing and Intercoastal crossing and preparing for the Bond vote.

Mr. Yawn stated do the math, before the revaluation the Town had a .05 per \$100.00 Beach Nourishment tax, about \$350,000,000.00 evaluation for a total of \$175,000.00 a year in Beach Nourishment taxes, now the Town has about 1.5 Billion in valuation with a rate of .03 and that raises about \$450,000.00 a year. He stated the Town went from \$175,000.00 to \$450,000.00 what a huge increase, there is no project to spend this money on the Beach Nourishment Budget is full of fluff and there should not be a project until the citizens get to vote on it.

Mr. Yawn stated the plan is to put all of the sales tax windfall into a Capital Reserve Fund, he can see some value in that but rather than allocating it only to Capital Projects why not put it into a General Reserve fund that can be used to pay for hurricane damage or pay off damages for a law suit or any other rainy day event. He stated the State requires reserves, it's a good thing to have a large reserve in a storm prone area like ours, why tie our hands by designating this as a Capital only fund and if the sales tax reserve is to be put in a Capital only fund, why not go ahead and tap that fund for Capital expenses for fiscal year 2007-2008, the new fire truck, the new police car, lap top, sound system anything else that qualifies as Capital and the Town could pay off existing loans per Capital line items. He stated the bottom line is that the Town is raising taxes by about \$450,000.00 to allow the Town to put about 1.5 million in the bank for future Beach Nourishment Programs.

Mr. Yawn stated the Town will raise taxes just to put in the bank. He would love to say it's a good thing, if the Town can keep the tax rate at .13 per \$100.00 or reduce it like Mr. Swantek said and still put a very large sum into the Town's reserves account. He urges the Board members to do just that, set the rate at .13 cents per \$100.00 put the overage into a General Reserve account and keep the tax rate constant. He stated please vote against this tax increase. He stated he knows Mr. Smith proposed this budget and he disagrees with it but Mr. Smith will be up for reaffirmation (annual review) from the

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Board of Aldermen in the next few months and he's done a really good job and he hopes the Board keeps him as the Town Manager.

Mr. Rowland 127 South Permuda Wynd came forward to speak. He stated getting back to the bond referendum; he keeps hearing all the facts allegedly that people voted it down for only the reason that they didn't want Beach Nourishment. He stated he voted no on a referendum as a number of other people that he talked to but it was only because they didn't have additional funding laid out at the time the Town had the referendum it was basically going to be a total vote would be paid for by the Town. He stated the Town has gone through the diligence of the Mayor and his committee and gotten support both from the State and from the County. He stated the Town has funds they can count on now, and he's not afraid of another referendum and he's certainly not going to vote no, not again because now the Town has the funding it was looking for.

Mr. Rowland stated there is another comment he would like to make, he doesn't think there is a sole in the meeting room that doesn't have a savings account, why should the Town be any different. The Town should have a savings account for those expenditures that come up and can't be planned for i.e. the biggest one of course, the potential of a hurricane and the expense the Town has to go through to recover to some degree from that, the Town has got to have something in a savings account, checking account what ever you want to call it but the Town does need that reserve.

Alderman Tuman made a motion to close the Public Hearing. Alderman Handy seconded the motion, motion passed unanimously.

ITEM 7: Capital Reserve Resolution Establishing a Capital Reserve Fund for the General Fund.

Mr. Smith read the Resolution as follows: Capital Reserve Resolution Establishment and Maintenance of the Capital Reserve Fund

WHEREAS, there is a need in the Town of North Topsail beach North Carolina to set up a Capital Reserve Fund for future purchases and or construction made by the Town: and WHEREAS, the monies received by the distribution of Sales Tax by the State of North Carolina, on an Advlorem basis will be used to finance said fund and WHEREAS, the Town must set these funds aside and would require Board action to use said monies; and

NOW, THEREFORE BE IT RESOLVED BY THE GOVERNING BOARD THAT:

Section 1. The Governing Board hereby creates a Capital Reserve Fund for the purpose of future capital purchases and or construction.

Section 2. This fund will remain operational until dissolved by the North Topsail beach Board of Aldermen

Section 3. This resolution shall become effective upon its adoption

Alderman Tuman made a motion to approve the Resolution to create the Capital Reserve Fund. Alderman Handy seconded the motion.

Discussion: Alderman Farley wanted to address what Mr. Rowland stated earlier. Alderman Farley stated that the Town has always had a reserve fund and they call it the fund balance. He stated if the budget does not take money out of the reserve fund for what they need. He stated the Town has close to \$500,000.00 in capital expenditures that is not coming out of this fund so it seems to him that just again paying lip service that this is for anything other than Beach Nourishment and as it has been said today and other times if you want Beach Nourishment, go after them, get them to vote and give everyone an equal say. He stated this reserve fund to him is a ploy, he doesn't support it.

Mayor Pro-Tem Hardison stated he doesn't see any reason for having this new category. He stated he doesn't know why it couldn't be in the General fund, he doesn't see a special need to put money away that is going to be locked in for special purposes. He stated the first sentence; The Governing Board hereby creates a Capital Reserve Fund for the purpose of future capital purchases and or construction. He stated what he was getting from this Capital Fund proposition is that it is just being put away to be locked in for a specific purpose and he doesn't think that is what the citizens want.

Alderman Handy stated the last time the Town had a hurricane it did some damage to the beaches. He stated the Town found that they had to spend two million dollars just pushing sand and putting sand on the beach, two million just for a minor storm, it wasn't a category 3, 4 or 5 storm but the Town did have serious damage in a lot of places and that alone was two million dollars.

Alderman Farley stated that money is all reimbursed; the Town wasn't out that money. He stated the fact that the Town will get two million dollars; FEMA will come back and reimburse the Town. Mr. Smith stated it took the Town three years to get the final from FEMA. He stated the final from Ophelia just came in this budget year, it took three years. Alderman Farley stated the Town had a \$500,000.00 fund balance last year and the Town never even paid up the full fund balance. He thinks there is something disingenuous about telling the citizens about two million is going to be spent and they are going to be broke when that is just not the case. He stated FEMA obviously made payments to the Town long before the last payment that just came in. He stated the North Carolina Law related to finances the Town could be able to issue bonds if the Town got so desperate. He stated the Town has a lot of options open in the case of an emergency. He stated this Town has never had a negative fund balance due to storms.

Alderman Handy stated that the money has to be spent up front, the Town gets it back, that is fine but there has been many cases in the past where the Town has submitted to FEMA \$25,000.00 and gotten back \$16,000.00, the Town doesn't always get it all back. He stated there is another thing to think about, a storm may not be the only thing the Town is faced with, by having extra funds in a savings account it does increase the Town's bond rating so in the future if you ever need a bond for anything it does increase

the value of it and the Town would get a lower interest rate. He stated just because this bond is being set up separately doesn't mean the Town can't spend it. He stated that he can assure the citizens that if the Town does take this money and do something to reduce taxes with it the Town will lose that money next year when the County votes on whether or not go Advlorem per capita, they have already told the Town that. He stated that he doesn't see any sense in taking the chance in losing that money.

Mr. Smith stated that after his meeting with the county commissioners, in a private meeting three of them came up to him and said if the Town uses this to lower taxes and general operating expenses that the Town would never get anything from the County and would be threatened to lose this money.

Mayor Pro-Tem Hardison stated regarding the County Commissioners that they are literally telling the Town how to spend the Town's money. Mr. Smith stated that is right. Mayor Pro-Tem Hardison thinks that is absolutely unfair and should go on record that that is what they are doing. Alderman Farley stated that it's been mentioned here and in the news paper, why aren't they telling Surf City, why is the Town of North Topsail Beach being told this. Mr. Smith stated the commissioners told him that is what they expect all three of the beach communities (Swansboro, North Topsail Beach and Surf City) to be doing. Alderman Farley stated that Swansboro doesn't have Beach Nourishment fund. Mr. Smith stated that Swansboro has Capital needs and Swansboro, Surf City and North Topsail Beach are the beneficiaries of this change.

Alderman Tuman stated what is proposed is a creation of a Capital Reserve Fund for the future. He asked if it is absolutely guaranteed that all of this money will be spent on Beach Nourishment, all he can say is it might. He stated he supports the concept of creating this fund for purposes of placing the money that is coming from the advlorem sales tax. Mayor Pro-Tem Hardison stated he doesn't like it and thinks it is a trick.

Alderman Farley stated the Town is not outsmarting the public, they know this is going for Beach Nourishment, and there is no way that the public thinks this is going to be used for what ever capital projects that come up.

Alderman Handy stated there is one thing that needs to be brought up, Mr. Smith gave the Board a hand full of examples how this money can be used to help the Town and Beach Nourishment was the number one item on there, it is just one of the items that it can be used for so what is the big thing about Beach Nourishment, the Board hasn't gotten an approval that this is going to be done yet. He stated that the Board has not voted that the Beach Nourishment be done yet but they have the Budget in front of them now with the new fire truck and police car and salary increases the Town has to meet, a lot of these things cause the budget to go up. He stated some of the figures that were given earlier are a little misleading because last year it was 10.7 revenue neutral and they wanted to add .03 on there for Beach Nourishment; he stated they did not put .03 in there. He stated they put less than .03 because the revenue neutral definitely is 10.7, this year all the Board is saying is they are going up which they should have done last year because there were several cases last calendar year where they were so close to spending all of the

money that they had generated on day to day operations so the increase this year is not 48%, it's less than that because they are putting .03 back into Beach Nourishment same thing they had last time. He stated what has gone up is some of the other expenses in the Town.

Alderman Handy stated he did not want to pay any more taxes than anyone else in the room but he can't see strapping the Town to the point that they have the financial manager going around saying where is the Town going to get this money, the Town doesn't have it.

Mayor Pro-Tem Hardison asked if there is something the Town can't do with this money if it's put into a General Budget. Mr. Smith stated if the Town puts it in the General Budget and it goes into the Fund Balance the Town can use it for anything. He stated most Towns have a Capital Reserve Fund and a Capital Improvement Plan, our Town has not developed that yet. He stated it is to set out what Capital the Town needs like how many police cars, a fire truck and another one in five years, he stated you lay that out and the reason why you have a Capital Reserve fund is so future Boards can not take that money and spend it to hire a new employee or to keep the taxes down. He stated they use it for Capital Purchases and that keeps the taxes down.

Mr. Smith stated it is a Capital Purchase, it's a one time purchase it's not an on going operation. He stated if the Town wanted to use it for operations then the Town would have to dissolve the fund and again the Board can do that. He stated that it can not be transferred; it can't be used for salaries. He stated if the Board wanted to use the money for a storm or something non capital they could dissolve the fund and use it for what ever the Board wanted to use it for, it just takes dissolving it by resolution.

Alderman Handy stated at .16 for the Town, North Topsail Beach is by far the lowest of all the Towns in the County as far as the tax rate is concerned. He stated it is almost half of what the other Towns are charging. He stated Surf City is at .31 and they will probably be faced with a revaluation pretty soon too. He stated in the Daily News Jacksonville just had a 9.44% increase in their recommended budget, Swansboro went up .04. He stated Holly Ridge is adding to their Police Department and their Fire Department for salary personnel because they are expanding, why shouldn't North Topsail Beach have expenses like that when North Topsail Beach is expanding.

Alderman Farley stated everyone else is raising their rates; let's raise North Topsail Beach's. He stated the Town provides very few services; the Town has Administrative Services, Police Service and Fire Service. Swansboro, Holly Ridge at one time had complete sewer systems; Surf City has a water and sewer system that may add to the cost of their General Fund. He stated that he didn't think the Town needs to raise their taxes because everyone else is doing it. He stated that North Topsail Beach is doing very well and in fact the last budget the Beach Nourishment Committee put together they had almost \$300,000.00 surplus at that time. He stated that this idea that the Town needs to follow in step because other people are raising taxes, that doesn't make any sense to him. The Town has set surpluses and the Town is doing very nicely.

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Mayor Pro-Tem Hardison and Alderman Farley voted against the Adoption of the Capital Reserve Resolution Establishing a Capital Reserve Fund for the General Fund. Mayor Knowles voted in favor of it. Motion passed 3-2

Mayor Knowles stated he was in favor of it because this can be a Capital Reserve Fund and nothing can be done with this fund without the backing of the Board. He stated this is not something that can be done behind the Boards back.

ITEM 8. Approve 2007-2008 Budget and Budget Ordinance

Alderman Tuman made a motion to approve the 2007-2008 Budget and Budget Ordinance. Alderman Handy seconded the motion.

Discussion:

Alderman Farley stated the Town has no need to have a Capital Reserve Fund; the Town has a fund balance that can be used. He stated the truth is the Town has raised taxes over 40% over the last couple of years. He stated there are a handful of people that want Beach Nourishment and are getting their way with the Budget.

Mayor Pro-Tem Hardison stated it is a shame that the Town is being whipped again with the taxes. He stated here we go again, he would never vote for it.

Mayor Knowles stated everything has to go through the board, as much as he hates to, he is going to vote for it. He stated this is something the Town needs.

Motion passed 3-2 with Mayor Pro-Tem Hardison and Alderman Farley voted against.

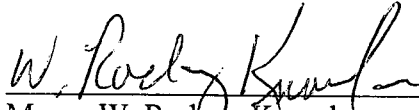
Mayor Knowles called for a brief recess.

ITEM 9. Closed Session for Legal Advice

ITEM 10. ADJOURNMENT

Alderman Tuman made a motion to adjourn. Alderman Handy seconded the motion, motion passed unanimously.

The Special Board Meeting adjourned at 1:30 p. m. June 22, 2007



Mayor W. Rodney Knowles

7-5-07

DATE

**TOWN OF NORTH TOPSAIL BEACH
REGULAR BOARD MEETING
JULY 5, 2007
7:00 P.M.**

PRESENT: Mayor W. Rodney Knowles, Mayor Pro-Tem Larry Hardison, Aldermen Richard Farley, Fred Handy, Richard Peters, Daniel Tuman and Town Manager Brad Smith

CALL TO ORDER: Mayor Knowles called the meeting to order at 7:00 p.m. in the North Topsail Beach meeting room.

INVOCATION: Reverend Dewayne Collins gave the invocation.

PLEDGE OF ALLEGIANCE: The Board of Aldermen and Citizens recited the Pledge of Allegiance.

APPROVAL OF AGENDA: Alderman Tuman made a motion to approve the agenda. Alderman Farley seconded the motion, motion passed unanimously.

NORTH TOPSAIL UTILITIES, INC EXPANSION STATUS UPDATE- DANNY LASSITER:

Mr. Lassiter, Regional Manager for Carolina Water service came forward to speak. He gave the Board brief updates on what is going to happen over the winter. He stated that he hopes North Topsail Beach has noticed the odor control device they have placed at the lift station at the high rise bridge. He stated after much time and funds that have been spent at this point and time they feel it is doing an adequate job and North Topsail Utilities hopes North Topsail Beach feels the same and if not they would certainly like to know.

Mr. Lassiter stated this winter they had all the simplex stations through out the Island surveyed by GPS and located on the map so in the event of a hurricane or another natural disaster, it will make it much easier for them to locate these critical points including man holes and major critical valves. He stated the most important part that North Topsail Beach is wanting to hear is that June 27, 2007 Department of Water Quality accepted their fast tract application for expansion to North Topsail Utilities Waste Water Treatment Plant. He stated the schedule they have given them is that July 25th they will have a submittal meeting, on August the 8th there will be a review meeting, that is where they will talk about the plans and they will give them suggestions and recommendations. On August 29, 2007 they will have an ad info meeting where North Topsail Utilities will go back and answer DWQ's questions. On September 28, 2007 North Topsail Utilities hopes to receive a permit to construct from DWQ. He stated the projected start construction date is December 5, 2007 and the projected completion of the first phase is October 24, 2008.

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Mr. Lassiter stated the first phase expansion is for total flow including what is already there 819,000 gallons to be 1,159,297 gallons which is an increase of 340,136 gallons for the equivalence of 945 taps at 360 gallons per tap. He stated there will be at least two to three additional phases and they will be submitting those standard review processes at the time they receive approval of the first phase so there will not be a lapses in time when they submit for the second, third and forth phase if a forth is needed. He stated their intentions are to build a plant for 3.4 million gallons of total flow capacity.

COMMITTEE REPORTS:

BEACH NOURISHMENT- DICK MACARTNEY: BN Report NTB Board of Aldermen Meeting July 5, 2007

Our town has had a good month and a good week. We have had many visitors all drawn here because of the ocean and the chance to enjoy our beaches. With the movie "Nights of Rodanthe" now finished shooting it won't be long before our beach will show up on the silver screen. This week a record number of beach goers are enjoying a perfect beach vacation with wide beaches, beautiful sunshine and even nighttime fireworks in the sky.

Our responsibility as a beach nourishment committee is to ensure that scenes such as I just described will be repeated in the years to come. Although much of our NTB shoreline is in good shape there are at least thirty buildings that do not have much protection against the next eroding tide. The most glaring examples are on the north end and the most severe is building eight of Topsail Reef.

I toured there last week with Steve Dye, our Washington DC based lobbyist with Marlowe and Company. He addressed the Topsail Island Shore Protection Commission last Tuesday night and gave a favorable although not conclusive report regarding the funding for our federal beach nourishment project that is still in the feasibility stage. He gave us some expectations as to how the budget process might work and the hurdles that lay ahead in getting the construction phase funded once the study phase is over. The time line for this project to be started is still 2012 and beyond.

Regarding the CRBA section of our town where we will need non federal funding to complete beach nourishment, there is also some news to report. Tuesday of this week, Shelia Cox, Brad Smith and I had a conference call with Doug Huggett, the state CAMA official in charge of our permits. He admitted that he had not done anything regarding our permits based on the referendum vote of last November. He explained that there are many other beaches also trying to get permits and that ours was no longer on top of his stack.

At the last Project Development meeting April 25th he had made some comments about needing mitigation for waiving the requirements for a 500 meter buffer for offshore sand borrowing sites. The purpose of this call was to clarify was he meant by these comments and what the possible financial impact to our project might be. He started out by mentioning reef balls, an artificial means of establishing fish habitat, which is projected to cost \$1,000,000 per acre of affected hard bottom. To put this into perspective our offshore sand borrow area is 640 acres.

After some discussion helped along by our consultant, Craig Kimmel, of CP&E and by my recounting of some earlier positions that Mr. Huggett had taken in earlier PDT meetings that we both attended, we came to an understanding that our preliminary Environmental Impact Statement will contain "Conditional Mitigation" which will only be triggered if unlikely and unforeseen effects cause harm to either the offshore and the near shore hard bottoms. Our consultants feel confident based on experiences in Florida and with other projects similar to ours that such events are not very probable based on the state of engineering models they have been using.

So that is good, but because of the setback of our referendum vote we are still probably a year away from getting our permits. That rules out any BN project until the winter of 2008-2009. There has been recent progress on finding outside funding from the state and from the county according to Manger Smith. Although not granting any money in this year's budget it does appear that when permits are in hand that Onslow county will share costs for any project that involves re positioning and widening the New River Inlet. The Commissioners did stipulate that they would need positive proof of taxpayer support before making funds available.

Our committee then will be looking at ways to generate the proof that our town is willing to support a phased in beach nourishment plan with a combination of outside (state and county) funding in conjunction with local funding (sand tax, accommodations tax, and perhaps capital reserve funds). We will be discussing at our next meeting how to survey the taxpayers and what questions to ask and when. However, this county guidance should assure many of the critics that before any beach nourishment construction projects are contracted that there will be plenty of education about the plan and a method to engage the opinions of all taxpayers both resident and non resident.

The next meeting of the Beach Nourishment Committee will be Wednesday July 20, at 6:30 PM right here in town hall.

Thank you

Dick Macartney
Chair of Beach Nourishment Committee

PLANNING BOARD- MIKE YAWN:

Mr. Yawn came forward and read his report as follows:
The Planning Board held our regular meeting on Thursday June 14, 2007. The most important topics were three appeals on our newly adopted zoning maps. We spent a great deal of time and accessed the Board of Aldermen minutes from the past.

1. Appeal by Mr. Walters: Tax map Id # 774-16.1 - After studying the 12/3/98 minutes the PB unanimously recommends that this parcel be corrected have the front portion as R-5 and the rest as CON-D, per the motion made in 1998. This is in agreement with the Aldermen's motion.
2. Appeal by Mr. Currin: Tax Map Id# 763-1.3 - After studying the 10/7/93 minutes the PB unanimously recommends that this entire parcel along with 809-60 be corrected to R-20. This is in agreement with the Board of Aldermen's motion.

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3. Appeal by Mr. Marshall F. Dodson, Jr.: Map Id # 779-1.19 - tabled that for an on-site visit. This site involves accreted land, roughly triangular in shape, with different zoning on each side of the triangle.

The next Planning Board meeting is Thursday 7/12/2007 at 6:30 pm.

We held the LUP meeting on Wednesday 6/27/2007. Worked through the remaining Policy sections. Still have a few more pages to add then a full review. I anticipate the full draft will be to the Aldermen in September for review/input; then it goes to CAMA for review.

Our next LUP meeting is Wednesday 7/25/2007 at 5pm.

Alderman Peters asked Mr. Yawn how these properties were discovered. Mr. Yawn stated they were discovered by the property owners. Alderman Peters asked Mr. Yawn how many more are out there like these. Mr. Yawn stated he has discovered a few more but they need to be researched which they are across the street from Mr. Swantek.

MANAGER'S REPORT:

5 July 2007

1. Deb Hill and I are working on scheduling the workshop on pools, parking, and garbage issues with Ginger Booker. We are trying to work with everyone's vacation schedule. We need this workshop before the zoning ordinance is finished and presented.
2. I made a presentation before the County Commissioners requesting funds for beach nourishment. They are hesitant in this budget to commit tourism funds for beach nourishment. They requested that the Town have the permits in hand, a defined project, and demonstrated support of the majority of the citizens before they would commit any funds to beach nourishment. They also reinforced one of their reasons for changing the sales tax distribution method was to give the coastal communities a revenue source for such infrastructure funding.

3. The swimming alert that was issued last week for one day at County Beach Access #4 was due to bacteria levels in the water above normal limits. The NC Recreational Water Quality Program was responsible for the testing and issuing the alert. If we had had a higher concentration of bacteria, then they would have issued a swimming advisory and posted signs. They state that it could have been caused due to an increase in gull activity in the area, people not cleaning up after their pets. Since the high bacteria count only lasted one day, they are no longer concerned.
4. I and Lydia met with representatives from BB&T Banking. The purpose was to inform the Town of the products that BB&T offers and that they are very competitive with other financial institutions.
5. The subdivision and illegal lot workshop will have to be scheduled in August since Mr. Kilroy is out of Town for the month of July. Deb will be in touch to schedule this vital workshop.
6. The Beach Nourishment Finance Committee met last Friday. We have tentatively worked out the financing for the first phase of beach nourishment. This plan calls for doing beach nourishment in phases and we pay as we go. This plan needs to be endorsed by the Beach Nourishment Committee and then the Town Board. Also, the committee unanimously agreed that a survey or referendum of the citizens be conducted before any action or money is spent except for obtaining permits.

OPEN FORUM:

Mr. Swantek 3772 Island Dr. came forward to speak; he stated he had a suggestion on the three Public Access that the Town owns. He is getting tired of watching people squatting over and using the bathroom. He stated these belong to the Town and the Town should supply a porta potty for three months out of the year at least.

Mr. Swantek stated that around where he lives off of Myrtle Drive they removed a fire hydrant over a year ago and never replaced it. They are telling the property owner from where they removed it from that he is responsible for paying to have it put back in. He stated that he thought it would be the Town's Fire Department's responsibility to get the fire hydrant back in place.

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Mr. Smith stated that he would talk to ONWASA and get back with Mr. Swantek.

CONSENT AGENDA:

**Board Minutes
Department Heat Reports
Benefit Accrual Report**

Alderman Farley suggested pulling Budget vs. Actual under the consent agenda and moving it to Old Business (b).

Under Budget vs. Actual Alderman Peters made a suggestion to consider comparison of the Police and Fire Department statistics as they were presented a year ago. Mr. Smith stated he could put them in an historical prospective.

Alderman Handy moved to approve the Consent Agenda as amended. Alderman Peters seconded the motion, motion passed unanimously.

OLD BUSINESS:

- a) Public Hearing and Rezoning of Property Tax ID # 763-1.4 case # R-07-01:**

Mayor Knowles stated the Public Hearing has been postponed until August.

- b) Budget vs. Actual:**

Alderman Tuman stated the Town can't keep the budget open until August. Mr. Smith agreed you can't do that. Alderman Tuman asked why keep the books open until August. Mr. Smith stated everyone keeps their books open, you can't close the books, and there are payments coming in and sales tax. He stated it is standard across the state of North Carolina to keep the books open until August or September. Mr. Smith stated the Town has to take in its last revenues then it can close the books, and then have the audit done.

Alderman Tuman stated the Town just raised taxpayer's tax rate by .03 per \$100.00 and he looked at the Beach Nourishment fund and according to the Budget vs. Actual the Town is going to run over a half a million dollars surplus. Mr. Smith stated that is correct. Alderman Tuman stated that is the .03 the Town raised taxes by. He stated the

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Town is taking people's money just to save it and he does not believe it is necessary.

Mr. Smith stated when he presented the Budget there were options for a compromise.

NEW BUSINESS:

a) Appeal of Rezoning of Tax ID# 763-1.3 by Mr. Currin

Ms. Hill stated this is one of the appeals Mr. Yawn spoke of earlier. This property is at the end of 23rd St. She stated the Planning Board reviewed this at their June 14th meeting and recommended unanimously that the property be zoned in accordance with the October 1993 motion that was approved by the Board of Aldermen and be corrected to R-20.

Alderman Tuman asked if the information supplied in the package in support of making the change was reflected in the minutes.

Mr. Yawn stated that the minute's state rezoning part of Con-D and part of the MHR to R-20. He stated the motion was made by Mayor Pro-Tem Tripp and seconded by Alderman Stackleather to rezone Hunters Cove tract located off Hwy 210 at the end of 23rd Ave from Con-D and MHR to R-20 and passed 2-1.

Alderman Tuman stated when he went on GIS and looked for that particular piece of property, he saw no record of that being Hunters Cove Tract. He stated that property is in the name of Ccam Land Associates and ownership was obtained on December 3, 1991. He stated in the forth quarter of the year in 2004 there was an activity in the Town involving the Planning Board, Zoning Officer and a hired consultant that basically tried to recreate an accurate Zoning Map for the Town and they went back through the entire history of the Town and identified all of the zoning actions that were taken and then established what they thought to be a correct Zoning Map. He presumes that this was not identified by that activity and that bothers him unless in fact the map is correct and some other action was taken afterwards that basically established that land as Con-D or in fact perhaps the people have the same problem that he has which is being reminded by the Town Attorney that they

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are bound by the minutes of the actions adopted at meetings that Hunters Cove Tract might not be that land name.

He stated normally when the Town has a rezoning it specifically identifies the property by tax ID or a pen number. He stated the package provided to him also address two other lots and for all he knows that could be Hunters Cove. He stated 763-1.3 has always been Con-D. Mr. Yawn stated he would go and look it up in the Minute book again.

Alderman Tuman stated he is not comfortable with what the intent of the rezoning action that was taken in November of 1993. He stated there is no such thing as Hunters Cove Tract.

Mr. Yawn stated the Planning Board felt the motion did match the piece of property and Mr. Riggs had maps that he provided from that point and time that showed one MHR lot and that seemed to match the motion that was made in 1993.

Mr. Currin came forward to speak he stated when this property was purchased in 1991; it came from the Hunter Tract. He stated there were two lots set up as mobile home lots, one of them was wetlands and the second one 801-60 is still a decent lot. He stated the good property is all the uplands property that is R-20 and has always been R-20 and it was R-20 in 2002 when the Corps of Engineers went in there and designated the wetlands out of it.

Mr. Currin stated this property was R-20 up until the new Zoning Map was done, he stated this is just a misprint on the map and that is the only thing that is wrong with this property.

Alderman Tuman stated the map the Town adopted in 1990 had that property as Con-D. He stated it had to be otherwise this action would not have been necessary.

Mr. Currin stated the property was R-20 in 1992, 1993 and in 2007 it's still R-20 and it's just a misprint on the map and according to the Town Manager when he talked to him two months ago.

Alderman Tuman stated if in fact it was R-20 then the action taken and assuming it was appropriate action and refers to the right property would not have been taken.

Mr. Yawn stated he didn't think it was R-20 in 1992, he thinks it was Con-D. He stated looking at the 1982 map it is Con-D and it looks like after 1993 someone colored in with yellow pencil on the hand drawn map and it does show that as being as being R-20. He stated the Planning Board did look at the motion and after reading the motion the Planning Board felt like this did point to this particular piece of property and the motion from the Board of Aldermen in 1993 did change it from Con-D to R-20 and there was one lot of MHR that is 809-60 that went from MHR to R-20 and the Planning Board unanimously said yes it looks like they made a coloring mistake on this map.

Alderman Tuman made a motion to send the rezoning of property tax ID # 763-1.3 back to the Planning Board and be very specific of what the decision of the Board of Aldermen was at the time. Mayor Pro-Tem Hardison seconded the motion, motion passed unanimously.

OPEN FORUM:

Aaron Perkins 1263 New River Inlet Road came forward to speak. He stated there is a public cross over in front of his house and since April the garbage cans that used to be maintained by the Town are no longer there. He stated there is quite a bit of contaminants around that cross over and that may have contributed to some of the beach contamination.

Alderman Peters stated he has walked that part of the beach and he has talked to the Town's Public Works about three weeks ago and asked them to put additional garbage cans out. He stated they did put two or three out there but still need about four more cans out in that area.

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ALDERMANS REPORT:

Mayor Pro-Tem Hardison thanked everyone for coming to the meeting.

Alderman Farley stated there is a proposal in the North Carolina Legislature to implement a property transfer tax on sales tax on individual homes, it could be very expensive and those of you who live in North Topsail Beach could potentially not pay any income tax on the sale of your house but still pay Onslow County one percent of the value. He suggests the citizens contact the legislatures and tell them you are not in favor of the home tax.

ADJOURNMENT:

Alderman Tuman made a motion to adjourn the meeting at 8:30 p.m. Alderman Peters seconded the motion, motion passed unanimously.

Minutes prepared and submitted by Terrie Woodle, Permit Specialist.



Mayor W. Rodney Knowles

7-5-07

Date Approved

Board of Aldermen Regular Meeting MINUTES

August 2, 2007

PRESENT

The Board of Aldermen of the Town of North Topsail Beach met in regular session on August 2, 2007 at 7:00 P.M. in the meeting room of the Municipal Administration Building, 2008 Loggerhead Court, North Topsail Beach, North Carolina. The following were present: Mayor Rodney Knowles; Mayor Pro-Tem Larry Hardison; Aldermen Dan Tuman; Richard Peters; Fred Handy; Richard Farley; Acting Town Manager / Town Clerk, Kathleen Clough; Planner / Zoning Administrator, Deborah Hill; Town Attorney, Robert Kilroy.

QUORUM

Mayor Knowles called the meeting to order, and declared a quorum present.

INVOCATION

Duane Collins, of the North Topsail Shores Baptist Church, gave the Invocation.

PLEDGE OF ALLEGIANCE

Mayor Knowles led the Aldermen and Citizens present in the Pledge of Allegiance.

ANNOUNCEMENTS

Mayor Knowles made two (2) announcements:

1. The resignation of Bradley Smith as Town Manager for health reasons.
2. The introduction of Kathleen Clough as Town Clerk and Acting Town Manager, until an Interim Town Manager is found. Also, a reception for Ms. Clough will be held on Wednesday, August 8, 2007, at 6:00 pm.

APPROVAL OF THE ADGENDA

Alderman Hardison made a motion that the "agenda that was originally on the agenda be put back there" regarding an article in the Jacksonville Daily News, titled "*Who's Telling the Truth?*" A lengthy discussion followed, regarding the motion to clarify Alderman Hardison's request. The motion was seconded by Alderman Farley. The item was again discussed, at length, as to the reason for the original motion.

The motion passed and was placed under OLD BUSINESS.

COMMITTEE REPORTS

BEACH NOURISHMENT

Mayor Knowles introduced Tom Jarrett and Dawn York of Coastal Planning and Engineering with a Prospectus Update on Beach Nourishment (Pay-As-You-Go) system.

Dawn York, of CPL, had those present, follow her handout as she went over the current status of the progression of events for Beach Nourishment. A handout was given containing all of the information that CPL presented

Tom Jarrett and Dawn York discussed cost, phased construction, and alternatives. Mr. Jarrett stated that the E.I.S. was not a decision document, but lays out "The Good, The Bad, and The Ugly" of each alternative and should lead to a logical conclusion of what is the best alternative. He states that the phased-construction implements the plan that the town was seeking bonds for. He states that due to the "funding stream" 4 or 5 phases may be needed rather than 2, with allocations for each phase. He does state that with more phases, more cost is added for remobilization cost for the dredge and increases the cost a bit. He does state that "on the positive side, if you are only going to build a mile or two of the project at a time, generally speaking, the agencies favor that sort of sequential development of a project rather than a whole eleven miles in two years. Their main concern is that this material that goes on the beach smothers out organisms and it takes at least a year for them to recover, and it could take longer if you've nourished all eleven miles over a two year period. If you are only nourishing a couple of miles every two years you have adjacent beaches that are not being nourished and studies have shown that these organisms migrate back into those nourished areas in about six months to a year. On the positive side and from an environmental standpoint it seems that the phased construction

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will probably be looked on favorably. Dawn alluded to the state on the issues permits that are good for one-time. So, they will probably have to go back and get a major modification to the permit each time you want to go in and do a new phase. It wouldn't require all new environmental documentation, but that is one thing we will have to investigate to make sure that kind of approach is feasible and won't require a lot of extra effort and environmental documentation".

Alderman Farley asked Tom Jarrett what had been proposed and stated he never knew that the Board asked him to present another plan, and expressed his concern that it is still a \$43 million dollar project.

Mr. Jarrett explained that EIS is required to look at a range of alternatives, so there are alternatives in the EIS that the town hasn't approved or questioned or anything else. They are required under MEBA* to include these alternatives. Mr. Jarrett further explained that as long as the alternative is in the EIS, whether it is preferred or not, and is acceptable environmentally, the real decision comes at the time when the town makes its formal application to the State, to the Court, to build a certain project. So, at that time you can pick alternative 1, 2, 3, or 4, as long as they are all okay environmentally.

In response to Mr. Farley's questions regarding the amount of sand, Mr. Jarrett replied that generally placed, projects that the Corp comes up with generally have something in that order of 130-160 cubic yards per foot.

Alderman Tuman stated that this was the first time he'd heard about a five-phased plan. Working with the planning committee and with the representatives or on the committee for Beach Nourishment, they were trying to source the dollars relative to a three-phase plan, which basically works central from south, doing one phase every other year.

Mr. Jarrett replied that the phasing simply depends upon the fund vote bill, funding of that bill. But you could certainly do three phases from a construction window standpoint. Phasing then depends on the funding stream that the town can afford.

Alderman Tuman stated that the opportunity seems to be there and we can probably raise about three (3) million dollars a year. Which in each phase, ballpark number would give us six (6) million dollars and that would be enough to do North first and then Central and South. And then once you have finished the South, depending upon what happens in the prior six (6) years you could go back and start at the North and work central, south again, on an ongoing basis, because the way that the money is sourced, funded, it is an ongoing funding stream. So, the money comes, and it will be dedicated to that purpose. That's the goal. He said he didn't know how things will materialize, but it looks like it's doable.

Mr. Jarrett replied that based on the cost-estimates that they have developed, it doesn't appear that eighteen (18) million dollars is going to be enough to build all eleven (11) miles. The phasing then, again would be rhythmed by funding availability, not the construction ability.

Alderman Farley stated that he is not comfortable with all of this stuff and that we've got several committees, and asked specifically "what are the funding sources?"

Alderman Tuman stated that the goal of this committee, is to raise money to do beach nourishment without increasing taxes for this town, and it seems to be a viable alternative. Alderman Tuman stated that there is a million and a half in sales tax. One million in tourist taxes; comprised of a half million that this town collects and another half a million that we are expecting that the county will return that they collect off the back of this town, and the other half a million from the beach nourishment tax.

In response to Alderman Hardison's question, Mr Jarrett said he will be glad to share the phased construction files with a little more detail with the Board through Shelia Cox.

Alderman Peters asked how the Board can see some of these citizen issues presented.

Ms. York responded that they were talking to Sheila about this and the Corp of Engineers will publish the draft EIS on their website. The draft EIS will also be published and put into libraries. The Board will receive hard copies that should be made available to the public. CPL will put it on their website, if the Board wants to review it.

COMMITTEE REPORTS

BEACH NOURISHMENT: Dick McCartney, Chairman (Gary Rowland, Reporting)

Mr. Rowland wanted to make the point that if we are talking about 5 sections of the beach that we are going to be nourishing, if you back that down to four sections, it would take 8 years. That would put us into 2016 at which time the Corp of Engineers would have the plan in effect for the south end already started. So, you wouldn't have to do a full 5 sections, using those figures.

As far as the Beach Nourishment Report is concerned, they, as a committee, made a motion to endorse the budget decision by the Financial Task Committee to maintain the 3 cent dune tax for future Beach Nourishment projects phases. That was unanimously passed. They also recommended that we wait until post November election for the survey / vote, whichever the Board decides we are going to be doing.

It was suggested that all property owners be allowed to participate in the survey or the vote; all paying property residents pay the tax. They pay a renter's / accommodations tax and they do create job opportunities. Permits are expected to be issued approximately July 8th at the present pace. However, the Board of Aldermen need to vote to direct the phased construction, or preferred alternatives for the draft EIS, if not, there is potential for the delay of the permit process.

The Beach Nourishment Committee is requesting that the Board of Aldermen consider changing the name of the Committee (Beach or Island Preservation, Coastal Preservation, Barrier Island Preservation, or Island Conservation Committee), because they are looking at things far more broadly than just Beach Nourishment.

Alderman Hardison requested that the Board of Aldermen receive information prior to the night of their Board meetings.

PLANNING BOARD: Mike Yawn, Chairman

Planning Board met on 7-12.

“* On the issue of : APPEAL BY MR. CURRIN: TAX MAP ID# 763-1.3 (REMANDED BY BOA 7/5/07) the Planning Board recommended the Board of Aldermen correct the newly adopted zoning map to show parcel # 763-1.3 and 809-60 are R-20. The motion passed 5-1 Mrs. Tuman voted nay. Mrs. Tuman was still concerned about the 2-1 vote.

* On the issue of: Appeal by Mr. Marshall F. Dotson, Jr: Tax Map ID # 779-1.19. This is accreted land. A motion to leave the zoning Con-D failed for a lack of a second; and a motion to recommend that the BOA correct the map to show it as R-20 failed 3-3.

On the issue of: CU permit for a pool at 204-1 & 2 GSgt. D. W. Boatman Dr. Tax Parcel # 778C-166 The PB recommends to the Board of Aldermen that they approve this CUP, accepting no more than 30% coverage under the conditions of the Town of North Topsail Beach's CAMA Regulations. Mr. Dorazio seconded the motion, motion passed 5-1 with Mr. Yawn voting nay, since he felt the pool itself should be included as impervious.

On the issue of: CU permit for a pool at 211-1 & 2 GSgt D.W. Boatman Dr Tax Parcel 778C-50 The PB recommends to the Board of Aldermen, that they approve this CUP, accepting no more than 25% or 30% coverage (depending on the zone) under the conditions of the Town of North Topsail Beach's CAMA Regulations. Mr. Dorazio seconded the motion, motion passed 5-1 with Mr. Yawn voting nay, since he felt the pool itself should be included as impervious.

We held public hearings on Section 7-60 Definitions ; on Sec. 7-128 Table 1 Permitted and Conditional Uses; and C-7-132 Accessory Uses. B. Swimming pools; and 7-222 Operating Standards for existing travel trailer parks and new parks following park plan review.

I also see that Boardwalk Villas' SDP is on the agenda; I recommend the Board of Aldermen formally remand it back to the PB since the PB has not seen a SDP with an on-site package plant; only one with sewer taps.

Land Use Plan Committee met on 7-25; went over latest changes. Our intent is to meet Wednesday 9-12 at 5pm and go over the entire document; at which time it will go to the Board of Aldermen; our hope is that we can have a joint meeting in early October to finalize the Land Use Plan.”

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Mr. Yawn expressed his sadness in seeing Brad Smith leave, because he was a real proponent of getting our zoning right and getting our zoning and planning ordinances corrected. And finally, about 5:00pm today, I had an emergency system test and it worked perfectly. Within 10 seconds, my cell phone rang, my wife's cell phone rang, and I had an e-mail, so, bingo it worked. He saw it on the website and just put their number in. They don't have a land-line, so, they put in their cellular phone numbers.

Alderman Farley asked about the travel-trailers.

Mike Yawn responded that Roger's Bay had come and requested several about 3-4 months ago. Our ordinance limits them in the size of storage units. They are supposed to be the Rubbermaid type units and they are very limited in how big they were. They would like for us to modify the ordinances in order to allow larger storage shed that would include something large enough to drive a golf cart into. They have had some situations where people's carts have been stolen. We had a public hearing and we did not have a lot public input. I was somewhat disappointed that we did not have anybody that was from Roger's Bay at our public hearing. We have taken no action on it thus far.

Alderman Farley asked if the proposal they are talking about a golf cart garage.

Mike Yawn responded: "Almost. Their request was 8 x 8 or 8 x 12. So we have taken no action on that yet as far as a recommendation from the Board and of course, we will research. We have concerns about the question of impervious coverage and whether the lots are really lots. They are not drawn on the map. If you are going to have something there, it has to be able to have flood waters come through which means it has to be tear-away."

Mayor Knowles stated that another problem that you have there is that with the wind, and asked if since it is in a mobile home park, shouldn't they be movable also?

Mike Yawn stated that was correct. Mayor Knowles asked if we order them to evacuate, will they also have to take the trailer and the shed. Mr. Yawn said that actually, it is not a mobile home park, it is a campground, and the committee suggested that they just use a trailer. You could have a storage trailer.

Recreation and Appearance: Bill Horstmann

Not in attendance

Board of Adjustments: Jerry Convey, Chairman

Jerry Convey stated that there was no report, as the Committee did not meet in July.

Open Forum

Mayor Knowles invited the public to come up and speak for 3 minutes each.

Carol Evans, 209 Seashore Drive stated that she just had a few fragmented comments. "As to the "Big enchilada", I would prefer that it be a small taco. I would like to comment on the article that was in the Jacksonville News. What I think is that everyone thinks that they were telling the truth as they heard it, and therefore, I think, that when you gather information by a wink and a nod, you don't always get accurate information. I think everybody heard what they thought they heard and everybody said what they thought they said and that it was huge mix-up that hurt the integrity if a lot of people. The other thing that I have comment about is the Mayor's comment that this is not New York City - I feel that some people here in North Topsail Beach think that it is New York City."

Mike Yawn, 207 Tamarix Court: "I have a couple of questions. This Funding Committee? I assume this is a public meeting? The public can come to this meeting? Is advertised on our sign outside, or put on the website. I would just request that you do that. Because the public, I think, would be delighted to come to the meeting and hear the government in motion. So, I would request that publicize when those meetings occur and invite the public.

And secondly, even though Mr. Rowland said that he thought that Commissioners hear from all property owners, Commissioner Aragona was quoted in that article as he wanted here what the voters down there thought about Beach Nourishment. The voters down there. That's not property owners in New York, or Ohio, or Charlotte."

Mayor Knowles announced that the Public Forum was closed.

CONSENT AGENDA

Motion: Alderman Tuman made a motion to approve the consent agenda and the motion was seconded.

Alderman Tuman suggested having Lydia explain "Budget vs. Actual" at the next meeting. There was discussion and it was explained.

ACTION: Motion to approve the Consent Agenda passed unanimously.

Old Business

a: Public Hearing and Rezoning of Property Tax ID #763-1.4 case #R-07-01.

On April 14, 2007, after the Planning Board held a public hearing, Mr. Rigglesman made a motion to recommend to the Board of Aldermen that they rezone this property as CON-D with an Island of R-20 (as shown in the diagram in our board package) but as one parcel.

Mr. Martin seconded the motion, motion passed unanimously.

Additionally, the Planning Board recommends that the Board of Aldermen enact the attached Ordinance, rezoning the site from Residential-20 (R-20) to Residential-20 (R-20) and Conservation (Con-D) district zoning, as amended.

Action Requested: Hold hearing. Approve/disapprove rezoning request.

Zoning/Planning Administrator Deborah Hill stated "There is in your package a clear copy of the GIS overview of that tax map. On April 14, 2007, after the Planning Board held a public hearing, Mr. Rigglesman made a motion to recommend to the Board of Aldermen that they rezone the property as Con-D with an island of R-20, as shown in the diagram, but as one parcel. Mr. Martin made seconded the motion and the motion passed unanimously. Additionally, the Planning Board recommends that the Board of Aldermen intact the attached ordinance, rezoning the site to R-20 and Con-D district zoning as amended. The owner Mr. Bryant is appealing the rezoning. Just handed out, is a copy of his appeal. The action tonight is after the staff report that the Board of Aldermen hold a public hearing and afterward either approve or disapprove the rezoning request. This item was also pointed out on the Zoning map. This particular zoning case was one of the issues that Planning Board studied at quite some length and it was based on the way that the motion was read. It was not the intent of the Board at the time to rezone that whole parcel R-20. The way that the motion reads, that's how it was done, so the intent of the zoning maps in March of 2007, was not to...it did not constitute any rezonings, it was merely for corrections. So, at this time the exterior of that property, when you look at the map, the little interior has been declared uplands and the exterior of that little doughnut on that lot is has been determined to be wetlands. And that what should be considered. The Planning Board is recommending that it be back to CON-D and that the center remain R-20 for building lot purposes."

Ms. Hill stated that she was presenting her staff report recommended that after her Staff Report, the Board open it up for a Public Hearing. She stated that it has been advertised and re-advertised, and re-advertised. The notifications were done as indicated in the Board's packages.

MOTION: Alderman Farley made a Motion to open up for Public Hearing
Seconded by Alderman Tuman.

Discussion:

Tom Johnson (attorney for Mr. Bryant) explained that this property is currently zoned R-20; that was the motion that was passed and what was done. Since this property has been zoned and Mr. Bryant owns the property, he has obtained building permits to build 2 residences on that property. Mr. Johnson shared with Mr. Kilroy those building applications he has with him. In their position, number 1, they submitted a protest petition because this was not a rezoning that was initiated by the property owner, whatsoever, it was initiated by the town. So, that's been submitted. He stated that secondly, their primary concern is that in NC general statute 160A-385, subsection 3-B, it specifically states that an amendment in zoning ordinances shall not be applicable or enforceable without the consent of the owner with regard to buildings and uses for which either building permits have been issued pursuant to GS 160A-417 prior to the enactment of the ordinance making the changes so long as the permits remain valid and unexpired pursuant to 160A-114 and not revoked as pursuant to GS 160A-422. In this instance there are 2 building permits that are valid and in force and have not been revoked and therefore it's our position that no rezoning can be acted upon with respect to this property without Mr. Bryant's consent, which he has not given, and that is their position on this matter.

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Alderman Farley asked if the proposed changes on the zoning map, as recommended by the Planning Board, would prohibit Mr. Bryant from building the on the property, and asked if it was prohibitive.

Mr. Johnson stated that you could conceivably still do it, but the problem is, that the property as a whole is divided into 2 lots and he got building permits to build on those 2 lots. There are many, lots that exist on the coast where you have buildable portions of those portions and wetlands portions on that lot. And as long as it is a separate lot your zoning ordinance amendment is changing the zoning on that lot for which a building permit is issued. Building permits are issued per lot or per taxed parcel, and not per a doughnut shape, carved out of 2 lots that are valid and exist.

Alderman Tuman asked if it was their understanding in terms of Planning Board recommendations, that in fact in 1993, the intent of the submission was to, in fact, create a portion of land designated R-20, with the rest of it remaining CON-D.

Mr. Johnson stated that he had no knowledge of that, other than what was presented in the Staff Report. He said that there is nobody here that was present then that can say that, but the only written record in the motion that was passed is the motion to rezone this entire property to R-20. ,

Alderman Tuman said that was perceived to be what the actual action was and asked if he was aware of what was recorded in Onslow County, in the GIS system on the 1993 action?

Mr. Johnson said that he had not seen that, in terms of what the GIS did. But what this Board would go upon would be it's actual action by motion and what it's minutes reflect, not GIS system. The GIS system is based upon what this Board passes. Or supposed to be and he find errors in GIS systems all the time, so you can't depend upon that.

Alderman Tuman stated that actually what GIS recorded in 1993 was a piece of land 1 acre in size, being R-20, and the rest CON-D, which, in retrospect, was the interpretation of what was actually requested at that time. And the proof, and what he found difficult was the owners, including Mr. Bryant, have known since 1993 that in fact that what that plat is recorded as and there has been no appeal in 14 years now, since then, challenging them. And it makes a big difference, for example in the taxing of that land, and 1 acre is designated as R-20, whose value is \$475,000.00 for 1 acre. And the remaining 13.5 acres being taxed as marsh whose land value was \$1,500.00. he said that if, in fact, 14.5 acres are R-20 and taxed at 475,000.00 per acre, the tax bill would have been substantial.

Mr. Johnson responded that's not necessarily the case. The land is valued upon it's condition. When a tax appraiser goes out there they are going to not look at the fact that you have X acres zoned R-20. They look at the property itself and see how much is upland and how much is wetland and how much you can build upon. That's where the valuation comes from and the GIS map legally does not control your zoning. The GIS map is based is based upon whatever copulation whoever put that GIS map together, but that is not the law. The law is what you pass in your zoning map. Under the statutes, the zoning map and what was passed, and how that zoning map was designated based upon what was passed is what controls, not what GIS says.

Alderman Tuman said that the property record for that plat, owner by Mr. Bryant, clearly identifies, and it has since 1993, that 13.5 acres of it is zoned CON-D, and 1 acre is zoned, it doesn't specify, it says see the noted. Alderman Tuman said that it seemed to him that it reflects the action taken in 1993, by the zoning action at the time, which is what the Planning Board is recommending be corrected. The map that was in error needs to be corrected to what the actual intent was at the time that was approved. Which has since been reflected, the records updated and reflected in GIS, and the property owner has known this for 14 years.

Mr. Johnson replied that this is not his property record, and that's what he was explaining. He stated that he could ask Mr. Kilroy, but what controls in term of your zoning. It's not GIS, it is your zoning map and the motion that was passed at the time. Regardless of what somebody may say the intent was or wasn't, your zoning map shows that. If it is as you are saying, then there would be no need for us to be up here to rezone any property tonight, because that's what it would be zoned. But because we are having to come back up here to rezone it, you are indeed rezoning property and under the statutes you can not rezone.

Alderman Tuman said what that issue is, and what the Planning Board is recognizing is that when we passed a zoning map, some months ago, this year, we passed it with an error. And we were asking to correct it. So, that in fact the issue is correcting an error that has only taken place in the last few months. It has not been on the books since 1993.

Mr. Johnson replied that the whole deal is that the Planning Board makes a recommendation and this Board makes the decision. What the Planning Board may or may not have said in all deference to the Planning Board is not what is to be considered. And he wasn't before the Planning Board to make the point to make the point which he would have made in the very same point he was making here tonight. Legally, you can not take this action because the existing zoning is

R-20 and can not be changed because building permits have been issued for this property. Regardless of what the intent, you say the intent maybe, and he was not here in 1993, and he doesn't know who in this room may or may not have been, so, intent is not what controls the law.

Alderman Peters asked the Town attorney to clarify this point and asked if it was a true statement and his interpretation as well.

Mr. Kilroy stated: "First, let me say, the only way you could determine intent of what the Board of Aldermen do back in 1993, is from your memory, not the GIS records as some people think. And I really don't know what is driving this project. But basically what we have is a situation here where this property is zoned R-20 for 14 years. That's the way it shows up in the minutes. There is nothing that changes. And Mr. Johnson is right, 160A-385 that basically says: amendments of the zoning ordinance shall not be applicable of enforcement without the consent of the owner for which either building permits have been issued pursuant to 160A-417, as long as the permits remain valid. I could not get into Randall's office, but Mr. Johnson showed me his copy of the zoning application dated April 11, 2006. Joey signed off on both of these properties zoned R-20. Based on signing off on that, the building permit was issued. Building permits have not expired. And I believe there is one other word that stands between us and making changes in the zoning classification of this particular property. And that is estoppel. Based on these building permits, he has gone and as I understand it and built a bridge. I assume he has spent quite a bit of money right there. I just think we are getting on real thin ice here, trying to change this in the face of the statute."

Mayor Knowles asked Ms. Hill if she had a question.

Ms. Hill replied: "I just had a statement, whenever the attorneys finished. First of all, there were two building permits that were issued. One was withdrawn. There was a bridge that was permitted and CO'd. As a matter of fact that was what drove our workshop for bridges. But the building permits were withdrawn. He resubmitted an application for a building permit. I could not sign off on it whenever it came back through me, because it was an illegal subdivision. And I don't have the authority to sign off on a building permit for an illegal subdivision. And that is another matter that needs to be addressed. But, never-the-less, if he wanted to build one house, on that property that is zoned R-20, that's not stopping him. So, Mr. Tuman's question was, "Does that prohibit a building permit or a building being placed on that lot?" Not if that lot is...if you take away the issue of illegal subdivisions or if you correct that plat, then no. He's still got that buildable property as R-20. It's just the surrounding wetlands that Planning Board and Staff was requesting be rezoned back to CON-D, which was after studying it was determined to be the original intent of that motion."

Alderman Tuman asked Ms. Hill if she had said those building permits were withdrawn?

Deborah Hill replied: "It was my understanding that they were withdrawn, and I would have to do some research after the meeting tonight, and go back to build the history. That issue came up as I walked in the door tonight, from Mr. Kilroy and Mr. Bryant's attorney this afternoon. I am not prepared to answer the issue of building permits or give you a history of building permits, and I would be afraid to do so, right off the top of my head, without actually being able to show you the documentation. But I do know that those plats that Mr. Bryant resubmitted plats, and it was on the agenda for the Planning Board to review, Mr. Bryant withdrew those plats. So, I had no choice but to take it off the agenda for the Planning Board."

Mr. Johnson said: "Let me explain a couple things. The building permits were never withdrawn, all that was done was an alternate building permit for one of the houses was submitted because Mr. Bryant wanted to change his design. He wasn't doing anything but changing the design of the house that would otherwise meet the zoning requirements. But he didn't withdraw the current permits. And he has spent substantial sums of money building a bridge, putting the utilities and infrastructure along that bridge to service the property, hauling significant amounts of fill in order to be able to build on the lot. I mean it is a significant sum of money that he has spent. Those building permits were not withdrawn, and the new building permits, Ms. Hill would not sign off on the zoning certificate in order to get the new building permit. Which a zoning certificate, all it says is that it is zoned R-20. It doesn't say anything about the subdivision issue. With respect to the subdivision issue, which is really not on the agenda, but since it has been brought up, The subdivision was signed off on by the town and recorded with the register of deeds, so, it is there and is been right upon Mr. Bryant in getting his Building permits. Again, as Mr. Kilroy mentioned, at the very least there is some estoppel arguments, but certainly I would argue that there is a vesting right to those lots, because it was based upon town action that Mr. Bryant did in terms of that sub-division. But, recommended to him that no action be taken on that subdivision plat because it was my feeling that he was already vested in the original subdivision, so why go through the process again? I was not involved when it was first submitted, although I would have probably recommended that it not be submitted, because I did not see the need to do that."

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Alderman Farley asked if, based on what Mr. Johnson was saying, submitting another building permit design voided a first one.

Mr. Johnson replied that as long as the building permit is in force, in effect it says you can not.

Mr. Kilroy interjected "But you have to read that in conjunction with 160-418. Under the statute, the building permit expires in six months. And it expired in 12 months if work is discontinued. Work was continued. And it has been of this continuance. I can not give you a really good solid answer until I look at these building permits."

Alderman Farley asked if that was that saying that they did start building on those.

Deborah Hill responded: "I really don't feel comfortable talking about something off the top of my head without having the records in front of me to be able to give you a straight and honest and factual answer. I will say that anytime a building permit is submitted, if there is a change in plans, that they *have* to resubmit that building permit. We have had a number of issues where building applications were submitted and the applications were duplexes, and then half-way through it they change it because they want a town-house, because they want to be able to sub-divide the lots, and low and behold, guess what that property was zoned R-15, and townhouses aren't allowed on R-15. So, that is causing some complications as well, trying to change these building designs in mid stream. And the other issue is. The whole entire reason why staff talked to Mr. Bryant and was encouraging Mr. Bryant and trying work with him is to get these plats before the Planning Board and to get the recommendation of the Board of Alderman was to legitimize that plat so that he could develop that property. We are not working with him, we are just trying to make sure that everything is done in accordance with the ordinance. Otherwise I can not sign off on it."

Mr. Kilroy stated that the issue is, have the building permits expired, or has the work been discontinued? If they haven't expired and it has not been discontinued, the town can't change the zoning.

Alderman Peters asked, with that in mind, just looking at this from a layman's perspective, exactly what was the owner's objection, and was land being "confiscated."

Mr. Johnson said that it is being rezoned to another district. He would rather keep it all zoned R-20.

Alderman Peters continued, "But getting to the heart of it, he would like, but what is the actual objection? Is buildable land being taken away? For example, it reads here"request that the property identified as uplands 11-21-02 delineation by the US Army Corp of Engineers being zoned R-20 and that the wetlands, identified by the same delineation be zoned CON-D." So, my point is, are you all actually filling into the wetlands to build on?"

Mr. Johnson said "Not at this time. None of that's being done at this time, but there is no telling what may happen in the future. And so, what could or could not happen within the designation of those wetlands or whether the wetland and the upland will be delineated is somewhat problematic within this rezoning request. I don't know if a survey has been done or anything like that to determine where your designation of where you would split the rezoning. I think that would be problematic if you don't have a survey of the property and proper legal description. I don't know how you would determine what your rezoning is. I mean that's another problem with this, but I don't think you can get to that point, because the statute prevents you from doing it once building permits have been issued. I mean fine to check with Mr. Kilroy in the office and verify this. That's fine with me. I have no problem with that. Because our records all show that the building permits are valid and in existence and there has been no indication from the building inspector to the contrary. I mean Mr. Bryant can come up and speak to that, because he has been dealing with the building inspector, not myself, but that's where we are at this point. And if you feel like you need to go behind us and check that, we will be glad to do that. I agree that when a building plan changes, a new application has to be submitted, that's what Mr. Bryant had done. Because he wanted to be looked at again to make sure the new design he wanted to do was compliant. And we never even got to the point of making that determination, because we couldn't get the zoning permit or zoning certificate signed by Ms. Hill. So, at that point that permit was going nowhere so he just withdrew that because there was no action being taken. That was the amended permit not the current permits that were in effect."

Mr. Johnson stated that "the minutes, have enough question in them that you are coming tonight asking for a rezoning. If it is as clear as your position is, then there would be no need for the rezoning to begin with. Because it would be zoned as you are saying on the GIS map. But, there is enough of a question, and when Mr. Bryant bought the property, regardless if it was a staff mistake or not, at least the interpretation that's been made, and held in belief, since 1993, is that all this property is zoned R-20. And that's what the minutes reflect. Or at least the interpretation to the degree that the minutes were taken and were overlaid onto the zoning map. That's what the minutes reflect. That's what's official. Not what the intent may have been or somebody believing the intent was. It's what the minutes say."

Alderman Farley asked if we know that's when the zoning map was changed? For instance, at some point, this century (several years ago) our zoning maps were changed. Changed to reflect some perceived understanding of how zoning worked. And so, he was so sure that the map was changed back in 1993. Alderman Farley said that Ms. Hill points out that we have this property that 1 acre is R-20 and 13 acres are CON-D.

Mr. Johnson replied: "The GIS and the tax records in every county I have been in have errors. Because that is not the official map. Whenever you go to check zoning on property, I have to go down to the town. And what happens is when you pass an ordinance zoning a piece of property, in 1993 for instance on this one, that is amending your zoning map. To designate that property zoned whatever it may be, in this case R-20. So, that's the official action. The minutes reflect the official action. The map reflects what was done in those minutes. Therefore, that's what controls. What the county picked up on GIS, it does not matter. Because, I will go, I mean, tax parcels are wrong, property lines are wrong, I mean there are errors, I mean, say I go to the tax records and say I own this particular parcel and it says I own this particular parcel, What controls is not that it's what's in the Register of Deed's office and that deed or that plat that tells me what lot is. GIS records are not accurate enough, nor are they legal to convey an interest in property.

Alderman Farley addressed Mr. Johnson, saying that our maps are wrong, and asked why our maps any better indication than the GIS?

Mr. Johnson responded "What is your indication that the map is wrong? Because the minutes are what count. If the minutes say it was zoned R-20. That's what you go back to if there is a problem with the map."

Alderman Farley asked if he ever looks it up, if he ever went back to Onslow County Minutes from when they controlled our zoning. Alderman Farley said that he would see zonings that will say "the Smith property, 2 miles from the high rise bridge."

Mr. Johnson said he knew that, but that is irrelevant to the fact here that the understanding at least, I think we can all agree. Because of the action that is before the Board tonight, for some reason or another everybody believes this property is zoned R-20. My position is that you can't change that at this point, because I'd say legally you can't rezone.

Alderman Farley said that he could make the argument that Mr. Bryant got those permits that property was R-20 and Con-D and that it only became R-20, when we approved the zoning map sometime this year. So, in effect we are not really, we are putting it back to where it was.

Mr. Johnson disagreed and said that when he got the permit it was zoned R-20 and that was what was listed on the zoning certificate, and that was used to issue the building permit.

Alderman Farley stated that he had questions if it was R-20 when he got the permit. And Mr. Johnson said that you rely legally on those. He continued that when the code enforcement officer signed off, saying it's zoned this particular district, that is the authority of the town representing that is what it says.

Alderman Farley said that he questioned that, and if Mr. Johnson had different information, he will be more than willing to hear it. Alderman Farley said that when we went through this whole zoning process we were told that if someone makes a mistake, if staff makes a mistake, the town is not bound. What it actually was, what actions were taken, we can differ on what action was taken, and he thought that was pretty clear.

Alderman Handy stated that it has to be a legislative action.

Mr. Johnson replied that with a legislative action, again, if you are going back to the minutes, the minutes were a legislative action. That did this.

Alderman Peters said that, at this point, it's based on our analysis and the presentation to us, that we remand it back to our Planning Officer, to determine if the building certificates are valid.

Alderman Tuman stated that he didn't think the building certificates are important at this point. I think the question is, we are saying we want to correct the maps relative to the action that was intended and actually happened back in 1993. And the contention by the attorney is that the language back then is clear, and you have to read it literally.

Alderman Peters said, given that, our attorney says that the buildings are still legal. Alderman Tuman replied that the only issue on the agenda is rezoning of the land.

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Alderman Peters said that as he perceives it, if the building permits are not legal, we can not rezone it, without the owner's approval, and he is contesting it, so we certainly don't have his approval. Therefore we can't rezone it.

Mr. Johnson agreed. Alderman Tuman reminded them that there is a protest petition. We could ignore it as his opinion. And vote as long as there are 4 votes, we could rezone it.

Mayor Knowles asked if anyone else wanted to speak on this matter?

Mike Yawn rose and stated: "I'm Mike Yawn. I'll speak as the Chairman of the Planning Board. First of all, I would agree with our Town Attorney, and I would say that Mr. Richtor was our consultant, from the School of Government, who came in and helped us work through all our zoning issues. We looked at the wording. And yes, we did look at it and say yeah, it was rezoned completely R-20 and Mr. Richtor instructed us that's what we should do. Now, I have 2 or 3 things that are issues that I think you guys ought to look at.

1. I think this is one of those famous 2-1 1993 votes. I don't know the answer to that, but I'll let you guys focus on that.
2. As Ms. Hill pointed out, we went through 35 different properties and this is one of them that was identified as, I'll call it suspect, because it was felt that the verbiage was vague. And actually our Board of Alderman, as part of the review process, instructed the Planning Board to look at this property, and I think there were a couple of others we had to look at as well. "

Alderman Peters responded to mr. yawn that he would reiterate that we need to remand it back to the issues that you've addressed, and the issues of the legality of the building permit are resolved before this Board can make a ruling.

Mr. Kilroy stated that the intent in the ordinance was as plain as the rump on a goat. That's what they did in 1993. They made it R-20. The statute says that you can change only with the consent of the owner if he has a valid building permit. Now, we are using a ruse. Trying to go back and take away a man's building permit. He made the application, he made the application on that zoning permit, and it was signed off on. He has spent an awful lot of money, and not only does the statute say, no you can't do it, it's an estoppel.

Mr. Johnson stated that it's an equity transfer.

Alderman Tuman said that the point that he brought up, saying that in 1993 the property was never rezoned, because it did not meet the legal requirements for voting a zoning change.

Mr. Kilroy said that was Mike Yawn's opinion, but he does not have the experience and the expertise to have a legal opinion on that.

Mike Yawn said that he had brought it up, and his personal belief is that a 2-1 vote in 1993 was so long ago, it has been explained to me at least once. That there is a 60 or 120 or 90 day window that you have to appeal these. And if it had been appealed in 1993, that it could have been appealed, but, he thought the horse was out of the barn.

Mayor Knowles asked if any others would like to make comment. He then asked the Board "Are we going to take a motion?"

Motion made, second given.

Motion to close Public Hearing passed unanimously

Mayor Knowles: Now can we entertain a motion.

MOTION: Alderman Peters made a Motion that "we remand this back to the Planning Officer to resolve the issue of legality of the building permits before a final resolution can be made."

Discussion: Mr. Bryant stated "One thing I did want to make clear here, I got the building permit a little over a year old. The first 6 months I was harassed, saying I had to have a sprinkling system. But I had to go hire an engineer and spend 10,000.00 dollars. Then you know what he said? I can't use that. You got build a bridge, a thirty thousand pound bridge. " OK fine. I go the get the engineering on the bridge. Get ready to build, boy, she's got me. Then here comes the fire department. Our biggest truck filled with water, 45,000 pounds. The Inspector said "you have to build a 50,000 pound bridge." That what he said, right down there right now. Over 1/2 million dollars to put it in."

Mayor Knowles asked Ms. Hill if she wanted to say something about the expiration.

Ms. Hill responded that the only comment she had on the expirations is that, if the matter is tabled to where that staff will do more research and come back to the Board and she will come back also with the building inspector, as well as the whole file and tell the Board whether or not the permits were actually withdrawn by the owner, or whether they expired or what the status is regardless of what else went on.

Mayor Knowles stated that the motion was on the floor, and asked if he heard a second?

Alderman Farley stated he would second it.

Mayor Knowles asked if there was any other discussion.

**Votes: Ayes – Alderman Farley, Peters, Hardison
Opposed – Aldermen Tuman and Handy**

ACTION: Motion passed to remand back to the Planning Department to determine if permits have expired before a final decision can be made.

OLD BUSINESS

Item b. Appeal of rezoning of tax ID # 763-1.3 by Mr. Tony Currin

Action Required: Decide on Owner’s Appeal of Property

Recommendation: Correct the Zoning Map to reflect the October 7, 1993 Board of Aldermen minutes, as recommended unanimously by the Planning Board.

Staff Report by Zoning/Planning Administrator Deborah Hill.

Town Attorney Kilroy stated that was just looking back through our ordinance, to see if we had in some way made it so in some way our planning board has now become a posse; going back for the past 15 years, trying to nitpick, to find little bitty things to change zoning here and there. He stated that it’s over, its done, its written in concrete, no body challenged it, let’s move on. If its there since ‘93 don’t touch it.

There was a discussion about the Planning Board being charged with correcting maps and the number of votes required to legally change zoning maps.

Charles Riggs spoke for Mr. & Mrs. Currin stating they received documentation and a letter from the town for approval for rezoning in 1993. There was never a challenge.

MOTION: Alderman Peters made a motion to “As a Body correct the map and change it from Con D RMH to R 20, correcting the map as the intent was in 1993.”

Motion seconded by Alderman Fred Handy.

Discussion: Alderman Farley stated he had a problem with the 2-1 vote of 1993 and that if you can’t determine the intent you have to go by what the law says.

**VOTE: Yea: Aldermen Handy and Peters
Nay: Aldermen Farley, Tuman, and Hardison**

ACTION: Deny Property Owners’ Appeal to Change Zoning from CON D RMH to R 20.

OLD BUSINESS

Item c. Boardwalk Villas PRD Site Plan

Recommendation: Formally refer the site plan to the Planning and Zoning Board for further recommendation.

Mr. Steve Coggins represents Boardwalk Villas. He referred to correspondence of May 18, 2007, June 29, 2007, and July 11, 2007.

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Steve Coggins, Counsel for Signature Coastal – Boardwalk Villas

“The Planning Board of NTB on 5/10/2007 favorably acted upon a “SDP” with conditions that have been met. The applicant’s position has been stated by correspondence from its counsel on May 18, 2007, June 29, 2007, and July 11, 2007, which we incorporate by reference and place in the record.

Whether or not necessary, it was appropriate for this Board to look over the SDP on June 1, 2007, July 5, 2007, and tonight.

Should the Board remand to the Planning Board this evening, we will continue to do our best to work with staff and the Planning Board, and this Body to move forward with what we believe to be a project with which all can be proud. “

ACTION: Motion passed to remand to Planning and Zoning Board.

Mayor Knowles announced they would skip to NEW BUSINESS

NEW BUSINESS

Item a. Appeal of 2007 Zoning Map, Mr. Marshall Dotson

Action Requested: Hold hearing. Approve/Disapprove rezoning request.

Staff Recommendation: Deny Appeal and Mr. Dotson submit a Rezoning Application or if he contests the validity of the Zoning Map that he appeal directly to Superior Court.

Discussion regarding 1996 storm damage, property being under water, later recovering; original map showing the water has accreted from Ocean side.

Motion by Alderman Peters: “Deny Request.”

Motion seconded by Alderman Tuman

Vote: Unanimous

ACTION: Deny request of Marshall Dotson to change zoning map of 2007.

Alderman Handy requested that he be excused at 10:20 P.M.

NEW BUSINESS

Item b. Proposal for Financing of Police Car and Fire Truck

Recommendation: Recommend awarding financing to BB&T. The BB&T rate for the police car rate is 3.94% and First Citizens’ rate is 4.26%. The BB&T rate for the fire truck is 4.03% and the First Citizens rate is 5.00%.

Action Requested: Approve or disapprove financing proposals.

**MOTION: Alderman Peters moved to approve low bid submitted by BB&T for financing of police car and fire truck.
Motion seconded by Alderman Tuman.**

Discussion: Alderman Farley stated that the money should come out of the Capital Reserve Fund – that’s what it was set up for. Alderman Peters stated that isn’t the issue. Alderman Hardison asked if the funds were budgeted, and if it is a capital improvement. Alderman Tuman stated that they voted to approve the Town Manager’s budget.

**VOTE: In Favor: Aldermen Tuman and Peters
Opposed: Aldermen Farley and Hardison
Mayor voted “Yea” to break tie vote.**

ACTION: Approved BB&T bid to finance new fire truck and police car.

Open Forum

Mike Yawn: "The Town Attorney said the planning Board is a "posse."

There have been three issues, two appeals, one requested by the Board of Aldermen. None were brought by the Planning Board. I want to thank all of the Planning Board Members. They joined because the maps were a mess. They have contributed \$200,800 worth of time to the Town."

Sue Tuman: "Marshall Dotson was mistaken. He was the Town Attorney in 1993."

Attorney's Report

Attorney Fees in condemnation cases are \$67,000. The Order was signed July 6th by Judge Alford awarding attorney's fees and costs in the Town of North Topsail Beach cases.

Attorney Kilroy will file an appeal by Monday. Kilroy stated that the Judge's order doesn't touch all of the bases. He will write a letter for distribution to the Board.

Mayor's Report

Today the Connect CTY system was launched with a message to our residents. The League of Municipalities will be 100 years old next year and they are collecting old pictures. Please bring in any old pictures you may have to present to the League for their Anniversary.

Aldermen's Report

Aldermen Farley, Tuman and Peters all remarked that the presentation by CP & E was very good and brought them up to date.

Alderman Peters: The crux of the meeting regarding the article "Who's Telling the Truth" is that:

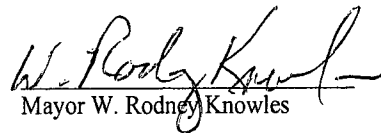
1. We need better communication on the Board
2. We need to resolve things perceived to be made outside of the proper forum
3. We need to listen to others
4. We need to do some self-analysis
5. We need to cut down divisions among us.

Alderman Hardison: That's what I was saying.

Adjournment

Alderman Farley moved to Adjourn, seconded by Alderman Farley. The meeting of the Board of Aldermen was adjourned at 10:54 P.M.

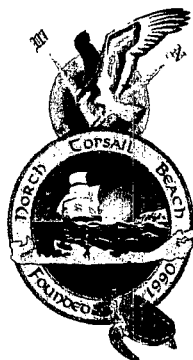
Minutes prepared by Kathleen L. Clough, Town Clerk.


Mayor W. Rodney Knowles

October 4, 2007
Date Approved

Town of North Topsail Beach

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Board of Aldermen Regular Board Meeting 6 September 2007, 7:00 P.M. Minutes

Present

Mayor W. Rodney Knowles, Mayor Pro-tem Larry Hardison, Aldermen Richard Farley, Fred Handy, Richard Peters and Daniel Tuman, Interim Town Manager Thomas Taylor, Town Clerk Kathleen Clough, Town Attorney Robert Kilroy.

Call to Order

Mayor Knowles called the September 6th meeting of the Board of Aldermen to Order at 7:02 P.M. in the North Topsail Beach Meeting Room following a Closed Session to discuss legal issues, and declared a Quorum present.

Invocation

The Invocation was given by Alderman Fred Handy.

Pledge of Allegiance

Mayor Knowles lead the public in the Pledge of Allegiance.

Approval of Agenda

Mayor Knowles asked if there were any questions or remarks regarding the Approval of the Agenda. Interim Town Manager Thomas Taylor announced that he received a request to withdraw Item 10a from the agenda. Alderman Peters asked that they discuss the topic included in their book regarding the amendment of setback guidelines. Interim Town Manager Thomas Taylor stated that those topics will be part of the Manager's Report. Alderman Farley moved and Alderman Peters seconded a motion to approve the agenda, and there was a unanimous vote to accept the agenda.

Committee Reports

Beach Nourishment

Mr. Dick Macartney gave his report for the Beach Nourishment Committee.

BN Report NTB - Board of Aldermen Meeting - September 4, 2007

"With Labor Day past we say the summer is over but those of us that know our beach know that the best is yet to come in terms of pleasant times on the beach. We also know that we have a tense month or so for potential storms. Keeping our fingers crossed we may have had another good summer with the beach accreting in most places. I must report though that erosion at the North End is again affecting homes in the New River Beach Club and points out the critical need for working on repositioning the inlet.

So where are we regarding beach nourishment? The Corps of Engineers, in the case of our private beach nourishment project, is the coordinating function in the permitting process, whereas, in the federal project they are the engineers and project management. So at the moment in their role as regulatory overseers they are reviewing the Draft copy of the Final Environmental Impact Statement. That document was prepared by our consultants for the project, C P & E, and will consist of six sections namely:

- **Section 1** – Explains the purpose of the project, identifies the location and history of New River Inlet, project needs and objectives, and applicable laws, rules and regulations.
- **Section 2** – Describes agency and public coordination efforts, as well as discloses comments, issues and concerns elicited by the development of the EIS.
- **Section 3** – Describes project rationale and alternatives considered.
- **Section 4** – Identifies existing natural resources in the study area.

- **Section 5** – Evaluates the Applicant's Preferred Alternative and discusses the anticipated changes to the existing environment including direct, indirect, and cumulative effects.
- **Section 6** – Describes several actions and measures incorporated into the Applicant's Preferred Alternative to avoid or minimize adverse effects to natural resources.

The actual plan itself is described in the executive summary as:

1) an inlet management plan that involves the initial construction and periodic maintenance of a 500 foot wide x -18 foot NAVD ocean bar channel through New River Inlet, 2) periodic nourishment of 11.1 miles of oceanfront shoreline using a combination of material from an offshore borrow area and material dredged from New River Inlet, 3) a 14-foot NAVD dune plan along 7.25 miles of the North and Central sections, and 4) a phased construction approach.

The placement of beach fill along the Town's oceanfront shoreline would result in the initial widening of the beach by 50 to 100 feet. The widened beach would be maintained through a program of periodic beach nourishment events with the material dredged primarily from the New River Inlet. The economic analysis shows that Alternative 3 will result in a \$15.16M per year benefit compared to the No Action Alternative.

Regarding the financing for the plan that has also been released in draft form, it reads.... Several sources of funds have been identified.

- 1) North Topsail Beach's annual share of the North Carolina Sales Tax receipts (approximately 1.3 to 1.5 million)
- 2) An annual North Topsail Beach 3% occupancy tax (\$450,000 to \$500,000),
- 3) An annual portion (\$0.03) of North Topsail Beach property taxes (\$450,000),
- 4) A one-time NC DENR State Grant (approximately \$835,000) received upon completion of Phase I,
- 5) The Onslow County portion of the occupancy tax (another 3%) which will be \$500,000 annually.
- 6) A one-time Beach Nourishment surplus fund (\$1.2 million in 2008).

The lengthy full EIS report will soon be released to the public and a notice of public hearing to review it will be issued. It is expected that the public hearing will take place in this room within the next 45 days.

I also want to acknowledge in this report the public meeting arranged here in this room on August 14th when Dr. Orrin Pilkey addressed the pros and cons of beach nourishment. I know that many here tonight were also here that night and I will not try to summarize that meeting. I will say, however, that in the meeting Dr. Pilkey made some critical remarks about the design and functionality of the Bogue Inlet repositioning project in Carteret County. Since we are using the same engineering firm that they used and since we also are talking about repositioning an inlet that criticism is very important to explore.

Mr. Tom Jarrett of C P & E, our project manager, has suggested a follow-up field trip to Carteret County to see and hear more detail on that project. The town manager of Emerald Isle has invited all interested parties to attend this briefing to be started at the Emerald Isle town hall on September 21st at 10 AM with remarks by town officials, county officials and then a site visit where property owners will be available to discuss their view as well. Dr. Pilkey has written a letter to our Beach Nourishment Committee suggesting that we get third party opinion regarding our proposed beach nourishment plan and we have invited Dr. Pilkey and several other coastal experts to join the interested citizens of Topsail Island on this date. We certainly hope that many town officials including members of this board and of the beach nourishment committee can also attend.

The next meeting of the Beach Nourishment Committee will be Wednesday September 19th at 7 PM right here in town hall."

Discussion

Aldermen Farley asked if the \$835,000 is a one time grant, and if the \$1.2 million from our surplus is one time. Mr. Macartney responded that was the case and that the Finance Committee agreed that they were comfortable with numbers, allowing that \$500,000 may be ambitious and it may be adjusted. He stated that these numbers are in broad parameters, that these numbers reflect money that is available, but the Board of Aldermen decides what is spent.

Alderman Tuman shared that as members of the committee, he, Mayor Knowles, and Mr. Macartney identified sources of potential funds.

Alderman Farley stated that "if you go back to the budget, we still have a half million dollars in our budget that we are not going to get from the county. This fund at the most is going to be \$1.3 million and we are not the only ones to get it, so for us to assume that we'll get this money when they are not giving it to anybody, I think, is unrealistic."

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Planning Board

Mr. Mike Yawn presented the report from the Planning Board at 7:17 P.M.

"The Planning Board met on 8-9-2007. Key actions:

On the Boardwalk Villas Site Plan- Preliminary Review, after much discussion motion to recommend approval failed 3-3. Those voting against the recommendation cited

- 1) The Town's Flood Ordinance states that on-site waste disposal systems shall be located and constructed to avoid impairment to them or contamination from them during a flood.
- 2) Our CAMA Land Use Plan very explicitly states that the Town opposes on-site waste disposal systems.
- 3) This property under the Town's R-5 Zoning Regulations should have been allowed 48 or 49 units, so 58 units is too dense.
- 4) Even though it has not been codified yet, we think the Board of Aldermen will want the pool to be included as impervious surface.

On Hampton Colony's subdivision request, the Planning Board recommends to the Board of Aldermen that they grant preliminary approval for the subdivision (tax ID # 768A-132) and that final plat approval will be contingent upon compliance with all applicable sections of the Subdivision Ordinance. The motion passed unanimously.

Mr. Gene Falco came forward with a preliminary major subdivision request for Tax Parcel IDs 778D-51 and 778D-52 and after much discussion and advice from the Planning Board withdrew his request.

We also spent some time on the text of our zoning ordinances, specifically

- a) Sec. 7-60 Definitions.
- b) Sec. 7-128 TABLE 1. PERMITTED AND CONDITIONAL USES
- c) Sec. 7-132 Accessory uses. B Swimming pools
- D) Sec. 7-222. Operation standards for existing travel trailer parks and new parks following park plan approval

Changes recommended for these sections will be bundled together with the major rewrite by Ginger Booker for future approval by the Board of Aldermen.

Next meeting is Thursday 9-13-2007 at 6:30pm

Next Land Use Plan meeting in Wednesday 9-12-2007 at 5pm."

Recreation & Appearance

Mr. Bill Horstmann was not in attendance so there was no report given from the Recreation and Appearance Committee.

Board of Adjustment

At 7:21 Chairman Jerry Convy gave his report to the Board of Alderman from the Board of Adjustments. The committee met once on August 16th and had one case before them; a request for a variation of minimal lot size. The property was just under 6,000 square feet; R-10 zone. The Board granted this variance on a 5-0 vote. The house was destroyed during on of the storms – it did meet our requirements for granting a variance; it was a hardship, they didn't create the hardship. Mr. Convy told Alderman Farley that the address was 2394 Island Drive in response to his question.

During the following discussion Alderman Farley wanted to confirm that one of the issues that they were talking about was a non-conforming lot with a prior structure and we were going to allow them to rebuild. Mr. Convy stated that they don't know who made it non-conforming.

Alderman Farley asked how the Town is going to tell other duplex owners that if their house gets knocked down they cannot rebuild; his concerns are precedents and that everyone is treated fairly and equally.

Mr. Convy explained that they can only rule on what is presented and it is on a case by case basis. Alderman Farley stated that our ordinance states they didn't want a nonconforming structure to be rebuilt if it was destroyed.

Mr. Convy responded that any non-conforming building can be rebuilt within a year. This particular case also had other issues and factors that warranted the variance granted. Alderman Hardison asked if this house has been before the board before, to which Mr. Convy responded it had not.

Alderman Tuman remarked that his understanding was that it was a question about lot size. Mr. Convy responded that the lots are all the same. Alderman Hardison wanted to know what the hardship was, and Mr. Convy explained that if they denied the variance the property owners would not be able to rebuild, rendering the property useless, and they conformed with other houses in the area; so it met a test.

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Alderman Peters asked what staff's recommendation was on this case, and also stated that he does not think staff should make recommendations. Ms. Deborah Hill, Planning and Zoning Administrator, responded that in the future, staff will not be making recommendations.

There was a discussion regarding a change in the Board of Adjustment rules. Alderman Peters asked why the changes were not on the agenda for Board of Alderman approval. Mr. Convy explained that they did not need to be approved by the Board of Aldermen, and that they were adopted by the Board of Adjustment. Town Attorney Robert Kilroy confirmed that they did not need approval by the Board of Aldermen.

Manager's Report

At 7:32 P.M., Interim Town Manager Thomas Taylor reported that he had attended last month's Mayor's meeting in Surf City, and the following week attended the TISPC meeting, and held a staff meeting that included a lengthy discussion with Town Department Heads.

Mr. Taylor relayed items for information which included NIMS certificate training, levels 100, 200, 700, that all members of the Board of Aldermen need to take in order for the Town to receive FEMA Funds in the event of a qualifying incident. He also shared that campaign signs, according to Section 7.97G are permitted as temporary signs, limited to 6 square feet and must be on private property.

Mr. Taylor spoke about the CRC proposed changes regarding ocean setbacks and new static vegetation line, and he asked the Town's Liaison, Alderman Peters, to elaborate.

Alderman Peters stated that Topsail Beach as well as Surf City are on the committee to take a position on CAMA changes. Both Topsail Beach and Surf City have dealt with these issues and so it is recommended that we take a position on these recommended changes that CAMA is providing. Alderman Peters stated that the primary focus is more stringent on setback requirements.

The static line of vegetation would allow a community, after a five year period, to permit an unbuildable lot to be built upon, if the community had a beach nourishment program.

Mayor Knowles asked that the interim town manager put it in resolution form.

Interim Town Manager Tom Taylor stated that the Board could authorize him to write a letter, but it does require a vote by the BOA. The Mayor responded that it requires some more in-depth action. There is a Public meeting this month. Surf City & Topsail are against setback requirements and favor vegetation line. **Mayor Knowles again asked Mr. Taylor to get a resolution prepared.**

Alderman Peters' recommendation is that we need to support setback changes and also recommend that we would be against changing setback of vegetation. He stated that he does not concur with Surf City and Topsail Beach. It was stated that this is an opportunity to take a position and let the CAMA Officer implement those changes.

Mayor Knowles announced that Mr. Taylor will draw up a resolution and get it out to all of the Aldermen.

Alderman Farley stated that setbacks are fine under new proposal; small homes would not be affected less than 5,000 square feet. He stated utility lines have to be 60 feet and roads shall require setback factor 30 times the rate, so we have some issues. He asked if we can do this piecemeal, and if New River Outlet Road had to be moved.

Mayor Knowles stated that the CRC is meeting this month at the Hilton and it will be on the agenda.

Alderman Farley asked if he was wrong, and wondered if this could impact us.

Mayor Knowles stated that it sure could, and **we need to have a workshop on this.** NTB is not like a lot of beaches that CRC looks at. The proposal will be out this year, and it is 400-500 pages long.

Mr. Taylor relayed information from the Office of the Governor regarding the Littersweep Proclamation. Mayor Knowles stated that we usually follow along with County. **Alderman Peters asked if we could we give our beautification committee a call. Mr. Taylor stated he would.**

Mr. Taylor reported that in the BOA Budget, \$10,000 had been set aside for Beach Vitex eradication by handing out a powerful herbicide to the public to poison it. He stated that the recommended process is to hand pull it. He requested permission to use the money instead to hire people to pull it by hand. Alderman Farley responded that he did not have a problem with that as long as it is in budget.

Mr. Taylor reported on the status of the new computers. He stated that the Town has budgeted \$35,000 each of three years for leasing, but that it is cheaper to buy them outright. For \$85,000 over two or three years, we would realize a savings of \$40,000 over three years.

Both Alderman Handy and Alderman Farley suggested that the funds be taken from the Capital Reserve.

Alderman Tuman recalled that half the \$35,000 was for the lease and half was the service agreement. He did not recall talking about a decision to spend money over three years.

Judy Hills, who is working on hiring a Town Manager, wants one hour to an hour and a half work session to bring the Board of Aldermen up to date in next two weeks.

Friday, Sept 14th at 9:30 A.M. was set for the workshop.

The Interim Town Manager also stated that he would also like a work session to bring Mrs. Clough and himself up to speed and for the board to provide direction. The workshop with Mrs. Clough & Mr. Taylor would be one or two, possibly four topics at most, to get the Interim Town Manager up to speed. It would be no longer than a three hour meeting.

A date was set for Thursday, September 20th at 3:00 P.M.

Open Forum

Mayor Knowles opened up the meeting for the Public to speak.

Sue Tuman of 3944 River Road wanted to address the audience regarding the Town Breakfast on the first Saturday of the month 8:30 at Batson's Grill and invited anybody who would like to join the group for breakfast, which is nothing more than a get together.

Gene Falco 1971 New River Inlet Road wanted to go on record that he is going to file for two new building permits in the Beach Club, with two 6 bedroom septic permits, egress easement from cul-de-sac on 3.44 acres and he doesn't expect to have any trouble getting these permits. He wants to make sure he gets two parcels out of the two parcels he purchased.

Alderman Farley asked if Mr. Falco had been negotiating with Tom Jarrett. Mr. Falco stated that he has and the key point is that done right it should not have an effect.

Ed Tennent, 149 Old Village Lane, stated that he had made his annual trek up to the board to ask about the bicycle path, and he hoped that some funds will be used for the bike path at the southern end of the town. He asked if someone could give him an update.

Mayor Knowles responded that the Town is looking at grants right now, and it is part of the land use plan and the Town hopes to have some done next year.

L. Enry stated that he is confused regarding the new CAMA setbacks, and asked if we are taking a different approach than Surf City and Topsail Island. He stated that we are one little island and we should negotiate it with Surf City first.

Mayor Knowles and Alderman Peters said that's why we are going to have a workshop on it and it is open to the public.

Ed Cappiello, West Virginia, stated he has been a North Topsail Beach property owner for 37 years and was thinking about building a retirement house down here. He has looked at the Town website and reads all the mailings and he wanted to share his perspective. He stated he was one of the first doctors on this island. He stated that if there is any doubt in anyone that the island is disappearing, they have been reading too much of Dr. Pilkey. It is actually moving north & south and is getting narrower. He stated that it has been may years since Hurricane Hugo. His mother lived on 8th Av and she owned property. He stated that with another Category 2 or 3 Hurricane it will be all over for North Topsail beach. He stated that The Town needs to take beach nourishment seriously and do what needs to be done. He stated that he wants the Town to continue to buy computers, and patrol cars, but that the Town really needs to make Beach preservation happen.

Gary Rowland of 127 South Bermuda Wind discussed where the money was coming from for Beach Preservation. He stated that the \$835,000 state grant that we were going to have was a one time grant, but there is every reason to believe that it will be a repeat grant.

At 8:14 Mayor Knowles announced that the Open Forum was closed.

Consent Agenda

The Consent Agenda consisted of the August 2, 2007 Board of Aldermen meeting minutes, the April 24, 2007 Budget Workshop Minutes, Department Head Reports, Budget vs. Actual report, and the Benefit Accrual Report.

Alderman Farley stated that the minutes from the previous Board meeting were not minutes, but a transcript of their meeting and minutes are never intended to be a transcript and he preferred they be sent back and be summarized.

Alderman Tuman concurred. Mrs. Clough stated they will be summarized and resubmitted.

Alderman Tuman moved to approve the consent agenda less the board minutes, and turn the minutes back in for resubmission. The Motion was seconded by Alderman Handy.

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Alderman Peters commented that while the minutes may not be in the traditional form of minutes, they reflect a great deal of verbose commentary that needs to be considered.

Alderman Farley stated that he is glad the public gets to see the Board in action, but that minutes should be a summary of actions taken. Alderman Peters stated that these minutes do show the Board as it is, warts and all.

Mayor Knowles called for a vote and the motion to approve the Consent Agenda excluding the minutes was passed unanimously.

Public Hearings

a. **Case # CU-07-01:** Conditional Use application submitted by Wendy L. Purser of Hampstead Pool, Spa & Patio Inc for a swimming pool at 204 GSgt. D. W. Boatman Drive.

Deborah Hill, Planning and Zoning Administrator, presented the Staff Report, stating that the Planning Board held a public hearing and recommends approval to the Board of Aldermen.

b. **Case # CU-07-02:** Conditional Use application submitted by Victor Schlotterer, Jr. for a swimming pool at 213-215 GSgt. D. W. Boatman Drive.

Deborah Hill, Planning and Zoning Administrator, presented the Staff Report, stating that the Planning Board held a public hearing and recommends to the Board of Aldermen that the conditional use application for a swimming pool be granted.

During the discussion it was stated that the structures have been built to duplex standards, condominiumized regarding land rights, with one owner at this time, according to Town Ordinance.

Mayor Knowles recommended these two cases be items c. and d. under Old Business.

Motion: Alderman Handy made a Motion to close the Public hearings. Unanimous vote to approve motion.

Action: The Board returned to Old Business.

Old Business

The Mayor suggested that the Conditional Use Application Cases be made a. and b. of Old Business, rather than c. and d.

a. **Case # CU-07-01:** Conditional Use application submitted by Wendy L. Purser of Hampstead Pool, Spa & Patio Inc for a swimming pool at 204 GSgt. D. W. Boatman Drive.

Motion: Alderman Handy Moved Approval on Case # CU-07-01: Conditional Use application submitted by Wendy L. Purser of Hampstead Pool, Spa & Patio Inc for a swimming pool at 204 GSgt. D. W. Boatman Drive. Alderman Tuman seconded the Motion.

Discussion: Responding to Alderman Peters questions, Ms. Hill explained that the maximum impervious surface allowed is 30% for both lots, and they meet that criteria. The second pool is also under 30% - Mr. Schlotterer is using Trex decking so that is not impervious surface. The pool itself is considered permeable under the guidelines of Coastal Management.

Vote: Unanimous vote to approve

Action: Case # CU-07-01: Conditional Use application submitted by Wendy L. Purser of Hampstead Pool, Spa & Patio Inc for a swimming pool at 204 GSgt. D. W. Boatman Drive approved.

b. **Case # CU-07-02:** Conditional Use application submitted by Victor Schlotterer, Jr. for a swimming pool at 213-215 GSgt. D. W. Boatman Drive.

Motion: Alderman Tuman move Approval, Alderman Handy seconded the motion.

Discussion: None

Vote: Unanimous vote to approve

Action: Case # CU-07-02: Conditional Use application submitted by Victor Schlotterer, Jr. for a swimming pool at 213-215 GSgt. D. W. Boatman Drive approved.

Old Business

c. Boardwalk Villas Site Plan – Preliminary Review

Planning and Zoning Officer Deborah Hill presented the Staff Report. (Attached)

Larry Sneedeen, ESP & Associates engineer on behalf of signature development, stated that they did not submit a preliminary plan, they submitted a final plan. They prepared a plan in accordance with the Town ordinance that meets all the requirements for a site development plan. He stated that the preliminary label was attached by the town staff and presented to the planning board that way. He stated further that nothing in the ordinance requires all permits to be in place for a final site development plan. Mr. Sneedeen remarked that this was the first time in his career he had to have all permits in place before a site development plan was approved. He stated they have tried to comply with everything town has asked them to do; they understand and agree to any conditions. They are here to address any objections or concerns on the site plan.

Alderman Peters brought up that the Planning Board voted 3 and 3, and asked if the applicant did anything to respond to those negatives things they used to vote against it?

Mr. Sneedeen distributed to the Board (a) his letter of 6 September 2007 requesting the Board to issue final approval of the PRD site development plan, and addressing some of the concerns expressed by some members of the Planning Board, and (b) a memorandum addressing all objections known to Applicant that were expressed by some members of the Planning Board during its 9 August 2007 meeting. Mr. Sneedeen stated the SDP was sound and answered multiple questions from the Board about various aspects of the project. Mr. Steve Holmes of Signature Coastal Development-Boardwalk Villas, LLC briefly answered questions from the Board concerning sewer taps and density.

Motion: Alderman Tuman made a Motion for final approval of the Applicant's Site Development Plan as shown in the SDP drawings. Alderman Handy seconded the Motion.

Discussion: Alderman Farley expressed his concern that this is way too dense for this community this is a condominium community, and that he sees no benefit to the community for the high density of the development.

Alderman Hardison stated that he is not ready to approve as is. The Board is not strong on them getting what they are supposed to get. I think it would be premature to vote at this point. Alderman Tuman said that the plan as submitted is faithful to the conditions we agreed to when they submitted the original application so it is incumbent on this board to approve.

Alderman Hardison asked what the applicant has done about the density issue.

Mr. Sneedeen stated that they came to the town and followed the advice of town staff at the time and have followed the ordinance and have tried to be just as clean and clear and precise at every step; They have had a conditional permit for nine months trying to move to this final site approval. They have tried to adapt to every request for information and they have made no changes.

Alderman Peters asked his fellow Aldermen that before they go to a final vote, if they are not with this, what message should the Board send back to the applicants if it is not approved? Alderman Peters said that the applicant has done everything to address the issues, but his concern is the density and that was something that was approved by this body. He asked the applicant what else they could provide the Board.

Mr. Sneedeen stated that once the conditional use permit was issued it was incumbent upon them to stay with that plan that reflects what was in the conditional use permit. They could come back and request a modification but that would be starting all over.

Alderman Peters asked "How comfortable are you with the density? My original concern was parking. Both the negative and positive; one thing I like is this is restrictive – you will have to address the parking issue – it is not spread out on the island. You think 240 spaces are adequate?" Mr. Sneedeen replied that yes, they have provided one space per bedroom and people are required to park in their own parking space, and it is pervious pavement. The property owners' association can address and regulate parking.

Stephen D. Coggins (counsel for Applicant) stated that the density is a trade off for all of the open space.

Alderman Peters stated that he voted against this originally, but they have done a diligent job to stay within the confines of their permit and he would be reluctant to send them back with a message different than which this body has approved and with that he would say that he will give them his blessing.

VOTE: Aldermen Handy, Tuman, and Peters voted Yea; Aldermen Farley and Hardison voted Nay

ACTION: Boardwalk Villas Site Development Plan approved.

Mayor Knowles announced a brief recess at 9:29 P.M.

New Business

a. Resolution Regarding Subdivision Plats

Mr. Kilroy recounted the last meeting and a further meeting with the staff on how to deal with subdivisions, and stated that his feeling was to find a way to treat everyone the same, and made the suggestion to issue a notice of abatement and tell them to correct it and we have remedies in our Statutes and if they don't correct it we can take them to Court and get an order of abatement from the Court. In that way, everyone gets notice and has an opportunity to be heard.

Alderman Peters stated that the topic of illegal subdivisions has been brought up. He was aware of two meetings where this was brought up, but he had not been privy to either of these meetings and he would like some background for this to know exactly what we're talking about with illegal subdivisions. The resolution seems to be comprehensive but he does not have the background to express an opinion at this time.

Mr. Kilroy explained we have had a subdivision ordinance since the start of the Town, with minimum lot size, minimum frontage on the road, and access on a street. What we've discovered is that in the 1990s a person had a lot and built a duplex dwelling and after they built the duplex dwelling, they sold one half of the duplex and one half of the lot. Sometimes they did describe it as lot 10a and 10b so to split that house down the middle, and there are a number of those situations. The problem is that if one day half of that house gets destroyed, how does that person come in and get a building permit to do the repairs when they are on an illegal lot. Zoning just can't sign off on that. This is a process that's gone on for a good ten, twelve years; the first thing we have to do is identify them.

Alderman Peters asked how we get from an illegal lot to an illegal subdivision.

Mr. Kilroy gave the example of a Lot platted as Lot 10 or a freestanding Lot that met all R10 requirements in a residential area and then it was split and then it was split again and sold as a split lot. The splitting in the sale violated the subdivision ordinance and through the years we've had a number of people buy these properties what do we do if it is destroyed and they are in need to do build it again?

Mr. Kilroy stated that this is not a process that's going to get done in 6 months or a year; it needs someone watching it and managing it. Then we need to come back to the Board and say what do we do with these things? Do we grandfather those that are 10 years old? Those lots that are still vacant we can still go back with a notice of abatement it's just a starting point.

Alderman Farley stated that it is also individual lots, not just duplexes. We have lots that are cut up and don't meet our standards and some may have a house on them and some may be seeking permits and some may be in the same owners hands and some may not. So there all sorts of issues, it's not just a duplex issue.

Alderman Hardison asked if Mr. Kilroy was including the duplex as a subdivision and Mr. Kilroy explained that they can be. Alderman Peters asked how vacant lots are involved. It was explained that you could have a vacant, substandard lot in a R10 zone with a 40 foot wide lot and we now require 60 feet.

Alderman Handy asked what do you do when you have a home on a legal lot and you have a have a storm and the house gets washed away all of a sudden you lose your first line of vegetation, and your set back is now 40 or 50 feet from where it was before. You don't have your setbacks legally but you can build again. Mr. Kilroy said that's why we have a Board of Adjustment, to give them a variance. It's a hardship they didn't create.

Alderman Farley said that his preference is not to have the zoning officer seek out these properties, but suggested that as Ms. Hill sees them come in, let it be known that there are substandard lots. Perhaps put it on the website. This could take a year or longer, we don't have the staff to do that, and asked the Town Attorney if taking them as they come in would be acceptable. Mr. Kilroy responded that as long as we follow the same procedure with each of them, we should be okay.

Alderman Peters asked the interim town manager Tom Taylor if he supports the resolution. He stated yes.

Discussion about deleting all of paragraph B; rewording of resolution to "shall complete a review of all maps approved or exempted to determine strict compliance with subdivision regulations."
Paragraph C: Take out "subdivisions". Add "On those maps showing non-compliance..."

Motion: Made by Alderman Farley to "approve the Resolution presented by Town Attorney Robert Kilroy, with recommended changes, and subject to legal review for applicable Ordinances and those items being corrected, dated this 6th day of September, 2007 as signed by our Mayor and attested by our Town Clerk."
Seconded by Alderman Handy

Vote: Unanimous vote to accept Alderman Farley's Motion

Action: Motion passed.

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**STATE OF NORTH CAROLINA
BEFORE THE BOARD OF ALDERMEN
Town of North Topsail Beach**

RESOLUTION

WHEREAS, it has come to the attention of the Board of Aldermen and Staff, that a number of subdivision plats have been recorded in the Onslow County Registry which fail to meet the minimum standards under the Subdivision Regulations, Ordinances 7-230, et. Seq.;

WHEREAS, there have been a number of changes in Staff in the Planning Department;

WHEREAS, in an effort to provide consistency and fair application of these subdivision regulations, a complete review of all recorded maps must be made;

IT IS, THEREFORE, RESOLVED:

- (a) that the Town Manager/Zoning Enforcement Officer, and/or designee, as defined in Ordinance 7-71, shall complete a review of all maps approved and /or exempted, to determine strict compliance with subdivision regulations;
- (b) upon those maps, showing non-compliance with subdivision regulations, the Town Manager/Zoning Enforcement Officer, and /or designee shall give written notice of non-compliance and violations to the Owner of the property and to the Professional Licensed Surveyor who prepared and recorded the map at the Onslow County Registry;
- (c) such notice shall state a time and place at which the Owner and Surveyor may be heard to present facts and arguments as to compliance within fifteen calendar days;
- (d) after such hearing, the Town Manager/Zoning Enforcement Officer and /or designee, shall make a determination and notify the Owner and Surveyor to make corrections and amendments to the map;
- (e) aggrieved Owners and /or Surveyors aggrieved by action and determination of the Town Manager/Zoning Enforcement Officer and /or designee, may be appealed to the Board of Adjustment within thirty calendar days pursuant to Ordinance 7-103, and judicial review pursuant to Ordinance 7-105
- (f) in the absence of appeal of the determination of the Town Manager/Zoning Enforcement Officer, and /or designee, no Building Permit or Zoning Permit will be issued for improvements upon properties and/or lots shown upon any map in non-compliance with the subdivision regulations.

Dated, this the 7th day of September, 2007.

Attest:

W. Rodney Knowles, Mayor

Kathleen L. Cough, Town Clerk

New Business

- e. Budget Amendment for Unemployment Benefits

Motion: Alderman Peters made a motion to approve the budget amendment for unemployment benefits. There was no second.

Action: Mayor Knowles stated it dies for lack of a second.

- f. Staffing Needs; Support Staff; Cost Analysis of Work Processes
Interim town manager Tom Taylor stated that there is a need for some help, one part time temporary person, to assist in various places in Town Hall.

Motion: Alderman Handy made a Motion to approve hiring a temporary part-time support staff member. Alderman Peters seconded the Motion.

Vote: Alderman Farley voted Nay
Aldermen Handy, Tuman, Peters, and Hardison voted Yea

Action: The Motion to approve the hiring of a part-time temporary staff person passed.

Attorney's Report

Town Attorney Robert Kilroy reported that he had met with the new interim town manager and had discussed all of the issues. As far as the Appeal on the condemnation issue, he doesn't yet have a transcript of hearing, but as soon as he gets that he can send a record of appeal to the Court of Appeals.

As far as the Seaside Developers Rit of Certiorari, basically we file some pleadings on that, as soon as they get a transcript made, Seaside Developers will pay for transcript, we'll have 30 days after that to make our arguments to the Judge as to whether the Board of Adjustments were right or wrong.

Alderman Farley asked if Brian Edes was taking over things regarding the condemned houses and in what capacity. Mr. Kilroy stated that is the Melling case, and they filed law suits before the Town filed those inverse condemnation cases for the regulatory taking. Mr. Kilroy stated that he has sent an answer up and he was sure it has been circulated by now. He also sent one to Mr. Edes and as was stated in the closed session they will get together Tuesday and finalize that and get it filed, and just take it on up.

Alderman Farley again asked Mr. Kilroy if Brian Edes is involved. Mr. Kilroy stated yes. Alderman Farley asked in what capacity, and Mr. Kilroy responded that Brian Edes represents the League. Alderman Farley asked if that was because of the request of the legal fees and Mr. Kilroy responded yes, and that Brian Edes represents the League.

Alderman Peters asked if the Town could re-condemn the houses and assess fines, and start the legal process going again. Mr. Kilroy stated we can. Alderman Peters stated his concern was that said staff here needs to be kept abreast of what is going on as he gets the sense that we are all in the dark. Mr. Kilroy stated he had discussed it with the new interim town manager.

Alderman Peters and stated that **the Board needs a meeting on this.**

Mayor's Report

Mayor Knowles stated that the Board needs to find a way to get these meetings shorter.

Aldermen's Report

Alderman Farley reported that Dixon High School won their football game on Friday night.

Adjournment

Mayor Knowles adjourned the meeting at 11:20 P.M.

Minutes prepared and submitted by Kathleen L. Cough, Town Clerk.


Mayor W. Rodney Knowles

October 4, 2007
Date Approved

Town of North Topsail Beach

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MINUTES

Work Session on New Manager Search
14 September 2007

The Board of Aldermen of the Town of North Topsail Beach met in workshop session on September 14, 2007 at 9:30 AM in the Council Chambers of the Municipal Administration Building, 2008 Loggerhead Court, North Topsail Beach NC. The following were present: Mayor W Rodney Knowles, Mayor Pro-tem Larry Hardison, Aldermen Dan Tuman, Richard Peters, Richard Farley, Interim Manager Tom Taylor and Judy Hills, East Carolina COG Representative. Alderman Fred Handy was excused.

Mayor Knowles called the meeting to order and turned the meeting over to Ms Hills.

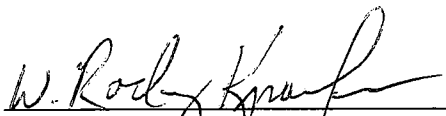
Ms. Hills gave a brief update on the Manager Search and provided the Board with several handouts (Attached).

The Board agreed to the following:

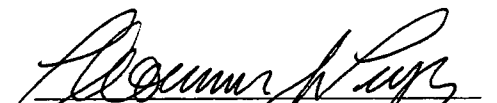
1. Determined salary range for advertisement to be \$59,000 to \$75,000;
2. Approved the wording for the advertisement (attached);
3. Agreed that the deadline for receiving applications to be October 31, 2007;
4. Agreed on the questions for the second round review of applicants (attached);
5. Agreed that the new Board taking office in December would make the final reviews and select the new Manager.

The next meeting will be scheduled for early November.

Mayor Knowles adjourned the meeting at 10:45 AM.


W. Rodney Knowles, Mayor

ATTEST:


Thomas S. Taylor, Interim Manager

Town of North Topsail Beach

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MINUTES Agenda Work Session October 20, 2007

The Board of Aldermen of the Town of North Topsail Beach met in workshop session on October 30, 2007 at 10:00 AM in the Council Chambers of the Municipal Administration Building, 2008 Loggerhead Court, North Topsail Beach NC. The following were present: Mayor W Rodney Knowles, Mayor Pro-tem Larry Hardison, Aldermen Fred Handy, Dan Tuman, Richard Peters, and Interim Manager Tom Taylor. Alderman Richard Farley and Kathleen Clough, Town Clerk were excused.


Mayor Knowles called the meeting to order and turned the meeting over to Tom Taylor.

Mr Taylor reviewed the agenda for the November 1, 2007 regular Board meeting beginning with the Manager's report. He revised/updated some of the figures in the first paragraph and asked the Board to set a date for review of the Manager Candidates. By consensus the Board agreed to meet on Monday, November 5, 2007 at 9:00AM. Mr Taylor reported that the Bird Monitoring for the Draft EIS would begin in December. Mr Hardison asked if this money had been budgeted. Mr Taylor responded that the budget was for \$150,000.00.

Under the Consent Agenda there was a brief discussion on the Resolution and Budget Amendment #2 for Air Conditioning Repairs.

Under New Business there was a brief discussion on the Orchid Bay development. Mr Taylor pointed out that this was a revised Site Plan and if approved would grant the development a two year extension on their vested right.

There being no further business Mayor Knowles adjourned the meeting at 10:45 AM.


W Rodney Knowles, Mayor

ATTEST:


Kathleen L Clough, Clerk

Town of North Topsail Beach



Regular Board Meeting
4 October 2007, 7:00 P.M.

Minutes

Mayor W. Rodney Knowles declared a quorum and called the meeting to order at 7:00 P.M.

Present at the meeting were Mayor W. Rodney Knowles, Mayor Pro Tem Larry Hardison, Alderman Fred Handy, Alderman Richard Farley, Alderman Richard Peters, Alderman Daniel Tuman, Town Manager Thomas Taylor, Town Clerk Kathleen Clough, North Topsail Beach Town Planning and Zoning Officer Deborah Hill and Town Attorney Robert Kilroy

The Invocation was given by the Reverend Jesse Staton, the new pastor of the Faith Harbor United Methodist Church, followed by Mayor Rodney Knowles leading the citizens present in the Pledge of Allegiance.

Alderman Daniel Tuman moved to approve the agenda. Alderman Hardison seconded the motion, and it was approved unanimously.

Committee Reports

Beach Preservation – Dick Macartney, Chairman

Mr. Gary Rowland presented the Beach Preservation Report on behalf of Chairman Dick Macartney.

October 4, 2007

"The now newly named Beach Preservation Committee had its normally scheduled meeting in September. Not much new was discussed. However this information from Thomas Blount regarding the federal project is important and timely:

Funding

In Fiscal Year 2007, Congress appropriated \$175,000 in federal funds for the SCNT project. On request from the Wilmington District (SAW), both Surf City and North Topsail Beach provided \$30,000 each in contributed funds. An additional request for \$57,500 from each town has been submitted for the remaining FY07 contributed funds.

For FY08, there is no money in the President's Budget for this project. The Senate markup showed \$200,000 for SCNT while the House markup showed \$0 for FY08.

I expect to carry over approximately \$121,000 in federal funds from FY07 into FY08. With the FY07 contributed funds, I don't expect a continuing resolution situation with the budget to stall work on the project. The carryover money should get the PDT through the fiscal year with the work we have to do.

Current Work

Last FY, SAW performed sidescan and multibeam sonar surveys of the SCNT project area to identify areas of potential low relief hard bottom in the nearshore environment (-18 to -30 ft. NGVD) and within identified borrow sites located offshore (>30 ft. NGVD). Areas identified as potential nearshore hard bottom resources may be impacted as a result of project construction, cross shore beach profile adjustment, or longshore spreading of beach fill. Hardbottom areas are considered valuable to the State of North Carolina as possible biological habitat.

A meeting was held on August 9th with SAW environmental team members with key environmental agency representatives to discuss the findings of the surveys and to talk about how these areas would be handled in the feasibility/EIS report. Agency representatives recommended additional hard bottom resource investigations be performed within the identified impact area of the project, consistent with the scope and methods of the work which is already being performed by CPE for the permitted project at North Topsail Beach. This additional data would satisfy baseline condition needs for the development of the Environmental Impact Statement (EIS) and the Essential Fish Habitat (EFH) assessment and would maintain data integrity and consistency among all hard bottom investigations being performed offshore of Topsail Island.

SAW is currently working on a scope of work to be contracted out to perform this additional investigation. The work to be performed includes diving on various potential hardbottom sites and identifying the structure of the bottom in those areas by visual inspection and/or video. Grab samples will be taken of the bottom and visual identification of fish in or around the areas will be documented. Once all of the potential hardbottom areas have been investigated and documented, additional coordination with the environmental agencies will occur. We hope to have all of the diving and investigation completed by early December 2007.

Should hardbottom areas exist that seem to be significant habitat, SAW will coordinate with the agencies to avoid those areas within the project. If avoidance is not possible, the coordination and development of mitigation measures will be drafted.

In parallel with the environmental work, other PDT members will continue to work on the draft report and all of its appendices (coastal, geotechnical, real estate, etc.).

Schedule

When the PDT last met in July in Surf City, I gave out dates that stated that the draft report would be ready for sponsor review by October 2007. With the draft report going to South Atlantic Division for review and then public comment in January of 2008. Since our July meeting, US Fish and Wildlife has stated that due to their workload, they cannot produce their USFW Coordination Act Report before February of 2008. While this is a significant delay to the schedule, I think that we would have been delayed by the environmental coordination work on the hardbottom areas regardless. The current schedule is as follows:

- Draft report ready for sponsor review – late February 2008
- Independent Technical Review – finish mid April 2008
- Submit Draft Feasibility Report / EIS to SAD – late June 2008
- 45 day public review, answer comments, etc.
- Submit Final Feasibility Report / EIS to SAD – February 2009
- Civil Works Review Board – March 2009
- Report ready to go to Congress – January 2010

Last week the Congress finally passed the first WRDA bill in several years. I am not yet familiar with what Beach Nourishment projects were included but the fact is we will need to have our project in the next one so it will be important for the Corps to stay on track with our project.

There is also positive news regarding our private project. C P & E has submitted revised drafts of the Environmental Impact Statement back to the Corps addressing the suggestions by Mickey Suggs. I would expect that the report will be released very soon and that the public hearing for this impressive plan will occur about 45 days after the report is made public.

Then other major discussion at the meeting was the Coastal Resource Commissions request for comments about changes in CAMA regulations. Although the planning board was provided

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information about the proposed changes our committee would like to review the information. Information was sent out to our committee and we will review it and discuss at our October meeting on the 17th.

Finally, although I was not able to attend I believe the informational meeting on the Bogue Inlet and beach nourishment in Emerald Isle held on September 21st was very well done and most informative to those who attended. I want to thank the Mayor and those of you who did attend for your interest in this matter. Hopefully a fuller report can be made available to the board and perhaps included as part of the town website."

Discussion

Regarding the timeline, Mr. Rowland stated that the earliest, according to Michael Moore, would likely be 2015, that doesn't mean it won't happen sooner, but it probably won't happen sooner. Earlier discussions had estimated starting in 2012.

Planning Board – Mike Yawn, Chairman

"Planning Board held our scheduled meeting on 9-13-2007.

Key Actions:

1) Recommended unanimously that the BOA approve subdivision of the Bryant Parcel, tax id 763-1.4, 14.54 acres, into 2 parcels each just over 7 acres. This parcel is at the end of 23rd Ave, with the newly constructed private bridge as access. Mr. Bryant has sewer taps for the two proposed lots.

2) Worked on a draft of a new tree preservation ordinance, to be included in the re-write of the planning and zoning ordinances.

3) Studied the proposed CRC rules changes on setbacks and the static line of vegetation. Since we had a very large number of documents to study and only a day to look at them, we tabled a recommendation until our October meeting. Our thought process was that the BOA could act on this at their November meeting which still gives time for a town recommendation to the CRC prior to the CRC meeting in late November.

On the Land Use Plan, a contractual issue between the town, CRC, and Holland and Associates has delayed our next meeting till (tentatively) October 10. Our plan is to review the entire document at that meeting."

Recreation & Appearance – Chairman Bill Horstmann

No report.

Board of Adjustment – Chairman Jerry Convy

"Thursday September 20, 2007

- 1: The minutes for the August 16, 2007 meeting were approved.
- 2: There were no new or pending cases to be heard."

Manager's Report

1. Judy Hills, ECC, has advised me that the advertisement for NTB Town Manager has been placed in the League Letter, Southern City, and County Lines. It was also placed on the Manager and Planner's List Serves. As of September 25th she had received 5 applications.
2. North Topsail Beach has received a check for \$165,000 from the State. This is the second check received for our share of the Bike Path Grant. There will be a smaller third check in another month or so.

3. You received earlier the packet of information on Coastal Resources Commission proposed setback and static line changes. The same info was given to the Beach Preservation Committee and to the Planning Board. Both, I believe, will make recommendations at your November meeting. The CRC has voted to have public hearings on the changes at their November meeting.
4. I had briefed you earlier on hiring a planner for the Planning Staff. We have learned that our first choice has taken another position so we will now give further consideration to our next choice. I have also instructed Ms Hill, while at the Planner's Conference to be recruiting.
5. I have been reviewing the inter workings of the Planning and Inspections Departments and have made several changes in the permits process. I believe this will make better use of our Permits Specialist and relieve some of the pressure on the Planning Director. I will continue to observe the operation and will make further changes as needed.
6. I have been unable to talk with Ms Ginger Booker concerning the Zoning Ordinance rewrite. However, it is my plan to meet with her and Ms Hill as soon as possible to review progress and to set some timeline.
7. The Draft Land Use Plan is still on schedule for October and I will have better information for you later this month.
8. There are two scheduled Public Hearings on the New Storm Water Regulations, September 25th in Morehead City and October 2nd in Wilmington. I plan to attend the hearing in Wilmington.
9. Mr Thomas Blunt, Project Manager, Corps of Engineers, has requested the balance of cost share funds for the Surf City/North Topsail Beach Shore Protection Project. \$57,500 has been sent.
10. I have received notice that North Topsail Beach's official population as of July 2006 is 864. This figure is use in the disbursement of State funds.
11. I have received notice (Civil Summons) from Onslow County of sale of property for collection of taxes on two properties in North Topsail Beach.
12. The Onslow County Board of Commissioners has called a Special Meeting for Oct 11, 2007 at 6:30 PM to consider questions for ONWASA. Should I, or someone from the Town attend?
13. Call back system is on website; citizens can update their information. Judy Hills has now received seven applications for Town Manager.

Open Forum

Sue Tuman of 3944 River Road announced the Saturday Breakfast at Batson's Galley 8:30 A.M. and stated that she was hoping the Town Clerk would make an announcement about Monday Night Football, regarding the flight of the jetpack.

Lenny 126 South Permuda Wynd, asked if in our budget, we have a microphone system and can we get it installed. It was his understanding that we had approved something.

Gary Rowland of 127 South Permuda Wynd wanted to remind everybody about **Autumn with Topsail**, Oct 20 & 21st in the area of the Assembly Building, with artist Ivy Hayes, the Fantastic Shakers, and the Greg Woolard Band, Kiwanis breakfast, \$3.00 to get in, kids under 12 free, military with IDs are also free.

Mike Yawn 207 Tamaricks Court

Mr. Yawn stated that **Autumn with Topsail** is a great event. He would like the Town to use the call back system to let residents know when the trash is going to be picked up or stopped. Regarding the Closed Session, he asked that the Board please move it to the end of the agenda as people won't stay. In reference to the new business regarding cost sharing for dredging of New Inlet – he hopes we don't spend the money – the \$252,000 could be spent on something else – we did it before and the sand all washed away and we should wait for a beach erosion program that is fair to all taxpayers.

Consent Agenda

Alderman Fred Handy moved to accept the Consent Agenda. Seconded and approved unanimously.

Alderman Richard Peters moved for a technical change to the September 6th Board minutes; on page 13, in discussion of approval of decks, Alderman Peters had voted negative. The motion passed unanimously.

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Public Hearings

No Public Hearings scheduled

Old Business

Sound System; Digital Audio Package

Interim Town Manager Tom Taylor reported that there are two items; \$18,542 for the Sound System and \$6,199 for the Recording System, and recommended Board approval.

Motion

Alderman Handy Moved for Approval.
Second by Alderman Tuman.

Discussion

Alderman Farley stated he thinks that \$18,000 for a sound system is excessive.

Alderman Hardison asked if the \$18,000 was budgeted, and was informed that this was the amount in the approved budget and that all upgrades to this version would be free along with support for one year.

Alderman Handy asked about how long support lasts and if support was included in the price and for how long.

Vote

Motion to approve passed 4-1 with Alderman Farley voting Nay.

Action

Purchase of new sound system approved.

Old Business

State Grants for Land Use Plan Phase II and Public Beach Access Project

Interim Town Manager Tom Taylor discussed public crossing and that we have two gaps at each end of town and this would help us. The discussion centered around Topsail Road only.

Alderman Farley stated that we already meet our requirement at 21st Avenue and asked why we would want to put in more parking when this is just two blocks down from there and he stated that he thinks it is a bad idea. Alderman Tuman suggested that the Board pursue the availability of grant money as it provides an opportunity and we can hold a public meeting and invite people affected, and ask them if it is in their interest to install more parking.

Alderman Handy suggested the Interim Town Manager verify where they are and make sure they are not too close. Alderman Farley stated that parking must be within ¼ mile of beach access, and every half mile. Alderman Tuman recommended that the Town consider that location and other locations and then hold a public hearing. The Town owns the property at 121 Topsail Road, but Alderman Tuman wants to ensure that this is the smart place to put this access. His suggestion was to pursue the grants, see if there is grant money available to North Topsail Beach, consider that location as well as others, and hold a public hearing. If the money is not available to us, then the issue doesn't matter, but if it is available, then it is worth taking a look at it and seeing if this opportunity meets our Town's needs. There is still information missing to decide not to pursue it.

Alderman Farley believes that it is better to bring the people in first and find out what the people want and put together a comprehensive plan and spread it out throughout the town and not put two in one neighborhood. Alderman Tuman stated that there seems to be an inadequacy of parking in town during the tourist season. We have overflow of cars in tourist season and the opportunity may help the problem.

Alderman Farley shared that he heard it was recently in the news that the Federal government hasn't approved beach nourishment in years. He further remarked that we are talking 8 years down the road and we aren't bringing the community in and we are looking to set this up before we've heard from people. Alderman Hardison asked how much the grants were and Mr. Taylor reported that the grant was for \$22,000 and the Town's match was \$7,000, and explained that the current grant expires at the end of this month and we can reapply in January. Alderman Hardison asked Alderman Tuman if his suggestion was to apply for grant without specification of location, which Alderman Tuman affirmed. Mayor Knowles and Alderman Peters asked the Interim Town Manager to find out if the grant application needs to be site-specific.

Motion

Alderman Handy moved to defer the decision to their next meeting. Alderman Peters seconded the motion.

Vote

Motion passed 4-1. Aldermen Hardison, Peters, Handy, and Tuman voted Yea; Alderman Farley voted Nay.

Action

Defer decision regarding the public beach access project to the November Board of Aldermen Meeting.

Old Business

Financing Resolution and Budget Amendment #1
Computer financing from First Citizens Bank

Motion

Alderman Fred Handy moved to approve the Resolution and approve the Budget Amendment for \$76,880. Alderman Richard Peters offered a second on the motion.

Discussion

Alderman Farley expressed that he was opposed because the amount was over 20% what was budgeted. The Interim Town Manager explained that the Town was going to purchase the computers rather than lease them, and that accounted for the increase, but would save money in the long run. He further explained that the cost will be \$41,550 per year to buy from Dell, financing through First Citizens Bank, as opposed to leasing from Dell for \$35,000; increasing this year's budget by \$6,550, and that \$76,880 was the total amount budgeted.

Mayor Knowles explained there are two separate things; the purchase of the computers and the lease of the copiers and printers. Alderman Tuman further stated that the cost was underestimated when the budget was created, and there had also been a price increase in February. This request is for the approval to lease copiers, fax machine, and printers and to buy 20 computers, monitors, software licenses; changing from lease to finance.

Alderman Hardison suggested that Alderman Farley and the Finance Director get together to come to some understanding. Alderman Farley stated that he thought a decision needed to be made by the next day, which Tom Taylor confirmed.

Alderman Peters asked for a comprehensive report on how it is transpiring. Interim Town Manager Tom Taylor stated he will ask the Finance Director for a comprehensive explanation to give to the Board of Aldermen.

Alderman Farley stated that he believes they need to come up with the number we will be paying each year on the \$76,000. Mayor Knowles called for a vote.

Vote

The motion passed 4-1, with Alderman Farley voting Nay.

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Action

Resolution passed to approve a budget amendment and to award computer and software financing to First Citizens Bank & Trust in the amount of \$76,880.00.

| <u>Name</u> | <u>Budgeted</u> | <u>Increase</u> <u>Decrease</u> | <u>Amended</u> <u>Budget</u> |
|----------------|--------------------|------------------------------------|---------------------------------|
| Capital Outlay | \$0.00 | \$76,880.00 | \$76,880.00 |
| Lease Purchase | \$35,000.00 | \$6,550.00 | \$41,550.00 |
| Contingency | <u>\$25,205.00</u> | <u>(\$6,550.00)</u> | <u>\$18,655.00</u> |
| | \$60,205.00 | \$76,880.00 | \$137,085.00 |

**Resolution Awarding Computer and Software Financing for
FY 2007-2008 to First Citizens Bank & Trust Company**

Whereas, the Town of North Topsail Beach ("Town") has determined to undertake a project for fiscal year 2007-2008 for the financing of computers, servers, and software for all departments and the Town Manager and Finance Officer have now presented a proposal for the financing of such Project; now, therefore,

Be It Resolved,

1. The Town hereby determines to finance the Project through First Citizens Bank and Trust Company in accordance with the proposal dated September 25, 2007. The amount financed shall not exceed \$76,880.00, the annual interest rate (in the absence of default or change in tax status) shall not exceed a tax exempt rate of 3.57% and the financing term shall not exceed three (3) years from closing.
2. All financing contracts and all related documents for the closing of the financing (the "Financing Documents") shall be consistent with the foregoing terms. All officers and employees of the Town are hereby authorized and directed to execute and deliver any Financing Documents, and to take all such further action as they may consider necessary or *desirable*, to carry out the financing of the *Project* as *contemplated* by the proposal and this resolution. The Financing Documents shall include a Financing Agreement as First Citizens Bank & Trust Company may request.
3. The Finance Officer is hereby authorized and directed to hold executed copies of the Financing Documents until the conditions for the delivery of the Financing Documents have been completed to such officer's satisfaction. The Town Manager and Finance Officer are authorized to approve changes to any Financing Documents previously signed by Town officers or employees, provided that such changes shall not substantially alter the intent of such documents or certificates from the intent expressed in the forms executed by such officers. The Financing documents shall be in such final forms as the Finance Officer shall approve, with the Finance Officer's release of any Financing Document for delivery constituting conclusive evidence of such officer's final approval of the Document's final form.
4. The Town shall not take or omit to take any action, the taking or omission of which, will cause its interest payments on this financing to be includable in the gross income for federal income tax purposes of the registered owners of the interest payment obligations. The Town hereby designates its obligations to make principal and interest payments under the Financing Documents as "qualified tax-exempt obligations" for the purpose of Internal Revenue Code Section 265 (b) (3).
5. All prior actions of Town officers in furtherance of the purpose of this resolution are hereby ratified approved and confirmed. All other resolutions (or parts thereof) in conflict with this resolution are hereby repealed, to the extent of the conflict. This resolution shall take effect immediately.

Adopted this Fourth Day of October 2007



W. Rodney Knowles
Mayor

Attest:



Kathleen L. Clough
Town Clerk

New Business

Subdivision Plat – Survey for T P Inc (Ron Bryant) Tax Parcel ID 763-1.4

BACKGROUND: The survey for TP INC by Danny Marco Padgett, RLS (revised 08/20/06), is for the subdivision of 14.54 acres identified as Tax Parcel ID 763-1.4. The site is located at the northwest end of 23rd Street. The property is mostly wetlands and zoned R-20. The amount uplands available to him is sufficient to build two single family homes. He is proposing to subdivide the property into 2 lots.

The subdivision plat of TP INC by Danny Marco Padgett, RLS (revised 02/20/06) was approved by Joey Moore on March 28, 2006 and recorded in Map Book 50 Page 127. An **incorrect** note referencing Section 7 – 27/ A indicated that the plat was a combination or recombination of previously subdivided and recorded lots where the total number of lots is not increased and the resultant lots are not equal to or exceed the standards of the municipality as shown in this ordinance and that this plat is exempt from the North Topsail Beach Subdivision Ordinance. The subdivision plat approved by Joey Moore **did not qualify as an exemption**, despite this claim by the surveyor. There were no map book references and no previously subdivided and recorded lots, but a reference to DB 1874 Page 898 which references MB 15 P 57. Additionally, DB 2039 P 827 for TP Inc references MB 15 P 57.

ATTACHED DOCUMENTS: Plat of Survey for TP INC by Danny Marco Padgett, RLS (revised 08/20/06)

RECOMMENDATIONS: Mr. Dorazio made a motion to recommend the approval of the subdivision plat Tax Parcel Id # 763-1.4 to the Board of Aldermen. Mr. Martin seconded the motion, motion passed unanimously.

Motion

Alderman Tuman moved to approve the subdivision plat Tax Parcel Id # 763-1.4 as presented to the Board; Alderman Handy seconded the motion.

Discussion

Alderman Farley had a question, asking if this could be further subdivided. Planning & Zoning Officer Deborah Hill stated that it would have to be reviewed by the Planning Board and have approval by the Board of Aldermen; he could adjust the boundary line between the two lots.

Mayor Knowles asked if this falls under any stormwater regulations. Ms. Hill responded that he had gotten a CAMA Major permit for bridge so it was reviewed by the Division of Coastal Management and DENR. What this does is legitimize the plot that was on record; still identified as one tax parcel ID.

Alderman Handy asked what for the square footage of the two lots. Ms. Hill responded about 7 acres for both halves. Alderman Hardison asked for confirmation that this had been thoroughly reviewed by the Planning Board and that this was Staff recommendation. Ms. Hill confirmed that was the case and the Planning Board voted unanimously to recommend for approval. Alderman Peters wanted confirmation that this resolves all issues for this property. Ms. Hill stated that it does.

Mayor Knowles called for a vote.

Vote

Unanimous approval.

Action

Approval of subdivision plat Tax Parcel Id # 763-1.4 as presented to the Board of Aldermen.

162
New Business

Resolution declaring fire truck surplus property and authorizing sale

Motion

Alderman Dan Tuman moved to approve; Alderman Fred Handy seconded the motion to declare the fire truck surplus property and to authorize its sale.

Discussion

Alderman Richard Peters suggested they have a minimum price, perhaps \$20,000. Alderman Richard Farley asked where it would be advertised, and asked if it would be posted on the North Carolina League of Municipalities' website. He stated that he wants to ensure it has exposure to generate competition to get fair market value.

Vote

Unanimous approval.

Action

The Board of Aldermen agree to declare the fire truck as surplus property and to authorize its sale.

RESOLUTION DECLARING SURPLUS PROPERTY AND SALE OF
1987 EEI 1000 X1000 GALLON PUMPER MODEL C-70 FIRE TRUCK

WHEREAS, the Town of North Topsail Beach owns a 1987 EEI 1000 x 1000 Gallon Pumper Model C-70 Fire Truck that it no longer needs; and

WHEREAS, North Carolina General Statute 160A-268 authorizes the advertisement and sale of property by sealed bids; now, therefore, be it

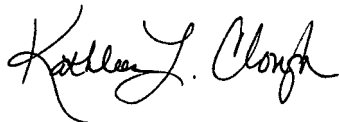
RESOLVED, that the Board of Aldermen of North Topsail Beach declares the Fire Truck surplus property and directs the Interim Town Manager, with assistance of the Fire Chief, to advertise and receive sealed bids for the sale of the truck

Adopted this 4th day of October, 2007.



W. Rodney Knowles, Mayor

ATTEST:



Kathleen L. Clough, Town Clerk

New Business

Resolution supporting maintenance dredging of the New River Inlet Coastal Waterway Crossing by the U.S. Army Corps of Engineers

Alderman Richard Peters asked about the flexibility of the disposal area, and when Interim Town Manager Tom Taylor stated that we would designate the area in front of Topsail Reef and go south along the beach, Alderman Peters expressed reservations about the value.

Motion

Alderman Dan Tuman moved that the town does participate, but with the Town of North Topsail Beach share being not being more than \$100,000; and that the sand be placed on the shores of North Topsail Beach.

Second

Alderman Fred Handy

Discussion

Alderman Farley articulated that he doesn't think we should spend the money – it may impact Topsail Reef's neighbors negatively as there has been erosion downstream. He suggested getting ocean front owners to take some ownership of this problem, and felt that this proposal isn't going to last. Alderman Farley stated that last year's sand was a good deal, but based on the numbers and the time it lasted he wouldn't support it again as it has limited benefit to anyone other than the owners who have the sand placed in front of their property. Mayor Pro Tem Larry Hardison asked Alderman Farley what the neighbors' concern may be and Alderman Farley explained that a small amount of sand may cause erosion on either side and hurt the neighbors' property.

Alderman Tuman suggested that with partial beach nourishment activity on the north end we would have it advantageously migrate south. This sand is beach quality, fairly inexpensive, it will stabilize the situation at Topsail Reef, it will move with the expectation in a positive direction, and it can be paid for with a small amount of money out of the beach nourishment fund paid for by the visitors to this island through an occupancy tax.

Alderman Peters asked what the County did; and the response was that they delayed it to their October meeting. Alderman Farley noted that the Army Corps of Engineers didn't see it as serious enough to put it on their list. Alderman Tuman stated that there is no federal appropriation. Interim Town Manager Tom Taylor stated that they are going to do the dredging anyway. Alderman Farley asked who is paying; and Alderman Tuman stated that if there is no Federal appropriation, then it is not going to get done. Alderman Handy asked if that was the case, then who will object to it? He further stated that the project needs to be done, but his question is, why are we the only ones expected to pay for it?

Mayor Knowles stated that he had talked with Mitch Hall, the Manager of this project – they are the ones who sent us this map, and it is their plan to put the sand on North Topsail Beach. Alderman Peters suggested they make a statement to the County that we do not consider it necessary to keep maintaining that channel. Alderman Farley asked if the proposal was to put this sand on private property with taxpayers' dollars. Alderman Tuman stated they are only authorized to put it below the high water mark, and by definition, that is not private property.

Alderman Peters stated that he does not want to make an offer. Aldermen Tuman wants to make an offer. Mayor Knowles stated that he preferred to defer. Alderman Farley wanted to call for a vote.

Vote

Yea: Alderman Tuman and Alderman Handy
 Nay: Aldermen Peters, Hardison, and Farley

Action

Motion failed. The Town of North Topsail Beach will not participate in the cost sharing for dredging the New River Inlet Coastal Waterway Crossing.

164

New Business

Proposed Amendment to Campaign Sign Ordinance Sec. 7-197. Temporary signs.

Current Wording:

- G. Political campaign signs may be posted on private property only after the official campaign period has begun and must be removed within one (1) week after elections. Such signs shall not exceed six (6) square feet in area.

Proposed Wording:

- G. Political campaign signs may be posted on private property forty five (45) days prior to the elections and must be removed within three (3) days after the elections. Such signs shall not exceed six (6) square feet in area.

Motion

Alderman Fred Handy moved that this proposal to amend the Town of North Topsail Beach ordinance Sec. 7-197 regarding Campaign Signs be sent to the Planning Board for consideration. Seconded by Alderman Richard Peters.

Discussion

Alderman Handy stated that there is tremendous expense for the town when the signs are in the right of way and the Department of Public Works has to mow around the campaign signs. He stated that the Board needs to hold a public hearing on this, and that too many signs are too close to the streets according our existing regulations, and you would think the people running for office would at least comply with our current regulations. The penalty of \$500 per day is too high; \$5.00 per day per sign is more appropriate. Alderman Farley said part of the problem is that larger signs are now being used, along with two or three signs together, it creates clutter.

Vote

Motion passed unanimously.

Action

The proposal to amend the Town of North Topsail Beach ordinance Sec. 7-197 regarding Campaign Signs was deferred back to the Planning Board for consideration.

Open Forum

Carol Evans of 209 Seashore Drive stated that in the past we have always had signs on private property, and no signs on the right of way. Now they are on public property - the whole idea is to show who you are supporting as you go - it shouldn't be a general statement of who is running - we know who is running. We don't need to see signs stacked up in right away. A family for so and so is the kind of thing we are looking for when we put signs up, otherwise they don't mean anything.

Sue Tuman of 3944 River Road announced that the Womens' League of Voters will hold a Candidate Forum on October 15, 2007 at 7:00 P.M. North Topsail Beach Town Hall Meeting Room and invited all to attend.

Bob Swantek of 3772 Island Drive remarked on Crossovers - distraught when he found out we don't own all of the crossovers - county owns every other one. They are becoming a hazard for our people as the sand is filling in the crossovers, and no one is taking care of the County crossovers. Alderman Dan Tuman suggested that he appeal to Frank Clifton at the County to get someone to maintain the County-owned crossovers. Regarding parking lots, Mr. Swantek said that other than 21st Street and Myrtle Drive there are no parking lots on north end of the island except for Pinnacle Drive and no crossovers. Regarding the Sand, Mr. Swantek wanted to express his differing opinion and stated that all of the sand has migrated in front of his home. In reference to campaign signs, Mr. Swantek stated that before he put out any of his campaign signs he went to the zoning board and was told the grass cutting was done.

Mike Yawn referred to the consternation in Onslow County about increases in water bills and a non-binding resolution regarding ONWASA. He encouraged the Board to chide ONWASA for their heavy handed methods and very high water rate increases.

Closed Session – Real Estate Issues

Motion

Alderman Farley moved to go into closed session as provided by North Carolina General Statute 143-318.11 Section 5 that instructs there on possible negotiations. Alderman Handy seconded the motion and the vote was unanimous.

Action

The Board of Aldermen went into Closed Session to discuss real estate issues.

The Board of Aldermen returned to Open Session.

Mayor Knowles announced that during Closed Session, the Board discussed real estate issues and options to pursue future planning.

Attorney's Report

Regarding the Melling case, the properties at the end of the Island, we filed our answer that was circulated earlier; trial date set for July 2008. The North Carolina League of Municipalities is providing Brian Edes as the lead Counsel. The Litvak case is scheduled for trial December 3, 2007.

Alderman Fred Handy was excused.

Mayor's Report

Mayor Knowles suggested to all present that they go to the yard sale at Faith Harbor Church – it's turned into something really big - people come from all over the state to attend. Anything from a teacup to a boat will be available.

Aldermen's Report

Alderman Farley reported a second win for Dixon Football Team, and hopes his signs are not too annoying. The Mayor and I are the little signs guys.

Alderman Dan Tuman remarked that Mike Yawn raised questions regarding ONWASA and their rate structure – there will be an ONWASA and County Board of Commissioners on October 11, 2007 at 6:30, meeting in the County Commissioners' Chambers in Jacksonville. Alderman Tuman wanted the Board to be aware that the County has no authority to change the representation on the Board of Directors. Rates went up primarily because the rates had been subsidized by the County and they are no longer being subsidized and the rate increase is the only way that ONWASA can pay their bills.

Alderman Hardison said goodnight to everyone present.

Mayor Knowles asked all to please come again next time.

Adjournment

Mayor W. Rodney Knowles adjourned the meeting at 9:20 P.M.

Minutes prepared by Kathleen L. Clough, Town Clerk

Approved:

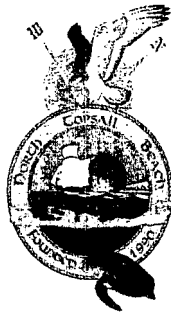
Date:

W. Rodney Knowles, Mayor

November 1, 2007

167

Town of North Topsail Beach



CAPITAL RESERVE FUNDS TRANSFER RESOLUTION

Resolution Authorizing Transfer from Capital Reserve Funds to
General Funds for Repair of the Air Conditioning System in
The Town Hall Meeting Room and Police Department
in the Amount of \$12,490.00 for Fiscal Year 2007-2008

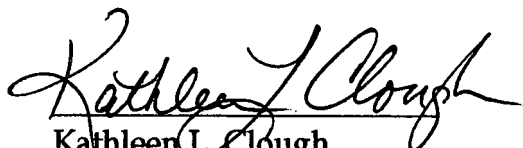
WHEREAS, the Town of North Topsail Beach, North Carolina, has set up a Capital Reserve Fund for future purchases, and/or construction, made by the Town; and

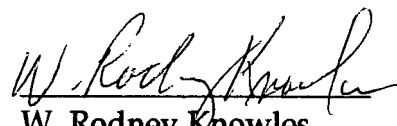
WHEREAS, the Board has previously approved necessary repairs to the Police Department Air Conditioning System using monies from the Capital Reserve Fund; and

WHEREAS, transferring funds requires Board action; now, therefore, be it

RESOLVED, that the Town of North Topsail Beach Board of Aldermen authorizes the transfer of \$12,490.00 to the General Fund for necessary repairs to the Air Conditioning System located in the North Topsail Beach Town Hall Meeting Room and Police Department.

Adopted this 1st day of November, 2007


Kathleen L. Clough
Town Clerk


W. Rodney Knowles
Mayor

Town of North Topsail Beach

W. Rodney Knowles, Mayor
Larry Hardison, Mayor Pro Tem
Aldermen:
Fred Handy
Daniel Turman
Richard Farley
Richard Peters



Thomas S. Taylor
Interim Town Manager
Kathleen Lennon Clough
Town Clerk

Resolution Authorizing Execution of a Contract for the Core Land Use Plan

Minutes of a Regular Meeting of the Board of Aldermen of the Town of North Topsail Beach, North Carolina

A regular meeting of the Board of Aldermen of the Town of North Topsail Beach was held in the North Topsail Beach Town Hall Meeting Room, the regular meeting place, on November 1, 2007. The Mayor and five Aldermen were present.

The Board of Aldermen was advised that a proposed contract between the Town of North Topsail Beach and the North Carolina Department of Environment and Natural Resources for the provision of planning services was presented and discussed; that,

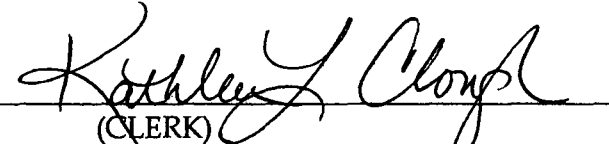
Under the terms of said contract, the Town of North Topsail Beach will pay a total of \$8,553.00 as its local share of the planning costs.

"BE IT RESOLVED BY THE BOARD OF ALDERMEN OF THE TOWN OF NORTH TOPSAIL BEACH:

- 1) That the contract between North Topsail Beach and the North Carolina Department of Environment and Natural Resources is hereby approved.
- 2) That the Mayor and the Clerk are hereby authorized to sign and execute the said contract for and on behalf of the Town of North Topsail Beach and forward the same to the North Carolina Department of Environment and Natural Resources.
- 3) That upon final execution, a copy of said contract be filed with the minutes. Upon motion of Alderman Fred Handy, seconded by Alderman Richard Peters, said resolution was unanimously passed."

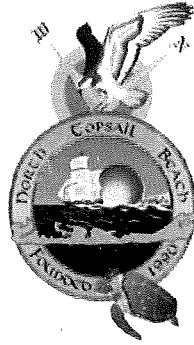
I, Kathleen L. Clough, Clerk to the Board of the Town of North Topsail Beach, North Carolina, do hereby certify that the foregoing is a true copy of so much of the proceedings of the North Topsail Beach Board of Aldermen, at a meeting held on November 1, 2007, as related to the contract between North Topsail Beach and the N.C. Department of Environment and Natural Resources, relative to the planning project for the Town of North Topsail Beach.

WITNESS my hand and the corporate seal of the said Town of North Topsail Beach, this, the 1st day of November, 2007.

(SEAL) 
(CLERK)

Town of North Topsail Beach

W. Rodney Knowles, Mayor
Larry Hardison, Mayor Pro Tem
Aldermen:
Fred Handy
Daniel Tuman
Richard Farley
Richard Peters



Thomas S. Taylor
Interim Town Manager
Kathleen Lennon Clough
Town Clerk

Regular Board Meeting
1 November 2007, 7:00 P.M.

MINUTES

Mayor W. Rodney Knowles declared a quorum and called the meeting to order at 7:06 P.M. at the Town of North Topsail Beach Meeting Room.

Present at the meeting were Mayor W. Rodney Knowles, Mayor Pro Tem Larry Hardison, Alderman Fred Handy, Alderman Richard Farley, Alderman Richard Peters, Alderman Daniel Tuman, Interim Town Manager Thomas Taylor, Town Clerk Kathleen Clough, North Topsail Beach Town Planning and Zoning Administrator Deborah Hill and Town Attorney Robert Kilroy

The Invocation was given by the Reverend Homer Prince of the North Topsail Shores Baptist Church, followed by Mayor Rodney Knowles leading the citizens present in the Pledge of Allegiance.

Alderman Richard Peters moved to approve the agenda. Alderman Fred Handy seconded the motion, and it was approved unanimously.

Committee Reports

Dick Macartney, Chairman of the Beach Preservation Committee, gave his report as follows:

At our last meeting of the Beach Preservation Committee we spent the majority of the time discussing what recommendations we might have for your town response to the CRC's proposed CAMA changes. So I expect I need to get right into that. CRC stands for Coastal Resources Commission, the state administrative agency that makes the Coastal Management rules. This body is made up of citizens appointed by the governor and meets quarterly. Their next meeting is November 29-30th in Greenville and they are collecting comments for proposed rule changes. The rule changes are under two areas. The first is a change to the Setback requirements that would let them vary depending on structure size. The other one involves changing the vegetation line from a static to a line that may change under certain conditions.

We understand that the Planning board also received a packet of information on these possible rule changes and will also have a board recommendation. Since the Setback rules are important parameters for our zoning and planning in the town our committee voted to defer our discussion of these rules yielding to the recommendation of the Planning Board.

That left us with discussion of the static vegetation line. The static Vegetation line is set when a town implements a beach nourishment project. Under present rules the trigger point is 50 cu yards of sand added per linear foot of beach. Present rules say that no matter if sand accretes the benefit does NOT accrue to the property owner but that any property added beyond the line is now state property as is all property below the mean high tide line. The stimulus for the discussion, I understand, came from Oak Island which after a beach nourishment project had some major accretion with natural vegetation extending as much as several hundred feet. Under present rules there can be no development regardless beyond the static line which was CAMA line existing prior to the project.

Since our town has beach nourishment in its future (at least that is my position for this election) it is important that we consider whether the proposed change to allow an exception to the static line under certain conditions is good for our town or whether we would want to keep the static line without any exceptions as is the present law.

Our recommendation to the Board of Aldermen is that we craft a comment that says:

The Town of North Topsail Beach supports the direction the CRC is proposing by the allowing of an exception to the Static line of Vegetation. We also understand the many issues and objections raised about the rules, definitions, and procedures for implementing the exception by other towns and interested parties. Our review of these issues, admittedly by non legal, non-exerts, is that the procedural rules seem to favor the CRC over the petitioning towns. For instance under the draft rules the

town is only given 10 days to review the commissions recommendation while the commission has up to two meetings to consider a request from a town. We would suggest that the town be given a 30 day time period for review, we also do not understand what the remedies are if the commission denies a request from a town for an exception.

Finally once an exception is granted the benefits seem to be quite minimal compared to a property owners rights before the setting of the static line. While we understand the reluctance to open up new areas beyond the static line to hazardous development we do think some of the restrictions such a building sizes might be defined in a less arbitrary way.

We also share some of the concerns for changing the definition of "natural" vegetation. The extent of the rhizome structure and how much natural vegetation is required is not well defined and could be open for varied interpretations.

Therefore, the town of North Topsail Beach would support more work on drafting the proposed rules for an exception to the static line of vegetation.

Another area of concern raised at the Beach Preservation Meeting on the 17th of October was the release of new maps defining more broadly the hazard areas around inlets. For instance the area of hazard for the New River Inlet is proposed to extend all the way to the St. Regis. There are many ramifications regarding the rules that should be reviewed in conjunction with the review of the changing the boundary definitions, and there should be plenty of time for that but this is an early warning.

To briefly update the board on the status of the two beach nourishment projects in the town, work continues on the Federal Project with carryover FY 2007 funds. The current activity is diving on off shore hard bottoms to better define their size and habitat vulnerability for a beach fill process. The draft Feasibility Report/EIS is scheduled for June of 2008.

The Draft Feasibility Report for the CP & Project is overdue and is expected to be released any day now for public review. The Corps has been suggesting rewrites of certain sections to facilitate agency concerns. The actual size of the report will fill three 3 inch three ring binders. Once released, a hard copy of this report will be available at town hall for public review. After 45 days which will include a public hearing in this room a final Environmental Impact Statement (report) will be submitted to CAMA for final review and an application for permits. If any board member is interested in a copy of the DEIS either electronically, or on a CD, or even paper you should advise Shelia or Kathleen.

Because the next scheduled meeting would be Thanksgiving Eve, our Beach Preservation Committee voted to cancel its November meeting, which also means that there will not be a report at the December BOA meeting.

The final comment is that Alderman Richard Peters is now Chairman of the Topsail Island Shore Protection Commission due the resignation of Mary Meece, current chair, who will no longer be eligible to hold the office because she did not stand for re-election in Topsail Beach and council members take office there immediately upon election.

Planning Board Chairman, Mike Yawn, thanked Aldermen Fred Handy for his service to the Town and wished him well in his retirement from the Board.

He then presented his report:

The Planning Board held our regular meeting 10/11/2007 and continued it on 10/18/2007.

Key results:

1) Held a public hearing on the rezoning of .977 acres of the Curtis Jackson tract from Con-D to R-10. On the advice of town staff, recommended by a vote of 3-2 that the BOA not act upon this issue until the illegal subdivision issue is resolved.

2) Discussed a proposed subdivision for Wendell Fairbanks (Utopia St). Will have a public hearing on that property at our next meeting.

3) Heard two apparently very similar vested rights cases that turn out to be very different:

A) La Costa - Their CUP was granted 9/1/2005 and the vested rights may have expired. It was the consensus of the PB that IF the owner receives notice from NTB that the vested right has expired and wishes to get an extension, the proper authority is the Board of Adjustments, not the PB. If they wished to resubmit a new conditional use application, they could "start from scratch" with the PB; or if they wished an extension prior to the expiration of their vested rights they could do so only in conjunction with a change to their site development plan, per section 7-34 of the ordinances.

B) Orchid Bay - Their CUP was granted 11/3/2005 and thus has not expired; they are slowed in development due to the delays from NTU in extending sewer capacity. In this case they also had a needed change to their SDP (added a lift station to this site) and the PB voted unanimously to recommend the BOA approve an extension of 2 years in conjunction with this change in their SDP, per section 7-34 of the ordinances.

4) The PB also made recommendations on the proposed CRC amendments.

A) Recommended by a vote of 4-2 that the town of NTB recommend that the CRC NOT adopt the new setback regulations.

B) Recommended by a vote of 4-2 that the town of NTB recommend that the CRC DOES adopt the new static line regulations.

5) On the Zoning map, we have some areas that are still slightly mis-colored, and Ms Hill stated that she would work on these.

6) On the sign ordinance, Jerry Convey of the Board of Adjustments (thanks you Jerry) did some research and it appears that making our sign ordinance more restrictive on campaign signs may not be enforceable; the consensus of the PB is to not change the sign ordinance for campaign signs at this time.

The Land Use Plan Committee met on 10/17/2007, and went over some new sections that Holland and Associates submitted; we had numerous changes in those sections. Landin is to update those and get them back to us for one last review, then it is to be submitted to the BOA. Due to the contract issues mentioned last month, and this added set of changes we are a bit late in getting these to the CRC; Landin was going to apply for a slight extension.

Recreation & Appearance, Bill Horstmann, Chairman, No Report

Board of Adjustment Chairman Jerry Convy gave his report as follows:

October, 2007

1. Since there were no cases on the agenda for October and no other business to be addressed, the October meeting was canceled.
2. On October 10, 2007 as Chairman of the Board of Adjustment, I was served a Civil Summons for a civil action that has been filed by Seaside Developers against the Town of North Topsail Beach Board of Adjustment. I gave a copy of this summons to the town's interim manager who advised me that the town's attorney will respond to this summons. I have requested a copy of the attorney's response and will include a copy of it in my December report.

Town Attorney Robert Kilroy stated that what that action is about is an appeal, and a civil summons is the same for all actions. There is no action to be taken at this time. Mr. Convy stated that he has been expecting an answer, and all that he asks is the Town Attorney let the Board of Adjustment know they don't need to respond.

Thomas Taylor, Interim Town Manager, presented his report as follows.

1. Judy Hills, ECC, has advised me that she has received 28 resumes for the Manager position and she has advised them all of the process we will be following. The ad was again placed on the Manager and Planner's Listserves last week. Please give some thought as to when you will want to meet in early November to make the first review/cut. The following dates and times have been suggested: Friday 11/2 at 10:00, Monday 11/5 at 9:00 AM.
2. Ms Hill and I are continuing to work with Ginger Booker. We should receive the preliminary draft of the Zoning Ordinance the second week of November. That will be reviewed by the Planning Board, revisions made and then reviewed by Planning Board and BOA. I anticipate the need for a joint work/review session in early December.
3. The Draft CAMA Land Use Plan has been received and has been reviewed by the Land Use Planning Committee. As soon as revisions are made it will be given to the Planning Board and BOA for review (mid November).
4. I attended the following meetings: Joint meeting of Onslow County Board of Commissioners and ONWASA, Planning Board (2), Chamber, Land Use Plan Committee, Beach Preservation Committee, and Topsail Island Shoreline Protection Commission.; and the ONWASA meeting with Alderman Richard Peters and Mayor Pro tem Larry Hardison.
5. Thomas Best and I met with homeowner at 247 Seashore Dr on a fairly severe drainage problem. We are currently reviewing ways to resolve the problem and I will report further at a later date. We have two bids for a French drain; \$12,950 and \$33,795.
6. NC DOT has agreed to put up additional "NO Parking" signs on Topsail Dr. District Engineer Robert Vause said we may need to adopt an Ordinance for the additional signs. He is to let me know.
7. We have ordered new signs for beach access points, however all orders are backed up and I do not anticipate receiving these signs for a couple of months.
8. On this agenda, under Consent, is a resolution and budget amendment for the air conditioning systems for the first floor of this building. All of the work for the Meeting Room and the Police Department has been completed. We are still gathering info and bids for the system on the second floor. Therefore you will see another resolution and budget amendment when that work is completed.

9. From your last agenda you delayed action on applying for a grant for additional parking and beach access. I am still doing some research on this and expect to have it for your January agenda.
10. Charter Communications has notified me that, effective October 31, 2007 they will be adding several new networks – A&E HD, The history Channel HD, and Golf/Versus HD to the High-Definition Tier. There will not be any increase in the current rates.
11. We have completed our contract agreement with Federal Surplus in Raleigh. Our authorized representatives are Thomas Best, George Moore, Casey Fillinger, and Douglas Freeman Jr.
12. Steve Taylor, developer of Crystal Views Subdivision, has notified me that he wishes to complete his donation of land to the Town as a result of his subdivision being approved in late 2005. The tract is 2.755 acres and is adjacent to a tract already owned by the Town. Crystal Views Subdivision is located on the north side of New River Inlet Road just east of Goldsboro Lane intersection. Mr Taylor, Mr Kilroy, and I will work to complete this process.
13. On October 11th Thomas Best and I met with John Scorzello, the NC League Risk Control Representative to review all our insured equipment. All checked out well and all of the Fire Department Air Packs were renewed.
14. At your last meeting Alderman Peters asked for review of the expenditures for the computers, printers, and fax machines. I failed to ask Mrs King for that information. Just as soon as she and I can get together I will forward this to each of you.
15. Met with Robert Kilroy and Brian Edes to give them more information for the Litvak court case. This will be the topic of your 6:00 PM Executive Session.
16. The Audit will be late due to turnover in the Auditing company during the time they were performing our audit. It will be filed before December 1, 2007.
17. Bird Monitoring Proposal received from CP&E for the EIS – that part is in our budget so we will be proceeding with that, and that begins in November.

Alderman Larry Hardison asked Mr. Taylor if the bird monitoring monies being discussed were associated with the \$400,000. Mr. Taylor responded that it is a Line Item of \$150,000 of the EIS contract, and therefore part of that agreement. Alderman Richard Farley asked Mr. Taylor if that was part of our town budget for Beach Nourishment or in our contract with CP&E. Mr. Taylor stated that as far as he knew, it was part of the contract that was budgeted by the Board of Aldermen.

Speaking during the Open Forum were:

Sue Tuman, 3944 River Road, wanted to remind everyone - Breakfast Saturday at 8:30 A.M at Batson's Gallery; Dutch.

Bob Swantek, 3772 Island Drive, wanted to remind everybody about the Ceremony on Saturday morning at 10:00 A.M. on Boatman Drive in honor of all our troops – Gunnery Sgt. Boatman's family will be there along with an individual who was injured with Gunnery Sergeant Boatman. There will be an Honor Guard from Camp Le Juene – everybody is welcome.

Sue Tuman, 3944 River Road, announced that there will be a Pig Picking at noon at Town Park.

Consent Agenda

Alderman Fred Handy moved to approve the Consent Agenda; Alderman Dan Tuman seconded the motion. The vote was unanimous to approve the Consent Agenda.

The Consent Agenda included:

- Board Minutes from the October 4, 2007 Board of Aldermen Meeting
- Resolution and Budget Amendment #2 for Air Conditioning Repairs
- CAMA Land Use Resolution
- Department Head Reports
 - Police Department Chief Fillinger
 - Fire Department Chief Moore
 - Inspection Department Randall Moudy
 - Planning Department Deborah Hill
 - Finance Department Lydia King

Consent Agenda:

- Resolution and Budget Amendment #2 for Air Conditioning Repairs

CAPITAL RESERVE FUNDS TRANSFER RESOLUTION

Resolution Authorizing Transfer from Capital Reserve Funds to
General Funds for Repair of the Air Conditioning System in
The Town Hall Meeting Room and Police Department
in the Amount of \$12,490.00 for Fiscal Year 2007-2008

WHEREAS, the Town of North Topsail Beach, North Carolina, has set up a Capital Reserve Fund for future purchases, and/or construction, made by the Town; and

WHEREAS, the Board has previously approved necessary repairs to the Police Department Air Conditioning System using monies from the Capital Reserve Fund; and

WHEREAS, transferring funds requires Board action; now, therefore, be it

RESOLVED, that the Town of North Topsail Beach Board of Aldermen authorizes the transfer of \$12,490.00 to the General Fund for necessary repairs to the Air Conditioning System located in the North Topsail Beach Town Hall Meeting Room and Police Department.

Adopted this 1st day of November, 2007

Attest:



W. Rodney Knowles
Mayor



Kathleen L. Clough
Clerk to the Board

Budget Amendment #2 for Air Conditioning Repairs

| <u>Account</u> | <u>Name</u> | <u>Budgeted</u> | <u>Increase Decrease</u> | <u>Amended Budget</u> |
|----------------|---|-----------------|------------------------------|---------------------------|
| 10-345-00 | Local Option Sales Tax | \$205,223.00 | \$1,000,000.00 | \$1,205,223.00 |
| 10-399-01 | Transfer in Capital Reserve Fund - AC Repairs | \$0.00 | \$12,490.00 | \$12,490.00 |

Expenditures

| <u>Account</u> | <u>Name</u> | <u>Budgeted</u> | <u>Increase Decrease</u> | <u>Amended Budget</u> |
|----------------|-------------------------------------|-----------------|------------------------------|---------------------------|
| 10-998-04 | Transfer Out - Capital Reserve Fund | \$0.00 | \$1,000,000.00 | \$1,000,000.00 |
| 10-500-15 | M&R Buildings/Grounds | \$17,000.00 | \$12,490.00 | \$29,490.00 |

Capital Reserve Fund

Revenues

| <u>Account</u> | <u>Name</u> | <u>Budgeted</u> | <u>Increase Decrease</u> | <u>Amended Budget</u> |
|----------------|----------------------------|-----------------|------------------------------|---------------------------|
| 90-399-00 | Transfer in - General Fund | \$0.00 | \$1,000,000.00 | \$1,000,000.00 |

Expenditures

| <u>Account</u> | <u>Name</u> | <u>Budgeted</u> | <u>Increase Decrease</u> | <u>Amended Budget</u> |
|----------------|-----------------------------|-----------------|------------------------------|---------------------------|
| 90-998-00 | Transfer out - General Fund | \$0.00 | \$1,000,000.00 | \$1,000,000.00 |

-
- 10-345-00 "Local Option Sales Tax" is increased by one million dollars to account for the additional revenue from the Ad-valorem Sales Tax Distribution.
The Generally Accepted Accounting Procedure (GAAP) for these revenues requires the money to be accounted for in the General Fund initially, and then transferred to the Capital Reserve Fund by journal entry. This makes the "Amended Budget" amount for Local Option Sales Tax \$1,205,223.

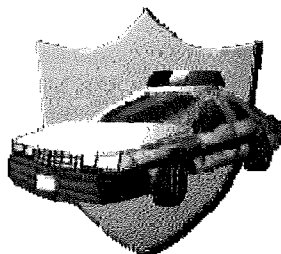
 - 10-399-01 "Transfer in Capital Reserve Fund - AC Repairs"
This is the amount of money, \$12,490.00, that will be taken from the Capital Reserve Fund, by Resolution, to pay for the repairs made to the Air Conditioning System on the first floor of the Town Hall.

 - 10-998-04 "Transfer Out - Capital Reserve Fund." This is the expenditure to show the increased tax money transferred from the General Fund to the Capital Reserve Fund.

 - 10-500-15 "Maintenance and Repair (M&R) Buildings/Grounds"
Expenditure line increased for the cost of repairs to the Air Conditioners on first floor of Town Hall.

 - 90-399-00 and 90-998-00
These are budgetary entries to set up the Capital Reserve Fund.

North Topsail Beach Police Department Chief Casey J. Fillinger



Department Report for Aug 20, 2007-Sept 20, 2007
With Comparison from Aug 20, 2006-Sept 20, 2006

| | 2006 | 2007 | Percent change | | 2006 | 2007 | % change |
|-----------------------|------|------|----------------|-------------------------------------|------|------|----------|
| Assist Other Agencies | 22 | 13 | -40.91% | Security Checks | 396 | 428 | 8.08% |
| Traffic Stops | 58 | 61 | 5.17% | Accidents | 3 | 3 | 0.00% |
| Town Tickets | 9 | 48 | 433.33% | Larceny | 10 | 4 | -60.00% |
| * Other Tickets | 69 | *63 | -8.70% | B & E | 2 | 0 | -100.00% |
| Verbal Warnings | 10 | 7 | -30.00% | Property Damage | 2 | 2 | 0.00% |
| DWI Arrests | 5 | 2 | -60.00% | Disturbances | 25 | 10 | -60.00% |
| Narcotics Arrests | 4 | 2 | -50.00% | Alarms | 10 | 6 | -40.00% |
| Other Arrests | 2 | 4 | 100.00% | Motorist/Pedestrian/ Citizen Assist | 21 | 21 | 0.00% |
| Calls for Service | 657 | 671 | 2.13% | Vehicle Unlocks | 8 | 5 | -37.50% |
| Reports Taken | 239 | 214 | -10.46% | Open Door/Window | 5 | 6 | 20.00% |
| Juvenile Incidents | 2 | 1 | -50.00% | Animal Complaint | 2 | 5 | 150.00% |

* This total is a combination of (12) State Citations & (51) Warning Tickets. Last year we were not breaking down the totals so I am not able to give a percentage comparison at this time.

Consent Agenda

- CAMA Land Use Resolution

Resolution Authorizing Execution of a Contract
for the Core Land Use Plan
Minutes of a Regular Meeting of the Board of Aldermen of the
Town of North Topsail Beach, North Carolina

A regular meeting of the Board of Aldermen of the Town of North Topsail Beach was held in the North Topsail Beach Town Hall Meeting Room, the regular meeting place, on November 1, 2007. The Mayor and five Aldermen were present.

The Board of Aldermen was advised that a proposed contract between the Town of North Topsail Beach and the North Carolina Department of Environment and Natural Resources for the provision of planning services was presented and discussed; that,

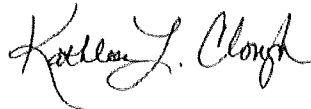
Under the terms of said contract, the Town of North Topsail Beach will pay a total of \$8,553.00 as its local share of the planning costs.

"BE IT RESOLVED BY THE BOARD OF ALDERMEN OF THE TOWN OF NORTH TOPSAIL BEACH:

- 1) That the contract between North Topsail Beach and the North Carolina Department of Environment and Natural Resources is hereby approved.
- 2) That the Mayor and the Clerk are hereby authorized to sign and execute the said contract for and on behalf of the Town of North Topsail Beach and forward the same to the North Carolina Department of Environment and Natural Resources.
- 3) That upon final execution, a copy of said contract be filed with the minutes.

I, Kathleen L. Clough, Clerk to the Board of the Town of North Topsail Beach, North Carolina, do hereby certify that the foregoing is a true copy of so much of the proceedings of the North Topsail Beach Board of Aldermen, at a meeting held on November 1, 2007, as related to the contract between North Topsail Beach and the N.C. Department of Environment and Natural Resources, relative to the planning project for the Town of North Topsail Beach.

WITNESS my hand and the corporate seal of the said Town of North Topsail Beach, this the 1st day of November, 2007.



(SEAL)

(CLERK TO THE BOARD)

Old Business

- a. Resolution Supporting Amendment to Static Vegetation Line Rule by the NCCRC

Interim Town Manager Thomas Taylor explained to the Board that the recommendation from both the Planning Board and the Beach Preservation Committee was that the Board support changes to the Static Line, and that a paragraph was added to reflect what went on in the Beach Preservation Committee meeting.

Motion

Alderman Fred Handy moved to approve the Resolution Supporting Amendments to the Static Vegetation Line Rule by the NCCRC. Seconded by Alderman Tuman.

Discussion

Alderman Richard Farley stated that he thought it was a bad idea; that the static vegetation line has served people well, and we are moving people into harms way.

Mayor Pro Tem Larry Hardison suggested that the wording seems to be very general and not specific and would allow us to do certain things "if this was done or that was done", and consequently felt that maybe the Board should take a second look at this and maybe come back with something that is a little tighter.

Vote

Alderman Fred Handy and Alderman Dan Tuman voted Yea.

Mayor Pro Tem Larry Hardison, Alderman Richard Farley and Alderman Richard Peters voted Nay

Action

Board declines to support changes to the Static Vegetation Line Rule by the North Carolina Coastal Resources Commission

Old Business

- b. Resolution Opposing Amendment to the Setback by the NCCRC

Motion

Alderman Dan Tuman moved to adopt the Resolution as presented. There was no second.

Action

Motion died. No action taken.

New Business

- a. Orchid Bay – Request for Modification of Site Specific Plan.

The Planning Board recommended that the Board of Aldermen approve the request to modify the site plan for Orchid Bay, a Planned Residential Development.

Motion

Alderman Dan Tuman moved to approve the revision to the site plan for Orchid Bay that protects the movement of the pump station.

Alderman Fred Handy seconded the motion.

Discussion

Alderman Richard Farley asked if that constituted a major change which would then extend the vested rights.

Ms. Hill responded that it is not a major change, it is just to move the pump station. Alderman Farley asked if then the argument would be to then extend the vested rights. Ms. Hill confirmed it would.

Alderman Fred Handy asked if that gives them two more years; Ms. Hill responded that was the case.

Alderman Richard Peters asked if the Planning Board approved the extension or change in the STP. Ms. Hill responded that the emphasis of their recommendation was the extension of the zoning vested right based upon their discussion of the necessity for the change to the site plan for the lift station, and when staff discussed it, it felt like the emphasis should be placed on the modified site plan, which, then brings in the extension. Mayor Knowles remarked that the Board has already voted on this.

Interim Town Manager Taylor explained that the in the North Topsail Beach Town Ordinance, there is no provision for the Board of Aldermen or the Planning Board to extend vested rights; if the Board approves the modification of the plan, then that approval will extend the vested rights. Alderman Richard Peters asked if that extension was for two full years, which Mr. Taylor confirmed. Alderman Farley asked what would stop someone from changing some little thing on another plan to get the same benefit, and

Mr. Taylor stated that there is nothing to stop an applicant from doing that; Alderman Handy added that "as long as the Board approves it."

Mayor Pro Tem Larry Hardison asked if the modification would be with the lift station. Mr. Taylor stated that it was in an easement and they have since had to move it out of that easement; and that the first plan that the Board saw was a preliminary plan and further engineering work has necessitated the change.

Alderman Farley stated that he questions whether they have the land they say they have with the new high tide mark, and there are still a lot of issues with this particular property, and whether the space is there. Alderman Farley explained to those who had not been on the Board when the issue originally came before the board, that the issue was if the land on the ocean side really exists. The high tide mark has put it in to public trust waters and if that land is not there, then the number of units would be in excess of what they should have through a PRD.

Vote

Mayor Pro Tem Larry Hardison and Aldermen Handy, Tuman, and Peters voted to approve the request to modify the site plan. Alderman Richard Farley voted nay.

Action

The motion passed and the request to modify of the site plan for Orchid Bay, a Planned Residential Development was approved.

New Business

- b. Rezoning R-07-09

Public Hearing Petition

The petition of Curtis Jackson to rezone .977 acre tract from Con-D, Conservation District to R-10, Residential 10 located near the end of River Road. CASE #R-07-09 – TAX PARCEL ID 778-12.1, 778D-13, 778D-14.1, 778D-13.1 and 778D-14

RECOMMENDATION

The Planning Board recommends that the Board of Aldermen to take no action on the rezoning request until the subdivision recorded as MB 47 P 197 Tax Parcel ID # 778-12.1, 778D-13, 778D-13.1, 778D-14 and 778D-14.1 is in compliance with the Zoning Ordinance in accordance with the Subdivision Resolution adopted by the Board of Aldermen on September 7, 2007.

Motion

Alderman Dan Tuman moved that on the issue of the rezoning for the property referred to by the zoning officer referencing request to rezoning on #R-07-09, be held in abeyance until there is a correction to the recording of the subdivision at that location per the Ordinance of the Town of North Topsail Beach. Alderman Richard Peters seconded the motion.

Discussion

Alderman Richard Farley asked Alderman Tuman if he was saying that our ordinance requires this subdivision issue be straightened out first.

Alderman Dan Tuman referred to the Town Resolution that the Board passed two months ago, that said in the cases of illegal subdivisions, before any building permits or requests for rezoning are heard, that we would ask the property owner to remedy any legal issues per the Town Ordinance, prior to hearing, and we identified certain processes that a person could pursue. Alderman Tuman further stated that he believed this is the first case since the Board adopted that Resolution, and suggested that the Board now abide by it. In response to a question by Alderman Handy regarding his motion, Alderman Tuman clarified that his position was for the Board not to take any action to rezone per the Resolution adopted by the Board in the September meeting.

Alderman Handy seconded the motion.

Mr. Kilroy stated that for the past two years he has been handling this case originally approved by Ms. McLaughlin. The constant refrain has been it's an illegal subdivision, but up until this point no body has served a notice of abatement on the land owner and we have several maps that are on record. We are in process on this lawsuit; that is just a determination of a decision made by former Town Manager Tom Casell..

If you go back to the Resolution, the policy you adopted, it's one of the things we do, we gave them notice. Our Ordinance requires we give them notice. You just can't say it's illegal. If you want to say it's illegal, you have to give notice of abatement and enforce the Ordinance. That's what we need to do, according to our policy, and our Ordinance.

Alderman Tuman stated that he would amend his motion to include "the Town of North Topsail Beach give the owners notice that this property does not meet requirements of our Ordinance and it needs to be brought into compliance; and further, the notice should be sent by the Town within one week of this date."

Interim Town Manager Tom Taylor stated that it would actually go out tomorrow.

Alderman Richard Farley asked that Alderman Tuman make his motion again.

Alderman Tuman restated his motion as follows:

I move that "No action be taken on the rezoning request of CASE #R-07-09 – TAX PARCEL ID 778-12.1, 778D-13, 778D-14.1, 778D-13.1 and 778D-14, until such time as the property owner corrects the issues and brings this property into compliance with the Zoning Ordinances of the Town of North Topsail Beach; I further request that the Town of North Topsail Beach give notice to the property owner that this subdivision is in violation of such Ordinance, and that such notice be delivered within one week of today's date, which is November 1, 2007"

Motion seconded by Alderman Richard Peters.

Vote

The Board of Aldermen voted unanimously to approve the motion and take no action on the rezoning request until the Town of North Topsail Beach sends a letter of notice to the property owners within one week, and the owners have brought the subdivision into compliance with the Ordinances of the Town of North Topsail Beach.

Action

No action taken.

There were no speakers for the second Open Forum.

Town Attorney's Report

Robert Kilroy explained Jerry Convy's summons. This case was the result of a petition to the Board of Adjustment – a denial of a zoning permit requested by Seaside Development. We had two Board of Adjustment hearings. The Board of Adjustment upheld the decision of zoning. The remedy for the property owner at that point was to petition the Superior Court for a Writ of Certiorari. They issued the Writ, they are in the process of preparing a transcript to give to the Judge, then each side has 30 days to submit a brief - for or against the decision of the Board of Adjustment. It is usually presented orally. Then the Judge will sign one of those two orders and send it back. He confirmed to Alderman Peters that this is standard procedure and is part of the appeal process.

Mayor's Report

Mayor Rodney Knowles wanted to note that the Dixon High School Band has won many accolades in competitions during the last six weeks, including four first place finishes, four second place finishes, five third place trophies; and they have won one of the two Peoples' Choice Awards, and that is in combination of the Clinton High School Band Competition, the White Oak Band Classic and the Seaside Band Classic.

The Sound System will be in the later part of this month. In the back of the room is a Panaboard, a \$4,000 screen that we got as a freebie with our printer contract – it is a magical board; can be used as a white board, can email information on the screen, and it is a printer as well.

Mayor Knowles also reported that he had met with Major General Dickerson from Camp Le Jeune and Senator Harry Brown to discuss how the State and the United States Marine Corps can help North Topsail Beach and how we can help them. Mayor Knowles announced that this is the beginning of a good conversation to have a team approach with new goals and with the new influx of Marines coming in during the next two to three years, we are very important to each other. The Mayor then encouraged everyone to get out and vote on November 6th at the Town of North Topsail Beach Town Hall.

Aldermen's Report

Alderman Richard Farley urged all to get out and vote. Regarding campaign signs, he would like to see something done with them as we are bombarded. He thanked all present for coming.

Alderman Fred Handy was sorry Mike Yawn was not present, but he wanted to remind those who are running for office or thinking of running for office, that a violation of our campaign sign ordinance is \$500 per day per sign, while Alderman Handy's proposal is \$5 per day. He asked that the Interim Town Manager remind Mike Yawn that the penalty right now for violation of signs is \$500 a day. Alderman Handy said thank you to everyone present for coming out and said that he appreciated everyone's time.

Alderman Dan Tuman wanted to note that for those who are interested in the progress of North Topsail Utilities, and their ability to add additional capacity, to satisfy the outstanding backlog of requests for sewer taps, Karl Daniel, a regional vice president of Utilities Inc., the parent company of North Topsail Utilities, has notified ONWASA that the North Carolina Division of Water Quality has given authorization for the utility to construct phase one of their expansion, which will be about 300,000 gals per day in additional capacity, the equivalent of 800 taps, they forecast they will be online by the 4th quarter of 2008, and they are moving ahead with the major expansion to double capacity to two (2) million gallons, then a double again to 4 million gallons, and the engineering has begun on that. ONWASA is looking to become a customer for that additional capacity and handle the need in Sneads Ferry and Holly Ridge, which is outside the existing service area for the utility. This should unblock some building restrictions as a consequence of no sewer.

Alderman Richard Peters thanked everyone for being here. Mayor Pro tem Larry Hardison thanked everyone and said good night.

Alderman Fred Handy made a motion to adjourn; seconded by Alderman Dan Tuman. Vote was unanimous.

Mayor W. Rodney Knowles adjourned the Board of Aldermen meeting at 8:02 P.M.

Minutes prepared by Kathleen L. Clough, Clerk

Approved December 6, 2007



W. Rodney Knowles, Mayor

Town of North Topsail Beach

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W. Rodney Knowles, Mayor
Larry Hardison, Mayor Pro Tem
Aldermen:
Fred Handy
Daniel Tuman
Richard Farley
Richard Peters



Thomas S. Taylor
Interim Town Manager
Kathleen Lennon Clough
Town Clerk

North Topsail Beach Board of Aldermen Minutes

6 December 2007, 7:00 P.M.

The Town of North Topsail Beach Board of Aldermen met in the Town meeting room and the Honorable W. Rodney Knowles declared a quorum, calling the meeting to order at 7:04 P.M. Present were Mayor W. Rodney Knowles, Mayor Pro Tem Larry Hardison, Alderman Fred Handy, Alderman Richard Farley, Alderman Richard Peters, Alderman Daniel Tuman, Interim Town Manager Thomas Taylor, Town Clerk Kathleen Clough, North Topsail Beach Town Finance Director Mrs. Lydia King, Planning and Zoning Officer Deborah Hill, and Town Attorney Robert Kilroy

The Invocation was given by the Reverend Jesse Staton, Pastor, Faith Harbor United Methodist Church followed by Mayor Rodney Knowles leading the citizens present in the Pledge of Allegiance.

Alderman Richard Peters made a motion to amend to agenda to include a discussion of the waterfront access grants that are part of the Division of Coastal Management Notice that the Town received with a due date of February 29, 2008. Alderman Peters stated that he believes it is important for the Board to set the background for discussion of what they want to do and develop an appropriate proposal. Mayor Knowles stated that it would be Item B. under New Business. Alderman Richard Farley moved to add Item C. regarding the scheduled December 11th meeting concerning resumes for the new town manager position. Alderman Fred Handy moved to approve the agenda as amended. Alderman Peters seconded the motion, and it was approved unanimously.

COMMITTEE REPORTS

Beach Preservation

Dick Macartney, Chairman

This committee did not meet in November due to the holiday. The next Beach Preservation meeting will be held on December 12, at 6:30 PM.

Planning Board

Mike Yawn, Chairman

The Planning Board held our regularly scheduled meeting on 11-8-2007. Key results:

1) On the issue of the CONDITIONAL USE Case# CU-07-03: Application submitted by Kent V. & Marianne R. Phillips and J Wayne & Linda L Raiford for a swimming pool at 3724-3726 Island Dr. The PB held a public hearing on this topic and recommended by a 3-2 vote that the BOA approve this Conditional Use Permit.

2) On the issue of REZONING CASE# R-07-10: Rezoning application for 3.495 acres identified as tax parcel ID# 763-1.3, 809-60 and 809-61. Owned by CCAM LAND ASSOCIATES located off the northeast side of Island Dr. (SR 210) at the end of 23rd Avenue in STUMP SOUND Township. This involves rezoning from CON-D and MHR to CON-D and R-20. The PB held a public hearing and had lots of input.

The PB tabled action on this so that PB members could walk the property.

The land use team has supplied final changes to Holland and Associates and sometime in December Landin Holland should be getting the draft to the BOA for review.

Mr. Farley asked if there was an issue of untimely notification in regards to the Public Hearing. It was confirmed that citizens were not notified until the day of the hearing so it was tabled until a later date. Mr. Taylor stated that he thought the Ordinance required property holders to be notified a week or ten days prior to the hearing. Mr. Farley expressed that it is only fair that our citizens receive proper notification.

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Recreation and Appearance

Bill Horstmann, Chairman

Town Board Meeting: December 6, 2007

The committee held its regular monthly meeting on Tuesday, Nov. 13th and the main topics of discussion and planning included:

- Winter flowers have been installed in the various flower beds around town, including the fire stations, entrance signs and in front of Town Hall.
- Thanks to Thomas Best, Greg and J.J. for their work in installing the very much appreciated snowflake decorations, including the six additional snowflakes that the committee raised money for and purchased this year.
- Due to a lot of hard work and great help from the volunteers of the committee we completed the holiday decorations of Town Hall both inside and out. Thanks to the following people for their dedication to this major task:
 - Irene Coleman
 - Marjorie Delbaugh
 - Bev Green
 - Jean Miller
 - Bunny and Jim Milligan
 - Rose Peters
- We are interested in considering the possibility of having a NTB Tree Lighting Ceremony for the 2008 Holiday Season.
 - We feel it will encourage community involvement and build community spirit and encourage positive relationships with the citizens of our community.
- As committee chairman of the Appearance Committee, I would like to request your support in enforcing the trash can placement ordinance that you felt important enough to put in place. I thank you for your support in incorporating this as an ordinance of our town. We now need to follow through and have this ordinance enforced.
- I would personally like to thank each of the candidates who ran for a NTB office in the November election, for their punctuality in removal of their advertising signs. I understand the need for these, and I was very pleased at how quickly you responded to removing them.

Mayor Pro Tem Hardison asked where the Christmas tree would be, to which Mr. Horstmann explained that it would be located in area in front of Town Hall. The Committee would like to buy an artificial tree when they go on sale after the season. Mayor Knowles asked about planting a live tree; Mr. Horstmann wasn't sure what kind could survive in our climate with the sea spray and also have a nice shape.

Mayor Knowles thanked Bill and all the volunteers for all their help; he has received many compliments. The Town will leave the snowflakes up until the end of February as everyone enjoys driving through the Town and seeing them lit up. Alderman Farley asked if they considered decorations similar to Surf City – the committee did consider that but decided to stay with the snowflakes.

Board of Adjustment

Jerry Convy, Chairman

There were no pending issues and we had no meeting.

Interim Manager's Report, December 2007

Thomas S. Taylor

1. Eleven Manager Candidates were selected to receive the follow up questions. Two additional applications were received but did not score well enough on the first review to be added to the list of those receiving the follow up questions. The next review of candidates will be at 9:00 AM on December 11th. This will be an executive work session at which you will determine which candidates you will schedule for interview.
2. Staff has received the draft Zoning Ordinance and is proceeding with review. We will continue working with Ginger Booker on a number of changes. I anticipate the need for a joint work/review session in January. Alderman Farley asked if we could do these things in the evening. It was agreed that it would take place at 6:00 P.M. or 6:30 P.M. on January 23rd and January 30th.
3. Each of you should receive in the next week a copy of the Draft CAMA Land Use Plan. Once you have reviewed it we will schedule a work session with the Land Use Planning Committee.
4. I attended the following meetings: ONWASA Board of Directors, Planning Board, Chamber of Commerce, Beach Preservation Committee, and Topsail Island Shoreline Protection Commission.
5. The drainage problem at 247 Seashore Dr has been resolved by the installation of a French Drain. \$12,000. Several of the homeowners have called to thank the Town for looking at the problem. Alderman Farley said he thought the Board should see these contracts even when the money is in the budget if it is over \$5,000.
6. The street paving/patching scheduled for this year has been completed.

- 7. Chief Best has reported to me that the backhoe is in the shop for repairs and will be out of use for three to four weeks due to parts having to come from overseas.
- 8. Attending the NCBIWA conference in Carolina Beach were: Shelia Cox, Becky Bowman, Mayor Pro-Tem Hardison, Mayor Knowles, Mayor Elect Martin and myself. We met on several occasions with Coastal Planning and Engineers to discuss the draft EIS.
- 9. I have been served with a civil summons concerning La Costa development. This has been forwarded to our attorney.
- 10. I plan to attend a regional meeting in Havelock on December 12th on the disposal of treated waste water in our area. The meeting is sponsored by Eastern Carolina Council of Governments.
- 11. Mr Robert W Kilroy, Town Attorney has notified me of an increase in fees. Currently his fees are \$1000.00 retainer and \$150 an hour. The new fees, effective January 1, 2008 will be \$1500.00 retainer and \$200.00 an hour.
- 12. Update on Local and Federal Projects:

Local Project

CP&E will send out the DEIS by Friday, November 30th to all the involved agencies. The DEIS will be placed on the Town's website. Comments on the DEIS are welcomed and should be submitted to Mickey Sugg, COE, Wilmington Regulatory Field Office at (910) 251-4811. A public hearing will be scheduled to also allow for comments and questions regarding the DEIS. It is anticipated that the meeting date will be scheduled for January. A definite date will be announced after the DEIS is released.

Bird monitoring was made a requirement by the N.C. Wildlife Resource Commission. Monitoring requirements are a condition of the permits. Bird monitoring is going to be required one year pre-construction, during construction and post-construction, which is standard requirements. The bird monitoring commenced on November 19th in which all transect areas were surveyed. The inlet intertidal and over wash areas contained the largest amount of colonial waterbirds including several hundred gulls (4 different species and mostly juveniles), several hundred pelicans and numerous cormorants. The next bird monitoring survey is scheduled for November 30th. The data will be submitted to the agencies at the end of survey month.

Federal Project

The Surf City/North Topsail Beach project continues in the feasibility phase. The COE is using carryover FY '07 funds for current work on this project. The potential hard bottom areas must be investigated and documented. The contract for diving efforts on the hardbottom areas has been accepted. Diving activities should begin within the next couple of weeks. The diving investigation and confirmation should be completed by early January. The data should be available by the end of January.

- 13. Staff has filed a "Letter of Interest" for a FEMA Grant for Beach Renourishment.
- 14. We have contracted with Steve Mercer for the removal of Beach Vitex. To date all identified sites in the southern and middle sections of Town have been removed. He is now working on the northern section, New River Beach Club area.
- 15. We are able to send the Board packages via email now.
- 16. The Town Finance Director, Lydia King, is working hard on Toys for Tots and is doing a great job on collecting Toys and money.

Alderman Fred Handy added that if the citizens give cash, the Town gets a 10% discount on toys at Walmart.

Alderman Peters asked about item #6 – the street paving scheduled – and wanted to know where that was done. Mr. Taylor responded "All up and down the road." Alderman Farley asked if the Town did that or if DOT did it, and Mr. Taylor stated that we did the patching. Alderman Farley said that we were told that all of New River Road was supposed to be completely done. Mr. Taylor stated that he has a meeting with Robert Vause and we had been promised the road would be done this year.

OPEN FORUM

Bob Hale of 153 Old Village Lane asked where we stand with the election, stating that the vote was certified, and asked how long we will keep this board. He further stated that "we vote, it gets certified, nothing changes, as usual we don't have the gumption to take action and put the people in that were voted in."

Mayor Knowles stated that he would need to take it up with the Board of Elections. It was explained to him the vote has not been certified and State Statutes require the sitting Board to continue until the election is officially certified.

Sue Tuman of 3944 River Road spoke to the audience and stated that we have got to get toys and money to Lydia - we are looking shameful – we have until the 17th, come and see Lydia or buy Toys and put them in front of the tree. Last year we had 1,123 toys, this year we have 10.

Bob Swantek, 3772 Island Drive, a newly elected Alderman of North Topsail Beach, stated that the votes were certified, the election was not certified, and on a worse count, these appeals are costing our town money - they have lost three cases in a row and they will probably continue to lose. It is everybody's money, but it is futile. It's time that the real people get in and start doing what we're supposed to be doing.

CONSENT AGENDA

The Interim Town Manager referred to the Emergency Preparedness and Response Directorate's (EP&R/FEMA of DHS) FY 07 Assistance to Firefighters Grant Program and offered congratulations to Chief Thomas Best & Deputy Chief Moore for the effort they put into getting that grant.

Alderman Fred Handy moved to approve the Consent Agenda; Alderman Richard Peters seconded the motion. The vote was unanimous to approve the Consent Agenda.

The Consent agenda included the following:

- Board Minutes November 1, 2007
- Board Workshop Minutes October 30, 2007
- Department Head Reports
 - > Police Department
 - > Fire Department

❖ **GRANT AWARD NOTIFICATION**

Mr. Thomas D. Best Jr., Fire Chief / Public Works Director, and Deputy Chief Moore, G. F., received notice that their grant application submitted under the Emergency Preparedness and Response Directorate's (EP&R/FEMA of DHS) FY 07 Assistance to Firefighters Grant Program has been approved. This grant is for new turnout gear from head to toe, special washer for turnout gear and a special dryer for same.

The amount awarded to the Town of North Topsail Beach Fire Department is \$53,134.00.

The federal share is \$50,477.00 which is 95%, and the town's share is \$2,657.00, which is 5%.

- > Finance Department
 - ❖ Benefits Accrual Report
 - ❖ Revenues & Expenditures - Budget vs. Actual Report
- > Inspection Department
 - ❖ Report of Permits Issued
- > Planning & Zoning
 - ❖ Planning Permit Applications
 - ❖ Call for Public Hearing to Consider Conditional Use Application

Case # CU-07-03: Case# CU-07-03: Application submitted by Kent V. & Marianne R. Phillips and J Wayne & Linda L Raiford for a swimming pool at 3724-3726 Island Dr.
The request was granted and the case will be heard at the Board of Aldermen meeting on January 3, 2008.

There were no public hearings scheduled.

OLD BUSINESS

A. 2006-2007 Town of North Topsail Beach Audit

The accounting firm of McGladery & Pullen presented the results of the Town of North Topsail Beach 2006 -2007 Audit. Mayor Knowles turned the meeting over to Mrs. Lydia King who introduced Gary Ridgeway to present the completed audit. Mr. Ridgeway stated that there was new staff and upheaval during the time of the audit. A few things are different this year. Page 1 & 2 are the only pages the auditors own, that is their opinion, the rest is the Town's financial statement. The Auditors offered a clean opinion which is the highest we can offer. We did not find anything that would cause us to have a qualified opinion.

Mr. Ridgeway explained that GASB 34 means you have to put in a MBNA or management discussion. It gives you the highlights. He further explained that the Page 13 balance sheet lists four funds. \$1.2 Million in reserve fund balance, in the previous year the town had financed Hurricane Ophelia and had not been reimbursed from FEMA. About 50 % of normal expenditures is in undesignated reserve funds. Most Towns run that amount on the coast to cover hurricanes and beach nourishment. Cash \$2.5 million, \$1.2M in beach nourishment, the rest in general fund.

Mr. Ridgeway advised that next year, with additional sales tax, the money be put into the capital reserve fund for other projects. Mr. Ridgeway commended the Board of Aldermen on making that change for this net year. Revenue in the General Fund is \$3.1M in revenue; 48-50% from ad valorem taxes, 10% in refuse tax, investment earnings is the rest, the Town can control about 60% of its revenue.

Offset with expenses, the Town does not have a large debt service and has not had to borrow funds. Expenditures \$2.5 million; \$2 million of that is in government expense and public safety – both are needed to serve the Town. Mr. Ridgeway again commended the members of the Board on their foresight and use of funds, and increasing taxes to be in a good position to plan ahead.

Mr. Ridgeway stated that the Town of North Topsail Beach is in a very healthy financial position having received funds from FEMA. Mr. Ridgeway emphasized that the Town is in an "excellent position at this point in time." Mr. Ridgeway referenced Page 16 - Revenues compared to Budget – and asked the Board to see where variances are – the majority of change was due to not knowing how much the Town would get back from FEMA and put them into the budget as a contingency when the Town did know what would be coming in; so "your budget did what you expected it to do.

North Topsail Beach didn't change the budget during the year and this is a good document to use coming into the next year." There is a \$680,000 increase over the prior year and that is why North Topsail Beach has a good outlook and a healthy fund balance. Mr. Ridgeway encouraged the Town to try to stay as close to this as possible.

Mr. Ridgeway distributed a letter describing the Auditor's responsibilities and asked if there were any disagreements or problems with adjustments in budget.

Alderman Richard Peters asked about deficiencies in internal control procedures, and whether management responded in corrective action. It was confirmed that all have been addressed.

Mayor Pro Tem Larry Hardison asked Mr. Ridgeway "how do you reconcile page 40 - this seems to sort of imply problems or things that need to be changed." Mr. Ridgeway explained that this is a change that has come about for small entities who have only one finance person.

Alderman Fred Handy asked if the outsourcing needs to be done on a monthly, quarterly or annual basis. Town Managers don't have to be accountants but need to be aware of what needs to be in them.

Alderman Richard Farley referred to a legal letter from Brach - no dollar amount was put in because we don't know. There is no allowance for accrual for litigation.

Mayor Knowles stated that the Board talked about having third party do oversight at their first meeting.

Alderman Richard Peters said that he appreciated the comments and thanked Mr. Ridgeway.

Mr. Ridgeway emphasized that a good healthy fund balance is what will get you through the hurricanes, especially when they hit month after month.

NEW BUSINESS

A. Renewal of the Towns' Contract with Marlowe & Company for TISPC.

Alderman Richard Peters, in concert with the Shoreline Committee shared equally with three towns, recommends approval of this contract to keep our federal projects on an ongoing basis; they have been successful in getting us financing in the past.

Motion

Alderman Peters made a motion to approve the contract in the amount of \$19,000.00; Alderman Fred Handy seconded the motion. Alderman Richard Farley stated that "we have paid for this contract much too long and the Town has not gotten \$106,000 in all the years with them. We are on track with the federal projects, and I'm not so sure we are on track with Marlowe." Mayor Pro Tem Larry Hardison stated that he thought this item is not something we are in all by ourselves, it is an agreement we made with other towns and there is a commitment not to pull out because it is someone we have in Washington and it would be unfortunate if we pull out of the agreement with the other towns and he thought it has been worthwhile. Alderman Farley said that we will benefit maybe 20% and we are paying 33%.

Vote

The Motion passed 4-1, with Alderman Richard Farley voting nay.

NEW BUSINESS

B. Discussion of Grants for Beach Access.

Alderman Richard Peters brought up the opportunity for waterfront access funds of about \$3 million dollars for communities on the coast to apply for these funds for any projects or endeavors to improve ocean or intra-coastal access. Land acquisition, site improvement, must be accessible for people with disabilities. Alderman Peters suggested the board request public input and hopefully staff can explore alternatives and then as a Board we can come up with a final proposal. The deadline is Feb 29, 2008.

Alderman Dan Tuman said that we can do a public hearing, workshop, get the Recreation Committee involved, have a workshop before the next meeting and then a public hearing - let's see what we can do with some of the lots we own, and perhaps involve Mike Yawn, Chairman of the Planning Board.

NEW BUSINESS

C. Discuss Resumes of Town Manager Position.

Alderman Richard Farley proposed the Board delay the process until the election is settled and allow the new board to make this decision.

Motion

Alderman Farley moved that "we delay any further review of applicants until the new board is sworn in." Mayor Pro Tem Larry Hardison seconded the motion.

Discussion

Alderman Richard Peters suggested they get a discussion before they move to a vote. Mayor Pro Tem Hardison said that he goes along with Alderman Farley, but he thought where we were going was to narrow down things to the people we would eventually interview and had discussed the newly elected people would be involved in the interview of the candidates; if this thing goes on beyond the 19th then we might as well suspend the process.

Vote

Alderman Richard Farley and Mayor Pro Tem Larry Hardison voted yea
Aldermen Fred Handy, Richard Peters and Dan Tuman voted nay

Action

The meeting will be December 11th, 2007 with Judy Hills to review resumes of finalists.

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OPEN FORUM

Bob Fox of Third Ave asked if there is there any way we can suspend rezoning request until we get a Town manager and get this election resolved?

Bill Walsh, 100 S Permuda Wynd, stated that he wanted to get the election resolved; the result was clear who won – why are we not moving forward with the newly elected officials? Do we have an injunction?

Alderman Richard Farley responded saying that the General Statutes say that as long as you have protests the votes cannot be certified.

Bob Hale, 153 Old Village Lane, asked what if Alderman Fred Handy decided he didn't want to stay on?

Linda Knowles of Island Drive stated that "Its nonsense like I just heard that stopped me from coming to these meetings. The vote regarding Beach Nourishment has been used long enough. That's about the silliest thing that has come along in a long time, nobody wanted it, no one would have approved it. Get a new vote as to what the people of this town really want."

Carol Evans thanked Linda Knowles and Bob Hale as she was able to hear them clearly, and congratulated the Town on the new sound system.

ATTORNEY'S REPORT

Robert Kilroy

Received a Draft of new zoning ordinance.

Litvak litigation – lawsuit against town 3 years ago by developer Litvak asked for a zoning change on a piece of property. The whole issue came down to whether we needed a super majority. The Judge said we denied him due process. The amount of damages – the Judge didn't make a decision but said for parties to sit down and discuss it. Brian Edes is finished with Litvak and will start the Melling Lawsuit – a few people, including Gene Casey, Loraine Carbone, and Brad Smith, will give depositions this month.

The Mark Evans case – we are still waiting for a transcript to get finished. Once that's done he will tell the judge why they should over rule the Board of Adjustment and whether he had a vested right in the property so we couldn't deny him a building permit.

The Jackson property has come off inactive status and will file a motion to amend his complaint. Asked to have five lots.

La Costa was denied a building permit – it expired.

MAYOR'S REPORT

W. Rodney Knowles

The Mayor reported that he attended the Beach and Waterway in Carolina Beach Association and spoke with Marlowe; he has also been working on CBRA with us. Regarding the Static Line – the Mayor has a couple of documents and a presentation that David Owens gave on water access and beach access which he will distribute to the Board. Mayor Knowles wished everyone a Merry Christmas and Happy New Year.

ALDERMEN'S REPORT

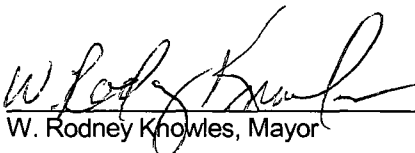
Mayor Pro Tem Larry Hardison wished everyone a Happy Holiday Season and a good night. Alderman Richard Peters thanked everyone for being there. Alderman Fred Handy wished everyone a Merry Christmas.

ADJOURNMENT

The Honorable W. Rodney Knowles adjourned the meeting at 8:57 P.M.

Minutes prepared by Kathleen L. Clough, Town Clerk

Approved January 3, 2008


W. Rodney Knowles, Mayor