

TOWN OF NORTH TOPSAIL BEACH
EMERGENCY BOARD MEETING
JANUARY 8, 2006
2:00 P.M.

PRESENT:

Mayor W. Rodney Knowles, Mayor Pro-tem Larry Hardison, Aldermen Richard Farley, Richard Peters and Daniel Tuman, Loraine Carbone, Interim Town Manager, Thomas Best, Fire Marshal, Gene Casey, Building Inspector

NOT PRESENT:

Alderman Fred Handy

QUORUM:

Mayor Knowles called the meeting to order at 1:00 p.m. in the North Topsail Beach meeting room and declared a quorum present.

BULL DOZING CONTRACT:

Mayor Knowles noted that late Friday staff and he met in regard to the discrepancy of the areas that would be pushed by ES&J. The contract read that there was 41,576 linear feet out of 63,360 linear feet. Mr. Casey said that there were gaps in the map that left voids in the dunes that wouldn't be pushed to form a berm. Mr. Best said that he rode with Mrs. McLaughlin to review the breaches and he understood that it would all be pushed. Alderman Farley was concerned that the gaps would create a wash out. ES&J said that it would cost an additional \$108,920.00 to fill in the voids. Alderman Peters felt that it was ludicrous to pay any additional funds.

Alderman Tuman moved, seconded by Alderman Farley to authorize 21,784 linear feet at \$5.00/linear foot to complete the bulldozing project.


Mayor Pro Tem Hardison agreed that they were being held hostage, but they had no choice and he said he would vote for it. He couldn't understand why no one spoke to Mrs. McLaughlin regarding this contract after she left her employment with North Topsail Beach. Alderman Peters questioned the emergency to approve this and Mayor Knowles said there would be vulnerable spots if it wasn't all pushed. Mr. Casey noted that sand is gone because of the whirlpool effect where it hasn't been pushed.

The motion passed three to one with Alderman Peters opposing.

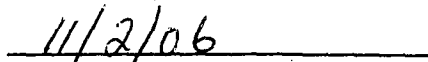
ADJOURNMENT:

Alderman Tuman moved, seconded by Mayor Pro Tem Hardison to adjourn the meeting at 2:50 p.m. The motion passed unanimously.

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



Mayor W. Rodney Knowles



Date Approved

450

**TOWN OF NORTH TOPSAIL BEACH
REGULAR BOARD MEETING
JANUARY 5, 2006
7:00 P.M.**

PRESENT:

Mayor W. Rodney Knowles, Mayor Pro-tem Larry Hardison, Aldermen Richard Farley, Fred Handy, Richard Peters and Daniel Tuman, Loraine Carbone, Interim Town Manager, Ray Blackburn, Jr. 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:

Alderman Peters requested that priorities for beach nourishment be added and he had a number of other additions and Mayor Knowles noted that he would need to address these issues prior to the meeting for proper paperwork to be available. Alderman Peters also requested that the Town Manager search be placed under old business and debris at the north end be placed under old business e.

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

COMMITTEE REPORTS:

Beach Nourishment Committee:

Mrs. Carbone informed the Board that this committee did not meet in December. Alderman Peters noted that at the last Board meeting the Beach Nourishment Committee asked for two requests from them asking for direction from the Board. Since we have a meeting set for January 17th, he felt it would be an opportunity to discuss beach nourishment issues. Mr. Macartney noted that a hearing would have to be held to begin the process of deciding if we want to pass a resolution for a bond issue. Alderman Peters said that there are separate issues within the community and we need to solicit their opinions. This is a costly endeavor and there are different view points. Alderman Farley asked if the beach nourishment committee's direction was going in one district and he noted that nothing was ever brought to the public. Alderman Farley felt that the Project Delivery Team was deciding alternatives and this has not been brought to the people yet and the

1/05/06

PDT minutes talk about houses that might be lost. Mayor Knowles said that their meetings are open to the public and that he has attended them. Do we need to see if we can fund this before we continue down this road - especially since the cost of sand is going up and we need to start to hold some meetings? Mayor Knowles said that we need to set up a workshop with the Board the last week of January.

Alderman Tuman noted that an action item at the last meeting by the Beach Nourishment committee requested our reaction to the beach nourishment question and answer document and he asked what the committee was looking for. There was nothing specific where the Board had to make a decision. Mr. Macartney suggested that the Board talk about it, support it and proceed in getting issues resolved in a timely manner. The first step is to hold a public hearing and then pass a resolution to fund beach nourishment. We need to go to Raleigh to see what we need to borrow, what our strategy should be and investigate the bond issue. Mr. Macartney spoke with the Board of Elections and we can't have a bond referendum in May because it would be too costly at a price of \$20,000.00. The timeline, if not until November, is to get the first taxes in 2007, then in 2008 the bids are out and we push sand in 2008. If we want to move it up to 2007 we need to move the Public Hearing up to get an election in May.

Alderman Tuman said that he was still not clear when we would have a proposal as to specifically what beach nourishment project the town was pursuing. Will we use a private contractor, what will the beach look like, do we have an Inlet Management Plan, do we have a routine management plan? He did not see the Board near a tangible proposal. Alderman Tuman also asked what our beach nourishment project was. Alderman Peters felt that we should get direction from the people.

Planning Board – Mike Yawn, Chairman:

Mr. Yawn said that the Planning Board was working on some ordinances in regard to landscaping and commercial development and they are using Surf City as models. They are also reviewing accreted land and zoning for that. In regard to the zoning maps, the Planning Board will help with that. Mayor Knowles said that he contacted John Parker and he will work on the original maps in concert with the County maps and will do an overlay. Mr. Yawn noted that he was elected Chairman of the Planning Board and that he would serve at the Board's pleasure. Alderman Tuman requested that they review the make up of the Planning Board's alternates.

OPEN FORUM:

Mike Yawn said that Holly Ridge had asked the County to change the commissioners by township. He felt that it was a great idea since we don't have

1/05/06

much representation. Alderman Farley noted that there were voter right issues and the justice department is involved. Mr. Yawn said that their elections were like that before. Alderman Farley said that it is a big issue and he agreed with the idea of representation and we do need to have equal districts. He noted that a Beach nourishment meeting was held at Dixon last year and it would be instructive to look at the information that was taken during that meeting. The project doesn't include building dunes in the north and south. Alderman Tuman said that permits should require a profile and a dune as a requirement. There were questions on inlet management and they don't explain how it will be maintained. That channel moves quickly. Mayor Knowles noted that the PDT meetings are important and we have the minutes if anyone would like to see them.

Carol Evans said that she had a copy of the report that Alderman Farley was quoting from and there are marked points, but at the end there are so many conflicting pieces of information. We need to have a strong dose of reality. We are approaching a large increase in taxes and we need to understand what the beach nourishment money is before voting on anything.

Bob Swantek said that Myrtle Drive does not exist anymore since the Town took it over for public beach access. He said that when the street was given back it was split between land owners. He asked why the Town took over this property. He noted that there is a lot of vandalism there and if it is not a valid beach access the property should go back to the homeowners.

CONSENT AGENDA:

The consent agenda consisted of the December 1st and 12th Board Meeting minutes, Department Head Reports, Benefit Accrual Report, Right Angle Engineering Contract, Carver Street Beach Access Grant and Resignation of Jim Milligan from the Planning Board. Alderman Farley requested to pull Right Angle and add it to old business F and to pull Carver St. Parking and add it to old business G.

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

OLD BUSINESS:

a. Resolution to Establish a Public Hearing Amending Height Limit:

Alderman Dick Peters has requested that the Board review the 50 ft. building height issue and if the Board is in agreement, to hold a public hearing on February 2, 2005.

Chapter 7 Sec. 7-143. Height limits. A. No building may be constructed in North Topsail Beach with a height exceeding fifty (50) feet as measured from

1/05/06

the lowest adjacent grade of the property as established by a recent (sixty days (60)) elevation certificate to the peak of the roof.

The members were given minutes from October 18, 2004, November 4, 2004, November 18, 2004 and December 2, 2004 which all address the building height matter.

Alderman Peters made a motion to reduce the height limits of residential buildings to 45 feet from the existing 50 feet. He felt that the nature of the construction has gone up and enormous buildings were being constructed. It is an impact on the nature of the community, stressing the infrastructure, parking, building on septic systems, and he felt that it was not what the citizens desired. It is leading to a form of housing that is primarily rental and this is not the nature of this community for our long term plan for the Town.

Alderman Peters stated that 45 feet is an acceptable height limit to build a satisfactory house. Mayor Knowles noted that when it was 45 feet it was measured in a different way. When the 50 feet came in it was a flat 50 foot maximum. Alderman Peters said the newer homes are much higher and it is an injustice to the citizens. He said that the density of the buildings is out of line. It needs to be a flat 45 feet and not open to interpretation. The mandate that we received as new Aldermen conveyed a message that the community did not want out of control growth.

Alderman Tuman questioned if he was asking for a public hearing to change the ordinance from an ordinance that reads that it is measured from ground to peak, 45 feet. That would be more restrictive than what we have had in the last 10 years and would make most of our buildings non-conforming. Alderman Handy said we don't need to debate the issue if we will have a hearing.

Alderman Handy suggested that they don't vote on the resolution and to just vote to have a public hearing.

Alderman Peters moved, seconded by Mayor Pro Tem Hardison to hold a Public Hearing for an Amendment to the Planning & Zoning Ordinance Chapter 7 Sec. 7-143. Height Limits for February 2, 2006. The motion passed unanimously.

b. Parking on Ocean Drive:

Mayor Pro Tem Hardison has requested that the Board review the issue of parking on Ocean Drive. The Board reviewed minutes of October 14, 2003 and comments at a January 2, 2004 Board meeting in which this issue was addressed.

462

1/05/06

Mayor Pro Tem Hardison said that a resolution was prepared by Ocean City residents requesting the prohibition of parking on both sides of Ocean Drive. He requested that the Board revisit this because of the hard work on beach nourishment. On Ocean Drive, the problem is that there is no effort to protect the dunes and parking should not continue to create erosion problems. It is costly and counter productive to the Town and we need to preserve what we have and ensure codes are adhered to. We need to block off or redesign the emergency access at the end of Gray Street since there is parking of large boats and 4 wheelers. It is time to make a decision on getting signs on the street to preserve the dunes.

Mayor Knowles said that he addressed this issue with Chief Salese and Mayor Pro Tem Hardison noted that he spoke with the Chief and Don Betz and people on this panel and nothing has been done. He said it was illegal to do it and they ignore that and we need to stop it by getting the signs up.

Alderman Farley questioned if we had put no parking signs on Topsail Road? He said that after the hurricane, people were concerned that they planted their dunes and we were sending in bulldozers and that would destroy that. We need to keep people off the dunes and we need sand fence and plants to stabilize the dunes. Alderman Tuman said that he did see a dune abutting the road and people parking along there. He asked if anyone in that neighborhood was opposed to the signs. Mayor Pro Tem Hardison said no and we continue to ignore the situation and the Police have been contacted. Alderman Tuman said that there were two issues, informing the public that no parking is permitted and there will be an enforcement issue.

Alderman Tuman asked the Board if they wanted to proceed with a Public Hearing. Mayor Pro Tem Hardison felt that the Town should just take care of it and there should be no reason for a delay. Mayor Knowles noted that it's a public street and you would need a reason to put up no parking signs. Mayor Pro Tem Hardison said that signs could be put up and the manager has the authority to do that. Alderman Tuman said that there was no objection by the Board, but the question is do we want the public to have one shot at it, or are we advocating that we decide to approve no parking. Mayor Knowles said you would be making a no parking ordinance on that street. Mayor Pro Tem Hardison reiterated that the manager has the authority to do that since there were signs there two or three years ago. Mayor Knowles said we would have to have a hearing. Mayor Pro Tem Hardison questioned why we would need an ordinance and Mayor Knowles said that you are telling someone they can't do something. Mayor Pro Tem Hardison noted that in the emergency access, people drive on the beach, it's wide open and there are no restraints. Last year there was a mild rain, water came over the flattened area and moved towards Highway 210. At the end of Gray Street we need some kind of restraint.

1/05/06

Mayor Knowles noted that in January there is little traffic and he suggested that the police and fire departments review this issue and make a decision at the next meeting. Interim Town Manager Carbone suggested that this issue be put on the Special meeting set for January 17th. Mayor Pro Tem Hardison said that his concern is that this would be the exact pattern that he had before and then nothing gets done. Mayor Knowles said that it would be discussed on the 17th for a vote.

Alderman Tuman noted that this was a sensitive issue and he would support a "no parking" resolution for Ocean Drive pending information on the 17th of January. ***Alderman Tuman moved, seconded by Alderman Peters to continue this issue. The motion passed unanimously.***

c. Trash Receptacles:

Alderman Dick Peters has requested that the Board review the return of trash receptacles from the road.

This issue has been discussed at past meetings and the consensus was that it would be very difficult to monitor trash cans that were not placed back after a 24 hour period. Our past manager did produce a paper dated July 1, 2005 on information that staff collected in regard to containers.

Staff suggests that the rental agencies be held accountable for returning the cans to their appropriate places and we will send out a letter to them to set up a meeting in early February.

Alderman Peters said that this issue is impairing the aesthetic of our neighborhood and it needs resolution and not continued discussion. The proposed timeframe of 24 hours before and after to be returned underneath the house with punitive fine or civil penalty if there are infractions should be implemented. Alderman Farley said that it should contain a provision that they have to be removed. We need to come up with a way to do that and if it needs a fine then get it done. Alderman Handy directed the manager to get prices to pick up trash. Alderman Peters said that we need to implement time constraints. Alderman Handy suggested getting bids from Waste Industries and two others.

Alderman Farley moved, seconded by Alderman Handy to make the ordinance work and with a plan to have the cans removed from the streets in a reasonable amount of time with a methodology with enforcement and penalties and have it available by Feb. 2nd. The motion passed unanimously.

d. Town Manager Search:

Alderman Peters stated that the Board was in the process of working with the consultant to guide us. The Aldermen met with Mr. Maxwell on the 12th of

1/05/06

December and reviewed a list of criteria for a manager. He submitted the results back to the Board and there were a significant number of redundancies and it was not the best written manuscript. Alderman Farley said that he had submitted changes and we haven't heard anything and Mr. Maxwell put a sense of urgency to get our responses and we haven't heard from him. Alderman Peters requested that someone call him and find out what is going on.

e. Surplus property:

In regard to the vehicles to be surplus, Alderman Farley suggested contacting the League of Municipalities and to use Gov Deals since there is an opportunity to surplus property online for reverse auction. Gene Dillman is the consultant with the League.

Alderman Handy moved, seconded by Alderman Tuman to approve the Resolution Authorizing the Disposition of Certain Personal Property by Private Sale but to also contact the League of Municipalities to use Gove Deals to do so. The motion passed unanimously.

RESOLUTION AUTHORIZING THE DISPOSITION OF CERTAIN PERSONAL PROPERTY BY PRIVATE SALE

WHEREAS, The Board of Aldermen of the Town of North Topsail Beach desires to dispose of certain surplus property of the Town.

NOW, THEREFORE, BE IT RESOLVED by the Board of Aldermen that:

1. The following described properties are hereby declared to be surplus to the needs of the Town of North Topsail Beach:

1998 Dodge - 1500 4X4 V8 Engine, 107,781 miles, Vin #60647, minimum bid \$1,000.

1998 Ford Expedition - 4X4 5.4 V8 Engine, 114,655 miles, Vin #15365, minimum bid \$2,500.
2. The Town Manager is authorized to dispose of the described property by sealed bids or private sale at a negotiated price and is also authorized to accept or reject any and all bids.
3. The Town Clerk shall publish notice summarizing this Resolution in accordance with G.S. 160A-267.
4. The sale may be consummated not earlier than 10 days from the date of publication.

Duly adopted the 5th day of January 2006.

1/05/06

f. Right Angle Contract:

Alderman Farley said that contracts should be approved by a resolution or by an ordinance and he did not agree with Attorney Kilroy's position. The motion was to approve the agreement with D.O.T. for the bike path. The verbiage was about executing a contract only and the Board did not approve the contract. Alderman Farley preferred that we formally approve a contract.

Mayor Knowles said that he trusted Attorney Kilroy's opinion. Alderman Tuman said that he has read the attorney's opinion and he didn't like it and he felt that the Board was authorized to approve contracts and the motion was to enter into an agreement with D.O.T. and commit ourselves for engineering services, but it didn't commit us with Right Angle Engineering.

Alderman Tuman moved, seconded by Alderman Handy to enter into a contract with Right Angle Engineering to the terms agreed between them and Mr. Cassell and in the future to ensure that town staff and the Mayor and Attorney have all contracts approved by the Board of Aldermen.

Alderman Farley requested that Right Angle Engineering break down the costs by our budget line items and he would like to see the details so we can monitor our budget. ***The motion passed unanimously.***

g. Carver Street Beach Access Parking Grant:

Alderman Farley asked if there would be ramifications of putting parking in people's communities. He felt that we haven't moved far enough with beach nourishment to be concerned with beach access that the Corps requires. We need to resolve the issue with Ocean City and parking. Mayor Pro Tem Hardison said that he was concerned that people didn't know that we were doing this. Mayor Knowles said that public hearings were well attended in regard to this proposed grant for parking.

Alderman Tuman asked Mr. Macartney, Chairman of Beach Nourishment, if we had to support beach parking accesses. Mr. Macartney said that it is a requirement for federal money. The mandate is to take into consideration public parking and if the environmental agencies find us worthy and getting parking now gives us time to do the right thing. Alderman Tuman asked if the Corps will require this and if we do a private project with state funding, would they require public beach parking access too? Alderman Farley noted that the state does not have a mandate for beach access.

Mayor Pro Tem Hardison asked if there was a large attendance at the public hearing on this issue and he said he didn't know about it. Alderman Tuman asked if the transportation committee had any input on this. Mayor Knowles said that the Board reinstated the Transportation Committee and this has been in the process. Alderman Tuman noted that we are creating parking spaces and beach accesses and this seems to be consistent with that direction.

1/05/06

Alderman Tuman moved, seconded by Alderman Handy to approve the Carver Street Beach Parking Access Grant. The motion failed with Aldermen Peters, Farley and Mayor Pro Tem Hardison voting nay.

NEW BUSINESS:

a. Marlowe & Company Contract:

The Board of Aldermen reviewed a proposal to extend the current contract between Marlowe & Company and Topsail Island to provide governmental affairs consulting and services from January 1, 2006 through December 31, 2006.

The only change from last year's contract is on page 3, item "E" where the monthly cost of their services has been increased from \$3,750 to \$4,000 a month for an increase in a total yearly contract cost from \$45,000 to \$48,000. (This cost is shared between the three towns)

Topsail Beach approved this contract on December 14th and Surf City will have this item on their January 10th meeting.

Mayor Pro Tem Handy moved, seconded by Alderman Tuman to approve the contract between Marlowe & Company and communities of Topsail Island to provide governmental affairs consulting and services from January 1, 2006 though December 31, 2006. The motion passed unanimously.

b. Appointments to Beach Nourishment Committee:

Buddy Godwin and Lee Williams have applied to become members of the Beach Nourishment Committee. Both individuals are residents and are registered voters.

Alderman Handy moved, seconded by Alderman Tuman to approve the applications of H. E. Buddy Godwin and Lee Williams to the Beach Nourishment Committee. The motion passed unanimously.

c. Budget Amendment #5:

Following are highlights with explanations:

- (1) Town Manager Search offset by deduction in salary line item
- (2) Increase in Premium after Workers Comp Audit was completed by NCLM offset by Insurance & Bonds Line item
- (3) Monies for purchase of PD car Offset by revenue received from bank
- (4) Line item increased due to making a Man lift for loader by having this man lift made we no longer have to rent equipment to put up and take down the snowflakes in the future

1/05/06

We received \$200,000 from the County for the Accommodations tax. As you know, we budgeted \$300,000, but Onslow County approved the \$200,000 after we had already passed our budget.

Alderman Farley questioned the salary of the Capital Project Coordinator and noted that this position was allocated to a lot of different areas. He also asked if the salary was increased by \$8,000 and if she was working that much more on these projects and if so, that would be problematic. Alderman Handy questioned if we were reimbursed by the Topsail Island Shoreline Protection Commission for her time. Alderman Farley felt that we should have a clearer understanding of where the money is going. There is 60% more time for beach nourishment and on the income side, the county did not allocate \$300,000 and the accommodations tax is going up.

Alderman Farley asked how we could go in and pay for dune pushing by adjusting other accounts. If we go to accounts by a quarter million dollars, how could we take all our administrative costs and reduce accounts drastically to cover the cost of pushing sand. Alderman Farley noted that he had called the State Treasurer's office and we need to allocate it to the capital reserve fund and not to the expense account. We would need to do a budget amendment when we bring it back.

Alderman Tuman felt that the increase of revenues of \$15000 should not be artificially placed in other accounts which show inflation of salaries and expenses and capital reserving and asked that this issue be continued to the January 17th meeting.

Debris on North End:

Alderman Peters noted that there are unsightly locations on the northern end and there is still trash there since the hurricane. Mrs. Carbone said that nuisance letters have been sent out.

Alderman Farley said that there were wires sticking out on the north end. Mrs. Carbone said that she would have staff check on that.

Alderman Tuman said that we need a point person in town to have the responsibility of the appearance of the community and also to be in charge of dune damage.

MANAGER'S REPORT:

1. On December 12th, the Board met with John Maxwell, Springsted, Inc. to review the criteria in hiring a town manager.

469

1/05/06

2. On December 13th, staff met with Riverside Sand and ES&J and Jon Giles of CAMA to review the bull dozing project.
3. On December 14th CP&E held a Project Delivery Team meeting at Town Hall.
4. On December 15th staff attended a Corps meeting in Wilmington.
5. On December 20th staff and Aldermen Hardison and Tuman attended an Inlet Dredging meeting in Wilmington and we are following up on the suggestion that the State cost share with towns and counties.
6. On December 21st Topsail Island lost an advocate for beach nourishment when Steve Walter had a massive stroke while running.
7. On December 21st the Town's website was updated and staff has received positive input on the new look!
8. On January 4th the bulldozing project began and the completion date is March 31st.
9. Rose Marie Martin has informed staff that the Town Park was enjoyed by many families over the holidays and the park is immaculate. A suggestion was made to provide a container for cigarette butts since that is the only problem at this time.

UPCOMING MEETINGS:

1. The Mayor and Aldermen Hardison and Tuman will meet with Onslow County Manager, Frank Clifton on January 10th in regard to the Inlet Dredging cost share proposal by John Morris, NCDENR.
2. The Mayor and Board of Aldermen will attend the Essentials of Municipal Government on January 11th – 13th in Wilmington.
3. Town Hall will be closed on January 16th for Martin Luther King, Jr. Day
4. The Audit Workshop will be held on January 17th at 10:00 a.m.
5. The Four Town Meeting will be held on January 19th at 6:30 pm at the Mainsail Restaurant.
6. On January 20th, Attorney Kilroy will conduct a training session for the Board of Adjustment.
7. Mrs. Carbone will attend the Annual Clerk School in Raleigh and will be out of the office the afternoon of January 24th through January 27th.
8. The Mayor's meeting will be held on January 25th.
9. The Army Corps of Engineers will conduct a site visit to NTB on January 30th and 31st.

1/05/06

MAYOR'S REPORT:

Mayor Knowles said that Commissioner Joe McLaughlin called him regarding the County meeting where discussion will take place on helping Bogue Inlet get funding for dredging and he said that many of us should go to show support. Alderman Tuman noted that if they give money to Bogue Inlet they will compete with money we will need. The meeting on the 10th is to try to get county funds to get sand put on our beach.

ALDERMEN'S REPORT:

Mayor Pro Tem Hardison thanked people for bearing with us tonight and hoped that some things that were discussed you felt attachment to it. He said he liked the persistence of one of the new members and he also felt that a lot got done tonight and we will continue to do better to confront other issues.

Alderman Peters thanked everyone for attending. He said that we are trying to respond to what the community wants and what the voters expect of us and he tries to bring up the issues of concern. We need to make this a better community by asking for improvements to keep it livable. He said he was upset that we as a tourist destination are abused by our visitors. This island is for citizens as well as tourists. The height down to 45 feet will control the large houses that are detrimental to our infrastructure.

Alderman Tuman reported on the meeting that he attended on December 20th in regard to dredging the inlets. Where they are planning on dredging the New River Inlet is undesirable and the navigation channel affects the erosion on the north end of town from the Topsail Reef to the New River Beach Club. The meeting with the county on January 10th will be to see if they are interested in funding the dredging and we could become the beneficiary of the sand. The meeting with the Department of Water Resources was to address getting the Corps to do a pipeline dredging of the inlet and move it to the south end of town.

Alderman Handy said that he appreciated everyone coming out tonight and said that it was important that everyone take a part in the meeting.

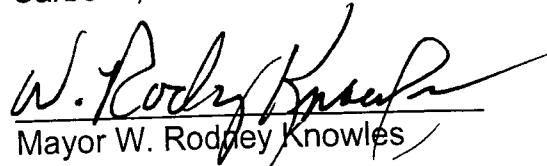
Alderman Farley commended Alderman Tuman on addressing the issue of dredging. There was a story in the paper that Carteret County is looking for funds. He said that he has received an email concerning the geodetic survey. Mayor Knowles noted that Christina Watkins has requested information from Mr. Priddy in regards to the information and they have not sent a letter back. Alderman Tuman asked how the number affects the survey. Mayor Knowles said that they use landmarks that have been here for a long time and they are updated each year.

470
1/05/06

ADJOURNMENT:

Alderman Handy moved, seconded by Alderman Tuman to adjourn the meeting at 9:30 p.m. The motion passed unanimously.

Minutes prepared and submitted by Loraine M. Carbone, Town Clerk for North Topsail Beach.



Mayor W. Rodney Knowles

3/2/06
Date Approved

**TOWN OF NORTH TOPSAIL BEACH
PUBLIC HEARING AND REGULAR BOARD MEETING
FEBRUARY 2, 2006
7:00 P.M.**

PRESENT:

Mayor Pro-tem Larry Hardison, Aldermen Richard Farley, Fred Handy, Richard Peters and Daniel Tuman, Loraine Carbone, Interim Town Manager, Christina Watkins, Deputy Town Clerk, Robert Kilroy, Attorney

NOT PRESENT:

Mayor W. Rodney Knowles

QUORUM:

Mayor Pro-Tem called the meeting to order at 7:00p.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.

OPEN PUBLIC HEARING

Alderman Handy made motion seconded by Alderman Peters to open the Public Hearing on Presentation on Land Use Plan by Landin Holland.

Presentation on Land Use Plan by Landin Holland

Landin Holland of Holland Consulting Planners, Inc. discussed the preparation of the Town's CAMA Core Land Use Plan and to review the Citizen Participation Plan.

Mr. Landin Holland stated it is time for North Topsail Beach to update their existing CAMA Land Use Plan (LUP) adopted in 1997. He said that the State has written and adopted new guidelines, which will result in a more comprehensive plan for the Town. The Town has received a grant in the amount of \$35,000 for the updates. \$21,000 of that is grant funding and a \$14,000 local match. The updating process will take place over a 2 year period. The first year will mainly involve collection of data, economy and population information and an analysis of all of the Towns natural systems and AEC's (area of environmental concern) that the plan will protect. Mr. Holland said the Board of Aldermen has decided to appoint the Planning Board to serve as a steering committee to develop this plan. He will start meeting with the Planning Board next month and noted that those meetings are open to the public and encouraged citizens to show up and voice their opinions.

472
2/2/06

Alderman Farley stated that he didn't remember appointing the Planning Board as a steering Committee. He said he would like to see the citizens be on that committee. Mr. Holland said he would welcome having citizens serve on the committee. The only draw back is that we will have to wait one more month so that the Board of Aldermen could formally appoint the citizens that will serve on that committee. Alderman Peters asked how many members should be on that committee. Mr. Holland stated generally there are approximately 8. Alderman Tuman stated we are planning to survey the property owners and asked when the results of the survey will need to be available. Mr. Holland said we normally do the survey for the Town and we generally send the mailer out the beginning of the second year. That allows us to get the results, compile the information and provide them to the committee around the time we are moving into the policy statement section. Alderman Tuman asked when the last survey was done for North Topsail Beach. Mr. Holland said he did not know, but he knew there was not a survey done in conjunction with the 1997 plan. Alderman Tuman said to his knowledge the last survey was done when the original plan was approved. He has asked the Town Manager to research the files for the original survey. He said some dominant things came out of that survey that was used to develop the plan. Some key items were recreation, low density development and environmental issues.

CLOSE PUBLIC HEARING

Alderman Farley made motion, seconded by Alderman Peters to close the Public Hearing for the Land Use Plan. The motion passed unanimously.

OPEN PUBLIC HEARING

Alderman Handy made motion seconded by Alderman Peters to open the Public Hearing on Carver Street Beach Access Parking Grant.

Carver Street Beach Access Parking Grant

The Town has received Contract # S06104 between NTB and the Department of Environment and Natural Resources to install paved parking spaces to accommodate approximately 19 vehicles where no parking currently exists on Carver Street. In order for this project to move forward the Mayor has to execute the documents, therefore this agreement was brought forward to the Board at the January 5, 2006 Board Meeting.

After some discussion the consensus of the Board was to continue discussion at a January 17th Special Meeting since the newly elected Aldermen did not have knowledge of this grant. At this meeting the Board requested that a Public Hearing be held to make sure all parties were aware of this proposed beach access parking.

One of the reasons that staff had looked at Carver Street as a possible area for parking was to alleviate the parking that took place on Ocean Drive.

2/02/06

Interim Town Manager Carbone stated this is a grant that we have received from the State. Mrs. Carbone noted that there is a misprint on the contract in which the State has flipped the figures on the contract for the two grants. She stated that the Topsail Road grant is \$14,000, but noted that because of erosion caused by Hurricane Ophelia we can no longer place that access there. Mrs. Carbone said the one at Carver Street is \$31,500.

Bernard Allen

Mr. Bernard Allen of 2633 Island Drive spoke on behalf of his son. Mr. Allen stated that he and other citizens of the area are concerned about the proposed plan to install a parking lot with 19 spaces. He said he is opposed to the parking area for the following reasons. The citizens of that area have not been properly notified of the proposal, it would create a nuisance and a safety hazard in the neighborhood, a lot of residents have problems in the summer with the influx of visitors in the area and consequently that problem will increase if this proposal is approved. Mr. Allen stated we respectfully request the Board they deny the proposal. Mr. Allen added that he fights hard for North Topsail Beach in trying to pass Legislation that will enhance the Island.

Delores Evans

Ms. Delores Evans stated her husband and her have owned property at 454 Ocean Drive for 20 years. She stated they bought when they were young parents looking forward to the time when their children and grandchildren could play safely in the neighborhood. Ms. Evans said they have not been made privy to any other options that the Town may have to locate this parking lot. Ms. Evans said she wants it on record that she is opposed to moving forward with the proposal. Ms. Evans said this proposal was brought before the Board last year and there was a strong vigorous objection to it then. She stated if the Board proceeds with putting the parking lot in, she will devote a lot of her time to making the Board of Aldermen miserable.

Julia Williams Davis

Ms. Davis of 533 Ocean Drive said that it was brought to their attention last year that there was an option of putting a parking lot on Carver Street, but after much discussion and heartache she thought the issue had been tabled until very recently. Now we understand that a grant had been applied for and received for construction of the parking lot. I like all the other residents would like to enjoy a safe and enjoyable neighborhood. She stated it would no longer be a happy, safe and enjoyable place with the parking lot. Ms. Davis said they will find a way to stop or reduce the amount of public access that is placed in her neighborhood. She said in years past even before the Town became incorporated when things needed to be placed on our Island they were put in our neighborhood. She said she can't sit back any longer and not be vocal and ask for what would make it

418
2/02/06

safe and right for us. She asked the Board to please consider what they are doing, why they are doing it, and how it will affect the community.

Mike Yawn

Mr. Yawn of 207 Tamarix Court said he hopes the Board of Aldermen will listen to the people who have voiced their concerns. He said at the last meeting the board voted to place "No Parking" signs along Ocean Dr. in this same neighborhood. He said he wondered if maybe the citizens of this community would be happier or more agreeable with the plan if the plan included "No Parking" signs along the side streets. He noted if the citizens still were opposed then the Board should vote against it.

Amos Mills

Mr. Mills stated he has a residence at 457 Ocean Drive and he has deep concerns about the parking area mainly because it puts unfair burden on citizens of Ocean City. He said there has been no environmental impact study to determine what the effect of the creation of a public access area would have on the neighborhood. He said the neighborhood is historic and should be preserved as such. No provisions have been made for extra Police or Fire patrol. Mr. Mills stated according to the Wilmington District Access parking Requirements, because federal investment is distributed throughout the project area the number of parking spaces must be similarly and reasonably distributed.

Evester Bailey

Evester Bailey of 2757 Island Drive said we have been here before. She said Ocean City is historic and it should be preserved. She said the parking area on Topsail Road is nicely done and wouldn't be opposed to something like that. Mrs. Bailey stated she and the citizens of Ocean City are not opposed to beach access but they need to be distributed evenly. She noted that the Public Works building, dumpsters and Town vehicles are in the neighborhood so the neighborhood has already had to endure undo burden. She urged the Board to look at the proposal again.

Joe Howey Jr.

Mr. Howey stated that Carver Street is right outside his back door and wants to go on record that he is opposed to the parking area.

Lenny Denitis

Mr. Denitis stated that he owns property adjacent to Ocean City. He said his question is has the Town secured the access to the beach for these people to cross once they park. He stated that Onslow County owns the property across from the proposed parking area and therefore we need to talk to the County first.

Bob Hale

2/02/06

Mr. Hale of 153 Old Village Lane said he agrees with the residents of Ocean City.

Amos Mills

Mr. Mills stated that after the revaluation by Onslow County tax office, an adjoining property is valued at a million dollars. He said having a parking lot there will make it difficult to sell the property at the price he would want.

CLOSE PUBLIC HEARING

Alderman Farley made motion, seconded by Alderman Tuman to close the Public Hearing for the Carver Street Beach access parking grant. The motion passed unanimously.

OPEN PUBLIC HEARING

Alderman Farley made motion seconded by Alderman Handy to open the Public Hearing on reducing the building height.

Glenn Taylor

Mr. Glenn Taylor of 2328 NRIR spoke in opposition of lowering the height limit. He said he doesn't understand the purpose. Mr. Taylor stated that lowering the height from 50 feet to 45 feet will only change the aesthetics of the beautiful homes being built in North Topsail Beach.

Jean Miller

Mrs. Jean Miller resides at 4452 Island Drive. She stated she supports lowering the building height for four reasons. Lowering the height from 50 feet to 45 feet would slow down the phenomenal building pace, reduce the size of the large homes being built, decrease the strain being put on utilities, and helps maintain a low density look to North Topsail; which is what the citizens want according to the poll used to create North Topsail's Land Use Plan.

Paul Dorazio

Mr. Dorazio said he has lived at 131 Old Village Lane for the last 4 years. He added that he has been a member of the Planning Board for 3 1/2 years. Mr. Dorazio said he was an advocate of lowering the height limit last year because there was a loophole in the way the ordinance was written that allowed for a home to be built taller than what was intended. He and other board members spent a lot of time in meetings and workshops to come up with the current 50 feet height limit. People are paying a million dollars for a lot in North Topsail and they need to maximize their building footprint. Mr. Dorazio stated lowering the height limit will still allow for 3 stories but the roofs will be flat and ruin the beautiful skyline of North Topsail Beach. The controversy of the houses being bigger on the ocean side of Island Drive is only because of the difference in elevation. He said you can't penalize someone for having a prime lot. Mr. Dorazio added that it's not right to change the ordinance just because someone doesn't like it.

476

2/02/06

Carol Evans

Mrs. Evans has lived at 209 Sea Shore Drive for the last 11 years. She said she has read the e-mails going around and she is upset at the level of unkindness. There seems to be a vendetta going on. She added that families that visit here don't want 99 bedrooms; they just want a small beach house where they can come to be with their children. She said she feels like North Topsail is pricing itself out. Mrs. Evans said she heard the Land Use Plan is low density, so lets make sure what we have is low density so we don't infringe upon someone else's property rights and make them have to leave this beautiful Island.

Linda Baker

Mrs. Baker owns many properties on North Topsail and she and her husband also own Treasure Realty. She said the Board should thank the people who have rented and contributed revenue to the Town. Mrs. Baker read journal entries from vacationers who have rented the large beach homes at North Topsail Beach. Many of those entries stated it was a blessing to have a large home in which the whole family could get together. Mrs. Baker stated she is opposed to lowering the height limit.

Richard Baker

Mr. Baker, owner of Treasure Realty, said the previous Board labored over this issue for a long time and finally came up with a good solution. Mr. Baker said the Town currently controls growth with a 30% limit of impervious coverage for each lot and strict setbacks. He said if we don't allow the buildings to go up then we will be stuck with 1/3 of the value and it will look bad.

Issac Baker

Issac Baker of 235 Port Drive is an employee of Treasure Realty. He stated that owners pay a 3% accommodations tax to the Town of North Topsail Beach. Last year the accommodations tax contributed \$94,135 to the Beach Nourishment fund. He said that wouldn't have happened if they weren't big nice houses.

Kevin Wiley

Mrs. Wiley owns 4150 Island Drive. She said she rents her house but doesn't make enough money from that to quit her job. She said by looking at the Board it looks as if most of them may have already retired and may not need to worry about it, but the way she offsets her cost to afford to live here is to rent out her home 6 months out of the year. She said this is an invasion of her privacy and finances. She feels like the Town of North Topsail Beach is picking out of her pocket. After Hurricane Fran came through the building code changed prohibiting habitable space on the bottom floor. He said they need three floors in order to live comfortably. Mrs. Wiley stated lowering the height restriction may slow down progress but it won't stop.

2/02/06

Jay Short

Mr. Short is a partner in the law firm of Fletcher and Satterfield of Wilmington. He is representing approximately 55 owners in North Topsail Beach. Mr. Short said he won't speak to the Board of the personal issues and why it's a bad idea because that's already been stated. He said he will speak to the Board about what the ordinance requires. He understands the plan is to hold the Public Hearing and then vote on this issue later in the meeting but the North Topsail Beach ordinance prohibits the Board from doing that. According to Chapter 7 Article 4 Section 7-93 requires any action related to a zoning change must be referred to the Planning Board for recommendation and report. The next section 7-94 requires that the Board shall consider the Planning Board's recommendation before taking any action. He said he has spoken to Attorney Kilroy and he agrees that the Board cannot vote on the proposed height restriction tonight. Mr. Short said he is not asking the Board of Aldermen to send this to the Planning Board. He recommends that the Board does nothing.

Rusty Brashear

Rusty Brashear of 128 Oceanview Lane said he and his wife are full time residents here and are both registered voters. Mr. Brashear said he understands some of the sentiment behind what the Board is doing, but it is wrong and it's not accomplishing anything except placing further tax burden on the citizens. He said the Town has major issues that need to be dealt with like the lack of sewer availability and allowing septic tanks here on the island. He said instead of addressing this issue for aesthetic reasons tackle something more important.

Steven & Lisa Botagoski

Mr. Botagoski stated that he is a contractor and North Topsail Beach has been his livelihood for the last 15 years. He said he is opposed to reducing the height limit. It is unfair and there is no reason for it.

Lenny Denitis

Mr. Denitis of 126/128 North Permuda Wynd said we have a Planning Board for a reason. He said he attended last months Planning Board meeting and the members stated that they gave the Board of Aldermen their opinion and they did what they wanted to anyway.

Carl Chiang

Mr. Chiang said he searched a long time before he decided to buy property here. The house he is building is 48 feet tall. He said he chose a nice roof angle that blends in with the rest of the structures. If the skyline was to be lowered to 45 feet there will be a lot of flat roofs. He said we can do planned, controlled, reasonable building at the current height limit. Mr. Chiang said he believes the skyline of North Topsail Beach is prettier than New York City. We are all adults and we are just trying to enjoy the beauty of North Topsail.

2/02/06

Rick Bumgardner

Mr. Bumgardner, owner of Alliance Construction, said several issues were brought up tonight that lowering the height limit will not change. It's been said that having large houses create a parking problem, but we have an ordinance in place that controls that. Larger houses put a strain on the sewer, that's dictated by the State. Large houses cover too much ground, but we have an ordinance that limits us to 30% impervious coverage. Mr. Bumgardner said the Board was elected to serve the people and there are several property owners here that are opposed to this change. He said he is tired of hearing about the people surveyed in 1990 when the Town incorporated. Poll the people now to see what they want. Mr. Bumgardner suggested that the Board concentrate on more important things like fixing the dunes.

Alderman Farley made motion, seconded by Alderman Tuman to close the Public Hearing on reducing the building height. The motion passed unanimously.

APPROVAL OF AGENDA:

Mrs. Carbone added local governmental resolution with the Highway Safety Program. It is Federal Funding in the amount of \$10,000 with no match for equipment in the Police Department. This will be added as item (d) under new business. It was also the consensus of the Board to move the Manger's Report from number 13 to before the Open Forum.

Alderman Farley moved, seconded by Alderman Tuman approval of the Agenda with the additions. The motion passed unanimously.

COMMITTEE REPORTS:

Beach Nourishment – Rachelle Caputo

Rachelle Caputo gave a summary of the last Beach Nourishment meeting that took place on January 18, 2006. They discussed a timeline for Beach Nourishment and the pro's and con's of tax districts. There was also a decision made to approach the County and the LGC for additional funding for the 45 million dollar project.

Planning Board – Mike Yawn, Chairman:

Mike Yawn sad the Board is working on ordinances for accreted land, tree conservation and alternates for the Planning Board and Board of Adjustments.

MANAGER'S REPORT:

UPDATE ON BULLDOZING PROJECT:

Beach push starting at town line and Surf City to the Topsail Reef was completed on January 27th. Load/haul/placement of staged sand (Bay Court) to begin February 6th to breach sites.

2/02/06

North End of Island: Will push 1 foot of sand at low tide line in front of Topsail Reef (435 feet).
Will bring in sand from Riverside sand to add to existing dunes behind 8 condemned structures (665 feet).
Will push 1 foot of sand at low tide line, starting at last pile of sand bags north of condemned structures to stop sign (1298 feet) to complete push of beach.

UPDATE ON CONDEMNED HOMES:

Staff has received correspondence from an Attorney who is representing some of the property owners and they are still negotiating with their insurance companies. Staff is researching demolition bids for emergency removals if need be.

UPDATE ON DEBRIS:

Nuisance letters have been sent out to property owners that we have received complaints on in regard to debris. I am planning on doing a site check tomorrow with the Inspections Department to determine any other areas of concern.

1. On January 10th, staff and Board Members met with Frank Clifton, Onslow County Manager and Delma Collins, Commissioner Chairman in regard to funding inlet dredging. Mr. Clifton said that we should ask the County to cost share as well as asking the State. Alderman Tuman can elaborate on this discussion during the Aldermen's Report.
2. On January 11th, staff met with D.O.T. in regard to the Bike Path.
3. On January 17th a Special Meeting took place to review the audit and to address other issues continued from the January 5th meeting.
4. On January 18th, staff attended the Beach Nourishment Meeting.
5. On January 19th, a Special Board meeting took place in regard to the beach bulldozing project
6. On January 19th, staff and Board Members attended the Four Town Meeting hosted by Surf City.
7. Joey Moore started work on Friday, January 20th as our new Planning/Zoning Officer
8. On January 20th, Attorney Kilroy held a Board of Adjustment Workshop for the new members and our Planning/Zoning Officer also attended.
9. On January 23rd a Beach Nourishment/Board of Aldermen Workshop was held.
10. The Board of Aldermen met with Attorney Gray Styers in regard to the sale of North Topsail Utilities.
11. The Interim Town Manager/Town Clerk attended the Annual Clerk's School January 24th through the 27th.
12. The Army Corps of Engineers held a Value Engineering Study here starting on January 30th and they will end on Friday, February 3rd and will make a presentation of their findings starting at 9:00 a.m. on the joint NTB/Surf City project and all of the Board members are invited to attend.

Meetings in February

1. On February 6th a Special Meeting will take place at 6:30 pm to receive public comment about the adequacy, quality and levels of service of sewer and wastewater utility service in and around NTB.
2. On February 8th, a Project Delivery Team meeting will take place at 10:00 am to discuss the Federal beach nourishment project. (These are on-going monthly meetings that include State agencies)
3. On February 9th, staff and Alderman Farley and Tuman and Beach Nourishment Chairman Dick Macartney will go to Raleigh to meet with the LGC and they will also meet with John Morris and John Sutherland with NCDENR to inquire about State funding.
4. February 9th is a Planning Board meeting.
5. February 14th is a Recreation & Appearance meeting (new members are always welcomed)
6. February 15th is the Beach Nourishment meeting.

48

2/02/06

- 7. On February 16th and 17th the Annual NC Coastal Communities Winter Meeting will take place at the Sea Trail Conference Center in Sunset Beach and I am planning on attending.
- 8. On February 21st officials will attend the Hearing in Raleigh in regard to the sale of North Topsail Utilities.
- 9. February 21st is the TISPC meeting in Topsail Beach.
- 10. Mayor's Meeting is February 22nd.
- 11. On February 23rd staff and Mayor Pro Tem Hardison will attend a Corps meeting in Wilmington.

OPEN FORUM:

Bob Hale of 153 Old Village Lane said it was great to see all the homeowners here. He said according to the revaluation we are all millionaires. He encouraged all owners to fight it. He said we need fair tax representation.

Paul Dorazio said he took the time to count all the houses in North Topsail that looked like they were above 45 feet. He came up with over 400 structures that would be considered nonconforming if the height limit was reduced and the League of Municipalities would frown on that.

Melvin Howser, an owner at St. Regis, said Beach Nourishment is important and he wished that the people who came out tonight would come to the Beach Nourishment meetings. He said without nourishment we won't have to worry about how high a house is.

John Piselli owns a house at 4388 Island Drive. I can't believe we have a huge budget and we don't even have microphones that work. He asked what's going on. It's not prudent to continually propose things that have legal ramifications. He said you should know your ordinance and you should know you can't vote tonight. We need to focus on our beach and not parking, fences, and height restrictions.

Mike Yawn said he wanted to applaud the Board of Aldermen with the tax assessment. He also said he heard something about revenue neutral and that's great. He agrees with Mr. Hale that we need financial help from the County. We need to go to the county and tell them we are tax payers and we are not happy.

Richard Baker stated that in the update classes for Realtors they speak about how agents need to honor local ordinances. He stated that there is an ordinance about signs in the right of way. He said Sue McLaughlin was going to address it but she is not here anymore. Mr. Baker said he would be glad to help. Mr. Baker also added should the building height be lowered and make all those homes nonconforming would be a serious issue. He said banks won't finance a nonconforming house.

Mary Convy thanked Mrs. Carbone for doing the manager's report during the meeting. She also asked if Mr. Short, the Attorney who spoke earlier, was right

2/02/06

about our ordinance not allowing the Board to vote tonight, and if so why didn't the Board know it before the meeting.

CONSENT AGENDA:

The consent agenda consisted of the Department Head Reports, Benefit Accrual Report, Budget VS Actual, Land Use Plan Phase 1 Contract with NCDENR, Contract with Holland Consulting Planners, Inc. for LUP and Adoption of Citizen Participation Plan, Appointment of Mary Convy to the Beach Nourishment Committee, TISPC Charter Amendment, Contract to Audit Accounts- Thompson, Price, Scott, Adams and Co. and Resolution- Designation of Applicants Agent for FEMA.

Alderman Farley pulled the contract for the Auditor out of the consent agenda.

Alderman Farley moved, seconded by Alderman Tuman approval of the Consent Agenda with the change. The motion passed unanimously

OLD BUSINESS:

(a) Carver Street Beach Access Parking Grant Contract

The Town has received the contracts for the Carver Street Beach Access Parking Grant Contract that the State of North Carolina has approved and a Public Hearing was held at the beginning of the meeting.

Alderman Farley said because of all the citizens showing up tonight who oppose the proposed parking area on Carver Street for all of the reasons that were stated, Alderman Farley made motion to reject the grant.

Alderman Farley made motion, seconded by Alderman Peters to reject the grant.

Alderman Farley said he has not seen a town wide plan that will show us how parking should be distributed. He said maybe after we review things it may come back again but not now. Mayor Pro-Tem Hardison asked if there was still a Transportation Committee and if so maybe they could work on a parking plan. Mrs. Carbone said we no longer have a Transportation Committee. Alderman Handy said he would like to see a Transportation Committee formed to tackle this and asked if anyone would be interested in volunteering to contact the Town Manager.

The motion was restated. The motion passed unanimously.

Alderman Handy made motion, seconded by Alderman Peters to refer this to the Transportation committee.

482
2/02/06

Alderman Tuman added that all parking issues should be looked at by the Transportation committee before being put on the agenda.

(b) Resolution to Lower building height from 50 feet to 45 feet

A Public Hearing took place on this issue.

The Ordinance now reads: Chapter 7 Sec. 7-143. Height limits. "No building may be constructed in North Topsail Beach with a height exceeding fifty (50) feet as measured from the lowest adjacent grade of the property as established by a recent (sixty days (60)) elevation certificate to the peak of the roof".

The proposed Resolution would be to Amend to the Planning & Zoning Ordinance Chapter 7 Sec. 7-143 to read Height Limits "No building may be constructed in North Topsail Beach with a height exceeding forty-five (45) feet as measured from the lowest adjacent grade of the property as established by a recent (sixty days (60)) elevation certificate to the peak of the roof".

Attorney Kilroy spoke about how 2 sections in the ordinance conflicted with each other. Alderman Farley questioned why one section says the Board has the power to change a zoning issue without a Planning Board recommendation and the other section says it must go through the Planning Board first. Attorney Kilroy said the past practice has been to send it to the Planning Board for a recommendation. Attorney Kilroy suggested sending it back to the Planning Board for review.

Alderman Handy moved to send this issue back to the Planning Board for a recommendation.

Alderman Peters reminded everyone that the Board doesn't have to agree with the Planning Board. He also said he is surprised that it's gotten this far without legal opinion telling us we don't have the power to vote on it tonight. Attorney Kilroy said he received his package the day before the meeting. Alderman Peters said it's important that we have a better avenue to your resources. Alderman Farley agreed. He said he brought this up before. The fact that the Board has to go through the Mayor to get to the Attorney needs to be addressed.

Alderman Handy restated his motion, seconded by Alderman Farley to send this issue back to the Planning Board. Alderman Tuman amended the motion to include directing the Planning Board to correct the inconsistencies in the ordinance that was referred to earlier. Alderman Farley seconded the amended motion. The motion passed unanimously.

(c) Board Retreat

2/02/06

A Board Retreat will take place at the Town Hall Meeting room on a date that is convenient for all members. Usually, the Board would meet all day in order to cover all of the issues on the agenda.

Larry Moolenar, Executive Director of Eastern Carolina Council has agreed to serve as moderator as long as the date is convenient for him. He has acted as moderator before for the Town and has been very efficient in doing so.

It was the consensus of the Board to hold the retreat on Saturday, March 25, 2006 at 9:00a.m.

(d) Roll Back Service Proposals for Trash Cans

Staff has received two proposals for the Roll Back Service for the Town's trash cans. Waste Industries has proposed a monthly cost of \$5225.00 at a yearly cost of \$62,700.00. Poole Maintenance, Inc. has proposed a monthly cost of \$12,094.90 at a yearly cost of \$145,138.80. Another option would be for the Town to hire individuals and this could be discussed at the Board Retreat to review the pros and cons of doing so.

Alderman Farley said we already know one person who is not in favor of this. We need an ordinance to ensure people don't leave their trash cans out for an unreasonable amount of time. Mrs. Carbone said the biggest problem with imposing an ordinance is enforcement. Alderman Handy reminded the Board that Mr. Baker who spoke earlier said he would like to help. Maybe he could take it to the Board of Realtors. Alderman Tuman stated this should be handled by our Recreation and Appearance Committee not by the Board of Aldermen.

Alderman Tuman made motion, seconded by Alderman Handy to send this item to the Recreation and Appearance Committee.

Alderman Farley disagreed. He said we don't even know if they want this. Mr. Horstmann, the Chairman of the Recreation and Appearance Committee said this has been discussed and they want to address it. Alderman Peters proposed creating an ordinance that would require cans be put out no earlier than 24 hours before pick up and brought back no more that 24 hours after. Farley agreed an ordinance is necessary.

The motion was restated and seconded. The motion passed unanimously.

(e) At Large Member to the TISPC

At the December Board Meeting, the Board of Aldermen appointed Mayor Pro Tem Larry Hardison to the Topsail Island Shoreline Protection Commission as the elected official to this Commission. The Chairman of the Beach Nourishment Committee is also on this Commission.

46
2/02/06

An "at-large" member was not appointed at that time. The elected Town official shall be the voting member with the Chairman from each entity the alternate voting member. Each Town will have an "at-large" member.

Alderman Handy made motion, seconded by Alderman Farley to appoint Buddy Godwin for the at large member. The motion passed unanimously.

NEW BUSINESS:

(a) Request by Kathy Parker for Town to sell Parcel 779C-8

Kathy S. Parker Real Estate has requested that the Town of North Topsail Beach sell Parcel 779C-8 (assessed value \$5,000.00) to her so that she could build on her lot.

Holly Ridge recently sold town property to a developer and there were restrictions on the sale:

1. The property would have to be used for economic development
2. The intended use of the property would have to begin within a 30 month period and if not, the Town would have the right to buy it back for the same amount the property was sold for.
3. The sewer taps that were allotted for the proposed units would be taken back.

Alderman Handy suggested sending this to the Planning Board. Aldermen Farley disagreed. Attorney Kilroy said he felt that if the Board approves this it might have consequences in the future. Alderman Tuman said consider selling it at assessed value, maybe the same value as neighboring properties. Alderman Farley said they need this in order to build on the lot next to them. The Building Inspector, Gene Casey, confirmed that.

Alderman Farley made motion, seconded by Alderman Peters to deny the request by Kathy Parker for the Town to sell Parcel #779C-8. The motion passed unanimously.

(b) Landscaping Proposal for Town Hall

Last year, the Town Park and Town Hall landscaping areas were in disrepair and were covered with weeds because of neglect and the lack of staff to do the work to keep it looking as it should.

Since we had many complaints staff requested bids from several landscaping companies and Mr. Bill's Landscaping, Inc. was the best price for what would be accomplished.

Mrs. Carbone said we could afford to pay for April, May and June then we could reevaluate again for next year. She added we need a plan to keep the park up.

2/02/06

Alderman Handy said we need more parking. Chief Salese said paving is expensive. He said the estimate he got for paving the parking lot and a curb was \$28,000. Alderman Handy said the plan shows no additional parking but said that should not stop it. He suggested going with the landscape plan for now and re-evaluating the parking area as a separate item. Mr. Horstmann noted that there are several plans proposed.

Alderman Handy made motion, seconded by Alderman Peters to accept a 3 month contract with Mr. Bills Landscaping. The motion passed unanimously.

(c) Citizen Survey on Beach Nourishment

At the direction of the Board, Mrs. Carbone asked other towns if they have used a private company to conduct a survey and two towns have used Tollie Mitchell out of Greensboro.

She spoke with Mr. Mitchell yesterday and he will work on a proposal. Basically he said that we could do a one page survey front to back. It would be on the Town's stationary and a cover letter from the Mayor and Manager should be included along with a return postage paid envelope. Mr. Mitchell noted that we would have a higher return rate if the envelopes were pre-stamped.

He will need guidance as to what should be on the survey. After he receives the results he will write a report and present his findings. The cost would be between \$6,000.00 and \$12,000.00. Mr. Mitchell could meet with the Board in advance or could communicate with him through emails since he does live in Greensboro.

If it is the consensus of the Board to use Mr. Mitchell please be prepared to supply suggestions as to what should be on the survey as soon as possible in order to move forward with this project.

Alderman Farley said he found it interesting that a survey was going to be done with the Land Use Plan. He asked if we can combine the two surveys together. Alderman Tuman said he agrees but said we need to focus on what we are asking while surveying the citizens.

It was the consensus of the Board to ask Mr. Holland if the Beach Nourishment survey can be done in combination with the Land Use Plan survey.

(d) Grant Resolution

Alderman Tuman asked if there were any strings attached. Alderman Handy said no, it's absolutely free.

486
2/02/06

Alderman Handy made motion, seconded by Mayor Pro-tem Hardison to accept the grant. The motion passed unanimously.

ATTORNEY'S REPORT:

Attorney Kilroy said he had a good training session with the Board of Adjustments. He said the training is important to the Town because there could be legal dispute with a decision made by that Board. Attorney Kilroy said he feels confident they are prepared.

ALDERMEN'S REPORT:

Alderman Peters said it's been an interesting meeting. It's great to have input since it shows we have a diverse community.

Mayor Pro-tem Hardison said it's been a long meeting and he was glad to see everyone who stayed. He added that it was ridiculous that the meeting has lasted so long.

Alderman Tuman said there will be a community forum February 6th concerning quality and availability of sewer. He encouraged all citizens to attend.

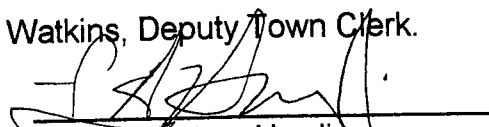
Alderman Handy reiterated what Alderman Tuman said. He said it is very important for everyone to attend. He thanked the citizens for showing up at the meeting.

Alderman Farley said everyone is saying go out and look for money. We do all of this already.

ADJOURNMENT:

Alderman Farley moved, seconded by Alderman Peters to adjourn the meeting at 10:51 p.m. The motion passed unanimously.

Minutes prepared and submitted by Christina Watkins, Deputy Town Clerk.



Mayor Pro-tem Hardison

6/1/06

Date Approved

**TOWN OF NORTH TOPSAIL BEACH
REGULAR BOARD MEETING
MARCH 2, 2006
7:00 P.M.**

PRESENT:

Mayor Pro-tem Larry Hardison, Aldermen Richard Farley, Fred Handy, Richard Peters and Daniel Tuman, Robert Kilroy Attorney, Lynn Armwood Recording Secretary

NOT PRESENT:

Mayor W. Rodney Knowles, Loraine Carbone, Interim Town Manager

QUORUM:

Mayor Pro Tem Hardison 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:

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

COMMITTEE REPORTS:

Beach Nourishment – Rachele Caputo:

On Feb. 15th the committee met and reviewed the CP&E as well as Corps project status. It was decided that based on the lack of State and Federal funding at this time it is necessary to approach Onslow County for assistance. The suggestion by the committee was rather than only be allowed a 10 minute window at a county meeting, that the request be made for a workshop to properly outline the needs and intentions of NTB with regards to county funding. Alderman Tuman suggested that Mrs. Carbone contact Frank Clifton at Onslow County to facilitate a meeting between the Beach Nourishment Committee and the Commissioners of Onslow County. He further suggested that the meeting take place here at the Town Hall and Rachele relayed that the committee felt that for the support and attendance of the county commissioners, it may be more beneficial for us to go to them since the majority reside in the Jacksonville area. The decision was made that it would be decided by Mr. Clifton and Mrs. Carbone the logistics of the meeting and when it would take place. Alderman Tuman also suggested that

3/02/06

once the presentation is completed by the committee that there should be a meeting between the board, town and committee for a dry run to make sure that everyone was unified in their agenda prior to going before the county.

Ms. Caputo also said that she intends to contact the NC Travel and Tourism and see if there are any funds available through them since the public beaches here bring in revenue for them also, she will keep the board apprised of any new information in regards to this. Alderman Tuman asked Ms. Caputo for information regarding the Bond Rating. She stated that there would be a lengthy research that would have to take place before moving forward with the application regarding previous monetary expenditures that have been made. She also stated that bond council would need to be retained by the 1st of April to meet the proper time frames.

Alderman Tuman also asked for the advice of the Beach Nourishment Committee if the town should continue to use both the CP&E and the Corps project simultaneously. Ms. Caputo's opinion was that we do not want to impede the Corps Project that will happen at a much later time, but the area will not be able to wait the amount of time it will be before the Corps Project begins. We need to let these projects work together instead of against each other.

Planning Board – Paul Dorazio, Vice-Chairman:

In Mike Yawn's absence Mr. Dorazio reported that at their last meeting they had reviewed and made final drafts on: Tree Conservation Overlay District; Commercial development site plan layouts; and inconsistencies of definitions and corrections to the Chapter 7 Zoning.

These final drafts have been submitted to the town attorney for proper wording and the correct way to incorporate into an ordinance. The final recommendations will be submitted to the Board with a presentation.

Mr. Dorazio also informed the Board that two public hearings regarding the building height issue had overwhelming support by the people to keep the roof height at the 50 foot range which had previously been recommended and voted on. They felt that they were misled at the last hearing and were not aware that they were required to have another public hearing to address this issue, and only in the past couple days have found out that this needs to take place. A Planning Board meeting is scheduled for next week and another public hearing will be held to address this issue.

There were no new site plans to be reviewed or to vote on at this time.

3/02/06

Alderman Handy asked Mr. Dorazio if he was aware of anyone approaching the Planning Board with any concerns relating to duplexes. Mr. Dorazio was not aware of this but said that he would check with Mike Yawn. Alderman Handy suggested that he get clarification on what duplex issues he was referring to and that he contact Joey Moore to discuss it. Alderman Handy stated that if these duplex issues do arise they should come to the Planning Board first and then to the Board for action if necessary.

OPEN FORUM:

Sue Tuman requested clarification on the dual open forum's and when to address the Board on issues. She questioned the number of members being appointed to the Land Use Plan, her understanding from a previous meeting of the planning board, was that since there were already 7 members that they would be increasing by another 4 members at minimum, and that when the committee met in the future that any citizen would be welcomed to come and participate. Sue Tuman also wanted to go on record as an individual and former board member as being against an amendment changing the current personnel policy pertaining to the employment of relatives. She concluded with a plea to support the libraries, the County is having a group go around to different libraries to find out what their needs are. They will be at the Sneads Ferry Community Center on Friday, March 24th from 7:00pm – 8:30pm. You can also go online to the County's website to fill out a comment card, or pick one up at the local library.

Gary Rowland expressed his concern over the employee exodus that the town is experiencing, he stated that he was not making any accusations, but that he felt from his own experiences that the employees that the town had were "very competent", and that saying that there was no town manager, or that they have left for better jobs or more money were merely excuses. He went on to say that the Board had to be aware that the training of new employees was going to cost "six arms and three legs". Finally he concluded with saying that if any of the resignations were due to anyone or anything in the room that those parties needed to look introspectively, because "the buck stops at that table!" He requested comments on the "why's, wherefores and how they were going to fix it so that no more employees tendered their resignation". After a brief pause and applause from the audience the Board did not have a response at that time.

Bob Hale stated that he is concerned about the amount of money that is being spent on surveys to try and find out who is interested in the issues and feels that after this amount of time it should already be determined. He also was concerned with dollar amounts being thrown out with nothing to back them up. He would like for the Board to come up with a dollar amount, put a bond issue out there and let the people vote on it. He feels that the government at a State and Federal level are not going to come through with any aid, and that it will fall on the shoulders of the local citizens, but to keep spending money on all these

3/02/06

other issues is defeating the purpose. He also was opposed to a single tax district as he did not buy on the ocean for the reason of this type of disaster and doesn't feel that he should have to be taxed at the same rate for the repair now to property he does not reside on.

Linda Knowles stated that the people living on the ocean do pay their share through higher taxes, and that the other people living in the area do utilize the use of the beaches too even if they don't have homes on them.

Mary Convy wanted to get clarification from the town attorney on the resolution to amend the personnel policy for hiring relatives; she wanted to know if the resolution would clarify or supersede the ordinance already in effect allowing the town to hire relatives of employee if it was passed tonight. She also felt that at this time the Board needed to move forward with the tax district areas so that we could get the numbers necessary to move forward with funding issues in Raleigh.

CONSENT AGENDA:

The consent agenda consisted of the January 5, 2006 Board Meeting minutes, Department Head Reports, Benefit Accrual Report, Resolution thanking ONWASA, Mosquito Grant and Request by Chamber for Annual Contribution of \$5,000.00

Alderman Farley requested to pull the Request by the Chamber for Annual Contribution until Lydia King could produce the actual versus budget comparison.

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

OLD BUSINESS:

a. Resolution to Hold Public Hearing to Amend Chapter 13 – Solid Waste Management

Recommendations by the Recreation and Appearance Committee in regard to options to implement stricter rules for trash containers in the Town's Ordinance was reviewed by the Board. Attached also was Chapter 13 – Solid Waste Management.

Possible language for an amendment to Section 13-7. Location of containers:

- (a) At all times other than scheduled collection times, refuse containers must be stored on the premises at a location thirty (30) feet from the public right-of-way or behind the front or side wall of the structure.

3/02/06

- (b) Refuse containers must be placed adjacent to the street no earlier than 3:00 pm the day before collection is scheduled and must be returned to the residence by 9:00 am on the day after collections.
- (c) Placement of container at street earlier than 3:00 pm on the day prior to collection shall be subject to a \$25.00 fine.
- (d) Failure to remove container from street before 9:00 am on the day after collection is subject to a \$25.00 fine.

There are other sections in Chapter 13 that should be deleted since they no longer follow procedures, such as Sec. 13-5 (b) and Sec. 13-10. These sections state that an owner could choose to contract directly with a firm other than Waste Industries and that is no longer correct. Chapter 13 will be revised for the Public Hearing in April.

RESOLUTION TO HOLD A PUBLIC HEARING ON APRIL 6, 2006 TO AMEND CHAPTER 13 – SOLID WASTE MANAGEMENT

WHEREAS, the Board of Aldermen for the Town of North Topsail Beach are concerned with trash containers that remain by the side of the road; and

WHEREAS, Chapter 13 – Solid Waste Management does not address how long a trash container should remain out; and

WHEREAS, the Recreation and Appearance Committee have recommendations and options that the Board of Aldermen could implement; and

WHEREAS, a Public Hearing to get citizen’s input shall be held before any changes be made to the Town’s ordinance.

NOW, THEREFORE, BE IT RESOLVED, that a Public Hearing be held on April 6, 2006 to address the location of containers and fines to be implemented and to also review Chapter 13 in its entirety to amend any erroneous facts that are not relevant to policy at this time.

Adopted this 2nd day of March 2006.

Alderman Farley moved, seconded by Alderman Handy approval of the Resolution to Set a Public Hearing to Amend Chapter 13. Solid Waste Management. The motion passed unanimously.

b. Sand Fence

The Board has not determined if the Town would pay for sand fence to be placed throughout the dune system. Staff advises that the Town should purchase sand fence for Town owned property only and that individual home owners purchase and place sand fence on private properties.

402
3/02/06

Alderman Farley questioned the costs quoted for this project. This was deferred at this time till Loraine Carbone is able to investigate further, and submit the best price available for materials. Alderman Peters questioned whether the free inmate labor cost was guaranteed, PD Chief Salese relayed that in the past there has been a good working relationship with the dept. of corrections and prison labor should not be a problem, however he cautioned that inmates can only go on municipally owned property. Mayor Pro-Tem Hardison stated that he would like to bring the town and board together on this, possibly the city buying the sand fence in quantity and passing those savings along to the homeowners.

Alderman Handy moved, seconded by Alderman Farley to continue this issue. The motion passed 4-1 (Mayor Pro-Tem Hardison opposed)

c. Appointment of Members to the Land Use Plan Update Committee:

At the February 2nd Board Meeting, Landin Holland of Holland Consulting Planners, Inc. requested that a committee be formed to update the Town's Land Use Plan. He did state that the Planning Board would be part of this committee and Board members felt that other citizens should also be appointed to this panel. Mr. Holland requested that the committee consist of 7 to 9 members.

Alderman Farley suggested that the each member of the Board appoint one member to this committee. Alderman Peters made the suggestion that the Town Manager advertise for applicants for the Land Use Plan committee in the Topsail Voice, which would still allow the Board to refer interested parties to this process of being appointed.

Alderman Tuman moved, seconded by Alderman Farley to have the Interim Town Manager place an ad within one week for applications for the Land Use Plan Committee. The motion passed unanimously.

d. Revaluation – Protest as a Town:

At the February 25th Board Retreat, Alderman Peters requested that the Town protest the revaluation assessments. He said that he would research how individuals were assessed differently, even though their properties were valued the same. Alderman Peters submitted the following resolution for approval by the Board and upon approval it should be taken to the County Commissioners board meeting on April 17th.

RESOLUTION OF TOWN OF NORTH TOPSAIL BEACH

WHEREAS, the official Onslow County tax ad valorem property assessments for 2005-2006 for North Topsail Beach increased by 377%; and

3/02/06

WHEREAS, said assessment process has been completed with numerous inconsistencies, inaccuracies, and citizens complaints; and

WHEREAS, the impact of said assessments represent potential inordinate financial distress to North Topsail Beach citizens; and

WHEREAS, it is therefore requested that the Onslow County Tax Department examine procedures utilized in order to assure accuracy; and take appropriate steps to provide equitable market analysis over North Topsail Beach properties; and

WHEREAS, it is additionally recommended that a county wide system to provide appropriate taxpayer relief be established.

Adopted this 2nd day of March 2006.

Alderman Farley was concerned based on a homeowner's complaint to him that his home was assessed as a buildable lot, when in fact theirs was a non-buildable lot. There were also concerns voiced by members of the audience that when they questioned the county on how the value of their homes was determined, they were unable to provide a basis for their determinations of value. Alderman Peters reiterated that citizens would need to address the re-evaluation of their personal property on a case by case individual basis with the county.

Alderman Peters moved, seconded by Alderman Farley to Approve the Resolution of Town of North Topsail Beach. The Motion passed unanimously.

e. Audit Contract:

At the February 2, 2006 Board Meeting Alderman Farley requested that the Audit contract be taken out of the consent agenda and it was tabled. Alderman Farley requested this week that we look at other firms, but to do so we would need a Board consensus.

The Board reviewed the Audit Contract from Thompson, Price, Scott, Adams & Co., P.A. The audit starts in May and the LCG must receive and approve the contract before any work could be done.

If the Board does not approve the attached contract, we will have to go out for bids.

Alderman Farley asked for this to be tabled again since there has not been adequate time to look at other firms as requested earlier this week.

Alderman Farley moved, seconded by Alderman Peters to table the audit contract at this time. The motion passed unanimously.

f. Resolution to Sign Checks:

3/02/06

At this time we have Mayor Knowles and Mayor Pro Tem Hardison designated to sign checks. Since the Mayor is not available during the week it would be convenient for staff to have another alderman appointed to sign checks. Mayor Pro Tem Hardison now has a multitude of meetings that he must attend as acting Mayor and as a liaison to beach nourishment and his time is limited.

RESOLUTION TO APPOINT A BOARD MEMBER TO SIGN CHECKS

WHEREAS, Mayor Knowles and Mayor Pro Tem Hardison are designated to sign checks; and

WHEREAS, Mayor Knowles is not available to sign checks during the week; and

WHEREAS, Mayor Pro Tem Hardison has a multitude of meetings that he must attend as acting Mayor and as the liaison to beach nourishment; and

WHEREAS, another Alderman should be available to sign checks when Mayor Pro Tem Hardison is not available.

NOW THEREFORE BE IT RESOLVED that the Board of Aldermen for the Town of North Topsail Beach does hereby appoint Alderman Richard Farley as another designated official that can sign checks.

Adopted this 2nd day of March 2006.

Alderman Tuman moved, seconded by Mayor Pro-Tem Hardison to Approve the Resolution Designating a Board Member to Sign Checks. The Motion passed unanimously.

NEW BUSINESS:

a. Budget Amendment #7:

There are 3 parts to Budget Amendment #7. Pages 1-2 are General Fund Revenues and Expenditures. Page 3 is the Capital Projects Salary Transfer. Page 4 is amending the Beach Nourishment Fund excluding the Salary line items.

The Amendment should be passed by section, in the event there is a section the Board would like to pull out the others sections may still be passed.

<u>Account</u>	<u>Name</u>	<u>Budgeted</u>	<u>Increase Decrease</u>	<u>Amended Budget</u>
10-301-00	Taxes Current Year	\$1,319,606.00	\$65,000.00	\$1,384,606.00
10-325-00	Privilege Licenses	\$8,550.00	\$775.00	\$9,325.00
10-329-00	Interest Income	\$30,000.00	\$15,000.00	\$45,000.00
10-335-00	Miscellaneous	\$870.00	\$405.00	\$1,275.00
10-335-10	Miscellaneous Permits& Fines	\$500.00	\$50.00	\$550.00

10-335-20	Ophelia PD Car-insurance	\$0.00	\$13,773.00	\$13,773.00
10-336-06	Donations Recreation	\$1,400.00	\$600.00	\$2,000.00
10-348-05	COPS More	\$0.00	\$2,756.00	\$2,756.00
10-349-00	Mosquito Control	\$1,500.00	\$1,298.00	\$2,798.00
10-351-05	Officer Use House Moving	\$450.00	\$200.00	\$650.00
10-359-51	Additional Carts	\$9,345.00	\$370.00	\$9,715.00
		\$1,372,221.00	\$100,227.00	\$1,472,448.00

Revenues increased by: \$100,227.00

Money received from insurance company for car replacement

Monies received from sales of dining guides, hats, and shirts

Grant funds received for training

<u>Account</u>	<u>Name</u>	<u>Budgeted</u>	<u>Increase Decrease</u>	<u>Amended Budget</u>
10-410-14	Travel -Govern Body	\$4,000.00	\$1,000.00	\$5,000.00
10-410-58	Tax Refunds	\$1,112.00	\$20.00	\$1,132.00
10-420-03	Hurricane Crew	\$0.00	\$31,000.00	\$31,000.00
10-420-76	Lease Purchase Agreement	\$25,000.00	(\$500.00)	\$24,500.00
10-491-06	Group Insurance- Inspections	\$6,000.00	(\$1,000.00)	\$5,000.00
10-491-07	Retirement-Inspections	\$3,000.00	\$2,000.00	\$5,000.00
10-491-31	Gas, oil & tires	\$650.00	\$175.00	\$825.00
10-491-33	Departmental Supplies - Inspections	\$750.00	\$113.00	\$863.00
10-491-53	Dues & Subscriptions Inspections	\$750.00	(\$200.00)	\$550.00
10-491-80	Storm Damage- inspections	\$0.00	\$1,130.00	\$1,130.00
10-491-82	Condemned Houses	\$0.00	\$605.00	\$605.00
10-510-04	Professional Services	\$3,479.00	(\$250.00)	\$3,229.00
10-510-33	Departmental Supplies- Police	\$9,000.00	(\$470.00)	\$8,530.00
10-510-53	Dues & Subscriptions Police	\$3,479.00	\$721.00	\$4,200.00
10-510-56	COPS More Grant	\$0.00	\$2,757.00	\$2,757.00
10-510-80	Storm Damage - Police	\$240.00	\$1,745.00	\$1,985.00
10-510-81	Ophelia PD Car- insurance	\$0.00	\$25,300.00	\$25,300.00
10-545-80	Storm Damage- Public Works	\$0.00	\$9,010.00	\$9,010.00
10-560-33	Departmental Supplies - Streets	\$500.00	\$600.00	\$1,100.00
10-580-80	Storm Damage- Refuse Collection	\$38,678.00	\$21,045.00	\$59,723.00
10-620-12	Snowflakes	\$5,575.00	\$1,625.00	\$7,200.00
10-620-13	Park Utilities	\$6,000.00	\$1,960.00	\$7,960.00
10-690-17	M&R Vehicle- Fire	\$5,000.00	\$100.00	\$5,100.00
10-690-31	Gas, oil & tires	\$5,500.00	\$994.00	\$6,494.00
10-695-91	Planning Board	\$0.00	\$90.00	\$90.00
10-695-93	Recreation & Appearance	\$1,600.00	\$600.00	\$2,200.00
10-720-80	Storm Damage-Dunes	\$1,544,018.00	(\$66,687.00)	\$1,477,331.00
10-999-00	Contingency	\$310.00	\$66,744.00	\$67,054.00
		\$1,664,641.00	\$100,227.00	\$1,764,868.00

Expenditures increased by: \$100,227.00

\$0.00

4912
 A redistribution of hurricane expenditures there is no net change

This line item is to reflect expenditures for north end houses that are condemned (i.e. fencing)
 FCC tower fees increased after budget was adopted

Grant monies received for training; there are no matching funds with this grant

Monies needed to replace car destroyed during Hurricane Ophelia; insurance covered \$13773 of the replacement cost

Offset by revenue

<u>Account</u>	<u>Name</u>	<u>Budgeted</u>	<u>Increase Decrease</u>	<u>Amended Budget</u>
10-420-02	Administration	\$139,253.00	(\$10,894.00)	\$128,359.00
10-420-05	Administration- FICA	\$12,345.00	(\$834.00)	\$11,511.00
10-420-07	Administration-Retire	\$11,500.00	(\$435.00)	\$11,065.00
20-720-02	Beach Nourishment	\$13,000.00	\$9,826.00	\$22,826.00
20-720-05	Beach Nourishment FICA	\$1,000.00	\$752.00	\$1,752.00
20-720-07	Beach Nourishment Retire	\$520.00	\$393.00	\$913.00
40-560-02	Bike Path 1	\$0.00	\$10,213.00	\$10,213.00
40-560-05	Bike Path 1 FICA	\$0.00	\$781.00	\$781.00
40-560-07	Bike Path 1 Retire	\$0.00	\$408.00	\$408.00
60-560-02	Bike Path 2	\$12,500.00	(\$9,145.00)	\$3,355.00
60-560-05	Bike Path 2 FICA	\$956.00	(\$700.00)	\$256.00
60-560-07	Bike Path 2 Retire	<u>\$625.00</u>	<u>(\$365.00)</u>	<u>\$260.00</u>
		\$191,699.00	\$0.00	\$191,699.00

Expenditures increased by: \$0.00

<u>Fund Name</u>	<u>Hours Expected</u>
Beach Nourishment	1294
Bike Path I	578
Bike Path II	190
General -Administration	<u>18</u>
	2080

These hours equate to a salary of \$36,712.00

<u>Account</u>	<u>Name</u>	<u>Budgeted</u>	<u>Increase Decrease</u>	<u>Amended Budget</u>
20-301-00	Accom Tax Local	\$400,000.00	\$100,000.00	\$500,000.00
20-301-01	Accom Tax County	\$300,000.00	(\$100,000.00)	\$200,000.00
20-301-05	Beach Dune Stabilization	\$164,950.00	\$9,000.00	\$173,950.00
20-399-00	Appropriated Fund Balance	\$0.00	\$188,721.00	\$188,721.00
20-335-01	State Non- Federal	\$0.00	\$44,045.00	\$44,045.00
		<u>\$864,950.00</u>	<u>\$241,766.00</u>	<u>\$1,106,716.00</u>

Revenues increased by: \$241,766.00

Fund balance appropriated to balance fund

<u>Account</u>	<u>Name</u>	<u>Expenditures</u>		<u>Amended Budget</u>
		<u>Budgeted</u>	<u>Increase Decrease</u>	
20-720-81	Placement of Sand	\$0.00	\$52,030.00	\$52,030.00
20-720-82	Additional Bulldozing	\$0.00	\$108,920.00	\$108,920.00
20-720-83	Load, Haul & Place	<u>\$0.00</u>	<u>\$80,816.00</u>	<u>\$80,816.00</u>
		\$0.00	\$241,766.00	\$241,766.00

expenditures increased by: \$241,766.00

Fund balance remaining after appropriation \$1,006,999.00

Alderman Handy moved, seconded by Alderman Farley approval of Budget Amendment #7. The motion passed unanimously.

b. Amend Personnel Policy – Employment of Relatives:

At the February 25, 2006 Board Retreat discussion took place in regard to hiring relatives within the Town. Following is Section 5 which is in the Personnel Policy that was adopted on February 11, 1999. Some board members would prefer that no relatives be employed either permanently or temporary and have asked that the Personnel Policy reflect this change.

Section 5. Employment of Relatives

The Town prohibits the hiring and employment of immediate family in permanent positions within the same work unit. "Immediate Family" is defined in Article VII, Section 12. The Town also prohibits the employment of any person into a permanent position who is an immediate family member of individuals holding the following positions: Mayor, Mayor Pro Tempore, Town Board of Aldermen Member, Town Manager, Town Clerk, or Town Attorney.

Otherwise, the Town will consider employing family members or related persons in the service of the Town, provided that such employment does not:

- 1) result in a relative supervising relatives;
- 2) result in a relative auditing the work of a relative;
- 3) create a conflict of interest with either relative and the Town; or
- 4) create the potential or perception of favoritism.

This provision shall not apply retroactively to anyone employed when the provision is adopted by the Town.

Following is language that the Board could vote on:

3/02/06

Section 5. Employment of Relatives

The Town prohibits the hiring and employment of immediate family in permanent or temporary positions in any department of the Town.

The Town also prohibits the employment of any person into a permanent position who is an immediate family member of individuals holding the following positions: Mayor, Mayor Pro Tempore, Town Board of Aldermen Member, Town Manager, Town Clerk, or Town Attorney.

The request was made to put this on the agenda for the April 6th board meeting as an amendment to the ordinance, due to the fact if this resolution was to pass, as the ordinance is written now, the ordinance would supersede the resolution making it null.

Alderman Farley moved, seconded by Alderman Tuman to table this item until an amendment to the ordinance has been passed. The motion passed unanimously.

c. Resolution Authorizing HCP to Conduct Survey for Beach Nourishment:

In order to know what our property owners think about beach nourishment, it was the consensus of the Board to use a non-biased company to conduct a survey. One price we had received was from \$6,000 to \$12,000.

Holland Consulting Planners, Inc. will be conducting a survey in regard to the updates in our Land Use Plan. They would normally just survey a percentage of our owners. Mr. Landin Holland has stated that they could do the survey to all of our property owners at a cost not to exceed \$6,000.00. He will also meet with the Board of Aldermen and with the Beach Nourishment committee to review possible questions for the survey.

Alderman Handy clarified that this resolution if passed is not committing any money just requesting them to include the LUP in the survey they are already doing.

Alderman Farley wanted clarification that the current survey for the LUP would include the beach nourishment and that it would not be a second independent survey at a cost of \$12,000.

Rachele Caputo confirmed that the surveys would be piggy backed instead of sending out multiple surveys.

3/02/06

Alderman Tuman felt this may be premature since there has not been a meeting yet of the LUP, and he went on to ask if there had been discussion yet by the planning committee of what questions to ask. He also thought that when Mr. Holland was here he was talking about a time frame of 1st quarter of next year for the survey.

Rachele Caputo stated that the other option was to spend \$12,000 for an additional survey, but felt it better to piggyback the two for the financial benefit. She also relayed that Mr. Holland was willing to move up the time frame if this was in fact what the town resolved to do.

Alderman Peters felt that the survey cannot be complete until the LUP, Planning Board and Beach Nourishment committee can meet and develop the survey and questions that they want.

Sue Tuman stated that Mr. Holland has never even met with the Planning Board, and she does not want him to write a questionnaire for our town without the input of the people of the town. Mrs. Tuman thought that Mrs. Carbone was supposed to be providing an old questionnaire for guidance and she concluded that she doesn't have confidence in someone coming into town, doing a survey for the town, that doesn't understand the issues of the town.

Alderman Peters felt that we need to have Mr. Holland in here to find out when he plans on meeting with the LUP and Planning Board and specify a time frame for the survey. He felt that Mr. Holland has already written the LUP, and that the Town is not going to pay him a pile of money to publish a document that he has already written.

Mayor Pro-Tem Hardison asked Rachele Caputo to carry back the message to the beach nourishment committee to make sure that the people that need to be involved in this process are involved.

Alderman Handy moved, seconded by Alderman Peters to table the Resolution Authorizing HCP to Conduct a Survey for Beach Nourishment at a cost not to exceed \$6,000.00, until it is determined when the surveying would be completed. The motion passed 4-1 (Alderman Farley opposed)

After the vote took place Mrs. Convy stated that the time to act on this is now. It was relayed to her by Mrs. Carbone that Mr. Holland had said that the time frame for this would be: 3 months to get the survey ready, and then 6 weeks to get it back. This would just be at the wire for getting this onto the ballot for November. She said that if the Board was asking for the input of the public that the feeling was that the time to act was now.

3/02/06

d. Adoption of Suggested Rules of Procedure:

As suggested at the February 25, 2006 Board Retreat, the Board of Aldermen should formally adopt the Suggested Rules of Procedure for a City Council by A. Fleming Bell, II of the Institute of Government.

RESOLUTION ADOPTING THE SUGGESTED RULES OF PROCEDURE FOR A CITY COUNCIL

WHEREAS, the Board of Aldermen for the Town of North Topsail Beach have never formally adopted any rules of procedure to conduct Board Meetings; and

WHEREAS, the Board has referred to the Suggested Rules of Procedure for a City Council by A. Fleming Bell, II; and

WHEREAS, these rules of procedure were designed for use by a municipal council and they incorporate general principles of parliamentary procedure and applicable North Carolina laws; and

WHEREAS, essentially the rules are a modified version of *Robert's Rules of Order Newly Revised*; and

WHEREAS, many of the rules suggested reflect the provisions of the NC city council meeting procedure statutes, Chapter 160A, Article 5, Parts 1-3 of the NCGS and the NC open meetings law, G.S. Chapter 143, Article 33c (G.S. 143-318.9 to 143-318.18; and

WHEREAS, most of the rules are suggested procedures and each council should feel free to change them to suit local needs and customs.

NOW, THEREFORE BE IT RESOLVED, that the Board of Aldermen for the Town of North Topsail Beach does hereby adopt the Suggested Rules of Procedure for a City Council by A. Fleming Bell, II.

Alderman Farley says that he has not had a chance to read all the information given to him since the retreat on Saturday and would like to table this till next month.

Alderman Farley moved, seconded by Alderman Tuman to table this Resolution Approving the Suggested Rules of Procedure for a City Council. The motion passed unanimously.

e. Resolution to Include the Southern Section in the CP&E EIS Study:

At the February 25th Board Retreat, Beach Nourishment Chairman Dick Macartney requested that the Board review the possibility of Coastal, Planning & Engineering include the 3.5 southern area in their Environmental Impact Study.

If Budget Amendment #7 is approved, the fund balance in the Beach Nourishment Fund would be at \$1 million dollars.

3/02/06

Following is an estimate from Tom Jarrett and he did note that the prices could change.

SOUTHERN SECTION QUOTE BY CP&E

The following costs for inclusion of the South Section in the EIS are our best guess at this point. While the amount of material in the offshore borrow area appears to be sufficient to include the South Section, we will need to make sure. We would like to keep at least 50% more material available in the identified borrow area than is required to be able to cover any contingencies that could arise during construction. Accordingly, we have included some additional offshore geotechnical work.

We also do not know how the agencies will react to the inclusion of the South Section. While this was briefly discussed at the last PDT, we will not know their concerns until the area is officially included in the project. We will definitely have to determine if there are any near shore hard bottom resources in the South Section.

The beach fill design for the South Section will also be different than the other two sections since we will have to consider the possibility of a future Federal project. We don't want to do anything that would upset the Corps economic evaluations as discussed by Jason McCorcle. Since the Corps economic evaluations are based on 2002 conditions, we will need to conduct a beach profile survey of the area to determine changes since 2002.

If the Board votes to include the South Section, we will submit a formal proposal which could include some slightly different amounts. Also, we will have to determine if we need to modify the schedule for the EIS or possibly include the South Section in an EIS Supplement. The latter would probably not be favored by some of the agencies, particularly the Div of Coastal Management.

Preliminary Proposal to include the southern 3.85 miles of the North Topsail Beach Ocean Shoreline in the non-Federal Shore Protection Project:

1. Project Management & Coordination	\$ 35,000
2. Geotechnical Investigations	\$130,000
3. Beach Fill Design	\$ 30,000
4. Additional Environmental Investigations	\$300,000
5. Beach Profile Surveys	\$ 30,000
6. Construction Plans & Specifications	\$ 40,000
7. Contractor Bidding & Negotiations	\$ 6,000
8. Contingencies (hourly as needed)	\$ 86,000
Total South Section	\$657,000

502
3/02/06

**RESOLUTION TO INCLUDE THE SOUTHERN SECTION IN THE CP&E ENVIRONMENTAL
IMPACT STUDY**

WHEREAS, the Town of North Topsail Beach has a contract with Coastal Planning & Engineering to perform an EIS in the CBRA areas; and

WHEREAS, the Army Corps of Engineers is in the process of working on the joint Beach Nourishment Project in the non-CBRA area in North Topsail Beach along with Surf City; and

WHEREAS, Federal funding and the Corps' timetable to finish the project is questionable; and

WHEREAS, the Beach Nourishment Committee has requested that the Board of Aldermen enter into negotiations with CP&E to include the 3.85 miles of the North Topsail Beach Ocean Shoreline in the non-Federal shore Protection Project; and

WHEREAS, an estimate of \$657,000 has been quoted by CP&E to include the entire south section.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Aldermen agree to enter into negotiations with Coastal Planning and Engineering for inclusion of the South Section in the EIS; and

FUTHERMORE, that CP&E submit a formal proposal with accurate figures and a timeline as to when the project could be completed.

Adopted this 2nd day of March 2006.

Alderman Farley said that he could not agree due to consistent raises in costs and was concerned at what dollar amount we are willing to climb to and when will it stop. He believes that what is happening with the Federal Government and any relief there is for the southern section should dictate our moving forward with this.

Alderman Handy reiterated that this isn't committing any funds, just asking for the actual costs and time line.

Alderman Handy moved, seconded by Alderman Tuman to approve the RESOLUTION TO INCLUDE THE SOUTHERN SECTION IN THE CP&E ENVIRONMENTAL IMPACT STUDY for the purpose of getting actual costs versus estimates. The motion passed 4-1 (Alderman Farley opposed)

f. Tax Districts:

Establishing Tax Districts is crucial to the Town's procedure in procuring a NC Municipal Council Credit Rating. Tony Blalock reported that if the Town creates different tax districts (oceanfront, non-oceanfront, etc.), they would need the valuations of those districts for 2005 (and estimates for 2006) and the district tax rates (or proposed rates), along with other designated revenue sources from which debt service would be paid.

3/02/06

In order for the Local Government Commission to see if we can proceed with a bond referendum the NCMC must take a look at NTB. Banks and USDA will ask for our NCMC rating to determine their risks.

The NCMC charges \$500.00 for their initial review.

Alderman Farley said that he has expressed being in favor of multiple tax districts in North Topsail Beach. He believes that people living on the ocean side are more at risk of losing their home and having environmental issues from wave action and erosion than those living behind the first row and should be taxed at a higher rate due to this.

Mayor Pro-Tem Hardison addressed the issue of people who own property on both sides of the road, and wanted to clarify how these homes would be assessed.

Mr. Kilroy said that per NC General Statute 105 all properties are going to be taxed a fair amount and that the criteria for tax are; state, then city, then county, then EMS...etc, that they are the ones that set the rate.

Alderman Farley elaborated by saying that there are tax districts all up and down the coast, and that the state allows special tax districts in order to do certain things like beach nourishment for example.

Alderman Tuman moved, seconded by Alderman Peters to approve for the purpose of obtaining NC Municipal Council Credit Rating that we define North Topsail Beach broken up into two tax districts. The first being ocean front as defined by the Onslow County property tax record, and the second district being everything else. The motion passed 3-2 (Mayor Pro-Tem Hardison and Alderman Handy opposed).

g. Request for Workshop

This is being added to the agenda based on the report by Rachele Caputo from the beach nourishment committee for Mrs. Carbone to contact Frank Clifton from Onslow County to set up a workshop between the County commissioners and the beach nourishment committee.

Alderman Tuman moved, seconded by Alderman Farley asking the Town Manager to contact the County Manager to arrange a workshop between the County Commissioners and the Beach Nourishment committee, and for the Beach Nourishment committee to make their presentation to the Board prior to the workshop to make sure everyone is on the same page. The motion passed 4-1 (Mayor Pro-Tem Hardison opposed)

501
3/02/06

OPEN FORUM:

Mrs. Convy asked for confirmation from Mr. Kilroy as the town's attorney that the motion that passed under new business e. "to include the southern end in the CP&E and EIS study" did in fact include the southern end in the beach nourishment.

Mr. Kilroy again read the resolution and expressed that it says what it says. They are entering into negotiations to include the southern end; however this is only to obtain accurate costs and time frame, and that although there are negotiations beginning this does not mean that from that they will ever bear fruit.

A citizen from the audience asked about the resolution under the consent agenda regarding the \$5,000 donation to the Chamber of Commerce, and if it had been removed from the agenda. It was confirmed by Mr. Kilroy that it had been removed and while he supports and belongs to the Chamber of Commerce he questions the legality of donating public funds to private organizations. Alderman Farley brought up the example that previously the Red Cross had asked for a donation and the board was unable to make that donation based on legality. The Board is asking for Mrs. Carbone to look into this and report back to the Board her findings.

ATTORNEY'S REPORT:

Mr. Kilroy spoke regarding the duplex issues that have arose. He said that he has been working with Joey Moore and that they will continue to work together to get a better understanding on what needs to be done and to determine how widespread the issue is. Mr. Kilroy explained that the issue is lots that have a duplex on it that have been subdivided and split down the middle including the land; this makes both sides of the duplex nonconforming due to a zero lot line and no set back.

Alderman Farley expressed that he felt that this is very widespread stating numbers into the 100's of homes that are affected by this dating back before 1990 when he thinks there was an ordinance allowing the separate sales.

MAYOR'S REPORT:

Mayor Pro Term Larry Hardison thanked the town for their patience and participation in the meeting.

3/02/06

ALDERMEN'S REPORT:

Alderman Handy thanked the town for putting up with the length and complex issues addressed by the Board.

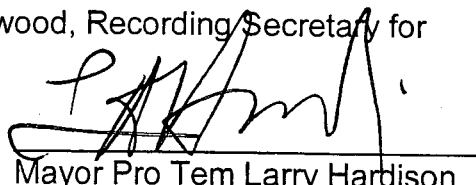
Alderman Tuman reported that North Topsail Beach has entered into an agreement with North Topsail Utilities and expressed his thanks to the citizens who came out and testified in their presence. He relayed that they will be adding more capacity to double within the year to accommodate 2,500 more homes and that this will double again in the following year.

Alderman Peters thanked everyone for coming out and encouraged people to attend the council meeting Monday night to further give their viewpoints on the reassessment.

ADJOURNMENT:

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

Minutes prepared and submitted by Lynn Armwood, Recording Secretary for North Topsail Beach.



Mayor Pro Tem Larry Hardison

4/6/06

Date Approved

506

**TOWN OF NORTH TOPSAIL BEACH
BOARD OF ALDERMEN
SPECIAL MEETING
MARCH 20, 2006
6:30 p.m.**

PRESENT:

Mayor Pro-tem Larry Hardison, Aldermen Richard Farley, Richard Peters and Daniel Tuman, Loraine Carbone, Interim Town Manager, Attorney Robert Kilroy

NOT PRESENT:

Mayor W. Rodney Knowles and Alderman Handy

QUORUM:

Mayor Pro Tem Hardison called the meeting to order at 6:30 pm in the North Topsail Beach meeting room and declared a quorum present.

CONDEMNED HOMES:

Attorney Kilroy said there has been no action on the seven duplexes that have been condemned. The notice procedure deadlines have passed and they haven't had anything given to them at this point to let this condition continue. It is a nuisance and safety issue. In looking at eminent domain, properties obstruct the public beach. All structures sit on public land at the high water line. He has read Attorney vonLembke's letters and he was in disagreement. If we use power of eminent domain, they will go to court and get an injunction. We can assert our power and we will be exempt from liability. If we go to a hearing, we will explain the safety issues to the judge. Owners can take enumerated affirmative action to secure their property and we would welcome that. Attorney Kilroy noted that this is a lose, lose situation. We have to make it accessible.

Alderman Tuman said that it continues to be an open end issue. He asked if Attorney vonLembke or the owners have given us a date and Attorney Kilroy said they cannot because of the bureaucracy of FEMA since it is not a high priority for them. Alderman Tuman asked if they have attempted to mitigate the public safety. They continue to sit there, it's a threat to public safety and in the event of a storm, debris remains a threat to the neighborhood. Attorney Kilroy agreed and said that pilings could be knocked down and that could knock down other houses. The beach won't recover there. Alderman Tuman noted that we are being driven to take action and acquire properties by eminent domain. The risk and damage must be removed.

Jim Ewalt, of 2302-2 New River Inlet Road questioned who Attorney vonLembke was and Attorney Kilroy said that he was the attorney who represents some of the homeowners of the condemned homes.

The paralegal for Attorney vonLembke read a portion of the letter that was sent to the town. Alderman Tuman asked the paralegal if they had any idea as to when there could be resolution of this matter and they were told that they have been in phone contact with FEMA, but they are inundated at the moment.

Mr. Ewalt said that he was unaware of other homeowners hiring an attorney. He said that he has hired a structural engineer. He bought this house 3 years ago when there was less land there. He said he got an engineer and there is nothing wrong with the house. If nothing is wrong, Jim Gregson from CAMA said he could hook up his sewer. He said that he has done everything they asked him to do. What can I do with the house? These houses have been out there for 10 years, but now it's a public hazard. Insurance companies laugh because there is no flooding. He asked if eminent domain was for the public good, but there is nothing wrong with my house. If you knock them all down will you give people a certain amount of time? It took me 4 months to get an adjuster out here. You are taking my retirement away from me. If beach replenishment isn't done, the houses will be gone. You need to come up with a beach maintenance program. New Jersey allows you to protect your home, but North Carolina doesn't. You need to do maintenance and go to the state and bulldoze sand each year.

Attorney Kilroy noted that staff and the Board sympathize, but we have a serious problem. He asked Mr. Ewalt what he has done to secure his property and Mr. Ewalt said he was told that he couldn't do anything. Attorney Kilroy then asked, what have you done to keep people away from your property and Mr. Ewalt said that some of his property was stolen when he came down this weekend. He said that he hasn't retained a lawyer.

Mayor Pro Tem Hardison asked if there was a conflict of interest with Alderman Farley since his house is behind the condemned homes in question and Attorney Kilroy said that he would not have to leave. Alderman Farley is entitled to vote and discuss this issue. Although, the Board needs to excuse him from any vote on this matter. Attorney Kilroy didn't see a conflict, but he wanted to avoid the appearance of conflict.

Alderman Tuman moved, seconded by Alderman Peters that they recuse Alderman Farley on any discussion or vote concerning the relocation of the condemnation of structures at the north end.

Alderman Farley said that he agreed with their point of view, but he didn't like that they thought he couldn't be objective.

The motion passed unanimously.

Attorney Kilroy said that the Board could approve the contract for the appraisals of the houses. Alderman Tuman asked if they could authorize Mr. Sniffen, the Appraiser, to conduct an appraisal and depending upon his appraisal we could discuss at the next meeting to go forward with eminent domain. Attorney Kilroy said that before the filing taking place we have to give 30 days notice. He asked

that they give him authorization to give notice of condemnation before actual taking and to authorize Mr. Sniffen to give appraisals.

Alderman Tuman moved, seconded by Alderman Peters to authorize Attorney Kilroy to give notice of eminent domain before actual taking and to authorize Mr. Sniffen to give appraisals. The motion passed unanimously with Alderman Farley being recused.

Mr. Ewalt questioned the whole process and asked if they would be notified as to what the properties are worth. Attorney Kilroy said that the statutes give a 30 day notice of intent. In 20 days time, they would ascertain from the tax records and appraiser what the property is worth. They would file a summons and complaint for each defendant for each property. At the time of filing a deposit with the Clerk of Court would be made for each property. Once the deposit is made the right and title passes to the town. The only issue to be determined is just compensation. We would go to court in front of a jury and the town makes a presentation as to the worth and defendant makes a presentation. Mr. Ewalt questioned if the town was responsible if someone gets hurt and Attorney Kilroy said that the moment the summons and complaint is filed the taking is completed.

Janice Pereira-Forster asked when they would see the appraisal and Attorney Kilroy said as soon as we get it you can have a copy of it. Attorney Kilroy noted that we could just go in and make a deposit of what the county has assessed it at which is \$100.00.

Mrs. Forster said that it has been a long journey for her. She said she has done everything to secure her property and that she has been there every day. She said she has pulled permits to demolish it. She tried to call NFIP, but every day they change their story. She said she has \$30,000 and it will cost \$59,000 to demolish the property. Attorney Kilroy said that they sympathized with her.

Robert Hodge asked that once the deposit of money is with the court will the houses be sitting out there while this is being done and Attorney Kilroy said no, the town will take them down.

A citizen said that they blamed the town for this and that they misled everyone and led them to believe they had 30 days, then another 30 days. He said they should have told them in the beginning what to do. You knew 4 years ago that they couldn't re-hook to utilities.

Tom Leonard, Coastal Drive said that the beach at low tide has debris north of the houses, sand bags, pvc pipes, etc. and asked what the plan was to get the beach ready for the tourist season, it's not safe.

Mayor Pro Tem Hardison said there was continual work going on in that area and there has been discussion on the removal of sand bags. Mr. Leonard said there were concrete chunks and loose driftwood and it wasn't safe and Alderman Tuman said that the intent was to clean that entire area.

Discussion took place on the property that was disturbed when the condemned house was moved. Alderman Farley noted that the company is trying to make it right. One homeowner agreed and another didn't approve to their taking away sand in order to move the house. Alderman Farley felt that we were moving property lines and creating situations on owner's setbacks. No one has the right to go on anyone's property. Next time, we as a town need to look closely at this. Alderman Tuman said that in the future, when they request permits that they demonstrate that if they are trespassing on property, they have approached the property owner and got permission. We will not issue any permits until we have permission.

Randall Moudy, Building Inspector, said that that there was a lack of communication between Carolina House movers, himself and Mr. Homer Prince. Alderman Tuman said that the town should confirm that we have permission from property owners and Mr. Moudy said that he would follow up on that.

Attorney Kilroy said that he had an opportunity to attend a conference last week and they spent a lot of time talking about new planning and zoning changes which would be effective January 1. He has directed Mr. Moore to plow through the changes with our ordinances with the Planning Board.

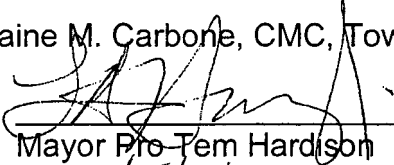
Alderman Tuman moved, seconded by Alderman Farley that the Planning Board review and update the ordinances and require the Planning Board and Planning/Zoning Officer review the requirements and make sure our zoning is compatible to law. The motion passed unanimously.

Alderman Peters said that we need to address an ordinance on demolition of structures to give us adequate protection. The Planning Board should review this.

Adjournment:

Alderman Tuman moved, seconded by Alderman Farley to adjourn the meeting at 7:30 pm. The motion passed unanimously.

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



Mayor Pro Tem Hardison
10/5/06

Date

**TOWN OF NORTH TOPSAIL BEACH
PUBLIC HEARING AND REGULAR BOARD MEETING
APRIL 6, 2006
7:00 P.M.**

6:00 P.M. – PRESENTATION BY DAVID NASH ON COASTAL PLANTS

David Nash gave a presentation on dunes and coastal plants and the information can be found in "The Dune Book" which is available at the following website:
http://www.ncseagrant.org/files/dune_booklet.pdf

PRESENT:

Mayor W. Rodney Knowles, Mayor Pro-tem Larry Hardison, Aldermen Richard Farley, Fred Handy, Richard Peters and Daniel Tuman, Lorraine Carbone, Interim Town Manager, 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.

PUBLIC HEARING – BUILDING HEIGHT:

Alderman Dick Peters had requested that the Board review the 50 ft. building height issue and at the January Board Meeting, the Board of Aldermen agreed to hold a public hearing on February 2, 2006. The Board could not vote on this issue at that meeting since the Planning Board had to hold a Public Hearing first – which did take place on March 9, 2006. The Planning Board recommended unanimously that the building height remain at 50 feet.

The Ordinance now reads:

Chapter 7 Sec. 7-143. Height limits. A. No building may be constructed in North Topsail Beach with a height exceeding fifty (50) feet as measured from the lowest adjacent grade of the property as established by a recent (sixty days (60)) elevation certificate to the peak of the roof.

Attorney Kilroy noted that the Town's power to change is limited by statute and ordinance. Our ordinance states that any changes first go through the Planning Board and after that occurs then a request for change to an ordinance goes to the Board of Aldermen who can then make the changes. The General Assembly has gone through a lot of changes. In regard to a "qualified protest" the problem

4/6/06

is that our own zoning ordinance, 7-95 – Protest to the amendment (GS160A-385) our ordinance expands the ability to protest beyond a zoning map amendment. In order to validate the petition, the zoning administrator must determine what 100% is and if it qualifies for 20%. Mr. Moore is at school this week and under the ordinance the Zoning Officer has to make that determination. Attorney Kilroy noted that it would be best to table this until we find out what to do with the petition. 160A-385 defines our ability to do something and there is nothing in the statute that prevents us to expand the right to appeal. At this point there is no acute need to change the height ordinance tonight.

Alderman Peters stated that we have solicited our attorney’s opinion and in this instance we have direction and he submitted that we need to take his advice. ***Alderman Peters moved, seconded by Mayor Pro Tem Hardison that the issue regarding the building height reduction be postponed until May 4th pending the legal issues involved. The motion passed unanimously.***

PUBLIC HEARING SOLID WASTE MANAGEMENT:

Recommendations were given by the Recreation and Appearance Committee in regard to options to implement stricter rules for trash containers in the Town’s Ordinance. Points are:

- 1. Initiate a program where the homeowners have the responsibility to place containers the evening before and remove trash no later than 9:00 a.m. the next day.
- 2. Re-institute employing staff to follow Waste Industries and move the containers on the same day.

Possible language for an amendment to Section 13-7. Location of containers:

- (a) At all times other than scheduled collection times, refuse containers must be stored on the premises at a location thirty (30) feet from the public right-of-way or behind the front or side wall of the structure.
- (b) Refuse containers must be placed adjacent to the street no earlier than 3:00 pm the day before collection is scheduled and must be returned to the residence by 9:00 am on the day after collections.
- (c) Placement of container at street earlier than 3:00 pm on the day prior to collection shall be subject to a \$25.00 fine.
- (d) Failure to remove container from street before 9:00 am on the day after collection is subject to a \$25.00 fine.

4/6/06

Another option for the Board is to put the responsibility on the real estate firms that rent out the vacation homes.

Following is the entire Chapter 13 which staff had worked on previously to update. Bracketed items are to be deleted and new language is in red.

Chapter 13. SOLID WASTE MANAGEMENT

Sec. 13-1. Definitions.

The following words, terms and phrases, when used in this chapter, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning:

Building material scraps means scrap building material from the construction, reconstruction, remodeling or repair of a building, walkway, driveway, sign and other structure, including but not limited to, excavated earth, tree stumps, rocks, gravel, bricks, plaster, concrete, lumber or any other similar material used in construction or the containers or wrappings therefore.

Business location means any structure that is adapted for transaction of business, for rendering of professional services, for amusement, for the display or sale or storage of goods, wares, merchandise, articles or equipment, including hotels, rooming houses, mobile home parks, campgrounds, office buildings, public buildings, stores, theatres, markets, restaurants, warehouses, sheds, barns, piers and other structures or premises used for or adapted to business, rental commercial, or income-producing purposes.

Garbage means all putrescible wastes, including animal and vegetable matter, animal offal and carcasses, and recognizable industrial byproducts, but excluding sewage and human wastes.

Refuse means all nonputrescible wastes.

Solid waste means garbage, refuse, rubbish, trash, and other discarded solid materials, including solid waste materials resulting from homes, business, industrial, commercial, and agricultural operations, and from community activities, but does not include solids or dissolved materials in domestic sewage or other significant pollutants in water resources, such as sale, dissolved or suspended solids in industrial wastewater effluent, dissolved materials in irrigation return flows or other common water pollutants.

Tree trimmings means tree limbs, leaves, shrubbery trimmings and cuttings and all other trimmings from the natural growth of trees, shrubbery, weeds, plants or grass.

Litter means any rubbish, waste material, cans, refuse, garbage, trash, debris, dead animals or discarded materials of every kind and description.

(Ord. of 6-1-95)

Sec. 13-2. Refuse required to be deposited in approved containers.

It shall be unlawful for any person to throw, place or deposit any garbage or refuse of any kind on any public or private property except in approved containers or as otherwise provided in this chapter.

(Ord. of 6-1-95)

Sec. 13-3. Burning or burying garbage and refuse regulated.

It shall be unlawful to burn or set fire to or bury any garbage for the purpose of disposal. In addition, it shall be unlawful to turn any refuse for the purpose of disposal unless a permit therefore has been granted by the fire marshal.

(Ord. of 6-1-95)

Sec. 13-4. Accumulation of garbage and refuse prohibited.

4/6/06

All garbage and refuse shall be collected and placed in containers as required by this chapter. It shall be unlawful for any person to permit garbage or refuse to accumulate or remain on any premises longer than is reasonably necessary to remove and deposit same in approved containers required herein.

(Ord. of 6-1-95)

Sec. 13-5. Containers required.

- (a) All occupants of each premise, against which a charge for the collection and disposal of garbage and rubbish is levied in accordance with the provisions of this chapter, shall be provided a 90 gallon roll-out container by the town or by the contractor providing solid waste disposal services in accordance with a contract with the town. The occupants of such premises shall be required to deposit all garbage and refuse existing at such premises in the containers so provided, subject to the terms and conditions of this chapter. All containers so provided shall be kept in a reasonably clean manner.
- (b) [All occupants of each premises not wishing to participate with town collection services provided are required to contract with a solid waste disposal service.] DELETE
- (b) The required number of 90 gallon containers shall be based on per 1600 square feet of heated space.
- (c) Owners or agents of owners with rental property/properties shall participate with the town solid waste program. [or participate with a solid waste contractor for solid waste disposal services.] DELETE

(Ord. of 6-1-95)

Sec. 13-6. Precollection practices.

All garbage and refuse shall have the liquid drained therefrom and shall be wrapped in paper or other like material before it is placed in the container for collection. No ashes or cinders shall be deposited in any container until they are cold. Insofar as is possible, all garbage shall be bagged in plastic bags and placed in the containers.

(Ord. of 6-1-95)

Sec. 13-7. Location of containers.

Containers shall be placed adjacent to the street [or sidewalk on the days] DELETE the night prior to collection is scheduled and must be returned to the residence the day after collection. [when garbage is to be collected.] DELETE

(Ord. of 6-1-95)

Sec. 13-8. Unlawful to displace containers.

It shall be unlawful for any person to damage or otherwise interfere with garbage containers or their contents, or to take, carry away, or steal any container with the intent or effect of depriving the owner and/or designated user the use and benefit of said container for any period of time.

(Ord. of 6-1-95)

Sec. 13-9. Special or bulk collections regulated.

- (a) No trash, tree limbs, shrubbery, cuttings, leaves or any other refuse will be collected by the town except on designated collection days.
- (b) No collection shall be made from vacant lots nor shall any large rocks, tree trunks, tree stumps, tree limbs of more than eight (8) feet in length or other heavy objects be collected by the town. No waste building materials or lot clearings shall be collected by the town from houses or other structures under construction or recently completed.
- (c) Items that will be picked up will consist of White Goods: refrigerators, dishwashers, water heaters, washer and dryers, stoves and microwaves.

(Ord. of 6-1-95)

4/6/06

Sec. 13-10. Use of dumpster containers; private contracts for disposal.

- (a) Service locations requiring more than two (2) garbage containers as described in section 13-5 shall be provided a dumpster container for their exclusive use. Service locations requiring dumpster containers may choose to allow the town to collect solid waste under the provisions of this chapter or they may choose to contract directly with a firm authorized to perform solid waste collection service within the town. On or before July 15th of each year, service locations choosing to decline solid waste dumpster service as provided by the town for the next fiscal year (July 1st through June 30th) shall notify the town, in writing, of their intention to contract privately for disposal of said waste. Failure to notify the town of intentions to contract privately for disposal services shall be deemed an acceptance of town sponsored service in accordance with applicable fee schedules for the entire fiscal year.
- (b) Contractors/builders are required to provide the following on all remodeling or new construction sites:
- (1) A waste disposal container, minimum size 8 X 8 X 4 for materials such as treated lumber, roofing material, cans, glass, etc., which cannot be burned.
 - (2) The contractor/builder is responsible for the cost of the container rental/ownership and disposal. Proof of rental or ownership is to be provided to the North Topsail Beach Inspection Department prior to the issuance of permits.
 - (3) The appropriate container must be on the remodeling or new construction site within three (3) days of the issuance of the permit for remodeling or new construction.

(Ord. of 6-1-95)

Sec. 13-11. Charges or fees.

[For the service of collecting and disposing of garbage and rubbish, the owner or occupant of each premise shall be charged such rates as may be established, from time to time, by the board of aldermen. Such charges shall be considered a debt to the town from the owner or occupant of the premises which uses the service. No owner or occupant of premises within the town shall be exempt from the collection and disposal service provided by the town. except in accordance with the provisions of section 13-5(b) and (c).] DELETE

The fees imposed herein shall be established and amended from time to time by the Board of Aldermen, or as part of the annual budget adopted by the Board of Aldermen. The fees imposed herein shall be billed with property taxes and are payable in the same manner as property taxes. Upon non-payment of said fees, the fees imposed herein may be collected in the same manner by which delinquent personal or real property taxes are collected, and the fees herein shall be a lien on the real property described on each tax bill that includes the fee.

(Ord. of 6-1-95)

Sec. 13-12. Littering.

- (a) No person shall intentionally or recklessly throw, scatter, spill or place or intentionally or recklessly cause to be thrown, spilled, scattered or placed, or otherwise dispose of any litter upon any public property within the town or in the waters of the Atlantic Ocean or the waters contiguous to or within the boundaries of the town, including but not limited to any public highway, public park, beach, campground, forest land, recreational area, road, street or alley except:
- (1) When such property is designated by the town for the disposal of garbage and refuse, and such person is authorized to use such designated property for that purpose; or

4/6/06

- (2) Into a litter receptacle in such a manner that the litter will not be carried away or deposited by the elements upon any part of such public property or waters.
- (b) The offender shall also be subject to a civil debt of fifty dollars (\$50.00) per day in addition to other penalties. No such civil penalty shall be assessed until the person alleged to be in violation has been notified of the violation. Each day of the continuing violation shall constitute a separate violation.

Chris Rackley, President of the Topsail Island Realtors spoke on behalf of all of the realtors in the area and noted that they were not in support of an ordinance that would penalize the renters or property owners if the trash cans were not moved back in a timely manner.

Patsy Jordan, 7902 Seventh Ave. said that she has lived here for 21 years. She helped incorporate North Topsail Beach and served on the Land Use Plan, Planning Board and various committees. She noted that she was against new trash fees. We have many absentee residences and our town counts on tourists. Notices were up on refrigerators but you can't train a tenant and it would be an additional burden. Residents have second homes and her neighbors come in on Friday and leave Sunday. Older people cannot meet your schedule. We now have a new tax revaluation and any other new fees would be an additional burden.

Mike Yawn, 207 Tamerix Court noted that this is a safety issue as well since trash cans could blow in the middle of the highway. He said that he lives here permanently, but he didn't want the Town to hire a third party and then increase our trash fees. We have to motivate people and if we have to do it by fines that was o.k. with him. He felt that absentee or elderly property owners should hire someone to take their can back.

Alderman Peters asked Patsy Jordan, you are against the fines, how should we accomplish this without fines? Something needs to be done. How is the best procedure? Mrs. Jordan said that she did not have enough time to research this.

Alderman Handy moved seconded by Alderman Farley to close the Public Hearing. The motion passed unanimously.

Alderman Handy stated that residents could comment about our tax rate at the April 17th County Commissioners meeting. Chairman Collins said that they need to know who will comment at the meeting and to let Loraine Carbone know tomorrow.

APPROVAL OF AGENDA:

Alderman Tuman requested that under the Consent Agenda, that Mr. Hale's appointment to the Beach Nourishment Committee be placed under new business d. Alderman Farley requested to take out Betty Bigney too.

4/6/06

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

COMMITTEE REPORTS:

Planning Board – Mike Yawn, Chairman:

Mr. Yawn stated that the Planning Board held a public hearing on the building height and the Board voted unanimously to keep the height of buildings at 50 ft. They also held public hearings on tree conservation, accreted land, Planning Board Alternates and commercial plan design. Mr. Yawn noted that Joey Moore is doing a great job and is working hard on zoning maps and he can do it in-house. They are looking at duplexes that are nonconforming and will be reviewing this issue and will look at what other communities are doing. They had a request from a citizen to take a look at the sign ordinances in reference to rental companies and signs out at the road and will look for input from the Board. Section 7-91 has ambiguity in how ordinance changes need to be addressed. The Planning Board is the core group of the Land Use Plan and April 27th is their next meeting and they need more committee members. This committee is trying to get a survey out in conjunction with a beach nourishment survey.

Recreation & Appearance Committee – Bill Horstmann, Chairman:

Mr. Horstmann said that it was good to see the Mayor. The Recreation & Appearance Committee met the 14th of March. The committee will participate with Litter Sweep on the 22nd of April from 7:00 am to 9:00 am. They will clean the grounds and flower beds and will also dress up the town entrance sign areas. Mr. Horstmann said that new members are always welcomed to join them the 2nd Tuesday of the month at 7:00 pm at the Town Hall meeting room.

OPEN FORUM:

Chris Rackley, President of the Topsail Island Realtors, said that they have been involved with the tax issue with Onslow County. At the March meeting he spoke along with Alderman Peters and Mayor Pro Tem Hardison and they have requested a workshop. Mr. Rackley said that he looked forward to working with the Board.

Linda Knowles, 3592 Island Drive, said that the trash issue is dear to her heart and she would like to see the town go back to the program they had two summers ago. She said that it was a burden to try to educate people to get the can out and back and she couldn't see that the tax we are paying that it would cost that much to get it back. Stop the nonsense of fining everybody. The burden should not be put on homeowners.

Sue Tuman, 3944 River Road asked how many trash cans have to be picked up at \$520 at \$10.00/week and felt it was cheaper to have the Town do it.

4/6/06

MANAGER'S REPORT:

1. The Bulldozing Project is complete at this time and staff commends Ronda Salese and Thomas Best and their staff for their many hours of hard work. As expected with any large project such as this, we have property owners who are very pleased with the sand push and others who feel that they did not get enough sand or even those who felt they had too much sand and it spoiled their view.
2. The planting of the 120,000 sea oats will start May 1st depending on weather conditions. Citizens are encouraged to plant more rows to stabilize the dune system.
3. Staff has contacted Onslow County to schedule a workshop to discuss the Tax Levy Based Formula vs. the Population formula in the distribution of tax monies owed to NTB.
4. Randall Moudy started March 9th as the Building Inspector. Randall worked for Onslow County for 3.5 years.
5. Terrie Woodle started April 3rd as the Permits Specialist. Terrie worked for Onslow County in their Permits Department for one year.
6. Krista Work is a Temp and is helping all of our departments and sits at the Reception desk and now that she is familiar with staff and the various departments we will take the phones off of voice mail and she will answer the phones starting tomorrow.
7. The Land Use Plan Committee met on March 21st and they will meet on April 27th, May 8th and May 22nd AT 6:30 pm.
8. Budget Workshops will take place on April 12th, April 18th and May 16th at 6:00 pm.
9. The Four Town Meeting is set for Thursday, April 20th at 6:30 pm at Topsail Beach. More info will follow.

CONSENT AGENDA:

The consent agenda consisted of the March 2, 2006 Board Meeting minutes, Department Head Reports, Benefit Accrual Report, Eastern Carolina Dues and Appointments to the Land Use Plan – Paula Rowland and Jim Milligan and resignation of Ron Gibson from the Board of Adjustment.

Mayor Pro Tem Hardison noted that the March 2nd minutes did not reflect what they said and Mrs. Carbone noted that a previous temporary staff person took those minutes and she would make any corrections to them as directed by the Board. Alderman Handy suggested that the minutes shouldn't be put on the website until they are approved and Alderman Tuman disagreed and felt that having them online in a timely fashion was useful.

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

5/18

4/6/06

OLD BUSINESS:

a. Lower building Height from 50 ft. to 45 ft.

This item was tabled until the Petitions received could be reviewed by the Planning/Zoning/CAMA Officer.

b. **CP&E CONTRACT FOR THE SOUTHERN SECTION:**

Tom Jarrett noted that at the last Board meeting, board members considered adding the southern section of NTB to CP&E's contract. The purpose of adding the southern project is to protect that area (3.8 miles). CP&E gave a quick estimate last month and the proposal was on the high side and they have revisited the level of activities to support the inclusion of the south section. The new proposal consists of the inclusion of the south section with the same type of investigations which include environmental studies of the hard bottom areas. They will expand the borrow area to include material to support the eleven mile project. They will meet with agencies next week and at that point will get an understanding of what they will look for in additional studies. \$50,000 is a fall back number.

Alderman Farley noted that the quote was \$657,000 last month and they cut \$160,000 and he questioned what was cut out. Mr. Jarrett said that he was given a request for a proposal for one day. They looked at the cost of the original contract and were given another opportunity to look at it and the numbers went down. Mayor Pro Tem Hardison asked if the \$498,000 was just for the southern section and Mr. Jarrett noted that a lot of information generated will be applicable to the southern four miles and will expand the investigation to include those areas. Mayor Pro Tem Hardison questioned the 40 million dollars plus this \$498,000 and Mr. Jarrett said they would present to Onslow County the inclusion of the additional four miles in the southern section. In thinking of possible bonds and a five year nourishment cost, the planning purpose was 46 million dollars which are rounded off numbers. Mayor Pro Tem Hardison asked what would be the plan for that southern part and Mr. Jarrett said that the Army Corps is looking at the federal project along with the benefits and cost and the developer would pick a condition and time and base future damages to that area, should erosion rates continue. CP&E does not want to upset their project conditions. The proposal includes a re-survey of the area and will look at shore rate changes and combination of changes. The idea is to maintain the beach in a good condition until 2014. Mayor Pro Tem Hardison asked when you finish the project would I see an appreciable difference when it is done. Mr. Jarrett said there would be a substantial difference. Mayor Pro Tem Hardison asked if there would be a decision on what type of dune would make a difference in the cost and Mr. Jarrett said not too much, just a berm in the south section and they would hope the beach would be wide enough until the Corps comes in. There is an uncertainty of what the Corps funding is and CP&E would give a level of protection until the Corps study is completed.

4/6/06

Alderman Farley questioned what the prices are now on sand per cubic yard. Mr. Jarrett said that the bidding for dredges has changed drastically. \$5 a yard is cheap and New Jersey is paying \$8 to \$10/yd. and it depends on the pump average for a Cutterhedge which is in the \$4 to \$5 range. It is 3.3 million cubic yards and the pipeline is approximately 4 miles. Alderman Peters questioned if the price was complete for next year and asked if it could be done in one year. Mr. Jarrett said there would be additional management fees. The Project Manager would keep things moving and some dollars would have to cover that additional service. This proposal includes plans and specs and negotiations. Rather than going out for a separate contract, he suggested getting one big contract and get three dredges and finish it in one year, but that will depend on the Town's funding at that point. Alderman Peters asked if there was any possibility coordinated with what Topsail Beach was doing and how would that impact Surf City. Mr. Jarrett said that Topsail Beach is still deciding on what to do and are still exploring the size of the project and the source of material to construct it. There are additional environmental requirements which can bump up the costs. There could be a benefit in working together with Topsail Beach.

Alderman Peters questioned the best way to analyze this as to what we are getting and Mr. Jarrett noted that the product you will get is an overall environmental mapping sampling required by state agencies to build this project. There are major issues on the northern 7 miles and near shore rock areas. They will be spending extra effort to address those concerns and will present avenues of approach to Project Delivery Team (PDT) members next week. If acceptable, we may avoid additional filled work to document this near shore rock. When we meet next week with the PDT we will come to the manager and request approval of funding of what we have done so far. Alderman Farley noted that mitigation could cost 16 million dollars and there are 16 acres of hard bottom we could cover and would that lessen that impact. Mr. Jarrett said that is the analysis we talked about and they will make a presentation to the PDT next week. It is a make or break issue since taking hard bottoms is not allowed, it's like taking wetlands. A million dollar per acre is the number that was mentioned on impacts in Florida.

Alderman Farley questioned if this contract should go into next year's budget. Alderman Peters questioned if they should compare this to the original contract. Tom Campbell said that the way they looked at it and saw what they incorporated, was roughly 50% more than the original, but because we could use the ongoing study they are looking at 30% more. Mr. Jarrett said that the PDT team and stage agencies would like to see one document and not two. The sooner the town decides to do this the better within the next month or so. November 07 is the start date, but if we lose a month or two it would be difficult. Mr. Campbell noted that part of the \$498,000 is \$50,000 for unforeseen problems

5/10
4/6/06

and it is included in the cost. It may cost just \$498,000 but there could be unanticipated issues.

Alderman Tuman moved, seconded by Alderman Handy to approve the proposal presented by Coastal Planning & Engineering for \$498,000.00.

Alderman Farley felt that it was premature to agree to this contract since it should be an item for next year's budget. Especially since another item on the agenda is a request from the Corps for more money. Mayor Pro Tem Hardison said that he was not comfortable voting on this now. Alderman Tuman asked if by budget time would there be any new knowledge. Mayor Pro Tem Hardison said that we are talking about 40 million dollars and 46 million dollars and there are a lot of questions.

Alderman Tuman asked if there was a proposal to kill the program and Mayor Pro Tem Hardison said no, but he could not vote tonight. Alderman Handy asked what would you need in order to vote on it and Mayor Pro Tem Hardison said he would talk more with them and with beach nourishment people. Alderman Peters didn't think they should immediately ratify this and that it should go before the Beach Nourishment committee. They need to go through this and analyze it and come up with a recommendation to the Board.

Alderman Farley, Peters and Mayor Pro Tem Hardison opposed the motion to approve the contract with CP&E to include the southern section of North Topsail Beach in their studies so therefore it did not pass.

Mrs. King asked if they wanted a single year or a multi year contract and the Board recommended a multi year contract for 3 years.

c. Finistar:

David D. Butler, Chief Operating Officer with Finistar, Inc. has sent staff an updated bank list and has asked that we update our Resolution with them that was originally adopted in August 2005. Their goal is to provide an update to the resolution during the first calendar quarter of each year.

Mrs. King noted that there are more banks that we can do business with and the banks are at 4.7 percent issue this month which is a good return by using Finistar. They are liberal on deposits and withdrawals. The Town has over \$600,000 in Finistar. Alderman Farley asked if they take a percentage and Mrs. King said it is spread between all of the banks. Alderman Peters asked how they relate to normal banking and Mrs. King said they deposit our money into different banks to get a better return instead of a CD. A CD commits to six months and you can't draw it out. Finistar is a NOW account. We are not locking our money up.

Alderman Farley moved, seconded by Alderman Handy to approve the Resolution Authorizing THE GOVERNING BOARD OF THE TOWN OF NORTH

4/6/06

TOPSAIL BEACH TO CONDUCT BUSINESS WITH FINISTAR. The motion passed unanimously.

RESOLUTION AUTHORIZING THE GOVERNING BOARD OF THE TOWN OF NORTH TOPSAIL BEACH TO CONDUCT BUSINESS WITH FINISTAR

The Governing Board of The Town of North Topsail Beach (Town) adopted the following resolution as of the date set forth below:

WHEREAS, the Governing Board has approved a Custodial Agreement among the Finance Officer of the Town, Finistar, Inc. ("Finistar"), and Gateway Bank & Trust Company, 1145 North Road Street, Elizabeth City, North Carolina 27909-3334 ("Fiscal Agent"); and

WHEREAS, the Finance Officer has been authorized and directed by the Governing Board to deposit funds of the Town in a custodial account as Fiscal Agent for disbursement and deposit in North Carolina financial institutions, the deposits of which are insured by funds of the Federal Deposit Insurance Corporation ("FDIC") and which are Participating Banks (as defined in the Custodial Agreement), as provided in the Custodial Agreement.

NOW, THEREFORE, BE IT RESOLVED that the Fiscal Agent, a North Carolina chartered, commercial bank, the deposits of which are insured by funds of the FDIC, be and hereby is designated as an official depository of the Town; and

BE IT FURTHER RESOLVED, that each Participating Bank, the name and address of which is listed on Attachment "A", be and hereby is designated as an official depository of the Town, such List being deemed incorporated by reference into this Resolution for the purpose of making deposits in accordance with this agreement with Finistar, Inc.; and

BE IT FURTHER RESOLVED, that the Finance Officer shall report the Fiscal Agent and each Participating Bank on the List as required by GS 159-33 and 20 NCAC 7.

Adopted this 6th day of April, 2006.

d. Audit Contract:

At the February 2, 2006 Board Meeting Alderman Farley requested that the Audit contract be taken out of the consent agenda and it was tabled. Alderman Farley had requested that we look at other firms, but to do so staff would need a Board consensus.

52
4/6/06

At the March 2, 2006 meeting, this item was tabled once again without the Board voting to go out for RFP's. The auditor starts work in May and the LCG must receive and approve the contract before any work could be done. Also, if we do advertise for an auditor staff needs to know if the contract would be a multi-year or annual contract.

Alderman Farley moved, seconded by Mayor Pro Tem Hardison that the Board request bids on our audit. The motion passed 4 to 1 with Alderman Handy opposing.

e. Adoption of Suggested Rules of Procedure:

As suggested at the February 25, 2006 Board Retreat, the Board of Aldermen should formally adopt the Suggested Rules of Procedure for a City Council by A. Fleming Bell, II of the Institute of Government. This item was tabled at the March 2, 2006 meeting to give members more time to read the Rules of Procedure. Most municipalities use the above-mentioned book at their meetings.

Alderman Farley noted that at their Board Retreat there may be some other procedures to look at, but if we are happy with Fleming Bell, these procedures could add structure to our meetings. It could move things along with less questions.

Alderman Farley moved, seconded by Alderman Tuman to approve a Resolution Approving the Suggested Rules of Procedure for a City Council. The motion passed unanimously.

RESOLUTION ADOPTING THE SUGGESTED RULES OF PROCEDURE FOR A CITY COUNCIL

WHEREAS, the Board of Aldermen for the Town of North Topsail Beach have never formally adopted any rules of procedure to conduct Board Meetings; and

WHEREAS, the Board has referred to the Suggested Rules of Procedure for a City Council by A. Fleming Bell, II; and

WHEREAS, these rules of procedure were designed for use by a municipal council and they incorporate general principles of parliamentary procedure and applicable North Carolina laws; and

WHEREAS, essentially the rules are a modified version of *Robert's Rules of Order Newly Revised*; and

WHEREAS, many of the rules suggested reflect the provisions of the NC city council meeting procedure statutes, Chapter 160A, Article 5, Parts 1-3 of the NCGS and the NC open meetings law, G.S. Chapter 143, Article 33c (G.S. 143-318.9 to 143-318.18; and

WHEREAS, most of the rules are suggested procedures and each council should feel free to change them to suit local needs and customs.

4/6/06

NOW, THEREFORE BE IT RESOLVED, that the Board of Aldermen for the Town of North Topsail Beach does hereby adopt the Suggested Rules of Procedure for a City Council by A. Fleming Bell, II.

Adopted this 6th day of April 2006.

f. Chamber Budget Request:

A request to budget \$5,000.00 by the Greater Topsail Area Chamber of Commerce and Tourism dated February 16, 2006 was tabled at the March 2, 2006 Board meeting. The Town of North Topsail Beach has budgeted \$5,000.00 since 2004 for the Chamber.

Surf City gives \$27,500/year divided into 4 quarters. They have budgeted this for the past 10 years. Topsail Beach has put the Chamber in their budget for the last 10 years also and last year they gave \$10,000.00 and the year before \$9,000.00. The managers of each town on Topsail Island attend and participate in the monthly meetings of the Chamber and they are on the Chamber's Board.

The Chamber is an advocate for Topsail Island and their beach nourishment efforts. They are involved with the NCBIWA and last year they lobbied for funds for dredging. They are an integral part of the Island not only to promote tourism but to also protect our beaches.

Alderman Farley said that his question has not been answered and Mrs. Carbone said that this is not a charitable donation. Alderman Tuman noted that they have lobbied for us. Alderman Farley said that there needs to be specific things that allow us to spend tax payer's money on. Mayor Pro Tem Hardison asked Attorney Kilroy for his legal advice and he said that he did not believe giving money to the chamber is something we are allowed to do. Mayor Pro Tem Hardison stated that they do good things, but if it will get us in trouble later on we need to clarify that. Alderman Peters suggested that we get the Institute of Government's take on it.

Alderman Handy moved, seconded by Alderman Tuman to approve the request for \$5,000.00 for FY 05-06 to the Greater Topsail Area Chamber of Commerce and Tourism based on response of legality. Alderman Farley said that he didn't like approving something before getting an answer.

Aldermen Farley, Peters and Mayor Pro Tem Hardison opposed the motion and therefore the motion did not pass.

g. Sand Fence:

We need approximately 125 rolls of sand fence and 250 posts to cover Town owned property. Lowe's is selling sand fence for \$42.65/roll. Staff has also called ATech in Shallotte (referred to staff by Steve Mercer) and they quoted \$36.00/roll delivered. Guy C. Lee's price is \$48.05/roll.

501
4/6/06

Staff advises that the Town should purchase sand fence for Town owned property only and that individual home owners purchase and place sand fence on private properties. Staff would not be able to "sell" sand fence to citizens since their time is limited and stocking the sand fence would be cumbersome.

The planting of sea oats should start around May 1st and the sand fence must be installed prior to any planting, therefore a decision to purchase sand fence must be made at the April 6th meeting.

Bill Horstmann noted that all sand fence is not equal and the one from Lowes was top quality. You need to look at the gage of wire that holds the planks together.

Alderman Farley moved, seconded by Mayor Pro Tem Hardison to approve purchasing sand fence for town owned property from the supplier who has the best quality sand fence. The motion passed unanimously.

h. Beach Nourishment Survey by Holland Consulting:

The cost would be between \$7,248.00 and \$8,016.00 depending on the number of pages that are needed for the Beach Nourishment Survey.

Alderman Handy moved, seconded by Alderman Peters to approve Holland Consulting Planners to conduct a survey for beach nourishment at a cost not to exceed \$8,016.00. The motion passed unanimously.

NEW BUSINESS:

a. Amend Chapter 13 – Solid Waste Management:

A Public Hearing was held to receive input from citizens. Recommendations have been received by the Recreation and Appearance Committee and other changes are needed to update Chapter 13.

The Board should be prepared to determine what is the best policy for the Town to follow in implementing a Solid Waste Management program after hearing from property owners and reviewing the suggestions from the Recreation and Appearance Committee.

Mrs. Carbone noted that we had problems when the teenage boys moved the cans and they put a lot of wear and tear on our vehicles. Mayor Knowles suggested that we sit down with the realtors and make it palatable to all concerned. We do not need taxes or fees. The Realty companies are making a lot of money on rental units.

4/6/06

Alderman Handy said that we need constructive recommendations which are also economical. Alderman Farley thought there was no need to go to the realtors but we do need to approve an amendment to our ordinance. We talked about this issue 1.5 years ago. Alderman Handy noted that when the kids put the cans back, we still got complaints about them on their property.

Alderman Tuman said we still need to look at the safety of cans when winds blow them onto the highway and the police need to pull over and move the cans to the side of the road.

Mayor Knowles noted that realtors need to be involved and we should change the pick up schedule. Alderman Tuman said that the Town made great strides when it said we would pick up trash and we don't want to make it difficult for someone to put out their trash can. We don't have a trash can problem. We have a good system; take pause before fiddling with it and creating more of a problem.

Sue Tuman reminded the Board that any proposed ordinance should include nothing that involves money.

Alderman Farley moved to adopt the language to amend Chapter 13 as discussed at the public hearing and to remove the fee for not placing the can back. Alderman Peters felt that the location of 30 feet was not enough and it should be 60 feet and the can should be placed behind a side wall or structure - not or. Alderman Handy said to take out the 30 feet. Alderman Peters stated that it wouldn't get you behind anything. Alderman Farley said that he couldn't support that. Linda Knowles said that their cans sits in front of their garage and you can't tell people where to put the can.

Alderman Farley said to keep the motion as it was. Alderman Tuman said that there would be a problem in complying since 30 feet is essentially 40 feet from the right of way.

The motion died for lack of a second.

b. Request for Handicap Access:

Staff has received a request from Mr. Averitt and his neighbors to provide handicap accesses at the end of 14th Avenue with a 4 inch rise and a ramp at 13th Avenue.

Mr. Moore and Mr. Best has researched this request and agreed that only the access located at 13th Avenue could be constructed to build stairs at a lower riser height.

5711
4/6/06

Bob Swantek asked if the 13th Avenue access was done and he said that you can't park legally by Ocean Drive and every street has access to the beach.

Alderman Handy said that the request is for a lower rise and it makes a difference walking on the steps. Alderman Farley noted that the 13th or 14th crossovers 2 years ago were designed for 8 inches and the contractor came back and put in 6 inches and he thought that one has a 6 inch riser.

Sue Tuman asked if we do this here, how many other accesses will we have to do. Mayor Pro Tem Hardison said to get it done.

Alderman Handy moved, seconded by Alderman Farley to reject the proposal since it could set a precedent.

Mayor Pro Tem Hardison stated that he didn't think that we were putting ourselves in a safe position by not providing this type of access and the intent is not to have someone go three miles down the road to access the beach. We may find ourselves in a position not only to provide access there and possibly in many other areas. He proposed to accommodate the people in this area.

Alderman Farley said the issue is if we have a plan and one spot doesn't solve a problem. Overall, we need handicap accesses.

Alderman Peters said that since one needs to be repaired, it's not that significant to do a low riser and provide service to this community. Alderman Tuman suggested that when we are building new ramps that they all be handicap accessible provided we have land to do it.

Mayor Pro Tem Hardison said that a citizen is asking for a simple request.

Alderman Peters moved, seconded by Mayor Pro Tem Hardison to approve to reconstruct stairs at a lower riser height at 13th Avenue to improve access for the elderly or handicapped.

Alderman Farley asked why we could reintroduce this and not trash cans.

The motion passed with Aldermen Farley and Handy opposing.

(Postscript) After staff reviewed this crossover again they realized that this is a County crossover and the Interim Town Manager contacted the County and they agreed to repair the crossover with a 4 inch riser on the beach side and this work has been completed)

c. Army Corps Request for Additional Funds for the Shore Protection Project:

4/6/06

Alderman Peters moved to approve the Army Corps' request for additional funds for the Shore Protection Project. The motion died for lack of a second.

d. Beach Nourishment Committee Applications:

Alderman Tuman said that he did not have a problem with Betty Bigney since she attends meetings, but he had a problem with Bob Hale since he has spoken out a number of times objecting to beach nourishment. Alderman Peters noted that we have diverse individuals and we shouldn't be in a position to question someone's intent to be on a committee. Alderman Farley agreed and said that he had spoken out against something and he was asked to be removed from the beach nourishment committee. Bob Hale has a different opinion and he is in favor of two tax districts, but that is no reason to eliminate someone. Ed Tennent noted that most people on the Beach Nourishment committee are ocean front and he would like someone on the sound side to be on the committee.

Alderman Peters moved, seconded by Mayor Pro Tem Hardison to approve Bob Hale and Betty Bigney to the Beach Nourishment Committee. The motion passed unanimously.

Open Forum:

Bob Swantek, 3772 Island Drive said that he was concerned on how we spend our money. He noted that the Board argues about sand fence and throws away money to reconstruct new stairs. Plus on Topsail Road or Ocean Drive every road has a beach access and where there are just a couple of houses there are too many accesses. He said there were at least 15 accesses on Topsail Drive.

Ed Tennent, Old Village Lane asked what the status was on the bike path that will go down to Surf City. He said there was a narrow strip to the beach access and it was dangerous.

Sue Tuman noted that draft minutes alerts a lot of people as to what is going on and it is important to get them on the website before they are approved.

ATTORNEY'S REPORT:

Attorney Kilroy noted that he forwarded amendments to the General Statutes that affect zoning to Mr. Moore so that the Planning Board could review them. He has filed an Answer and Motion to Dismiss in regard to the Jackson matter n River Road. Notices went out today to the condemned property owners in regard to Eminent Domain and they have to wait 30 days to proceed. Attorney Kilroy noted that in 1990 there was a vision as to what the Town would be. In looking at our Ordinances over the course of 15 years that vision has changed and there are patches on this old vehicle to get us to our vision. The General Assembly worked hard last year to make changes and it would behoove us to have a new

4/6/06

vision as to what we want the Town to be. We have the power to zone and regulate the land. The Town is spinning their wheels in trying to change the building height. He suggested putting it all together in a universal ordinance and to revisit the whole document and look to see where you want to be in the years to come. Alderman Farley asked what the difference was between a unified development ordinance and our Land Use Plan. Attorney Kilroy said they could take it all together and have one set of definitions in how you want to zone and redistrict. You need to create a vision. Alderman Peters submitted that he has been pushing the height limitations since residents have previously desired this community to be low density in accordance to the Land Use Plan. Officials should ensure that growth respects the overall vision of the community.

Alderman Tuman asked if anyone else has done this and Attorney Kilroy said that the Town of Burgaw has a unified development ordinance that impressed him.

MAYOR'S REPORT:

Mayor Knowles said that he was glad to be back. He said he has had time to think and the Town has gone through a lot in the last 12 months. There have been employee changeovers and storms, but we came through good. He said that he wanted the staff and Board to know that he was proud of everyone. We are strong here, and have an opportunity to be stronger. Mayor Knowles thanked everyone for attending the meeting.

ALDERMEN'S REPORT:

Mayor Pro Tem Hardison said that he was pleased to have the Mayor back. As we go forward we should be mindful of revaluation, taxes and beach nourishment and it all amounts up to money. He hoped that we deliberate carefully on issues coming before us and hopefully we can prepare ourselves on what could possibly come around the corner in terms of the cost of living here.

Alderman Peters thanked Mayor Pro Tem Hardison for his extra work during the Mayor's absence.

Alderman Handy said that it was good to have the Mayor back and he thanked everyone for attending the meeting.

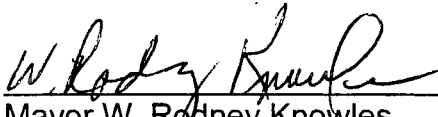
Alderman Farley said he was thrilled to have the Mayor back and he said that he values his opinion.

ADJOURNMENT:

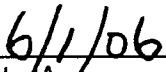
Alderman Farley moved, seconded by Alderman Handy to adjourn the meeting at 10:20 p.m. The motion passed unanimously.

4/6/06

Minutes prepared and submitted by Loraine M. Carbone, CMC Interim Town
Manager/Town Clerk for North Topsail Beach.



Mayor W. Rodney Knowles



Date Approved

TOWN OF NORTH TOPSAIL BEACH
APRIL 10, 2006
SPECIAL MEETING
9:00 A.M.

PRESENT:

Mayor W. Rodney Knowles, Mayor Pro-tem Larry Hardison, Aldermen Richard Farley, Fred Handy, Richard Peters and Daniel Tuman, Loraine Carbone, Interim Town Manager, Shelia Cox, Capital Projects Coordinator

RESOLUTION AUTHORIZING ADDITIONAL PAYMENT TO THE U.S. ARMY CORPS OF ENGINEERS FOR THE NTB SHORE PROTECTION PROJECT IN THE AMOUNT OF \$42,250.00:

Mayor Knowles noted that the U.S. Army Corps of Engineers is requesting additional federal funds in the amount of \$42,250.00.

Alderman Handy moved, seconded by Mayor Pro Tem Hardison approval of the Resolution Authorizing Additional Payment to the U.S. Army Corps of Engineers for the North Topsail Beach Shore Protection Project in the amount of \$42,250.00.

Alderman Tuman said that he had concerns as to where this project is headed and the ambivalence and lack of effort on the part of the Board. He asked what kind of program the Board was leaning towards for voter approval on the referendum in the fall.

Mayor Pro Tem Hardison said that this is different from a specific beach nourishment project. Alderman Peters said that skepticism arises from how much the County will give us. People are not willing to pay the amount necessary to finance the bond issue. This is a timing issue and we need to wait to see what we will get from the County. Alderman Tuman said there was no confidence on the effort we are putting forth. Alderman Peters thought it was premature to get it on the ballot this year and asked if they shouldn't delay it for a year.

Mayor Pro Tem Hardison said that they were talking about two different things. What we are acting on now is a federal funded project with Surf City. Mayor Knowles noted that we are obligated to this project and are committed to it. Alderman Handy agreed that we have already committed to this project and we can't drop it now and it is important for the Town to move forward.

Alderman Farley said he agreed with Alderman Tuman but he felt that people understood what the project entailed, but we haven't been given a plan that we are comfortable with. Alderman Farley felt that two districts would sell, but we started with a \$3mm estimate that is up to \$60mm and he had a lot of discomfort

with that. Mayor Knowles said there was misinformation. Alderman Farley said if we continue to be uncomfortable we need to look at the project again.

Alderman Tuman said that we can't limit discussion to one end of the Town and if we do that it will defeat the project. Once you say that the beach front will pick up the tab there won't be any support on the sound side and the beach front has the burden. The effort of this Board is to take an active role to find the mechanism program to sell to the voters. Alderman Tuman also had a concern of the Beach Nourishment Committee and the totality of the program.

Alderman Farley said that you can't charge people who don't reap the benefit and there is more value in certain places. Alderman Tuman said that after Hurricane Fran this Town was shut down and we couldn't enter it. The infrastructure was gone and beach nourishment provides some insurance. There was a limit of people to do repairs and people had abandoned this Town. It is cavalier to dismiss the sound side properties. There are new residents since Fran and they might try to influence others. Alderman Farley felt that there wasn't any plan that would give us more sand before Fran. Mayor Knowles noted that there were areas that had nourishment that had less damage.

Alderman Peters stated that when he ran for office he said he wanted an equitable beach nourishment project. He said he has never felt that they have the same monetary risk and there is no way we should accept financial risk. Alderman Tuman asked what made him comfortable and Alderman Peters said an 80/20 breakdown from ocean front to sound side.

Mayor Pro Tem Hardison said that this conversation should have been discussed long ago. He felt that what they were discussing had nothing to do with the Resolution that is on the table now and it should be a separate discussion. We need to stand by the agreement we have with Surf City.

Alderman Tuman noted that they asked the County for \$5mm and we could get that on an advalorem tax formula. Alderman Peters said that we need a joint session with the County. Alderman Farley questioned tripling our tax rate and that is tough to swallow and we will force people out of our town.

The Motion passed four to one with Alderman Tuman voting nay.

Resolution Authorizing Additional Payment to the U.S. Army Corps of Engineers for the North Topsail Beach Shore Protection Project in the amount of \$42,250.00

Whereas, the Board of Aldermen previously authorized the signing of the Agreement Between the Department of the Army and the Town of North Topsail Beach for the Shore Protection Feasibility Study; and

Whereas, the US Army Corps of Engineers Wilmington District has identified additional federal funds in the amount of \$42,250.00 from within the District for transfer to the Town's project; and

532
Whereas, the Corps of Engineers is requesting that the Towns of Surf City and North Topsail Beach provide \$42,250.00 each in the current fiscal year to enable the Corps to utilize these funds. The Town will seek 50% reimbursement in State Funds through the North Carolina Department of Environment and Natural Resources; and

Whereas, funds are available within the Town's Capital Project-Beach Nourishment Contracted Services (20-720-45) to provide the non-federal match as requested.

Now Therefore Be It Resolved that the Board of Aldermen for the Town of North Topsail Beach authorize the Town Manager to provide the necessary matching non-federal funds as requested for the Shore Protection Project in Fiscal Year 2006 in the amount of \$42,250.00 from the Capital Project-Beach Nourishment-Contracted Services for transfer to the US Army Corps of Engineers, Wilmington District and to seek 50% reimbursement in State Funding.

Adopted this 10th day of April 2006.

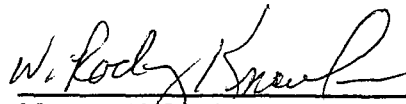
Alderman Farley said that they need to get behind a plan but he didn't think they should jump into anything. There are a lot of issues and cost is paramount. Mayor Pro Tem Hardison asked if the County was still going to help us with the dredging of the channel. Alderman Tuman said that the State and County would share in the cost to put sand on the north end.

Alderman Handy noted that people didn't show up at the County meeting in regard to the issue of the revaluation. He said that this Board has to decide what goes forward and what is right for the Town. Alderman Farley said that people are still entitled to good government even if they don't come to meetings.

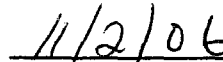
ADJOURNMENT:

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

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



Mayor W. Rodney Knowles



Date Approved

**TOWN OF NORTH TOPSAIL BEACH
BOARD OF ALDERMEN
BUDGET WORKSHOP
APRIL 12, 2006
6:00 PM**

PRESENT:

Mayor Pro-tem Larry Hardison, Aldermen Richard Farley, Fred Handy, Richard Peters and Daniel Tuman, Loraine Carbone, Interim Town Manager, Lydia King, Finance Officer, Shelia Cox, Capital Projects Coordinator, Daniel Salese, Police Chief, Richard Macartney, Chairman Beach Nourishment

NOT PRESENT:

Mayor W. Rodney Knowles

QUORUM:

Mayor Pro Tem Hardison called the meeting to order at 6:00 p.m. in the North Topsail Beach meeting room and declared a quorum present.

APPROVAL OF AGENDA:

Alderman Tuman moved, seconded by Alderman Handy approval of the agenda. The motion passed unanimously.

Bike Path:

Alderman Peters asked if we should go out to bid again and Ms. Cox noted that the asphalt costs have increased. Even if we re-bid we would not have lower bids. Alderman Tuman asked for an explanation of what we were trying to accomplish. Ms. Cox said to continue the bike path from beach access # 2 with a 4 foot extension down to the town limits of Surf City. Construction would be on both sides of the road. This is the Share the Road project, the other path is a multipurpose path. This was an enhancement cost reimbursement project provided by D.O.T. In the 2006/2007 budget, D.O.T. is providing \$275,000 plus they will be using 2 Powell Bills and draw from our appropriated fund balance. Mrs. King noted that we may need to increase funds or shorten the path. Alderman Farley noted that the revenues don't match the increase and decrease. The income on the original equals the expense on the original. Shouldn't our increased revenues equal our expenses so that this balances? He felt that they needed to reconcile those numbers.

Mrs. King said if the options don't go through they will have to pull it from the unappropriated fund balance. Alderman Peters questioned the prospect of additional Powell funds and Mrs. King said there is an incremental increase, we budget exactly what we received the previous year, and we usually get about \$200.00 extra each year. Last year we didn't spend Powell bill funds and saved it for this project. Mayor Pro Tem Hardison questioned what the likelihood of the State funding this money and Ms. Cox felt that they probably wouldn't, but

4/12/06

hopefully they could shorten the length of the path and just extend it 2/3 of the way.

Alderman Handy said that he wanted the project to go forward as far as we could go, but he would rather it be shortened. Alderman Tuman asked if we use our money to finish the project, does it preserve our option next year to request the funds. Ms. Cox said that she was waiting to hear from D.O.T. Alderman Farley asked if there was any chance of narrowing it and Ms. Cox said that the width is a requirement because you need to keep debris off of the road for safety reasons. Alderman Handy noted that there is gravel on it too and he asked if there was a storm and it wipes out the path will D.O.T replace it? Ms. Cox said that they are supposed to patch our existing path, but she will have to inquire if they will replace it.

Ms. Cox recommended that they wait to hear from D.O.T. and continue this issue at another workshop. Alderman Tuman said that since this is a tourism enhancement project that we go back to the county for additional monies for this project. Alderman Farley said that they need to look at the electronic system that the state has for bidding out contracts and to reconfigure the project. Alderman Tuman said that they need to make every effort to finish this project in total.

Police Department Building:

Chief Salese said that he didn't have any concrete numbers right now and that this was the average square footage price. He will need to get permission from Ocean Sound Village. CAMA looked at the lot and it is buildable. Alderman Peters asked what the Chief's vision was and Chief Salese said for more storage and office space. He suggested moving inspections downstairs. He noted that with a new facility officers could stay there during a hurricane. We could not use the ground level for offices, but the downstairs would house equipment such as jet skis and boats, etc. Chief Salese noted that trucks are at his house and the fire department and public works has the rest of their equipment. We don't have facilities for interviewing and our records are not in compliance.

Alderman Farley asked how he came up with the square footage and Chief Salese said that they looked at what they could get by with. 4,000 square feet would be on one floor and downstairs would be the intoxilyzer room and cell. Alderman Tuman said that he had a discomfort with the amount of space involved since this building is large. Another facility is a drag on the budget with maintenance. If you need storage space, go and rent lockers. Alderman Handy suggested the town's property on the mainland. Chief Salese said he would need a closed storage area for boats, trailers, jet skis, ATV's and motorcycles and he would rather go with a metal building. The PD here is central and available, but the size of it bothered him. Alderman Handy said that someone else could use the PD space. Chief Salese said that he didn't know how the

4/12/06

Board felt and he had no plans at this point. He just wanted something that was functional. Alderman Farley asked if there was an option of adding onto this building. Alderman Peters questioned a 1/2 metal and 1/2 wood building with a wood façade. Alderman Peters felt that they should look at the appearance and Alderman Handy said that metal buildings have come a long way. Alderman Tuman asked how this building compares to the public works building and Chief Salese said that was basically what he was looking for but he would have to do the construction inside.

Chief Salese said that even if we cut the footage you don't want something here that is not going to match. Alderman Handy said that they have to comply with record storage and bringing that up to date. Chief Salese said it is not securely maintained and not locked away and evidence is in the closet. SBI notes that when they check up on us. They cut an office in half to put it in one place.

Mayor Pro Tem Hardison asked if he had any ideas on costs and Chief Salese said \$400,000 to \$500,000 that would be paid over 8 to 10 years. Chief Salese said that he has applied for homeland security funds and we have been denied. Alderman Tuman asked if there was any room at public works and Chief Salese said no. Alderman Handy felt that a rough floor plan could make the Board feel better and he said that Maebilt could draw something up fast on his computer.

Mayor Pro Tem Hardison said that no decisions were meant to be made tonight and there have been some suggestions to think about and they would bring it up again.

SPECIAL REVENUE FUND:

Beach Nourishment Chairman Macartney said that there was a shift today at the PDT meeting. At the last PDT meeting there was an issue of hard bottoms and rock outcroppings of between 15 and 16 acres. CPE's presentation said that mitigation is affected by the coarseness of sand. They proposed using coarser sand and presented evidence that it would hold. 1/2 way down the central section they would use a borrow area. At Hampton Colony they would take coarser sand from the borrow area. There was no objection to using less sand. Alderman Tuman asked if they could avoid this problem by placing coarser sand with the expectation that it won't migrate. Mr. Macartney said that the beach is not as wide because it won't migrate.

Alderman Farley noted that the beach at the north end would be 1/2 of what it should be. Mayor Pro Tem Hardison said that the issue of more and less came from the volume of the sand and that the fine sand would be more sand and the coarse sand would be less. The volume would be the same. Alderman Farley noted that the erosion rate would be equal and finer sand would go away quicker.

536

4/12/06

Initially the profile would be different. When we renourish we will use the inlet sand to renourish that portion.

Mr. Macartney said that the next issue was if there was a buffer zone that you keep the hard bottom rock and CP&E suggested a 400 ft. buffer area. That made sense except CAMA said we have regulations that we have a 500 meter buffer. If we use cutter dredges only, there is a good chance the 400 ft. rule will be okay and they asked for 6 more weeks to survey that. If it is 500 meters it takes away a lot of coarse sand from Hampton Colony. We can't use offshore sand for Hampton Colony. With a 500 meter we would have to identify another borrow area.

Mr. Macartney noted that the next issue is the south section and the effect of that on the project. If we add the south section it is probably going to slow down everything by 4 months because the hard bottom areas were not mapped in the southern section. They need to go back to CP&E to check that out and if there are any impacts they need to identify another borrow site. If that takes 4 months, our statement will be late and chances of getting permitting in 2007 is next to 0. So by adding the south section we are forcing ourselves to a 2008 start date.

There are separate studies and it is a 2.5 year process. For the analysis it is better for us to put it all together in one and keep the costs down. We won't have sand on the beach in 2007. Even if we approved the contract 2 months ago we still would have to wait 4 months. Mr. Jarrett didn't realize the amount of time to denote hard bottoms. The date for the EIS was supposed to be in 2 weeks and the final is due August or September. Alderman Handy said that he always felt November 2007 was optimistic. Alderman Tuman said that realistically the permits could slip 4 months and we could get the signal in August that this could happen and we could realistically go out for bids. A narrow construction season could slip into the 4th quarter of 2008. This budget doesn't support 2007 construction. Ms. Cox noted that construction doesn't actually begin until November 2007. Alderman Tuman said that it has to be in this year's budget or it won't happen. Mr. Macartney said that they didn't have to have a year in advance, as long as there was money in the fund to get started. The other issue is the monitoring plan presented today on hard bottom sediments and monitoring the portion of the beach project that is not covered in the current CP&E project which would cost 1.7 million dollars. We need to come up for monitoring work one year in advance. Alderman Farley said that they are talking about a proposal to monitor hard bottoms and Ms. Cox noted that in the original scope of services there was a block that they didn't have an amount for monitoring. Mayor Pro Tem Hardison said that all monitoring was not factored into the cost of the project.

4/12/06

Ms. Cox noted that in exhibit A - Scope of Services - EIS permitting and monitoring - they have included some fees for monitoring and it is lumped together. Mrs. King said that it was averaging about \$35,000/month. This number will be modified as we go since this is just an estimate. There would be \$557,500 left by June 30th. Alderman Tuman said that they need to find out exactly what the costs were. The remaining portion of his contract plus the addition of the south section was all the money we needed to transfer to CP&E and there were no other charges. Mr. Macartney noted that Tom Jarrett would attend the April 19th beach nourishment meeting. The other issue is when we will do this project. Bond counsel, surveys, etc. have to get in next year's budget. Alderman Tuman said that assuming we move ahead in 2007, we have to have a clear understanding of the elements we need to put into this budget to have in hand to allow us to start construction. He said they would look to the Beach Nourishment Committee to come up with the numbers.

Alderman Farley said that he didn't have faith in what the committee has done. He said that he wanted consideration of different points of view especially on districts. Mr. Macartney said that he doesn't do numbers, Tom Jarrett has numbers. Alderman Tuman said that he will give an estimate of costs, but what do we put in our budget. Alderman Farley said that he was not in support of putting \$500,000 in there for the south end. Ms. Cox said there are requirements for easements for beach front parcels to place pipes and to put sand on the beach.

Mr. Macartney said if they don't want to do the south section then they don't need \$500,000, but can you get approval of bonds without the southern section. Alderman Farley said he was not willing to commit another 1/2 million dollars until we have solid numbers on how it will be paid and he asked what it would cost our citizens. We need to see how it can be paid for and he didn't know if it was doable and he said he couldn't support it now. Alderman Tuman suggested that the Beach Nourishment Committee prepare a sheet and look at revenues and look at expenditures. They also need to look at districts and percentages. The Beach Nourishment Committee should take a position on the \$498,000.00. We need to ask them if they recommend or not going that route. Mr. Macartney said they thought time was of the essence to get it done by 2007. We still have to operate under that principal. We need to go to the voters and Alderman Tuman said it won't go to the voters until the Board decides. He said that he didn't see the support of this Board to do beach nourishment.

Mrs. King said if we are going with two tax districts who will be deciding the line of the tax district? In order for us to move on the finance end, we have to try to get a feel for this. Alderman Handy said that the Board will decide with a recommendation from the Beach Nourishment Committee. Mrs. King noted that as of now we have not received a commitment. She said that there were several

5/8
4/12/06

ways to determine the sides. One could be beach side – non-beach side, touch ocean, not touch ocean. Mr. Macartney said that they didn't like the road deal and went with touching the ocean and all others. The problem is the data base and Mrs. King said that they are working on recoding everything with Harry Smith and they should have the information by next week. Mrs. King gave an example of the St. Regis, that whole common area is beach ocean so the back buildings are beach ocean. Mayor Pro Tem Hardison said if we are at that point then shouldn't we inform the community on this? You are talking to the tax manager on tax districts. Mrs. King noted that coding is a solid number we can go on and it doesn't affect their taxes and we are just getting data at this time.

Mr. Macartney said that they needed the Board's timeframe. We have a cost of the project and a firm definition of ocean vs. non ocean. Alderman Farley said that it may be a burden on our citizens to pay an extra ½ million dollars since we have a number of projects on our plate.

Mrs. King asked if the Board was going to pursue the advalorem issue and Alderman Peters said they would be requesting a workshop with the county. Alderman Tuman thought they would be making a decision by the end of April and they would have to make a motion to change the way they collect the taxes. He said he has pointed out to Chairman Collins that the county has an arrangement with Jacksonville in a memo of understanding. They can't do anything unless it is authorized by state statute and nothing authorizes them to enter into an agreement with Jacksonville. Mrs. King asked if they have talked with other towns to go in as a group. Alderman Tuman stated that they would all gain except for Jacksonville and he suggested that the mayor should approach the county.

Alderman Peters requested that the manager try to clarify when we can have a meeting. Alderman Handy said that they need a resolution to present to them before that and he requested that our attorney write it up for us.

Alderman Farley questioned the sales tax and asked if there were other calculations? Alderman Tuman said that just trying to get something is important to us. If we go advalorem what would you do with those dollars? Alderman Farley said it was a good argument for beach nourishment. In order to get the full amount don't we have to triple the taxes? Alderman Tuman said if we still go to a tax district we would accomplish the same thing.

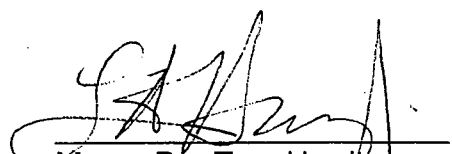
Mrs. King said regardless, if we go with advalorem we get more than what we have now - 1.4 million more even at revenue neutral. 1.6 million opposed to \$200,000 per capita. Alderman Tuman noted that when we get additional amount of money and other municipalities get it then Jacksonville would raise their taxes and our percentage becomes smaller.

4/12/06

Ms. Cox suggested writing a letter to the county to consider changing that as Pender County does and Pender County also gives them \$100,000 above that.

The Budget Workshop adjourned at 8:10 p.m.

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



Mayor Pro Tem Hardison

10/5/06
Date

540

**TOWN OF NORTH TOPSAIL BEACH
REGULAR BOARD MEETING
MAY 4, 2006
7:00 P.M.**

PRESENT:

Mayor Pro-tem Larry Hardison, Aldermen Richard Farley, Fred Handy, Richard Peters and Daniel Tuman, Loraine Carbone, Interim Town Manager, Robert Kilroy, Attorney

NOT PRESENT:

Mayor Rodney Knowles

QUORUM:

Mayor Pro Tem Hardison 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:

Mrs. Carbone added Contract for Consultant Services under Old Business e. Alderman Farley asked if they would look at the nepotism policy. Alderman Peters said that the attorney advised them to eliminate the ordinance and Attorney Kilroy said to just repeal the Personnel section in the ordinance book and replace it with a policy. Alderman Tuman asked what the Board would accomplish. Alderman Farley said that we would have to hold a public hearing to eliminate the nepotism ordinance and he moved, seconded by Alderman Peters to place this issue under Old Business f. Mayor Pro Tem Hardison agreed and Aldermen Tuman and Handy opposed the motion. The motion carried 3 to 2. Alderman Peters moved, seconded by Alderman Farley to include the trash can removal issue under Old Business g. Mayor Pro Tem Hardison agreed and Aldermen Tuman and Handy opposed the motion. The motion carried 3 to 2.

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

COMMITTEE REPORTS:

Planning Board – Mike Yawn, Chairman:

Mr. Yawn reported that the Planning Board met on April 13th. They reviewed a rezoning request from Ocean City which is currently zoned commercial. They recommended to rezone this property from B-2 to conditional use R5 on the condition that only single family would be used and any dwellings would have to

5/04/06

use North Topsail Utilities. Mr. Dorazio recused himself. They discussed ordinance changes and the issue of duplexes and selling two halves to two different owners. Swimming pools in front yards were also discussed and a concern was that it would reduce the number of parking spaces. A citizen requested to amend our sign ordinance and not allow temporary signs for renters. They will contact rental agencies and state law states you can't have them in the state right of way. The Land Use Plan had their first public input session on April 27th and not many attended. The next Planning Board meeting is May 8th at 6:30 p.m.

Alderman Handy questioned the changes on duplexes and Mr. Yawn noted that it would take more than one meeting to resolve this issue since it is complex and there are several different cases. Before the Town incorporated, someone could build a duplex on a R10 if it was 20,000 sq. ft. and split it in half and it would be conforming but no zero lot line was allowed. In regard to an R10 lot with 10,000 sq. ft., the issue is when it is sold to two different people. We will have more than one ordinance change coming from this and Mr. Moore is looking at other town ordinances. Alderman Handy said that this was very important since if it was determined to be nonconforming, they will not be able to get insurance.

Alderman Farley said that we have always had nonconforming duplexes and he didn't know anyone who couldn't get insurance. Mr. Yawn said they would look at the original seller and what the disclosure laws were. Alderman Tuman noted that people who built nonconforming buildings where issued building permits and Mr. Yawn said that the problem was when they were split into two different halves. Alderman Farley said that the ordinance states if any two lots were under common ownership with continuous frontage they would meet the requirements for that zoning district.

MANAGER'S REPORT:

1. Mayor Pro Tem Hardison, Alderman Tuman and I met this morning with Army Corps of Engineer officials and included Colonel Pulliam and John Sutherland from the Department of Water Quality. Colonel Pulliam said that there is an issue of authorization in moving the channel. He noted that there has to be federal interest, purpose and an economic value in moving a channel. The consensus at the end of our meeting was that they would try to straighten the inlet when they dredge in July. Alderman Tuman said that the direction of the channel is contributing to the acceleration of the erosion. We requested that they physically relocate the channel so it comes straight out of the New River because we know that we would have less erosion. By law they are authorized to clear the shoaling out of the channel. Their experience is that in the summer months, the channel tends to swing to the south. There are no guarantees that when they dredge in June/July that it would result in a change to the channel. Alderman Tuman noted the diagram from the Corps' website shows the navigation that is planned and penned in green is where we would like to see the channel moved. The Corps said it was possible that they could dredge in that location. The meeting was productive and the Corps said that they would look hard to see if they could straighten the channel. Mayor Pro Tem Hardison noted that we didn't get a guarantee, but we left encouraged.

46
5/04/06

2. Staff attended a Beach Nourishment Project Delivery Team meeting on April 12th.
3. On April 28th, CAMA officials along with our zoning officer met with property owners at the very north end to discuss their options after the recent erosion of their property. They were told they could get permits for sand bags, but could not push any sand.
4. Budget Workshops are being held along with staff and Board members. The next workshop on Monday, May 8th at 9:30 am will concentrate on beach nourishment. Another budget workshop is set for Monday, May 15th at 1:00 pm.
5. The next Land Use Plan workshop is Monday, May 8th at 6:30 p.m. Citizens are encouraged to attend to give input on the future direction of NTB. Attendance was very low at their last meeting and Holland Consultants would like more participation from the public.
6. I will be attending a Clerk's Lunch in Jacksonville on May 5th to celebrate Municipal Clerk's Week with fellow clerks from Onslow and Carteret counties.
7. May 9th is a workshop in Jacksonville for county officials and staff in regard to emergency management issues.

Alderman Handy said that on April 17th he attended the County Commissioner's meeting and other board members attended so there was a quorum, but no town business was discussed. The County meeting was for information purposes only. Board members need to coordinate who is attending meetings so as not to have three or more at a meeting that has not been advertised.

OPEN FORUM:

Attorney Jay Short of Fletcher Ray and Satterfield, stated that he represented about a hundred folks who own property here. In regard to the building height ordinance changing from 50 ft. to 45 ft., he said that the Aldermen referred the matter to the Planning Board. He asked the Board to look at the history of this issue. In 2004 you studied the height ordinance and there was confusion because builders were building in excess of 60 ft. since it was measured by the median average roof height. The Planning Board consulted professionals and they approved the 50 ft. and the Board of Aldermen approved that. The Town has implemented this ordinance for a year now and they had an election and in January the issue is raised again. At a Public Hearing of the Planning Board there was a packed room on that issue and folks objected to any changes. The Planning Board considered what they heard and unanimously recommended not to change the height. The Planning Board deals with your zoning issues and you look for them for confidence and the ordinance states that you will look for their guidance. You set an April Public Hearing and that did not go forward. You are required to have a Public Hearing before voting on this issue and you can't rely on the Planning Board's Public Hearing. The position you are now in is to hold a Public Hearing. You received a Petition in opposition to the change in the height ordinance and he said he understood that it was not being recognized and he still felt that it was valid and there is a mandate to review it. What is the purpose of this change? You are required to have a substantial relation to public health morals or public welfare. That is what the case law is, but we have heard that the houses are just too big. Houses too big have nothing to do with these issues.

5/04/06

If these are personal reasons and personal interest, then I would ask you to recuse yourself from voting on this matter.

Rachele Caputo, Topsail Road, said that she had been asked to speak on behalf of other property owners. One asked that minutes be posted in a timely manner. Another wanted to know when the sea oats would be planted and Mrs. Carbone said this week. Another wanted to know when the bike path would be completed. Another had sent an email to Mayor Pro Tem Hardison and they haven't received a response. They were concerned about nourishment and that Mr. Hardison had voted against the consideration to include the southern section in the CP&E project and that they pay high taxes with no benefits. Mrs. Caputo read a letter written by Mr. Caputo concerning the future of the Town.

Melvin Houser, St. Regis, said that it is the Board's responsibility as to what goes on the beach. We have lost 8 houses and 9 more are threatened. At some point you have to decide to fix the beach. There will be less people to pay taxes. When you vote not to include the southern part they will vote against it. He asked how much property does NTB own and could it be sold to be used for beach nourishment and he asked for a listing of all the property the Town owns.

Carol Evans said that we are losing sight and we still don't know if we will do the beach nourishment project or if the Town is in favor or if we will get funding. It's not their fault and not our fault. She said that she has watched beach nourishment projects and it hasn't worked.

Dr. Carl Chang, 3634 Island Drive, noted that he spoke last February and said it was stressful to keep driving back and forth from Greenville to be heard in regard to changing the building height. Beach nourishment is more important than a 5 foot difference. You are restricting the size of homes which will create ugly flat topped homes. You cannot force people to build a pretty house. He said he chose to come here because of the pretty beaches, but you are dividing our community. What is the purpose of stopping growth – we have more important issues. Emerald Isle doesn't worry about height and he urged the Board to stop this issue.

Mike Yawn, 207 Tamarix Court, applauded the Aldermen and staff to work with the County to change the way they allocate the tax levy and it should be based on advalorem. When you look at the budget, look at .10 to .11 cents per \$100 valuation. There is pressure to increase that amount for beach nourishment and if we increase it, it has to go to the people on a bond issue. Before we increase our property taxes we need to vote on that. Some people are against and some are for beach nourishment. Mr. Yawn stated that he was in the middle and asked that the Board hold the rate at .10 to .11 cents.

5/04/06

Sal Morelli noted that his daughter owns property at the north end. He said when they dredge the Inlet that they dredge both sides. The last time they dredged they were throwing it at Camp Lejeune. Alderman Tuman said that he was not sure if it makes a difference. Tom Jarrett noted no, it wouldn't make a difference, it just casts it 90 ft. and the channel is 90 feet. Waves keep it in there and it won't get to the beach. Alderman Farley said that he has heard several times that dredging increases erosion. Mr. Jarrett noted that when a channel is large you are interfering with the movement of the inlet.

CONSENT AGENDA:

The consent agenda consisted of the Department Head Reports, Benefit Accrual Report, Budget vs. Actual and appointment of alternates to the Planning Board. ***Alderman Tuman moved, seconded by Alderman Handy approval of the Consent Agenda as presented. The motion passed unanimously.***

OLD BUSINESS:

Request for funding by the Greater Topsail Chamber of Commerce:

A request to budget \$5,000.00 by the Greater Topsail Area Chamber of Commerce and Tourism dated February 16, 2006 was tabled at the March 2, and April 6, 2006 Board meetings. The Town of North Topsail Beach has budgeted \$5,000.00 since 2004 for the Chamber.

Surf City gives \$27,500/year divided into 4 quarters. They have budgeted this for the past 10 years. Topsail Beach has put the Chamber in their budget for the last 10 years also and last year they gave \$10,000.00 and the year before \$9,000.00.

The managers of each town on Topsail Island attend and participate in the monthly meetings of the Chamber and they are on the Chamber's Board. The Chamber is an advocate for Topsail Island and their beach nourishment efforts. They are involved with the NCBIWA and last year they lobbied for funds for dredging. They are an integral part of the Island not only to promote tourism but to also protect our beaches.

An email from David Lawrence states that "You can give money to the chamber for specific purposes, such as to assist in its program of economic development". Allan Libby, Director of the Chamber and Chairman John DeMatteo attended the meeting. Mr. Libby said that he hoped the Board supported their request and he thanked the Board for their time and consideration. He also noted that Loraine Carbone is a steadfast board member at the Chamber Board of Director's monthly meetings. Mr. Libby said that 05/06 has been productive on the convention and visitors side and they just received their directory. They are also advertising in the state travel guide and magazines and their website gets at least 100,000 visits a year.

5/04/06

They also work with Onslow tourism. On the advocacy side they are working with the shallow inlet work along with the NCBIWA. He went to DC last September to lobby Congress and he spoke at the North Topsail Utilities Forum on Feb. 6th. Mr. DeMatteo noted that they are the only organization that ties this area together and they have made great strides to market this area. The Chamber was also first to jump on the Inlet situation and other towns support them greatly.

Alderman Handy thanked them for their work over the past years and he said that we appreciate your efforts. Alderman Tuman noted that the chamber does an outstanding job promoting the local area and image and they address quality of life issues on Topsail Island. Alderman Tuman also said that he was grateful that Mr. Libby spoke at our forum for North Topsail Utilities and he was a substantial influence.

Alderman Tuman moved, seconded by Alderman Handy to approve the request for \$5,000.00 for FY 06-07 to the Greater Topsail Area Chamber of Commerce and Tourism.

Alderman Farley noted that there was case law on this and it is not as simple as we think. We do have the authority to give the chamber money, but he was not sure if our citizens would want their money going to organizations. Alderman Farley said that GS 158-172 places limitations on this authority in approving expenditures by an organization. We would have to have an agreement that you do something for us that we can't do for ourselves. Alderman Tuman said that he did not have a problem and that they will use funding in an area that is beneficial to North Topsail Beach. Alderman Peters suggested that the Chamber give us an agreement of their expenditures that benefit NTB such as dredging and to have a "Letter of Agreement". Mayor Pro Tem Hardison said that he has received mailings from the Chamber which have been helpful to him. He said if he felt we could give the funds he would, but he thought there were a number of things before us that he would have to put this particular contribution behind some other things, but he appreciated what they are doing.

The motion passed 3 to 2 with Aldermen Handy, Peters and Tuman voting yes and Mayor Pro Tem Hardison and Alderman Farley voting against the \$5,000.00 funding to the Chamber.

Mr. DeMatteo thanked everyone and said they would clarify where the money goes and noted that Loraine Carbone attends their meetings and NTB has been very involved with the work that the Chamber does.

Audit RFP's:

Out of 12 firms we have received two responses only – Pittard Perry & Crone declined to bid and we received a bid from Thompson Price Scott & Adams.

5/04/06

Alderman Farley moved, seconded by Alderman Peters to send out another RFP since we should have more coming in. Lydia King, Finance Officer, noted that the LGC does not set a time limit for the audit, but they recommend that it be in place by May since most auditors do their preliminary work in May. If the LGC doesn't receive a letter from the town they will recommend that we get a contract and it is less likely that the audit will be in on time. Mrs. King said that RFP's should go out in early January or February, but this was not acted upon until April and phone calls were made on April 11th and RFP's were mailed April 12th and they were asked to respond by May 1st. Alderman Farley said that he has called people on the list and they said they would be interested. Mrs. King said that she called auditors to see if they would be interested in bidding and they said send the proposal and they would look at it but she hasn't received any responses. The whole RFP would have to be redone since the bid stated a deadline. If the Board won't accept the bid that was received, we would have to go out again and request bids.

Alderman Farley noted that the motion was to go out for bids and Alderman Peters had seconded it.

Aldermen Farley, Peters, Tuman and Mayor Pro Tem Hardison approved going out for bids to obtain an auditor. Alderman Handy opposed and the motion passed 4 to 1.

Beach Nourishment Issues – Chairman Dick Macartney:

Chairman Dick Macartney addressed the Town's Beach Nourishment issues.

Following are key factors:

- Approval of CP&E Southern Section Proposal
- Budget for Beach Nourishment for next 4 years
- Discuss new cost estimates from Tom Jarrett
- Breakout of tax rate
- Bond Counsel Interview Schedule
- Beach Nourishment Survey

I believe we are to a point in time where everyone in this room and every property owner in North Topsail Beach want to know what this town is going to do about the erosion of our beach. As one Letter to the Editor wrote this week "do we want to change the name of the town to North Topsail---no beach?" So I have a rather lengthy report. I think to start we might need to review how we got to this point.

In 1971 the House of Representatives directed the Army Corps of Engineers to make a survey of West Onslow Beach, Onslow County NC and such adjacent shores as may be necessary in the interest of beach

5/04/06

erosion control, hurricane protection and related purposes. And in 1979 the Chief of Engineers was requested to make a survey of Topsail Beach and Surf City, NC and adjacent beaches and inlets in the interest of beach erosion control.

These resolutions and two others were combined into a study authorized in 1980. The study area included all of Topsail Island including the towns of Topsail Beach and Surf City, the communities of West Onslow Beach, and New Topsail Shores, and New River Inlet. As we all probably know, in 1990 West Onslow Beach and New Topsail Shores were incorporated as the Town of North Topsail Beach. The recommended plan that resulted and that was authorized in 1992 consisted of a beach fill for the southern portion of Topsail Beach in the Town of Topsail Beach. Because of the small amount of development, storm damage reduction was not found economically feasible for the rest of the Island at that time.

Then came the series of hurricanes; Bertha, Fran, and Floyd being the worse. Those storms and the tremendous damage they caused stimulated a new feasibility study which was adopted in 2000 by Congress. That work spawned the feasibility of a federal Project for Surf City and the southern 3.85 miles in the non-CBRA area of North Topsail Beach. In other words the entire island was found to be eligible and economically feasible for beach nourishment. However, in 1982 Congress passed the first Coastal Barrier Resources Act which designated hundreds of miles of undeveloped barrier areas into CBRA zones that were to be tracked in a nationwide system. Boundaries to the CBRA system cannot be changed without authorization from Congress. In addition to limiting federal flood insurance availability, CBRA prohibits most federal expenditures if they would encourage development.

The Surf City and North Topsail Beach Shore protection plan that was started in 2000 is currently estimated to cost \$70,424,000 plus re-nourishment cycles at 4 year intervals costing \$11,109,000 each for the 50 year time frame currently authorized for projects of this type. The project has a positive benefit cost ratio with annual benefits estimated at \$34,200,000 of which \$16,200,000 are hurricane and storm damage reduction benefits and \$18,000,000 are recreation benefits.

This Federal project or as I call it the Corps project will be funded at 65% Federal and 35% by the two towns. Normally the State reimburses 75% of the town's cost. Using \$70 million initial construction cost and assuming that NTB and Surf City equally share the cost; the 3.85 miles in our southern section of NTB would cost \$9,187,500 ??? for the town for this original first phase of construction. With the speed for progress we have just reviewed it is now 6 years later and the project is just about ready for internal review by the Corps and knowing of the lack of funding for such projects in the President's budget again this year it will be optimistic to expect this project to start construction before 2012.

In 2002 when the Corps project was authorized by this Town, there was concern as to what to do about 7.25 miles of the NTB shoreline which falls within the Coastal Barrier Resource Area (CBRA) and was not eligible for federal cost sharing. It was decided to authorize a feasibility study with a private firm for this area. This project is contracted with Coastal Planning and Engineering (CPE). Following is a timeline of past and future events in the construction of the CBRA area shoreline protection.

December of 2002	NTB entered into a contract with CPE to begin a feasibility study for shoreline protection within the CBRA. It extended from January 2003 to Dec. 31, 2004.
September of 2004	A resolution was passed by the North Topsail Board of Aldermen to engage the professional services of CPE for an Environmental Impact Statement for beach nourishment and an inlet management plan; to obtain the necessary state and federal permits for use of the borrow areas; and to prepare design surveys to include a construction plan and specifications for the North and Central CBRA areas. The contract price for this study is a maximum of \$1,700,000.

CP&E is on schedule to have the permits for the Non CBRA area ready for construction by the fall of 2007. However because there is no cost sharing for the private project the town needs to sell bonds to finance any construction costs. The requirements for the town to issue bonds insist upon a

5/04/06

favorable vote in each tax district by the town residents (voters). This creates a few issues.

Can we expect to gain voter support for nourishing just part of the town's shoreline and if so should all taxpayers pay for it.... The beach nourishment committee was charged to make a recommendation.

The Committee recommends:

That an interim project for the Non CBRA area be combined with the original private project so as to renourish the full shoreline of North Topsail Beach. However, in order to gain the benefits of the matching funds and the 50 year commitment we want to maintain the viability for the federal project. We have an understanding with USACE that we can do that. In fact the Town of Topsail Beach is pursuing a similar strategy and their project is two years ahead of ours but they too are concerned about funding and storms before 2010.

The plan we are presenting to the Board of Aldermen tonight is for a combined project to renourish the entire town. The plan in short detail will be to start with straightening the New River Inlet so as to create a different channel that is further removed from our Island and in so doing allow the sand formation to return to a historical pattern which builds up a shoulder on our North End. Sand from dredging the inlet 14-17 feet deep and 500 feet wide new channel in a perpendicular path to the island will provide sand to nourish the beach for a considerable distance. To supplement the need for sand offshore - borrow sites have been identified to provide sand for the remainder of the shoreline.

We have two cost estimates for this initial construction phase. They vary primarily because of the estimates of the dredging contracts. The low estimate for total construction is \$18,835,000. The high estimate is \$29,210,000. Including one renourishment cycle estimated at the 4 year mark adds another \$6,440,000. Using a mid point estimate between the 25 and 35 million dollar estimates we are suggesting that the town will need \$30,000,000 in bonds.

If we do not get matching funds from the state (remember the state normally reimburses 75% of non federal funds which would be over \$20 MM but they never have had a request this large... our CBRA shoreline of 7.5 miles is by far the longest in the state and no town has embarked on a private project before, OR if the county does not act favorably on our appeal for returning some of our increased property tax dollars to pay for their beaches THEN the only alternative is that NTB town property taxes will be raised and property owners will have to pay up.

This Board of Aldermen has previously taken a "non binding" vote to establish two tax districts. They presumably are oceanfront and all other. Our Finance Officer for the town, Lydia King, has calculated the tax rates needed to repay 30 million in bonds over nine years with a 6 % interest rate. She calculated three scenarios with Oceanfront paying 70-80-or 90% of the cost with all other property owners paying the remainder. Oceanfront is defined as any portion of the property bordering on the Atlantic Ocean and includes the condominiums which have common property on the Ocean. The break downs are as follows:

	Oceanfront tax rate	All other tax rate
90-10	38 cents	5 cents
80-20	33 cents	10 cents
70-30	29 cents	14 cents

In calculating the rate we did subtract room occupancy tax (\$500,000 this year) and we used a breakout from the County Tax office stating that there is \$892 million in oceanfront tax value and \$784 million in all other properties tax value. In addition to this maximum tax rate to retire bonds our committee is recommending keeping 4 cents of the current 5 cents of the special tax rate for beach nourishment. This approximately \$700,000 dollars each year will be used as it has in the past for dune maintenance, contracts for lobbying, and for special fees for easement purchases, pre and post project monitoring, as well as the matching funds to keep the federal project on track.

5/04/06

As with any project each of us likes to know what it will cost me. So to figure your beach nourishment bottom line -- decide if you are ocean front or not -- take the construction bond repayment tax rate, add 4 cents, and that is what it costs you for this project. Let's use my case as an oceanfront property owner with property assessed at let's just use a round number of a million dollars, then let us assume the final breakdown is that Oceanfront will pay 90% and 10% for all other. As an oceanfront property owner I would pay 38 cents plus 4 cents, a total of 42 cents times my \$1,000,000 or \$4,200 a year in additional taxes for 9 years. My neighbor across the street with the same \$1,000,000 assessment would pay \$900 annually.

Considering the property value escalation I submit that the cost of this program for ten years is less than the value your property appreciated last year alone. The alternatives are very somber. If you need any examples I suggest you take a trip to the northern end of our island where at least a dozen more \$1,000,000 duplexes are ready to be condemned. So now it is time for our board to act.

At the last meeting a supplemental contract for Coastal Planning & Engineering to include the 3.85 mile federal section into our proposed permit was referred to our committee. Our committee challenged some of the assumptions but is satisfied that this contract is necessary and reasonable in its scope and its amount. A copy of the proposal originally presented at the last meeting is again in each Aldermen's pre-meeting packet. It is an 8 page document outlining seven specific activities for a cost of \$448,000 with a contingency of \$50,000. Again tonight a representative of that company is available to answer any specific questions about it.

If that contract is approved tonight, Mr. Jarrett stands by a projection to begin work on the project in the Fall-Winter of 2007 and 2008. The beach construction will begin with the inlet straightening, placing that sand on the beach and proceeding southward as long as environmental windows remain open. It is forecasted to be complete in the following season by April 1, of 2009.

Thus my first challenge is to ask the Board to approve the contract for the Southern Section. Is there a motion at this time?

Alderman Tuman moved, seconded by Alderman Handy to approve the CP&E contract to include the southern section.

Alderman Farley questioned which budget was this going in and if it was for next year we haven't approved next year's budget. Mr. Macartney said that \$211,000 would be in next year's budget and the rest the following year and the 4 cents would cover that.

Alderman Tuman noted that the reserve in beach nourishment is \$800,000 and it would cost \$458,000 over 2 years and we could pay for it in this budget year if we chose to do so. Alderman Tuman said to approve the contract since the Town has funds in reserve to cover this contract. Alderman Peters noted that it was an excellent presentation. He questioned the cost estimates since one is high and one is low. Mr. Macartney said that one estimate is for the Corps project which is more conservative and one is for CP&E which stated that contracts were coming in higher.

Mr. Jarrett said that the use of the Corps program is industry standard and is based on fair market condition. There is a lot of competition and the numbers

550
5/04/06

tend to come out lower. Experience is due to hurricanes and repair in Florida. Steve King provided him with his experience from other projects and recent costs that contractors are coming in with. Experience has been between 4 and 5 dollars a yard. Recommendations are to go middle of the road and pick something between the two. The numbers we went to the County with is 40.5 million. They looked at the south area to do enough to keep it in a condition that would not jeopardize the Corps project, but 30 million is more in the ball park. The Corps is thinking of going out with an island contract to do near shore hard bottoms and then you wouldn't have to spend that.

Mayor Pro Tem Hardison asked if we were dealing with further mapping and surveying and Mr. Jarrett said that they would explore for more sand. Mr. Campbell noted that the proposed material out of the off shore borrow area is to avoid impacts of near shore bottoms. They are proposing to do additional exploration to build the south section 1.5 million cubic yards. The effort would be in the offshore exploration and environmental studies. At the PDT meetings, state agencies are studying the impact of hard bottom areas. The cost is \$448,000 and a contingency of \$50,000.00. Mayor Pro Tem Hardison said that this aspect would help us to know what is there and how we can use it whether tomorrow or further down the road. Mr. Jarrett said if anything is done the Town could request from the Corps in kind service credit. Even if the project from the Corps is built next year you would get credit for it. Mayor Pro Tem Hardison noted that there was discussion at the Corps meeting regarding \$100,000 and he asked where those funds would come from. Mr. Macartney said that the \$100,000 were funds from the Ophelia relief efforts. It was suggested that the towns would like the Corps to study hard bottoms since it wasn't in the federal project to begin with. The Corps, Topsail Beach, Surf City and NTB agreed to spend money on monitoring. CP&E uses divers and federal statutes scare the Corps to do the same and they are looking for a black box to find rocks. That will take us another two months to decide what to do. Mr. Jarrett would do their work and we will get credit and our share is \$50,000.00. Mr. Jarrett noted that a side scan survey could be used. He said that they do send divers to actually see the hard bottoms.

Mayor Pro Tem Hardison asked if what we are doing tonight is responding to the Corps' project and Mr. Jarrett said that is a separate project. The Town requested CP&E to give a proposal for 3.5 miles of the southern section. That work will allow everything to move forward in one document. Unless we get approval tonight, there is little likelihood the southern area could be included in the document to meet the November 07 construction date and they would continue it to 08.

Mayor Pro Tem Hardison said that his concern was that by doing this we don't get out of the federal cycle. If we jump out and then want to jump back in we are

5/04/06

further back. Mr. Jarrett noted that Topsail Beach is doing the same as NTB. They coordinated with the Corps to not jeopardize their federal project and this is the same approach. The Corps' project is based on conditions in 2002 and erosion rates and changes to your beach from hurricanes. We can re-build back to 2002 and add additional material to cover future erosion and provide material for 4 years. These are the same conditions the Corps is using. This approach has been accepted by the Corps and a minimal amount of material won't jeopardize the federal project.

Alderman Farley questioned the cost of the federal program and Mr. Macartney said between 4 and 7 million. Alderman Farley questioned double dipping with two projects and Mr. Jarrett stated that a lot of development in the 3.5 miles will be vulnerable. Mr. Jarrett said they would continue with the north and central areas every four years and nourish the south end with the federal project. That is the interim plan and without doing that you will lose more resources. Alderman Peters asked to clarify our schedule. In utilization of the survey and in reference to being ready for a bond referendum, aren't we putting the cart before the horse? He also said that we may have some strings attached to this commitment. Alderman Peters proposed, to not stand in the way of nourishment, an 80/20 breakdown of costs. Alderman Farley questioned why he would put that in. Alderman Tuman noted that the issue is the CP&E contract and asked if he would approve the contract contingent on an 80/20 tax distribution? Alderman Handy said if the voters turn that down you will kill the contract. Alderman Tuman stated that he had made the motion and it was seconded.

Alderman Peters said that Mr. Yawn noted there was a variation of support in the community. Alderman Farley said 80/20 is too high. Alderman Handy said we have talked this to death, make a decision and go with it.

Jean Miller, 4452 Island Drive noted that she lives in the middle of the island and she has lots of sand and the Lord has taken it away some years and has given it back. She said the north end is tragic, but asked how sand at the south end was. Rachele Caputo said it was very slim. Mrs. Miller said that where she walks the dunes have come back since 1999. Alderman Farley said that the north end is in an inlet hazard area and they erode faster there.

Alderman Farley said to take the contract out of this year's budget. Alderman Tuman said that it doesn't specify what budget. Alderman Farley said then approve it in the coming year's budget because what if the money is not allocated. Alderman Tuman said that he understood that he was agreeing to approve the contract decision of the schedule and to disburse is another discussion. Alderman Farley asked, what if the budget doesn't approve the contract, this is a separate item. Alderman Tuman said that the expectation is

5/04/06

that we have the funds and they will be available. Alderman Farley again questioned which budget and said that it has to be appropriated in our budget.

Mr. Macartney said that they could talk about the budget on Monday and we could raise taxes and take it out of reserves. Alderman Tuman noted that the Town is making a commitment to pay that bill and he didn't see a need to spell that out exactly now.

Alderman Peters said don't force us to approve something we don't want to approve, and without conditions you will force us to say no tonight. Alderman Tuman said that he made motion and it was seconded and if you want to amend it you could. Alderman Peters agreed to approve the \$448,000 contract contingent upon further determination of budget appropriation and maximum ultimate 80/20 ratio of ocean front to non-ocean. Alderman Handy said if we don't approve it tonight it will delay us. Alderman Peters said that he couldn't vote for it without strings. Mr. Macartney noted that this was a contract to begin our permitting process. Before a ballot initiative, the point is clear that you won't support anything greater than 80/20 and we have time to do that before it goes on the ballot. We need to review bond counsel. When we go to the voters if you want 80/20 that is the way it will be.

Mayor Pro Tem Hardison said to delete 80/20 and Alderman Peters said that he would defer to delete 80/20.

The motion to approve the CP&E contract to include the southern section was approved 4 to 1 with Alderman Farley opposing.

Mr. Macartney said that the next thing we need to do is to begin to prepare our case for the voters in November. To issue bonds we need to retain bond counsel. Shelia Cox has arranged telephone interviews with two candidate firms and he asked that the Board approve the retaining of bond counsel subject to an agreement by those interviewing as to the best candidate. Certainly we would hope that one or two aldermen can participate in the interview as will I and the Capital Projects manager. Aldermen Farley and Peters said that they could participate in the interview process.

Alderman Peters moved, seconded by Alderman Tuman to approve bond counsel subject to the interview process and determining an appropriate candidate. The motion passed unanimously.

Mr. Macartney said finally, our committee has been asked to prepare a beach nourishment survey to accompany the survey our consultant HCP Planning is preparing for the Land Use Plan. Our committee has reviewed the survey and asks that you authorize it to be sent ASAP. I have also forwarded a copy to the

5/04/06

consultant asking for their input since we are not professional market researchers. I was told that it would be mid-July when we will likely receive sufficient data as to create the final report.

Alderman Peters asked if they would include a schedule or alternative methods. Alderman Tuman suggested a description at the top of the survey. Alderman Peters asked if we were giving them enough information. Mr. Macartney said it would be a one page questionnaire on a different colored paper than the Land Use Plan Survey.

In regard to the survey questions Alderman Farley said to take out "do you believe all property should be taxed equally". Alderman Handy questioned the real property assessed value and said to include that this is public information. Mr. Yawn said that the survey would be mailed in early June. We will meet on the 8th and the 4th Monday in May and get LUP questions to the Board and they will go out the 2nd week of June. Alderman Tuman said he had no problems with the questions and suggested to let the beach nourishment committee and Land Use Plan Committee take the last look at it.

Alderman Farley said that he didn't like some of the questions. Alderman Peters said it would be far more informative if the schedule on financing is attached and they should put on the bottom "for further info refer to town's website". Alderman Tuman noted that Mr. Yawn has the mechanism to put questions together and if you have recommendations for beach nourishment you could use his vehicle for making those. Alderman Handy said there was no place that tells everyone how much the total cost will be. Alderman Farley asked if the Board would rather approve the questions. Alderman Peters suggested including a page of financials. Mayor Pro Tem Hardison said that three of the questions have no facts or meat to deal with and the response is emotional. Alderman Farley asked if they wanted to approve it or leave it to the beach nourishment committee. Alderman Handy asked Mr. Yawn if he has had any input from Holland Consulting and Mr. Yawn said they looked at the questions from the last LUP. The committee will work up a draft plan. Alderman Handy said he would rather have the committee look at the questions and Mr. Macartney said they will work more on it.

Mr. Macartney said as a last item we understand that the town has begun its project of placing 4 rows of sea oats on the newly constructed dunes. This work is being done by inmates from New Hanover County and should be completed in three weeks. Property owners are encouraged to buy additional plants to supplement vegetation on the dunes. We are grateful for the work that Shelia Cox, Capital Project's Manager and beach nourishment resource has devoted to this effort.

551
5/04/06

I believe that concludes our report on the beach nourishment issues. Thank you for your attention and for your positive involvement in this most important town issue.

Lower Building Height to 45 feet:

At the April 6th, 2006 meeting petitions were received against lowering the building height from 50 ft. to 45 ft. and the Zoning Officer was not available to review them since he was in Raleigh the week of the meeting. An email from David Owens stated that "petitions can no longer be made for text amendments". Therefore the petitions are not valid. Attorney Kilroy said they are still not valid since we have an ordinance that is inconsistent with the statute.

At this time, the Board has to vote on either keeping the building height at 50 ft. or lowering it to 45 ft.

The ordinance now reads:

Chapter 7 Sec. 7-143. Height limits. A. *No building may be constructed in North Topsail Beach with a height exceeding fifty (50) feet as measured from the lowest adjacent grade of the property as established by a recent (sixty days (60)) elevation certificate to the peak of the roof.*

As stated in the past, before the height was changed to fifty feet the ordinance was ambiguous since the 45 foot height was based on the average median height with an unlimited bridge height. This verbiage resulted in higher roof lines and that is the reasoning behind the change to a flat 50 foot building height.

Alderman Peters noted that there was another requirement the attorney said we have to address other than the state statute. Attorney Kilroy stated that the Board has to articulate some reasonable and objective reason or conditions to make this change.

Following is a statement from Alderman Peters:

Whereas, the Land Use Plan for North Topsail Beach indicates "it is intended that the town continue to primarily be a seasonal and year-round residential community" and "the town believes that responsible development should occur in harmony with the environment." In order to achieve this objective the citizens have stated in a prior town survey that they favored low-density housing and limited building heights. Building heights contribute to increased infrastructure demands relating to parking, sewer, and water.

Whereas, these issues are critical in implementing a well planned growth policy, a building height limitation of 45 feet contributing to a maximum of three stories is considered appropriate.

Height restrictions should promote equity among citizens and enhance the overall appearance of the community operating within the community's infrastructure. Elected officials have the obligation to make sure that growth respects resident's overall vision for their community. Within this objective a revised building height of 45 feet is established.

5/04/06

Alderman Peters moved, seconded by Alderman Farley to approve the reduction of the building height from 50 feet to 45 feet measured from the lowest adjacent grade of property from the elevation to the peak of the roof.

Alderman Farley noted that the way this reads it could put a crow's nest on the roof so it should read "just 45 feet from lowest adjacent grade. Discussion took place regarding this issue.

Attorney Short noted that the Town's attorney has given them an opinion as to the validity of the petition and there is still the issue of holding a public hearing and he disagreed that the Board could lower the height today.

Bob Swantek said that a year ago we changed it to 50 feet and you voted on it and now we will drop it back to 45 feet. Alderman Handy noted that it was a previous Board that approved 50 feet. Mr. Swantek said that he didn't understand, since land is costing more and they want a larger house. People got away with 60 ft. houses and that is why the consensus was to go with the 50 ft. limit.

Alderman Handy said that he was on that Board and the Planning Board, contractors and citizens spent a lot of time with a consulting firm working on lowering the height to a maximum of 50 feet and enough people have said they do not want it below that. We spent a lot of time on 50 feet. Before the ordinance said the "mean height" and the problem was that people were adding roofs on to add a mean height. The 50 feet reduced the height of our buildings. He said he would hate to see the Board go back over and over on subjects worked out before for the Town's concern. If you lower the height to 45 ft., what are you accomplishing? Does 5 feet make houses smaller and are they any less or more valuable? 50 feet is a good firm height. If you don't have enough room for a five bedroom house you can't build a house you like to have. You have to look at the resale value of a three bedroom, two bath house. Property is too valuable for a smaller home and some properties are narrow properties. If you can't go high enough you can't build a good four bedroom home. Alderman Handy added that this issue has been supported enough by our citizens and he asked that the Board leave the height at 50 feet.

Alderman Tuman said that there are a number of houses that would not meet the 45 foot requirement. Nonconforming is nonconforming and it could jeopardize the value of the house, create stress and concern on owners. There are a number of risks and there is a potential of storm damage. There are nonconforming restrictions as to modifications you could do. Alderman Tuman noted that he could be nonconforming and he has considered putting on an extension to modify his third floor roof line. The change is so arbitrary and

5/04/06

capricious. There was a lot of work done to make it 50 feet and he could not comprehend the need to make a change.

Mayor Pro Tem Hardison said that he had attended every meeting they had regarding this issue and he recalled the night when there was a vote and he thought people had very good opinions on both sides. There were a number of people in the audience that were disenchanted with the decision. They talked about the fact that our Town is changing. The Town has to make a decision on whether they want a family oriented Town. A number of people feel that things like height is not a big deal but pretty soon not everyone could put up a million dollar home. The 50 feet will go to 55 feet and 60 feet and eventually you will have people who won't want to sell their homes and to get them out is to tax them out. If 45 feet was established for a reason we shouldn't put it aside. Alderman Handy again noted that it was the median height of 45 feet and not a flat 45 feet.

Alderman Peters quoted from minutes from last November that stated that Alderman Tuman said he was here since the beginning of the Town..... and this was in context to a building over 50 feet. Alderman Tuman said that was in reference to a zoning ordinance of 45 foot with a subsequent definition from ground to peak – 50 ft. He said he sent Alderman Peters an email that his 45 ft. requirement was far more restrictive than any restriction in the Town. 45 ft. on the books was specific as to the mean roof height and Alderman Tuman said that Alderman Peters was quoting him out of context.

Mr. Morelli questioned how does 5 ft. make residential or non residential, why not make it on commercial and not residential.

Mr. Dorazio said that there was a public outcry that was overwhelming with over 400 names on a petition and he said only four spoke in favor of lowering it. He said that in 16 years he hasn't heard such a load outcry as on this issue. The majority have been in favor of keeping it at 50 feet.

The motion to lower the building height to 45 height passed three to two with Aldermen Handy and Tuman opposing.

Holland Contract:

Alderman Tuman moved, seconded by Mayor Pro Tem Hardison to approve the Holland Contract which included the Land Use Plan and Beach Nourishment Survey. The motion passed unanimously.

Nepotism Policy:

In 1999 the Personnel Policy was adopted but it was never removed from the Ordinance book. Alderman Tuman suggested removing it from the ordinance book and replacing it with the policy as was the intention in 1999. Attorney Kilroy

5/04/06

said that at next month's meeting they could repeal section 7 and change the policy to what we want it to be.

Trash Cans:

Alderman Peters said that we still need to address the trash can issue from last month's public hearing. Mrs. Carbone noted that no action was taken last month. Alderman Peters moved to approve the trash can ordinance. Alderman Handy questioned how the rental units could adhere to these rules. Alderman Peters said that the realtors gave us compelling arguments and we need to re-examine the solution and approve the ordinance and discuss the implementation. Alderman Tuman noted that a motion was made and it died because of lack of a second because of the 30 ft. requirement and the implication that a trash can shouldn't be visible. There was some objection as to whether or not we had to go that far. Mayor Pro Tem Hardison suggested that this issue be moved to the next meeting. Mr. Swantek questioned why when it came to signs on your road why did you vote right away and now you are postponing this. You said we pushed back the sign issue enough and now we have been pushing this trash can issue back each month. Mayor Pro Tem Hardison said that we still have a lot on this agenda tonight. Alderman Farley said that it is not the intent to push it off; rather we need the information before us to vote appropriately.

NEW BUSINESS:

Budget Amendment #7:

Alderman Peters moved, seconded by Alderman Farley to approve Budget Amendment #7. The motion passed unanimously.

Cost Share of Funds for the Inlet Crossing Dredging Project:

The Army Corps of Engineers has approved dredging the New River Inlet Crossing but they are not able to fund the whole project. The State of NC has agreed to share the cost and NTB's cost is \$258,620.69. Therefore, if the Board approves this cost share with the State, the Board will request that Onslow County share the burden of the cost to dredge the New River Inlet since this dredging project is important to tourism and to the fishermen in this area.

Alderman Tuman noted that four crossings will be dredged. They were budgeted to do three and the state got involved along with local communities to do the New River Inlet Crossing with approximately 100,000 cubic yards of sand being deposited on our beach. Our share would be \$129,310.34.

Alderman Tuman moved, seconded by Alderman Handy to approve the cost share of the New River Inlet Crossing Dredging Project at a cost of \$129,310.34. Alderman Peters felt that the approval should be subject to the approval of county funds. The motion made by Alderman Tuman was passed unanimously.

5/04/06

Discussion regarding majority of Board members at other meetings:

Alderman Handy said that it is important to know that three Board members at the same place is considered a quorum and we have to be aware of this and go through the manager as to who will attend other meetings. Board members should check with each other to see who will be attending another meeting and hopefully you can take turns in attending various committee meetings.

DRC Amendment:

DRC, Inc. has requested to amend their contract to increase the cost of sand screening by \$2.00 per cubic yard due to fuel prices which would bring the total cost to \$11.70 per cubic yard. This increase will extend through December 31, 2006.

Alderman Tuman moved, seconded by Alderman Farley to approve the increase for sand screening to a total cost of \$11.70 per cubic yard. The motion passed unanimously.

OPEN FORUM:

Paul Dorazio said that despite the fact that the Board voted down the height of buildings, he apologized for his outburst earlier in regard to the chamber of commerce funding and he said he was frustrated and wanted to apologize.

Mike Yawn noted that when the Board voted to include the south section, Mr. Jarrett said if we don't do this project on the south end that the Corps would take our \$448,000 as in-kind services and Mr. Jarrett said he had to check on that and we should see if we can get that.

ATTORNEY'S REPORT:

Attorney Kilroy said that on Monday in the Onslow Superior Court a Motion to Dismiss on the Jackson issue took place. They went through the lawsuit and talked with their attorney and the fact is they never filed an appeal with the Board of Adjustment. They came down this week and we met with the zoning officer. When we looked at the two lots there was no dispute and an R10 could be recombined. In regard to Conservation District, unless you have 3 acres it is not buildable. He told them to go back to the drawing board. Attorney Kilroy said that he was impressed with Mr. Moore and he was on the ball and picked things up and he has a lot of confidence in him. Attorney Kilroy said that we got sued today by the owners of the condemned homes. He talked with Attorney vonLembke today and he sent a fax and said he won't file an injunction until the Town does something. He tried to tell him that once we file there are no other defenses. Attorney Kilroy said that he discussed duplexes on single lots with Mr. Moore and they will address this issue at a Planning Board meeting.

5/04/06

MAYOR'S REPORT:

Mayor Pro Tem Hardison thanked everyone for attending the meeting.

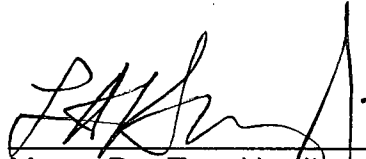
ALDERMEN'S REPORT:

All of the Aldermen thanked everyone for their patience and commended those that stayed for the whole meeting.

ADJOURNMENT:

Alderman Handy moved, seconded by Alderman Farley to adjourn the meeting at 10:45 p.m. The motion passed unanimously.

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



Mayor Pro Tem Hardison

7/6/06

Date Approved

**TOWN OF NORTH TOPSAIL BEACH
BOARD OF ALDERMEN
BUDGET WORKSHOP
MAY 8, 2006
9:30 A.M.**

PRESENT:

Mayor Pro-tem Larry Hardison, Aldermen Richard Farley, Fred Handy, Richard Peters and Daniel Tuman, Loraine Carbone, Interim Town Manager, Lydia King, Finance Officer, Shelia Cox, Capital Projects Coordinator, Richard Macartney, Chairman Beach Nourishment

NOT PRESENT:

Mayor W. Rodney Knowles

QUORUM:

Mayor Pro Tem Hardison called the meeting to order at 9:30 a.m. in the North Topsail Beach meeting room and declared a quorum present.

BEACH NOURISHMENT:

Mr. Macartney noted that this project will impact us in the next 3 years. Accommodation's tax shows ½ million. Mrs. King said that we increased it to \$500,000 on our local share for the next fiscal year and this is the third full year of receiving these funds. Mr. Macartney said that last year the County gave us \$200,000 for the Onslow County accommodation tax. Alderman Farley said if we can get a lot more there, this budget would assume we are not getting more and we would have to raise taxes and state funding is questionable. Alderman Farley asked how we would fund our dune maintenance fund and Mr. Macartney said one year at a time. Alderman Farley noted that the money from the county could reduce the 4 cents and reduce the bonds – which could put the burden on the citizens. He suggested keeping the bonds separate.

Mr. Macartney said that we need to look at expenditures of salary. Under CBRA permits, that line is 1 million 7 for the study and we owe \$557,000. \$662,000 is from CP&E, but we went with \$557,000 and there will be contingencies. He said he was being fair in putting plenty of money in 06/07 and the remainder goes in the following year. We have the CPE addition for the south section and the Marlowe contract was increased. The Shore Line Protection line item is \$3,000.00 which should not go up.

Mr. Macartney noted that the American Beach Shoreline Protection membership was important and that Howard Marlowe is the legislative council and Harry Simmons is President. Dues are \$500/year and the rest of the \$5,000 is for conference fees, etc. In regard to CBRA, we haven't spent any of that and he suggested moving it somewhere else. We have \$5,000 for advertising.

Mrs. King noted that the easement purchases have been carried over and we will have to buy some easements to get equipment on the beach and to buy a 2 foot barrier. Ms. Cox said that there are real estate issues and construction easements for crews to access the beach along with staging areas that are needed. They need to survey seaward lines to comply with CAMA. Mrs. King said that they need temporary easements for construction and permanent lines and there are different line items to distinguish between the two. The Corps has permanent easements.

Mr. Macartney noted that under contract services there is a crosswalk repair fund. Under preconstruction monitoring there are preliminary estimates. We need to put something in our budget assuming the project will pass and he suggested \$240,000 for the first year. Cost share of the Corps project should get credit for work on the south section and the total was \$400,000 - \$200,000 to each town. We will need to double that in the next 2 years. The state is obligated out of law to finance 70% and Mrs. King said that up to 70% could be provided as long as the money was available. Alderman Farley asked if there was a grant to help us with a beach nourishment project. Mr. Godwin noted that has always been a concern and we know there is no money from federal. Alderman Farley said that this is based on the government giving us funds and we need to ask the state what their commitment is for the remaining portion of the federal option.

Mr. Macartney noted that bonds will be sold and he asked if we would get revenue from them. Mrs. King said that the assumption was that the bonds would be sold a year prior to construction, but now we are pushed back. Alderman Tuman noted that if we are going to have bonds issued to us by the middle of next year then it would seem that we would start needing to accumulate money right away. It is appropriate to plan a levy this year in anticipation on paying off on the contract in October 2007. We should have in reserve a year's worth of payments. For planning purposes he believed that next year the county would go advalorem and in order for us to get the benefits, it should be whatever our tax levy is in December of this year. If we raised taxes for beach nourishment we would get a payoff. Estimates would be 3 million dollars in sales tax distribution on an advalorem basis. We could put that back in with the prospect of paying off our bonds sooner. Mrs. King said that there are several options - reset the tax rate or do the sunset. Carteret County switched to advalorem and had a huge windfall, but they did not use that towards beach nourishment. We should do that. Alderman Tuman said we should keep the tax levy in place in anticipation of paying the bonds down sooner. Mrs. King said that the levy could have a sunset clause. Alderman Tuman said that we need to go after the state for the 75% share of our local requirements. Topsail Beach is looking at a private project and they have introduced legislation. We can get our mayor to pursue our state senator to ease the burden on property owners.

567

Alderman Peters said that he didn't understand continuing the levy and Alderman Tuman said to receive the full benefit you have to continue the levy until you pay off your bonds and you are saving this money and applying it to pay off the bonds. Alderman Farley noted that people who are offering bonds may not let us pre-pay them. Mr. Macartney said to set the tax rate for beach nourishment. Alderman Tuman noted that if we buy bonds you need a referendum, but he didn't think we would need one for a tax levy. If you do make a tax levy, when you have the referendum in November, people will know the level of the financial pain to them. Alderman Farley said where rates and districts come in is part of the bond package.

Mr. Macartney noted that the key issue is that this year we had a 5 cent per \$100 rate for beach nourishment. The Beach Nourishment Committee came up with 4 cents but you can go higher than 4 cents. 1.1 is equivalent to the 5 cents this year and you could make it between 1.1 and 4 cents. Alderman Tuman noted that 22.5 cents on a 90/10 is a 38.5 basis. Alderman Farley asked what 22 cents generates in revenue and Mr. Macartney said 3.7 million.

Alderman Tuman noted that 3.7 million is something substantive to go to the state with. Mr. Macartney said that 3.7 million has to be reduced by the expenses. Surplus for construction is around 2.4 million. Alderman Tuman said that when we go to the state we can't count on money from the county. We need to match the deficit of the total obligation. If the county goes advalorem they could care less where we use those funds. Mrs. King said that the tax levy money comes into our general fund and there are no laws as to where the funds can go.

Alderman Tuman said that we need to ask for state appropriation to match the shortfall. Mr. Convy said that Alderman Tuman was certain that the County would go advalorem, but that is a big question mark and we are not sure we will get that. Alderman Tuman noted that there were articles in the papers and correspondence on this issue stating that it was not legal what the county is doing now with Jacksonville. By April, the county will be in a position to either go advalorem or raise taxes and per capita will have to raise taxes. Mr. Convy felt that they shouldn't use it as a justification or should factor that in. Alderman Tuman said if it is advalorem it would give us the benefit to pay down the bond debt. Mr. Yawn said it would be a timing issue. Once we have the bond and once it passes, they mail out tax bills and will send out a special tax bill. This will be a huge tax increase and reduces the probability that the bond issue will pass. Alderman Tuman noted that you don't need a referendum for the levy - only to approve the bond. Alderman Farley said we will have tax districts laid out before we approve the budget.

Mrs. King clarified that 4 cents is just to cover the regular expenditure and you have to put 4 and 22 together. We are not talking 22 cents - we are talking 26 cents plus our general fund rate. Mr. Macartney noted that 1.5 million needs to

also be put in. Alderman Farley said that 3.7 million is what 22 cents will generate and we will be 1.2 million short and he hoped the state would come in to help that. Mr. Macartney said we are looking at 3.7 million and 4.2 million and \$500,000. The revenues need to be 4.3 million. Mrs. King said that the 06/07 rate has to be set and the revenue on taxes is 3.6 million and \$500,000 for the occupancy tax and the rest is interest. There is no payment the first year and the whole revenue is set aside. Taxes will generate the 3.6 million and we will need 1.2 million more from the fund balance from the prior year. We would be collecting it up front the first year and reducing the fund balance each year by the amount you need. At the end, there will be a million left to cover other costs in the fund balance and you won't need money when the project is done. This is all in theory. We went to the LGC and problems were laid out as to the best they could hope for with USDA as the lender of last resort, but now the USDA is out. We need to go to the general municipal bond market and get a rating. Mrs. King said she used 6% since we didn't have our rating at this point and it will likely be lower but it could be higher.

Alderman Farley noted that the USDA said we may not be able to issue tax exempt bonds. Alderman Handy felt that getting money ahead of time would help us. Mrs. King said that she didn't see how we could do this without doing it a year ahead of time. Mr. Macartney noted that there is a revolving fund established by the state. The state could advance the money if we have bonds to pay it back; the state was concerned about the timing. Alderman Farley said that we are under the impression that we need to have money up front and to issue bonds spring of 2007, but the first payment is not due for probably a year. The money may not be due until fall of 2008 and that it could go on to spring 2009. Mr. Macartney said there is the contract for the dredger and money has to be available. Alderman Farley said that bonds may not be paid off like a mortgage. We are assuming we pay off the principal, but the most you pay is interest. You may not need this big upfront payment. Alderman Tuman suggested that they don't make a mistake by not taking precautionary early action and you should have a reserve. You should have a fund with a year's worth in advance, but you may not need it and it may be prudent to do that.

Mr. Macartney noted that the Bond counsel phone interviews are on Wednesday, May 10th. Ms. Cox said that they don't normally go on location for interviews. Mayor Pro Tem Hardison said that a question came up that there is information we need to know. Ms. Cox said that they don't charge until the bond is issued. Mr. Macartney said that it was his intention to get as much information as we need. We need leadership, but should we wait for the referendum or not? Mrs. King said that the budget has to be approved before June 30th. Alderman Tuman said that knowing the date of 2007 is appropriate for the town to begin to raise dollars in participation of the debt obligation. Mr. Macartney said it would be nice to have bond counsel at the June meeting. Mrs. King noted that the recommendation will come from the LGC and they regulate that.

564

Alderman Farley said that they have to know if we need money up front and the layout of what the districts will be. Alderman Tuman said before we adopt the budget we need to know which property owners are in which district. Mrs. King said that properties have been marked and we will look at them individually. If the property common area abuts the ocean it is ocean front. Jean Miller said that they should determine how many are residents and have the power to vote.

Alderman Tuman said that we need to put money in this year's budget and plan exactly how we will approach the Department of Water Quality and what our specific requests will be. Topsail Beach made the initiative by their mayor and state senator to get state funds and we need to contact our state senator. Our Mayor Pro Tem should contact the Topsail Beach mayor and give Sen. Harry Brown a call. Mr. Macartney noted that Senator Soles was at the TISPC meeting and Mayor Parrish wanted names and addresses of non property owners to do a mailing to them to get their senators on board. Senator Soles will introduce that and we haven't approached Senator Brown. Mayor Pro Tem Hardison said that he had mentioned that to him at the Mayor's meeting and he was generalized and he didn't get any response from him. He said he could go to Topsail Beach to speak with the mayor there. Funds that Topsail Beach will be getting are unexpended funds that they are using attached on an emergency basis and he asked Senator Brown whether or not we could do that. Alderman Tuman noted that Senator Soles is taking an initiative at a state level and it is appropriate that our acting mayor approach our state senator.

Mr. Macartney noted that at the north end there are 9 new houses in jeopardy and the best solution is a common sand bag wall across the 9 properties. He has been in contact with a property owner who said there is new technology of plastic 4x4 ft. dividers that interlock. You fill them up with sand to make a sturdier wall. There is an engineer working with Camp Lejeune and there may be a grant to do this. There is a question of whether the Corps could do this as an emergency effort. Alderman Tuman noted that the Corps may have reservations. Alderman Farley said that they have an option to use sand bags, but he was concerned that we have committed dollars to put sand there.

Mayor Pro Tem Hardison said that if the bond attorney could attend the next Board meeting people could ask questions and it would be an educational opportunity for the Town. Ms. Cox said that once we retain them they will come to speak with us.

Alderman Peters said that he was unclear of the timeframe and proposals as to the referendum and he asked what the next step was.

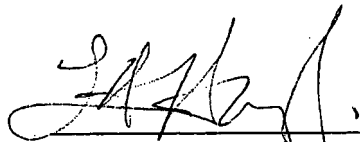
Mr. Macartney said that they clarified all of the numbers and Mrs. King can go back and make the changes. The issue is what is the tax rate and options of 1.1 and 5 cents – plus substantial amounts to kick start the construction process if it is logical and needed according to bond counsel. We should have a sense of

whether or not you will approve the 4 cents or not. Alderman Handy said that if after a year we have collected more money we could always reduce the tax rate. Alderman Peters asked if 4 cents had anything to do with 90/10 and Mr. Macartney said no.

Alderman Peters said it would be wise to get an idea of how many piano key lots we are talking about. Mr. Macartney said he wouldn't put any more of a burden on staff to do that. Jean Miller said that piano key is assessed differently. If Condos have a swimming pool ocean side they are oceanfront. Certain units have homeowner's fees because they have a community pool that abuts an ocean. Mr. Macartney said if a common area abuts the ocean that triggers ocean front.

The meeting adjourned at 11:35 a.m.

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



Mayor Pro Tem Larry Hardison

10/5/06
Date

504

**TOWN OF NORTH TOPSAIL BEACH
BOARD OF ALDERMEN
BUDGET WORKSHOP
MAY 15, 2006
1:00 P.M.**

PRESENT:

Mayor Pro-tem Larry Hardison, Aldermen Richard Farley, Fred Handy, Richard Peters and Daniel Tuman, Loraine Carbone, Interim Town Manager, Lydia King, Finance Officer, Shelia Cox, Capital Projects Coordinator, Richard Macartney, Chairman Beach Nourishment

NOT PRESENT:

Mayor W. Rodney Knowles

QUORUM:

Mayor Pro Tem Hardison called the meeting to order at 1:00 pm in the North Topsail Beach meeting room and declared a quorum present.

Mayor Pro Tem Hardison noted that this was a continuation on the budget workshops. He said that discussions would be kept within the members on the Board and those who might have questions should contact them.

Mrs. King gave a brief summary of what was included in the Board package and what has been done to date. She noted that each Department went back and reductions have been made since the original proposed budget was presented. Mrs. King also gave an explanation of salaries and capital outlay. 4 cents is the recommended dune tax rate and it doesn't cover principal interest on the bonds.

Mrs. King said there were additional items and the capital project for the police department. Alderman Farley noted that a cart roll back service was listed and they didn't discuss that and she said that Alderman Peters told her to put that in. Alderman Farley asked if equipment for the fire department was in there and Mrs. King said no and Mr. Best would try next year to get a service truck.

Alderman Tuman requested that the Recreation and Appearance committee give a dollar amount that they would like to see in this budget. Mrs. King noted that some items would fall under contracted services. \$3,000 is under contracted services for the installation of electrical services to illuminate the flag. Alderman Handy questioned the expansion area around the flagpole and Chief Salese said that it was too expensive. Mrs. King noted that there are also expenses for the snowflakes. Alderman Tuman asked if there was money to purchase any plants and Mrs. King said no.

Alderman Farley noted that in the budget there was \$900/month for a landscaper and Mrs. King said that was under contracted services. Alderman Peters said

that he was confused with the proposed budget and the 10 cents for property tax. Mrs. King said there are additional revenues of the town and the 4 cents is under beach nourishment for the dune tax. Alderman Peters referred to the general fund and being revenue neutral and he didn't see the difference as being capital expenses. Mrs. King noted that the 10 cents is for revenues and expenditures, the 4 cents is separate. General fund is 10 cents and the 4 cent dune tax would make it 14 cents.

Mayor Pro Tem Hardison noted that at the last meeting they discussed revenue neutral figures around 9 or 10 cents. Alderman Farley said that 9 cents was for the general fund and 1 cent for beach nourishment. Mayor Pro Tem Hardison stated that Alderman Peters talked about a 3% reduction in expenses and the bottom line hasn't moved. Mrs. King said that the net did not change. Mrs. King said that they decreased expenditures by \$47,000 but our increases were \$47,000 so the net didn't change. Mayor Pro Tem Hardison said he was concerned about that and we still have some percentages larger than what is expected. He didn't know if they could afford this. Alderman Handy noted that what were added back in were figures we didn't have at the last workshop. Mrs. King noted that for the auditor Alderman Farley said it could be \$20,000.00 and she increased it to \$18,000.00. There is also a line item for litigation. Postage rate, phones and pagers have increased. Streets were originally left at \$450 to do any repairs and that will not cover repairs and this gives us \$1500 to make regular repairs on streets. There was an increase for park utilities. The other \$13,000 is for the Trex Loader that was not in the original budget.

Alderman Peters said that they need to look at the revenue neutral budget first and Mrs. King said that was 9.9 cents. Alderman Farley said collecting 98% could have an impact. 10.47 cents does include beach nourishment. Alderman Peters said they were \$175,000 over a revenue neutral position for this budget request and he felt items could be challenged. Alderman Farley said he was concerned with the calculations because if you go back to the early years there has been a big jump in our property value. The county had reduced our taxes and they gave a 20% discount and then added it back on. That has raised our revenue neutral number. In the first year of the calculation for revenue neutral, it was significantly higher because of the 20% added back in. We are raising our rate because of the reduction. Alderman Tuman felt that revenue neutral discussions are a sanity check as to where or where not the requests of the town are reasonable. Alderman Handy said that the problem was that you are calculating on state requirements and you have to calculate revenue neutral to make that public. The only problem is when you have 1 or 2 years and their reduction of 20% and then bumped up 20% - it is level and the same thing. Alderman Farley said that we didn't put the reduction in and we are using that as our basis for our budget.

Alderman Handy said that there were no requirements that we go with revenue neutral - it is just the cost of living from year to year. Alderman Farley said it was

25% higher than last year. Alderman Tuman asked what we raised in property taxes last year and what did we raise this year - recognizing from year to year there are always spending increases. Alderman Farley said it was 25% or \$330,000.

Alderman Farley said that we will be amending the budget we are working on now and a better number is the adopted budget vs. what we are budgeting now. Alderman Tuman said that the amended budget is what we didn't consider when it was adopted. Alderman Farley said that we end up taking in more money and we allocate it some place else. Alderman Tuman said if you have a problem with the budget, then express specific budget items. Alderman Farley felt that the rate should be lower and they should have told staff 10 cents per hundred should be implemented and have a budget that has that. We have a tax increase of \$300,000 and this budget is 20% higher than the adopted budget. He didn't see a change in services, etc. and he understood the gas increase.

Alderman Tuman asked, what do you want to do, end the meeting and cut 20%. Mayor Pro Tem Hardison said that he was not satisfied. Alderman Peters said that some cutting needs to be done. According to his numbers, it reflects a difference of what we should have and that is roughly \$150,000.00 of expenses that are higher than last year. Alderman Handy said that they would have to come back with amendments when expenses go higher during the year. The staff that made this budget is cutting it below from what we will need. We will cut into services we render to our citizens and we need to be realistic. Alderman Farley said that they need to cut at least 9 cents/100 since revenue neutral is 10 cents. Alderman Tuman said then take out \$160,000.00. Mrs. King noted that 4 cents is for beach nourishment because of the contracts being signed.

Alderman Tuman noted that there are unplanned needs that you can't identify during the budget process. Alderman Tuman again said to charge \$160,000.00. Alderman Peters said to cut \$100,000 and the major concern is we have a budget that is heavy and we don't have a manager in place to scrutinize it. A manager will review the departments. Alderman Handy challenged the Board to sit down with the departments and tell them where to cut the money and not cut services. He said that the size of the town is growing and there is more demand for fire rescue and police. We can't stay at the same level and give the same service. Alderman Tuman said to cut \$160,000 from the budget and not cut services. They could come back and say there is no way and you can do the cutting. Alderman Farley said to look at salary, pension and supplies. There is an inflation number in there. There is a \$400,000 increase in the budget. Where is it coming from? There is an 18% increase in the Police Department and you are hiring new people. This doesn't include items we haven't talked about. Growth is hurting us not helping us. Look at ways to make it more efficient.

Alderman Tuman stated that in analyzing the budget request we don't have a good year to year bridge. What are basic drivers of the differences? What is driving the increase in the requests?

Alderman Tuman asked if they would discuss beach nourishment. Alderman Handy noted that in the past they discussed pushing dunes, planting sea oats and we keep looking at the beach nourishment fund and we are not putting in more money. If we have a storm we won't have any funds there. Alderman Tuman felt there were a lot of exposures in the beach nourishment fund such as erosion problems, homes condemned, demolition costs, court challenges and now additional houses are potentially exposed. Alderman Handy noted that if we do have a major catastrophe it would run down the fund and we will need another tax increase. Mrs. King said it would not take a major catastrophe; it would take an undeclared storm to deplete the fund. The General Fund is at 1 million. Alderman Farley noted that the general fund is so high because we live in a precarious place. It is recommended by the League of Municipalities that you have 8% in reserve. Beach nourishment is not the fund to absorb all our expenses. Mrs. King noted that 25% is recommended for ocean communities.

Alderman Peters said that he had a problem with the request for 4 cents for beach nourishment. He asked if some of these expenses could be postponed until next year. Mayor Pro Tem Hardison asked Mrs. King to go back and work the figures to take out \$160,000. Alderman Farley said to make it \$130,000. Alderman Tuman said to do either, but you are wasting staff time. Alderman Handy said to do nothing. Alderman Peters said \$100,000. Mayor Pro Tem Hardison said \$160,000. Alderman Handy said to ask department heads now where they could cut. We need some kind of input as to a realistic request by the Board.

The end result was to take out \$125,000.00.

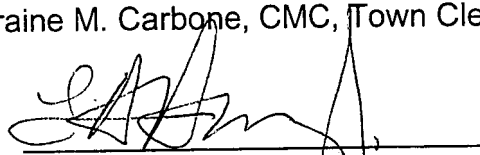
Alderman Peters questioned the major expenditures for beach nourishment and asked if they could delay it until next year. Mrs. King noted that CP&E is already spread out for 2 years and the Environmental Impact Study is the remainder of the contract where we are in now and that is spread out over 3 years. Preconstruction monitoring is estimated pre 2006/2007, construction 2007/2008. Mr. Macartney noted that Bond counsel indicated that there were no legal requirements to have a fund in place to prepay bonds. There would be interest only payments that year, but they said the LGC, which is the issuing body, has guidelines and whatever they say goes. Mrs. King has spoken with them and they would be glad to help us with the bonds. The Bond Counsel firm will be available for the Aldermen's meeting. There will need to be 2 ft. easement purchases since the state requires that. That takes a lot of time and the money depends on what the property is worth. We will need to do it earlier. We probably won't start until next summer but either way it will be 30 million plus. Monitoring and crossovers are other issues. Even though it is a private project,

5
CAMA is saying we have to comply with statutes. If we wait until next year that is too late.

Alderman Farley questioned CAMA saying that we have to meet the federal regulations and Mr. Macartney noted that other towns had to since regulations are getting stiffer. Alderman Farley said that we have more parking spots than other towns. Alderman Tuman said that he expected CP&E is under the gun and they will get us our permits and we need input from them. Alderman Tuman questioned the LGC and ground rules regarding bonds. Mrs. King said that she spoke with Martha Lasater and they recommended that we have the funds in hand. When the LGC recommends this they mean they want it. Mrs. King will schedule a conference call with her and Mr. Macartney. Emerald Isle had a year prior to payments. Alderman Farley said that they could do it next August and we would be fine. Mr. Macartney said they could stagger the bonds. Alderman Tuman said that they had a clear position from the LGC to look at the bond issue and make a judgment. Alderman Peters suggested delaying the easement money this year. Mr. Macartney said he would call Attorney Kilroy and discuss this with him.

The workshop adjourned at 4:30 p.m.

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



Mayor Pro Tem Hardison

10/5/06

Date

**TOWN OF NORTH TOPSAIL BEACH
PUBLIC HEARING AND REGULAR BOARD MEETING
JUNE 1, 2006
6:30 P.M.
and
JUNE 5, 2006
10:00 A.M.**

PRESENT:

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

QUORUM:

Mayor Knowles called the meeting to order at 6:30 p.m. in the North Topsail Beach meeting room and declared a quorum present.

INVOCATION:

Chaplin Patrick McLaughlin gave the invocation.

PLEDGE OF ALLEGIANCE:

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

BOND COUNSEL – JEFFREY POLEY:

Mr. Poley explained to the Board members what will be entailed for the bond issue in November. A Bond Referendum would permit the Town to borrow money to pay back bonds in an amount chosen at the referendum. The Bonds would be used for beach improvements. The plan is to create a municipal service district which includes ocean front lots. Mr. Poley said that his firm was not involved with creating the service districts.

There are two resolutions that are overseen by the North Carolina Local Government Commission (LGC) and they have power over your finances. They will approve or disapprove the application. The LGC likes to see a resolution authorizing the Town board and staff to file with the LGC. This does not mean you have to go through a bond referendum, but just notify them of your approval of application. The Resolution sets forth the generalities of what the bond issue is. Section 2 of the resolution is the amount of beach improvement bonds. You can put in any money you choose and you would issue up to that amount of bonds, in the 30 to 40 million dollar range, but you won't need to issue all of those bonds.

Alderman Farley questioned the issue of putting in an amount of money if we don't need that amount. Will they look at that number and say it is too high and throw it out? Mr. Poley said it would be a reasonable estimate and no one expects the higher number of a billion for instance. Alderman Farley asked if the

572
6/1/06

bonds would be tax exempt and Mr. Poley said yes. Alderman Farley said that the LGC thought with this dollar amount we may have to issue it through the USDA which will be taxable. Mr. Poley noted that the Dept. of Agriculture had a program whereas federal will loan and take money back, but Federal doesn't tax themselves. Alderman Farley felt that we may not be able to go to a municipal market and Mr. Poley said ultimately you will have to get a credit rating. If the rating isn't high enough you will have trouble. The LGC would know what that number should be, but triple B and over is good and the LGC wouldn't want you to take on a higher interest rate.

Alderman Peters said that they had talked about a two tiered bond issue and Mr. Poley said the initial vote on the bond is in November 2006. There is a cost savings having it done at the November election and the season for doing dredging is November 2007. The thought is that if you have multiple seasons and you come back in 2008 you may not want to issue all of it. You just need 15 million for the first season, then 15 million the next season. This would help with managing the debt service payment. Mr. Poley said when we issue 15 million it will be paid out to contractors over 6 months. In the construction period you would earn as much as you can but not be speculative. The type of investments are restricted by law, you won't make much money.

There are two proposed calendars, one starts immediately and one has some time. June 16th gives us more cushion since we want to know how much money to put in the bond order. You can decrease the amount but can't go higher so you start high and adjust. NTB absentee ballots are required 30 days prior to the referendum.

Bob Hale asked if they handle the bond issues what would this cost us and Mr. Poley noted if the bond passes and we issue one series of bonds it would cost \$17,000 and if it fails \$3,000 and if there are additional issues \$5,000. Other fees would be for printing, ballots and what the Board of Elections requires. The general obligation bonds are sold by competitive sale.

Statutes state that districts don't become effective until July 1 the following year and we want it to be effective prior to the bond referendum. To create a fix to that, they have drafted an amendment that states a district is effective when you pass them, but no tax increase until the day it becomes effective. The bond has to pass by a majority of the whole town and the service district that is affected. On November 7th we will know what the service district is. The LGC would say start collecting taxes in fiscal year starting July 1, 2007 which is 2008. Your budget will be discussed tonight and you can't do much after you set your tax rate until next year and you will know if the bond passes or fails.

6/1/06

The Board of Election needs to know who is in the district by September 10th and must be presented to the Town Clerk's office prior to that. Alderman Farley noted that we don't need citizen's approval to create tax districts but they will be presented with an option we come up with and how they will be taxed. Mr. Poley said that they would get a vote on the bonds. The Municipal Service District is to pay bonds, but an investor may say raise those taxes to get paid back and that only happens if there is a default. The borrowing of 30 million cannot go forward without the citizens of the Town voting for the referendum. Mr. Yawn asked if there is more than one district, does it have to pass in each and Mr. Poley said yes in each district. You can create municipal service districts.

Alderman Tuman moved, seconded by Alderman Handy to approve the Resolution in Support of Legislation Amending the NC Municipal Service Districts Statute for the Town of North Topsail Beach, NC. The motion passed unanimously.

Alderman Tuman moved, seconded by Alderman Handy to approve the Resolution Making Certain Findings and Determinations, Authorizing the Filing of an Application with the Local Government Commission and Appointing Bond Counsel in Connection with the Proposed Issuance of Beach Improvement Bonds by the Town. The motion passed unanimously.

Alderman Handy moved, seconded by Alderman Tuman approval of the Letter of Agreement between Womble Carlyle Sandridge & Rice to provide legal services as Bond Counsel in the amount of \$17,000 plus out-of-pocket expenses. The motion passed unanimously.

For each additional series of Bonds, the fee will increase \$5,000 for each such series. In the event that the Bonds fail to carry at the election, their fee would be \$3,000 plus out-of-pocket expenses.

Alderman Tuman moved, seconded by Alderman Farley approval of the Bond Referendum Calendar starting with the date of June 16, 2006 as the publication of notice of intent to file an application with the LGC. The motion passed unanimously.

JIM LONG – HOLMBERG TECHNOLOGY:

Mr. Long reviewed the Holmberg Technology and the following is an excerpt from www.erosion.com:

The structures are low profile geotextile tubes that run at right angles from the dune or toe of the bluff, across the beach face to an appropriate distance offshore. Most of the system is submerged. Special foundations and landward

521
6/1/06

tie-ins are employed to eliminate hydrodynamic problems associated with conventional structures.

Although Stabilizers are perpendicular to the shoreline, the system is designed to baffle nearshore energy without disrupting longshore flows of sand. The system is therefore designed to not trap sand (and divert nearshore energy offshore) as do groin fields. Where groins generally fill in to about half their seaward length or less while causing commensurate deficits of sand downcurrent from the groin, a Stabilizer field has a significantly different effect on sedimentary dynamics. Shorelines downcurrent of Stabilizers are generally the first to benefit with accretion. As the system matures, area-wide accretions occur upcurrent, downcurrent and offshore. Eventually, the structures are buried by rising sand levels as an accretion profile (and feeder beach) is established in response to the accretion template.

Alderman Tuman noted that this structure could inhibit the flow of sand and Mr. Long said that you can't see the fingers, just a sandy beach. Mr. Long said that property owners did research on this and this technology has a good track record.

Alderman Tuman asked where they proposed going with this and Mr. Long said that this body or Onslow County could get someone from Holmberg to look at the beach to get a good estimate and lay it side by side with the beach nourishment project. A citizen asked if they could provide warranties and Mr. Long said the bottom line is they have over 200 installations and studies been done by states and counties involved and it has not failed anywhere. A citizen asked if this could be tied into the state and could they have NTB as an experiment and Mr. Long said that this would be a concept project. Alderman Farley noted that Mr. Long's group has worked with our legislators and a bill has been introduced in the Senate to make NTB a pilot project. Mr. Long said that that this is a good opportunity here since we are in a CBRA zone and the federal government won't match any funds.

Mel Houser said that he liked the system, but it has never been tried in rough water and presently it is illegal in NC, but if we could get the law changed that would be good. Alderman Peters said in regard to the legislation that Senator Brown is proposing, do we have to provide the seed money and Mr. Long noted that there is money in there because you have to have funding to qualify the bill to be voted on.

Alderman Tuman asked if Mr. Long's group has tried to do a sanity check by making a presentation to engineers who are in this business to examine the technology. Mr. Long said that he has talked with professional engineers in Michigan. Alderman Tuman noted that there have been strong opinions and

6/1/06

concern that it has caused erosion elsewhere. Alderman Farley stated that CT just passed a study and Mr. Long said that two beaches with erosion have received authorization to put in 2 Holmberg projects. Alderman Tuman asked if they were advocating not continuing our beach nourishment project and Mr. Long said it would be up to the Board and Commissioners. Alderman Tuman said that the Commissioners don't make the decisions for us.

Mayor Knowles said he has been here since 1979 and he has looked at everything to help the coast and there are kinks to work out in rough waters. The Mayor noted that he has been to meetings where this was reviewed. Jim Gregson, CAMA, said that he would encourage everyone to listen to local experts on the matter. He noted that a memo written by a site panel in 1998, discussed Holmberg and Commission rules since the mid 80's have prohibited these hardened structures. They decided not to use this technology and called it a groin field. The conclusion was that it is a hardened structure and the CRC finds no useful purpose for this type of technology on the NC shoreline. It is not an innovative design. The panel consisted of John Fisher, Dr. Cleary, Tom Jarrett, Marjorie Overton, Dr. Pilkey, Spencer Rogers and others and the NC coast is very different from other areas.

A citizen said that we would have to research this thoroughly but we don't have time since houses are falling into the ocean at the north end. You need to make a decision but a good one. Alderman Peters said this is in the hand of our legislators to be made legal and we have no options. Mr. Gregson said that since 2003 these types of structures are illegal in NC and we cannot issue permits. If a bill is passed and directs our division to issue a permit it would be different from any permit we have done. You would also still have to get a permit from the US Army Corps of Engineers. Mr. Long said that the Corps can't prevent the Town from doing what they want. Alderman Tuman said that the decision is not exclusively for the Corps, but for 20 other federal agencies. With the process we are going through right now, we can't afford to wait. Mr. Long said if we don't start today we are one day behind starting tomorrow.

Alderman Farley noted that this group has made strides and a bill is in the legislator and we should encourage the effort. We shouldn't get in the way and we should help where we can since it is an alternative to beach nourishment. Alderman Tuman said that we know legislation has been introduced, but he didn't understand the intent of the legislation – will the state take over our beach nourishment program? We need to contact Senator Brown to see what he has intended to accomplish. Mr. Long said that he did a presentation for Sen. Basnight's office and Senator Brown was there and his stated purpose was to move the barrier to this type of technology. Alderman Handy spoke with Senator Brown and the concept of the bill was for an opportunity for NC to go forward to

58
6/1/06

see if they could work with this and clear the way for an experimental study to be done here. (Please Note: the bill did not go any further during this session)

Mr. Rowland noted that once Holmberg is installed and if it fails, does it get removed? Think about that side of it.

PUBLIC HEARINGS:

Alderman Handy moved, seconded by Alderman Tuman to open the Public Hearings. The motion passed unanimously.

ZONING ISSUES:

Definition of Accreted Land – Section 7-60:

The Planning Board met on March 9, 2006, to review the definition of **Accreted Land**, a public hearing was held during the meeting as required (several citizens were in attendance and spoke at the meeting concerning this issue), the Planning Board reviewed the definition and the recommendations by the Town Attorney, Mr. Kilroy. Mrs. Tuman of the Planning Board had a concern with the addition to the Lot definition Mr. Kilroy suggested. The Planning Board voted unanimously to send this definition to the Board of Alderman for review and approval with informing the Board of Aldermen the concern of Mrs. Tuman. This is the recommendation the Planning Board is forwarding to the Board of Aldermen.

Alderman Peters questioned how expansive is the definition of accretion. Joey Moore said that after storms when land has accreted it would be considered to maintain the same zoning designation as the adjacent land. Alderman Peters asked if the highlighted definition was the Planning Board's concern and Mr. Moore said that the Planning Board worked on defining what we would put in our section and how it would be handled. Alderman Farley found the definition to be vague. Sand blown over from a hurricane is not accretion. Mr. Moore said that it is either washing up sand or the high water mark. Alderman Farley said the definition is gradual. Alderman Tuman said the gradual or imperceptible of heavy rain is all encompassing. Alderman Farley said that first is defining it and second is heavy rain could have this effect and if that is the case that is fine. Mr. Moore noted that if sand is blown in the ocean the wetlands are affected. Alderman Handy said to take out imperceptible and gradual. Alderman Farley said he liked it the first way because if it is gradual and he liked the idea of a slow process.

Alderman Tuman said that accretion is defined as the addition of land by the action of water and heavy rain, river or ocean action would have this effect be either washing up sand or soil or by a permanent retreat of the high water mark. Mr. Yawn said that the Planning Board pulled this from a state document and they did have very lengthy descriptions and it got confusing. Sue Tuman said

6/1/06

that if it states Con D it stays Con D. Mayor Pro Tem Hardison said that he didn't have a problem and it eliminates the concern of possibility of a dozer dumping sand. Mr. Yawn said that if on the soundside water gets filled in they want to make sure it states Con D. We should add the natural addition of land by action of wind or water.

Composition of Planning Board:

The Planning Board met on March 9, 2006, to review additions to **Sec. 7-2 Composition** pertaining to Planning Board Alternates, a public hearing was held during the meeting as required (several citizens were in attendance and no one spoke at the meeting concerning this issue), the Planning Board reviewed the Alternate ordinance addition and the recommendations by the Town Attorney, Mr. Kilroy. The Planning Board voted 6 to one to send this Planning Board Alternate addition to ordinance **Section 7-2, Composition** to the Board of Aldermen for review and approval.

Alderman Tuman said that alternates serve the position as alternates and appointments to Planning Board are made by the Board of Aldermen and he would therefore strike number 4. Aldermen Handy and Farley agreed since it is their responsibility to appoint members. If you have two alternates who are brand new and if we lost two members you could bring in someone with a three year term. You should reappoint permanent members and alternates could be among the candidates. Alderman Tuman agreed that if they strike number 4 there would be no other problems. Mr. Yawn noted that this should be applicable to the Board of Adjustments as well. Alderman Tuman said that the ordinance provides for the appointment of an alternate and it requires action of the Board of Aldermen.

Mayor Pro Tem Hardison asked what the objection was to the vote and Sue Tuman said that they have 3 years, 2 years and 2 years as appointments to the Planning Board. Each year should be 3 one year 2 on schedule and 2 on schedule with the majority of the Board having been there and having experience.

Commercial Plan and Design Requirements:

The Planning Board met on March 9, 2006, to review Sec. 7-204,7-204.1, 7-204.2, 7-204.3, 7-205, and 7-205.1 Commercial Plan and Design Requirements to add to the NTB Zoning Ordinance Code, a public hearing was held during the meeting as required (several citizens were in attendance, no one spoke at the meeting concerning this issue), the Planning Board reviewed the ordinance and the recommendations by the Town Attorney, Mr. Kilroy, and voted unanimously to send **Sec. 7-204, 7-204.1, 7-204.2, 7-204.3, 7-205, and 7-205.1 Commercial Plan and Design Requirements** to the Board of Aldermen for review and approval.

578
6/1/06

In addition to this ordinance the Planning Board has recommended to add "**As Built**" to the definition Section 7-60 to support wording contained in this ordinance.

Alderman Farley felt it was extensive and questioned if there would be an unfair burden on potential commercial developers and asked if we were asking them to do more than residential developers. Mr. Moore said it was typical to subdivision standards. Alderman Tuman noted that we had a hole in our ordinance that didn't cover commercial.

Sec. 7-223, 7-223.1, 7-223.2, 7-223.3, and 7-223.4 TREE CONSERVATION OVERLAY DISTRICT (TCOD)

The Planning Board met on March 9, 2006, to review Sec. 7-223 Tree Conservation Overlay District (TCOD) to add to the NTB Zoning Ordinance Code, a public hearing was held during the meeting as required (several citizens were in attendance, no one spoke at the meeting concerning this issue). The Planning Board reviewed the ordinance and the recommendations by the Town Attorney, Mr. Kilroy, and voted unanimously to send **Sec. 7-223, 7-223.1, 7-223.2, 7-223.3, and 7-223.4 Tree Conservation Overlay District** to the Board of Aldermen for review and approval.

In addition to this ordinance the Planning Board is recommending to add "Maritime Forest" to the definition Section 7-60 to support wording contained in this ordinance. This will be done at later date.

Mr. Moore noted that when developers are clearing lots, some are being cleared completely and other towns have this ordinance to address this problem. Alderman Farley asked how much maritime forest do we have and Mr. Moore was not sure but he said it will affect vegetated lots. We need to keep stripping of land at a minimum to leave natural vegetation. Mr. Dorazio said they could leave what they can with a building pad. Alderman Farley was concerned that it didn't affect too many people and that it may not be fair to them. The idea behind it is fine but we need to look at other things. Maritime forests provide natural habitat and he hoped we look at those things when other items come up. Alderman Peters noted that this ordinance makes us environmentally cognizant. He felt that "design standards" needed clarification.

Rezoning 806-8 2616 Island Drive from Commercial B-2 to Residential CU R-5:

This request for the rezoning and development application was received on March 30, 2006 for the Planning Board's public hearing on April 13, 2006. A copy of the Rezoning and Development Application **RZ 06/01** was given to the Board. Also in the package was the general warranty deed; proof of taxes paid;

6/1/06

and list of the adjoining property owners, minutes from Planning Board and copy of the letters sent to the adjacent property owners.

Charles Riggs and Associates, 202 Warlick Street, Jacksonville, NC is representing the owner of the property, and will present this application. The Planning Board reviewed this on April 13, 2006 and voted 3-2 to recommend approval. Mr. Paul Dorazio excused himself from voting.

Ocean City Ventures, LLC is requesting that the 2.857 Acre lot be rezoned from **B-2 Business** to **CU R-5 Residential** with a conditional use district. All adjacent owners were notified on April 1, 2006. Currently the lots surrounding this property are zoned B-1 Business (Harvey Beech and wife) and R-10 residential (Ocean City Ventures, LLC) and R-5 (Village of Stump Sound). The property is the old Ocean City Pier lot and is currently vacant except for the Ocean City Pier structure consisting of the old Bumblebee Tower.

Review of the sketch plan shows the following:

1. Streets: The property is accessed by a private road of 20 feet coming from Island Drive.
2. Water and Sewer: The water will be furnished by Onslow County and the property will utilize community sewer.
3. Access: The property abuts the Atlantic Ocean and Island Drive.
4. Conditional Use Permit: The application is requesting the restriction to single family only.
5. Fire Marshal: The Fire Marshal will need to review the plat plan for access approval and fire hydrant requirements if the rezoning is approved.
6. Flood Insurance: This property will be eligible for federal flood insurance as it is not located in the CBRA area.
7. CAMA: If the rezoning is approved the State would need to review the property for possible erosion control and sedimentation permits. The property would need to be reviewed by Division of Coastal Management for appropriate permits.

Charles Riggs noted that this is the area of the former Ocean City Pier and is adjoined on the west by the Village of Stump Sound and to the north the same. East is B1 and R10. It is zoned B2 because of the former pier and is Conditional Use R5. There is no septic. The application is complete and they have submitted a legal description. There is no tax map at this time until the zones are corrected. The receipt taxes are paid and there is a copy of the deed. Their belief is that this rezoning is a valid rezone that will compliment the area and they are ensuring construction of single family dwellings.

580
6/1/06

Alderman Tuman questioned community sewers and Mr. Riggs said they would be tapping onto North Topsail Utilities. There would be one state extension sewer line that would tap onto the sewer company with no septic. This is a straight rezone request. It is understood that once approved if we do get sewer we would have to come back to the Board for a sub-division revision. It is single family only and community sewer.

Alderman Peters asked if they have anything in writing from the list of adjoining property owners and Mr. Riggs said that he had nothing. The owner has been in conversation with adjacent property owners and Mr. Moore stated that he hasn't received any comments. Alderman Peters asked what the intent was of integrating the tower and historic designation of the structure and Mr. Moore said there was no designation of any tower in our town as being historic. Mr. Riggs noted that it would probably be used as an attachment in some nature to a building. Alderman Handy said that he had a problem with the use of the term "community sewer" and Mr. Riggs said that they could reword that.

PERSONNEL POLICY:

On February 11, 1999 the Board of Aldermen adopted a Resolution Adopting a Written Personnel Policy. This Policy superseded Chapter 3 in the Ordinance Book. The Town had a contract with the MAPS Group (Management and Personnel Services) through the North Carolina League of Municipalities.

This Personnel Policy has been distributed to employees since that date and any changes made have been made to this policy and not to Chapter 3 in the Ordinance Book.

The Resolution did not specifically state that one replaces the other as it was understood by the Board of Aldermen and by the staff in 1999. But as you can read in the "Management Issues, Personnel Policy and Benefits Recommendations, number 2 states "most attorneys recommend adopting the Personnel Policy by resolution and calling it a policy rather than an ordinance".

Mayor Pro Tem Hardison questioned why the Personnel Policy would supersede the ordinance. Ordinances comes from law and from that then polices are made. Attorney Kilroy said that legislative authority is to make ordinances but what did not occur when a previous Board had adopted a Personnel Policy was that they did not repeal the ordinance. In adopting a "Policy", you could change the policy as case law changes without costs and you would always change policy by Board action.

6/1/06

Alderman Farley noted that a policy could be changed very readily but there may be important issues that come before the public and he suggested that this issue go to a Public Hearing.

BUDGET MESSAGE:

Dear Mayor & Board Members:

As a result of numerous Workshops with the Board of Aldermen the Following 2006-2007 Fiscal Year Budget is presented for consideration for adoption.

The budget as presented projects a levy of \$1,644,515.00 based upon the Town's total appraised value of \$1,678,076,410.00, as of May 18, 2006, with the recommended property tax rate of 10 cents per \$100.00 valuation for the General Fund. The levy is based upon a collection rate of 98%. Also recommended is a dune tax of 3 cents resulting in a levy of \$493,355.00. The Town's tax rate as recommended is 13 cents per hundred valuation. The rate of 13 cents per hundred valuation is 2.23 cents higher than the Revenue Neutral 10.77 cents per hundred; however this rate is recommended to maintain services provided by the Town and to continue moving forward with Beach Nourishment.

In Fiscal Year 2006-2007 the Town expects to operate at the same level of service as this past year with the addition of one administrative position, Office Specialist.

The Town has two Capital Projects, both are continuations from Fiscal Year 2005-2006. Bike Path Phase I will be completed in the early part of Fiscal Year 2006-2007. The construction of Bike Path Phase II starts at the Onslow County Beach Access 2 on Highway 210 and will continue south toward the Town line. The Bike Path Phase II has been shortened from its original length in order to fall within the limits of State Funds Granted. This project will begin once bids for construction are awarded. The town will pursue additional funds to complete the path to the southern Town line in future years.

The 3 cents recommended for the Beach Nourishment will cover the addition to the contract for the inclusion of the Southern Section of the Town in the current CP&E contract. As well as, preparations for the Bond Referendum, bond council, and tax districts for the Beach Nourishment Project. 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.

Respectfully Submitted,
Town of North Topsail Beach Staff

Jimmy Campbell said that there are rumors of cutting the Police Department and he didn't recommend that and would be opposed to a reduction in services of police and fire. Alderman Farley noted that they haven't said that and he was concerned where that story started.

Bill Horstmann, 303 Lanterna Lane said that he didn't want to cut any services and that we should continue to move forward. He is willing to open his wallet and asked that they don't cut staff and operations. If you look to make these cuts, don't look at just salaries and say they are too high, but look at the total operation. You need to look at comparable costs and look at experience and professionalism. He noted that he has a family member on the PD in the county and they say how good of a police force we have. Be conservative and spend money wisely.

6/1/06

Gerry Riggelman said that he had the pleasure of attending budget workshops. He noted that the Board adopts a budget and then they amend it the rest of the year. He said that he was a CPA and questioned how the Board could continue to change the budget. If you adopt a budget you live by it. Please take proper accounting and live by it. You can't do that by amending a budget.

Mike Yawn, 207 Tamarix Court said that he was the most outspoken to say hold to revenue neutral. He said that he was happy to say our general fund budget now holds it under revenue neutral. At the last budget workshop Alderman Farley had asked that a number of items be taken out and staff did that. The Office Specialist is needed to ease the backlog of work. The new Manager's position will increase salaries, but the general fund is under revenue neutral and he gave accolades to the town staff. Mr. Yawn also said that the PD does a wonderful job here. He said if you look specifically at the PD you can see that it is a large department and they have many certifications and should get more money for them and we need to set the bar for these folks. We are lucky to have these officers on our police force. We have \$104,000 in contingency and Loraine Carbone and the new manager will run the Town in a tight way and we need to put the rest in the fund balance. In regard to Beach Nourishment, you approved the south end of town and dredging the channel and that adds 1.5 to the tax rate and that seems reasonable and he urged the Board of Aldermen to approve the budget.

Lenny Denittis said that we have a great police and fire department and with Fire Marshal Thomas Best and Police Chief Danny Salese, you can sleep at night.

George Moore, Assistant Fire Marshal noted that he also lives on the island and he is the volunteer rescue chief and they have an all volunteer squad and they respond to emergency calls. We receive a small portion from the county to keep the trucks afloat and each year they look for donations. Mr. Moore asked the Board to match the state grant they apply for each year which is not to exceed \$20,000.00 and he asked for \$10,000.00. The County has said that they have to update their radios and they cost \$3,000/piece and this update is per a Homeland Security directive. There are four vehicles that need them. This request is not in this current budget and they had asked for this at another meeting but it wasn't discussed further than that. Rescue is separate from the Town.

Greg from the Sea View Fishing Pier noted that the PD does a great job for them. He said that for most of the people on this island, houses are worth a lot and we need to protect them. He said to give George Moore the money he needs for the Rescue Squad to hold the Town together.

6/1/06

APPROVAL OF AGENDA:

Mayor Knowles suggested that the Board recess the meeting around 10:00 p.m. to Monday, June 5, 2006 at 10:00 am.

Alderman Tuman added under new business the appointments to the Planning Board of Yawn and Riggleman. Alderman Peters added beach nourishment under old business. Alderman Handy recommended adding the \$10,000 for the Rescue Squad.

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

COMMITTEE REPORTS:

Planning Board – Mike Yawn, Chairman:

Mr. Yawn noted that the Planning Board reviewed the duplex issue as well as minimum parking requirements, definitions, Crystal Views and two new alternate members. He said that after 1990 if someone splits a lot, they should go through the subdivision process and we have not been following that process. There is a Public Hearing on duplexes June 8th. The Land Use Plan committee is working on the survey and it reflects the previous survey.

Alderman Farley said if we allow adding on to a duplex, you are taking rights away from the other property owner. Mr. Yawn noted that with a 3,000 sq. ft. lot you are supposed to be 5,000 in a R5 and a house shouldn't be expanded. Attorney Kilroy said that you can't expand a nonconforming use. Alderman Farley said that they could add on provided if it is narrow. Mr. Yawn noted if it is only nonconforming, you could intrude on setback and expand on other setback. Alderman Farley said that duplexes are nonconforming because of lot size and setback and Mr. Yawn said width of lot also. The Planning Board feels compassion for duplex owners since it was not disclosed to them, but we don't want to encourage this. Alderman Farley said it was town policy to let them exist and to expand and Alderman Tuman noted that the Town gave out building permits. Mr. Yawn said that they could form a corporation and each owns half of LLC. Mayor Knowles asked if there was an agreement that the builder states what each side could do.

Attorney Kilroy said what is current sets up the responsibilities of each party and is a "Party Wall" agreement. Alderman Tuman said it could be divided for tax purposes and his agreement states if the next door burns down he is obliged to rebuild it. Attorney Kilroy said that improvements are conveyed on two separate deeds and that is an illegal subdivision. Alderman Tuman noted that when a builder went to Onslow County for approval of construction that he divided the land and each property was sold that way. Mr. Yawn stated this issue is difficult and you would have to look at this case by case. If someone followed Onslow

58-1
6/1/06

County subdivision rules it may give you rights, but we don't want to make it more lenient.

Alderman Tuman asked what does the public have to review at the public hearing Thursday night and Mr. Yawn said a set of recommendations. A lot of existing duplexes would be grandfathered. In the future, after a certain date, it will be more rigorous as to where you could build a duplex. Mayor Knowles said to keep in mind if an ocean front duplex is over 5,000 sq. ft. it would require a 120 ft. setback instead of 60 ft. Alderman Farley noted that if we are changing regulations on duplexes you are going to have a problem of people running in with duplex permits. Mr. Yawn said someone may have already bought a lot to build a duplex and we have to be careful on that. R15 could be built with septic tanks and we will look at this.

Attorney Kilroy noted there is a provision in zoning ordinance 7-254 - provisions during its review of final plat the Planning Board may appoint an engineer to confirm accuracy and we have had projects of question to high water mark. This is prerogative of the Planning Board and if you have questions you need to make provisions for an engineer or surveyor. Attorney Kilroy said if someone brings in a deed to the tax office and a subdivision of a lot is not signed off by the Town, the registry will not record it.

Mr. Yawn stated that the Land Use Plan Committee's public input session had issues such as planting more trees, the dune line and preserving green space. Reducing the speed limit is a D.O.T. issue, but we have state agency that funds this and it may give us more leverage to reduce the speed. The Legislator just made it possible that anything in our Land Use Plan must be considered.

Alderman Peters noted that the Planning Board should take action regarding an ordinance concerning condemned buildings and Interim Town Manager Carbone said they will be looking into this issue.

Recreation & Appearance Committee – Bill Horstmann

Mr. Horstmann said that their last meeting was on May 9th. The Yard Sale took place on May 27th and they raised \$1338.00. There were four prizes for the raffle.

MANAGER'S REPORT:

1. Following are highlights from Chairman Dick Macartney on Beach Nourishment: The status of our Beach Nourishment Plan is that we are approaching a vote on bond authorization at the November General Election, moving ahead with the permitting process, and ascertaining funding levels from the county and the state. Each of these activities requires follow up.

6/1/06

We are considering two voting districts. The Beach Nourishment committee recommends that the Oceanfront District be "all property abutting the Atlantic Ocean or the Frontal Dune protecting the closest houses".

Choosing an attorney to do the legal work to have the districts approved by the Board of Elections will be discussed under New Business d.

Mr. Macartney said that he has been assured by Mr. Jarrett of CP&E that all activities needed to meet our permitting goal for our project are on track. The next project delivery meeting is to be held on June 20th when we will hear a plan to resolve the hard bottom buffer areas dimensions that will be applicable to our project (500 meters versus 400 feet). We should also learn more about the pre construction monitoring requirements at that time. We do need to get the contract for the southern section signed with a provision that should our project be abandoned for any reason that unfulfilled work not be charged per the request of our board.

The funding by the county and by the state are political processes that I ask for help from the board and the mayor on. I would assume Mr. Tuman can advise how to follow up with the county and that the Mayor or Mayor Pro Tem will work with the state legislators for our town to pursue a bill for funding from the legislature. Topsail Beach has two bills already introduced one in the house and one in the Senate to appropriate \$3,000,000 of their total projected cost of 10 MM for the temporary beach nourishment project. Time is of the essence and we need to keep DENR in the communication loop.

The Federal Project also requires action on the part of the town. We have been provided a draft of the Alternative Formulation Briefing from the Corps. This is basically the renourishment plan for the federal project that needs to be approved by congress. Our goal it to get that approved by the USACE by October 30th. I would ask that be made available to each board member as soon as possible. We owe an e-mail to the Corps by June 2nd outlining any suggestions or changes we see on first glance. There will be time for further review but there will be a requirement for the board to pass a resolution to accept the plan at the August board meeting. Just a note it is written that the plan is to nourish beginning in the Fall of 2012 and that it will take four years to complete the construction phase of the joint Surf City NTB project. The next meeting on this project is scheduled for June 15th.

Mr. Macartney also felt that the Sea Oats planting schedule be reviewed and additional resources be secured so that the 60,000 plants get in the ground in a timely basis. I spoke with Steve Mercer last week when we had 66,000 plants and he quoted us \$40,000 to plant them. Shelia Cox has been planting the sea oats and Lydia King has also helped her, but that takes them out of the office and it increases their workload here. We have had the prisoners for just 8 days. They have been called to other jobs and have not been reliable. I would suggest that the next time any planting is done that a contract be made to also plant the sea oats.

Mayor Knowles questioned the use of high school students and asked that property owners volunteer their time. Alderman Farley said that individual homeowners should be responsible and we should just tell people that we will spend a certain amount of dollars on plants and citizens should plant them.

2. Staff will schedule a Hurricane Workshop with the Board of Aldermen to review the Town's Hurricane Plan. Staff will attend a workshop first with DRC and I will then set a day for the Board to meet in the next couple of weeks.

3. I attended the Onslow County Hurricane Preparedness meeting along with Mayor Pro Tem Hardison and Aldermen Handy and Peters on May 9, 2006.

4. On May 10th staff held a phone conference with 2 bond counsels and Chairman Dick Macartney, Chairman Mike Yawn and Alderman Peters were in attendance.

5. Staff held a Transportation meeting on May 16th with consultant Bill Farris in regard to Bike Path Phase II. Citizen Ed Tennent also attended.

586
6/1/06

6. I attended the Chamber meeting on May 17th.
7. On May 18th Chairman Macartney and I took part in a phone conference with the Army Corps of Engineers.
8. On May 23rd I attended the Corps meeting in Wilmington along with Chairman Macartney and Alderman Peters.
9. Mayor Pro Tem Hardison attended a Hurricane reenactment in Jacksonville on May 23rd and he will be our point of contact at the EOC when we are in a hurricane mode.
10. At 1:00 pm today, Congressional Aides and Corps representatives met at Town Hall along with Surf City officials to discuss the beach nourishment projects and to tour the Island.
11. At 3:00 pm today, Attorney Kilroy and staff met with Attorney vonLembke in regard to the condemned homes.
12. Town Hall Day in Raleigh is Wednesday, June 7th and the packets for this event are in the Board boxes.
13. June 8th is the Four Town Meeting. NTB is the host and we will hold it at the Bella Luna at the Villa Capriani. The Police Chiefs from the towns will discuss Hurricane procedures.
14. The next Project Delivery Team meeting is set for June 20th at 10:00 am.
15. Onslow County has scheduled a workshop on June 22nd in regard to WEB/EOC and staff will attend.

Alderman Tuman stated that it is the role of the Mayor and Mayor Pro Tem to influence our state legislators in regard to funding beach nourishment and that we need one voice for the Town.

Alderman Farley noted that the dunes are high in front of Tom Dale's house. Mrs. Carbone said that she would contact Jim Gregson again. Alderman Tuman thought there would be problems in doing any work on the dune since it is turtle season. We don't have the equipment to do anything and he recommended that the next opportunity when equipment is in Town to knock off the top, but not to reduce the amount of sand since it is in a vulnerable place there. The boat basin is in a bad location. Tom Dale said that he never had the dunes that high and he showed the Board pictures of where the dunes were. Mr. Dale said that he can't see the ocean from his porch and it wasn't fair.

Alderman Farley said that he has received emails in regard to the speeding of ATV's and trucks on the north end. Alderman Handy noted that this was private property and there was nothing the police could do about that. Alderman Farley said that the land shouldn't be torn apart if there are wetlands on it. Alderman Tuman said that the opinion is if we have ATV's and dirt bikes racing and the area is also a pedestrian area and not a posted area and the owner doesn't care, it's a safety issue and we should ban the use of those vehicles. Alderman Farley

6/1/06

said that this has been going on for a number of years and police are responding, but we continue to have these issues.

OPEN FORUM:

Mary Convy, Dolphin Shores, said that she was dismayed that there was no actual time for the Beach Nourishment committee report. (Chairman Dick Macartney was out of town.) She asked that the Board read the CP&E contract before they approve it. The Mayor should take the initiative to contact the State legislation. She felt that property owners should plant their own Sea Oats. In regard to the dune height she said the wind will shape them. She noted that the Villa Capriani has tarps on their dunes and asked if that that was legal. (Mrs. Carbone later asked a CAMA official if it was legal and she was told that it was.)

Sue Tuman, 3944 River Road noted that the speeding at the north end includes ATV'S, trucks and dirt bikes. The Planning Board is working on the Land Use Plan and the LUP should control how our land is treated. We need an Ordinance since they are going into tidal pools.

Chris Rackley, President of the Realtor's Association, spoke in regard to the waste receptacle issue. He said that the Realtor's organization applauds NTB's goal of making the town beautiful, but it won't work to fine property owners and it would be hard to monitor that. Having the Realtors responsible won't work. There are 1700 dwellings and roughly 1000 are absentee owners. Cans will be on the road. Atlantic Beach has wooden partitions out of the right of way and they cost about \$125 for one can. Realtors are willing to help. In regard to the Sea Oat issue, in 2 weeks they will form a task force to help you plant sea oats.

Alderman Peters said that he drove up to Atlantic Beach and he didn't find any examples. Mr. Rackley said they have them on the ocean road on the southern end towards Emerald Isle - from north going south. In Emerald Isle he saw a contractor bringing cans back. Mrs. Carbone said that would be Roy Poole who gave us a quote for a roll back service which was quite expensive. Alderman Handy questioned the partitions since they are not on the right of way and asked who takes trash out of the containers. Mr. Rackley said that the waste company takes it out and puts it back. Alderman Peters said that we should negotiate to have trash picked up on Monday. Mr. Rackley said that there are 1000 absentee owners and that they leave on days not on the waste schedule.

Mike Yawn, Tamarix Court, noted that there are pros and cons in regard to the Holmberg Technology and there are places where it had to be pulled out. To go through permits it could be years to get anything done for a pilot project. He said not to abandon our current beach nourishment project and suggested that the Beach Nourishment committee research Holmberg Technology. He agreed with the hiring of Neil Whitford as the tax district attorney since Attorney Kilroy is busy

6/1/06

with other litigation. In creating two tax districts or one, it changes the way the vote occurs. In regard to trash, don't end up adding up on the tax bill to have a third party to take care of cans.

Sue Tuman, River Road, said to be sure the vote is right to help the Rescue Squad since this is a volunteer group.

RESOLUTION TO MATCH \$10,000.00 STATE GRANT TO THE NORTH TOPSAIL BEACH RESCUE SQUAD:

Alderman Handy moved, seconded by Alderman Tuman to approve the Resolution to Match \$10,000.00 State Grant to the NTB Rescue Squad.

George Moore noted that December 15th is when the state approves grants. Mayor Pro Tem Hardison asked what their range of operation is and Mr. Moore said medical assistance first provider. We are certified in open water rescue and beach rescue and we have mutual aid agreement with the county. We don't transport people in an ambulance. Most of the volunteers are volunteers on the fire department. EMS 7 is at the south end station. We compliment each other - Sneads Ferry from New River Inlet to New River Creek - we are all part of the county's system of mutual aid. Mayor Pro Tem Hardison asked how the \$10,000 is used and Mr. Moore said there is a total of \$20,000.00. We migrate from a VHF system to a megahertz radio. Pagers alert the volunteers. The last time we got new ones was 10 years ago. Alderman Handy noted that this was brought up since 9/11 and we need a better system. Mayor Pro Tem Hardison asked if had come before the Board before and Mr. Moore said that he had two years ago and nothing was done. They have been directed to upgrade their radios. Mayor Pro Tem Hardison asked approximately how many times do you go into Surf City and Mr. Moore said that Onslow County is who we serve but we have agreed to be available county wide and a portion is in Surf City. 25% of calls are in Surf City - 10 to 15% mutual aid.

Alderman Peters said should we not approve this where would you get your funding and Mr. Moore said they would have to stand on the corner with boots. Alderman Peters said that they still need to do that and Mr. Moore said that they were running out of places to do that. Where we house our equipment, the rescue squad has saved up to purchase those times. Alderman Peters asked who do you answer to and Mr. Moore noted that it takes two people to sign checks and make payments. We hire a CPA who does our books each year and we send a report to the County and they review it with their CPA's. Alderman Tuman said that he was impressed and grateful to those who are willing to take the time to be trained and are devoted. He said he was uncomfortable to tell them to stand on a corner to collect money.

6/1/06

Bob Swantek said that he was with the Sheriff's Dept. in New York and if it wasn't for rescue squads people would lose lives.

Mr. Moore noted that the volunteers are on call 24/hours per day. It takes a lot of commitment to be called out when it is in the middle of the night. Alderman Peters said should we approve this please attach a budget for these expenditures.

Lenny Denittis noted that the money isn't available until December and he asked if they needed the money sooner and Mr. Moore said that they have two radios until they can get the grant and they spent what they had in their savings. They did receive a new vehicle from the county that cost \$45,000.00 to get on the beach. We need to add an automatic defibrillator and they have purchased four of them.

The Motion passed unanimously.

RESOLUTION TO MATCH \$10,000.00 STATE GRANT TO THE NORTH TOPSAIL BEACH RESCUE SQUAD

WHEREAS, the Rescue Squad that provides services to North Topsail Beach has not received any funding since 1993 from the Town; and

WHEREAS, the Rescue Squad provides water rescue and other services to the Town; and

WHEREAS, the Rescue Squad has requested that the Town of North Topsail Beach match a state grant in the amount of \$10,000.00.

NOW, THEREFORE, BE IT RESOLVED, that the Town of North Topsail Beach does hereby match \$10,000.00 at the time that the State Grant is approved.

Adopted this 5th day of June 2006.

CONSENT AGENDA:

The consent agenda consisted of the February 2, 2006 and April 6, 2006 Board Meeting minutes, Department Head Reports, Benefit Accrual Report Budget vs. Actual, Resolution Endorsing Solid Waste Plan of 2006 and CP&E Contract.

Mike Yawn suggested that the CP&E contract should have a clause so that if the bond doesn't pass in November that we have a way of getting out of paying them. The Board's consensus was to take out the CP&E Contract and review that on Monday.

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

OLD BUSINESS:

590
6/1/06

a. At the April Board Meeting, the Board did not vote on any of the proposed changes to Chapter 13. Included from the April Board meeting were suggestions from the Recreation and Appearance Committee in regard to options to implement stricter rules for trash containers in the Town's Ordinance. Points are:

1. Initiate a program where the homeowners have the responsibility to place containers the evening before and remove trash no later than 9:00 a.m. the next day.
2. Re-institute employing staff to follow Waste Industries and move the containers on the same day.

Possible language for an amendment to Section 13-7. Location of containers:

- (a) At all times other than scheduled collection times, refuse containers must be stored on the premises at a location thirty (30) feet from the public right-of-way or behind the front or side wall of the structure.
- (b) Refuse containers must be placed adjacent to the street no earlier than 3:00 pm the day before collection is scheduled and must be returned to the residence by 9:00 am on the day after collections.
- (c) Placement of container at street earlier than 3:00 pm on the day prior to collection shall be subject to a \$25.00 fine.
- (d) Failure to remove container from street before 9:00 am on the day after collection is subject to a \$25.00 fine.

The Topsail Island Association of Realtors have not changed their view on implementing fines. They are proposing the use of boxes to place the cans in on the road side.

Alderman Farley questioned if it was conceivable that the trash company do it on an individual basis and they could identify cans which could be rolled back and property owners pay for it. Alderman Tuman said that this could be a question on the Land Use Survey. Alderman Tuman also suggested that when we go out for bids at the end of contract we could ask them to bid on a roll back service. Mrs. Carbone noted that bids were presented in the past and it was cost prohibitive.

Alderman Peters said that we need to approve an ordinance and ultimately come to an equitable solution as to how to enforce it. **Alderman Peters moved to**

6/1/06

approve the trash can put back ordinance as presented with the exception to \$25.00. We should just say subject to a fine.

Alderman Farley noted that the problem is that they sit there for three days. Pick up on Tuesdays and Fridays make sense. The bulk of the time they are on vacation they have had two pick ups. Alderman Tuman said that on Saturdays housecleaners come in and there is an overflow. Alderman Farley said that someone has to pay the costs and realtors have enough staff. Alderman Tuman said that property managers can take care of trash.

Alderman Farley questioned the 30 feet from the right of way and Alderman Tuman said to eliminate the 30 foot requirement.

A Motion to approve the trash set back solution was made with the exception of no time or fee but should state the day before or the day after. Alderman Tuman seconded the motion and the motion passed unanimously.

b. Auditor

At the May 4, 2006 Board of Aldermen meeting only one proposal was received from Thompson, Price, Scott, Adams & Co., at a cost of \$8,650.00 and the proposal was not unanimously approved. Therefore the Board directed the Finance Officer to procure other RFP's. We have received two proposals at this time, one from McGladrey & Pullen at a cost based on an hourly rate of \$120/hour with a floor of \$27,000 and a ceiling of \$40,000.00. The second proposal is from Pittard Perry & Crone, Inc. at a cost of \$17,500 for the year ending June 30, 2006 and a fee of \$17,800 and \$18,000 for the years ending June 30, 2007 and 2008 respectively.

Alderman Peters moved seconded by Alderman Farley to approve Pittard, Perry & Crone at a cost of \$17,500.00.

Alderman Farley noted that they should sit down with them to let them know what the job entails. Alderman Peters suggested that Alderman Farley and someone else interview them and the Board could approve a firm under their recommendation. Alderman Tuman said to go with Pittard, Perry & Crone. Mayor Pro Tem Hardison asked, based on Alderman's Farley experience, does \$18,000 sound reasonable to him and he said yes.

The motion passed unanimously.

c. Personnel Policy:

1. Personnel Policy

6/1/06

A Public Hearing took place in regard to repealing Chapter 3 – Personnel - in the Ordinance Book. A Personnel Policy was adopted on February 11, 1999 and has been in use since that time. Any changes to this Policy come before the Board of Aldermen but no public hearings are needed since it is a "Policy" and not an "Ordinance".

RESOLUTION REPEALING CHAPTER 3 – PERSONNEL IN THE ORDINANCE BOOK

WHEREAS, a Personnel Policy was adopted by the Board of Aldermen on February 11, 1999 which replaced Chapter 3 in the Ordinance Book; and

WHEREAS, employees of the Town of North Topsail Beach have followed this policy and adhered to it; and

WHEREAS, any changes that have been made over the past seven years have been approved by the Board of Aldermen in open meetings; and

WHEREAS, the Resolution that was passed on February 11, 1999 did not clearly specify that the "Policy" did supersede the "Ordinance".

NOW, THEREFORE, BE IT RESOLVED, that the Board of Aldermen do hereby repeal Chapter 3 in the Ordinance Book.

Adopted this 1st day of June 2006.

Alderman Tuman moved, seconded by Alderman Handy to Approve Resolution Repealing Chapter 3 Personnel in the Ordinance Book.

Alderman Farley said that he would prefer not to make it easier to change the policy. A policy is to implement the ordinance. Alderman Peters suggested that the new Town Manager pass judgment and bring forward an ordinance that might be more satisfactory.

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

2. Nepotism Policy

Amend Personnel Policy – Employment of Relatives:

At the February 25, 2006 Board Retreat discussion took place in regard to hiring relatives within the Town. Following is Section 5 which is in the Personnel Policy that was adopted on February 11, 1999. Some board members would prefer that no relatives be employed either permanently or temporary and have asked that the Personnel Policy reflect this change.

Section 5. Employment of Relatives (present language)

6/1/06

The Town prohibits the hiring and employment of immediate family in permanent positions within the same work unit. "Immediate Family" is defined in Article VII, Section 12. The Town also prohibits the employment of any person into a permanent position who is an immediate family member of individuals holding the following positions: Mayor, Mayor Pro Tempore, Town Board of Aldermen Member, Town Manager, Town Clerk, or Town Attorney.

Otherwise, the Town will consider employing family members or related persons in the service of the Town, provided that such employment does not:

- 1) result in a relative supervising relatives;
- 2) result in a relative auditing the work of a relative;
- 3) create a conflict of interest with either relative and the Town; or
- 4) create the potential or perception of favoritism.

This provision shall not apply retroactively to anyone employed when the provision is adopted by the Town.

Following is language that the Board could vote on:

Section 5. Employment of Relatives

The Town prohibits the hiring and employment of immediate family in permanent or temporary positions in any department of the Town, excluding those family members who are volunteers for the Fire Department.

The Town also prohibits the employment of any person into a permanent position who is an immediate family member of individuals holding the following positions: Mayor, Mayor Pro Tempore, Town Board of Aldermen Member, Town Manager, Town Clerk, or Town Attorney.

Alderman Handy recommended that it should state any volunteers to the town and not just the Fire Department. Alderman Farley said there was nothing that would prohibit a family member from volunteering. Alderman Peters said to leave it as it is.

Sue Tuman noted that when the next hurricane hits you will need volunteers. The consensus was to eliminate "excluding those family members who are volunteers for the Fire Department."

Alderman Handy moved, seconded by Alderman Farley to approve the change to Section 5. Employment of Relatives as stated above.

Alderman Peters said that he could not support that and to keep it as it is.

59-1
6/1/06

Alderman Tuman noted that there would be situations in the town where we have capable people and they couldn't be hired because it is too restrictive.

The motion passed three to two with Aldermen Tuman and Peters opposing.

d. Ratify maps for tax districts:

Alderman Farley asked if there was a sense of urgency on this and he liked the way the lines were drawn. Mrs. King said that Mr. Macartney asked that they be ratified to give them to the attorney. Mrs. King noted that they were preliminary maps and that staff worked on this and it went to the Beach Nourishment committee and they agreed on it and now they are brought to the Board for any changes. We will then present this to the public. Oceanfront is defined as what abuts the Atlantic Ocean. Alderman Peters asked if a lot is unbuildable and the dune sits on top of that then that makes it oceanfront as well. Mrs. King said that the parcel would have to be split when they go beyond the road. There are six properties where the dune is sitting right on the property and the lots behind them are touching that dune. Once it is renourished and once it is nonbuildable it does not become buildable. Alderman Farley said that they could change that concept.

Mrs. King said that they need to decide if the judgments that have been made are acceptable.

Alderman Tuman moved, seconded by Alderman Peters to approve the maps for the tax district.

Alderman Tuman noted that one other action is to approve the tax attorney and we should let the tax attorney review the maps. There are concerns about specific lots that are ocean front but there are other people who share the use of it. For example, Rogers Bay has one ocean front lot, but all of Roger's Bay's large track of land is next to the St. Moritz and jointly owned by property across the street. Mrs. King said it has a separate parcel number. Alderman Handy suggested if we have a public meeting to invite Harry Smith to give us input on this problem.

The motion passed unanimously.

e. Beach Nourishment:

Alderman Peters said if we have the issue of having two tax districts we need to discuss that. Mayor Knowles said that we would have a public hearing.

Alderman Farley noted that the County is still in their budget process right now and we are not sure of the funds that will be budgeted for beach nourishment.

6/1/06

Alderman Tuman recommend that the Town Manager call County Manager Clifton and find out what his plans are and what is he asking his Board to consider when he submits the budget proposal to the Commissioners. Alderman Tuman said that he will ask Delma Collins on Thursday night at the ONWASA meeting and lobbying from the Mayor and Mayor Pro Tem would help

Alderman Peters asked what the strategy would be for the state legislators for funding. Mayor Knowles has spoken to Robert Grady and he is waiting to speak with Senator Brown.

In regard to the Holmberg Technology, Mayor Knowles said that the next step would be to invite him here for a presentation. Alderman Tuman noted that the best first step is to have our beach nourishment committee make a presentation to them and let the committee ask the questions. Alderman Peters asked if there should be a resolution of support for the legislation supporting Holmberg and Alderman Farley said he would like to see the proposal first and he noted that this is not in lieu of our beach nourishment project.

Alderman Tuman noted that Tom Jarrett said he proposed a groin years ago and he doesn't believe Holmberg Technology would work. Alderman Farley said that he has read everything on this technology and we can't just dismiss this, but we know it's a hardened structure. We need to keep an open mind and if the State looks to make changes, they could fix us first.

Alderman Peters noted that the beach nourishment survey comments need to be agreed upon since the survey will go out in the next two weeks.

NEW BUSINESS:

a. BUDGET 2006/2007

Alderman Tuman moved, seconded by Alderman Handy to approve Budget 2006/2007.

Alderman Farley felt that cuts were not fully made and he was not sure if the revenue neutral number was right. We are increasing beach nourishment money by 2 to 3 cents and it still is a 20% increase of our taxes and 17% above last year and he would like to see it come down.

Alderman Peters noted that a serious thing is failure to adhere to a budget once we get it.

The motion passed 3 to 2 with Alderman Farley and Mayor Pro Tem Hardison opposing.

6/1/06

Be It Ordained:

Section 1: That the following appropriations are hereby made to the General Fund for the Town of North Topsail Beach and that the following revenues are anticipated to be available during the fiscal year to meet these appropriations:

GENERAL FUND

Appropriations

Governing Body	\$91,653.00
Administration	\$413,452.00
Planning/Zoning	\$47,685.00
Inspections	\$89,955.00
Police Department	\$866,760.00
Public Works	\$166,822.00
Fire Department	\$356,540.00
Public Facilities	\$91,301.00
Recreation	\$28,200.00
Committees	\$17,900.00
Streets	\$24,000.00
Refuse	\$251,735.00
Contingency	<u>\$104,231.00</u>
	\$2,550,234.00

Revenues

State	\$276,643.00
County	\$45,000.00
Town	\$134,550.00
Outside Sources	\$64,100.00
Property Tax	\$1,658,515.00
Refuse	\$291,176.00
Interest	\$60,000.00
Grants	<u>\$20,250.00</u>
	\$2,550,234.00

Section III: That appropriations herein authorized shall have the amount of outstanding purchase orders as of June 30, 2006, added to each appropriation as it appears in order to account for the payment against the fiscal year in which it is paid.

Adopted this the 1st day of June 2006.

Ordinance Making Appropriations for Fiscal Year Beginning July 1, 2006

Be It Ordained:

6/1/06

Section 1: That, pursuant to North Carolina General Statutes 159-13.2, the following appropriations are hereby made to the funds listed in the schedule below and that the following revenues are estimated to be available during the fiscal year to meet these appropriations in the respective funds:

Special Revenue Fund – Beach Nourishment

		Revenues	Fiscal Year
Account	Description	2006-2007	
20-301-00	Accommodations Tax-Local		\$500,000.00
20-301-01	Onslow County- Accommodations Tax- monies requested from Onslow County		\$200,000.00
20-301-05	Beach Nourishment/Dune Stable (3 cents from property taxes for beach nourishment activities) 98% collection		\$493,355.00
20-317-00	Penalties and Interest for failure to pay Accommodations Taxes in a timely manner		\$0.00
20-335-01	State Non-Federal Projects, CBRA local project North and Central Sections		\$0.00
20-348-00	State Federal- Southern Section		\$0.00
	Topsail Island Shoreline Protections for admin services 6 month 250 & 300		\$3,300.00
	Interest Income		
	Bond Revenue		
Total			\$1,196,655.00

Special Revenue Fund – Beach Nourishment

		Expenditures	Recommended
Account	Description	2006-2007	
20-720-02	Salaries 1503 hours dedicated Beach Nourish And 144 To TISPC		\$30,832.00
20-720-04	Professional Services Bond Council, and Bond Rating		\$30,000.00
20-720-05	FICA		\$2,359.00
20-720-07	Retirement		\$1,235.00
20-720-08	CBRA Permits (Environmental Impact Study) the contract is for \$1,542,000.00 Remainder of Contract of North and Central Sections		\$290,000.00
	CP&E Addition (addition of Southern Section)		\$121,000.00
20-720-09	Feasibility Study CBRA completed		
20-720-10	Marlowe Contract- 1417 base plus 125 expenses per month		\$18,504.00

20-720-11	Topsail Island Shoreline Protection Commission	\$3,000.00
	ASBPA dues and meeting	\$5,000.00
20-720-14	CBRA Mitigation- Professional Services	\$0.00
20-720-15	M&R Dunes- Plants & Sand Fence	\$25,000.00
20-720-26	Advertising (bids for Construction)	\$5,000.00
	Voter Education	\$5,000.00
20-720-33	Departmental Supplies	\$3,000.00
	Easement Purchases	\$25,000.00
20-720-45	Contracted Services repairs on crosswalks and other beach accesses	\$5,000.00
	Pre Construction Monitoring state and federal imposed requirements	\$240,000.00
	Post Construction Monitoring	\$0.00
	cost share for USACE Project Federal Project 3.58 miles on South end	\$200,000.00
	Construction Cost	
20-720-46	Dredging Inlet	\$129,000.00
20-720-99	Contingency	\$57,725.00
	Total	\$1,196,655.00
		\$0.00

**Capital Project North Topsail Beach
Bicycle Path Phase I**

Revenues

Account	Description	Continuing Budget	Increase Decrease	Amended Budget
40-343-01	Powell Bill Funds - NTB FY 03-04	\$11,500.00		\$11,500.00
40-343-02	Powell Bill Funds - NTB FY 04-05	\$28,750.00	\$2,749.00	\$31,499.00
40-348-00	NC DOT Bikeway Enhancement Grant	\$175,000.00		\$175,000.00
40-399-00	Appropriated Fund Balance	\$19,700.00		\$19,700.00
40-399-01	Transfer From Other From	\$11,402.00		\$11,402.00
	Total	\$246,352.00		\$249,101.00

Expenditures

Account	Description	Continuing Budget	Increase Decrease	Amended Budget
40-560-02	Salaries	\$10,213.00	\$1,000.00	\$11,213.00
40-560-04	Engineering & Design	\$25,500.00	\$500.00	\$26,000.00
40-560-05	FICA	\$781.00	\$80.00	\$861.00

40-560-07	Retirement	\$408.00	\$420.00	\$828.00
40-560-15	Mobilization & Storm Drainage (repair existing concrete)	\$12,950.00		\$12,950.00
40-560-16	Signage & Marking--Barriers	\$17,000.00		\$17,000.00
40-560-45	Bike path Construction	\$140,250.00		\$140,250.00
40-560-46	Fill -Town Hall Area	\$10,800.00	\$0.00	\$10,800.00
40-560-53	Administrative-Legal	\$19,400.00		\$19,400.00
40-560-99	Contingency	\$9,050.00	\$749.00	\$9,799.00
Total		\$246,352.00		\$249,101.00

**Capital Project North Topsail Beach
Bicycle Path Phase II
Share the Road**

<i>Revenues</i>		Continuing	Increase	Amended
Account	Description	Budget	Decrease	Budget
60-348-00	NC DOT Federal Enhancement Funds	\$267,750.00		\$267,750.00
60-348-01	Powell Bill Funds 2005-2006	\$31,498.00	\$0.00	\$31,498.00
60-348-02	Powell Bill Funds 2006-2007	\$31,498.00	\$161.00	\$31,659.00
60-399-00	Appropriated Fund Balance	\$3,944.00	\$0.00	\$3,944.00
Total		\$334,690.00		\$334,851.00

Expenditures

		Continuing	Increase	Amended
Account	Description	Budget	Decrease	Budget
60-560-04	Salaries	\$3,355.00	\$5,625.00	\$8,980.00
60-560-04	Engineering & Design	\$20,740.00	\$4,500.00	\$25,240.00
60-560-05	FICA	\$256.00	\$431.00	\$687.00
60-560-07	Retirement	\$260.00	\$225.00	\$485.00
60-560-15	Environmental Clearances: Sediment-Erosion Control, Storm Drainage, Major CAMA Permit	\$12,500.00	\$0.00	\$12,500.00
60-560-16	Signage & Marking	\$33,000.00	(\$3,110.00)	\$29,890.00
60-560-17	Road Intersection & Driveway Modifications	\$38,000.00	\$0.00	\$38,000.00
60-560-33	Construction Admin & Inspection	\$9,200.00	\$0.00	\$9,200.00
60-560-45	Bike path Construction	\$184,000.00	\$6,000.00	\$190,000.00
60-560-46	Survey- Right of ways	\$10,500.00	\$0.00	\$10,500.00
60-560-99	Contingency	\$12,669.00	(\$3,300.00)	\$9,369.00
	Transfer out	\$10,210.00	\$0.00	\$0.00

600

Total | \$334,690.00 | **\$334,851.00**

Section II: That appropriations herein authorized shall have the amount of outstanding purchase orders as of June 30, 2006 added to each appropriation as it appears in order to account for the payment against the fiscal year in which it is paid.

Adopted this 1st day of June 2006.

b. Zoning Issues:

Definition of Accreted Land – Section 7-60:

Alderman Tuman moved, seconded by Alderman Peters to approve section 7-60 as proposed. The motion passed unanimously

Composition of Planning Board:

Mike Yawn deleted number 3 and Alderman Tuman said to eliminate item 4.

Alderman Tuman moved, seconded by Alderman Peters to approve the Composition of the Planning Board and to delete requirement number 4 as amended. The motion passed unanimously.

Commercial Plan and Design Requirements:

Alderman Tuman moved, seconded by Alderman Peters that the Commercial Plan and Design Requirements be amended to include the addition of the new section as recommended by the Planning Board. The motion passed unanimously.

Tree Conservation Overlay District:

Alderman Tuman noted that our attorney said to specify the species of trees in the maritime forest and he suggested not to approve this at this time.

Final Plat Approval for Crystal Views:

Mr. Riggs noted that this is a rezoning to R15 Conditional Use only. There are five lots and there is one large lot that he is retaining for himself and one that will be donated to the Town which takes care of the recreational area. All lots are served by North Topsail Utilities and there is County water. The Wetland delineation is approved. They have fulfilled all requirements for final approval. Lot 4 would be your discretion and he would have to build a bridge to get to it. Mayor Pro Tem Hardison asked if lot 4 extended to the Intracoastal Waterway and Mr. Riggs said yes. It is single family only.

Alderman Handy moved, seconded by Alderman Tuman approval of the Final Plat Approval for Crystal Views.

Alderman Farley had a concern with the donation value since you can't access that spot. Mayor Knowles noted that we own next door. Mr. Riggs said people with boats could access it.

6/1/06

The motion passed 4 to 1 with Alderman Farley opposing.

Rezoning 806-8 2616 Island Drive from Commercial B-2 to Residential CU R-5:

Mr. Riggs asked if there were any questions and Alderman Handy said he did not like the "community sewer" wording, but that he agreed with everything else. Alderman Handy said it should state that they would connect to North Topsail Utilities as a condition.

Alderman Handy moved to approve the Rezoning of 806-8 2616 Island Drive from Commercial B-2 to Residential CU R-5.

Mayor Pro Tem Hardison said that he wanted to see the responses from neighbors. Mr. Riggs said everyone was notified by mail and it was advertised in the paper. He said he felt comfortable that this is in harmony in what they have in surrounding neighborhoods. Mayor Pro Tem Hardison said that it fits the restrictive codes in that area but he wanted to see responses. Mr. Chestnut has property that abuts that as well as Mr. and Mrs. Beech. Mr. Riggs said that they have been contacted and they had no objections. Lenny Denittis, property owner, said that he talked to his neighbors and Mr. Beech is no longer with us and his estate has no problems and Mr. Chestnut has no problems. They were supposed to get back to us if they had problems and they didn't.

Alderman Tuman seconded the motion.

Alderman Farley noted that this barely passed the Planning Board and we are asking for the highest density that we allow. We have an opportunity to bring in lower density if we choose. Mr. Riggs noted that it is single family R5 and it is a straight rezone with conditions. Alderman Peters questioned the density and asked how many lots were on an acre in Stump Sound. Mr. Riggs said that they are R5 and probably 6 to 7 lots. R10 would be 4. Alderman Farley noted that the higher the density the higher the cost to operate a town and we have to look towards reducing density. Mr. Riggs said that would be the case if a town provides water and sewer, but NTB is unique in that the burden of services are not the same burden with the Town. Alderman Farley noted there are police and fire as well and Mr. Riggs said that the tax base would cover this. \$498,000 is the tax base on this piece of property and we will be in harmony with the Village of Stump Sound.

The Motion passed 4 to 1 with Alderman Farley opposing.

c. **Appointment to Planning Board:**

6/1/06

Alderman Tuman moved, seconded by Alderman Handy to appoint Mike Yawn and Gerald Riggleman to the Planning Board for seats vacated by Milligan and Zang. The motion passed unanimously.

d. Review Land Use Plan Survey

Holland Consulting, along with the Land Use Plan Committee has worked diligently on a survey to be sent to all property owners. Alderman Tuman noted that the survey was prepared with citizens and the Planning Board; however they could recommend more questions. One is - NTB should encourage the retention of all lands designated as conservation district from rezoning? NTB should ban, unless permitted by the town, all recreation vehicles, ATV's, dirt bikes, etc from all public and private areas not posted that are accessed by pedestrians for recreational purposes. Under number 7, NTB should encourage low density.... we should change definition of average four dwelling units per acre or less. Same in 14a should be less than 4 per acre. Number 46 - NTB should provide curbside trash can placement/ and removal service.

Mayor Pro Tem Hardison felt the survey was too long. Mayor Knowles said that he felt the same at first but we are going through a lot of issues here. Mayor Pro Tem Hardison felt it wasn't focused enough on beach nourishment and Mr. Yawn said there was a separate beach nourishment survey.

Alderman Handy suggested that they add in the letter that some of the answers could increase their taxes. Alderman Tuman suggested that for the beach nourishment survey there should be a separate sheet and a response for purposes of compiling information and distinguishing between property owners and voters. There should be a registered voter designation. Mr. Yawn said he would make the changes and email it back to them and then he will give them to Landin Holland.

e. Approval of "letter of Agreement" for Attorney to establish voting districts:

Beach Nourishment Chairman Dick Macartney has asked Kirkman, Whitford, Brady & Berryman, P.A. to provide counsel in regard to establishing Tax Districts. Attorney Kilroy was also asked to pursue this effort and has begun work on this issue.

Alderman Tuman moved, seconded by Alderman Peters to hire Kirkman, Whitford, Brady & Berryman, P.A. to handle the tax districts. The motion passed unanimously.

f. Purchase of 3 County parcels:

Onslow County has asked if North Topsail Beach is interested in purchasing 3 more lots:

6/1/06

- Parcel number 807-22 (The Town currently is leasing this property from the County for parking at \$34.00/year)
- Parcel 811-7 – 530 Topsail Road (.11 acres – current value is \$5,000.00 – nonbuildable)
- Parcel 811-8 – 526 Topsail Road (.09 acres – current value is \$5,000.00 – nonbuildable)

We purchased 41 parcels last July for \$1.00/parcel with a reverter provision should the property ever be considered for sale.

Alderman Farley moved, seconded by Alderman Peters to approve the purchase of parcel numbers: 807-22; 811-7 and 811-8 at \$1.00 per parcel.

Alderman Farley said that we need to inventory the properties we have and see how we can use them. There could be places for canoe launches or agriculture sites students can work on. It is possible that CAMA wouldn't permit building but they may let us do things recreational.

The motion passed unanimously.

Appointment of Board Member to ONWASA:

RESOLUTION TO RE-APPOINT MEMBER TO THE ONSLOW WATER AND SEWER AUTHORITY

WHEREAS, the Town of North Topsail Beach (NTB) is a member of the Onslow Water Sewer Authority (ONWASA); and

WHEREAS, the Articles of Incorporation of ONWASA states that NTB appoints a Board member to the Board of Directors; and

WHEREAS, the term of office expires on July 31, 2006; and

WHEREAS, following initiation of original staggered terms; all subsequent terms are for a three year period beginning August 1st and ending on July 31st; and

WHEREAS, Alderman Daniel Tuman was appointed on December 1, 2005 as a member of ONWASA.

NOW, THEREFORE, the Board of Aldermen for the Town of North Topsail Beach does hereby re-appoint Alderman Daniel Tuman as a Director of the Onslow Water and Sewer Authority to a term which expires on July 31, 2009 at which time the member could be reappointed or replaced.

Adopted this 5th day of June 2006.

Alderman Peters moved, seconded by Mayor Pro Tem Hardison to re-appoint Alderman Daniel Tuman to ONWASA. The motion passed unanimously.

6-1
6/1/06

OPEN FORUM:

No comments

ALDERMEN'S REPORT:

Mayor Pro Tem Hardison thanked everyone for their patience and for attending the meeting.

Alderman Peters read from the following written report:

I want to present some comments to staff concerning the budgetary process. Staff's reactions to the Board's requested budgetary cuts were met with resistance and ultimately taken as a personal affront to the performance of their jobs. Such was not the intent. Subsequent staff comments to the public gave rise to rumors regarding the Board's intent and are deemed unprofessional and may have violated their code of conduct requiring confidentiality. Staff needs to and must realize the Board is responsible to the citizens for balancing town services and the financial well-being and this obligation is not met lightly. It is town management and staff's responsibility to adhere to a budget's constraints and not dictate the propriety thereof. Lastly, the budgetary product should be a cooperative effort. Let's hope future efforts will be conducted accordingly.

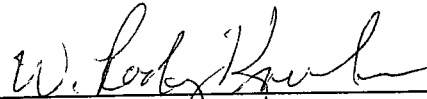
Presented by Alderman Peters
6-5-06

6/1/06

ADJOURNMENT:

Alderman Tuman moved, seconded by Alderman Handy to adjourn the meeting at 4:30 p.m. on Monday, June 5, 2006. The motion passed unanimously.

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



Mayor W. Rodney Knowles

8/3/06

Date Approved

**TOWN OF NORTH TOPSAIL BEACH
REGULAR BOARD MEETING
JULY 6, 2006
7:00 P.M.**

PRESENT:

Mayor Pro Tem Larry Hardison, Aldermen Richard Farley, Fred Handy, Richard Peters and Daniel Tuman, Loraine Carbone, Interim Town Manager, Robert Kilroy, Attorney

NOT PRESENT:

Mayor W. Rodney Knowles

QUORUM:

Mayor Pro Tem Hardison 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:

Alderman Farley requested a closed session after the Aldermen's Report to discuss litigation and under New Business discuss the Corps dredging project. Alderman Peters requested under old business to review the trash can issue again.

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

COMMITTEE REPORTS:

Beach Nourishment – Dick Macartney

Much has been accomplished since I last addressed the board in March. At that time you made the important decision to add the southern 3.85 miles to the C P & E contract for permitting a nourishment of our town's full 11.1 Mile beach.

We have not had another meeting with the approving agencies since that time but I have been assured by our project manger from C P & E that work is proceeding on schedule to have our Environmental Impact Statements and other paperwork approved on a timetable to begin actual construction in the Fall/Winter of 2007-2008. Our next Project Delivery Team meeting is July 18th. At that time we hope to get agreement on the monitoring plan we will need to use to ascertain that sediment is not escaping during and after construction so there will be a requirement for pre-construction monitoring likely beginning this fall. The major discussion will be about the buffer zones around hard bottom areas near the borrow sites. The state requirement from the 1970's oil and gas experience is 500 meters; whereas sand dredging in Florida the required buffer is 400 feet. We will also review the fish habitat impact report. So from an engineering and permitting basis our private project is progressing.

Regarding the Federal Project that we are involved with Surf City we have had some recent good news the President and the House of Representatives had declined to put any money in the budget to continue our work but last week the Senate did approve funding of \$200,000 the same as this year. We are encouraged that the conference committee will allow that to stand and that our work for that project will continue. The status of that project is that our preliminary plan called the alternative project briefing is done and will be reviewed first by another Corps of Engineers district (Philadelphia) and then presented to the Corps headquarters in Washington, DC sometime this fall. The projected date for this project to start is still the fall of 2012 presuming funding still comes through.

Switching back to our private project the main emphasis has been on projecting the funding necessary and getting the project in a form so as to be approved by the voters of North Topsail Beach. The Board has decided that the majority of the cost of retiring the bonds to pay the town's cost will be paid by a special service district that will receive the primary benefit of a wider beach---that is the ocean front properties abutting the Atlantic Ocean or its primary dunes. Our counsel hired to guide the town through this process has prepared the appropriate resolutions that the board will vote on tonight and has prepared a mailing of actual notice of the intent to form a special district with the required public hearing at the August board meeting. So our ocean front owners (some 1794 parcels) should receive that letter very soon.

During the last month we had a site visit from the North Carolina Municipal Council for the purpose of rating the ability of our town to repay general obligation bonds. We are happy to report that we received the needed minimum rating of 75. The town staff consisting of acting town manager, Loraine Carbone, finance officer Lydia King, capital projects manager, Shelia Cox, Aldermen Tuman and Farley along with me attended the required meeting with the State and Local Government Finance Division and the Local Government Commission in Raleigh last week. Our application and supporting paperwork was reviewed and we had a good discussion aided by the attendance of our bond counsel, Jeff Poley. It appears that we have everything in order with the final decision now up to the voters of North Topsail Beach regarding our private project.

The issue to be decided is will the voters agree to be obligated to repay up to 34 million dollars in general obligation bonds to pay for a beach nourishment project to realign the New River Inlet channel and construct a horizontal berm to an elevation of +7.0 feet NGVD 9 National Geodetic Vertical Datum) with the berm width varying from 50 feet to 75 feet with an artificial dune constructed to a crest of 15 feet with a width of 25 feet. Also included are funds to do a renourishment after 4 to 6 years. The actual projected cost will depend on market costs for dredging equipment when we let the contracts but the high cost scenario is 35 million dollars.

Although the county or the state has not committed any funds to the construction of this project it will be important for us to appeal to each of these governmental agencies for significant funding once our voters have approved it. Whatever funds they provide can be used to reduce the taxes the board will levy to repay the bonds.

At this point with no outside funds to repay the 34 million over the required 8 years suggested by the LGC we would levy taxes as follows:

In addition to the 13 cent town taxes which includes 3 cents for Beach Nourishment. The board would levy and additional 5 cents per hundred dollars assessed value to all properties in the town. In the special service district (the Oceanfront) those properties would be assessed an additional 43 cents per hundred dollars assessed value.

For a \$1,000,000 sound front property total town taxes would project \$1800 a year with \$500 going to pay off bonds.

The \$1,000,000 beachfront home owner would pay total town taxes of \$6100 a year with \$4800 going to pay off the bonds.

So that is the bottom line for our beach nourishment project and what the voters will have to say yes to. The referendum will need to pass in the special tax district and for the total town.

As a side note the town of Topsail Beach who was allocated \$600,000 by the Senate is also going to pursue a private beach nourishment project because their federal project is also bogged down and they do not feel they can wait until 2010 or 2011. They have contracted with C P & E the same firm consulting for us and have plans for a \$10,000,000 project that they hope can begin at approximately the same time as ours (yes there may be a possibility to gain some synergistic savings). Their state senator and representative have introduced bills in the state legislature for \$3,000,000 to offset part of the cost and they have designed an assessment program to raise another \$3.6 million the remaining costs to come out of town reserves. Their actions lead credence to our foresight and their tactics to raise money are worthy of us to examine carefully which we will.

The last issue I want to address this month is the alternative erosion plan advocated by a citizens group headed up by Jim Long. Last month Mr. Long addressed this meeting and briefed you on the Holmberg Technologies Underwater Stabilization system for erosion control. Mr. Long attended our monthly Beach Nourishment Committee and we discussed at length how we might incorporate the work that he and his group have done independently.

What we decided on was to invite Mr. Dick Holmberg to give us a proposal for preparing a Holmberg Technologies solution to our erosion problem in North Topsail Beach and perhaps the entire Island. Ms. Betty Bigney a member of our committee is to contact Mr. Holmberg. We also suggested that Mr. Long become a member of our Beach Nourishment committee so that we can quickly evaluate the merits of the Holmberg system relative to the conventional plan we have developed. Today Betty talked with Mr. Holmberg. He is aware of our erosion problem at the North End and says that it can be controlled with his system. He is asking for a fee of \$2,000 a day - three minimum, to come down and discuss the situation. He will then prepare a plan for North Topsail Beach with system placement and costs for a fee of \$50,000.

As you know the Holmberg system is considered a hardened structure under North Carolina law so it would take an act of the legislature to overrule the CRC regulations enforced by CAMA. The Senator Harry Brown bill introduced to do that is stalled in committee and not likely to be passed this session. So that leaves us with a dilemma. Do we invest in a concept that is not lawful or do we proceed to get a plan for \$50,000 and then evaluate the plan versus what we are considering? I believe the answer is more political than economic. We have a group of our citizens that believe that the Holmberg methodology is superior to dredging and believe that it is likely to be a permanent long range solution rather than periodic nourishment. Our beach nourishment committee believes that we should at least compare the Holmberg alternative to the conventional system. So the issue becomes do we invest 50,000 or 60,000 at this time or wait for the vote. If we wait we will have a group of voters that will vote against the bonds because they believe there is a better system. If you vote tonight to approve the Holmberg study we will at least have something tangible to compare prior to the vote. So I would suggest a motion to approve a Holmberg proposal after my report.

In closing my report I want to thank the town staff and each of the board members for their continued hard work in behalf of getting our beach nourishment plan to the point where it can be presented to our voters. Further I hope that everyone; voters, property owners visitors, and concerned citizens across the nation will take time to understand what our plans are and make an informed decision as to the merits of the investment in the future of North Topsail Beach.

Alderman Handy questioned the break down of taxes per \$100 valuation and Mr. Macartney said they initially talked about ocean front and all other. The Service District is one that gets special taxes. The Ocean Front pays .48 and all others .5 based on a 90/10 split. Each year when you set the budget you decide who pays what. It is not set in stone. Alderman Farley noted that we have to do preconstruction monitoring at an additional cost and Mr. Macartney said that it

was in the budget as costs for this year. Alderman Farley said that the senate has put \$200,000 for the federal project and a number of years ago they felt we needed \$700,000 to stay on track and we haven't received that money. Do we need more money to proceed? Mr. Macartney said that we received \$100,000 because of Hurricane Katrina funds and this money will be used to study the hard bottom areas. His perception is that the Corps moves at a slow pace. Alderman Farley questioned the numbers - 34 million for the total project, 26 million for construction and 27 and 8 million is a high estimate. Mr. Macartney noted that to retire bonds at 6% interest rate we need bonds.

Planning Board – Mike Yawn, Chairman:

The Planning Board met on June 8th and held four public hearings - Section 7-91 procedure for changes and amendments; Section 7-176 parking requirements; 7-60 definitions and zoning multifamily dwellings. They had good public input on all of the issues. Mr. Yawn noted that he and Mr. Moore met with the town attorney and they are waiting on input from the Institute of Government. The Attorney told them to tread carefully. There was discussion on bridge construction requirements and Thomas Best attended the meeting. They had a presentation from Steve Holmes in regard to a GE septic solution. Future items are action on parking and multifamily dwellings. The Board will act on 7-91 tonight and the Tree ordinance which now has a specific list of trees. The Planning Board will be looking at signs and condemnations. They will address ATV and dirt bike regulations and green space. Holland Consulting has mailed out the Land Use Plan and Beach Nourishment surveys and the due date is July 26th. We have 150 back already.

Alderman Tuman noted that the presentation from Zeon for wastewater treatment is an interesting package, but he cautioned this as an alternative to connect to sewer company because even though they reuse water, how do you get rid of that water. You can't dump it into any stream and will need spray fields. A deep well injection is not approved yet in NC.

Alderman Farley asked where are these islands for potential bridges and Mr. Moore said on 23rd Street and at the north end. Alderman Farley noted that 23rd Street was questioned by CAMA years ago and Mr. Yawn said they were being cautious.

MANAGER'S REPORT:

Mayor Knowles thanked everyone for their patience while he has been recuperating.

Mrs. Carbone noted that staff and Board members met with Army Corps representatives and Spencer Rogers this morning to determine the placement of the sand that will be dredged in approximately 2 weeks. Discussion will take place later on the agenda on this issue.

- 6-12
1. NTB hosted the Four Town Meeting on June 8th and Chief Salese spoke about hurricane plans and cooperation between the towns.
 2. Staff received hurricane training by DRC on June 13th.
 3. Staff, along with Attorney Kilroy and Attorney vonLembke met on June 15th in regard to the condemned homes and discussion took place in regard to the homes trying to hook up to utilities one house at a time if feasible. Attorney Kilroy will update you.
 4. Staff and Board members held a Hurricane Workshop on June 19th to review responsibilities.
 5. Staff attended and EOC-WEB workshop at the EOC in Jacksonville on June 20th.
 6. Staff attended the Beach Nourishment meeting on June 21st.
 7. Staff met with Tony Blalock on June 22nd to discuss the Town's credit rating.
 8. Staff and Board members attended the Onslow County Budget Workshop on June 26th where they discussed Tourism Funds. The County approved \$200,000 from Tourism Funds and we had requested \$500,000. Mayor Pro tem Hardison attended as well as Aldermen Handy and Farley.
 9. Staff met with Attorney Kilroy on June 27th to discuss various topics.
 10. Staff attended the Topsail Island Shoreline Protection Commission meeting at Surf City Town Hall.
 11. Shelia Cox, Lydia King, Aldermen Farley and Tuman, Chairman Macartney and I met with the Local Government Commission in Raleigh on June 29th to review our bond application.

Alderman Handy noted that at the County Budget workshop he had the distinct feeling that the County felt that we don't have any expenses now for beach nourishment. We will have to spend time with the commissioners to let them know that we do have monthly expenses. Alderman Peters asked what should they be doing and Alderman Handy said just talk with them.

OPEN FORUM:

Tony Caminiti of 114 Heron Cay questioned how long Charter cable vision has their license and asked if it was possible to get another company in to get better service. Alderman Farley noted that at the state level, telephone companies will be allowed to compete and they will get their franchise from the state. Problem is they won't be required to build out and they can pick who they serve. Alderman Tuman said that there are not many good companies who have come in. Alderman Handy stated that Embarq has expressed an interest.

CONSENT AGENDA:

The consent agenda consisted of the May 4, 2006 Board Meeting minutes, Department Head Reports, Benefit Accrual Report and Budget vs. Actual. Alderman Farley requested that the budget vs. actual be taken out of the Consent Agenda for discussion.

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

Budget vs. Actual:

Alderman Farley noted that several items were over budget and asked how we could have things over budget if we haven't approved it and questioned why we didn't need a budget amendment. He said that Police salaries were up 10%. In regard to the condemned houses, there is no budget item for that. Don't we need to tighten this up and get approval by the Board? Mrs. King said that the increase in the PD is departmental and as long as the department doesn't go over it is okay. Alderman Farley said that the streets are over and the PD. Mayor Pro Tem Hardison asked what was the approval procedure and Mrs. King said to do an amendment and bring it to the Board. As of June 30th the budget is as it stands. A line item would say that these two departments were overspent at the end of the fiscal year. Alderman Farley noted that the policy manual put out by the state indicates that we need to have those certifications on every invoice and we need to certify there is money in the budget. We need to tighten up on our procedures. Mrs. King said that she does it by departments because that is how the budget is done and the general rule is that most towns do it by departments. Mayor Pro Tem Hardison asked if the general practice for going beyond the budget was that we didn't need to go to the Board. Mrs. King said it was not the general practice, but if a department as a total is not over, then technically we don't have to go to the Board. Mrs. King acknowledged that she didn't realize that this last one was over. The streets were the additional street signs ordered. In regard to the condemned houses, there should have been a special meeting prior to the closing of the year on June 30th for a budget amendment. Alderman Handy said that we should give department heads flexibility to look at problems. Mrs. King said that she should have informed the manager to hold a special meeting. Alderman Farley said the real issue is that we have a department that went over.

Alderman Tuman asked what the state procedures and what triggers a budget amendment and Mrs. King said it was based on a judgment call, if you know it will be over, you are supposed to be budgeted prior to anything being spent.

Alderman Peters had a problem with the variance percentages. In regard to streets, he said the variance is 5% and it is 95%. Mrs. King said no, just 5% was spent. The variance is the difference. Mrs. King said that the software company sets it up that way and Alderman Tuman said that is how it is usually reported.

OLD BUSINESS:

a. APPROVAL OF MARITIME FOREST SPECIES

The Planning Board met on June 8, 2006, to review **Sec. 7-60 Definitions, Maritime Forest Species** to add to the NTB Zoning Ordinance Code, a public hearing was held during the meeting as required (several citizens were in

612
attendance, several spoke at the meeting concerning this issue). The Planning Board reviewed the species listed on Leaflet No. 606 and recommended to include the first two (2) sections, Deciduous Trees and Evergreen Trees as those to be covered by the definition of Maritime Forest, and voted unanimously to send this recommendation to the Board of Aldermen for review and approval.

Mr. Moore noted that in looking at the definitions of maritime forest, the Planning Board went with the first two and verified the definitions. There may be a few other trees on the list, but they are in small quantities. Alderman Handy questioned when someone develops a property whose responsibility is it on what is protected. Mr. Moore said a surveyor ought to see what trees should be saved, but it will be a hard ordinance to monitor. They will have to review each site. The first process is a CAMA application and it could be done there. A surveyor does the site plan and Mr. Moore said he would review it. Alderman Handy said that he didn't trust just anyone to determine this. Mr. Yawn said a surveyor will have to mark all the trees and have a CAMA plan and Mr. Moore would have to go onsite to do that.

Alderman Tuman said we had no issue on the ordinance, just specification of trees. Alderman Farley said he was concerned that there are small pockets of developed land that could be considered maritime forests and this could limit developers. We have allowed it to happen before and there are just a handful that will pay the price. The Ordinance talks about preserving the shell fish beds, etc. and we need to have a more comprehensive plan if we will do that. We shouldn't punish a few. Alderman Handy said he wouldn't want to see someone enforce this from outside of our town and that it should be a qualified person. Alderman Tuman agreed with the assessment. The issue at hand is whether or not anyone wants to make a motion to adopt this.

Alderman Peters moved to adopt an ordinance - Sec. 7-60 Definitions, Maritime Forest Specie. No second. Motion fails.

b. Sec. 7-91 Procedures for Changes and Amendments:

The Planning Board met on June 8, 2006, to review **Sec. 7-91 Procedures for Changes and Amendments** of the NTB Zoning Ordinance Code, a public hearing was held during the meeting as required (several citizens were in attendance and no one spoke at the meeting concerning this item), the Planning Board voted unanimously to recommend the changes as submitted.

Attorney Kilroy had concerns with some of the changes. 7-92 a1 – he was puzzled as to why the Board of Adjustment would make any changes to the zoning ordinance. He felt the Board of Adjustment didn't belong there. Alderman Tuman said it should be brought to the attention of the Board of Aldermen. Normally the Board of Adjustment works independently and he didn't have a problem with this. Attorney Kilroy said that the next problem was in 7-93,

convincing demonstration..... what do we mean by that? 7-94, action by Board of Aldermen - lawful action – he said that everything the Board does is lawful and he said to delete “such lawful”. Alderman Farley said to delete “as”. Attorney Kilroy said in the next paragraph the “notice may” should be “shall”. Alderman Farley said why do we want to have both there, newspaper and notice shall also be made by property..... - the Statute states that.

Attorney Kilroy noted that in Section 7-95 we are recreating a problem. In case of a protest against..... that is what we are trying to avoid. Change in zoning map - delete “in case of a protest against any amendment to the regulations”. Changes are consistent to the LUP and why changes are in the public interest. Attorney Kilroy suggested sending this back to the Planning Board and get it re-written. Mr. Yawn said that they need to adopt Section 7-91 and they will look at the rest of the sections.

Alderman Tuman moved, seconded by Alderman Handy to approve Section 7-91.

Alderman Farley said that he preferred that the Board not tie its hands and send everything to the Planning Board. In the original wording we had that option, but it had some ambiguity. Maybe it could be an issue we could deal with directly. Alderman Handy asked, then why have a Planning Board? Attorney Kilroy said that 7-93 states every proposed amendment shall be brought to the Planning Board. Alderman Farley said that the section states that we have the right to do it and we shall, which direction do we want to go with, should we leave the options open? Alderman Handy said that he would rather have the Planning Board look at it carefully since they don't approve, they just recommend. Attorney Kilroy noted that every action has to go through the Planning Board - that is the statute. Alderman Farley said on its own motion, we could amend or supplement and that is established by this ordinance and we have that right. Alderman Tuman said that in the first sentence “shall” could be changed to “may”, that preserves the option and the Board of Aldermen could have that option. Attorney Kilroy said that the statute states it must go through the Planning Board. Mr. Moore suggested that they revisit this issue.

Alderman Tuman questioned his motion to adopt Section 7-91 and that Motion stands. Alderman Peters said it warrants going back to determine if it is a “shall” or a “must” and he was uncomfortable with it. Mayor Pro Tem Hardison said that he didn't get the sense that we are completely comfortable. Mr. Moore said that they were comfortable with 7-91. They looked at all of it and had a public hearing. Alderman Tuman said the option is always there to change the wording again. Kilroy, 7-91 is fine. Alderman Peters questioned if there were no changes in Section 7-93. Mayor Pro Tem Hardison said that they have gone beyond what they initially were dealing with and he was not sure if he knew what the motion was. Mr. Moore said it was to approve 7-91 only. Alderman Peters said that it references changes in 7-93. Mr. Yawn said they were referring that there are

different ways to make changes and 7-93 refers to that. We tried to make it consistent.

The motion to approve Section 7-91 passed with Aldermen Handy, Tuman and Mayor Pro Tem Hardison voting aye and Aldermen Farley and Peters voted nay.

c. Zoning maps

Mr. Moore said that he was working with Holland Consulting. They will need zoning maps to do the Land Use Plan and they are doing this at no cost to us to update them. Next week Landin Holland will have a draft for the Planning Board to review. We have all the amendments that were approved.

Alderman Tuman asked if the intent was to incorporate the zoning map in the Land Use Plan (LUP) and Mr. Moore said it was. Alderman Tuman stated that they never had it in any other LUP. There is a danger if the zoning maps change and the LUP doesn't. Mr. Moore said the official map is adopted by the Town and we will make changes. Alderman Farley said that issue came up before and it was pointed out it was not a zoning map in the LUP. Mr. Moore said the official zoning map is what the Town has in the town hall. It will be corrected in front of the Board of Aldermen and new copies will be made. Alderman Tuman said there is confusion in the LUP since the map is a Land classification map and the zoning district was created in the LUP. Be sure there is consistency between the ordinances and LUP.

d. Trash cans

Alderman Peters said that last month they approved an ordinance and people now have 24 hours to put out and bring back the trash cans. The issue was 30 feet of the right of way and we stipulated on working on the implementation. What do we need to do, we didn't stipulate a fine and we need to continue working at it. Alderman Handy said that since we passed this ordinance there has been one realtor who personally picked up cans and that was Richard Baker with Treasure Realty. Alderman Peters said that we need to enforce it and implement it. Alderman Farley said that they talked about a \$25.00 fine. We should get a list of who owns which trash can. Alderman Handy said he would like to know how we are going to implement the enforcement of this. Do we have the PD police do this and how do we work collecting the fee? Alderman Tuman said we should leave it up to property owners to move their cans back and publicize that the town moves their cans back off the street. He was opposed to fining and enforcing because he said he trusts our citizens. Alderman Handy said to give it a chance to work. Alderman Peters said we need to inform the public what initiatives we are proposing. A penalty could be established outside of the ordinance. Mrs. Carbone said that staff are notifying realtors and a notice will be on our website. Alderman Farley said to make it a \$25 fine, but we don't have to assess it now. We could just notify people of the new ordinance. Mrs.

Carbone said it will go in the next newsletter when she has the time to publish one. Mayor Pro Tem Hardison said there should be no fines, just educate and inform people of what the ordinance is about.

Mary Convy said to educate people but add teeth to it. When you look at the waste management contract, tell them to put trash cans back. Gary Rowland said these are all great ideas, such as education, website, and newsletters and you could also send a letter warning that next time there will be a fine. What departments would balk at getting \$25.00 to move trash cans back and get money credited to their budget.

Alderman Farley moved, seconded by Alderman Peters to set a \$25 fine for being in violation of this ordinance and a fine will be implemented when the Board sees fit.

Alderman Tuman said to amend "when the Board sees fit". Alderman Farley said they need to establish a \$25 fine. Mrs. King said that it is harder to collect \$25 and \$50 would go to collection of tax garnishment. The PD had a problem in collecting \$25 for parking tickets but once that fee was increased and if it wasn't paid it was turned over to the NC Debt Set off and we have collected. Alderman Handy asked who would enforce it and identify who is in violation and what is the collection procedures. Alderman Farley noted that it was valuable what Mrs. King said. ***Alderman Farley amended his motion to \$50.00.*** Alderman Peters suggested one month educating and then we can implement a fine. Mayor Pro Tem asked for a second.

No second, amendment fails.

Motion to approve the \$25.00 fine failed with Aldermen Handy and Tuman and Mayor Pro Tem Hardison voting nay.

NEW BUSINESS:

a. Order Authorizing Beach Improvement Bonds and Sworn Statement of Debt

"Order Authorizing \$34,000,000 Beach Improvement Bonds" and the "Sworn Statement of Debt Made Pursuant to the Local Government Bond Act, as Amended" were reviewed by the Board.

A public hearing will be called for Wednesday, August 9, 2006 at 7:00 pm at the July 6th meeting. The public will be able to be heard on the questions of the validity of the bond order and the advisability of issuing the bonds. The "Statement of Explanation" and a copy of the Timeline was also reviewed by the Board

Attorney Neil Whitford said that he would assist in establishing the service districts as he did this for Pine Knoll Shores and Indian Beach. General Statute allows for special ad Valorem taxes. The first step is to report on a

proposed district followed by a resolution accepting the report. A map of proposed districts was on the wall for everyone to view. It includes all of the parcels that are considered ocean front and or fronting on the frontal dunes. Some of the district goes on the north side of the main road that goes through the town. The tax parcel extends to the ocean beach to the highway to the Intracoastal Waterway. Following tonight's meeting, a notice will be mailed to property owners and this has to be done 4 weeks before the public hearing. This afternoon the bond counsel made a change as to when the tax district would be effective. The reason for this is because there is a bill pending in the General Assembly relating to tax districts. On the bond referendum, General Obligation bonds have to be approved throughout. The way the statute reads now is the district isn't effective until the next fiscal year. That is why the bill is expected to be passed. This makes the district effective immediately by adoption of the Board. There will be no tax levy until 2007/2008.

Mrs. Carbone, read the Statement of Explanation which follows:

MUNICIPAL SERVICE DISTRICT REPORT FOR BEACH EROSION CONTROL AND
FLOOD AND HURRICANE PROTECTION WORKS
TOWN OF NORTH TOPSAIL BEACH
STATEMENT OF EXPLANATION

The Atlantic Ocean beach is one of the principal features of the Town of North Topsail Beach. Not only does it enhance the natural beauty of the town and provide recreational opportunities for residents, property owners, and members of the general public, it also provides protection from hurricane and storm driven waters of the Atlantic Ocean. The ocean beach within North Topsail Beach has, over the years, experienced significant erosion due to hurricane and other storm activity. The erosion of the beach has caused a clear and present threat to ocean front properties from loss of land and damage to structures. Erosion of the beach contributes to a loss of habitat for wildlife and a loss of indigenous plants. Loss of the beach also reduces the amount of recreational area enjoyed by the general public for fishing, swimming, sunbathing and related activities. Further, damage to ocean front structures results in debris being deposited or left on the beach presenting safety hazards to general public. The cumulative effect of the erosion and loss of the ocean beach, particularly the loss of ocean front land and structures, contributes to an

instability in the real estate market and a loss of property value. Instability in the real estate market and loss of property value has the potential to destabilize the tax base and thus financial standing of the town.

As a result, the Board of Aldermen of the Town of North Topsail Beach has proposed a comprehensive beach nourishment project with the intent of stabilizing and widening the ocean beach which will provide beach erosion control and flood and hurricane protection. Under the authority of Article 23 of Chapter 160A of the North Carolina General Statutes, a municipal service district (the "District") will be established in order to finance, provide and maintain beach erosion control and flood and hurricane protection works. The District will generally consist of all properties in town considered ocean front or adjacent to the frontal dune including the entirety of Onslow County tax parcels, regardless of whether they extend over Highway 210 (Island Drive) or State Road 1568 (New River Inlet Road), that are considered ocean front or adjacent to the frontal dune.

REPORT

I. A map of the proposed District is attached. It includes all ocean front properties or properties adjacent to the frontal dune (including common areas of ocean front condominium and townhouse projects and the condominium and townhouse units located therein).

2. The properties in the District are, or appear, adjacent to the Atlantic Ocean beach or adjacent to the frontal dune and include the entirety of Onslow County tax parcels, regardless of whether they extend over Highway 210 (Island Drive) or State Road 1568 (New River Inlet Road), that are considered ocean front or adjacent to the frontal dune. These properties and the structures thereon are most immediately and directly

61

threatened by erosion of the beach and are vulnerable to damage from ocean water driven by hurricanes and other severe storms. The direct threat to the properties in the District is to a demonstrably greater extent than in the remainder of the town.

3. The Town of North Topsail Beach plans to provide beach erosion control and flood and hurricane protection works within the District through an engineered project of beach nourishment and sand dune stabilization as developed by Coastal Planning & Engineering ("CPE") of Wilmington, NC and Boca Raton, FL. This beach erosion control and flood and hurricane protection works project is referred to in his report as the "Project." A summary of the Project is contained in the attached "Engineering, Geology, and Geotechnical Investigations - Shoreline Protection -Town of North Topsail Beach, North Carolina - Executive Summary." The Project, before final implementation, will be approved by all regulatory agencies with jurisdiction. While planning for the Project has begun, it is anticipated that actual construction will commence in November of 2007 and will be completed in the spring of 2009.

4. It is anticipated that the Town of North Topsail Beach will levy a special ad valorem tax within the District of between 40 to 50 cents (\$.40 to \$.50) per \$100.00 valuation to finance, provide and maintain the Project. It is also anticipated that the town will add a component to its regular town wide ad valorem tax levy of five to fifteen cents (\$.05 to \$.15) per \$100.00 valuation for the Project in recognition of the fact that all properties in town will benefit from the Project. Properties in the District will be subject to both the special district ad valorem tax and the component of town wide ad valorem tax designated for the Project.

5. It is anticipated that the Town will finance the Project with general obligation bonds, and that the tax revenues generated from the District will be

used to retire a significant portion of the bonds.

6. It is recommended that the District be effective August 30, 2006, or such later date as required by law and that the special tax levy in the district commence in the fiscal year 2007-2008.

7. The District shall be immediately abolished if the proposed bond referendum for beach nourishment in the Town of North Topsail Beach, which is intended to be held in the fall of 2006, is not approved. If the proposed beach nourishment bond referendum is approved, the District shall be abolished at the end of the fiscal year in which the general obligation bonds are fully (successfully) retired, unless compelling reasons then exist to continue the District.

Submitted this the 6th day of July, 2006.

Attorney Whitford said that this report will be on file for the next month together with the executive summary and maps. Alderman Farley noted that the range of dollar amounts that we will potentially apply to the district or the town at large, does that need to be in there and could we refine that. Attorney Whitford said they could define that at the public hearing, but it is not legally necessary to be in. Our experience was that the more information made to the public was important. It helped passed the bond and it is a good public relations effort. Alderman Farley said that he wanted the public to know exactly what they are voting on and felt the range was too wide and wanted it narrowed down. Attorney Whitford said they could do that at the public hearing on August 9th and refine it at that point. Alderman Farley asked if they would state a dollar amount and Attorney Whitford said we would let bond counsel make the final recommendation, but it is the Board of Aldermen that sets the tax rate, it is not the citizens voting on it. Alderman Farley said you go to the citizens and tell them 90/10 and further down the road another Board could reverse that. Attorney Whitford said there was no other way to legally do it.

Alderman Tuman questioned paragraph 7 - requirement and Attorney Whitford said his past experience was to be reassuring to the public that there would be no district if the referendum did not pass. It is not a binding requirement. If that language goes in to create a district then it is binding.

Alderman Tuman moved, seconded by Alderman Peters to accept the resolution accepting the report and calling for a special meeting and

setting the public hearing on establishing a municipal service district. The motion passed unanimously.

Alderman Peters moved, seconded by Alderman Tuman approving the Order Authorizing 34,000,000 bonds. The motion passed unanimously.

In regard to the Sworn Statement of Debt, Attorney Whitford said that the Board would have to substitute the assessed value on the statement. The motion should read the assessed figure be as of July 6, 2006.

Alderman Tuman moved, seconded by Alderman Peters that the Town adopt the Sworn Statement of Debt as amended for the date of July 6, 2006 in order to have the correct assessed value. The motion passed unanimously.

Attorney Whitford said you could set the levy every year as in other towns. It is presented by the finance officer and is automatic that it continues at the rate it was set because you know what the bond payment would be. There are maintenance costs and we have found if you budget for maintenance and if you suffer a loss of sand FEMA will reimburse you for the costs. There is no reason to change any figures, absent any catastrophes.

b. Unsafe Buildings Condemned Ordinance

Our Ordinances do not address the repair, closing or demolition of abandoned structures. Staff is reviewing similar ordinances of other coastal towns.

Staff is requesting that the Board refer this issue to the Planning Board for review.

c. Beach Vitex Resolution

The Topsail Island Shoreline Protection Commission is requesting that the towns on Topsail Island adopt a resolution to eradicate beach vitex. As you know, this plant takes over and kills native plants and does not help in stabilizing the dunes.

Mrs. Carbone said she contacted David Nash, Area Specialized Agent with the Coastal Management New Hanover County Center NC Cooperative Extension Service to ask him how much it would cost to remove beach vitex. He said that it cost Bald Head Island \$100,000 for about 120 sites, although the plants were quite old and established. They did receive a grant from Fish & Wildlife for about \$15,000 to pay for the herbicide work.

If this resolution is adopted, staff will move forward to determine all of the sites that Beach Vitex have encroached and will contact Fish & Wildlife to determine if a grant would be available to help with the costs.

The Resolution also requests that property owners help in eliminating this plant.

A citizen said he was told that it was a good plant to put on his dune. Jean Miller said that she planted one and it struggled and she saw the brochure and she dug it up.

Alderman Peters moved, seconded by Alderman Tuman to approve the Resolution to Eradicate "Beach Vitex".

Alderman Farley questioned that the Town will take appropriate measures to confine it and he didn't think we should say that we would confine it. Mayor Pro Tem Hardison said that the resolution is asking the Town to take a position and he noted that David Nash was here discussing this and he told us that it wasn't good. Alderman Farley said that he was not saying it was good or bad but the wording could commit us and we should look to have homeowners address it now. Alderman Tuman recommended to keep "Now, therefore, be it resolved that the Town of North Topsail Beach does hereby resolve and recommend that Beach Vitex be declared a banned plant by the Town of North Topsail Beach" and to delete *and should take appropriate measures to confine Beach Vitex to it's existing locations on Topsail Island, and further, that the Town should determine the feasibility of developing an eradication program for this noxious plant within the Town's respective borders.*

Mary Convy noted that the booklet states do not remove it and to contact David Nash and they will come out and they will eradicate it.

Alderman Peters said that property owners who are not here won't care what plants are on the dunes and they will spread. If you delete this portion and if we have maintenance they should be asked to do something. Alderman Farley said that we need to be clear on what we are saying.

Alderman Tuman amended his motion, seconded by Alderman Farley to eliminate the words after NTB as stated above. The motion passed unanimously.

Alderman Handy moved, seconded by Alderman Tuman to approve the Resolution to Eradicate "Beach Vitex" as amended. The motion passed unanimously.

**TOWN OF NORTH TOPSAIL BEACH
RESOLUTION TO ERADICATE "BEACH VITEX"**

Whereas, the Town of North Topsail Beach has obtained recommendations from David Nash of the NC Extension Service concerning the plant "Beach Vitex", and

Whereas, Beach Vitex has been found to be a very invasive non-native plant that has been found to exist on Topsail Island; and

672
Whereas, Beach Vitex grows prolifically and chokes out and kills native plants such as sea oats and bitter panicum; and

Whereas, Beach Vitex creates an environment that is very unfriendly to nesting sea turtles; and

Whereas, Beach Vitex will completely cover a dune and all surrounding open ground, thus eliminating valuable nesting sites for birds dependent upon this habitat; and

Whereas, Beach Vitex is much less effective as a dune stabilizing plant than sea oats and other native grasses;

Now, therefore, be it resolved that the Town of North Topsail Beach does hereby resolve and recommend that Beach Vitex be declared a banned plant by the Town of North Topsail Beach.

Furthermore, be it resolved that all property owners be made aware of the negative effects of Beach Vitex and that each property owner take measures to eliminate this plant on their property.

Adopted this 6th day of July 2006.

d. WEB-EOC Contract with Onslow County:

Onslow County uses a state of the art emergency data communication and resource request tracking system called WEB-EOC. WEB-EOC is a powerful web based system that provides near real time emergency information flow and resource management. It is the intent of this contract to provide each municipality their own subsystem of WEB-EOC to be used for internal public safety and emergency data communication purposes. The annual fee to municipalities for use of WEB-EOC will be used to pay a part of the annual system administration and maintenance.

The annual cost for North Topsail Beach is \$2,700.00 and the contract shall be effective as of July 1, 2006 and shall terminate December 31, 2007.

Alderman Peters moved, seconded by Alderman Farley to reject the WEB-EOC contract and that we are not Jacksonville and the payment structure is inappropriate and should not be based on ad Valorem.

Alderman Tuman said to tell Mr. Goodman that the appropriate financial share should be \$1125.00. Alderman Handy said it should be on a per capita basis. Alderman Farley had a concern as to where the money would be coming from if we did approve the contract.

The motion to reject the WEB-EOC contract passed unanimously.

e. Board of Adjustment Members:

The Board of Adjustment has not been able to meet since they have not had a quorum each month with members being out of town.

Attorney Kilroy has noted in his June 13, 2006 letter that there are three matters pending that cannot be addressed because of a lack of quorum. He has suggested that the members who have not been able to attend to step

down and that a request for new members be made. A notice was given to the local papers to advertise this need in next week's issues of the Topsail Voice and Advertiser.

Attorney Kilroy said that we created the Board of Adjustment and gave folks rights and property owners have the right to appeal decisions and the right to request variances and when we create rights we have to give them a way to be heard. This Board of Adjustment has become dysfunctional and we are letting them decide when they want to meet. The best solution is to designate a day of the month and Mrs. Carbone noted that the regular meeting time is the 3rd Thursday of the month. Attorney Kilroy said that if they cannot be here, then we need to replace them and they serve at the pleasure of the Board.

Jerry Convy said that they five members and no alternates and we run into situations when members are not available. There is no attempt to make an alternative date. Alderman Farley thought that if they had four members that it was okay and Mr. Convy said they had to have five for a quorum. Alderman Tuman said if we don't have an acting Board of Adjustment and if the Town can't count on volunteers, then the responsibility falls back on the Board of Aldermen to act as the Board of Adjustment. He suggested to continue to try to get volunteers and give it another month and then the following scheduled meeting be handled by the Aldermen. Mayor Pro Tem Hardison appealed to everyone to tell their neighbors and that there were interesting things that people deal with and they make decisions on serious items. Alderman Peters asked if they could designate members of our Board as alternates and still have existing members of the Board of Adjustments and Attorney Kilroy said that is not a good practice and we need to keep it separate. Alderman Farley said that they had adopted a policy that no alderman will be on standing committees.

Dredging of the Crossing:

Board members along with Mrs. Carbone met with Corps representatives and Spencer Rogers to determine the best location for the placement of the dredged material.

Alderman Tuman said that the decision the Corps would like us to make was to start at 2342 New River Inlet Road and proceed south until the sand is exhausted. Alderman Farley noted that Alderman Tuman brought out questions, but we were limited to alternatives.

Alderman Tuman moved, seconded by Alderman Farley to instruct the Corps to place the sand at 2342 New River Inlet Road and fill in the area in front of the shoaling and continue in front of the Madonna house. Alderman Peters noted that it would be beneficial, but there would be a limited life there. Alderman Tuman said that the beach ends in front of the properties where there is a gully of water, which is an exposed shoal that is accreting back towards the beach and Spencer Rogers said if we put sand there it would eliminate erosion in

639
that area. He said that the Corps had said that they would look hard to relocate the channel to stabilize that neighborhood.

Alderman Peters questioned this recommendation since it goes contrary of the Corps' recommendation. There are circumstances that we do what Alderman Tuman wants to do and there is an emphasis to help a group of homes.

Alderman Peters said we don't know how much of that sand we are going to expend in that area. That would cause consternation for other homeowners. Mayor Pro Tem Hardison said there were two things he was thinking about, one we put the sand where it is most needed and with the motion we start at 2342 and Spencer Rogers said if we start it beyond the condemned home, the sand would eventually within a month would come back and work on those areas where they have the pools of water between the shoal.

Alderman Peters said it was a personal viewpoint and if we have two board members who live in that area advocate we need to help those individual homes he would not differ from that viewpoint.

The motion passed unanimously.

OPEN FORUM:

Alderman Macartney questioned if they would discuss the Holmberg proposal and it was a Board consensus that it was not on the agenda.

John Borrazzo, 184 Seashore Drive said that he appreciated the issues they have. In regard to the CPE study of the southern section, there is a lack of a private project in Surf City and he asked what will be the impact on Surf City. He noted that Rachel Caputo has spoken on his behalf on the minutes not being online. Mrs. Carbone commented that she was Interim Manager and Town Clerk and had to prepare and run the meetings and did not have the time to complete the minutes, but once a manager was hired she would get them done as soon as she could.

Mr. Macartney noted that Surf City was aware we are doing a private contract, but they have elected to wait.

Gene Graziosi said to tell the realtors to post notices on their refrigerators and state what the law was in regard to the trash cans and the possible fines that could be assessed.

Mike Yawn said to enforce trash, get a repo man. The law states cans have to be in – you could reward public works to pick up cans and leave them at public works and they would have to pay fines to get the cans back.

Jean Miller said to educate renters. Cans are already at the curb, what do they know. Help your neighbors out.

A citizen said if a family uses a house - neighbors could put cans back in. She has watched the house across the street from her and renters came in and a can was at the water meter and they put trash out there all around the can and they don't know any better because the real estate agent didn't tell them.

Lenny Denittis noted that cans used to have stickers with information on them. He asked how they were doing on a town manager.

ATTORNEY'S REPORT:

Attorney Kilroy noted that as of yesterday no one has filed a summons and complaint on the building height. In regard to the condemned houses, he met yesterday with Brian Edes, League attorney. The Litvak case is still being handled by Lee Crouch and the Jackson case between Charles Riggs and Joey Moore.

MAYOR PRO TEM REPORT:

Mayor Pro Tem Hardison thanked everyone for their support and patience and will work hard to cut the time of these meetings.

ALDERMEN'S REPORT:

Alderman Peters thanked everyone and said he would continue bringing up the trash issue.

CLOSED SESSION:

Alderman Farley moved, seconded by Alderman Handy to go into Closed Session at 10:35 p.m. to discuss the Town Manager Search. The motion passed unanimously.

Alderman Farley moved, seconded by Alderman Handy to go into regular session. The motion passed unanimously.

ADJOURNMENT:

Alderman Tuman moved, seconded by Alderman Handy to adjourn the meeting at 11:00 p.m. The motion passed unanimously.

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



Mayor Pro Tem Larry Hardison

9/7/06

Date Approved

62

**TOWN OF NORTH TOPSAIL BEACH
SPECIAL MEETING
JULY 12, 2006
9:00 A.M.**

PRESENT:

Mayor W. Rodney Knowles, Mayor Pro-tem Larry Hardison, Aldermen Richard Farley, Fred Handy, Richard Peters and Daniel Tuman, Loraine Carbone, Interim Town Manager, Shelia Cox, Capital Projects Coordinator

HIRING OF TOWN MANAGER:

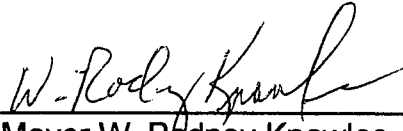
Alderman Tuman moved, seconded by Alderman Handy to approve the hiring of Bradley Smith as Town Manager effective July 12, 2006. The motion passed unanimously.

Mayor Knowles noted that Mr. Smith has a lot of experience. Alderman Tuman said his credentials are outstanding and Alderman Farley agreed that he was quite knowledgeable.

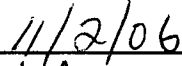
ADJOURNMENT:

Alderman Handy moved, seconded by Alderman Farley to adjourn the meeting at 9:06 a.m. The motion passed unanimously.

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



Mayor W. Rodney Knowles



Date Approved

**TOWN OF NORTH TOPSAIL BEACH
REGULAR BOARD MEETING
AUGUST 3, 2006
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 Handy moved, seconded by Alderman Peters approval of the Agenda. Alderman Farley requested to add discussion on the bond referendum in November and voter registration under New Business c.

The motion passed unanimously as amended.

COMMITTEE REPORTS:

Beach Nourishment – Dick Macartney

My report this evening will be a bit longer than usual as there are many issues surrounding beach nourishment that I want to address.

Let's start with where it all begins the Federal Project that is scheduled to start in 2012 depending on funding. The Congress has been busy with the appropriations and at this point if the conference committee adopts the senate bill our federal project will get \$200,000 to continue the studies needed to get permits needed. That is the same as last year and substantially less than we counted on when the process started several years ago.

The exact status of the Corps project is that alternative formula briefing has been reviewed by the Philadelphia District and the Wilmington District is reviewing those comments. Also we authorized the Corps to do more evaluation of the near shore hard bottoms to have a map of the entire island since those hard bottoms off our shore for the private project have drawn so much regulatory concern. The side scan data will be reviewed over the next 30 days and we should have a meeting on the Corps project in early September. In other words we are proceeding in an orderly if painfully slow pace.

62
8/3/06

Next I want to update the board on our Project Development Team meeting for our private project held in July. The C P & E team presented a lengthy scholarly report with the premise that our off shore waters were somewhat polluted and murky and that the organisms that habitated the hard bottom areas were very hardy and would not likely be harmed by dredging activities within 400 feet of the offshore hard bottoms. Although this report was skeptically reviewed by the Marine Fisheries representatives who claimed that the organism were at the edge of their geographical habitat and any changes would harm them, it appears that CAMA was prepared to accept a compromise on their regulation calling for a 500 meter protection for dredging near the hard bottom. They asked for more data on the 35 similar projects done in Florida under the 400 foot buffer regulation. Basically they are looking for scientific data regarding the change in turbidity caused by dredging and how far it migrates from the actual dredging site. It appears that with some specific monitoring steps that CAMA will allow our project to proceed as an exception to the rules; given that the project substantially benefits the town and its property owners. At the next PDT meeting in September the buffer issue will be addressed once more, as will the environment impacts reports on both fish and birds. The bird issue concerns the piping plover nesting grounds which apparently we do not have on Topsail but there are some on Onslow Beach and on the Bogue Banks. So on the permitting side of our private project we are proceeding nearly on schedule and the plan is still to have a permit by the fall of 2007.

As many of you are aware the Town of Topsail Beach has authorized a private "emergency fill" project similar to what we plan to do on the far southern section of our town. C P & E also has been hired to get their permits and Topsail Beach officials are expecting essentially to get approval and pump in the same time frame as we are. I do believe that adding this project will impact our project as there are limited resources both at C P & E to do the necessary reports, and within the state, to officially respond as part of the permit process, but I suppose that the effect could be positive too as it shows that the whole island is threatened and that there is support for beach nourishment throughout.

Speaking of support I want to review the results of the beach nourishment survey recently completed by residents and property owners.

BEACH NOURISHMENT PROJECTS SURVEY RESULTS **Total - All Surveys**

1. Do you believe your property will be jeopardized by beach erosion in the next ten years?
Yes 590 (69.1%) No 256 (30.0%) No response 8 (0.9%)
2. Do you believe beach erosion is something the Town of North Topsail Beach should address?
Yes 775 (90.8%) No 72 (8.4%) No response 7 (0.8%)
3. To finance beach nourishment, the Town of North Topsail Beach would sell bonds which would be paid off by tax revenues. How much of your property taxes are you willing to designate for beach nourishment?
0% 119 (13.9%) 5% 148 (17.3%) 10% 139 (16.3%) 15% 34 (4.0%)
20% 71 (8.3%) 25% 58 (6.8%) 30% 21 (2.5%) 40% 6 (0.7%)
50% 30 (3.5%) 67% 2 (0.2%) As much as it takes 163 (19.1%)

8/3/06

No response 63 (7.4%)

4. What is the dollar limit you would consider paying annually for beach nourishment?

\$0 153 (17.9%) \$250 213 (24.9%) \$500 158 (18.6%) \$1,000 132 (15.5%)

\$2,000 65 (7.6%) \$3,000 26 (3.0%) \$5,000 29 (3.4%) \$7,500 2 (0.2%)

\$10,000 6 (0.7%) No response 70 (8.2%)

5. What is your real property assessed value? Range \$400 - \$3,150,000

6. Do you believe all property should be taxed equally or should the rate vary depending on whether the property is closer to the ocean?

Equally 464 (54.3%) Vary 354 (41.5%) No response 36 (4.2%)

7. Do you live in a CBRA zone (Coastal Barrier Resources Act)?

Yes 284 (33.3%) No 234 (27.4%) Don't Know 329 (38.5%)

No response 7 (0.8%)

8. Do you have federally funded flood insurance?

Yes 420 (49.2%) No 361 (42.3%) Don't Know 68 (8.0%)

No response 5 (0.5%)

The results were broken out by groups. The greatest support for Beach Nourishment was from the seasonal property owners and the lease support came from those who rent. If you considered the results from the year around property owners as the most likely result for the referendum as they are all likely the voters I believe the referendum is in real trouble of passing.

BEACH NOURISHMENT PROJECTS SURVEY RESULTS

Year Round Property Owners

1. Do you believe your property will be jeopardized by beach erosion in the next ten years?

Yes 95 (51.3%) No 88 (47.6%) No response 2 (1.1%)

2. Do you believe beach erosion is something the town of North Topsail Beach should address?

Yes 150 (81.1%) No 33 (17.8%) No response 2 (1.1%)

3. To finance beach nourishment, the Town of North Topsail Beach would sell bonds which would be paid off by tax revenues. How much of your property taxes are you willing to designate for beach nourishment?

0% 49 (26.5%) 5% 34 (18.4%) 10% 26 (14.1%) 15% 6 (3.2%)

20% 16 (8.6%) 25% 12 (6.5%) 30% 4 (2.2%) 40% 0 (0.0%)

50% 1 (0.5%) 67% 0 (0.0%) As much as it takes 20 (10.8%)

No response 17 (9.2%)

4. What is the dollar limit you would consider paying annually for beach nourishment?

\$0 55 (29.7%) \$250 40 (21.6%) \$500 29 (15.7%) \$1,000 26 (14.1%)

\$2,000 11 (5.9%) \$3,000 4 (2.2%) \$5,000 4 (2.2%) \$7,500 0 (0.0%)

\$10,000 1 (0.5%) No response 15 (8.1%)

5. What is your real property assessed value? Range \$40,000 - \$3,000,000

6. Do you believe all property should be taxed equally or should the rate vary depending on whether the property is closer to the ocean?

Equally 72 (38.9%) Vary 103 (55.7%) No response 10 (5.4%)

7. Do you live in a CBRA zone (Coastal Barrier Resources Act)?

Yes 59 (31.9%) No 87 (47.0%) Don't Know 39 (21.1%)

8. Do you have federally funded flood insurance?

Yes 124 (67.1%) No 55 (29.7%) Don't Know 6 (3.2%)

630
8/3/06

I have also read the written comments to the land use survey and I expect you have as well. There is no doubt that beach nourishment is a very emotional issue on several levels, and I want to raise several of those concerns. Let's start with the Holmberg Underwater Stabilizer system. There were lots of comments in support of that technology and many more urging us as a town to take a look at that as an alternative to dredging off shore sand.

In my last report I told you we had a verbal offer from Mr. Dick Holmberg for a visit and a written plan as to what would be involved in constructing his system. A letter on Holmberg Technologies, Englewood Florida letterhead sent by Dick Holmberg was sent to Bradley Smith and elected town officials on July 19th. The beach nourishment committee reviewed that letter at our monthly meeting that night and decided to look for some collaborating information that it was appropriate for the town to authorize \$55,000 at this time. One thing we uncovered was a "memo to file" written by Don Luther, a Surf City councilman at the time, who followed up after a presentation to Surf City's council by Mr. Holmberg. He spoke with Martin Jannereth, Section Chief, Great Lakes Shore-Land Section, Land and Water Management Division of the Michigan DEQ. Based on nine findings he recounts in his memo Don Luther's conclusion was that his enthusiasm for Holmberg Technology was tempered. That may have been why nothing came of the 2001 presentation by Mr. Holmberg at Surf City.

Our new Town Manger, Mr. Smith also arranged a meeting with the Corps of Engineers and CAMA officials to review the regulatory hurdles the Holmberg Technology might encounter. That meeting was attended by me and by Mr. Farley and Mr. Tuman in addition to town personnel. DCM District Manager Jim Gregson with CAMA said that there would be a permitting process required even if there was a law passed that mandated a demonstration project for North Topsail Beach because there were Federal regulations as well as state regulations that needed to be satisfied. Mr. Gregson also reviewed with the group that the laws had been strengthened regarding groin fields such as are in place on Bald Head Island since they were installed and that CAMA is not allowed to give variances now. All in all the only way to get Holmberg approved is to have it passed by the North Carolina General Assembly. That path seems well protected by several environmental groups who responded vigorously to the recent Senator Brown bill. After that meeting with CAMA and The Corps and based on direction we agreed to I sent Mr. Holmberg an e-mail requesting some things. Let me read it.

Dear Mr. Holmberg,

Thank you for your written proposal for advising North Topsail Beach concerning beach erosion. Our beach nourishment committee did review it and had a follow-up meeting with some of the permitting agencies and other folks.

At this point we are having difficulty getting a consensus to spend \$55,000 for your plan. The stumbling blocks seem to be:

1. Some independent scientific verification that Underwater Stabilizers work. I noticed in a recent article about Galveston Beach that a David Schwartz had written such a report.

8/3/06

Can you either provide or cite some sources for us to check out to make sure that the system works. We had contacted Dr. Dean, a leader in ocean engineering field and he does not have knowledge of the engineering work and data supporting your system.

2. The time that it will take to get North Carolina State Laws changed and then the permitting process afterward to get the approvals to allow the work to begin. An estimate of 2-4 years is what I am hearing before we could begin to place the stabilizers once legalized.

3. With other towns in the same shape as ours several seem to be considering your approach. Are there any that are proceeding? Again, I saw an article about Flagler Beach in Florida, is it likely that they will do a demonstration project anytime soon that perhaps we could monitor?

The Town of North Topsail Beach is scheduled to vote on authorizing general obligation bonds to renourish our 11.1 miles of beach with sand displaced from the New River Inlet and from offshore in November. If the referendum is passed in 2007 the transported sand will build a beach 50 to 75 wide. I understand your system builds two feet per year. To get maximum protection immediately and to circumvent the time pressures the suggestion is that we go ahead with our project and consider your system for the follow up re-nourishment cycle. Has that tact been tried previously, if so how did it work?

So in spite of the enthusiasm of many residents of our town, the officials need some scientific verification to overcome the skepticism offered by former North Carolina engineers that reviewed your work in 1998 and in 2001. I expect that this is frustrating to you but it is likewise frustrating for me as I would like to have a clear picture to present to our Board of Aldermen. So if you could respond I would appreciate it.

I copied Mr. Jim Long on this e-mail and his response was that instead of Holmberg responding that we needed to prove that our plan works. In short he seemed to be upset by my e-mail. I responded saying:

Jim,

I appreciate your remarks and can see your passion that is why I asked you to work with the beach nourishment committee to help us work through this. I am not personally making any judgments I am just trying to satisfy the needs of those who must approve the money.

There is a lot of Holmberg residual effect of his proposals in 1998 and 2001 that seem to be the basis for the "skepticism" of CAMA people engineers and town officials so that is what I would like Mr. Holmberg to address.

Reference your issues on cars. Consumer Reports and J D Powers provide information that I know I consult before buying a car. I don't just rely on ads from the car company.

632
8/3/06

As to proof that beach nourishment works when the sand is piled up on the beach the beaches do look better. The issue then becomes how quickly does it go away (erosion) and that data is collected by the Corps and others that are readily referenced.

In the case of underwater stabilizers I am looking for the "data" that says how much the sand accretes and the dimensions of the area where it does relative to where the stabilizers are placed.

That evening at about 9 PM I received a telephone call from Dick Holmberg. He was angry, irate, and very emotionally upset. I listened to his "ranting" for over an hour and still am stunned by his approach to my clear request for additional information. If there was one thing that may have triggered his reaction it may have been the reference to Dr. Dean, who in addition to being a premier coastal engineer and professor also hold a position on the Florida board that approves beach nourishment as I gather. I had heard of Dr. Dean from C P & E when they consulted him to ask how to overcome the sand migration from our project to the near shore hard bottoms. Based on his formula we have used coarser grain sand in our plan to nourish the beach in the areas of nearby hard bottoms. In any regard apparently Dean and Holmberg have been at odds for years and there is in Mr. Holmberg's mind a conspiracy of engineers who are in the pocket of the dredging industry keeping his technology from being tried. The conspiracy extends to those engineers, who signed the 1998 report, but it is fostered according to what Dick Holmberg said by the dredging industry that has a huge financial stake in the status quo, and incidentally "threw some money" into the Surf City arena in 2001 and that is why his suggestions were not followed there.

I still have an open mind about Mr. Holmberg's approach and truly feel that dredging is not the best long term solution to the erosion problem, however, I do not feel after speaking (rather listening) to Holmberg that he has the management skills, organization, nor political clout to impact our beach project in the near term. So I will not be asking the board to approve the \$55,000 proposal he has submitted. I believe that a political effort is needed to educate the legislature about Holmberg and that we need legislation similar to the Brown bill but much more specific regarding timing and costs in order to test Holmberg in our town. I had hoped to talk more to Jim Long and his "Save the Beaches" group about this approach but Mr. Long has not returned my call to him or acted on my e-mail requesting a meeting. Thus, I am at a standstill regarding our committee's charge to investigate the Holmberg Technology.

Moving on we still have some other issues to address, and I hope I am not taking too much time but believe this information needs to be in the record to provide information for those not able to be present.

Our counsel for the service district has followed through since the last board meeting by mailing letters and publishing the required information regarding the establishment of a special oceanfront service district. The public hearing for that will be next Wednesday

8/3/06

Night August 9th at 7 PM. The letter to property owners asked them to call, write or email Shelia Cox at town hall if they had comments. According to Shelia the phones and e-mails have been numerous. I expect we will have a packed house at the public hearing. One issue goes to the fairness of asking one group to pay more than another when the beach is the primary town asset available to all. The rejoinder is that in addition to providing enhanced recreational opportunities for residents and visitors (for free) the more robust beach will protect town infrastructure and property. The property at greatest risk is the first row of houses so they will benefit more and should pay more.

The beach nourishment committee spent a good deal of time on this issue at our last meeting. It is sad to see such emotion and bickering between town residents and property owners over something that most are in favor of. In an effort to reduce this rancor and reaction of the ocean front district there was a motion made at our BN meeting to rescind the committee's vote for two districts. The motion did pass 3-1 with 1 abstention. So I want to commend that point to you as you consider the resolution to be voted on after the public hearing next week.

At the committee meeting we also heard that the sea oats planting was suspended after starting planting at the Southern end at Seaview Pier because the inmate labor had other jobs (getting schools ready to open) that took priority. As I understand it our town still has a commitment for about 40,000 plants so a plan will be devised to make these available to homeowners whose property was not planted. That would be primarily north of the Seaview and to those lots that did not have right of entry forms submitted.

The last issue that I want to raise is the concern with the actual tax rate to retire the general obligation bonds should they be approved in November. The money needed to retire the bonds depends on several things. First the actual cost of the project that will depend on markets for dredging at the time the contracts are let, and secondly, the amount of money entities outside our town commit. The Topsail Beach similar project has \$1MM already approved for their project in the same stage as ours and hopes to get a similar amount for three years. So we should certainly get some state funds. The new tax bills are in the mail and everyone in North Topsail Beach will soon know how much more taxes they will be paying. There is a very sound argument that Onslow County should direct some of the increase revenues from the beach back to the beach. The unofficial message from the county is that they well might do that but want to see the results of the bond referendum vote and the actual costs of the project.....in other words come back next year.

So I believe there will be some help for our taxpayers for beach nourishment, but there still will be a short fall that property owners of North Topsail will have to shoulder. With an Ocean Front service district in place, the Board of Aldermen can set a higher tax rate for the Ocean Front than for the rest of the town. Voters do not vote on the tax rate it is set annually by the town board. You have heard me quote 90-10 or 80-20 - what that

674

8/3/06

means is that the Oceanfront would pay 80 or 90% of the taxes needed to retire the bonds each year for eight years. Many of us thought that once that percentage is committed to that it would stay in place until the bonds were paid off, but that is not how it works. Each year the board revisits that decision and even though there is precedent to do what has been done previously one town board is not bound by a previous board's tax decisions.

So that is an issue that needs to be discussed by the board and if possible resolved so as to relieve the taxpayers as to exactly what kind of taxes they should expect. I have even heard that an assessment such as Topsail Beach is doing is a better way to go.

To be frank I personally did not consider that approach. We had been briefed by the town manager of Emerald Isle and felt like their successful referendum was a good model to follow. Also with the divided sentiment for beach nourishment I felt like a popular vote was needed to legitimize the concept rather than the board deciding so a bond referendum seemed to make sense. I have asked Attorney Neil Whitford whether we could substitute an assessment rather than a tax after the referendum passes. I am sure he can address that next week at the public hearing as he will be attending.

Gentlemen and members of the audience I appreciate your attention to this report and I am relieved to say that is all I have to say at this time. However, if questions are in order I will try to answer them. Thank you.

Mayor Knowles thanked Mr. Macartney for his report and also thanked the beach nourishment committee.

Planning Board – Mike Yawn, Chairman:

Mr. Yawn stated that the Land Use Plan Committee met the 24th of July. They didn't have all the results at that time of the survey. They reviewed the first draft on the census and demographics and next month the committee will review any additional data. The Planning Board met the 13th of July and went over zoning maps that Holland Consulting is providing for free. 7 to 8 properties have not been updated and they gave changes back to Landin Holland and their goal is to get an updated zoning map to the Board to adopt. We should look to formalizing a contract for long term support. They will also look at Section 7 since there have been changes to the state statutes. Parking requirements have been tabled for now. Parking for large homes is not an issue for the police department. They discussed bridge construction requirements and will make sure they will sustain our fire trucks. An inspection process from a certified engineer is incumbent upon property owners. Zoning and multi-family issue was also tabled since our ordinances are in conflict now.

The Planning Board is also reviewing the sign ordinance since there are too many in the state right of way and are too large and are advertising businesses.

8/3/06

They looked at a draft for condemnation of homes. Public Hearings will take place on this issue and also on planned residential developments.

Alderman Farley asked if they could get drafts of the LUP and Mr. Yawn said he would mention this to Holland Consulting. Alderman Farley also asked for drafts of the map to give them time to look at them. Attorney Kilroy noted that back in March he had asked the Planning Board to review the zoning changes. Mayor Knowles asked if all of the changes that Bob Clark implemented had been incorporated into what we are using now. Mr. Yawn noted that the ordinances we are using are updated frequently on the website. Alderman Tuman requested that the manager get back to the Board on how the town ordinances would be managed. Mr. Yawn said that all of the changes to zoning are on our website.

Alderman Farley asked if duplexes could or could not be rebuilt if they are damaged and he noted that if they are nonconforming and are rebuilt within a year it could be rebuilt and Mr. Yawn said that is correct.

Attorney Kilroy said that he had reviewed the sample ordinance on storm damage and it talks about structures and when the Planning Board reviews this their focus should be on habitable structures. He said that Onslow County has a good ordinance on this. When it comes to appeals, the Board has more credibility. In regard to duplexes, if lots are subdivided and assuming there is one single ownership, they can rebuild, but after it is subdivided it is a different problem. You can't allow 1/2 duplex to be built.

MANAGER'S REPORT:

1. First, I want to thank the Board and the staff for your assistance in making my transition a smooth one. I have obtained the 3 bids that I needed for my move. The lowest bid came in at \$1944.00. Originally, the move was scheduled for the 10th of August. It has been rescheduled for this Saturday. I will be going back to Kingstree Friday afternoon to make final preparations for the movers and to start cleaning my rental house. I have a Doctor's and a dentist's appointments on Monday and will be out of the office. This should wrap up all of my professional and personal business in SC. My new address is 8317 5th Ave. Please feel free to stop by anytime. My new home phone number is 328-3950.
2. I attended the Chamber meeting two weeks ago and am on the compensation study committee to help get a pay scale for the Chamber employees.
3. I am quickly getting up to speed on the Town's beach nourishment project and the dredging project. I attended the BNC meeting on the 13th of July and Chairman Macartney was very helpful. Holmberg technology was discussed and a meeting with the regulatory agencies was set to further discuss the feasibility of this structure. It was decided to recommend to stay the original course on the beach project and to keep informed of the test project that Florida is starting in the very

8/3/06

near future. The background and the state statutes concerning hardened structures in NC have been placed on our web site for the public to review. I also attended the TISPC on the 25th. Again, a very informative meeting. All projects were discussed to some degree.

4. We are in the process of advertising for a new P&Z director. CAMA responsibilities will also have to be addressed. We have placed ads in both the League Newsletter and the Southern Cities. This should give us a wide coverage and more qualified applicants. Loraine is trying to set up an interview next week to start the ball rolling. Until a replacement is hired, I will be trying to handle the P&Z issues and code enforcement.
5. Thomas has about 90 rolls of sand fencing that we are offering to the public at a reduced rate for both the fencing and the post.
6. Sea Oats continue to be planted by both staff and citizens that will come by and pick them up. The dredging pipeline will be put in place tomorrow. Thomas and I will be onsite to inspect. There have been some issues with property owners north of where the sand is to go. The Corps of Engineers came by today and met with me, Loraine, and the property owner to explain the permits required and that this was not a nourishment project.
7. August 9th is the date for the public hearing on the beach nourishment districts. I must say that I and Sheila have received many emails concerning this issue. They are running about 90% against the districts and the 90/10 split. These are from beach front property owners. I have also received a couple from inland owners that are against paying anything to help save the beach.
8. I am meeting with Mike Yawn next week to get up to date on the land use plan and zoning overlays that Joey was working on.
9. I attended a meeting with the County Manager and all municipal managers and finance officers concerning the sales tax distribution. There were several issues brought up and the finance officers will meet and work out a formula to transition to ad valorem basis for distribution. The managers and finance officers will meet again within 30 days to continue to work on a common solution. Lydia did an excellent job in preparing for this meeting and citing our concerns to the County.
10. I attended the Mayor's meeting along with Mayor Knowles and Mayor Pro Tem Hardison on the 19th.

OPEN FORUM:

Sue Tuman stated that "Operation Top Cat" is raffling tickets for a beach house vacation at the Shrimp Festival. The raffle will take place on Friday, November 24th drawing. There will also be a Silent Auction at the Shrimp Festival on August 12th to benefit Operation Top Cat.

Mary Convy noted that there are a lot of illegally placed sand fence up and down the beach. She felt that CAMA stipulations should be on the website and ensure that this is enforced and take down any fences that are incorrectly installed. She also felt that a link for David Nash's Dune Book be put on the website. The letter

8/3/06

with the tax map only went out to the special tax district. That letter should be put on the website. Committee minutes should be updated for each committee. Action item material should also be listed on the website.

Linda Knowles noted that they pay 3 to 4 times more than people across the street from them. Our deed states we own to the high tide mark, but how many people allow others to be in their front yards, if everyone uses the beach everyone needs to pay for it. We paid to move our house back and we don't need beach nourishment. We shouldn't be required to pay 90%.

Mr. Graziosi of New River Inlet Rd. said that he has lived here 4 years at the north end and he is amazed at how many people go to the end of the beach after 11:00 p.m. or midnight and destroy the area. We have a number of parks we close after nighttime. Mayor Knowles asked if he has notified the PD and Mr. Graziosi said that the PD has certain vehicles that can get there and some that can't. If you don't have someone in the right vehicle they can't get there. We saw people drive through the dunes and did call the PD, but they left as the PD got there.

Jim Eves, 7513 9th Ave. said he built a house and he needs direction and advice. Mr. Casey signed off on mechanical and Mrs. McLaughlin approved all the plans and surveys. Mr. Moore said his steps were encroaching in the right of way and he would have to go to a variance committee. He said he paid a fee on May 24th to see what they would do and they haven't met. He is paying \$3,000 a month in interest and it's been almost 5 months and he can't do anything with his house. Alderman Farley noted that they are voting on another person for the Board of Adjustment. Mr. Eves said there is a time limit on how long this takes and asked what recourse does he have? He said he has dealt with several staff people and has no answers. Mayor Knowles said in case of an emergency, if the Board is not active, could it be left up to the Board of Aldermen and Attorney Kilroy said it could. Mr. Smith said they could appoint themselves as the Board of Adjustment. Attorney Kilroy said that they need to set a date.

Alderman Tuman noted that the Board of Adjustment meets the 3rd Thursday of the month and he asked that they have a meeting this month either by who was appointed and if they can't he asked that they hold a special meeting to have this board appoint themselves. Our ordinances say that any application will be heard in 90 days.

Becky Bowman, 106 N. Permuda Wynd read the following:

The Aldermen are proposing a municipal service district for the town's CPE beach project. The justification according to opinions expressed by our Aldermen is that those who benefit the most should be taxed at a higher rate.

63
8/3/06

Your proposal now is that oceanfront owners are those who benefit more. Our CPE beach project however has been arranged in a very different way.

Living on this island has its risks. Some of us built our homes in the Federal Flood District (South section) knowing that the Federal and State governments would share our risks. Those who built homes in the CBRA area accepted the risks of no government participation. We now face a dilemma. The town is asking Federal district owners to contribute the same % of the cost of nourishment of the CBRA beaches that have no government participation while keeping in mind that, for the South beach (Federal Flood District), contributions from the CBRA owners will be at rates reduced by contributions from the government. It is my firm belief that the Special Service District should be the CBRA area.

We all know that the beaches of the CBRA area – the New River Inlet/North and the Central sections receive 85% of the benefits of the CPE project. The South has its own Federal project with Surf City. While I cannot actually tell you when the project will start, it is slated for 2012. CPE has proposed an interim project for the South that is not planned as full beach nourishment. Our dune and berm project will be done when the Corps begins construction. The South is not in need of "emergency" nourishment.

The Aldermen should consider a plan whereby the CBRA area is established as the special service district for the CPE project with the CBRA owners assuming 85% of the tax burden and the South 15%. When the NTB/Surf City project is to be funded then the roles might be reversed.

In conclusion, only the North end is in emergency need of nourishment. I do sympathize for Inlet property owners and their erosion. Keeping in mind that there is a 15 year stabilization plan for the inlet project, I see no problem in waiting a year for our aldermen to formulate a plan that is equitable, relates to the reality of the benefits of the CPE project, and one in which the property owners who do benefit are asked to pay their fair share.

Mike Yawn, Village of Stump Sound said that he was in favor of beach nourishment as long as it is 90/10. I am in favor of what Mr. Macartney said to have an assessment it can't be changed. It is unfair that information was not sent to all property owners. We are all responsible for this bond. Beach nourishment will not help me. Help protect the town assets.

CONSENT AGENDA:

The consent agenda consisted of the June 1, 2006 Board Meeting minutes, Department Head Reports, Benefit Accrual Report, Financing contract for 2 vehicles with First Citizens Bank, Approval of Gary Rowland's appointment to

8/3/06

Beach Nourishment, Approval of Paula Rowland's appointment to Board of Adjustments.

Alderman Peters asked to pull out the financing of vehicles for discussion.

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

NEW BUSINESS:

Financing new vehicle:

Alderman Peters asked what the ramifications were if they approved this and Chief Salese said that the purchase of the vehicles was approved in the budget and this is just the financing of the purchase of a F150 4 wheel drive and Crown Victoria. This is just replacing cars. Alderman Farley questioned replacing a Crown Victoria for a truck. Alderman Peters asked what the truck would be used for and Chief Salese said for patrolling. Alderman Farley felt a F150 would be more expensive to operate and Mr. Smith said that a 4 wheel drive would be the same. Alderman Peters said that he didn't remember addressing this under the budget, but he thanked the Chief for the explanation.

Alderman Tuman moved, seconded by Alderman Handy to approve the financing contract for two vehicles with First Citizens Bank.

Alderman Farley requested that the type of vehicles be stated in the motion.

Alderman Tuman amended his motion, seconded by Alderman Handy to approve the financing contract with First Citizens Bank for a Crown Victoria and a F150 for the Police Department. The motion passed unanimously.

a. Review of Land Use Plan Comments:

No comments at this time.

b. Review of Beach Nourishment Survey:

No comments at this time.

c. Voter Registration

Alderman Farley said that he has seen emails from people attempting to suggest that people can register in the Town when they are not eligible to vote. People are being told they can register 30 days before the election and their kids in college could sign up and there would be no checks to confirm residency. There are 50 new voters registered. This idea that if you own property and you can switch is not true. The Board of Elections has confirmed that and voting is serious. Alderman Farley suggested that they look at this carefully and hire outside counsel to review some of the registrations. We need to make sure our

640
8/3/06

referendum is valid. Attorney Kilroy said there is a deadline of when people could register. Alderman Farley requested that the manager work with the Mayor Pro Tem to look at this and to be the Board's representative. Mr. Smith said he would contact the Board of Elections and he will look at the voter registration list.

Alderman Farley said that he has a letter on residency and will share that with them. Alderman Handy noted that there is a sworn statement that you have to sign. Alderman Tuman said that the voter registration list is outdated. You need to specify grounds for challenge. Bob Swantek noted that there are several individuals who own properties but don't live here and he wondered why they can't vote. Mr. Smith said you can't vote if you are not registered. You have to give up your other registration. Alderman Farley noted that you have to be a resident for 30 days.

Sue Tuman said that she challenged voters a few years ago since it was discouraging that people from out of state voted. It is easy to disqualify them but if you live in NC you can choose to call NC your home and that was acceptable, but your vehicle better be registered in this county.

Mary Convy said that you don't need a NC driver's license and it would be good to look into this. Linda Knowles asked if the Town could do this and Alderman Smith said yes. Mr. Yawn said we should challenge anyone who registered since January.

Mayor Knowles said that Manager Smith and Mayor Pro Tem Hardison will research this.

MAYOR'S REPORT:

Mayor Knowles said that things were going a lot smoother now. This is a typical summer meeting with a light agenda. He said he appreciated everyone's attendance and reminded them of August 9th's meeting on the Tax Districts.

ALDERMEN'S REPORT:

Alderman Farley thanked everyone for their participation.

Mr. Swantek said he would serve on the Board of Adjustment as an alternate.

Alderman Handy thanked everyone and also thanked the committee chairmen who do an outstanding job.

Alderman Tuman said that in the agreement with North Topsail Utilities (NTU), they said they would come to town meetings on rendering problems we raised with them. ONWASA has offered to monitor them since NTU serves us and the Stump Sound area. He recommended that the manager get NTU in here in

8/3/06

October to report to us and ask the Board to consider ONWASA handling future reviews.

Alderman Peters said it was reassuring to have a Town Manager in place and hoped he has a great future here. He also thanked Loraine Carbone for holding the Town in place.

Mayor Pro Tem Hardison thanked the Mayor for being back and he congratulated the new town manager.

Mayor Knowles noted that he has received several phone calls and emails regarding the good job that our rescue and PD has been doing. There have been more jelly fish stings and someone from Ohio called and thanked them for saving his life. NTB is a safe place to come to.

CLOSED SESSION:

Alderman Tuman moved, seconded by Alderman Handy to go into Closed Session at 9:10 pm to discuss legal matters. The motion passed unanimously.

Alderman Tuman moved, seconded by Alderman Handy to go back into Open Session at 9:35 pm. The motion passed unanimously.

ADJOURNMENT:

Alderman Tuman moved, seconded by Alderman Handy to adjourn the meeting at 9:35 p.m. The motion passed unanimously.

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



Mayor W. Rodney Knowles

9/7/06

Date Approved

644

**TOWN OF NORTH TOPSAIL BEACH
PUBLIC HEARING
PROPOSED ESTABLISHMENT OF A MUNICIPAL SERVICE DISTRICT
AUGUST 9, 2006
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

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.

BOARD OF ADJUSTMENTS APPOINTMENT:

Alderman Tuman moved, seconded by Alderman Handy to approve Bob Swantek as an alternate to the Board of Adjustments. The motion passed unanimously.

OVERVIEW OF BEACH NOURISHMENT PROJECT – CHAIRMAN DICK MACARTNEY:

Good Evening, my name is Dick Macartney and I am currently the chairman of the town's beach nourishment committee. I do not know how long our town has had this particular committee but my knowledge of it goes back to the time of John Flynn in the late 1990's. John did a lot of work getting our Federal Project started. We have even found record of his work in evaluating the Holmberg Underwater Stabilizer System in 2001. But under Mr. Flynn's leadership the Federal Project to renourish Surf City and the non CBRA area of our town was started in 2000. That project is still moving along with federally funding of \$200,000 for next year. The best estimate is that if funding can be obtained in the federal budget the construction of a 50 year beach nourishment project which includes the southern 3.85 miles of town shoreline will start in 2012.

In 2002 when the Corps project was authorized by this Town, there was concern as to what to do about 7.25 miles of the NTB shoreline which falls within the Coastal Barrier Resource Area (CBRA) and was not eligible for federal cost sharing. It was decided to authorize a feasibility study with a private firm for this area. This project is contracted with Coastal Planning and Engineering (CPE). Following is a timeline of past and future events in the construction of the CBRA area shoreline protection.

December of 2002 NTB entered into a contract with CPE to begin a feasibility study for shoreline protection within the CBRA. It extended from January 2003 to Dec. 31, 2004.

644

September of 2004 A resolution was passed by the North Topsail Board of Aldermen to engage the professional services of CPE for an Environmental Impact Statement for beach nourishment and an inlet management plan; to obtain the necessary state and federal permits for use of the borrow areas; and to prepare design surveys to include a construction plan and specifications for the North and Central CBRA areas. The contract price for this study was originally \$1,700,000 and in May when we added back the south section so as to have a plan for the entire plan we added another \$448,000.

CP & E is on schedule to have the permits for the Non CBRA area ready for construction by the fall of 2007. However because there is not Federal cost sharing for the private project the town needs to sell bonds to finance any construction costs that will not be covered by the county or the state which thus far have not authorized any funds. We are here tonight to discuss a proposal to create a special purpose tax district so that the taxes raised from North Topsail Beach Property owners can be flexible.

Before we do that I want to introduce any members of the town's beach nourishment committee that are here tonight. Next I want to introduce Tom Jarrett who is a former Corps of Engineers career employee and now works for Coastal Planning and Engineering as a Project Manager. Tom lives in Wilmington and has been involved in planning and development of our private re-nourishment project. Tom has agreed to give you a brief overview of what our plan is and what still has yet to be accomplished.

After Tom speaks Mr. Neil Whitford, an attorney engaged by the town to help us through the many complex steps to do a bond issue will speak about the legal issues and ramifications to the voters and property owners. Neil is from Morehead City where he is engaged in the practice of law specializing in municipal law and was the attorney for both Pine Knoll Shores and Indian Beach for their beach enhancement projects.

I do wish to thank each of you for your interest in this very important project of shoreline protection and I look forward, as I am sure the board, and many other here tonight, to learning how we might better accommodate the interests of all of us who love our beach and our town.

ENGINEERING SUMMARY BY TOM JARRETT, COASTAL PLANNING & ENGINEERING:

Tom Jarrett stated that the project started in the CBRA area and the town added the 3.5 miles. Included is the New River Inlet and navigation project. We want to preserve the tax base and address the long term erosion. There is a risk that 43% of the NTB tax base will be affected plus rental and tourism. The Inlet is related to the erosion problems. There is a plan to provide restoration for the north end. Mr. Jarrett showed a map from November 1995 at the north end which depicted a relocated road and new bridges. After Hurricane Fran there were washovers. We could move the ocean bar channel and nourish the ocean

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floor. A new location could take it back to the condition of the early 80's. As the channel moves it exposes the north end. The plan is to reposition the channel to the 1982 alignment and the Ebb Tide delta should re-form on the NTB side. In Bogue Inlet the channel was relocated in 2005 and sand is accreting and after a year it is reforming. We predicted it would take 4 to 6 years and the recovery took 6 months – it was not a full recovery but it was good.

Mr. Jarrett went on to discuss the projects in Carolina and Kure Beaches.

Mr. Yawn questioned what the ratio of sand on the south end would be and Mr. Jarrett said if we restore the beach to the 1982 shoreline and maintain it for 6 years there should be 1.5 million yard total in that area. At 11.1 miles it would be 54 cubic yards per foot. The Corps projects are much larger, but the Federal project will be 2012 or later.

Roger Harris, 3930 Island Drive asked if the reshaping of the New River Inlet has been approved by the Corps and Mr. Jarrett said no, we are going through the permitting process at this time and we are in the process of addressing environmental issues. Beach fill is not a hardened structure. They are still working on the EIS study and this will be made public with the issuance of the draft. They will post a link on CP&E's website.

Mr. Borrazzio asked what the impact would be on fish and birds and Mr. Jarrett said they are using the proposed standards by the state. The material in the inlet is the same material on the beach. A citizen from Ocean Dr. said that they spend a lot of time talking about the inlet and questioned why they don't spend time on the other end of the beach. Mr. Jarrett said the studies look at impacts of the channel and they are implementing a plan to help Mother Nature get material across the inlet. The most sand you have is in the inlet. Rusty Brashear asked how much sand will be for the north end compared to the rest of the beach. Mr. Jarrett said that the north end will be cheaper because the pumping is shorter. Mr. Brashear asked if there was any thought given to restricting the project to just the north end and Mr. Jarrett said no, the town asked us to develop a plan for the non-federal area because the federal would be covered and they wanted to treat citizens the same.

Alderman Tuman noted that the New River Inlet is an important area of sand for the town. Bob Hale said that every 4 to 6 years they will spend another 4 to 8 million dollars and hopefully moving the inlet will work. He asked where most of that money will go and Mr. Jarrett said to nourishing the whole stretch of the CBRA zone. Mr. Yawn said that renourishment will be in the northern section of the town and Mr. Jarrett said yes, the Corps has a 3 to 4 year renourishment cycle as well. Lenny Denittis asked when they submit the permits are they guaranteed approval and Mr. Jarrett said that the federal agencies address issues that can stop a project and it is worked out with that group.

SERVICE DISTRICT REVIEW BY ATTORNEY NEIL WHITFORD:

Attorney Neil Whitford stated that he has represented other beach towns. They created municipal service districts to levy a special tax on theory that properties in the district would receive a special benefit from the project. He said he had assisted the Interim Manager with a report and the Board also called for a public hearing tonight. Each owner was sent a hearing notice who resides in the proposed district and notice was in the Daily News that property owners could make comments to establish the district. There will be a special assessment within the district with an advolorem tax being levied in the district to bear the cost of paying the General Obligation bonds. In Pine Knoll Shores, a debate took place over the fairness of the division of the cost of the project. Over a series of public meetings, the board there decided the appropriate share was 90/10. Indian Beach also followed that division. Citizens don't vote on establishing the district, but citizens do vote on bonds. The Bond Referendum has to pass in and out of the district and there was a concern of fairness to the voters. The Bonds were approved. Emerald Isle did it differently. Their division is that ocean front pays 70% and non-ocean pay 13% and the difference was made up by the occupancy tax and other sources of revenue. Alderman Farley noted that Emerald Isle non-ocean was .03 and ocean was 48 cents. Attorney Whitford said when it was applied to the value it ended up being 70%. In Emerald Isle, the bond referendum approved only by a razor thin margin and they had more difficulty but it did pass. This board will have to decide how to divide the project costs. Under method developed there will not be one tax that is levied outside of the district and he recommended to have one tax town wide that will be a low tax that will cover the non-district and add to that a special advolorem to the district. It is more efficient to have one district. Other towns wouldn't use two districts again. The proposal is after the bonds are repaid the service district will end. Pine Knoll Shores' bond repayment is 8 years so they are looking at another 4 years now to pay the tax. The benefit of having an engineered beach project is that if you suffer erosion after a storm FEMA will pay for the sand that is lost.

The Town Clerk needs to present the certificate of mailing of notices to property owners in the district. It is signed and notarized and is under oath. At the public hearings for tonight we need to establish the tax district and approve the bond referendum. Attorney Jeff Poley is bond counsel and he will address any questions you may have. Attorney Whitford recommended that they combine both public hearings to make it efficient.

Attorney Jeff Poley noted that the bond issue is part of the public hearing also. The Board may not pursue the districts but they may pursue the bonds. Whether or not you establish a municipal tax district, the town has to pay back those bonds. Mr. Yawn asked Attorney Whitford if the bond has to pass in the service district and the rest of the Town and Attorney Whitford said that is correct. Mr. Yawn's concern was if the tax district passes, every board of aldermen in the future could change the tax split and he asked if there was any way to fix the rate. Attorney Whitford noted that the Board can come up with a division before

646

the bond referendum. With an advalorem tax it could change year to year but there is a commitment to the citizens and he couldn't see that it would change. In other towns it hasn't been discussed, it is automatic. Topsail Beach is using assessments, but you can't use the value of property to levy the special assessment, you use footage or the area or use increase in value based on improvements going in. With an advalorem tax, those with valued higher property can afford to pay it.

Russell Procter questioned the certificate of rights participation with GO Bonds and Attorney Poley said that it didn't require a vote and a certificate of participation would be difficult with this project. Bond holders wouldn't want a piece of the beach. Mr. Procter asked if there would be a limit on the number of tax districts and Attorney Whitford said it would be possible to set up additional districts, but one district is more efficient to get this done. Attorney Poley noted that districts are for those who get special benefits in that district.

Alderman Handy moved, seconded by Alderman Farley to hold two separate public hearings. The motion passed unanimously.

Alderman Handy moved, seconded by Alderman Tuman to open the public hearing to establish a municipal service district. The motion passed unanimously.

PUBLIC HEARING ON PROPOSED ESTABLISHMENT OF A MUNICIPAL SERVICE DISTRICT FOR THE PURPOSE OF FINANCING, PROVIDING AND MAINTAINING BEACH EROSION CONTROL AND FLOOD AND HURRICANE PROTECTION WORKS:

Bob Hale, 153 Old Village Lane said that letters only went to ocean front property owners. We will keep renourishing and if the ocean front doesn't benefit more, now you want me to pay the same amount. If you live behind the dune you get the most benefit. I can't afford it. Politicians say if you can't afford it move. There should be 2 districts. We included south end so north end would get renourished. Let's keep retrying this. Tell us what we will pay and put it in stone for 8 years. Let me know what I am paying.

Dan Hyne, 326 Sea Shore Drive asked how much the taxes went up in the other towns all at once. I am ocean front and I chose to be and the people in the north end chose to buy there. They knew at the time they were in a bad area and that is making it hard for the rest of us. I don't agree with any of the amounts you want to tax us on top of what the county is taxing us.

Mike Yawn, 207 Tamarix Ct. said he was in favor of the project as long as the Board implements 90/10. This split is typical of other towns, but there is no guarantee it will stay at 90/10. We need a one time assessment that won't change. It is unfair that information mailed was not sent to all owners. It was a

demographic skew. "Save the Beach" is not correct, we are looking to save our investment. The beach will move and the New River Inlet has migrated. We need to focus to save the man made structures since the beach does not need saving. The beach will be here for all to enjoy. This project has 3 issues, recreation, hurricanes and homes not going into ocean. The projects could hurt recreation. The beach is perfect for activities and visitors come here and there is no need to spend 34 million.

David Crump, 3782 Island Drive said that he lives on the ocean front at a beach access and people use it and rentals come and use the beach more then we do. He picks up their trash. The purpose is to save the tax base and I believe you will decimate this. I've been buying beach property for the past 15 years. Now you want me to pay for the north end. I don't get to vote because I am not a resident, this is extortion and you will have to go up on the rate every year because properties are going down. The ocean will reclaim every grain, don't do this.

Robert Swantek, 3772 Island Drive said that he was fortunate to be on the beach front. He said that he got the tax district map and walked and drove the rest of the properties and he felt that the map was ludicrous. There are dunes only on some and if you are frontal to dune you should be in the tax district. Hampton Colony is all in the tax district and they are all rentals. This map is loaded for the opposite side. He has lived here 3 years and he checked out the north end and because of no federal flood he didn't buy there. I nourished our dunes and they washed away and he did it again. I water the plants. Everyone uses the accesses; they stole my driftwood and burnt it on the beach. If we allow this to happen he felt sorry.

John Borrazzo, 184 Sea Shore Drive said it was sobering to look at the old maps at roads that are in the sea. Who gets the benefit, look at the evidence and long nourishment projects. The oceanfront derives most of the benefit. He has been here 2 years and it is a great beach the way it is, but something has to be done for long term erosion. I am an ocean front property owner and I am concerned where my house will end up. Special district makes sense since services will accrue to oceanfront property owners. You need one level of service in that district and the issue of taxes is fundamental. There should be a matter of policy since this Board has changed a lot and staff has changed also. There should be exemptions for long term residents and the elderly.

Mark Hanket, Villa III Shipwatch said that he has been here since 1984 and he asked how many aldermen live in the special districts and how many employees live there and how many voters. I live in Michigan and this has to pass in the special district and in town as a whole and if it just registered voters, how many are full time. This is taxation without representation. I did not vote for incorporation and can't vote for the board and yet I pay my taxes.

64

Gerry Riggelman, 107 N. Permuda Wynd noted that they have only addressed ocean front and non ocean front and they need to consider CBRA and non CBRA. I am in village of Stump Sound and I am safe. How will we distribute the costs every 4 to 6 years?

Roger Harris, 3530 Island Drive said that he has lived here 11 years and has been coming here since 1970. How many of the 2000 property owners are CBRA and non CBRA? At my house, I watch volumes of people who parade across the street from the condos and if you say I get the most benefit, but it should be all property owners. This forum is required by law and this will not be put together until 2 weeks before the election and we won't know what will be in the referendum.

Mary Convy, 20 Porpoise Pl. said that the past year she has worked hard with the beach nourishment committee and has been a fervent person the whole time with the exception of Dick Macartney. I have recently changed my mind and I am asking the Board to bring a moratorium on this plan since no one is committed and people feel they can wait. Ocean front does not want beach nourishment, they either don't need it or they don't want to pay for it. One owner said they moved their house back and they are o.k. We are preserving the beach for the public and the infrastructure could be handled. The State will allow us the maximum and it is a huge risk for a small town. People want to change their voter registration. I am glad the manager and mayor pro tem will challenge the voters. We should stop proceedings for a year and see the plans and reports and start the plan after a year to stop us from financial loss.

Dawn Brannon, 3518 Island Drive asked what was the special benefit of the ocean front and vs. the federal flood zone and how much of the project is being spent in the federal flood zone?

Diane Bing, 492 Ocean Drive said that she is an ocean front property owner and is in a federal flood district. The beach does need nourishment and the whole island benefits. Ocean front should pay more but not the portion we are talking about.

Mary Snead, 3538 Island Drive said that she lives in a Federal Flood Zone and moved here 6 years, but has visited here for over 20 years. We spent 3 years studying this island and picked a deep lot with a deep dune. Because I built there I am being asked to pay for people who built where houses shouldn't be. I am being punished for being smart and I resent it. We do need nourishment but let's be fair, people across the street from me can see the ocean, why must I pay 90% - it's not fair.

Hiram Lee, Ocean Ridge, 4190 Island Drive said that he has owned property here since the early 70's. You tell me I purchased ocean front, yet I purchased 2nd row which is a piano key lot. I can't walk over the dune without paying a fine.

I have a \$50,000 differential in the new tax valuation. I deliberately bought away from the ocean and this is not fair. In Ocean Ridge there are 4 houses per quadrant. I don't mind paying a portion for renourishment, but I am getting shafted being designated as ocean front.

Ben Daniel, Shipwatch Villa said if we need more money, put parking meters at public accesses. There are 646 registered voters here. This is not right. If my condo washes away, your house is next, it will happen, protect your dunes.

Floyd McKissick, 1524 New River Inlet Rd said he has compassion for the Board since he has spent time sitting on boards in Durham. He said he has 4 properties here and is President at the St. Regis and he is here to represent the majority of property owners there. It is absolutely unfair and lacks merit with an island as small as NTB to separate out those that are ocean front and those that are frontal. NTB is 4 blocks wide and we need to try to preserve our beaches. There are just as many people from 2nd and 3rd rows going to the beach on public and private accesses. All the residents will benefit from beach nourishment. Look to greater benefit of all property owners and not just those who vote. Show political will of courage, vision and leadership that will benefit all property owners. Abandon the idea of a municipal service district.

Leslie Frye, 105B Villa Capriani said he is an attorney in western Salem and he is disturbed at this proposal. This is a disproportionate amount of money coming from multi unit dwellings. Million dollar homes would contribute \$5,000. I am in the back of the Villa and Cape Island has no ocean front but it leads to a public access and these are million dollar homes and they won't pay the special tax and it is not fair. He proposed that they do an assessment and raise half the cost from oceanfront property owners and the other half out of the general tax fund. The property owners who benefit would still pay 80%. This is an unfairness of multi use complexes. It is his opinion that it could be taxed to be tax deductible and he urged them to do beach nourishment.

Robert Taylor, St. Regis said that he concurred with others. It is unfair, but if you go forward with this you should consider expanding the district of properties in distance of access points. 2nd row properties have profited. Look at other sources of income, parking fee or passes. People who come from a distance could pay a \$10/day fee and this is not irrational.

Paula Hoyle said that was in disagreement of people who did research and found the perfect place, but a lot of people did research 20 years ago and now they are suffering. We are all vulnerable. The town's name is North Topsail Beach and if we don't have a beach we have nothing. We did get a 300% increase in our valuation this year and we are getting hit with a lot now. How much of the 300% can we use toward beach nourishment. Where there are low lying areas and inlets formed there are houses there now and we have more of a tax base. Where is this money going? We have strong surges that hurt the sound side too.

We are all in this together. How many aldermen live in the special district and what do we get from the room occupancy tax? I see a million people on the beach.

Win Batten, 263 Topsail Reef, stated the definition of a service district and beach nourishment is one of those functions. You don't have the legal authority to do this. I support beach nourishment, but everyone needs to be included in it and a method of financing has to be done by everyone. Set a special election and let any property owner vote in that election. Mr. Macartney asked for a legal opinion on that and Mr. Poley noted that in NC we don't have a referendum except for special things and you have to be a registered voter. It is not possible under the constitution. Mr. Batten said they could petition for a special vote. Mr. Poley said it would have to be with legislative approval, but that would not take place until they come back in session in January.

Jill Smith, 2196 New River Inlet Road asked how many people believe in it and without it there would be no structures and no tax base but I am not in favor of a special district. I work in construction and you need to come up with other ideas. We have a lot of construction here and have you looked at increasing building fees?

Alderman Tuman noted that of the 6 officials 3 occupy property in the ocean front.

Linda Knowles, 3592 Island Drive said that she was speaking for herself and not for the Mayor. I am in favor of beach nourishment but this is something the town should do all together. I've never seen such a division that this has caused and everyone should pay their share. Ocean front already pay more than others. We have 200 feet in front of us now because we paid to move our house back after Hurricane Fran. In front of us there is at least 75 feet in front of the dune that we can't use that the public uses. We provide this service to the public and we pay taxes for that. We need to join together and everyone should carry their share. Where have districts come from? Quit working against each other.

Mel Hauser, St. Regis, said that half of the parcels in this town are ocean front so half the owners are ocean front. How much narrower can you be? If you divide the town into districts you will divide it into 2 towns. Our neighbors are not neighborly. Don't look for an excuse not to help others out by looking to try to separate CBRA from Non CBRA. Dick Macartney deserves accolades. When this was discussed, the federal government said they could start the project in 2012 but there could be no money in the budget and money we would put in this project we would get reimbursed. Let's not find reasons to screw each other. Don't use 90/10. We have lost houses on this island.

Jack Gallagher, 260 Sea Shore said that he has been coming here for 15 years but he doesn't have a vote. It is not fair that ocean front should pay the lion's

share since the entire island benefits. He would favor this if it was fairly distributed. With this recent valuation we pay more. In the past when dunes have eroded I have invested to get sand pushed and planted and put up sand fence and when the town came in we were told we were ineligible because we did it on our own. I am in favor of beach nourishment if everyone paid an equal share.

Paul Dorazio, 131 Old Village Lane said that he lives on the soundside and has lived on the island for 15 years. He has been through Fran and other storms. Other people haven't experienced hurricanes like Fran. Inlets cut into the town and the whole infrastructure was out and the dune system was gone. Without a dune system we don't have a town. Everyone is here because they love the beach. It is not fair for the oceanfront to pick up the burden for that for everyone's pleasure. It should be 50/50.

Rusty Brashear, 128 Ocean View Lane said the most important message is to behave as one town. Why have things become so mean? We have a long history working with politics and this Board is too clever and they are not doing a good job. You are not getting it. That is sad. I have been here for a year. I'm sorry I built a big house on the beach and I give my fair share and pay my taxes, but it is not fair to pay 90%.

Lenny Denittis, 126 N. Permuda Wynd asked if FEMA paid for the erosion on Indian Beach did they have any CBRA area and Attorney Whitford said no, but FEMA has come in other towns to pay for sand that washed away. Mr. Macartney noted that FEMA has paid in CBRA zones. Alderman Tuman said if there is a storm FEMA would put it back to the way it was before a storm.

James, 3522 Island Drive said that he lives across from Heron Cay and you should see people come from there and they use the beach more than we do, but when you want to charge me 90% it is not right.

Kathy Dewey, 108 Scotch Bonnet said she is ocean front and if we are two separate entities, what would happen to non ocean if you did not have access, would you get the rentals, would you have same town services. We all benefit and we should all pay to keep the beach accessible. How much of town revenue comes from ocean front and how much has the revenue increased. If we have to pay more taxes we will have to charge more for rentals. This will affect town revenues. Power to tax is power to destroy.

Regina Scupp, 3756 Island Drive said that we don't have a rental property and have been here 20 years and when we looked for property it had to be only in a federal flood zone. My taxes have gone up 125% and I'm afraid I will have to sell. So many homes are up for sale and she was concerned of the additional \$5,000 and property values are going down.

612

Vito DiSpigna, 1866 New River Inlet Rd. said the main issue is that the tax district is dividing us. No proposal should divide a town. A few years ago we came up with a 3% occupancy tax and thought that would take care of beach nourishment. I am for this but this is not the way to go. You are dividing owners who don't live here. There are 141 owners at Topsail Dunes and less than a dozen live there full time and it is not fair that they will vote for everyone. He wished the aldermen would have the power to create a special election. This will divide us and is unfair. Onslow County has a regional access to the beach, but we can't tax the county on ocean front properties they have. In the future, public hearings should have legislators here so they can offer their help.

Hanna McCloud, 1835 New River Inlet Road said that she owns several properties on the oceanfront and she lives on the soundside. I can't imagine where 90/10 came from. Do we have recourse, will there be more meetings? Beach nourishment is important but will it work. Are we going to be able to save this town and our beach?

Barbara Matz, Island Drive said if there couldn't be a special election maybe we could see how people feel in the community. It might work, but it is unfair for the ocean front to pay more.

Dorothy Hall, Island Drive, said she was a registered voter in Pender County and she vote here and the answer was no.

Bob Hale said we are all one town and all are citizens and he asked why letters only went out to Oceanside. Mr. Macartney said this is a legal proceeding and those affected the most is the ocean front district. Mr. Hale said that the board could say we could pay more.

Cinda Sullivan said that she owns several properties and there is a lot of animosity here if we have two districts. Many have said they would put sand fence to where the high tide water mark is and this will start wars. Why don't we make it fairer?

Paul Wong, St. Regis said he was terribly shocked that the leadership of the town as well as the lawyers are trying to create a special district. It is a bad idea and dangerous. I study many writings, and there are reasons for civil wars and this must be amended and you should not create special districts. People cross the bridge to an island, the more you cross the more you pay. I urge you to abandon this idea.

David Rhode, Ocean Drive said he is ocean front and it is a bad idea to have different areas of tax since we are all together. If we do pay a special tax are we guaranteed our property will last and will I be entitled to rebuild my house and if not what are we paying taxes for?

Citizen said how do you account for the occupancy tax? Mayor Knowles noted that it is an honor system but it is checked on. Neighbors turn neighbors in. Mrs. Carbone noted that the Finance Officer has checked on rental properties to see if they are paying.

Mr. Graziosi said there are percentages of people who said they want beach nourishment. Mr. Macartney noted that 61% said their property would be jeopardized, 91% said we should address it. The Issue is the money. Mr. Graziosi said that 91% said they want beach nourishment. Mr. Macartney noted that 870 out of 3000 surveys were received back.

Alderman Farley moved, seconded by Alderman Handy to close the public hearing at 9:40 p.m. The motion passed unanimously.

The Mayor requested a 10 minute break at 9:40 p.m. and the Board went back into session at 9:50 p.m.

**RESOLUTION DEFINING A
MUNICIPAL SERVICE DISTRICT FOR BEACH EROSION
CONTROL AND FLOOD AND HURRICANE PROTECTION WORKS**

TOWN OF NORTH TOPSAIL BEACH

WHEREAS, the North Carolina General Statutes at Chapter 160A-535, et seq., provide for the establishment of municipal service districts in order to finance, provide, or maintain services in addition to or to a greater extent than those financed, provided or maintained for the entire town; and

WHEREAS, North Carolina General Statute 160A-536 provides that a municipal service district may be created to provide beach erosion control and flood and hurricane protection works; and

WHEREAS, the ocean beaches and sand dunes within the Town of North Topsail Beach have experienced significant erosion over the last decade to the point that ocean front structures have been damaged and destroyed, private and public land has been washed away, and existing ocean front structures and land are threatened by the waters of the Atlantic Ocean. The loss of structures and land, and the threat of additional loss of structures and land, cause economic harm to property owners in

6-1

town and have a negative impact on property values. These losses and economic harm in turn threaten the town's tax base. The losses also diminish the aesthetic value and recreational use of the ocean beaches which threatens the stability of the tourism industry in the town; and

WHEREAS, having studied the issue, the Board of Aldermen finds that a beach nourishment project is viable and feasible; and

WHEREAS, the Board of Aldermen has determined that a municipal service district will most efficiently provide for the financing of the beach nourishment project; and

WHEREAS, the Town anticipates that general obligation bonds will be authorized for the beach nourishment project and tax revenues generated from the municipal service district will be used to retire a significant portion of the debt; and

WHEREAS, the Board of Aldermen has conducted a public hearing on the creation of a municipal service district after having notified the affected property owners via first class mail, and having advertised the proposed creation of the municipal service district in the Jacksonville Daily News as required by law; and

WHEREAS, the report required by North Carolina General Statute 160A-537 is and has been on file with the Town Clerk.

NOW, THEREFORE, BE IT RESOLVED by the Board of Aldermen of the Town of North Topsail Beach as follows:

1. The Board of Aldermen of the Town of North Topsail Beach hereby defines and establishes the District, a municipal service district, that includes all properties as indicated on the attached maps. The properties in the District are, or appear, adjacent to the Atlantic Ocean beach or adjacent to the frontal dune and include the entirety of Onslow County tax parcels, regardless of whether they extend over Highway 210 (Island Drive) or State Road 1568 (New River Inlet Road), that are considered ocean front or adjacent to the frontal dune.

2. The Board of Aldermen makes the following findings:

The properties within the District are in need of a beach erosion and flood and hurricane protection works project by way of beach nourishment to a demonstrably greater extent than the remainder of the town because of the clear and present danger to the properties and structures thereon from continued erosion of the beaches and ocean overwash. The ocean front property owners included in the District will receive the greatest benefit from beach renourishment in that the beach renourishment project will provide additional protection from hurricane and other storm events and should reduce the likelihood of damage to, and/or destruction of, these properties. The beach renourishment project is expected to maintain and enhance the property values of ocean front properties. The beach renourishment project will also reduce the need for ocean front property owners to rebuild temporary sand berms in front of their properties following storm events.

3. The District shall be immediately abolished if the proposed bond referendum for the Town of North Topsail Beach which is intended to be held in November of 2006 is not approved. If the proposed beach renourishment bond referendum is approved, the District shall be abolished at the end of the fiscal year in which the general obligation bonds are fully (successfully) retired, absent compelling reasons to continue the District.

4. Anticipating that general obligation bonds will be authorized for the Project, the District is effective immediately, but property taxes within the district, in addition to those levied throughout the town, shall not be levied for the first time until the fiscal year 2007-2008 provided that the district has not been abolished as indicated in statement 3 above.

Enacted on motion of Alderman Farley seconded by Alderman Peters and carried on a vote of 4 in favor and 1 against.

This the 9th day of August, 2006.

6/16

Mayor Pro Tem Hardison said he was not sure if he was prepared to vote tonight. There has been a lot to come forth tonight as to where we are right now as to what people are expressing. CBRA vs. non CBRA, voters vs. non voters, neighbors, vs. neighbors. Listening to the information that was shared tonight, he was not sure if they heard equal information from the other side. He was concerned that the letter went out only to district people. I know there are certain things required but it was unfair to the citizens not to receive this information. This is not a good time to take this into a vote. Attorney Whitford said he was not aware of a requirement that a vote be taken tonight. We need to ask bond counsel as to the referendum requirements. Attorney Poley asked when he would like to make a decision and Mayor Pro Tem Hardison said in whatever the timeline is that we are trying to stay within. He didn't want to feel that the timeline is putting this body into a position. Mayor Knowles suggested the September 7th meeting. Attorney Poley said he would need to talk with the Board of Elections. Attorney Whitford said that the Bond Referendum has to be voted on tonight. Attorney Poley believed that September 7th could be all right, but they might have to get the statute changed. The Board of Elections would have 2 months. If you wanted to table this for a year it makes it easier on the bond side. Alderman Tuman said if we went ahead to approve the municipal district it wouldn't presume we would tax one portion of the town over another one. He didn't know if the Board would be wiser on September 7th. He said there was a level of discomfort that postponing would accomplish anything. Discussion becomes of what is and what is not fair. It doesn't commit us at this point for tax rates. Alderman Tuman said not to postpone and to move it along and consider everything you heard tonight and approve it and apply good judgment in setting the tax rate.

Attorney Whitford noted that Attorney Poley spoke with the Board of Elections today and she is expressing concern of the timing of getting district boundaries to her and the Board should act on this tonight and you won't have to set a tax rate tonight. Mayor Pro Tem Hardison said he would agree on the general districts, but his concern on the other hand is that information was not sent out to everyone.

Alderman Farley noted that there was absolutely no question in his mind that the purpose of beach nourishment is protection. This is not about recreation, it is about protecting properties. The dissemination is ocean front. This is done this way in most towns with tax districts. In Emerald Isle the .48 and .3 cent district narrowly passed. It's not because that an alderman lives in a specific place, the problem is ocean front. There is real concern that the benefit is disproportionate. In the Resolution it states that this is a "protection works project". We went to the LGC who authorizes us to have bonds and determines the limit of 34 million. One reason for one district is that they could not demonstrate the benefit to a second district. I've been here since Hurricane Fran and most of the damage is to the oceanfront. Issue is the money, it is a huge project.

The Motion passed 4 to 1 with Alderman Handy opposing.

PUBLIC HEARING FOR CALLING OF A BOND REFERENDUM:

Alderman Farley moved, seconded by Alderman Handy to open the public hearing to call for a bond referendum. The motion passed unanimously.

Mr. Yawn, Village of Stump Sound said he was in favor of a bond referendum since it is important to voice our opinion but it is important what the true financial parameters are. When we set the tax rate next May it could be 50/50 or 100/0 and when we vote in November we don't know what we are voting on. Instead of leaving this for other boards you should set up an assessment of 8 equal installments so we know what we are voting for.

Mark, Shipwatch said he didn't understand what they were commenting on and that he is ocean front and he asked what the length of the bond was and what is the interest rate? Attorney Poley said that this process started in June and he addressed the board at that time and in July the bond order which allows for the borrowing of money to do the beach nourishment project was adopted on the first reading. A notice of public hearing was published. Voters of the town, as defined by the Onslow County Board of Elections, that you are a resident of NTB and are allowed to vote if the town is authorized to issue up to 34 million beach nourishment bonds within the next 7 years. This correlates to engineering studies. A Bond Referendum takes place on November 7th and you would need votes in districts. Assuming the bond issue passes, you would go before the Local Government Commission and in the early fall of 2007 borrow bonds. The LGC has said we would have to do no more than a 20 year bond to borrow up to 34 million. We said we would do this in 2 stages. Money would have to be paid back in 8 years. All property would have to pay taxes until the levy is paid off. Interest rate would be set on the day bonds are sold on a competitive process. The town has a 75 bond rating which satisfied the LGC. The LGC and State of NC are the most conservative for towns to borrow money.

Winn Batten, Topsail Reef said he was disappointed with the comments that you approved going into a special district. If this was for the whole town I would have fought for this. If you go to special district I will do everything I can to vote this down.

Dawn Brannon, Island Drive confirmed that if the bond referendum is voted down there are no tax districts and we have to bring this to a vote.

Alderman Handy noted that because the bond issue is 34 million it doesn't mean we have to issue all of it. Attorney Poley said you could borrow up to 34 million and use the proceeds set within the parameters of beach nourishment. Alderman Handy said if we borrow 20 million and just use 10 million, could we invest the rest. Attorney Poley said no, the state will just give you what you need

and tax laws forbid you to get money that you will use to just invest. You need the bids in hand and they will give you a little cushion.

Mary Snead asked in this referendum do we vote in writing some place and Attorney Poley said that there are separate ballots and this will be published. The order authorizes not exceeding 34 million and you have to register to vote by October 13th. Constitution of NC states you have to be a resident for one year, but they use 30 days now as the limit. Alderman Handy noted that the registration form states if anything on the form is not true you will be fined and it is a felony.

M. Borrazzo said why would you want to have a vote on beach nourishment that would go into defeat? Having established the tax districts, what is the profile of the voters in that district? We have to know what people are voting on. It is time to go slow and sort out issues.

Attorney Poley said that the November 7th date is purposely set because it is a general election and will save the town money.

Jack Gallagher asked if registered voters on the entire island vote or just the service district. Attorney Poley said the entire town and we would get two results - town wide and service district.

Russell Proctor asked what constitutes a resident? Mayor Knowles said that NTB has to be your primary residency. Alderman Farley said he had a letter from the chief counsel of the state board of elections that gives the requirements. Mr. Proctor said if the bond is voted down what would be Plan B. Consensus is beach nourishment is needed. Mayor Knowles said if it is voted down then the district is eliminated. Alderman Tuman said the challenge of this board is to find what the voters will support. As a voter I was challenged and they wanted me to demonstrate that I had my car registered in Onslow County.

Citizen, 240 Topsail Reef asked if and when the bond gets voted down what is the plan for beach nourishment and Mr. Macartney said they meet the third Wednesday of the month.

Mr. Yawn said that he didn't envy the Board and you have to figure the split for it to pass. 30% of voters will vote no. I live 300 yards from the ocean. If we don't do beach nourishment, ocean front might lose their properties. If you make it 50/50 I will spend money and I won't get anything for that. My house won't increase, my value will go down. I will support beach nourishment if I get taxed a little and I will support it at 90/10.

Mayor Pro Tem Hardison said that once we get the district settled and put figures to it and let's assume it passes, would something be done to make sure that amount is secured or an agreement is secured for the next 8 years. Attorney

Poley said that the general rule is that one council can not bind another council. Alderman Farley said that we sign contracts all the time and Mr. Brad Smith said that the next board cannot appropriate and cannot bind the next body on their legislative authority. Attorney Poley said that General Obligation Bonds are binding the town for the next 20 to 30 years. That is why it goes to the voters. The LGC has made it clear that they want it structured to pay it out for 8 years. 20 years might be done to get that flexibility. Emerald Isle went with 8 years. Pine Knoll Shores said 20 years and they have money in a pile for beach nourishment. 34 million dollars is spent just on beach improvements.

A Citizen asked if they could build another beach access with this money and Attorney Poley said they have the option to do that.

Alderman Farley noted that the proceeds of the bond provides beach improvement and recovery, nourishment and dune access areas. A Citizen said that you will assess the ocean front and now you see a new beach access so everyone on the sound side comes and uses the access.

Mary Convy said that she has suggested that we improve our website and make more information available. She said they spent a lot of time listening to ocean front owners and she was disappointed when someone has an opposing opinion that they are shouted down. We will be protecting financial interests of everyone.

John Borrazzo said it was not simple to get the right split. There needs to be a common vision for the town and you need to increase the burden. You will force people to move away. Be careful of policies that will change the character of the town.

A Citizen apologized for interrupting others and said that your property will increase in value. I can't stand anymore taxes and I had to go back to work to pay them. I work hard on my dunes myself and have bought sand fence and plants and have paid to have sand pushed. I protect other properties with my dunes.

Bob Swantek asked who approved this map and did everyone review it. Alderman Handy said that the map was drawn with properties that own to the dune. Property is owned by someone else who has deeded access. Mr. Swantek said they are not paying taxes on unbuildable property, how can you say that. Alderman Handy said if you don't own it you don't pay taxes on it. Mr. Swantek said that is bogus.

Alderman Handy moved, seconded by Alderman Tuman to close the public hearing. The motion passed unanimously.

Alderman Tuman moved, seconded by Alderman Peters adoption of the Bond Order.

160D

**ORDER AUTHORIZING \$34,000,000
BEACH IMPROVEMENT BONDS**

BE IT ORDERED by the Board of Aldermen for the Town of North Topsail Beach, North Carolina:

1. That, pursuant to The Local Government Bond Act, as amended, the Town of North Topsail Beach, North Carolina, is hereby authorized to contract a debt, in addition to any and all other debt which said Town may now or hereafter have power or authority to contract, and in evidence thereof to issue Beach Improvement Bonds in an aggregate principal amount not exceeding \$34,000,000 for the purpose of providing funds, together with any other available funds, for providing beach improvements and recovery, including, without limitation, beach nourishment, sand dunes, additional sand and vegetation, beach access areas, within and without the corporate limits of said Town, and any necessary equipment.

2. That taxes shall be levied in an amount sufficient to pay the principal of and the interest on said bonds.

3. That a sworn statement of the debt of said Town has been filed with the Town Clerk and is open to public inspection.

4. That this order shall take effect when approved by the voters of said Town at a referendum as provided in said Act.

The foregoing order was adopted on the 9th day of August, 2006, and is hereby published this 18th day of August, 2006. Any action or proceeding questioning the validity of the order must be begun within 30 days after the date of publication of this notice.

Alderman Farley said there is a possibility that the rate that will be applied will not be done until after the bond is approved and we will have numbers for you. Dawn Brannon said that the rate could change. Mr. Smith said he has been a town manager for 15 years and on the most part, a new board will respect the previous board and it is a rare occurrence when they don't.

The Bond Order was unanimously approved.

Alderman Tuman moved, seconded by Mayor Pro Tem Hardison to approve the Calling of a Bond Referendum. The motion passed unanimously.

EVIDENCING OF HOLDING A PUBLIC HEARING ON THE BONDS:

The Board of Aldermen for the Town of North Topsail Beach, North Carolina, met in a special meeting at the Town Hall located at 2008 Loggerhead Court in North Topsail Beach, North Carolina, the regular place of meeting, at 7:00 p.m. on August 9, 2006.

Present: Mayor W. Rodney Knowles, presiding, and Mayor Pro Tem Larry Hardison, Aldermen Richard Farley, Fred Handy, Richard Peters and Daniel Tuman

Absent: N/A

Also present: Bradley Smith, Town Manager, Loraine Carbone, Town Clerk

* * * * *

Mayor Knowles announced that this was the hour and day fixed by the Board of Aldermen for the public hearing upon the order entitled "ORDER AUTHORIZING \$34,000,000 BEACH IMPROVEMENT BONDS" and that the Board of Aldermen would immediately hear anyone who might wish to be heard on the questions of the validity of said order or the advisability of issuing said bonds.

A list of all persons making comments on the questions of the validity of said order or the advisability of issuing said bonds, together with a summary of such comments and all written statements received by the Town Clerk relating to said questions, are attached hereto as Exhibit A.

The public hearing was closed.

All statements and comments by participants of the public hearing were duly considered by the Board of Aldermen.

66 ✓

Thereupon, upon motion of Alderman Tuman, seconded by Alderman Peters, the order introduced and passed on first reading on July 6, 2006 entitled "ORDER AUTHORIZING \$34,000,000 BEACH IMPROVEMENT BONDS" was read a second time and placed upon its final passage. The vote upon the final passage of said order was:

Ayes: 5
Noes: 0

Mayor Knowles then announced that the order entitled "ORDER AUTHORIZING \$34,000,000 BEACH IMPROVEMENT BONDS" had been adopted.

The Town Clerk was thereupon directed to publish said order, together with the appended statement as required by The Local Government Bond Act, as amended, once in The Daily News.

Thereupon, Mayor Knowles introduced the following resolution the title of which was read and copies of which had been previously distributed to each Alderman:

RESOLUTION CALLING FOR A BOND REFERENDUM

BE IT RESOLVED by the Board of Aldermen for the Town of North Topsail Beach, North Carolina (the "Town"):

Section 1. A bond referendum is hereby called to be held between 6:30 a.m. and 7:30 p.m., on Tuesday, November 7, 2006, at which there shall be submitted to the qualified voters of the Town the question stated in the form of ballot set forth in Section 4 of this resolution.

Section 2. For said referendum, (i) the registration records for elections in the Town shall be used, and the registration records shall be open for the registration of

qualified persons and for public inspection in the manner, under the conditions and at the times and places provided by the Onslow County Board of Elections, (ii) the chief judges, judges and assistants appointed by the Onslow County Board of Elections for the several precincts and voting places in the Town shall be the precinct officers for such precincts and voting places and (iii) the precincts and voting places shall be that fixed by the Onslow County Board of Elections, subject to change as provided by law. The Onslow County Board of Elections is hereby requested to conduct said referendum in the Town and to take all necessary steps to that end in accordance with the provisions of this Section.

Section 3. The Town Clerk shall cause a notice to be published in The Daily News once at least fourteen days before October 13, 2006 (being the 25th day prior to said referendum), and once again not less than seven days before said day, such notice to read substantially as follows:

NOTICE OF BOND REFERENDUM
TOWN OF NORTH TOPSAIL BEACH, NORTH CAROLINA

A bond referendum will be held in the Town of North Topsail Beach, North Carolina on Tuesday, November 7, 2006, regarding approval of not to exceed \$34,000,000 BEACH IMPROVEMENT BONDS of said Town. The proceeds of said beach improvement bonds would be used for providing beach improvements and recovery, including, without limitation, beach nourishment, sand dunes, additional sand and vegetation, beach access areas, within and without the corporate limits of said Town, and any necessary equipment, all as set forth in the bond order adopted by the Board of Aldermen for said Town on August 9, 2006. If said beach improvement bonds are

664

issued, taxes in an amount sufficient to pay the principal and interest thereof may be levied upon all taxable property in said Town.

The referendum will be conducted by the Onslow County Board of Elections. The last day for new registration of those not now registered to vote is Friday, October 13, 2006. For further information and questions regarding said referendum, voter registration, procedures for those residents who have changed residences from the date of the last election, voting by absentee ballot, one stop voting and polling places, please contact the Onslow County Board of Elections, 521 Mill Avenue, Jacksonville, North Carolina 28540, (910) 455-4484.

The Onslow County Board of Elections' website is <http://www.co.onslow.nc.us/elections>.

As provided by Section 160A-543 of the General Statutes of North Carolina, to the extent applicable, the bond question must be approved concurrently by a majority of those citizens voting throughout the entire said Town and by a majority of the total of those citizens voting in the affected or to be affected service district of said Town.

James Yantorn
Chairman, Onslow County Board of
Elections

Loraine M. Carbone, CMC
Town Clerk, Town of North Topsail Beach,
North Carolina

Section 4. The form of the ballot to be used at said referendum shall be substantially as follows:

OFFICIAL BALLOT
BOND REFERENDUM
TOWN OF NORTH TOPSAIL BEACH, NORTH CAROLINA

November 7, 2006

665

Instructions

- a. To vote IN FAVOR OF THE ORDER, complete the arrow at the right of the word "YES."
- b. To vote AGAINST THE ORDER, complete the arrow at the right of the word "NO."
- c. If you tear or deface or wrongly mark this ballot, return it and get another.
- d. Use only the pen or pencil provided.

Shall the order adopted on August 9, 2006, authorizing not exceeding \$34,000,000 BEACH IMPROVEMENT BONDS of the Town of North Topsail Beach, North Carolina, for the purpose of providing funds, together with any other available funds, for providing beach improvements and recovery, including, without limitation, beach nourishment, sand dunes, additional sand and vegetation, beach access areas, within and without the corporate limits of said Town, and any necessary equipment, be approved?

YES []

NO []

[Facsimile of signature]
 Chairman of the Onslow County
 Board of Elections

Note: Language on the ballot should be revised as necessary to reflect the method of voting used by the Onslow County Board of Elections.

Section 5. The Board of Aldermen acknowledge that the bond question must be approved concurrently by a majority of those citizens voting throughout the entire Town and by a majority of the total of those citizens voting in the affected or to be affected service district of the Town, all as provided by § 160A-543 of the General Statutes of North Carolina, to the extent applicable.

Section 6. The Town Clerk is hereby directed to mail or deliver a certified copy of this resolution to the Onslow County Board of Elections within three days after the adoption hereof.

66

Section 7. This resolution shall take effect upon its passage.

Thereupon, upon motion of Alderman Tuman, seconded by Mayor Pro Tem Hardison, the foregoing resolution entitled "RESOLUTION CALLING FOR A BOND REFERENDUM" was passed by the following vote:

Ayes: 5

Noes: 0

* * * * *

I, Loraine M. Carbone, CMC, Town Clerk 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 Board of Aldermen for said Town at a special meeting held on August 9, 2006, as it relates in any way to the holding of a public hearing, the adoption of a bond order authorizing bonds of said Town and the adoption of a resolution calling for a bond referendum upon such order and that said proceedings are recorded in the minutes of said Board of Aldermen.

I DO HEREBY FURTHER CERTIFY that notice of such special meeting was given to each Alderman in accordance with law and that at least 48 hours before the time of said meeting, written notice of said meeting stating its purpose (a) was posted on the principal bulletin board of said Town and (b) was mailed or delivered to each newspaper, wire service, radio station and television station which has filed a written request for such notice with me and to each other person who has filed a written request for such notice with me pursuant to G.S. 143-318.12.

I DO HEREBY FURTHER CERTIFY that I mailed or delivered a certified copy of the resolution passed on August 9, 2006 entitled "RESOLUTION CALLING FOR A

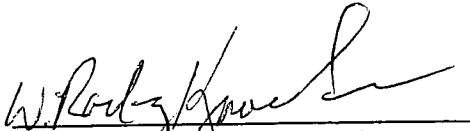
BOND REFERENDUM" to the Onslow County Board of Elections on or before the third day following the passage of said resolution.

WITNESS my hand and official seal of said Town this 9th day of August, 2006.

ADJOURNMENT:

Alderman Tuman moved, seconded by Alderman Handy to adjourn the meeting at 10:55 p.m. The motion passed unanimously.

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



Mayor W. Rodney Knowles

9-7-06
Date Approved

668

TOWN OF NORTH TOPSAIL BEACH

CLERK'S CERTIFICATE OF MAILING NOTICE
OF PUBLIC HEARING

I, Loraine Carbone, Clerk of the Town of North Topsail Beach, certify, pursuant to G.S. 160A-537(c), that a copy of the attached "Notice of Public Hearing on the Proposed Establishment of a Municipal Service District for Purposes of Providing Beach Erosion Control and Flood and Hurricane Protection Works" was mailed on July 7, 2006, by first class U.S. Mail, fully prepaid, to the owners as shown by the Onslow County tax records as of January 1, 2006, and at the addresses shown thereon, of all property located within the proposed service district.

This the 9th day of August, 2006.

Loraine Carbone
LORAINÉ CARBONE
Town Clerk
Town of North Topsail Beach

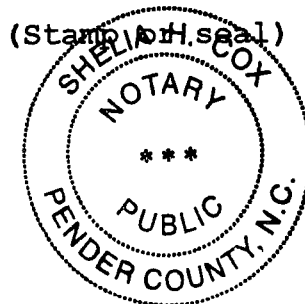
Onslow County, North Carolina

Signed and sworn to before
me this day by Loraine Carbone.

Date: August 9, 2006

Shelia H. Cox
Official Signature of Notary
Notary Public
3-21-07

My Commission Expires:



To: Property Owners in the proposed North Topsail Beach Municipal Service District

The Town of North Topsail Beach is considering establishing a municipal service district to help finance a proposed ocean beach nourishment project. You are being sent this notice of public hearing because the Onslow County Tax records indicate that you own property in the proposed district. You are invited to the public hearing to present any comment on the proposal you would like to make. If you have questions, write or call Shelia Cox, Capital Projects Coordinator, Town of North Topsail Beach, 2008 Loggerhead Court, North Topsail Beach, North Carolina 28460, (910) 328-1349, sheliac@north-topsail-beach.org .

Town of North Topsail Beach

TOWN OF NORTH TOPSAIL BEACH

NOTICE OF PUBLIC HEARING ON THE PROPOSED ESTABLISHMENT OF A MUNICIPAL SERVICE DISTRICT FOR PURPOSES OF PROVIDING BEACH EROSION CONTROL AND FLOOD AND HURRICANE PROTECTION WORKS

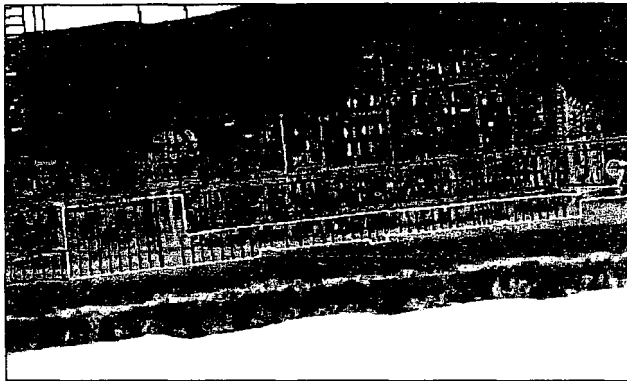
The Board of Aldermen for the Town of North Topsail Beach will conduct a public hearing on August 9, 2006 at 7:00 p.m. at North Topsail Beach Town Hall, 2008 Loggerhead Court, North Topsail Beach, North Carolina 28460, to receive public comment on the proposed establishment of a municipal service district (the "District" hereinafter), authorized by Article 23 of Chapter 160A of the North Carolina General Statutes, for the purpose of financing, providing, and maintaining beach erosion control and flood and hurricane protection works through the nourishment of the Atlantic Ocean beach within the corporate limits of the town. Tax revenues derived from the proposed District together with other general ad valorem tax revenues would be used to finance a comprehensive beach nourishment project within the Town of North Topsail Beach, and particularly to repay general obligation bonds of the town should such bonds be authorized by the town's citizens.

Maps of the proposed District are attached and the proposed District consists of the properties outlined in yellow. A report prepared in accordance with North Carolina General Statute ' 160A-537 which also contains a map of the proposed District, a statement showing that the proposed District meets statutory standards, a plan for providing beach erosion control and flood and hurricane protection works, and a statement that the special property tax proposed to be levied within the District is anticipated to be between 40 to 50 cents per \$100.00 valuation in addition to the general ad valorem tax levy, is available for public inspection in the office of the Clerk for the Town of North Topsail Beach.

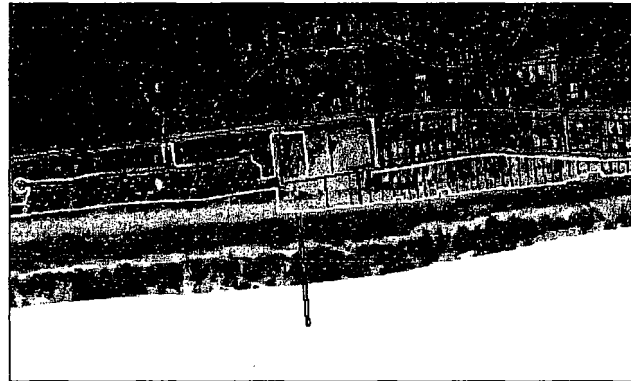
This the 6th day of July, 2006.

Loraine Carbone
Town Clerk & Interim Town Manager
Town of North Topsail Beach
2008 Loggerhead Court,
North Topsail Beach, North Carolina 28460

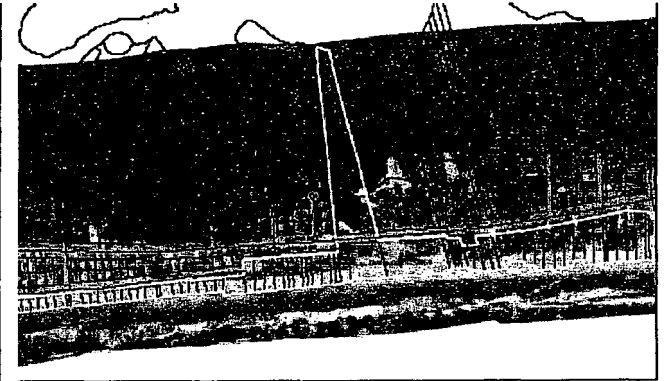
North Topsail Beach proposed Municipal Service District. The Municipal Service District is outlined in yellow and generally the District will consist of all properties in town considered ocean front or adjacent to the frontal dune including the entirety of Onslow County tax parcels, regardless of whether they extend over Highway 210 (Island Drive) or State Road 1568 (New River Inlet Road), that are considered ocean front or adjacent to the frontal dune. The District will extend from the southern North Topsail Beach city limit line to New River Inlet.



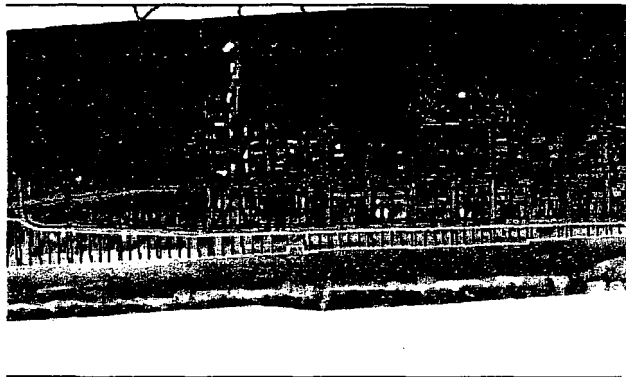
This map segment shows the proposed municipal service district from the southern North Topsail Beach city limit line northward to the vicinity north of the intersection of Sloan Street and Sea Shore Drive and the cul-de-sac at the southern end of Permuda Wynd Drive.



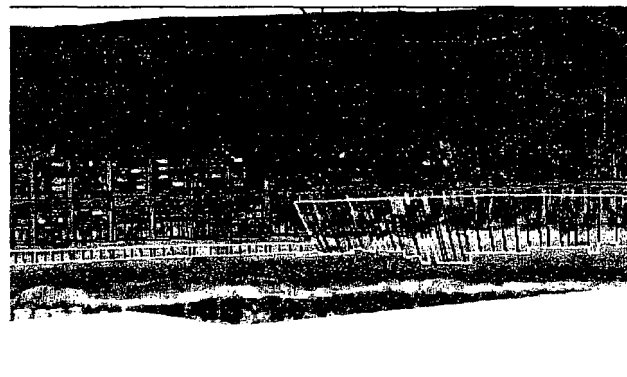
This map segment shows the proposed municipal service district from the vicinity of the cul-de-sac at the southern end of Permuda Wynd Drive northward to the vicinity of the intersection of Chestnut Street and Ocean Drive.



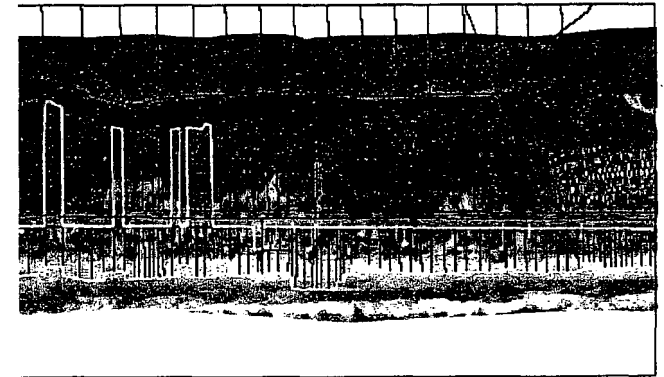
This map segment shows the proposed municipal service tax district from the vicinity of the intersection of Chestnut Street and Ocean Drive northward to the vicinity of the intersection of Topsail Road and Island Drive.



This map segment shows the proposed municipal service district from the vicinity of the intersection of Topsail Road and Island Drive northward along Topsail Road to the vicinity north of the intersection of 8th Avenue and Topsail Road.

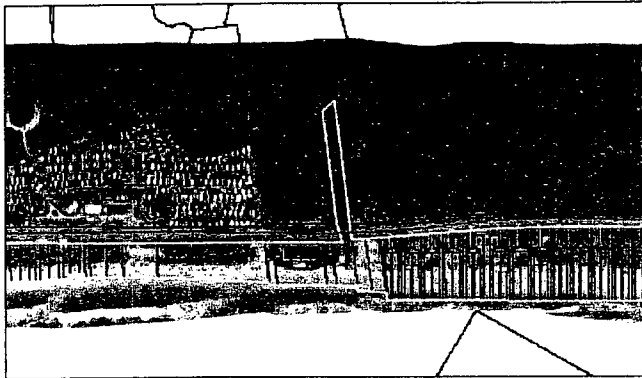


This map segment shows the proposed municipal service district from the vicinity of the intersection of 8th Avenue and Topsail Road northward to the vicinity of that property having the address of 3670 Island Drive.

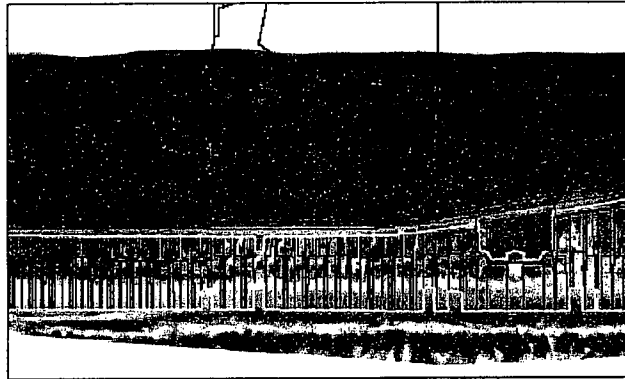


This map segment shows the proposed municipal service district from the vicinity of that property having the address of 3670 Island Drive northward to the vicinity north of the intersection of Hunter Heath Drive and Island Drive (the vicinity of that property having the address of 3974 Island Drive.).

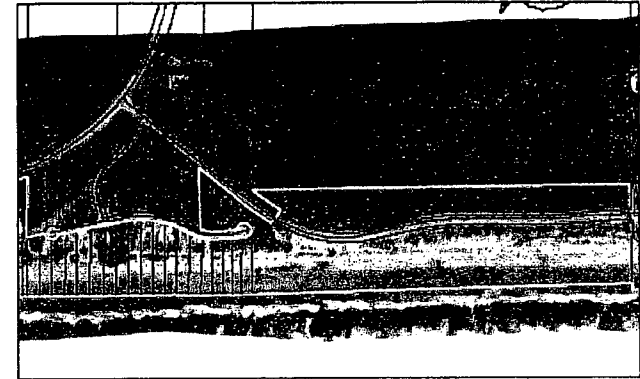
North Topsail Beach proposed Municipal Service District. The Municipal Service District is outlined in yellow and generally the District will consist of all properties in town considered ocean front or adjacent to the frontal dune including the entirety of Onslow County tax parcels, regardless of whether they extend over Highway 210 (Island Drive) or State Road 1568 (New River Inlet Road), that are considered ocean front or adjacent to the frontal dune. The District will extend from the southern North Topsail Beach city limit line to New River Inlet.



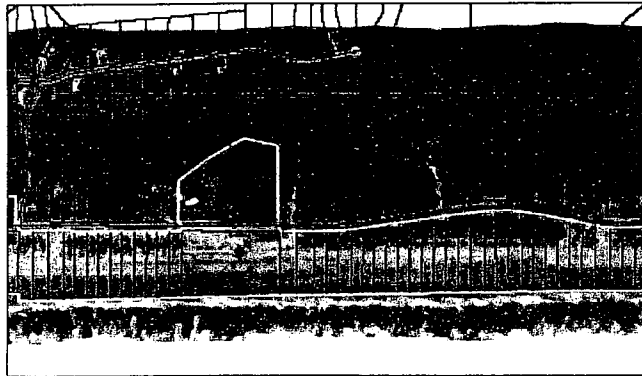
This map segment shows the proposed municipal service district from the vicinity northeast of the intersection of Hunter Heath Drive and Island Drive, this vicinity property having the address of 3968 Island Drive, northward to the vicinity of that property having the address of 4276 Island Drive.



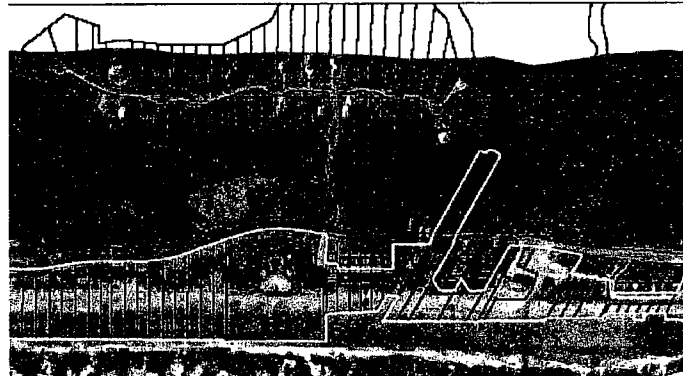
This map segment shows the proposed municipal service district from the vicinity of that property with an address of 4276 Island Drive northward to that vicinity at the northern most intersection of Hampton Colony Circle and Island Drive.



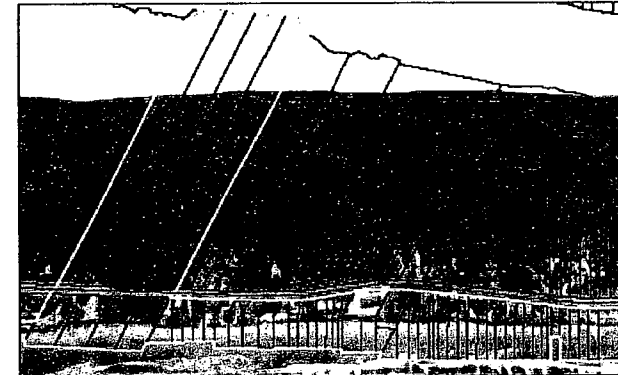
This map segment shows the proposed municipal service district from the vicinity at the northern most intersection of Hampton Colony Circle and Island Drive northward to the vicinity of the intersection of Osprey Drive and New River Inlet Road.



This map segment shows the proposed municipal service district from the vicinity of the intersection of Osprey Drive and New River Inlet Road northward to the vicinity south of the intersection of Sea Dunes Court and Island Road, this property having an address of 682 New River Inlet Road.

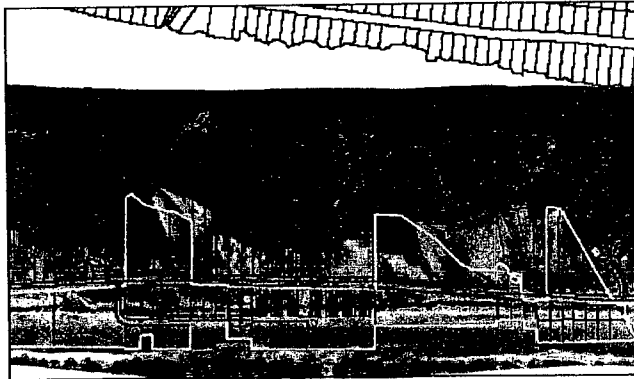


This map segment shows the proposed municipal service district from the vicinity of that property having the address of 682 New River Inlet Road northward to the vicinity north of the intersection of Goldsboro Lane and New River Inlet Road.

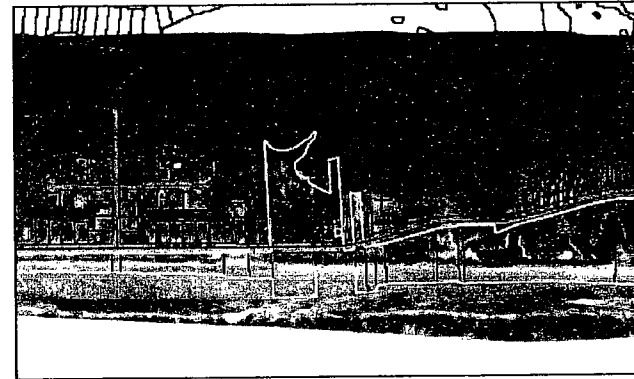


This map segment shows the proposed municipal service district from the vicinity north of the intersection of Goldsboro Lane and New River Inlet Road to the vicinity of that property across the street from the property having the address of 1263 New River Inlet Road.

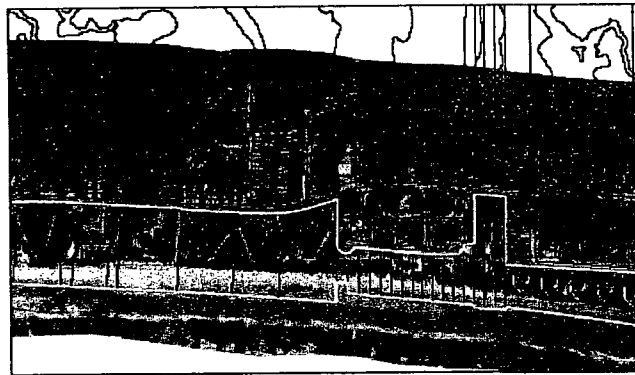
North Topsail Beach proposed Municipal Service District. The Municipal Service District is outlined in yellow and generally the District will consist of all properties in town considered ocean front or adjacent to the frontal dune including the entirety of Onslow County tax parcels, regardless of whether they extend over Highway 210 (Island Drive) or State Road 1568 (New River Inlet Road), that are considered ocean front or adjacent to the frontal dune. The District will extend from the southern North Topsail Beach city limit line to New River Inlet.



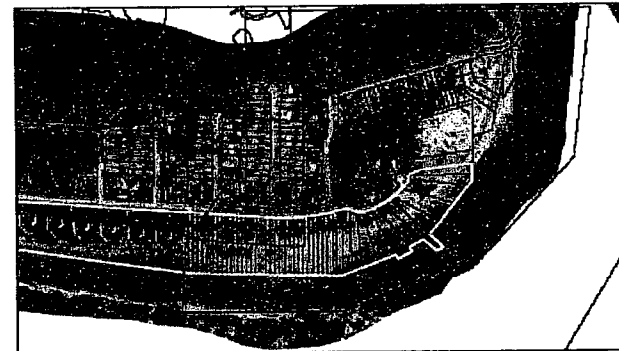
This map segment shows the proposed municipal service district from the vicinity south of the intersection of Jenkins Way and New River Inlet Road, that property having the address of 1263 New River Inlet Road, northward to the vicinity of that property east of the intersection of Bay Court and New River Inlet Road.



This map segment shows the proposed municipal service district from the vicinity north of the intersection of Bay Court and New River Inlet Road northward to the Shipwatch Villas Condominiums.



This map segment shows the proposed municipal service district from the vicinity at the Shipwatch Villas Condominiums northward to the vicinity of the Topsail Reef condominiums.



This map segment shows the proposed municipal service district from the vicinity of the Topsail Reef condominiums to the vicinity of the ending cul-de-sac of New River Inlet Road.

109

**TOWN OF NORTH TOPSAIL BEACH
REGULAR BOARD MEETING
SEPTEMBER 7, 2006
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

NOT PRESENT:

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:

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

COMMITTEE REPORTS:

Beach Nourishment – Becky Bowman

Chairman Macartney could not be here tonight.

The last Beach Nourishment meeting was held as scheduled on August 16th. Time was spent discussing the August 9 public hearing and the establishment of the Special Oceanfront District.

Several oceanfront owners concerned about a high tax rate attended our meeting. To alleviate their concerns, Chairman Macartney explained how the proposed 75-foot beach would likely protect their property against storms.

A member suggested publicizing the September 18th public forum. Committee members agreed that more discussion among property owners about an equitable tax split is needed. It was pointed out that the committee cannot advocate for passage of the bond referendum and must remain neutral but we can facilitate factual communication about the plan and how it is to be paid for. So we urge everyone here tonight to come back on Monday, September 18th at 6:00 pm and discuss the tax rates for the two districts.

A discussion followed about the shortfall for planting sea oats due to the limited availability of inmate labor. Shelia reported that 94,888 sea oats have been planted so we

64
9/7/06

have until November to get the remaining 25,000 plants in the dunes. Essentially, the area still needing plants is north of the Sea View Pier.

The Corps of Engineers has completed the extra side scan sonar mapping of the near shore hard bottoms for the Surf City and Topsail Beach areas. These maps were shared with us on August 29th and although the impact did not look significant they must confer with state authorities to determine where additional surveying needs to be done. The next important date for the Corps project will be in October for the official presentation of the Alternative Formulation Briefing before Corps officials from DC and Atlanta. That will likely be in Wilmington and town representatives are welcome to show support by attending.

There is a PDT meeting for our C P & E project scheduled for September 26, 10 am. It will be an all day affair. In addition to reviewing the side scan sonar for hard bottoms in the Southern area, there should be an update on the revised buffer of 500 meter versus 400-foot requirement and an update of the bird-monitoring plan.

The largest hurdle to our town's beach nourishment efforts is this board's resolution of the tax rates for the two districts, and how property owners might be guaranteed that future boards will not run up the taxes for either the oceanfront or "other" district. Then it will be in the hands of voters in November.

The beach nourishment committee plans to hold at least one informational meeting in October to review the plan and answer questions. Tom Jarrett has offered his help and we encourage the board to support this effort as well.

Mayor Knowles asked Mrs. Bowman to explain what PDT is and Mrs. Bowman said that an environmental impact study is being conducted by Coastal Planning & Engineering. CP&E presents their statement and state agencies ask for any additional information they may need at Project Delivery Team (PDT) meetings.

Planning Board – Mike Yawn, Chairman:

Mr. Yawn said that the Planning Board met on August 10th and they held two public hearings – one on a conditional use permit application for Signature Coastal Development and one on a proposed ordinance change on repair, closing or demolition of abandoned or storm damaged structures. They are also working on modifications of sections 7-92 through 7-96, multi-family dwellings and bridge construction requirements. They did not act on the CUP which is next to the St. Regis because the applicant didn't want them to take a position that night. The Land Use Plan committee met the 29th of August. They went over the current proposed zoning maps and found a number of discrepancies and they want to make sure the format of the map meets the Board's approval. There will be an outline of the mainland and bridge to give us definition. Mr. Yawn said that he has asked for drafts of the LUP, but it is just demographic at this time.

Board of Adjustment – Jerry Convy, Chairman:

The Board of Adjustment met on August 17th and 24th. Mr. Eves' variance request (Section 7-142 – Other Yard Modifications) for his front steps at 7513 9th

9/7/06

Avenue was denied. Mr. Harris' request (Section 7-151 substandard lots), was approved with restrictions of the sewer tap; minimum setbacks are met; 30% coverage total and they would have to get a building permit within 6 months. The lot is 3500 square feet versus a normal lot at 5,000. Since the lot existed prior to existence of the town, they are only required 4,000. This property was considered a hardship since other lots in the area are all approximately the same size. His lot was unbuildable according to the town and he purchased the lot last year. Mr. Smith noted that the lot was subdivided in 1963 and it was conforming before the town was formed. Alderman Farley noted that our ordinance makes provisions for lots that were below 80% when the town was formed and their provision is to go to the Board of Adjustment but they would have to meet all other criteria. He was not sure that this request meets those criteria and Mr. Convy said that he did meet them. Mayor Pro Tem Hardison noted that this same property came before the Board a year ago and it was turned down at that time. The other aspect is that it falls well below the 80% requirement to build on.

MANAGER'S REPORT:

1. The Town did well through and after Tropical Storm Ernesto. The Town had very little if any damage to Town property. Several private properties sustained damage with the St. Regis sustaining the most damage. The Inspections Department is working on getting the cost estimates to FEMA. The dunes for the most part sustained little erosion, although in some areas, erosion was much more serious. I expect that these few property owners will apply for emergency push of sand from CAMA.
2. I attended the Chamber meeting. The Chamber has adopted a new pay scale and annual reviews for Chamber employees.
3. The letter inviting the public to attend the September 18th public forum was sent out to everyone in Town. (All property owners)
4. We will have a new planning, zoning, and CAMA officer in place Monday. Her name is Deborah Hill. She comes to us from the County Planning and Zoning Department. I and staff are excited to get her on board as quickly as possible. I will be working with her on all of the ongoing planning and zoning and CAMA issues for at least 30 days to get her up to speed.
5. I attended the Planning and Zoning meeting last month. Discussion centered on a condemnation ordinance for the Town. That ordinance is still being worked on.
6. I attended two Board of Adjustment meetings to hear request on two variances. One was denied and the other was given. Anyone wanting the particulars of either of these two hearing, please see me.
7. The dredging should be finished by Friday and the pipe will be removed starting Monday. This little bit of sand has had a positive impact on the northern shoreline, both north and south of where the pipe was placed. Sand placed south has migrated with the tides and currents to the north. The beach survived the storm in good condition.
8. I attended this month's Land Use Plan committee meeting. Several more corrections have been made to the zoning map. You each were sent a copy of the survey and the proposed zoning map. Please review very carefully and give me your input as soon as possible so that the final product is correct and ready for your adoption.
9. I attended the Topsail Island Shoreline Protection Commission meeting August 22nd.
10. I attended the Mayor's Dinner in Surf City with Mayor Knowles and Mayor Pro Tem Hardison. Senator Marc Basnight was the guest speaker.
11. On 30 August I attended a meeting with officials from the U.S. GAO. They were here on a fact finding of the CBRA areas versus non-CBRA areas. Especially as to how it pertains to the

637

9/7/06

development of each. Several citizens, Mayor Knowles, and all of the Board members were also present.

12. The garbage and garbage cans are still an issue. My plan is to meet with all realtors, property management companies and individuals and Waste Industries representatives to explain the problem. I think that we need to go to a Monday pickup during the summer instead of Tuesday. Renters leave on Sunday and leave full cans by the road for two days before pickup. This is very unsightly. Also cans need to be moved back to the building after pickup. Another issue is bags of garbage lying on the ground because the property does not have enough cans for the amount of garbage generated. Owners must get more cans and have their maintenance workers take the cans back to the house. This will keep our Town looking neat and clean. This will only benefit those that rent to tourists each year. After all, we don't want to look like the County landfill. I also want to discuss backdoor pickup for the elderly, feeble, frail and handicapped. They deserve this small extra service. Some just cannot move these 90 gallon cans when full. I would appreciate any input on these issues.
13. Finally, we are keeping a close eye on TS Florence both its direction travel and its strength. Staff will keep each of you and the public informed if this becomes a potential threat to the Town.
14. David Nash is conducting a Beach Vitex workshop at the Surf City Town Hall on Tuesday, September 12th at 10:00 am. Everyone who is interested in detecting this plant is encouraged to attend.
15. The 4 town meeting is Thursday, September 14th at 6:30 pm at the Smokehouse in Holly Ridge. David Walker, Executive Director of ONWASA is the guest speaker.
16. The NCLM conference is set for October 14th through the 17th in Greensboro. I am attending along with Mayor Knowles and Alderman Handy at this time.

Alderman Handy suggested that the cans be picked up on Mondays year round and that Friday be the extra day during the summer season. We will need to get an agreement ahead of time with Holly Ridge because of their scheduling with Waste Industries.

Alderman Tuman asked how would we establish which homes need additional cans. Mr. Smith said they would drive and see what amount of trash people have. Alderman Tuman suggested that Waste Industries make notes of addresses that produce more trash.

Mayor Knowles asked where our attorney was and Mr. Smith said he didn't see anything of relevance on the agenda and he told Attorney Kilroy he didn't have to attend. Mayor Knowles noted that the Town's attorney should always be in attendance.

Alderman Peters questioned the dredging and the impact with the condemned houses and ramifications. Mr. Smith said they were still looking into that. A house couldn't be habitable unless an engineer put their stamp on it that it is safe and structural.

Alderman Tuman noted that some houses that were condemned are still in the same condition and they can't be occupied and there is a limitation that owners must take action. We have gone to court and we have to stay on action and he asked where we are going from here. Homeowners are obliged to meet our

9/7/06

ordinances. Alderman Tuman said that the manager needs to have discussions with the attorney as to where the town is going. Mr. Smith said that we need to have a condemnation ordinance. They would have 90 days to either tear down or fix it. Alderman Peters asked if we could benefit from an ordinance for the existing situation and Mr. Smith said no, but in the future it will help us.

OPEN FORUM:

No one spoke.

CONSENT AGENDA:

The consent agenda consisted of the July 6th, August 3rd and August 9th 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

OLD BUSINESS:

a. Discussion on Tax Districts

Alderman Farley requested that discussion take place in regard to the division of the costs of the proposed Beach Nourishment Project.

The draft spreadsheets for the ratios concerning the Municipal Service District were reviewed by the Aldermen. They are as follows:

- 70%-30%
- 80% -20%
- 90% -10% with outside funding
- 90%- 10% with no outside funding
- Town wide (same tax rate)

All figures are based on valuation as of August 15, 2006 and 3 separate bond issuances.

A Public Forum has been scheduled for Monday, September 18th at 6:00 p.m. to receive input from all property owners.

Alderman Farley said that they are making a mistake by not voting on this tonight and he knows that they have scheduled a meeting for September 18th. We are not giving people enough time to digest what we are doing. Are we going to wait until October to vote? This has been going on for 6 years and we have taken surveys and 800 people responded to our survey and now we are saying we can't make up our minds until October. People need to know what the plan is. We approved the bond issue and to put a referendum on the ballot and we are giving them one month to organize pro or con and that is not sufficient. Our Tax District Attorney is suggesting a show of hands. We are going to ask 90 people to come in and that will be

6.1
9/7/06

the basis when we have a survey of 800 people? Another problem is what if the Board decided that the vote be 60/40. That is a substantial amount that will be going into the non-ocean front district. They won't have as much clout as ocean front. I won't call for a vote to put anyone else in a position. It is bad judgment.

Mayor Knowles said that the people asked for another meeting. Alderman Farley said it came from the tax district attorney. Mayor Knowles said that the general consensus was that other people who weren't notified of the first hearing have an opportunity to speak.

Alderman Tuman noted that beach nourishment is important to this town. We need to try to make it clear as to what we are trying to do and what the impact would be on our citizens and strive to have the acceptance of our citizens. How to tax citizens is a substantial open issue. We shouldn't dictate what that tax rate should be. The purpose of a forum is clear and good. We are asking to have a forum, establish the tax district and to discuss what the taxing should be among our citizens. He said he was not prepared to bring forward a tax formula tonight.

Alderman Farley said that after six years of meetings and after sending out a survey that we owe the citizens a decision and now we would be waiting a month. Alderman Tuman noted that the vote in November is will the voters approve a 34 million dollar bond. The other issue in making that decision is how citizens of this town come together as to how it will be paid for. Involved is the Board and citizens since it is a tax rate issue. There is a lot to be discussed as to what is the levying of the special tax district and what are the judgments and ramifications of the town footing the entire bill and prospects of additional funding. Citizens have to understand the risks up or down. They are voting to approve bonds.

Alderman Farley noted that the amount that people pay will decide whether they will vote on it or not. We should have given them a number at the last meeting. If the Board couldn't come up with a decision it would come from advalorem taxes and not from the special tax district. We are creating a rate that assumes we will get money from other sources. Alderman Tuman said that the public hearing last month was to create or don't create special districts and that is what we did. Now the issue at hand is are there any special taxing in that district. What is the fair and equitable way to tax?

Alderman Farley said that you must have an idea on where you stand. Alderman Tuman said that he was not going to dictate the tax issue. He will listen to the audience and challenge them. In the survey they said we need to fix the beach. Alderman Farley said that on the survey more than half the people don't want to pay more than 15%. He concluded that people don't want to pay a lot of money.

9/7/06

Alderman Handy said that one of the reasons to hold another meeting was that at the last hearing we had a group of people that complained we didn't notify everyone of this discussion; it only went out to oceanfront. If nothing else that is enough reason to have this public forum.

Mayor Pro Tem Hardison said that he was one of those who wasn't interested in having another meeting on this issue because the forum we had last month we heard quite a bit from people both from districts and also on the rate. He felt that this discussion could have been avoided. Mayor Pro Tem Hardison said that he didn't like to be polled for a consensus to hold the meeting on September 18th. He did not think that decisions by calling or emailing on whether you are positive or nay was a right way of working with the Board members. He said that he mentioned to one alderman that if we wanted to have a hearing, then the Board should make that decision. Then he heard it would be a public forum because if we called it a hearing the Board hadn't met to make that decision.

Alderman Peters said that he had agreed with what Mayor Pro Tem Hardison said and he went to the last beach nourishment meeting and he was ambivalent of having another meeting. There were several positive things discussed on informing our citizens on what they are voting for and having the meeting and he concurred that it could be constructive. Alderman Peters asked the Mayor what positive things would come from the meeting and perhaps everyone would feel more comfortable of having this meeting.

Mayor Knowles said that so many people commented that they were not informed and would like to have another meeting. Alderman Peters asked if they were going to shoulder this burden alone since there is a lot of controversy with 90/10. There have been so many comments that everyone uses the beach and he asked what they would accomplish from holding this meeting.

Alderman Handy said they would hear from those who didn't attend the last hearing. It is fair to give everyone a chance to be heard. Mr. Smith said that they need to stimulate that debate so they will talk more about it. The tax rate is not set until next June when you set the budget. You will give potential of what it should be. Alderman Farley said they approved the referendum and we should have come up with the rate as soon as possible.

Alderman Tuman noted that there will be a lot more to be said from now until November. Our job is to make a judgment as to what the tax should be. We will need other discussions and other commitments from other Board members and he hoped we would get input on the 18th to provide ideas or directions for this board to get outside funding. This board is shortsighted. The County said they would pursue helping us but it is up to this town

6/10
9/7/06

whether or not they want beach nourishment. The State has provided funds for the beach south of us and there is still a lot of room for further discussion.

Mayor Knowles noted that most people said they want beach nourishment and we are looking for a palatable way to do that. Everyone will not be happy.

Alderman Farley told Alderman Tuman that he is giving people the impression that we haven't done anything to get funding but we have met with the Division of Water Quality and the Mayor has contacted different legislators. He also noted that Alderman Tuman gave a great presentation to the county on sales tax. Don't get the impression we haven't gone to other people. They want to see which way the town goes. Alderman Tuman said that the public forum on the 18th is to hear and get input to come to the same level of understanding. The questions will be what is the financial impact to the town and citizens?

Mayor Knowles said that we are looking at spending 34 million dollars and we didn't know we would go forward this November, but it is cheaper to do it at the regular election. It will be a long term obligation for all of our residents.

Alderman Peters stated that at the last Beach Nourishment meeting when this meeting was discussed and suggestions as to what needs to be discussed he sat as a citizen and he said we need to bring in someone from the county to tell us what we expect from the county. They have told us nothing and my comment to the Beach Nourishment committee was that the county has given us a cold shoulder. They owe us a position and he suggested that as a constructive suggestion.

Mayor Knowles noted that the county won't do anything until we do something.

b. Review of Land Use Plan Survey

Alderman Tuman said that he looked at the results and tried to make sense of it. Following are key concerns:

1. Preserve and Protect our Local Environment and Natural Resources--- conserve maritime forests, protect ORW, control storm water runoff, require vegetative buffers, protect sea turtle habitats, ban beach driving, ban recreational vehicles from all estuarine and oceanfront public trust areas, preserve the Conservation District, require sewers over septic, encourage Parks and natural areas, and adopt (and enforce) a dune protection ordinance.
2. Require and Enforce Strict Zoning----low density development only (4 dwelling units per acre or fewer), establish and enforce a housing code as

9/7/06

it affects abandoned/condemned structures, no rezoning of Conservation District, and improve building codes (and inspections) to prevent storm damage.

- 3. Keep NTB an Attractive Place to Live and Visit---Extend bike path from one end to the other, enhance NTB as an attractive vacation destination, encourage more restaurants, maintain the present quality of services provided by the Town, and improve the town administration service (?).
- 4. Fix the Beach (from the beach nourishment survey)

Alderman Tuman noted that the opinions were strong and significant.

Mayor Pro Tem Hardison agreed and said the survey was good overall. Alderman Farley noted that there were ambiguities and environmental concerns. He said that houses create the pollution and it could impact your property. The overwhelming response in the survey was that people don't want high density. There will be a price we pay for some of these issues. Maritime forests are limited now. Mayor Knowles commended everyone who filled out the surveys.

c. Review of Zoning Maps

Alderman Farley said there was a problem with the inlet hazard area. Mayor Knowles noted that the CBRA area isn't right. Mr. Yawn said that they didn't look at the inlet hazard or CBRA areas. The final map will be larger and a certification seal spot will be on the side. Mayor Knowles asked that they put in the town limits to the end of the bridge. Mr. Yawn said that the consensus was to do that and to identify more of the islands out there and the crossovers be labeled. Alderman Tuman would also like to see the areas of so called islands that are being developed that you need bridges to get to them. Mr. Smith commended the LUP committee for all their hard work. Alderman Handy requested that mile post markers and phone company locations south of us be added too.

NEW BUSINESS:

a. Renaming Marine Drive

Mayor Knowles has received a request to change the name of Marine Drive since there is a "Marine Drive" in Sneads Ferry and since we share the same zip code, this has resulted in problems with 911 calls, deliveries, etc.

There are currently 2 buildings being constructed on this short street.

A draft resolution that could be approved at the October 5, 2006 Board meeting in order to give the Board ample time to approve a street name that is acceptable to everyone was reviewed by the Aldermen.

6/12
9/7/06

Mayor Knowles said that they had tried to make sure when the town was incorporated that other town streets on the island weren't duplicated. Alderman Farley suggested that the Town look to honor a Marine who was in the military who lived here.

OPEN FORUM:

Gary Rowland, 127 S. Permuda Wynd said that he found it difficult to understand that Onslow County has the temerity to come in and raise our taxes by 400% and then not be able to commit to the tax base that they just unconscionably raised. He said that he had great hopes that you attempted to your utmost to get them to make such a commitment. He said he looks for results and therefore he hoped they hammered them. That would make a dramatic difference in this vote. People are looking at a potential to pay 34 million dollars for beach nourishment. At our last beach nourishment meeting Dick Macartney admittedly said if the vote was taken today or in November it would be turned down. If we expect this to go through, we have to do something different. You are having another meeting to talk about it, but what are they talking about other than that they weren't notified. He suggested that the Board consider 4 zones. You have oceanfront and everyone else, but you have CBRA and non CBRA. You should make it four zones and think in terms of portioning it out so those of us who live in non CBRA who are assessed more don't get double dipped. Our property values are higher than those in CBRA zones. With value of property being higher we will be charged more. Sand will renourish our beaches and will be in the CBRA zones. Do something different and come up with the right combination.

Mike Yawn, 207 Tamarix Court said that he didn't envy the Board. He agreed with Mr. Rowland that one tax district wasn't fair. If you have a piano key lot versus 500 feet of frontage but no house, it's the same amount of tax. For Topsail Road and Ocean Drive, which are directly across from the dune, a 60/40 split may be fair. He felt for his house that a 90/10 is fair for him. He wished there were more zones.

MAYOR'S REPORT:

Mayor Knowles said he had attended several meetings. He was very happy that the Town dodged Tropical Storm Ernesto and that staff was 100% prepared for Ernesto. All department heads were keyed in with the County. This was the first storm that the water wasn't cut off. Mr. Smith said that it was a good learning lesson.

ALDERMEN'S REPORT:

Alderman Farley and Handy thanked everyone for attending. Alderman Tuman said that he was grateful for the work that the Corps has done at the north end in the dredging project and there was a significant difference there. Alderman Peters thanked Mr. Rowland and Mr. Yawn for their comments due to the

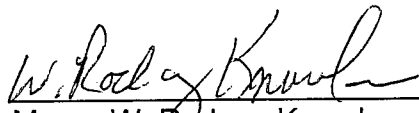
9/7/06

complexity of this issue that we are dealing with. He hoped the Board would receive the same constructive comments on September 18th. Mayor Pro Tem Hardison thanked everyone for their patience. He said that people might feel that what you see us doing tonight is all we do, but we have a variety of issues we do during the week.

ADJOURNMENT:

Alderman Tuman moved, seconded by Alderman Handy to adjourn the meeting at 8:45 p.m. The motion passed unanimously.

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



Mayor W. Rodney Knowles

10/5/06

Date Approved

6/11

**TOWN OF NORTH TOPSAIL BEACH
PUBLIC FORUM
TAX DISTRICTS FOR BEACH NOURISHMENT FUNDING
SEPTEMBER 18, 2006
6:00 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, Lydia King, Finance Officer, Shelia Cox, Capital Projects Coordinator, Richard Macartney, Chairman of Beach Nourishment, Attorney Neil Whitford, Attorney Jeff Poley

CALL TO ORDER:

Mayor Knowles called the meeting to order at 6:10 p.m. in the North Topsail Beach meeting room. He noted that at the last public hearing the notice just went out to oceanfront property owners and the Board wanted to give everyone a chance to make statements.

PRESENTATION BY TOM JARRETT:

Mr. Jarrett, of Coastal Planning & Engineering noted that the Army Corps of Engineers did a storm damage study and looked at all of North Topsail Beach and stated that they couldn't participate in the CBRA areas. The Board voted in May to include the protection for the southern section of the town which included improvements to the New River Inlet.

Mr. Jarrett's slide presentation is attached to the original minutes.

Mr. Jarrett said that they couldn't predict guarantees. The bulk of the cost is in the CBRA area. There is no maintenance for the southern 3.5 miles. The Corps will be able to complete their study.

A citizen said that Mother Nature takes from the north and moves all sand to the south. Mr. Jarrett stated that they would supply a sacrificial beach and replace an upland feeder to an artificial feeder. The citizen said they are at the mercy of the ebb and flow of natural acts of nature, but if you can curtail this and slow it down, yet an expert said in 2001 that you couldn't stop it.

A citizen asked how the project on Topsail Beach was different and also asked if an engineered beach was damaged would FEMA pay for the damage. Mr. Jarrett said that Topsail Beach has a federal project and they are moving to construct in 2011 or 2012. FEMA will pay for an engineered beach. Mr. Jarrett noted that he was not selling the project. If you don't do anything the beach will continue to erode.

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A citizen asked if migration of east to west is the same as migration north to south. Due to present laws all we can do is put sand on the beach, but the inlet will continue to move and we can't use abutments and he felt that this was just a temporary solution. Mr. Jarrett said that they would be committed to maintain it.

PRESENTATION BY DICK MACARTNEY:

Mr. Macartney asked for a show of hands of those in attendance if they were for or against the beach nourishment project and it was approximately 40% for and 60% against it.

Following is a report given by the Chairman of the Beach Nourishment Committee – Dick Macartney:

Good Evening, thanks for coming. I am Dick Macartney, Chair of the Beach Nourishment Committee, currently made up of eight town citizens. Although this is a public forum it was suggested that the committee lay out the project, which has just been done by Mr. Tom Jarrett, and for us to offer a recommendation for the tax rate to the Board. I have a short slide presentation.

Mr. Jarrett has discussed the costs. The poor Market highest cost estimate is close to \$35 MM, and if markets for dredging are more favorable our lowest cost estimate would be 21.3 MM. For the bond referendum in November we will be asking for \$34 MM and all financial projections have been worked up based upon the town using all of the money--- hopefully we will not have to. Even if we do use the full \$34MM there will be at least two and probably three sales of bonds coinciding with the two phases of construction and the scheduled maintenance at years 4-6.

Under state law we have to have a plan to have money to pay the bonds off in 8 years even if the bonds end up having a longer maturity say 10 or 15 years. Using financial models, our town finance officer, Lydia King, has run several scenarios, but to simplify things with interest, \$34MM becomes \$43MM, so we need to raise \$5.5 million annually to comply with the Local Government Commission's guidelines.

We have just a few options to obtain this money and one of them is not the federal government. The first option is our town tax payers, as you know, or you would not be here. We also have funding available from the 3% accommodations tax passed several years ago which has helped fund our beach nourishment efforts thus far. This tax is maxed and will only provide about \$500,000 annually. That leaves just the state and county governments as sources for additional funds.

First let's look at the local contributions possible. As most of you know the Board of Aldermen created a special tax district called the Municipal Tax District in August. An official map was adopted based on the definition ... "All oceanfront properties adjacent to the Atlantic Ocean or adjacent to the frontal dune"

60

This Board resolution does a couple of things first it allows the board to set a different and presumably higher tax rate in the district, but it also requires that in the bond referendum that the distinct voters must approve the bonds in the district and, as you know, the bonds must pass town wide.

As chair of the BNC I have addressed the Board about the cost and tax rates needed to cover the cost. With two districts I have suggested three options for a possible split of the taxes and highlighted the 90% for the district and 10% for the remaining properties as a worse case financial impact. At the hearing for establishing the Oceanfront district, and since then, there has been a lot of outcry about what would be a fair percentage, and that is the reason the Board called for this hearing... to hear from everyone not just the oceanfront.

After a lengthy meeting last week the BNC has agreed to offer the following recommendation: Abandon the percentage concept. It seems to create emotion and highlights the differences based on which side of an arbitrary line a neighbor lives. We would like to look at the opportunity another way. What can people afford, and what is fair for all property owners. Someone suggested that 10 cents per hundred dollar assessment would be a round number and would not be an unreasonable burden to keep the "beach" in North Topsail Beach; and to protect the town and its infrastructure from deadly storms. A dime for beach nourishment works out to between \$500 and \$1000 for most properties and is in line with what people said they would pay for beach nourishment in the recent survey.

Most oceanfront owners do acknowledge that a wider beach will afford their property additional storm and erosion protection, but they only object to paying significantly more for this. So we thought lets add another dime for the district making the tax rate for them \$.20 per hundred dollars of assessed valuation.

With these two tax rates what happens? There are 3683 taxable parcels in the town split roughly 50-50 in and out of the district. The current assessed valuation for the town is 1.5 billion so the tax plan we outlined would raise approximately \$2.4 MM per year. With the accommodations taxes our total local revenues come to approximately \$3MM per year. Since we need \$5.5 million we are still short 2.5 MM dollars to retire the maximum bonds. So let's look at the other funding sources.

There is a statute in the general laws of North Carolina that allows municipalities to apply for state grants for beach nourishment projects. In fact we have been granted matching funds already under this provision from the Department of Water and Natural Resources. The statute states that up to 75% of the non federal cost of a beach nourishment project can be applied for. 75% of our maximum cost is \$25.5 million. So we are going to suggest that we ask for 3.1 million a year for 8 years.

Our other option is Onslow County. The commissioners are well aware of our problems and our proposed solution that requires the vote in November. The opinion of many is that the county cannot deny funding which preserves the tax base of the town that

provides as much county tax revenue as Jacksonville and represents the single greatest tourist attraction. We make that case even stronger when at the polls we approve additional taxes on top of what we already shoulder. Just in case you did not know the county tax rate is 50.3 cents this year taking an additional \$5.5 million dollars from our town because of revaluation. You will note that is the same \$5.5 million we need for the project. It seems very reasonable to ask the county for some of our money back and \$1.5 MM a year seems to be a reasonable estimate.

So as you see outside funding is possible and we think likely, and the project may not be quite as expensive as we have provided for - so our committee recommends that the Board of Aldermen propose two tax rates:

\$.20 in the newly created MSD (ocean front district), and \$.10 for remaining properties. We suggest that through a resolution that these rates be capped for the duration of the project, and the pressure be put on gaining the outside funding that we are entitled to.

This is our committee's recommendation, you may address this proposal in your remarks tonight and you can come to our regular beach nourishment committee meeting Wednesday where we can modify this, because the tax rate recommendation can not be voted on by the Board until its next meeting October 5th.

Thank you for listening. I am looking forward to listening to you.

Charles Jones, 7812 7th Avenue, noted that 50% is a better number to get back from the County since they are getting a 100% increase.

Mel Hauser, St. Regis, asked if this would affect the bond rating? If we wait for funding from the state and county they may not commit. Mr. Macartney noted that they could not go ahead with the project unless we get the money.

Gene Graziosi asked if they could get more will the rate go down and Mr. Macartney said that it would go down proportionately.

Tom Zack, Marina Way, said that the County went up 300% of assessed valuations. It is all negotiation and we should ask for 100% from Onslow County as a starting point. I appealed all my taxes and I got nothing off.

Bob Swantek asked if the county and state would commit until we commit and Mr. Macartney said yes, after the vote. Mr. Swantek noted that the tax rate could be changed every year by the aldermen and Mr. Macartney said it could be.

Mr. Smith, Town Manager, noted that the Chairman and Commissioners were invited to attend but they had their own meeting tonight. He suggested that everyone write letters to them personally. We are unique because we can't annex and can't expand our tax base.

6/18

Bob Hale, Old Village Lane, said that voters will vote on one rate and other Aldermen can change the rate. Whatever you decide, the Aldermen can have their own agenda. Mr. Macartney noted that this Board will be in power next July and he didn't think that succeeding Boards would take away funds.

Alderman Handy stated that this Board has worked very hard contacting and talking with commissioners for months regarding funding this project. He said he told them that NTB does not belong to NTB, it belongs to Onslow County and they should support us. They talk about the beaches in their ads and they have to realize we are producing money for the county.

Mayor Knowles said that the first payments are due in 2007/2008 and that is when the county board will discuss that. It has been assured that it is on their schedule.

Mr. Lee, 4190 Island Drive, said that he couldn't build on his piano lot and he doesn't have ocean front and he asked what he would be classified as. Mr. Macartney noted that if it abuts the Atlantic Ocean you are in the ocean front district.

Karen Seybert, 32 Bermuda Place, said that Carteret County is revenue neutral and after their valuation they decreased the property tax and we need to bring this to Onslow County's attention.

A citizen asked if they were abandoning pro rating. You are pro rating 67 and 33. It is always pro rated by valuation. Why have you decided to pro rate? He asked them to rethink that.

A citizen asked what they were thinking. It is built into the system that we are oceanfront and you are creating a division. The assessments tell it all. Anyone in the second row who has rented their property state they are second row when advertising? It's the same beach and we are all in it together and we are all assessed for our property values. This doesn't make sense. You are carving out a group of citizens because we are closer to the resource that everyone enjoys.

Margaret Peterson asked if they could put taxes on new buildings and also asked if they could increase the 3% occupancy tax. Mayor Knowles said you would need to go to the state legislatures to request an increase. Mel Houser noted that the state gave Chapel Hill permission to get more occupancy tax.

A citizen asked how much would that extra .10 oceanfront owner would have to pay and Mr. Macartney said an extra million and a half more for them each year.

Alderman Tuman assessed the rate of \$500,000 paying a dime and said their tax bill would be \$500.

Billy Sandlin, 40 Sailview Drive, said that he is a registered voter and he felt that the Board should pass this nourishment program. The property values say who pays the most. Don't separate us from each other. He recommended that everyone who owns property that they register to vote to get reassurance to get county and state money. Mayor Knowles said that it was illegal to recommend registering here.

Doris Jones asked if we don't receive funding will this project be dead and Mayor Knowles said if it doesn't pass in November it is dead.

Alderman Farley noted that he was not happy with 20/10. He did not like not knowing what the cost would be to people. We need solid numbers.

Charles Jones said it was not fair to throw out a 34 million blanket bond.

Attorney Jeff Poley noted that they would be voting for up to a 34 million dollar debt. If the project came in for 20 million, you would just issue that. The Board could rescind the rest of the bond order.

Charles Jones said we should vote on what we will commit to. Attorney Poley noted that local government will require for the capacity to borrow enough money to complete your project. Attorney Whitford said that the bonds will be properly issued. He said that he had worked with Pine Knoll Shores and Indian Beach on their projects. Mr. Macartney said that if we don't get the state funding and county funding to keep the tax rates at .20 and .10 then the project doesn't go forward and the Board has to accept that. They will meet on October 5th to debate that point. Attorney Whitford said that Carteret County, in the early 2000's had a proposal that Bogue Banks pay 88% for renourishment. Bogue Banks would pay .88 and the county .12. The referendum was countywide and overwhelming passed in Bogue Banks but failed in the county. The towns realized they would have to do it themselves. The citizens and boards got together and decided on a 90/10 split and that passed easily. Emerald Isle was different - .3 tax rate for non ocean front and it passed by a razor thin margin. Look at what other communities have done and what has worked. The show of hands on whether you support this project was a pretty even vote. If you vote against the bond referendum the project is dead. The Board will have to look at a Plan B. You do have the authority to move forward or end it now in November. There should be a concern of ocean over wash and you need to look at it. The committee has worked on different proposals. If the county and state doesn't come forward you won't get nourishment. Citizens must get together and say this is what we will support.

Mr. Whitford asked non ocean front for hands up if they should pay the same rate as ocean front. 1 said yes and the rest said no. Mel Hauser noted that Emerald Isle is not comparable to us since they have a major difference of being 15 feet above sea level and NTB is 5 feet above sea level. Other people are sitting high

600

up in Emerald Isle. Mr. Whitford said they need to convince their fellow citizens that an equal tax rate is fair so they will vote in November.

A citizen asked how you would feel if you had to pay for admission to the beach. Non ocean front, just think to be fair, would they like to pay admission to walk on the ocean? We are paying a higher assessment.

Tom Leonard, Coastal Drive, said that they had to brainstorm ways to squeeze the money out of Onslow County to pay for this project and he asked what the strategy to do that was. Mayor Knowles again noted that it won't come before their board until 07/08. Mr. Leonard then asked, what are they doing with our money?

A citizen asked what they as a group could do to assist getting money from the county. Mel Hauser suggested getting a bus and go to their meetings.

Jerry Long said that he has moved here recently and he is listening to disagreement and compared it to a civil war and they need to be a nation united together. Instead of being torn apart, unite together and do what is best for the entire population on this island. It will be a hardship on all of us, but we will get over it. We will have to go up on our rental rates to break even.

A citizen said that he has been here for 3.5 years and he picked the highest lot he could afford and picked where he could get insurance. He said he would have to move if he had to pay more taxes. He is an ocean front owner by the way the map is shown. All ocean front is not the same. In other towns the areas were federally insured. He said he was amazed we are contemplating something that will last a few years. Look at tax deeds, Mile Marker 11 costs more than Mile Marker 21. Why was all ocean front locked into the same. Mr. Macartney said that they came up with a definition and tried to follow that.

Linda Knowles said that she has spoken about this division and they should look at taxes that ocean front people are paying. We will always pay more and you want to divide us and penalize us. When we came here 20 years ago we bought in non-CBRA, but I am not against not helping those in non-federal. You won't get anywhere with the county unless you come together.

Janet Ladd said that she heard there were different ways the vote could occur. She asked if each tax district would vote separately and Attorney Poley said the ballot is the same for the whole town. People in the district have to vote. Alderman Farley said that they need to consider what Attorney Poley said because if there are more districts there is a possibility that it won't pass. Alderman Farley said that we have one district because there was no benefit to have more.

(19)

A citizen said that they were in the 2nd row and they are in a federal zone and they understand how the ocean front feels and asked if the town could be divided CBRA/NON-CBRA.

Gene Graziosi said that there have been a lot of meetings before this and people have said that the sound side people were looking at a number they would be comfortable with. The bottom line is if it is fair and it doesn't pass it doesn't matter. There is a lot of misinformation. He asked about the homes that are in danger, what percentages are in the federal flood? Alderman Farley said that there are two small parts in the town within CBRA that isn't CBRA and he noted that the threatened homes do have federal flood. Further south, no, then a mile further down a small area that does.

John Matthews stated that he has federal flood insurance in the north end. The beach changed, water is under my house every day. You may all be in trouble in the future and you can't just blame the north end.

June Doherty asked what was the state's rationale not to provide hard structures and Mayor Knowles said it would cut the flow of sand.

Following is an excerpt out of the Division of Coastal Management magazine:

Research has shown that seawalls and other hard structures, which are intended to fight erosion, can actually accelerate the loss of sand on beaches. The Coastal Resources Commission, through its administrative rules, had largely prohibited seawalls, jetties, groins and other permanent erosion control structures along the oceanfront since 1985.

Lenny Denittis asked when absentee ballots had to be in and Attorney Poley said by law today.

Alderman Tuman said that the only question on the referendum is do you vote yes or no for the bond. Our issue is how the town plans to raise that money should the referendum pass.

Attorney Poley said that there is only one district because it shows that whatever improvements are made helps that district than the remainder of the city and the inland side doesn't get any benefit greater than the ocean front.

A citizen said that all advertised properties state "enjoy your vacation, one block from beach" and they are all getting the benefit. Attorney Poley noted that on the inland - the dune protects your property the most.

A citizen noted that his dunes on Topsail Road were torn down after Hurricane Ophelia and they just have a small dune now.

A citizen said that folks walk on the dunes and a car was parked on the dune all day on Labor Day and no police stopped on Topsail Road. We need to protect what we have.

69✓

James Strickland, 3560 Island Drive said that he is in the flood zone and he bought in 1979. He asked if 34 million was strictly for the south end or north end and the Mayor said it was for the whole town. Mr. Strickland said that year to year the town has gone up 30% and the county has gone up thousands of dollars. What is the Town's budget been like? Someone has a tremendous pool somewhere. New construction has been added as well. If you will have a bond, why not get together and form a district of the whole island. During Hurricane Fran the whole island was covered in water. I remember Hazel and it wiped out this island. My taxes are \$1,170 and it will be over a \$2,000 increase. Last year it was \$898 and that is a tremendous increase. The problem with absentee owners is not being able to vote. It is wrong that just a few will carry this vote. We have divided among ourselves. In 1979 this place was barren and our taxes are out of sight now.

J. R. Johnson, 3752 Island Drive said a study by Orin Pilkey on renourishment stated that ocean levels are rising.

Gary Miller, 4452 Island Drive, said he moved here in 1999 and he is a registered voter. Mr. Macartney has a good plan, but he was worried about leaders in our community and they will decide on the split. There are 640 registered voters in this town. 100 are in the new tax district. Any time you have a hot topic you get 60% to vote. If they vote - 31 votes will carry the day. The energy in this town is that 90/10 has split us. He recommended that the Board focus on these 31 votes and secure those votes if you go 50/50 at the same rate. 60/40, 70/30, etc. is a defeat. We are not here to lose. Consider 50/50 and you have a winner.

Following is a statement that Becky Bowman gave:

Coming here tonight, I am mindful that you are asking ocean front owners to support this project after the arbitrary act of creating a special ocean front tax district. But can we? We all know that the Inlet and northern section portion will be ½ the cost of the project. Development there is sparser than other sections of NTB so owners in that area will be asked to repay a substantially lesser portion of the overall expense while receiving the greatest benefit. So why was the oceanfront district created? I have no idea except for this ridiculous 90/10 split.

This project is to protect our town's greatest and only asset – the beach, which includes all the homes, roads and utilities necessary for our functioning. Why are we asking the ocean front owners to pay an outrageously greater portion of the costs to create a beach for the Inlet area and protect the entire town's infrastructure?

The commercial interest in NTB is primarily rental units and new home construction but the town is about to place these interests, most oceanfront now, at a tremendous disadvantage to their neighbors on the Sound and in the other two island towns. Do you really want to give the "other than ocean front" rental businesses a \$5000 a year advantage over the ocean front rentals? This is, effectively, a \$5000 a year subsidy. Or, as the case may be, create for ocean front rentals a \$5000 loss. Do you want to give a \$50 or \$100,000 sales price advantage to real estate in the other island towns? To sell an existing oceanfront home here the value must decrease proportionally with the increase in

taxes? New homes face a similar fate. This will be done at a time when real estate is in a slump, interest rates are increasing and county taxes are already twice as expensive as last year. Vacationers will not pay more to rent here than in Surf City or Topsail Beach. Buyers will not pay more to buy here than in Surf City or Topsail Beach. This could put the rental and real estate business in a slump for a decade. Why haven't we given more thought to the burdens that will be created for our citizens? Are we going to destroy our town's commerce?

The Aldermen asked us to come here to hash out the payback %s but, for oceanfront owners, there will be no benefit to match the cost. There is no equality. The town has not structured the referendum so citizens can support it. There has been too little consideration for the town's people and there has been too much uncertainty created for our future.

Disregarding the merits of the project, we must decide if we can afford it as it is now presented. Keep in mind that we cannot rely on outside sources (county, state, or federal) for any significant contribution. If we truly need the project as now proposed, we should all be willing to share the cost burden equally.

Mel Hauser said that everyone should thank all those who worked so hard on this and special thanks to Dick Macartney. Victory tonight is not measured in percentages but in fixing the beach. People lost sight as to why we have a beach nourishment committee. People left early tonight because they want to fix the beach, but there won't be a beach here. We have to explain to others that jetties and hard structures are not legal, it is not an option. Mr. Jarrett said that the roads would deteriorate in 10 years.

Linda Knowles said that she wants the Board of Aldermen to make sure they haven't made up their minds in advance and that they will listen to the people. We and other folks were in the ocean and we were fortunate to move our house. A lot of people don't have lots big enough to do this. In Fran the ocean did come across. Quit dividing this town - go with 50/50 and it will pass.

Karen Seybert said that she was still shocked by her tax bill and now she is looking at more taxes with the 34 million dollar bond. She said that maybe next year would be a better time to do this. She said she has nothing here, no post office, etc. so what will I get? Shouldn't we see what extra we will get before we start beach nourishment. Manager Smith noted that the Town went revenue neutral or below that when they went to .13. Ms. Seybert asked why we didn't have pull with the county and suggested that they wait until next year.

Bob Hale said he was glad this is coming to a vote since people are bickering. I'm a full time resident and went back to work full time. I can't afford beach nourishment. I will put my house on the market and will undercut my neighbors. Bottom line is - you won't be able to give your house away. I won't have time to enjoy the beach since I have to work full time.

61

A citizen asked what the deal was with the Onslow County Board and what are their terms? If we fight with them now will they be there a year from now? Alderman Farley said they are re-elected the same time and they may come up for re-election next year. The citizen said that they may not vote on this. Is taking a bus to a county meeting what needs to be done? Mayor Knowles said that we will show plenty of support but he suggested that everyone contact them now. Alderman Handy noted that 10 months ago the county had a proposal to develop commercial property on 210 near North Shore County Club and concerned people went to a meeting to complain about that zoning change and it didn't happen.

Jean Miller noted that she lives in a CBRA zone and they have good elevation. She is watching the sand coming back and the beach is much larger. She said that her dunes come and go but we plant and fence and replace our steps. We should do something at the north end – start there and that may be all we have to do.

Mr. Frye asked how much money would be raised by an extra .10 added to the ocean front and if that is what they are looking for, why not do away with the tax district completely and have a one time assessment. If you have to create extra money it would be more equitable. This newest proposal is more acceptable than the initial plan. We don't want this to fail. Dividing us into two towns is a mistake.

Alderman Handy noted that Topsail Beach is using an assessment, but a personal tax rate is deductible on our income. An assessment is not tax deductible.

Alderman Farley asked that the Board call for a special meeting to vote on this as soon as possible because he couldn't see waiting until October 5th. Mr. Smith noted that they advertised this meeting as a public forum and they can't vote tonight but they can schedule a special meeting. The meeting could not be arranged.

ADJOURNMENT:

The meeting adjourned at 9:20 pm

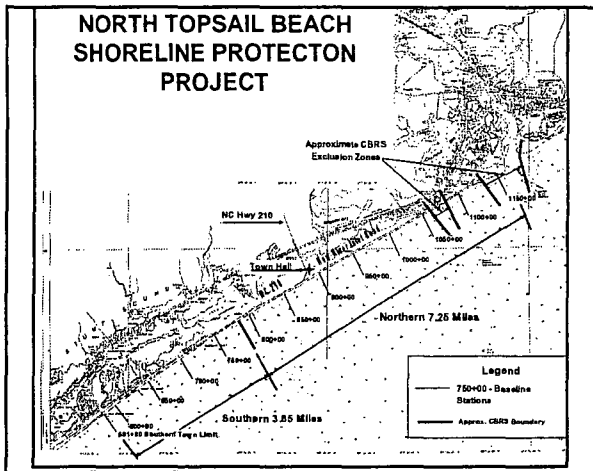
Minutes prepared and submitted by Loraine M. Carbone, CMC, Town Clerk.



Mayor W. Rodney Knowles

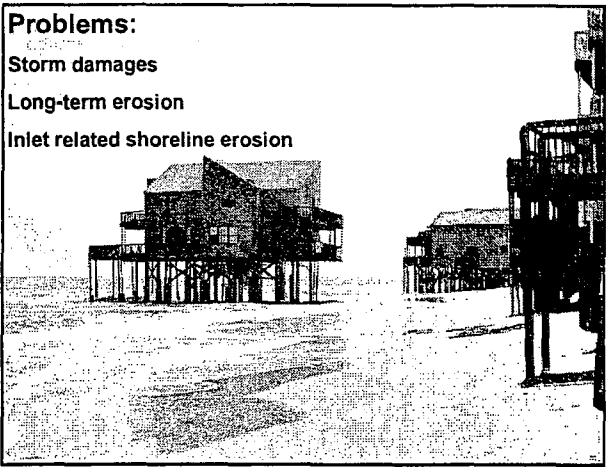
10/5/06

Date Approved

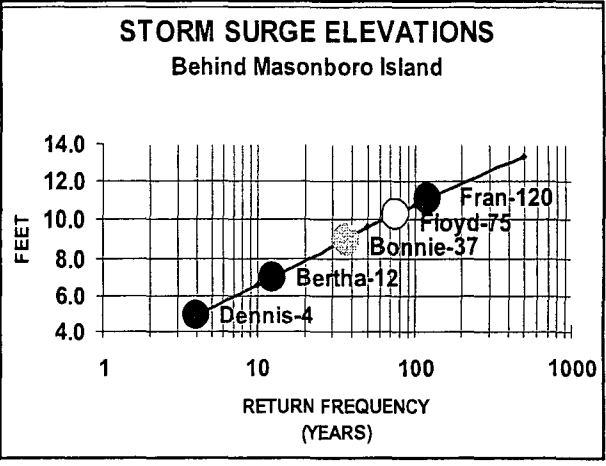


- ### Project Purposes
- Preserve Tax Base
 - Address Long-Term Erosion on Ocean & New River Inlet Shorelines
 - Reduce Storm Damages
 - Protect South Section until Federal Project Constructed



- ### What's At Risk?
- 43 % of North Topsail Beach's Tax Base
 - Rental and Tourism Dollars
 - Reduced Local Spending
 - 8,000 foot Section of New River Inlet Road



- ### Recent Tropical Storms
- | | |
|--------------------------|------|
| • Bertha & Fran | 1996 |
| • Bonnie | 1998 |
| • Dennis, Floyd, & Irene | 1999 |
| • Isabel | 2003 |
| • Ophelia | 2005 |



666

Bertha

Fran

USGS Photos






Photo Location 7

Bertha

Fran

USGS Photos






Photo Location 8

Bertha

Fran

USGS Photos


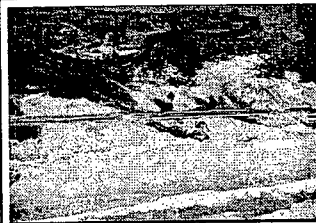



Photo Location 9

Bertha

Fran

USGS Photos

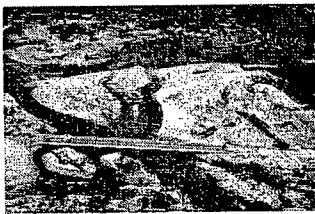
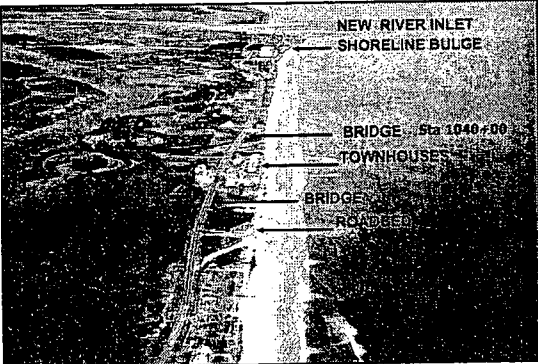


Photo Location 10

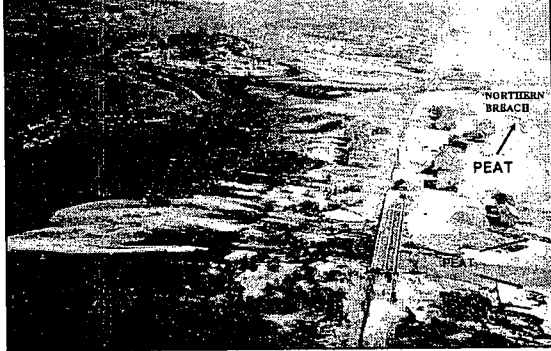


NEW RIVER INLET
SHORELINE BULGE

BRIDGE Sta 1040+00
TOWNHOUSES

BRIDGE
ROADDED

North Topsail Beach November 1995
(Photo Courtesy of Dr. Bill Cleary, UNCW)



NORTHERN BEACH
PEAT

North Topsail Beach September 1996 after Hurricane Fran
(photo courtesy Dr. Bill Cleary, UNCW)



North Topsail Beach



North Topsail Beach
Post-Hurricane Fran
23rd and 24th Avenues



Oct 1996

North Topsail Beach Post-Hurricane Fran.
View looking north toward bridge.

What Can Be Done?

Move the Ocean Bar Channel of New River Inlet
Nourish the Ocean Shoreline

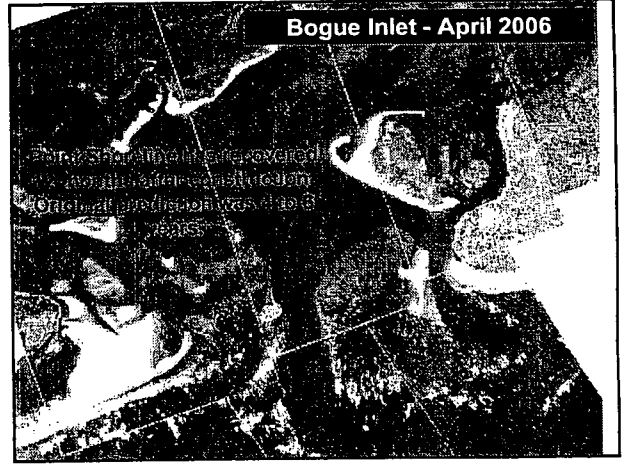
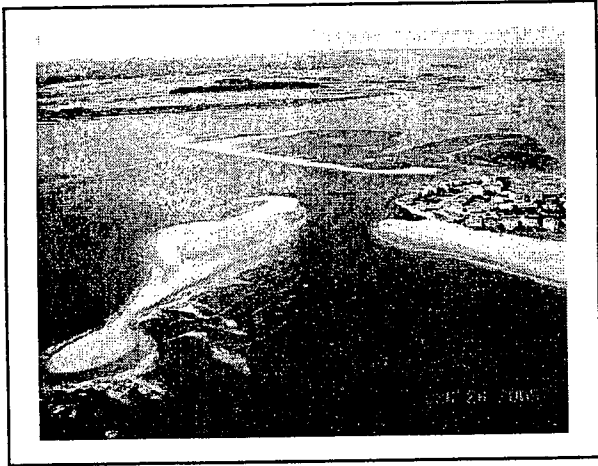
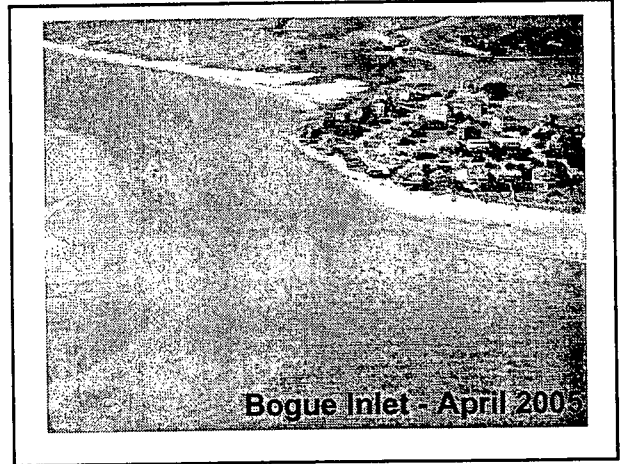
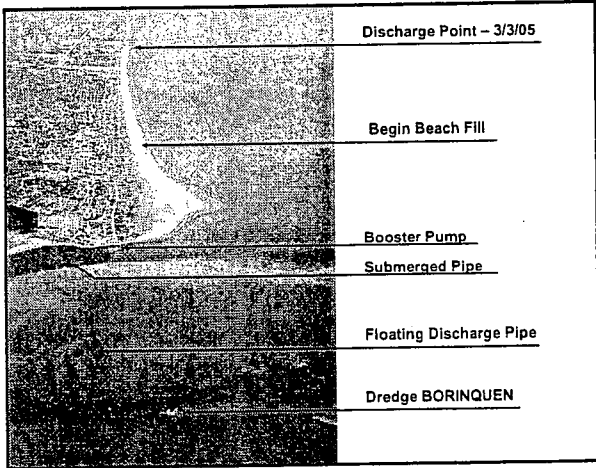
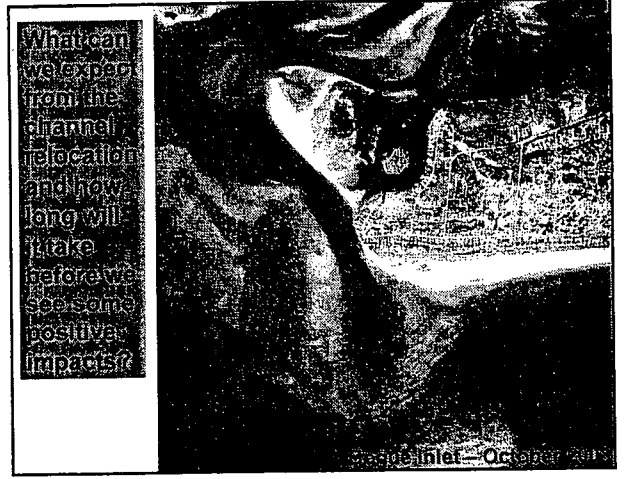
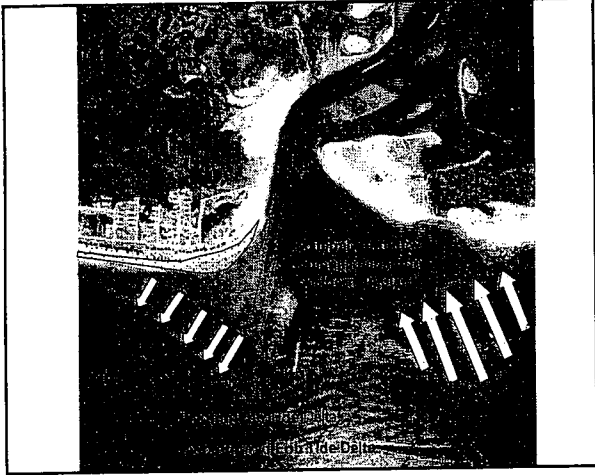


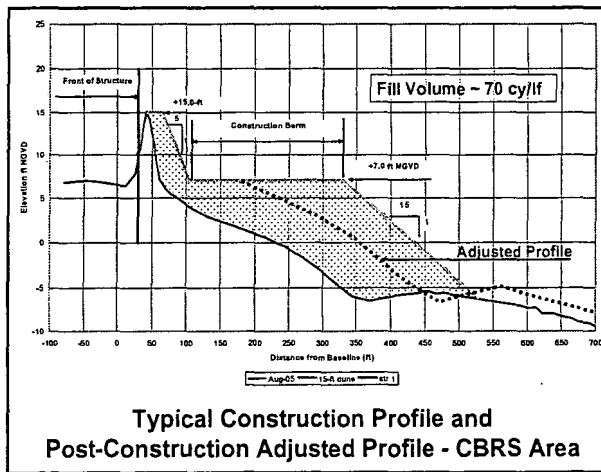
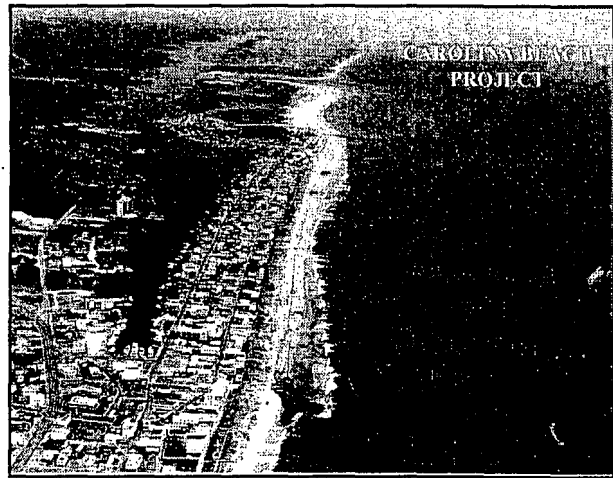
April 2000



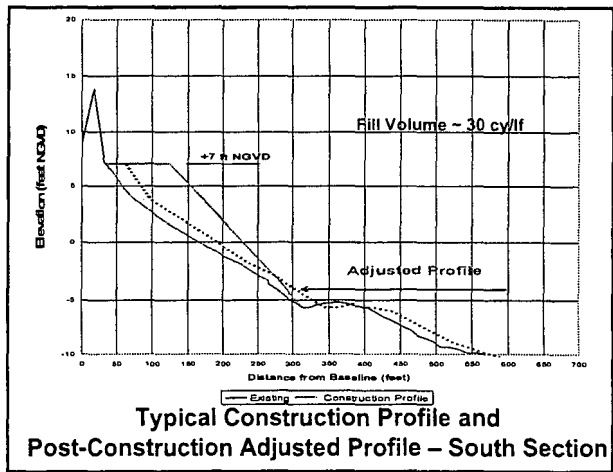
New River Inlet - April 1982

6/18

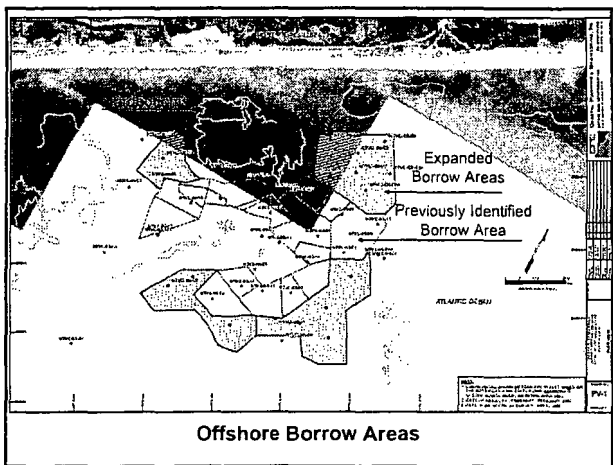
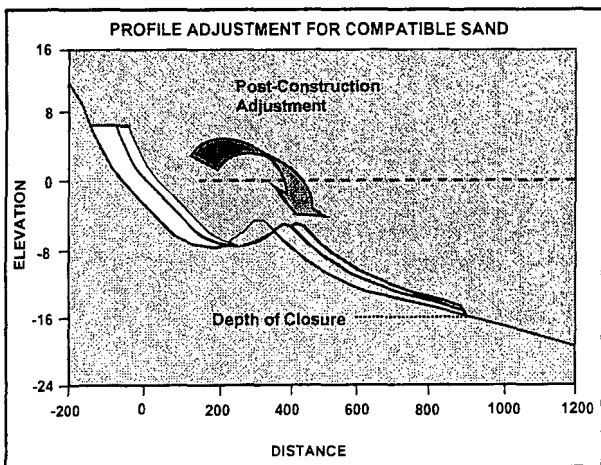




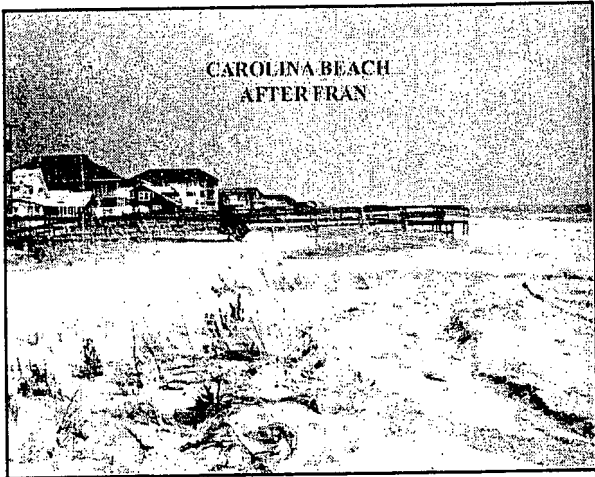
Typical Construction Profile and Post-Construction Adjusted Profile - CBRS Area



Typical Construction Profile and Post-Construction Adjusted Profile - South Section



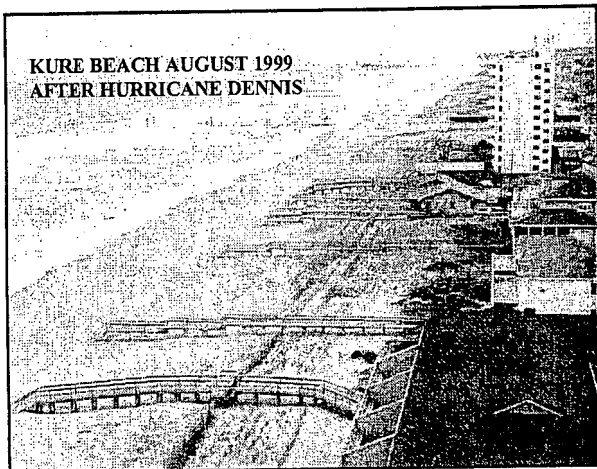
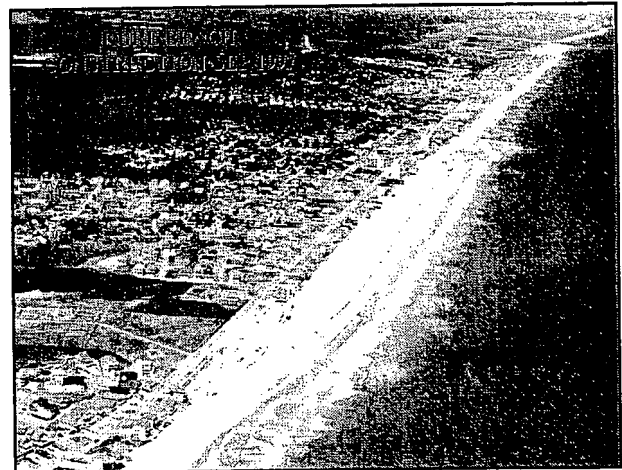
Offshore Borrow Areas



CAROLINA BEACH
AFTER FRAN



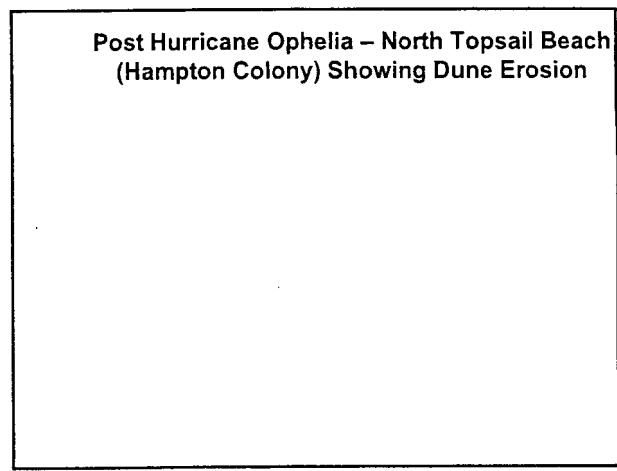
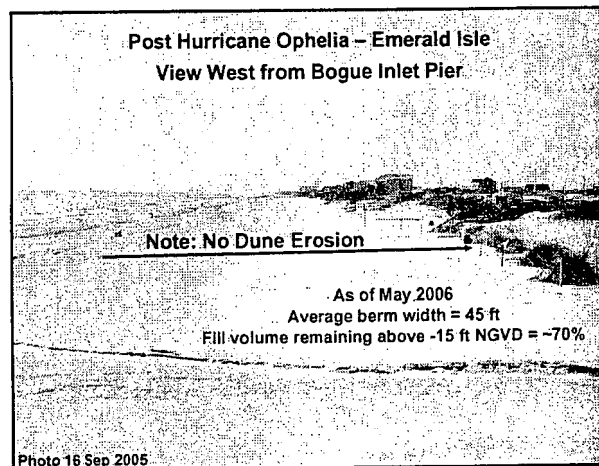
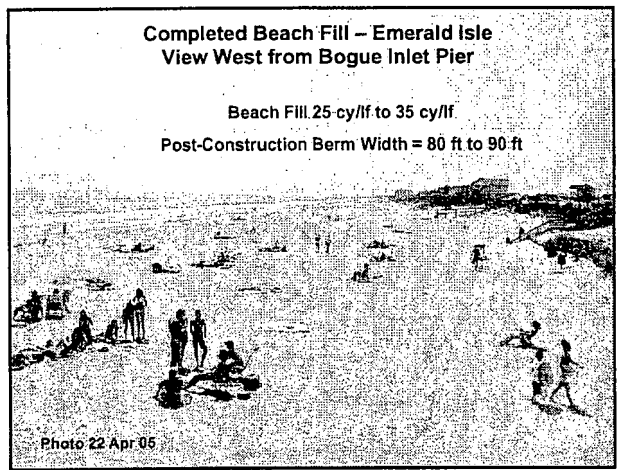
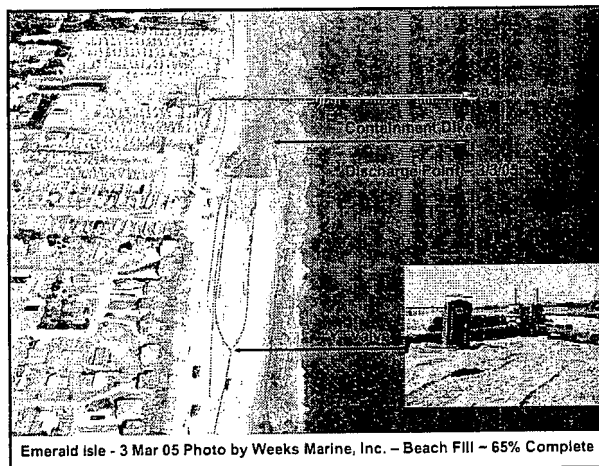
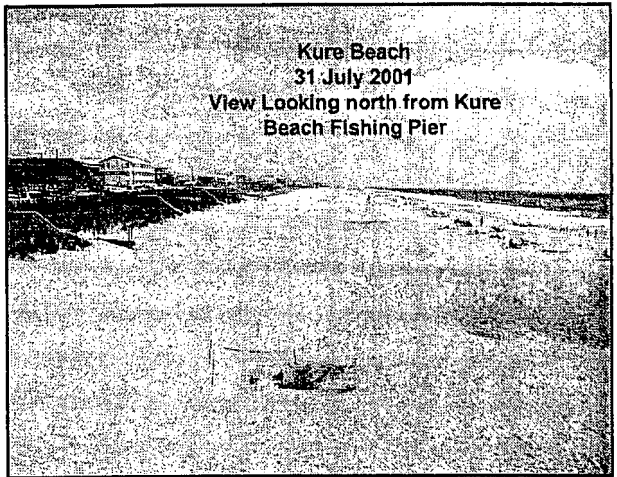
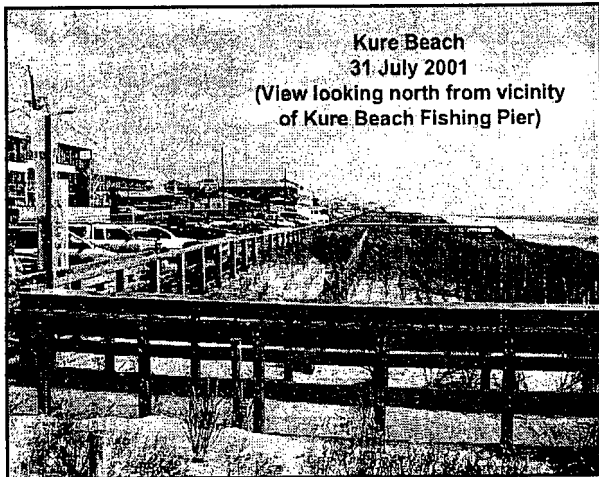
KURE BEACH
AFTER FRAN



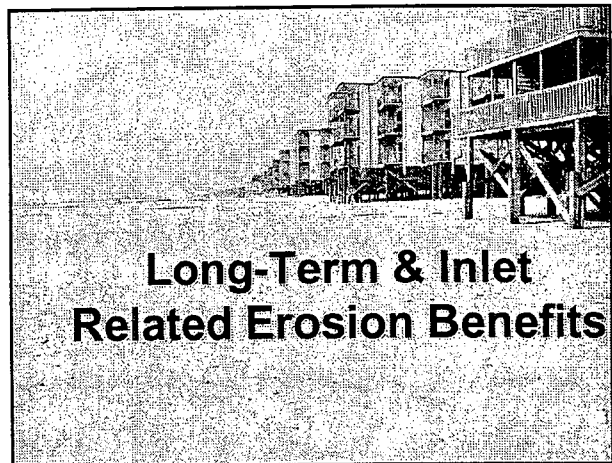
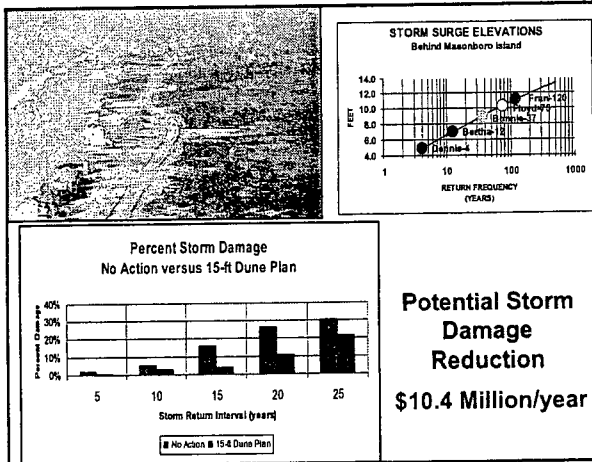
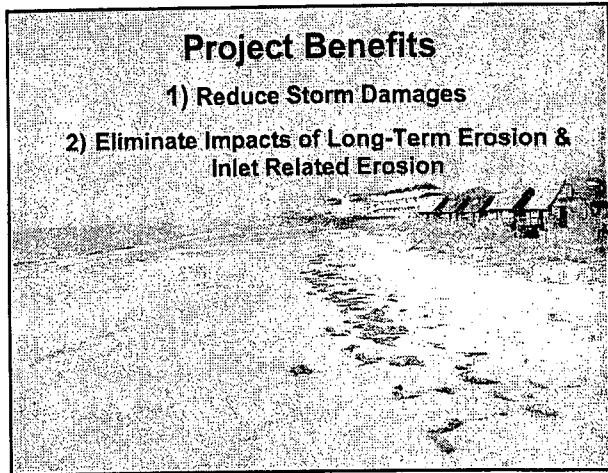
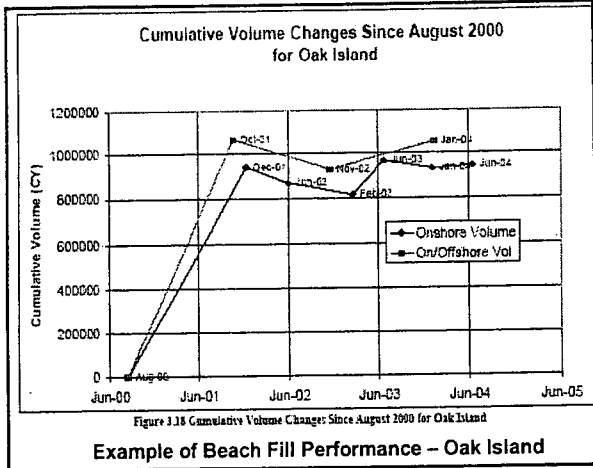
KURE BEACH AUGUST 1999
AFTER HURRICANE DENNIS



Kure Beach After Hurricane Fran
September 1996
(View looking north from vicinity
of Kure Beach Fishing Pier)



702



Erosion Damages Prevented (\$/Year)

• Emergency Sand Bags	\$ 238,600
• Relocations	\$4,176,000
• Demolitions	\$ 388,200
– Total	\$4,802,800
• Rental Income Losses	\$4,239,300
• Household Spending Losses	\$5,644,600
• Tax Revenues	
– Ad Valorem Taxes	
• Town	\$ 147,200
• County	\$ 218,900
– Room Accommodations Tax	\$ 254,600
– Sales Taxes	\$ 395,200

Cost Projections

• Study and Permitting	\$2.2 M
• Estimated Initial Construction Costs	
➤ Good Market Conditions	\$16.6 M
➤ Poor Market Conditions	\$26.6 M

Cost Projections

- Periodic Nourishment (every 4 to 6 yrs.)
(Material from New River Inlet)
 - Good Market Conditions \$ 4.7 M
 - Poor Market Conditions \$ 8.4 M

- Eight Year Construction & Nourishment Costs
\$21.3 M to \$35.0 M

Things To Do

Preliminary Draft EIS	Dec 2006
Draft EIS	Mar 2007
Final EIS	May 2007
Apply for Federal & CAMA Permits	July 2007
Receive Federal & CAMA Permits	Nov 2007
Award Phase I Contract	Dec 2007
Phase I Construction	Jan - Mar 2008
Phase II Construction	Nov 08 - Mar 09

QUESTIONS & COMMENTS?



701

**TOWN OF NORTH TOPSAIL BEACH
REGULAR BOARD MEETING
OCTOBER 5, 2006
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.

TSUNAMI READINESS PROGRAM:

Norman Bryson and John Cole, Onslow County Emergency Services staff, addressed the Board on Tsunami Readiness in the county. There is a possibility that we could have one and it could affect all coastal communities. Thousands died in December 2004 in the Indian Ocean and a 9.3 earthquake caused this. The County is focusing on public safety and to increase public awareness and improve community preplanning for tsunami disasters. The County will establish a communication and coordination plan. There will be an emergency alert system and a cable override. NOAA weather radios will be in public buildings and the use of sirens would be use to alert everyone. The risks are landslides and earthquakes. The sea floor quickly changes shape and water is displaced and waves are formed as the displaced water mass tries to move back.

There are several fault lines in NC. Hurricanes may have affects on earthquakes. DART is deep ocean assessment and reporting of tsunamis. Warning dissemination information will be broadcast out through NOAA. Most timelines will be 5 to 6 hours, but the continental shelf could be no longer than 30 minutes. Myrtle Beach was approved several weeks to be certified as Tsunami ready and Norfolk, VA has also been approved. Onslow County is the first to be certified in NC.

Signs are out, but it is not just to warn people, it states that we know we have a situation. Deaths in the last 150 years are at least 2500 in the Atlantic. It is not when - but if.

10/05/06

Alderman Farley asked how we would notify our citizens. Mr. Bryson said the county would notify your local Police Department and Fire Department and they would do a broadcast with bullhorns on their vehicles. The cable broadcast would alert an emergency alert.

Mr. Cole said if there was an earthquake the worst case scenario would be a 5 hour warning time and a 3 to 4 ft. Tsunami. Alderman Tuman questioned the mid-Atlantic ridge and Mr. Cole said it could be a problem. In 1755, some models showed that there could have been a 3 to 4 ft tsunami and at least a 6 ft. in the mid-Atlantic ridge. Sensors are positioned as offshore buoys and if there is a warning the seismic buoys could verify it is on the way. Mr. Bryson said it would be vital to get the public off the beaches and to implement a vertical evacuation to the top of houses. There should be no mass panic or evacuation. Mr. Cole noted that a Tsunami wave is so different since it is a flooding wave with longer wave lengths. Cars in its path would be washed away very easily.

Alderman Tuman said that they have to address how they will notify citizens. Mike Yawn noted that schools broadcast phone messages to thousands. Mr. Bryson stated that Reverse 911 was a problem since it was not a governmental owned system and being private it was sent overseas to India and they produced the message.

**COMMITTEE REPORTS:
Beach Nourishment – Dick Macartney**

Well tonight is scheduled to be the last word on Beach Nourishment before we all vote on authorizing the general obligation bonds on Election Day. The voters are apparently interested in what the Board of Aldermen say regarding the division of taxes between the newly created Ocean Front Municipal Service District and the rest of the town.

Before addressing that decision I want to update you on the technical aspects of the project. As you realize there is much more to the Beach Nourishment Project than just financial aspects. There are a number of state agencies plus the federal government with the Army Corps of Engineers that must be satisfied with our plan. In a meeting on Tuesday in this very room we had a very positive 4 hour meeting with those folks. It does appear that there will not be any serious regulatory obstacles to our town receiving a permit for the Beach Nourishment Project. Coastal Planning and Engineering made a compelling presentation of two important proposed monitoring plans for our project. One was in behalf of migratory birds in which they suggested ongoing bird monitoring at four locations on the northern tip of the island.

This monitoring will cost in the neighborhood of \$40,000 and will measure the effects on all birds but of special concern are the piping plover that nest on the sand. We may have to rope off part of the sand to the landward side of the end of river road. It would also be good to consider limiting vehicular traffic on the beach there particularly during nesting season.

Really there is an October 15th deadline to object to the 400 foot buffer proposed. The next step will be for CP & E to submit the preliminary environmental impact statement to Project team members (the agencies) it is hoped that that will be done by October 30th. After that is reviewed a final EIS will be drafted and with that a formal project application will go to Raleigh and the Corps of Engineers. The additional information

706
10/05/06

needed for the southern section is what's holding things up right now but all the data has been collected it just needs to be analyzed and put into the appropriate part of the report.

A part of that will be exactly what the current beach profile is relative to 2002 and how much sand will be required to nourish the southern 3.85 miles and exactly where it will come from with additional borrow areas.

But as I said this all looks fine and the technical side of our project is on schedule with our consultants doing a very professional and thorough job.

On the financial side we also retained some very competent professionals who have offered us some good input. However it is up to us to do the political work they suggest. Bottom line they say people have to negotiate a fair tax distribution. Unfortunately, we have not had sufficient dialogue among our citizens to reach consensus, in my opinion, so that means that as representatives of the people our elected representatives must reach that consensus. After the last Board meeting our beach nourishment committee was asked for a recommendation. 5 of our nine members met for over 4 hours and our recommendation was that we revert to tax rates rather than percentages to address the issue. We then determined that 10 cents or one dime on assessed valuation was not too much to ask all property owners to pay. We also agreed that Ocean Front owners do get more property protection so we arbitrarily suggested 20 cents or two dimes for the MSD. That is not enough to cover the roughly 5.5 million dollars we need to pay off the maximum bonds over the mandated eight year time frame. So what do we do? We definitely believe that the state will help as they always have with Beach Nourishment and as they are required to under statute. We also believe that Onslow County must also help especially in light of the disproportionate share of revenue versus services received by our town residents. The 2.5 million dollar shortfall is certainly available from these two sources but it will require work on the part of town staff, elected officials, and individual citizens to lobby for our cause.

The question that remains is what if this plan doesn't work out, what if we are not granted any state or federal funds. We have two choices; not do the project, or raise taxes from the 10 and 20 cent level. At our committee meeting this is where we had the greatest discussion. Our five people all happened to be OF people and we could not convince all of them to raise the cap although a couple of us wanted the following compromise.

Rather than delay the project let the tax rate vary each year with a ten cent base and the extra needed to be placed on the MSD. (I believe the max if there is no funding and the project costs the full 34 million is right at 50 cents or \$5,000 on a million dollar property) but it is very unlikely that it would be the max. In fact it is also possible that a full 2.5 million in taxes would not have to be raised each year. The project could cost as much as 9 MM less which is over 1 MM per year, the state is supposed to give 75% of the non federal cost which is \$3.1, and the county is taking an additional 5.5 million a year in property taxes and about \$300,000 in accommodation taxes from our town. So in that case and we get more than 2.5 million a year we would suggest reducing the tax rate proportionally 66 2/3 OF and 33 1/3 rest of the town. For each 2 cents off of the 20 cents for OF the rest of the town will get once cent of the dime. So this is a possible solution.

I am sure each of you aldermen has thought about what you have to do tonight and I am confident that you will make a fine decision. I know each of our citizens has also thought about Beach Nourishment and will recognize that there are no quick or cheap solutions. We have developed a logical approach that is still having difficulty getting approved under existing coastal regulations but I am confident will be approved. Unfortunately it seems costly in the aggregate and when our share is calculated. The alternative of doing nothing will certainly be more costly certainly to ocean front property owners, some sooner than others, and to all taxpayers when repairs need to be made or taxable properties are lost. So during the next month I would like to suggest that we all try to take the positive approach and have confidence that we will find a way together to build a better beach and create a strong Town of North Topsail Beach.

10/05/06

Alderman Farley questioned that the Board asked Mr. Macartney to come up with a plan and Mr. Macartney noted that he was encouraged by Alderman Tuman. Mayor Knowles said that he mentioned that he should come up with a plan also.

Planning Board – Mike Yawn, Chairman:

Mr. Yawn noted that he was not at the September meeting but there were two main things discussed, one was a conditional use and a PRD. The Planning Board unanimously approved the PRD, but no septic tanks would be allowed. Part of the plan from Signature Coast is a private septic processing system. Landin Holland mailed the zoning maps today and the Land Use Plan (LUP) committee is meeting Monday night and they will go over them.

Alderman Tuman wanted to be ensured that the maps will be secured this time and Manager Smith said that they would be digitized.

Alderman Peters questioned if anything was done in regard to an ordinance on condemned houses and Manager Smith said that the State has recommended leaving it as is. Mr. Yawn noted that they will act on this at their next meeting. The LUP to date has finished the first sections of it which is demographic information. The next phase is to take input from surveys and incorporate into what our practices will be and our rules will be as stated in the LUP. The highest ranking items are not allowing anymore septic tanks. By next October it should be final. We had public input 4 months ago.

Alderman Farley asked for a copy of the draft and Mr. Yawn said that they had been emailed to the Board. Manager Smith said that he would get everyone a hard copy when we get them. Alderman Tuman asked what their schedule was and Mr. Yawn said that they had a meeting on Monday and the end of October and November and then they will be finished for this year. Next year they will meet the 4th Monday of every month. The Board will approve the LUP and CAMA will approve it and then next October we will have a final version.

Board of Adjustment – Jerry Convy:

Mr. Convy said that he had nothing to report since they did not have a quorum to conduct business and one member has resigned and he said that they need more people to serve.

APPROVAL OF AGENDA:

Manager Smith added under Old Business the Notice of Award for the bike path. ***Alderman Handy moved, seconded by Alderman Tuman approval of the Agenda as amended. The motion passed unanimously.***

MANAGER'S REPORT:

1. The September 18th public forum was held.

10/05/06

2. I attended the Planning and Zoning meeting on the 14th. Mike has already updated you on this. Several planning issues are pending —sub-dividing lots with duplexes on the lot and the condemnation ordinance based on minimum housing or building requirements is being finalized. Deb Hill our new planning, zoning, CAMA, and code enforcement officer and I are working to get these finished ASAP. Also the zoning maps are making progress and will be before the P&Z Bd. next Monday. I hope to get a copy of the map before the meeting and will give one to each of you as quick as possible for your review and input before the finalized product is brought before you for your adoption. Deb is doing an outstanding job in all of these areas.
3. The Board of Adjustment meeting did not have a quorum so no actions were taken.
4. I attended the Beach Nourishment Committee meeting held 20 September. Dick McCartney has already updated this.
5. FEMA was here on the 12th to finalize our reimbursements for Ophelia. They will return the week of October 16th to close out everything.
6. I attended the Project Delivery Team meeting Tuesday. Most talk centered around the hard bottoms and the laying of the pipe and protecting animal, bird, fish, and plant species and to disturb the ocean bed as little as possible. Alderman Tuman noted that in the past signs were posted of bird hatching area and to stay out of marshes and also of concern are ATV's. Signs have been removed and it is worthwhile to contact US Fish and Wildlife and we would be receptive to have them placed again. Alderman Handy said that there could be other areas that need signs.
7. I attended Kiwanis also Tuesday morning with Alderman Peters. I am in the process of joining.
8. Yesterday I attended a news conference at the Onslow EOC concerning the new Tsunami ready designation that Onslow County just received. This system has been certified. I must say that I was impressed with the new system. Also Mark Goodman gave me a tour of the facilities. They are top notch. Very professional and efficient.
9. I will be attending the League Conference October 14th through the 17th along with Mayor Knowles and Alderman Handy.

Alderman Farley asked how many showed up at the last Board of Adjustment meeting and Manager Smith said two and he noted that they need more members. Alderman Tuman said that this is an ongoing problem and asked that this issue be an agenda item next month as to how the Town will resolve the problem with Board of Adjustments.

Attorney Kilroy asked the manager if notices and/or orders were given to those who were denied at the Board of Adjustment meeting and Manager Smith said yes, he had sent out letters.

OPEN FORUM:

Bob Swantek – 3772 Island Drive, said that Mr. Macartney was doing a great job with beach nourishment but there are a lot of ifs - if we get this and that. How can you expect people to vote for something that is an if since there is nothing in stone or writing? If we don't get money from the county or state we don't have

10/05/06

any guarantees. We need a resolution that there will be no more building unless they have sewer permits. We keep on saying we need beach nourishment, but we allow septic systems and if anything happened we would be in trouble. They are building on bridges and that is where it breaks through.

Bill Walsh - 100 S. Permuda Wynd, said that he has been a property owner since 1996 and has lived here since 2002. He was born and raised on the beach in New York. He is for fighting against erosion but who is going to pay for pumping sand. The whole idea is folly to pump sand that will wash away. It is cheaper to move homes that are in risk. We need to know there are solutions out there. Do something to fix the problem. We have new tax rates and now the Town will tax us. He said he was retired and on a fixed income and he can't afford to keep paying for a few homes on the north end that are at risk. It's not fair and not right. This is a band aid at best and a short term solution. This has been tried and failed. He said he was against a 34 million dollar folly bond, but he was for finding a beach erosion solution. Alderman Farley noted that Mr. Walsh was called back to active duty and has now returned to NTB.

Bob Hale, 153 Old Village Lane, agreed with other speakers in that there are too many "ifs". We don't know the final course and it could change year to year. This is a blank check, just fill in the amount and let me know what I owe.

June Doherty, 169 Old Village Lane, said that what bothers her was that they are pitting the sound side against the ocean side and nothing is farther from the truth. We are all in this together. It's been said that we don't like the ocean side, but that is not true. This is not a good investment of my money, your money and not a good investment of our time. My sound side home gets flooded, nothing will protect us.

Randy Coley, 4366 Island Drive, said that they were missing a PBS segment on NTB. He said that they come here every weekend and have been here since 1999. His concern as well as others is the diversion - ocean front pay this much - sound side that much. We have a beautiful beach and we have gained 3 feet and have lost 3 feet again and again. We could do beach nourishment and we have to pay for it. The taxpayers will not stand for it when you charge the ocean a fee and the sound a fee. When you state 90/10 split, you give the ocean 90% rights to stay on the ocean and the sound 10%. Why don't you let the sound side stay on the beach for 2.5 hrs. a day - is that fair? To even think that we are not all together on this - you should be tarred and feathered. Raleigh and Greensboro talk about NTB. Do it fairly and do it right. Citizens will be with you if you do it fairly.

Mike Yawn, Village of Stump Sound, said that in regard to septic tanks, it is viable to deny a rezoning or PRD that needs to use septic, but we can't stop an

70
10/05/06

individual house. He said that on the PRD that they will vote on tonight, he urged them that they attach to North Topsail Utilities. He also said that they should tell the Planning Board that a PRD should have a public hearing because it is not in our ordinance for it to go before the Board of Aldermen. In regard to beach nourishment, it could change every year. The 20/10 plan is 2/3 and 1/3 for rates, but when you look at the total amount collected in the tax district and in the rest of NTB, the ratio is more like 68/32. After the bond is paid off, the tax district goes away so the maintenance costs are paid via a flat tax across all properties (plus a smidgen from the accommodations tax). A good estimate is that the Town will need about \$1.5 million a year in property taxes (today's dollars) to do the maintenance phase. So, once inflation is factored in, he felt that the 12.5 cents tax will need to be continued, but that it will be across all properties. When you add up all the costs, including pre-project, construction, and post-project (for 50 years), the 20/10 split is actually about 58/42 and our 80/20 split ends up being about 65/35 which is unfair to the sound side.

Alderman Farley said that something has been codified concerning moratoriums prior to this recent act. Attorney Kilroy said it is an issue of conditional use and it is the Board's prerogative to put restraints.

Linda Knowles, 3592 Island Drive said that the Board is not listening and she was disappointed and she didn't want to see this Town divided. Members of this Board are not paying attention to the citizens.

Lenny Denittis read some of Mike Yawn's comments: No matter what happens we will be stuck with the bill. Too many "ifs" – no guarantee in years to come. Ifs will get us in trouble. It will be a blank check going to the bank.

CONSENT AGENDA:

The consent agenda consisted of the following Board Meeting minutes: Special Meeting - March 20, 2006; Budget Workshops – April 12, May 8 & May 15, 2006; Regular Meeting - September 7, 2006; Public Forum – September 18, 2006; Department Head Reports; Benefit Accrual Report; Budget vs. Actual; Resignation of Carol Baldwin from the Board of Adjustment.

Alderman Farley had a correction to the minutes of September 18th on page 11, last paragraph. He said that it was not a "Board consensus" to wait until the October 5, 2006 regular Board Meeting to vote on the tax rate. It should read "the meeting could not be arranged." He also said that he checked with the Institute of Government and we could have set the vote that night.

Alderman Peters questioned the budget and said that some items will be out of line and Manager Smith said he was checking it.

10/05/06

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

OLD BUSINESS:

a. Progress Report by North Topsail Utilities:

Alderman Tuman has requested that the Town invite representatives from North Topsail Utilities (NTU) to give a progress report on the allocation of sewer taps. The North Carolina Utilities Commission required progress reports addressing wastewater capacity and expansion. Mr. Rick Durham and Eddie Baldwin addressed the Board of Aldermen in regard to this issue.

Rick Durham noted that he was the regional director of NTU and he worked out of Charlotte. Following is NTU's presentation:

I. Corporate Information

North Topsail Utilities, Inc. is one of 13 North Carolina water and/or wastewater operating subsidiaries owned and operated by Utilities, Inc. of Northbrook, Illinois. Utilities, Inc. is a holding company for approximately 90 subsidiary companies that provide water and/or wastewater services to approximately 300,000 customers in 17 states. On April 3, 2006 the North Carolina Utilities Commission approved the stock transfer of Utilities, Inc. from Nuon Global Solutions USA, to Hydro Star, LLC.

II. North Topsail Utilities, Inc

Prior to February 2000, sewer service in North Topsail Beach was provided by North Topsail Water & Sewer Company, Inc. (NTWS), a company owned by Marlow Bostic and Roger Page. Utilities, Inc. acquired the system out of bankruptcy and began providing service through its subsidiary North Topsail Utilities, Inc. (NTUI) in February 2000.

The original treatment plant consisted of three lagoons and 175-acre disposal field where effluent from the lagoons was sprayed onto the field and assimilated into the soil and vegetation. The collection system consisted of gravity mains, force mains, and duplex/simplex pumping stations serving primarily North Topsail Beach.

III. Wastewater Treatment Plant Capacity

Date	Event	Change in Capacity (gpd)	Available Plant Capacity (gpd)
North Topsail Beach Water and Sewer Company, Inc.			
Prior to 1993	Original Capacity		877,000
1993	DWQ Reduced Capacity and Required Improvements	-248,000	629,000
North Topsail Utilities, Inc. (Purchased Feb. 2000)			
19-Dec-03	NTUI expanded Spray Fields - DWQ Increase Capacity	45,133	674,133
28-Feb-05	NTUI completed 4th Lagoon - DWQ Increased Capacity	100,000	774,133
Feb-06	DWQ Increased Capacity	99,367	873,500
30-Sep-06	Current Plant Capacity		873,500
Sep-06	Current Plant Capacity		873,500
Dec-06	Phase 1 & 2 Engineering Submittal to DENR		
Mar-07	Begin Construction of Phase 1		

7/2

10/05/06

Jun-07	Begin Construction of Phase 2		
Dec-07	Phase 1 Completion/Start up	826,500	1,700,000
Jun-08	Phase 2 Completion/Start up	1,700,000	3,400,000

V. Capacity Allocation Policy and Procedure

The formal written procedure to implement the first-come, first-served, nondiscriminatory process for allocating capacity as it becomes available to those on the list who are eligible to receive capacity when it becomes available:

A. Upon request by the lot owner or developer, NTUI will issue a sewer reservation permit. A sewer reservation is valid for 60 days. Within 60 days of the date of reservation, the applicant must obtain a building permit from the appropriate governmental authority and provide a copy of the permit to NTUI's customer service representative at NTUI's North Topsail office.

B. Upon providing proof that a building permit was issued and upon payment of the appropriate tap fee, NTUI will issue a sewer permit.

C. If the applicant does not begin construction within 6 months after issuance of the sewer permit, or if the building permit expires or is revoked, NTUI's sewer permit becomes null and void, and NTUI will return all fees to the applicant.

D. Any individual applicant for service, e.g., a builder or developer, is limited to eight connections per application, and no individual applicant may make more than eight connections to the collection system in any calendar year.

Each applicant for a commercial connection shall be responsible for the costs of installing the DWQ required duplex pump station.

Summary of Allocated Taps

<u>Allocations</u>	<u>Gallons Per Day</u>	<u>Equivalent Taps</u>
Capacity Added Since Feb 2000	244,500	679
Committed Allocations (pre-existing)		-452
Taps Allocated by DWQ		-27
Taps Allocated by NTUI (as of 9/30/06)		<u>-187</u>
Taps remaining		13

VI. Bacteriological Investigation in Vicinity of Primary Pump Station

On June 12, 2006, NTUI conducted a water quality analysis in the vicinity of the primary pumping station located at the Highway 210 bridge. Water samples were collected upstream and downstream of the bridge and at a location in close proximity of the pump station. The results were good, indicating no leakage or spillage occurring at the wastewater pumping station.

VII. Questions and Answers

VIII. Contact Information

Eddie Baldwin, Area Manager

Lillian Trifoli, CSR
North Topsail Utilities, Inc.

Rick Durham, Regional Director
Atlantic Region (NC & TN)
P.O. Box 240908

10/05/06

1095 Highway 210
Sneads Ferry, NC 28460
(910) 327-2880

Charlotte, NC 28224
(704) 525-7990

Alderman Tuman noted that Phase I seems to have slipped and Mr. Durham said that the spring analysis was done to determine what rate of disposal we could do and the report was done the end of May and the results were not favorable. The engineer had delays and DRQ informed them of a rule change for a buffer for waste water disposals. Alderman Tuman questioned the waste water treatment plant and construction of disposal ponds and asked if they delayed design construction. He also asked if certain infiltration ponds were a solution. Mr. Durham said that they were delayed because of the amount of capacity they could attain. They had to look at locations, designs and depths for proper disposal and they have solved enough capacity for 3.4 mm treatment which will be spread out. They are competing for spray field space.

Alderman Tuman noted that they were supposed to provide a list of people waiting for service and Mr. Durham said that they were delinquent on providing those reports. Alderman Farley said aren't we entitled to a list of those who have received permits and Mr. Durham said it has not been completed yet. They are preparing it now and will file it with the commission. Alderman Peters asked what the number was on the available list and Mr. Durham said 80 or 90 and there are 350 names beyond that. Alderman Tuman noted that the information given was 2000 customers and a backlog of 400 last December. In February there was additional allocation from DENR and the assumption was 450 GPD should have served an additional 225 customers and reduce the back log of that number of taps. People feel they are not being treated fairly. If there are 181 on the list and there are 225 taps available, they advance to 99, how does that happen? Mr. Durham said it was a breakdown of allocation. There are 360 gallons per tap out of 679 and there were committed allocations prior to starting this waiting list. There were pre-existing commitments of 452. DWQ had approved 27 that we couldn't count. Current taps are 13 and that changes daily.

Alderman Tuman questioned the people back logged in September of last year and there are only 13 taps that have not been served? Mr. Durham said that the back log was 350 to 370 names and the taps are up to 8 per person. Although, some people are not interested in the taps. In regard to the water quality analysis the results were good.

Alderman Tuman said that they made an agreement to provide that report to the Town and the Board would like to see the results. In regard to the odor at the pump station, you have not taken any pro active steps. Mayor Knowles noted that they smell it every day and requested that the Manager call NTU and report that.

714
10/05/06

Alderman Farley asked if there were only 8 taps/person, is this the end to any large scale development and Mr. Durham said no, the taps are for individuals or developments at this time. We are trying to get through this list. Alderman Farley asked what happens if someone gets 8 taps and they get to the end and they get thrown off the list. Mr. Durham said that they accommodate everyone who wants to build. We have given some extra time to get their plans and have been lenient and they work with those individuals.

Bob Swantek, noted that in previous minutes that the smell was brought up and NTU said it would cost \$150,000 and you wanted the town to pay for it. Mr. Durham said there have been discussions to estimate what it would cost for mechanical scrubbers. Mayor Knowles questioned using a taller exhaust system since someone said if you did that it would work effectively. Mr. Durham said that they would discuss that with their engineer. Mr. Durham said that they have used deodorizers and blowers and added a chemical and it seems to have helped a lot.

Mike Scott asked if any attention has been made with his house to get him sewer since it has been 2.5 years that he has been on the list and his number was 323 at that time. Mr. Durham told him to call Mr. Foley at NTU.

b. Municipal Tax District Rate:

The Board reviewed the spreadsheets for the ratios proposed for the District. Beach Nourishment Committee recommends .10 for everyone and an additional .10 for the Service District. This will leave us short and dependent on outside funding to make the project work. Manager Smith suggested that the Board set the split and commit to everyone that if outside funding comes in, then both sides will be brought down proportionately.

Alderman Farley moved to adopt an 80/20 ratio and to factor in a 10% over run at 48.7 cents ocean and .13.75 non ocean front.

Manager Smith noted that there was no need for overruns since 34 million is our capacity that is debt capacity for the Town.

Alderman Farley said that 44.25 and 12.5 at an 80/20 split – these numbers are high; we are only factoring in a 1% growth rate. The rate could go down. If we get state/county money that it is applied proportionately.

Alderman Peters made a second to the motion.

Alderman Tuman said that he did not like the proposal because it is contrary to input from citizens who support fixing the beach and they are concerned of overall costs and limits. 44.25 and 12.5 is too high and too much to ask of our citizens. Alderman Peters said that they have brought up how much we

10/05/06

would get from the county or state and any amount received would be pro rated at a reduction. A 10/20 ratio is better if we could count on receiving additional funds, but we are willing to pay the entire amount. If we get assistance at a pro rata reduction the 80/20 split could come down to 50/10 but we are dealing with unknowns. Alderman Farley said that we are trying to lay out the number to pay off the bonds. It's the worst case and this is what you can vote on. Alderman Peters noted that as you go to the polls you will vote on the basis that if we get assistance you won't pay 80/20. He said he didn't believe that we could provide all the answers and there has to be a leap of faith.

Alderman Farley said that at the meeting a couple of weeks ago - the idea that citizens are overwhelming behind this - more than half didn't want to proceed with this. The benefit is derived by the oceanfront. This is the way it is done in other communities. Emerald Isle used 48/03, but Mayor Knowles noted that 70% was paid by the ocean front. Alderman Farley said it was a difference of balance.

Alderman Tuman said in pursuing this project our citizen's concern is of cost and affordability. When Emerald Isle addressed our Board they gave us the benefit of their experience. NTB from a taxing point of view was at a disadvantage. The benefit of revenues are not available here. Emerald Isle has an occupancy tax and they get the whole benefit of it. They have distribution of sales tax revenue allocated on advalorem. We are discussing changing to advalorem with the county. Emerald Isle is not like NTB and the property that benefits is ocean front. The geography is different, NTB has a lower elevation. NTB needs to put a tax levy on our citizens that is affordable and demand and expect a large portion of additional revenue to come from government. In the proposal from the Beach Nourishment committee, I asked them for an alternative, instead of 80/20, etc, and they suggested a .10 across the board for everyone and they addressed that. They discussed another .10 for ocean front. The county has told us that if you do beach nourishment we will be here, but don't tell us to come up with formulas if you won't do beach nourishment. The state has allocated money to water projects. The potential is there, but most important is that you don't vote for 80/20 - message is that's what you can afford. That is not the message I heard in your surveys and from you. Message is "beach is for this Town", serves its tax base and serves the county and the state and we expect your proportionate. You approve referendum to approve bonds. If we have no way to float bonds, the LGC will not release those bonds and the town will have to find another alternative. It's a mistake to serve notice that the Town is ready to bear the financial burden up front. Alderman Tuman said that he was in support of .10/ and .20 and the rest from outside sources.

10/05/06

Mayor Pro Tem Hardison said that he has done a lot of thinking and we are trying to simplify a complex situation. We need communication with our citizens and bringing them along with decisions and discussions leading up to the referendum coming up. We are here to set a rate and it's the voters who have the last word. Whatever the rate is the voters decide. This project should not die because it loses at the referendum. We are hearing that if it fails then that's it, but it shouldn't be it and if it fails we need to be more creative to see what we can come up with. He said he wanted 80/20 and the reluctance to move so slowly is based largely upon the number of people who can't afford it.

Alderman Handy said that we have a situation which needs to be addressed. We need to do something about our beach. If we have a storm and it tears up this building or park or bike path the entire town pays for it. He would like to see .20/.10 go forward and get it started. At the November referendum, if that fails, then the answer is to do something else, but that puts it off at least a year or more and the prices will go up. We don't have to take the whole 34 million, just what we need for the project in steps. We will find out we have waited too long to protect our Town.

Mayor Knowles said that he was here when the Town was thought of in 1988 and there were about 250 of us here then and we started a town. In January 1990 we were incorporated and we didn't have any money. Developers and the county were against us as well as state legislators, but we worked together. Mayor Knowles noted that he is the Co-Chairman of the Resort Towns and Cities and at last year's meeting other areas said that they know what we go through because of flooding they have had. He wanted to see the Town work as one again and to share and share alike since we all get the same benefits. The Mayor felt that an 80/20 split would fail. The federal program wouldn't occur until 2011 or 2012 and he urged the Board to vote as they think it would pass.

Aldermen Farley, Peters and Mayor Pro Tem Hardison voted for an 80/20 split for the 34 million bond referendum on November 7, 2006 and Aldermen Handy and Tuman voted nay. The motion passed three to two.

c. Notice of Award – Bike Path:

Manager Smith noted that in the second phase of the bike path the bids were high. When we went out for new bids we received just one bid, but after the second time you can take one bid. It is still higher, but we could do a change order or have the contractor lower the costs. There have been over runs from petroleum and estimates were given three years ago and paving companies are not hungry and that is why they can charge us a premium. Manager Smith

10/05/06

recommended that they approve the Notice of Award and he guaranteed that they won't go over.

Alderman Peters asked how long would the path be and Manager Smith said 4900 feet. He assured the Board that it won't go over budget and we will stop it before it does. Alderman Peters asked if he was convinced that is as good as we could do and Manager Smith said right now it is since contractors are busy. Mayor Knowles noted that we have a lot of help from the state. Manager Smith stated that this grant runs out April 2007. Alderman Peters asked if it would be better to have it on one side continuously and Manager Smith said they would have to modify the plans. Manager Smith said that Surf City got their main road repaved and a bike path on both sides. Mayor Knowles noted that people are enjoying the bike paths and he has received very positive comments.

Alderman Farley said he was not sure it was proper to approve a contract that is over budget. Alderman Smith said it is and you can do a change order right after approving the budget.

Alderman Tuman moved, seconded by Alderman Peters to accept the Notice of Award for the Bike Path and that the Manager would not exceed the budget. The motion passed three to two with Alderman Handy and Farley voting nay.

NEW BUSINESS:

a. Request for Easement on Town Owned Property to Build a Beach Access:

John Toler, Ward Realty Corporation, on behalf of his client Bradford A. Koury, is requesting an easement at the north end of the town's parcel, ID 779-2.3, across from his lot, parcel ID 779B-51. Mr. Koury would like to build and maintain a beach access over the dune at his expense. Mr. Koury would also pay for any legal expenses involved in the documentation of the easement.

Mr. Toler addressed the Board and said that the Town owns ocean front unbuildable property and Mr. Koury will maintain the crosswalk at his cost. He would like an access there and Barton Bay will have their own access. Manager Smith said it is a Town easement and it would have to be public. Alderman Tuman asked if homeowners of Galleon Bay have a public beach access and Mr. Toler said he was not aware of one but there are some private accesses at the southern end of Galleon Bay. This lot is north of that. Alderman Peters asked if his client had a residence on the property and Mr. Toler said it is a lot at this time and the lot is for sale and the prospective buyer wants a closer access.

10/05/06

Attorney Kilroy stated that he didn't think you could grant an easement for an access for town property. It would have to be a public access. Alderman Tuman said that he was not comfortable with granting property and giving a preference and enhancing his property. He felt that someone was trying to enhance the sales value of his property and he was not comfortable with that.

Alderman Farley moved, seconded by Alderman Handy to disapprove the request for an easement on town owned property to build a beach access. The motion passed unanimously and the request was denied.

b. Conditional Use Application and PRD – Signature Coastal Development:

Deborah Hill, Planning/Zoning/CAMA Officer thanked the Board for the great opportunity to work for the Town. There have been some questions in regard to our ordinances on a PRD. There is a concern of using just a sketch and dimensional requirements.

The developer said that Boardwalk Villas have an old southern charm and is a pedestrian community centered around the environment. Each unit is 2000 feet with four bedrooms for each duplex.

Ms. Hill noted that the Planning Board has seen the presentation twice. On August 10th, 2006 the Conditional Use was presented during a public hearing. Since then the developer has added more green space. They purchased an additional acre and the green space is in the middle to make it proper and desirable to the Planning Board. One acre was divided by 5,000 and should have qualified for eight units and we had three. It is 2.5 stories. It has the same theme and character and is a cohesive designed community with three or four different options to choose from.

Conditional Use Application and Planned Unit Development (PRD) proposed by Signature Coastal Development, Inc.:

BACKGROUND:

Staff is requesting that the Board of Aldermen review the proposed PRD by Signature Coastal Development, Inc. The 5.59 acres is located 4.4 miles northeast of the SR 210 and 1568 intersection on New River Inlet Road.

The property is currently vacant and zoned R-5. The adjoining properties are zoned R-5 and parcels across the street are zoned R-10.

10/05/06

Lots will be served by existing and proposed extensions of ONWASA's water lines and a private sewer system, vice temporary septic as originally proposed.

The Conditional Use Application and sketch plan for the PRD were received on July 17, 2006 for review by the Planning Board on August 10, 2006. Mr. Levesque from ESP Associates, Signature Coastal Development and his colleagues returned to the Planning Board on September 14, 2006 with an updated proposal of the preliminary site plan.

FINDINGS:

- A. The proposed PRD is not eligible for federal flood insurance as they are located in the CBRA.
- B. The use requested is listed among the conditional uses in the district for which application is made; or is similar in character to those listed in that district;
- C. The requested use will not impair the integrity or character of the surrounding or adjoining districts, nor adversely affect the safety, health, morals, or welfare of the community or of the immediate neighbors of the property;
- D. The requested use will be in conformity with the land use plan;
- E. Adequate utilities, access roads, drainage, sanitation or other necessary facilities shall be provided;
- F. That adequate measures have been or will be taken to provide ingress and egress so designed as to minimize the traffic congestion in the public streets; and
- G. That the conditional use shall, in all other respects, conform to the applicable regulations of the district in which it is located.

RECOMMENDATIONS:

Staff endorses the Planning Commission's recommendation of September 14, 2006 with the following conditions:

- 1) Development will comply with all federal, state regulations and with the Town Code, with emphasis on Sec. 7-210-7-219.6.
- 2) Lots are to be served by sewer system and not septic.
- 3) Development includes installation by the developer of a fire hydrant at the south entrance to the PRD. Minimum width of roadway is 20' to allow for emergency vehicles.
- 4) Impervious surface calculations are to be certified and include the roadway. The area is calculated from the Mean High Water (MHW).

710
10/05/06

5) Density requirements will comply with R-5 zoning.

Alderman Tuman asked if the layout, in terms of setbacks, was relative to the parameters of an R5 and Ms. Hill said yes.

Matthew Levesque noted that they went to the Planning Board with 4.5 acres. They went back with an additional acre added on and increased open space and lowered the density. The PRD allows us the opportunity to do a garden amenity center in the middle. Included in the PRD on the sides of the projects are two public beach accesses. It was questioned if it was a Town access and the engineer said that when the deed was done there was no easement recorded. The access is there and we are dedicating the access along those property lines. Mr. Levesque said that the overall concept is pedestrian friendly. The boardwalk system provides safe access to the beach as well as internal access between the villas. Mr. Levesque discussed the surrounding areas and how they compare to those around us. Boardwalk villas are lower in density - five actual lots per acre with ten units. The road coming through the site would be a two way with vegetation in the front. There are two types of unit sizes.

Alderman Tuman stated that he saw this as a subdivision trying to take advantage of a PRD. When you market the properties, what are you selling - buildings or lots? Developers sell lots with architectural control to adhere to plans and timeframe in which they could be built in. Someone who purchases this gets a building and property. That presents a problem relative to our ordinance. When you buy into a PRD you are buying a building, but the land has to be owned by joint property owners, it belongs to the association. Development remains under single control. All the land in this PRD is open space available to all property owners.

Attorney Scoggins said it would be under the control of an association. Alderman Tuman noted that the issue is 0 lot lines, you can have no buffers, it has to be single control and you don't have lots. Mr. Levesque said that parking was underneath - one parking spot per bedroom. Mr. Yawn said that there had to be two per unit plus one space per bedroom and for four bedrooms you need four parking spaces. Mr. Levesque noted that there was room underneath and in the driveway and on-street parking. Alderman Farley said that each structure has to have minimum setbacks. Manager Smith said that under PRD the setback is under the whole unit. Alderman Farley said that it states per structure and meets the setbacks around a particular structure. Mr. Levesque said as long as you meet side yard setbacks and Alderman Farley said that the setback is 8 ft on each side. Mr. Levesque said they are establishing new setbacks and meeting the requirements of districts. Alderman Tuman noted that there are further restrictions for duplexes in 7-146. Mr. Levesque said that a PRD is an overlay conditional use and you are creating site specific. He said that they are

10/05/06

meeting setbacks for side yards, but your district is conditional use. Whatever is approved in conditional use is what needs to be preserved. Ms. Hill said to be careful since you phrased it as a rezoning. It is not a rezoning, it is a CU permit required as part of the PRD approval process. Ms. Hill noted that dimensional 7-129 affords you flexibility in reviewing CU for PRD.

Alderman Tuman said that he couldn't find any other reference to PRD; it just has a general description of a PRD. There are limitations and one is that if it references dimensional requirements and the table states for R5 you have to meet requirements. He said that he went to neighboring town's ordinances and looked at theirs and it's the same up front and it does impose specific dimensional limitations of low, medium and high density. Our ordinance states you will meet requirements of that district. Ms. Hill said that there are some conflicts with the ordinance and it makes it difficult to interpret. PRD's are to be viewed as one unit, not 29 separate units. If side setbacks are 8 ft, they have met the condition. Different municipalities set their procedures differently. It gives you flexibility, negotiation and standards.

Alderman Farley said there are smaller setbacks and who is benefiting from this. You are consolidating buildings to provide amenities and you are squeezing more buildings in. Alderman Tuman noted that they have gone with another concept of duplexes and maintained R5 setbacks they chose not to, this is more attractive. Alderman Farley said that he didn't see much space being freed up and he just saw bigger lots. Alderman Tuman said that they have the freedom to propose this.

The developer noted that they didn't cram all the lots in. Mr. Levesque said that there is additional room for 3 or 4 more units. In looking at the geometry of the site, there is not a gain in the amount of lots. It opened up a larger green space.

Alderman Handy questioned the first line of vegetation and Ms. Hill said that they did check that but she will verify again that it was done. The Engineer noted that it was done a year ago. Ms. Hill questioned the on-street parking and Mr. Levesque said there is a potential to do that and Mrs. Hill said she would have to clear that with the Fire Department.

Alderman Tuman questioned the waste water and Attorney Scoggins said they would endorse the recommendation of staff. Alderman Tuman noted that North Topsail Utilities (NTU) said there would be additional capacity, but not until next year. If you wanted to put in your own waste water facility I don't see how you could do it. The developer said that one way is to do it and then remove it and it would be a package plant. Alderman Tuman asked how they would dispose of water that is treated. The engineer said there would be preliminary soil tests done and most soils are suitable for disposal of highly treated water. They will

10/05/06

not use an infiltration pond and will probably use a trickle system. These are closed contained systems with no odor and they are treated to a high degree and filtered. This process is permitted by the state and done all over the U.S. We are frustrated by NTU and don't like to be held captive by them. We still have an extensive design and permitting process to go through and we will have a better idea when that is completed. This would be a temporary system for this project in the beginning. We are flexible on where it goes and will sacrifice building lots to put the system in. Alderman Farley asked if this kind of system was what the Planning Board intended using and Ms. Hill said they had discussions of package plants and that it would be temporary. The developer said that the individual purchaser is applying for sewer. Alderman Tuman asked if there was any arrangement in getting allocation from NTU that they would be required to get that allocation now since the area is rapidly developing. Alderman Farley noted that people can only get 8 taps and questioned where this puts the little guy. The developer said there would be enough capacity by the time the permitting is done. In a Conditional Use you state what you think will help the town.

Attorney Scoggins said the main thing in a PRD is the statement of purpose, planned development of integral unit, development, voluntary alternate procedure, permit flexibility from conventional use, setbacks and provide criteria for planned development based on performance among others. Alderman Tuman noted that all of those things have limits.

Attorney Kilroy said that he agreed with Alderman Tuman in that we are stumbling around with this ordinance and the problem is the sketch and not the development plan. He suggested to defer any action and asked the developer to submit a plan. Attorney Scoggins noted that they are already required to come back to the Board for the site development plan and all you are asked tonight is to accept the preliminary sketch plan. Alderman Tuman said that it was difficult to approve it.

Alderman Handy moved to approve the preliminary sketch plan for Conditional Use Application and Planned Unit Development (PRD) proposed by Signature Coastal Development, Inc. Upon no second the motion died.

Attorney Scoggins said that they would come back with the second stage and with more information. Alderman Tuman asked the Planning Board to look at the PRD ordinance intent and clarify the zero lot line. He proposed that should the duplexes with the setbacks that are proposed by the Developer be an advantage to the Town then the ordinance 7-146 needs to be modified accordingly. Mr. Yawn said that there are inconsistencies in the definition for R5 since it states you have to have central sewer and yet in the definition for a PRD it states that

10/05/06

they could do something private. Manager Smith said that a PRD does allow too much flexibility and if you were going to stand by what is in the table then we should do away with PRD's completely. Alderman Farley felt that we were creating more density. Attorney Scoggins said since there was no action should they come back with specific information and Attorney Kilroy said that there was no second to the motion to approve it so it was not approved but it wasn't rejected. Alderman Tuman asked the Planning Board to look at the PRD ordinance.

OPEN FORUM:

Gary Rowland said that trash containers are still out there. Manager Smith said he will be setting up a meeting with the realtors and property managers. Alderman Peters said that they still need to look at parking issues.

ATTORNEY'S REPORT:

Alderman Kilroy noted that the Lafferty matter in regard to the building height issue has been voluntarily dismissed.

MAYOR'S REPORT:

Mayor Knowles noted that we have received Powell bill money. We need a Board member to serve on the Eastern Carolina Council. He noted that he and Alderman Tuman attended the CRC meeting last week.

ALDERMEN'S REPORT:

Alderman Handy said we need to address signs in the right of ways and to refer this to the Planning Board as to how to handle that and to send letters to realtors. Ms. Hill said that she rode around today and she has talked to realtors and they have said it would not be a problem and will take care of it. Alderman Tuman noted that there was a problem with banners too.

Alderman Hardison thanked everyone for their patience and he will continue to work on the length of the meetings.

Alderman Peters said if the Town appears to move forward with beach nourishment then they need to go all out to fulfill the objective.

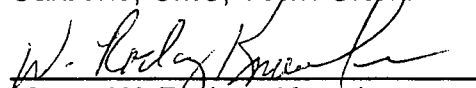
Alderman Tuman said in regard to beach nourishment that Emerald Isle, prior to their referendum, provided a fact sheet and the Town will be providing that.

Alderman Farley said that the Town can't take a position on the fact sheet.

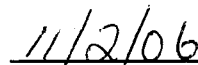
ADJOURNMENT:

Alderman Tuman moved, seconded by Alderman Handy to adjourn the meeting at 10:45 p.m. The motion passed unanimously.

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



Mayor W. Rodney Knowles



Date Approved

**TOWN OF NORTH TOPSAIL BEACH
REGULAR BOARD MEETING
NOVEMBER 2, 2006
7:00 P.M.**

PRESENT:

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

NOT PRESENT:

Mayor W. Rodney Knowles

QUORUM:

Mayor Pro Tem Hardison 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:

Manager Smith noted that he was tabling all of the issues under new business since there was a question on the donated property and the ordinance changes need to go before the Planning Board first. Alderman Handy added under Old Business to add the moratorium of septic systems in our town for the December meeting. Manager Smith added under Old Business the renaming of Marine Drive. Alderman Tuman asked that next month the manager inform them of his plan and what path he is taking regarding the outstanding zoning related matters, the codification of ordinances, the finalizing of the zoning map, the list of issues for the Planning Board and to reference what these are and discussion of our need to reexamine our total zoning ordinance package i.e. the consistencies of the PRD's. Alderman Farley said they should also look into the duplex issue.

Alderman Tuman moved, seconded by Alderman Handy approval of the Agenda as amended with the requested items for December's Board Meeting. The motion passed unanimously.

COMMITTEE REPORTS:

Beach Nourishment – Dick Macartney

Mr. Macartney noted that although we had our normal meeting the activity of the Beach Nourishment Committee is one of watchful waiting for the citizen's verdict on whether they will support the bond issue for the financing of the town's beach nourishment plan.

725

11/02/06

We were involved in the two page fact sheet and the three pages of Questions and Answers sent to the registered voters a couple of weeks ago by town staff. Save for a minor glitch on page two which should have said the vote must pass in the MSD and the town as a whole there was no criticism of our effort to present an unbiased fact sheet. Although no active groups for supporting the bonds formed there was a group mailing and signs urging a "No Vote". Reading this letter and several other negative letters to the editors this week there are definitely many reasons why people can be against putting sand on the beach although curiously most people think something needs to be done. The issue as I see it is that there really is only one lawful approach for slowing erosion in North Carolina which is the beach fill option our consulting engineers recommend. Most other engineering methodologies require hardened structures which other states use and which are present from earlier years on portions of NC's shoreline.

Regardless of the outcome for our project, I believe it is important for our town to reach out to other coastal communities in our state to start the process of developing other acceptable beach preservation methods. Although I cannot attend the upcoming **North Carolina Beach, Inlet & Waterway Association 2006 Annual Conference** on November 13th and 14th at Carolina Beach, this offers us an opportunity to learn more about the issue and to meet others who have similar problems. I urge as many town officials staff, beach nourishment committee members, and especially those citizens that want to help us solve our erosion problem - be it solutions or funding to attend this meeting.

I have heard that the ballot actually exists and that there have been several early voters. Apparently there were some problems with getting voters into the proper district on the part of the county board of elections. Again town staff, Lydia and Shelia, has been very diligent in getting the information correct and verified. Unfortunately there were some possible misfiled votes. As I understand it the number is 8 votes so if the election is as close as 8 votes there may be a need for a recount. So we will patiently await the results of the will of the voters.

Planning Board – Mike Yawn, Chairman:

Mr. Yawn said that the Planning Board met on the 12th and there was no quorum so no actions were taken. They informally discussed issues. In regard to the zoning maps, both meetings of the Planning Board and Land Use Plan (LUP) went over the zoning maps and there are still four or five changes and small inconsistencies. A couple of properties may be incorrect. Mr. Landin has committed that by November 9th they will have detailed maps. They will go over it again on the 27th of November at the next LUP. The Board will then hold a public hearing at the December meeting and at the January meeting they could adopt the zoning maps. Another issue is the condemned building ordinance and more work has to be done and then it will go through the Board of Aldermen.

726
11/02/06

They will vote on a draft ordinance at their next meeting. In regard to private bridges, they need to adhere to D.O.T. standards and property owners will have to be required that bridges are certified every five years and they will need to hold a public hearing on that. Changes in ordinances in Chapter 7 state that we have to hold public hearings. New issues discussed were PRD inconsistencies and septic moratorium. Their intention is to advertise and address a special meeting on the 27th. There are a number of inconsistencies in the ordinances and they met with Bob Clark and he will help us out again. Another big issue is the zero lot line issue and Ms. Hill is reviewing that. They are still waiting on some questions from the Institute of Government. Two Planning Board member terms are ending on the 7th and one won't reapply and they will need two in December and one in May. Mr. Yawn asked that citizens contact Mrs. Carbone for applications and he encouraged that two alternates apply also. Their next meeting is November 9th and they will hold a special meeting on the 27th. The LUP reviewed three new sections of the document and they are looking at conditions and demographics. Next year they will draft policy planning. They will finish next May or so and the Board will be the final editors. He has asked Landin Holland for an updated schedule.

Alderman Tuman said in reading last months minutes regarding Boardwalk Villas, Attorney Coggins said he would appear at their next meeting with a revised plan. They look like they will move ahead, but the issue are problems with the PRD ordinance and how do you accommodate them if we don't fix our problems first. Alderman Tuman noted that the attorney should decide, but if you submit a plan you are governed by ordinances in place at the time. If there are any changes they need to come to the Planning Board first. Alderman Farley said that the properties in question he found on the zoning map was not part of the 35 properties and he said he had concerns about the other properties as well. He asked if they would consider doing away with the PRD and Mr. Yawn said they would look at that as an option and have a public hearing. Attorney Kilroy stated that the day they made an application is the day that ordinance was in place. Alderman Handy encouraged the audience that if they had an interest of the development of the town then the Planning Board is that committee to serve on.

Board of Adjustment – Jerry Convy:

Mr. Convy said that the Board of Adjustment met on the 19th and they had one case on the agenda - the variance by Thomas and Terry Leonard regarding their front steps that were extended in the front set backs - this request was denied. They are in the process of adding three new alternates. They currently have two new people, new members, a new manager and he requested that the attorney hold another class. Alderman Peters said that they should establish a policy in which you can't be a full member without attending an orientation class with the

11/02/06

attorney. Alderman Tuman recommended that all four candidates be eligible as to who should be a permanent member. Alderman Farley asked if there was an order in which they could move up and Mr. Yawn said yes, the current ordinance is five plus one so you could put two in.

Alderman Farley moved, seconded by Alderman Handy to nominate Robert Swantek as a full member of the Board of Adjustment and that all new members receive training by the attorney. The motion passed unanimously.

Alderman Handy moved, seconded by Alderman Peters to nominate James Milligan as the 1st Alternate to the Board of Adjustment. The motion passed unanimously.

Recreation & Appearance Committee – Loraine Carbone:

Mrs. Carbone noted that she had spoken with Bill Horstmann, Chairman of the Recreation & Appearance Committee and he was the only member who attended last month's meeting. This committee is in need of new members who will be active participants. Staff will call or email all members prior to the next meeting to help Mr. Horstmann. Their next meeting is November 14th at 7:00 p.m. and new members are welcomed to attend this meeting.

Alderman Tuman noted that this committee is very useful for the town and they could use more participation. Other towns have participation and this is lacking in this town. Other towns have events and we don't seem to have any related activities in this town. Alderman Farley suggested coming up with ideas and expand on what they do. Alderman Handy noted that the town manager has previous experience in this area and he could come up with ideas.

Mayor Pro Tem Hardison said that he had neglected to tell everyone that the mayor is not feeling well tonight and hopefully he will be feeling better soon.

MANAGER'S REPORT:

1. I attended the Planning and Zoning meeting on the 12th. Mike has already updated you on this. You have before you a zoning map for your review and input. P&Z will meet next Thursday night and hold an open forum for public input. I know that there are at least two issues still to be resolved on correcting inappropriate zonings. Please try to attend the P&Z meeting if you have any concerns after reviewing the map. I would then like for the Board of Aldermen and the P&Z Board to hold a joint workshop to finalize and resolve any remaining issues before the map is presented to you at the December meeting for adoption. Remember, you do not have to hold a public hearing. You are not rezoning anything, just adopting the 2006 updated version of our current zoning map. Alderman Handy noted that an open meeting on this subject would be good and he called to hold a public hearing. Alderman Tuman said that when this town adopts a zoning ordinance it adopts an ordinance that has texts and a map so the map itself is part of the zoning ordinance. If we are approving a new map, then whatever is approved must be part of our ordinance. Manager Smith said that we have a series of maps. Alderman Tuman said we should

11/02/06

adopt a map and it is an opportunity for the public to review and challenge and then the Town can adopt it. Attorney Kilroy agreed that was a prudent course to take and we are not changing any zoning. Manager Smith asked for permission that after the Planning Board public hearing to put the map up. Alderman Handy asked if the map would be dated and he was told it would be. Alderman Farley said that he didn't like the idea that if we are saying that what we are adopting is official and the zonings are official, then the problem is that he found two parcels that were not included in the items that had the wrong zoning. If that could happen and the only way to change it would be to protest within a certain amount of days, then he was not looking to do that. The last time this was brought up we decided not to have a public hearing because we were just correcting zonings. Mr. Yawn said that Mr. Richter told us not to phrase this as an acceptance but to use the word "adopt". If there are parcels you think are wrong, there are more eyes in this town to look at it. Manager Smith said that we do have the original 1982 Mylar's. Alderman Handy noted that we need to get as many eyes looking at this and then it is up to the town manager and the zoning officer to look at it. Alderman Farley said that he didn't want to be tied into anything permanently. Mayor Pro Tem Hardison asked if it was necessary to set a date for a hearing and Mr. Yawn said the Board would hold it on the 7th of December and adopt the map on January 4th. Alderman Tuman said that he had no problem with the 7th of December, but he wanted them to also address as part of the action plan on all zoning issues is what activity is needed to corroborate problems. He said that they need to look for the mismatch on the GIS and what is on this map since the GIS is correct. Manager Smith disagreed and said that the 92 map is the map. Mayor Pro Tem Hardison noted that there are a lot of problems and it is a good idea to meet with people individually or call another meeting and get it worked out.

2. The Board of Adjustment met and denied a request for a variance on steps. This is the second of three to come before the Board of Adjustment concerning building into the setbacks. So far, they have stuck to their guns.
3. I attended the Beach Nourishment Committee meeting held on the 18th. Dick McCartney has already updated this. A fact sheet and a Q and A sheets were developed by staff, the Committee, and me based on Emerald Isle's format. These have been sent to every registered voter in Town. It is now up to the voters next Tuesday. Manager Smith commended Shelia Cox and Lydia King for their hard work on this project.
4. FEMA has been finalized and we will receive what we expected to get. There were some changes to the numbers after FEMA reviewed everything. We picked up some compensation we did not expect and lost some that we did expect. It basically came out as a wash. Alderman Tuman asked when they would see a budget adjustment and Manager Smith said at the December meeting.
5. I attended the NCLM annual conference held in Greensboro this year with Alderman Handy October 14-17. It was good to reacquaint myself with the League and fellow colleagues.
6. Deb Hill, Mike Yawn and I met with Bob Clark concerning the zoning ordinance. Bob has agreed to help us correct several inconsistencies in the ordinance—sub-dividing duplex lots, PRD's, and some minor formatting issues to make the document more user friendly. Once these have been proposed and adopted by the Board, then we will send all ordinance changes along with the new chapter 7 to Municode for codification. It is more cost effective and efficient to send all the changes at once rather than piecemeal. Alderman Farley questioned if they had to approve Clark's contract and Manager Smith said it should cost under \$5,000 and he will email estimates. Alderman Handy questioned doing a budget amendment and Manager Smith noted that the Town adopts a department budget and he would rather hold it until March or April and do one then. He said that line item budget amendments restrict his ability to keep the budget in line. Alderman Tuman noted that in regard to new built properties of duplexes, he sees "for sale" signs on both sides of a duplex and our ordinance doesn't divide duplexes. Manager Smith said that they need to settle this and our ordinance doesn't allow it and we will have to get a procedure in place.

11/02/06

Alderman Tuman said that he didn't know of anyone who has protested and realtors are ignoring us. Manager Smith said that they could sell a duplex to two different owners and there are ways around it without violating us and we may need to go to the courthouse. Alderman Tuman said if you see the signs you could make an inquiry to see what they are up to and bring it to their attention that they are not allowed to sell the lot. Their real estate license is in jeopardy.

7. The Land Use Committee met 23 October. This is moving along and the Board will get a copy well in advance of it being placed on the agenda. This is a slow and methodical process and the Board should let the committee do its work and then make changes, add, or delete when it is presented to you.
8. Topsail Island Shoreline Protection Committee met on the 24th. The Federal projects are moving at a snail's pace. Topsail's project's Environmental Impact Statement has been delayed until next year. Macartney, Corps didn't get their work done. We are renewing the contract with Howard Marlowe and will let him help us to make sure the Corps gets their work done. The Corps is more worried about their funding sources. I went to the beach conference and the head of the Corps said that he didn't know how much money was set aside for beaches and he said it was little. Their emphasis is in New Orleans.
9. The Mayor's meeting was held on the 25th. The County hosted the meeting held at Logan's Roadhouse in Jacksonville. The presentation was on the County Library system's master plan. This plan calls for 4 satellite branches around the County and a main library in Jacksonville. A new Snead's Ferry library at a little over 10,000 square feet is slated to be built next year if the County sticks to the recommendations that came out of the master plan.
10. Staff has had to work many extra hours with the County Board of Elections (BOE) to insure that the voter list is correct and that each voter will get the correct ballot. There were some problems initially on the part of the BOE, but Lydia King and Sheila Cox have gone above and beyond the call of duty to work with the BOE staff to correct the mix-ups.
11. Election Day is November 7th and registered voters in NTB will vote at the Turkey Creek Fire Station on Tar Landing Road. Manager Smith asked if they wanted someone there to challenge voters. Alderman Farley noted that he spoke to Don Wright with the State BOE and he said the town should stay out of it. Citizens can challenge other citizens. Alderman Handy said that this is a problem that we cannot solve, but it is a serious problem with the voter registration. He said that he could vote in Onslow County this year and there is no recording of that and two years from now he could vote in a national election but if I move legally I could go 12 years in Onslow County without being challenged. Mayor Pro Tem Hardison said if you have specific information that raises concern some citizens may want to get that information. Manager Smith stated that Mr. Wright said whatever evidence we have we need to send it to Onslow County and then to the State.
12. Town Hall will be closed on Friday, November 10th for Veteran's Day.
13. I will be attending the NCBIWA conference in Carolina Beach on November 13th and 14th.

Alderman Farley said that there has been a problem with the Board of Elections and some people voted early and were put in the district and they were not and vice versa and some addresses weren't close to the district. Staff worked hard and went through the list. Alderman Handy said that the BOE has two lists, mailing and walking list. The BOE goes by one of those and not by both, some

730

11/02/06

were on the mailing list and not on the voter registration list and they got a provisional vote. Manager Smith noted that if it fails or passes by less than 20 votes a recall could take place.

Manager Smith said that he has started to review festivals.

OPEN FORUM:

Bob Swantek of 3772 Island Drive said that Aldermen are voted in by the town and they are supposed to stay neutral, yet this week in the paper one alderman said that he was for beach nourishment and others didn't know what they were talking about. Our alderman should stay neutral. Voting has nothing to do with you; you have no vote when it comes to this.

Gary Rowland commented that at "Autumn with Topsail", one alderman was serving pancakes and he applauded Dick Peters, but the town wasn't represented. All other towns were contributors. Alderman Tuman noted that "Operation Topcat" was there. Mr. Rowland said that we don't seem to cooperate with the rest of the island. They see that we don't want to participate. The Police Chief and one of his officers were there on Saturday, but we were not there. Mr. Rowland said that he still sees "dead soldiers" (trash containers) and he hoped they would address that. In regard to Beach Nourishment, there is a spread of 8 million dollars dependant upon what the existing economics are at the time of having nourishment done. A company will determine the supply and demand and the cost could be between 18 and 26 million. He has been in business most of his life and never connected with a contract with a price of the whim of the moment. Don't let them get away with that.

Mike Yawn thanked Mr. Macartney and Manager Smith and Shelia Cox and Lydia King to get this bond on the ballot so citizens can voice their opinion. He said he admired Dick Macartney, who has been up front, straight and honest.

CONSENT AGENDA:

The consent agenda consisted of the January 8, 2006, April 10, 2006, July 12, 2006 and October 5, 2006 Board Meeting minutes, Department Head Reports and Benefit Accrual Report.

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

OLD BUSINESS:

a. **Appointment of Alderman Peters to Eastern Carolina Council:**
At the October 5, 2006 Board Meeting Mayor Knowles noted that Bill Scott has resigned as the Town's representative from the Eastern Carolina Council (ECC). The Mayor asked for a Board member to volunteer to be on the

11/02/06

General Membership Board of the ECC. Alderman Peters has noted that he is interested in serving on this board.

They meet twice per year, in January and in June. Executive Committee meetings occur during the year but representatives are not required to attend.

Alderman Handy moved, seconded by Alderman Tuman to approve the Appointment of Alderman Peters to the Eastern Carolina Council. The motion passed unanimously.

b. Resolution re-naming Marine Drive

RESOLUTION RE-NAMING MARINE DRIVE TO GUNNERY SGT. D. W. BOATMAN DRIVE

WHEREAS, Marine Drive has caused confusion with 911 calls, the U.S. Post Office and delivery companies since there is another Marine Drive in Sneads Ferry; and

WHEREAS, the Town has been asked to change the name of Marine Drive since we share the same zip code; and

WHEREAS, at the September 7, 2006 Board of Aldermen Meeting Alderman Farley suggested that the Town honor a Marine who lived in this area; and

WHEREAS, Chief Salese has contacted the Marine Corps Base and they have recommended that the Town of North Topsail Beach honor Gunnery Sgt. Darrell W. Boatman; and

WHEREAS, Gunnery Sgt. Darrell W. Boatman died on November 4, 2005 in Operation Iraqi Freedom; and

WHEREAS, he has served in the Corps for more than 20 years and his wife and children live in Jacksonville.

NOW, THEREFORE, BE IT RESOLVED, that Marine Drive be re-named to Gunnery Sgt. D. W. Boatman and that property owners on Marine Drive as well as all emergency personnel and Onslow County be made aware of such a change.

FURTHER BE IT RESOLVED, that a dedication ceremony take place before December 17, 2006 to enable his battalion to attend said dedication and a plaque be made which will hang in the meeting room of North Topsail Beach and another plaque be given to Gunnery Sgt. Darrell W. Boatman's family.

Adopted this 2nd day of November 2006.

Alderman Farley moved, seconded by Alderman Handy to approve the RESOLUTION RE-NAMING MARINE DRIVE TO GUNNERY SGT. D. W. BOATMAN DRIVE. The motion passed unanimously.

732
11/02/06

c. Septic Systems:

Alderman Handy requested that for the next meeting the town manager and zoning officer come up with wording to disallow septic tanks and to vote on this at the December meeting. Above ground systems are affected by big storms and walls are knocked away and the next thing hit are septic systems. Alderman Handy asked for a Resolution for the December meeting. Alderman Farley questioned holding a public hearing as well and Manager Smith said that it is a change in the ordinance but not in zoning since it is under building codes. Alderman Peters suggested holding a public hearing. Alderman Handy said that they shouldn't put off the effective date until January 1st. Manager Smith said that you don't need a public hearing and could enforce it through Resolution only. Alderman Tuman noted that the agenda should reflect a resolution under Old Business. Attorney Kilroy questioned amending our ordinance and said it would be more prudent if we have a moratorium and to hold a public hearing and then have a vote.

Alderman Handy moved, seconded by Alderman Peters to hold public hearings on the zoning map and on the septic issue.

Alderman Farley asked if they were locking themselves in or just getting input for people to look at maps. Manager Smith said they would adopt the zoning map in January.

The motion passed unanimously.

OPEN FORUM:

Bob Swantek said that when he voted, his name was not on the paperwork and they found it under a piece of property he owns in front of him and that has never been given as his address and then he went as a provisional voter and he has been told it won't count. Alderman Handy said that they count original votes first and then provisional.

Lenny Denittis said he knows there is a problem with septic, but someone who has land can't build because they have to wait for North Topsail Utilities (NTU) to give us a sewer tap to build. Should we consider putting more pressure on NTU so someone can still build their house – someone could wait 6 months before they could build. Manager Smith said the other problem is if you have delays you have paid for your house and you cannot connect to sewer. Mr. Denittis said that you are taking away building rights from me. Alderman Handy said that they have to get their job done. Mr. Denittis said you could put pressure on them but they won't supply it to me so what is my recourse? Alderman Handy said to sue them. Mr. Denittis said then I should start a lawsuit with NTU because the town won't allow me to use septic. NTU should be here at every meeting. Alderman

11/02/06

Tuman said that they are available to us at our request and Mr. Denittis said that he wasn't happy with their response last time. Alderman Tuman said that his proposal is that they come back quarterly. They had made commitments that they didn't make. We don't seem to have the report on the water quality issue and we've asked for that. They will double their capacity and be available next year. A developer was here for a PRD and he can't plan on NTU supplying sewer so he is putting in his own waste system.

Tom Leonard of 218 Coastal Drive said that he has been a Marine for 28 years and has served two tours in Iraq. He felt that naming a street after a Marine was a good thing. Mr. Leonard said that he would be happy to offer his services to assist the Town by coordinating any details necessary concerning the dedication ceremony with the Camp Lejeune Marine Corps Base.

ATTORNEY'S REPORT:

Attorney Kilroy noted that there is property donated to us by Herring sisters and he asked the Board if they wanted him to do a title search. The consensus was not yet and to get more information. In regard to the lawsuit on the condemnation on north end, Attorney vonLembke has put in applications for repairs and the houses are still there and we have no liability for them. One piece of land owned by Briggs did not file an answer to the complaint. They moved their house and the land is vacant. There is a Hearing on Monday to get a judgment. We put \$1,000 on deposit. In regard to the Lafferty issue he will visit with Attorney Jay Short to see where he is with that. In regard to the Charles Riggs proposal on the Curtis Jackson dispute, he has tried to get together with Deb Hill this week and hopefully next week they will review this. Curtis Jackson has four lots on the north end and he tried to re-divide them into five. This is basically a subdivision problem, but they can't come up with more lots since it violates the zoning ordinance. Charles Riggs had reconfigured it with four lots. Alderman Tuman said they created the subdivision with a previous zoning officer and manager and staff thought it was okay, but the way they subdivided the property violated our ordinance. They took us to court and they now say that they have another proposal that meets our requirements. Alderman Farley thought there was an issue of the zoning that was incorrectly changed and Alderman Tuman said that is not a contested issue. They were under the assumption that it was R10 because of administrative changes by the zoning officer at that time. This property is primarily a conservation district. Every time we have high tide that area floods.

ALDERMEN'S REPORT:

Alderman Farley noted that since the last meeting Dixon High won a football game!

739

11/02/06

Alderman Handy requested that everyone please get out and vote since the Town has important issues to vote on. He appreciated everyone's attendance tonight.

Alderman Tuman noted that North Topsail Utilities has the message that we are serious of our agreements with them.

Alderman Peters asked if there was any possible movement for ONWASA stepping in to purchase the system and Alderman Tuman said not now, they have approached them in the past and it is not for sale. The new company is rich in cash. Alderman Peters said that they are already delayed six months and Onwasa should take that as bad faith. Alderman Tuman said there are infiltration ponds, engineering work and initial results were negative to satisfy requirements for treated wastewater. It has been redesigned. Onwasa is working diligently in Stump Sound. Once ONWASA makes this move it provides flexibility to trade off customer support.

Mayor Pro Tem Hardison thanked everyone for coming out.

ADJOURNMENT:

Alderman Tuman moved, seconded by Alderman Farley to adjourn the meeting at 9:00 p.m. The motion passed unanimously.

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



Mayor Pro Tem Hardison

12/7/06

Date Approved

757

**TOWN OF NORTH TOPSAIL BEACH
PUBLIC HEARING AND REGULAR BOARD MEETING
DECEMBER 7, 2006
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.

Mayor Knowles noted the Septic Tank Moratorium issue will be sent back to the Planning Board and it will be re-advertised when they hold another public hearing.

AUDIT:

A presentation was given by Jason Keller of Pittard Perry & Crone, Inc. He noted that the statements were fair in their presentation. The management Auditors Report (MDA) and supplement information is required under governmental standards. Fund financial statements are like a cash basis statement. Mr. Keller noted that the Town had a healthy balance, especially in light of the expenditures of Hurricane Ophelia and the Town's position didn't suffer. There is a negative \$90,000.00 which is a result of the cleanup after the hurricane and money hasn't come in yet from Fema (over \$500,000). Under the beach nourishment fund, there was a decision to use some of the fund balance. In the future, the Board should be aware of the responsibilities and communicate to staff that budget amendments are important. Overall it is immaterial and one final budget amendment would be required for an over expenditure at the end of the year. Expenses for public safety are where the overage is with a total \$26,233 being overspent on 1.2 million of expenditures which is a small overage. Mr. Keller said that they need to look at functional areas and look at where money is spent.

Alderman Farley said that last year the same thing occurred and the amount may be immaterial but the last couple of years we spent more than was budgeted and he felt it was a control problem. Mr. Keller said that the state examines statements and they keep up with trends and if it is an ongoing problem they will

97.6
12/07/06

step in and ask that there be some detailed procedure to alleviate the situation. It is just a matter of a final amendment, but as Board members there is a responsibility there. You need to come up with a system to satisfy all parties to maintain a budget. Mayor Pro Tem Hardison asked if there was anything to be done immediately to kick in a control. Mr. Keller noted that as checks are run, a budget variance report along with check signing can be done to be aware of overages. Alderman Peters asked if a review of every check over \$500.00 or \$1,000.00 be given a higher degree of scrutiny and Mr. Keller said it was not necessary at this time since nothing is excessive. You can determine as you go along if you are within budget and see what you have to spend.

Alderman Tuman asked if they reviewed the budget amendments and looked at the need to budget and Mr. Keller said that they looked at statements from an overall perspective and the dollar amounts are immaterial. Last year was an unusual year with the hurricane. Alderman Tuman verified that they managed the budget and made amendments as they went along, but they needed to make one final correction and failed to do that at year end. Alderman Tuman felt that they should be cautious in saying that they would need to verify checks, unless the auditor sees a problem. Mr. Keller said that it was up to them how they wanted to monitor the budget. It is a fact of life that you need to do one final budget amendment. In general, the budget should be adjusted in unusual circumstances and watch it as you go along.

Mr. Keller noted that the Capital Project Funds were negative because they will be reimbursed. Manager Smith asked why registered motor vehicles were at 90% and why not 100%? Mr. Keller said someone may move out of town or are driving without a registered vehicle. Mrs. King noted that the Town does not collect these taxes, the county does.

Alderman Farley asked if this was the final year for the town park budget and Mr. Keller said they closed it out to bring the fund balance to zero. Alderman Farley noted that they were \$138,000.00 over budget. Mr. Keller said it was over a number of years. Alderman Farley asked if they had a big receivable on Bike Path Phase 1 and Mrs. King said that there is still money coming in on that. Mayor Pro Tem Hardison questioned the compliances and internal controls in the draft and Mr. Keller noted that there was a separate letter to address those matters that everyone received. There were general suggestions involving a fixed asset list and correspondence between departments and journal entries and signing off on them. Also bank statements should be signed off by someone outside of the finance office. Alderman Tuman asked if there should be an independent audit for bank reconciliations and Mr. Keller said no, just another set of eyes. Alderman Tuman asked if other communities hire a bookkeeper and Mr. Keller said not necessarily, this is not an assessment it is an additional set in recording transactions and putting another person in the loop to catch errors and

12/07/06

a test of controls. Alderman Farley agreed that they don't have segregation of responsibilities. Mr. Keller recommended to just get a second set of eyes within staff. Alderman Tuman asked about compiling all capital assets at the town level and Mr. Keller said it should be coordination between the two. There should be a standard listing at the end of the year to see if additional items were purchased.

Alderman Farley felt that there should be a certain element to monitor and record lists. He noted that some firms tag each asset and the location is identified to keep better control. Alderman Tuman said that this question will go back to the Town Manager and he should be the second set of eyes and verify that we are managing our capital assets. Alderman Peters asked in regard to capital projects, are the differences attributed to fiscal year differences and Mr. Keller said that the Town Park project was spent in previous years and they wrapped up the project this year. It was over budget, but the money was spent in years prior to their audit. Alderman Farley noted that the final transfer of the fund balance was not made until this year and it was a journal entry transferring the fund balance from the general fund to a deficit fund to the park fund to zero it out. Alderman Peters said his concern was that one project was over-budgeted and asked why it didn't merit critical comment. Mr. Keller said that those comments came out in previous years and when he reviewed the minutes there was a good amount of discussion in the past.

PUBLIC HEARINGS:

CONDEMNED BUILDINGS:

Alderman Handy moved, seconded by Alderman Tuman to open the Public Hearing on Condemned Buildings. The motion passed unanimously.

Manager Smith said that this ordinance would allow the Town to condemn homes and it puts the onus back on the property owner. They would have 90 days to come in with demolition permits. He noted that in other towns they have allowed salvage companies to come in and take what is valuable, do a controlled burn and haul the debris to a dump.

Alderman Farley moved, seconded by Alderman Tuman to close the Public Hearing on Condemned Buildings. The motion passed unanimously.

BOARD OF ADJUSTMENTS:

Alderman Handy moved seconded by Alderman Farley to open the Public Hearing on Amending Chapter 7 Sec. 7-101. The motion passed unanimously.

Ordinance Amending Chapter 7 Sec. 7-101 – Establishment of Board of Adjustment:

721
12/07/06

Following is language that is currently in Chapter 7, Sec. 7-101 that denotes there will be one (1) alternate member to the Board of Adjustment. This Board has had difficulties in attendance at their monthly meetings resulting in no quorum. Therefore meetings have had to be postponed and important issues are put off for another month. Staff has been asked to resolve this problem and Manager Smith is advising that the Board of Adjustment have four (4) alternates instead of one (1). The changes are highlighted and the language to be deleted is bold and in brackets.

Sec. 7-101. Establishment of the board of adjustment.

There is hereby created and established a board of adjustment (hereinafter called the board) which shall consist of five (5) members who shall be residents of the Town of North Topsail Beach. The members shall be appointed by the board of aldermen for a regular term of office of three (3) years. The appointments for the initial board shall be for staggered terms in order that members' terms of office will not expire at the same time. In creating the board two (2) members will be appointed to serve for three (3) years, two (2) members will serve for two (2) years, and one (1) member will be appointed to serve one (1) year. Board members whose terms of office have expired may be reappointed to serve consecutive terms. In appointing members to fill vacancies, the board of aldermen shall appoint persons to serve the remaining term of office rather than a full three (3) years.

There shall be **[one (1) alternate member]** 4 alternate members to serve on the board in the absence for any cause of any regular member. **[This alternate member]** These alternate members shall also be **[a resident]** residents of North Topsail Beach and shall be appointed by the board of aldermen. The terms of office of alternate members shall also be for three (3) years. Alternate members shall have and may exercise all the powers and duties of a regular member while attending any regular or special meeting of the board of adjustment. The members of the board shall receive no compensation for their services.

No more than one (1) regular member and one (1) alternate member of the board shall be permitted to sit concurrently on the planning board or on the board of aldermen.

Alderman Handy moved seconded by Alderman Tuman to open the Public Hearing on Amending Chapter 7 Sec. 7-101. The motion passed unanimously.

BUILDING CODES:

Alderman Handy moved seconded by Alderman Tuman to open the Public Hearing on Amending Chapter 7 Sec. 7-300 Building Codes Adopted. The motion passed unanimously.

12/07/06

Ordinance Amending Chapter 7 Sec. 7-300 Building Codes Adopted:

Building Inspector Randall Moudy and Fire Marshal Thomas Best have advised staff to update Sec. 7-300 Building Codes Adopted by deleting (a) in its entirety:

Sec. 7-300. Building codes adopted.

- (a) The following codes are hereby adopted by reference as though they were copied herein fully:
- (1) Volume V -- Fire Prevention (1988 Standard Fire Prevention Code with North Carolina amendments) of the North Carolina State Building Code.
 - (2) NFPA Volumes 1--12 Fire Prevention Code of the National Fire Protection Association and the adopted codes and standards as published in the National Fire Code.
 - (3) Standard Amusement Device Code, 1985 Edition.
 - (4) Standard Building Code, 1988 Edition.
 - (5) Standard Excavation and Grading Code, 1975 Edition.
 - (6) Standing Existing Buildings Code, 1988 Edition.
 - (7) Standard Gas Code -- 1988 Edition.
 - (8) Standard Housing Code -- 1988 Edition.
 - (9) Standard Mechanical Code -- 1988 Edition.
 - (10) Standard Plumbing Code -- 1988 Edition.
 - (11) Standard Swimming Pool Code -- 1985 Edition.
 - (12) Standard Unsafe Building Abatement Code -- 1985 Edition.

The above section will be replaced with the following language which will enable the Town to be in full compliance with State regulations:

State building code adopted.

The minimum standards, provisions and requirements for safe and stable design, methods of construction and usage of materials in buildings and structures erected, enlarged, altered, repaired, moved, converted to other uses or demolished and the equipment, maintenance, use and occupancy of all buildings and structures in the town to which the state building code applies, shall be regulated by the North Carolina State Building Code, which is hereby adopted and incorporated in this chapter by reference as though fully set forth herein, and such amendments thereto as are prepared and published from time to time by the state building code council and approved by the state insurance commissioner. A certified copy of such code is on file in the office of the town clerk.

State law references: Municipal authority to adopt building codes by reference, G.S. 160A-76, 143-138(e); state building codes, G.S. 143-138 et seq.

Alderman Handy moved, seconded by Alderman Farley to close the Public Hearing on Amending Chapter 7 Sec. 7-300 Building Codes Adopted. The motion passed unanimously.

12/07/06

ZONING MAP:

Alderman Handy moved, seconded by Alderman Tuman to open the Public Hearing on the Zoning Map. The motion passed unanimously.

The Planning Board has completed their review of the zoning updates authorized by the Board of Aldermen. On November 9, 2006, the Planning Board Members reviewed and discussed the Zoning Map and conducted a Public Hearing on November 27, 2006.

Recommendation from staff is for the Board of Aldermen to adopt the Zoning Map at the next regularly scheduled meeting on January 4, 2007.

Charles Riggs said that he had concerns on a couple of items. He said he had addressed issues on the maps and there were seven or eight different tracts where we discussed access. His concern was that the 92 map was drawn by hand and the conservation district was deleted by hand. Sanford Island track still has some problems and Ms. Hill noted that it has not been determined if it was uplands by the Corps yet. Mr. Riggs said we are dealing with accretion in regard to the Hunter Heath Trust. The Padgett properties on the 92 map show an easement. There is a concern with conservation on the Jackson tract on the north end.

Alderman Tuman said it would be helpful to have specific suggestions on what you think the issues are. Mr. Riggs noted that at the Planning Board meeting they discussed maps and he wants to assist the Town and make sure everything was done properly. He knew that this is a work in progress and will be corrected if need be.

Alderman Handy moved, seconded by Alderman Peters to close the Public Hearing on the Zoning Map. The motion passed unanimously.

APPROVAL OF AGENDA:

Manager Smith requested to remove the Herring Sisters property donation since there was a question about the zoning. Manager Smith requested to add to the Consent Agenda the Resolution to Adopt the Regular Schedule of Meetings. Mayor Knowles deleted the septic issue from New Business c.

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

COMMITTEE REPORTS:

Beach Nourishment – Becky Bowman

The NCBIWA conference held November 13 and 14 at Carolina Beach was excellent. Tom Jarrett put the program together. It covered the ongoing beach projects here in NC and the long-term implications of these projects as well as

12/07/06

detailed discussions by Florida experts on alternative structures that were tried and studied there. After years of trying other methods, building up the berm and dunes with dredged sand seems to be the best and most effective long-term method. We heard discussions of the response of inlet waters to dredging projects and we were given a glimpse of computer simulation models that will help in planning future projects. It was all very educational.

The Shoreline Protection Commission voted to continue Marlowe and Company lobbying services. The federal government has put all 2007 funding for beach nourishment on hold until next year. Passage of the WRDA has been put off until next year. Topsail Beach is continuing work on their emergency nourishment project but is delayed by an environment study requested by the Corps.

At the NTB beach nourishment committee meeting on November 15 we had about a dozen visitors. There was a very productive discussion both among the committee members and our guests about lessons learned from the bond referendum and the future of the nourishment project. There were two recommendations or motions made for the Board of Aldermen. The first one, NTB should continue the permit process while pursuing research and pricing for a cheaper and equally effective solution that the town can afford. This passed with only one no vote. Prior to the meeting, two committee members had emailed their request that the project be continued as well as completed design, drawings and permits. Another motion recommended that NTB submit the Grant Request to the State of NC for a Beach Protection Project included tonight under New Business (f). In order to get commitments for grants or outside funding, it is necessary to show the town's interest in the project by having the permits in hand or, at the least; the town should be in the process of obtaining the permits. Otherwise, who will believe that the town is serious about beach nourishment?

During the discussion on lessons learned from the bond referendum, members and visitors felt that the lack of any outside commitment for funding was a major problem. The majority voiced thoughts that the town cannot afford a project without cost sharing by the county and/or state. There was discussion that educating the town through small meetings, such as HO Assoc or block meetings, would help in the future.

On more than one occasion Mickey Suggs, Army Corps of Engineers, has recommended that NTB submit the Preliminary Environmental Impact Statement (EIS) and we get the permits in hand. He is concerned that there is always turnover in state agency personnel and, failure to submit the Preliminary EIS now, the entire process and related costs would have to be repeated in the future. The timeline for completion is to have the permits in hand by the 4th Qtr of 2007.

2012
12/07/06

There are two permits involved, the Corps permit (to mine sand from the ocean) that will be good for 30 years and the state permit good for 4 years with a revaluation stage at 4 years intervals before renewal. It is my understanding that this revaluation is basically for the inlet project.

There was discussion at our committee meeting on November 15 that the county should take over the Inlet portion of the project. The idea behind this approach is that the greater need for a workable inlet is the commercial interest of Snead's Ferry's shrimp industry and Snead's Ferry's and Jacksonville's marinas. If the county clearly has the greater interest, then Onslow County should assume funding of this project. If the county will assume it, CPE has already completed the geotechnical investigations, 75% of the work on the channel design and major work on the EIS. NTB has already paid for a majority of the preliminaries. Another argument is that the best solution for the town might be to let the inlet fill in. Erosion would then be similar to that in the rest of our beach, from storms, and not the constant erosion from surging currents in the inlet.

Some alternatives discussed for the beach nourishment project were:

- a. With sand from the inlet, only put sand on 1000 feet of the shoreline. This could cut back the cost by several million. We have learned from NC Water Resources that the State did a cost sharing with Emerald Isle on the Bogue Inlet relocation at the \$3,800,000 level. This is definitely something to be pursued.
- b. Another was cutting back on the amount of sand put on the beach to 50-70% or just enough to prevent the worst erosion. This would reduce the cost of the entire project.
- c. The Southern portion may need less sand that was originally planned. Costs could be reduced here. Since there is less erosion in the South, the Federal project with Surf City will proceed as planned and could become the project for the South.

Tom Jarrett and Tom Campbell are here tonight to discuss the pros and cons of moving forward with the project and have cost estimates to present to you. I'll leave further discussion until their presentation.

In conclusion, such an overwhelming defeat for the bond referendum was unexpected. Those, like me, who could not support property taxation as presented, voted against the plan. We did not vote against beach nourishment. NTB has a real problem with erosion on our beaches. It would be in our best interest to address the problems and find a solution. Beach nourishment works. It controls erosion and protects against storm surges.

Let's put aside personal feelings and look at what can be done that is in the best long-term interest of the Town. Table any issues now. Give it all more thought, let

760
12/07/06

meet environmental, aesthetic, public beach access, and safety matters even more so than the original proposal. It has been approved by the Planning Board according to NTB procedure.

3. We propose a planned residential development in context of the PRD Ordinances of North Topsail Beach, including 7-212, 213 and 214 for the PRD, and according to the requirements of North Topsail Beach Ordinance 7-215. In essence, the PRD is a "planned community," which towns are authorized to employ under the N.C. Planned Community Act, Ch. 47F.

4. The Boardwalk Villas PRD as recommended will be under the control of a property owner's association or other similar means. That is precisely how a "Planned Residential Development" is defined in the North Topsail Beach Ordinances, particularly in 7-212. The description of a PRD in that Ordinance follows the Statement of Purpose of PRD in 7-211.

5. We make this application through the Conditional Use Permit procedures of the NTB Ordinances, 7-161, 162, and 163. We also make sure the requirements for 7-164 on descriptions of the project, vehicle storage requirements under 7-175, and for the Parking Table of Use as set forth in 7-176, for Conditional Use Permits are met.

6. Our application for a conditional use permit as required by NTB 7-162 also fulfills the PRD application process in 7-215.

7. We propose a highly attractive community. The PRD is arranged in a way with its amenities so that a community is created around significant open space, amenities, and, of course, the unique beauty that only North Topsail Beach can bring. It is arranged so that families interact with families at a great family beach. We also provide for public beach access.

8. The proposed site is 5.59 acres, located in what is currently an R-5 zone in North Topsail Beach. Note that we show 27 lots, in contrast to 44 lots that would be allowed under traditional "straight up R-5 zoning." Our proposed density is only 4.83 lots per acre. In contrast, traditional R-5 allows up to 7.87 lots per acre.

9. We propose approximately two acres of open space, which is 35% of the entire development. The open space consists of the garden amenity area as shown on the rendition, as well as the portion of the property that is up to the mean high tide level. Those two acres contrast to the open space required in "straight up R-5" from only .92 acres, which is 16%.

10. We propose 10 lots facing the ocean (lots 5-14), each lot of which is 41' by 122', that is, 5,009 square feet. On each of these ten lots will be located duplexes in which there is unified ownership of the underlying lots. That is, each owner of a duplex dwelling unit would own a 1/2 undivided interest in the particular lot, as well as the particular duplex involved. More specifically, the buyer of a duplex would not only own the duplex dwelling unit, but a 1/2 undivided interest in the 41' x 122' lot. There would be no subdivision of the lot.

11. There are also thirteen (13) 41' x 72' lots (Lots 15-27) that are each approximately 2,952 sq. ft. Just as with ocean front lots, they would be duplexes, in which each duplex owner would own a 1/2 undivided interest in the underlying lot, as well as the particular duplex dwelling unit. There are four lots (Lots 1-4) are 50' x 76', which is approximately 3800 sq. ft. per lot. We propose triplexes on each of those lots. Just as with all the other lots, each triplex owner would own a 1/3 undivided interest in the underlying lot as well as the particular triplex dwelling unit. There is no subdivision of each shown lot.

12. All the open space and the commons areas and amenities would be owned by the homeowners association. In short, it would be governed by the owners themselves, and under unified control. The proposed PRD allows for the large open space under North Topsail Beach Ordinance 7-146.

13. The sketch shows setbacks as spaces in between the buildings, and setbacks from the streets are provided. The "ocean face" of lots 5 through 14 have to be at least 60' from the first stable line of vegetation. Whether a duplex or a triplex, each separate dwelling unit will have up to four bedrooms. Not counting the parking area on the ground floor, each building would consist of up to three floors which would not exceed the NTB height limits which we understand to be 45' from mean height ground elevation.

14. We plan for each dwelling unit to have 4 bedrooms. Under the NTB parking requirements, that means we have to provide parking space for one vehicle per bedroom. Our proposal meets this requirement and more.

12/06/07

15. Improper parking is prevented. Careful placement of landscaping at critical points throughout the development prevents such parking. This will prevent cars from parking in any place other than in designated spaces. We have a number of extra spaces for invited guests. Strategically placed bushes and trees will prevent people from parking on common areas and in owner's yards. Owners can get in and out of their units. Emergency vehicles can quickly get in and out of the development.

16. On the road-side, we will have a privacy berm along the frontage, which will prevent unwelcomed parking and provide extra privacy for the residents who are enjoying the community.

17. Public Beach Access is improved, as provided in the PRD Ordinances. We provide for improved beach access at each end of the development, so that persons in the adjacent developments may access the beach public trust areas.

18. The private road is made of "pervious" concrete which decreases the amount of storm water runoff. It meets requirements for emergency vehicles to get in and out as required by NTB Ordinances. We have provided for a fire hydrant at a strategic location so that, should a fire event happen, water will be readily available.

19. Individual lot owners will be bound by the conditions of the stormwater permit on each lot through restrictive covenants as referenced to the stormwater permit and on the final plat. The restrictions will be specified on each deed to each lot as it is sold.

20. Boardwalk Villas declarations will be recorded. The Declarations would bind each homeowner to maintain available insurance. Each owner would have an obligation to repair and replace. In the event the particular dwelling unit owner fails to promptly act, the association has the delegated power under the Planned Community Act and the Declarations to reconstruct of the damaged dwelling unit. If the individual dwelling unit owner fails in its obligation, the association would exercise its rights in enforcing the Declarations.

21. The Preliminary Sketch Plan was modestly modified in the review process to yield impressive positive results. Note that two lots on the road side have been removed and dedicated to open space. We added the fire hydrant. We have expressly denominated pervious surface for the road and the pavement leading to each structure for parking. Extra landscaping is provided to prevent unwelcomed parking. Improved beach access for the public is provided. The amenities are now placed in a way that encourage greater intra- community interaction.

22. The proposal encompasses multiple lots that remain under single control through an association. We do have minimum yards and buffers that are required under the restrictive covenants around each building and around the perimeter of the development. Note that in the definition of zero lot line in Section 7-60 of the Ordinances that in the zero lot line concept, construction takes place right up to the lot line. That does not take place in this proposal.

23. The proposal meets NTB Conditional Use requirements. We propose a conditional use that incorporates a variety of residential and related uses that are planned and developed as a unitary whole. It consists of individual lots and common building sites. We have common open space that serves the entire development. It is a subdivision as shown by the 27 lots.

24. As contemplated in the definition of PRD, we use flexibility for a creative approach that is not associated with a conventional subdivision. We employ flexibility with setbacks to create more open space. We use lots (as opposed to zero lots).

25. Lots 5 through 27 are duplexes, that is, that is buildings containing two dwelling units where each is designed to be occupied by two families living independently of each other with a continuous common wall. The triplexes on lots 1 through 4 fit the definition of multi-family dwelling containing three or more dwelling units.

26. We employ "lots" and "lots of record" as used in the NTB definitions. That is, a lot which is part of a subdivision with metes and bounds and which there would be unitary ownership, that is, not subdivided.

27. Our proposal provides that the parking spaces are more than 160 sq. ft. for each automobile, which meets NTB requirements.

28. We will extend sewer collection lines from the North Topsail Utilities, Inc (NTUI) system into the tract to serve all lots. Each unit is required to connect to the NTUI system as soon as capacity becomes available. We cannot be dependent upon contingent NTUI plans to upgrade and expand

762
12/07/06

their system and make additional capacity available for new customers. If capacity in the NTUI system is not available when we have completed design, approvals, and permitting, we propose to provide temporary on-site wastewater treatment for up to ten of the oceanfront lots by placing temporary easements on the remaining tract landward of the ocean lots and installing temporary below-grade aerobic package treatment systems with on-site disposal. Only the ten ocean-front lots would be eligible for building permits prior to capacity becoming available in the NTUI system. When NTUI becomes available to provide service for each homeowner, we will remove the temporary below ground systems. These temporary systems will not be septic tank disposal systems or contain peat filtration pods. Rather, they will be aerobic tertiary treatment systems that will be approved by and permitted by the state or county for this particular site. We desire to begin selling the ten ocean front lots regardless of whether NTUI has yet provided totally public sewer service. We do not want the start-up to depend upon NTUI being available.

29. Any such private package plants would operate in conjunction with any available public system. Thus, it comes within the definition of a "public sewage disposal system" and would not be used unless approved by the Onslow Health Department. Such systems have in fact been approved in North Topsail Beach and elsewhere in Onslow County. Under 7-213, we may provide private utilities approved by the appropriate public agencies as substituting on an equivalent basis and assuring continuing operation until similar public utilities are available or used.

30. The developer is prepared to provide those assurances and guarantees in the Site Development Plan process. Further, under the guarantees and the provisions of the declarations, restrictive covenants, and contract with the supplier of the package system, the assurances of satisfactory continued operation would be provided until full NTUI service is available. No increase would incur in net public cost in this approach.

31. The NTB Land Use Plan has the force of statutory law. In the LUP, NTB is not opposed to growth (Policy IV-4). It supports continued residential development and growth according to the availability of basic support services [IV-13(b)]. We will provide those basic support services.

32. Moreover, when it comes to package treatment plants, the NTB Land Use Plan provides that it will rely on appropriate state agencies to regulate policies for package treatment plants [IV-C & D]. Our proposal provides for such,

33. The development employs the use of the land and buildings that are substantially uniform and fit in with the character of the surrounding development.

34. The Planning Board has recommended the application after the public hearing. We have demonstrated that the proposed use: (a) is similar in character to that in the vicinity; (b) it will not impair the integrity or the character of the surrounding districts; (c) It will not adversely affect the safety, health or welfare or needs of the community or the imminent neighbors; (d) is desirable to the public convenience and welfare for it will significantly increase the tax base and provide a beautiful area and vibrant community; (e) conforms to the Land Use Plan; (f) provides adequate utilities, access roads, drainage and sanitation; (g) has measures to minimize congestion on the site. It conforms in all respects with the planned residential development requirements in NTB Ordinances.

35. The developer is prepared to comply with all conditions set forth in NTB Ordinance 7-164.

36. The developer will provide for residential vehicle storage only, as set forth in 7-175. The amount of parking meets the Table requirements in 7-176.

37. PRD requirements are met because Boardwalk Villas is planned and developed as an integral unit or programmed series of development operations according to any approved development plans. It uses flexibility in uses, setbacks, lot size, all providing criteria based on actual performance.

38. It accomplishes the NTB zoning and subdivision regulations to a higher degree by controlling the development on the individual lots. It employs making economical and efficient land use, with the improved amenities with a harmonious variety of structures and uses. This is a creative design unique in NTB.

39. The Boardwalk Villas are under unified control as a planned development as a whole through Declarations, deed restrictions, and homeowner's association. There is a programmed and series of development operations of lands and buildings. All the construction is substantially related to the character and the purposes of the district. The developer will be providing detailed plans on the streets, utilities, lots

12/07/06

and buildings, and plans for uses as set forth in the subsequent stages of the NTB approval process. The developer will provide common areas that are not at public expense.

40. The developer will provide direct access to New River Road without creating traffic along minor streets.

41. Utility systems, at no higher net public cost than otherwise generally permitted, are set forth in our proposal. The developer will provide access to public service such as emergency vehicle access and fire hydrants. The PRD is directly accessed by a state road. The developer will provide private facilities and utilities approved by appropriate public agencies with assurances, at no added net public cost.

42. The development is more than one acre.

43. The developer intends to go forward with required regulations and propose a Site Development Plan, which is a condition to any building permit being issued. The developer will submit for approval the required plan and obtain the needed zoning permits as needed under Section 7-72A plus any federal, state and local permits. The developer intends to meet each of the listed requirements for site development plans in 7-219.

44. The proposal meets the 7-219.2 allowance for permitted uses of multi-family attached multi-story dwellings with accessory uses.

45. The developer will provide for public access to the public trust beach and ocean with the boardwalks within the minimum building setback lines required by the Coastal Area Management Act. We further meet the parking requirements of 7-219.5 as also required by the Table in 7-176.

46. The open space, as required, will be owned by the association which will provide for continued use for its intended purposes. The Association will maintain it and assure funds are available for the maintenance. Available adequate insurance protection of the common areas providing for any recovery for loss by casualty, condemnation or otherwise will be provided by the Association.

47. The Boardwalk Villas are similar in character to those that are listed in its district, that is, multi-family dwellings allowed in R-5. Boardwalk Villas will not impair the integrity or the character of the surrounding or adjoining districts. Rather, it will enhance the beauty of the area and the attractiveness of NTB as a destination. It will not adversely affect the safety, health, morals or welfare of the community or the immediate neighbors of the property. It is conducive to a family value setting and will do nothing to adversely affect the immediate neighbors.

48. The proposed Boardwalk Villas are desirable to the NTB public convenience and welfare, as it is an attractive development that will significantly increase the tax base and revenues needed in this community. Further, as we already explained it conforms to the NTB Land Use Plan.

49. The proposal provides for utilities, access roads, drainage and sanitation and other necessary facilities which will be adequate, for they will be reviewed and approved by the appropriate state agencies. Measures have been taken for adequate ingress and egress to public streets without traffic congestion. It conforms in all respects to the PRD requirements of the Town.

50. We specifically request for the Board of Alderman to approve our Conditional Use Permit Application and the preliminary sketch plan as revised.

Further Affiant saith not, this 7th day of December 2006.

Mr. Holmes noted that they also have engineers here to answer their questions.

Alderman Farley questioned the triplex parking and which space belongs to whom and Attorney Coggins said that assigned spaces would be enforced. Mr. Holmes said the spaces are not assigned per the units yet since they haven't finished the architectural design and it may be less than that. Alderman Farley said looking at a practical point of view, how would four deep work and Mr. Holmes said using coordination would work. Attorney Coggins said that added parking space would help. Alderman Farley felt

764

12/07/06

that the practicality of one vehicle behind the other would be problematic and questioned if the residents would like that. Alderman Farley said in regard to building the oceanfront houses first, why put them in first if we are in a dangerous situation with beach nourishment. Mr. Holmes said that the danger is consistent with the entire coastline and we are in coastal development. It is a highly visible area to build in. He asked for the Board's consideration to put in temporary systems. Alderman Peters questioned the setback requirements and noted that he didn't see a pool on the plan but it was on the first plan. Mr. Holmes said a wading pond is conceptual at this time.

Alderman Tuman asked what the dash lines were in the parking description and Mr. Holmes said they were vertical elevators and are constrained by pile-ons and could act as storage. Alderman Tuman noted that their parking doesn't give individual parking for each car. Jim Campbell said that in these areas, taking the car closer to the road is not unheard of; it is all part of the same vacationing home. Family members who are visiting take the car closest to the road. Alderman Tuman asked if the sketch plan to approve tonight was the same plan with all the provisions of language and Mr. Holmes said it was. In the paragraph related to sewer, there was a conflict between what was given as testimony and what this document states. The testimony in this sketch plan is asking this Board to approve ocean front lots with a package treatment and Attorney Coggins said that the sewer system in general terms was not in conflict. Alderman Tuman said they would have to be applicable to our ordinances. He read what Sec. 7-145 stated:

Sec. 7-145. Lot size without central water and central sewer.

- A. All lots where not served by central sewer and central water shall be at least ten thousand (10,000) square feet in area, not less than fifty (50) feet wide at the building line nor less than seventy-five (75) feet deep.
- B. All lots served by one (1) but not both central water or central sewer shall be at least five thousand (5,000) square feet in area, not less than forty (40) feet wide at the building line, nor less than seventy-five (75) feet deep.

Alderman Tuman said to look at their notes and the only lots that comply are lots a - 5,000 sq. ft. would meet that, but b and c that are closest to the road do not qualify with our ordinance unless they have central sewer and to his knowledge he said that they did not have any permits or allocations for central sewer at this time. Therefore, we are not able to approve this plan by virtue of the way this sketch is provided because the only portion that is qualified are lots 5 through 14. Alderman Handy said that they testified only that the front would be developed. Alderman Tuman said to comply with our ordinance would require you to remove any reference to any other lots because there is no way to meet our ordinance unless you changed the size of those lots to a minimum of 5,000 sq ft. Attorney Coggins noted that what trumps that is the following in the ordinance: "However, location of PRD may be approved if applicants will:

12/07/06

D. provide private facilities, utilities and/or services approved by appropriate public agencies as substituting on an equivalent basis and assure their satisfactory continuing operation, permanently or until similar public utilities, facilities and/or services are available and used;"

Alderman Tuman said his issue was were they providing utilities in compliance with the requirements of our ordinance. Attorney Coggins said that it is addressed in 7-213 d and it would have no meaning whatsoever to construe and to imply the statute you read from. Matt Levesque noted that in Sec. 7 145 b you would not be able to build b and c without having central water and sewer and we state that in our notes. Attorney Kilroy said to simplify this we are not making an exception and are not ignoring lot size, but we would just be permitting certain use authorized by the ordinance under stated conditions and once conditions are established there is no exception and only the permitted use. PRD is a different animal and what we are trying to do is fold in R5 and the general lot size that applies. Mr. Holmes said there would be no attempt to build a structure on b and c. Our goal is to seek approval of the sketch as is and there is no intent to build until we get sewer from NTU. Attorney Kilroy said that is condition number one.

Alderman Tuman noted that they are not using septic, but a private package system and Attorney Coggins said that a specific type hasn't been initiated yet and they will need to get permits. Alderman Tuman questioned if the waste water could contaminate the area if there was a storm and Attorney Coggins noted that the water that is treated is much purer. Alderman Tuman asked if the waste water was of reuse quality and how would they dispose of it. Mr. Holmes said it would be used for traditional irrigation and the communities' need of water outside of the home, but no decision has been made yet. Alderman Tuman noted that with units on one or more on each property, you have an effluent that you dispose in some way, store it or have some time of releasing it, but you don't know what that is and nothing in the sketch plan has any provisions for doing that and you want us to accept this on faith. Attorney Coggins said that they have to propose more details later and the ordinance does not require such a level of details at this time and it is a matter of law. Larry Sneed noted that the analysis on suitable soils from these treatment systems are to serve for 10 months. They can't go through all of the details until they have been permitted and approved by the state and counties. He noted that this is not new technology and it has been tried and tested. The systems would be permitted by either the health department or water quality. Alderman Tuman asked if there were any lots where effluent would be disposed on a lot and Mr. Sneed said no, temporary easements would be provided. North Topsail Utilities (NTU) provided a schedule of upgrades. They have a schedule for designing, building and permitting and no house would be completed until it was permitted. They do not want to be held hostage over NTU and they will have a back up plan if

12/07/06

they get delays. They would have the ability to move forward with a portion of the project. As soon as sewer is available they would be hooked up.

Attorney Coggins said that they would go back to the Planning Board with a development plan and it would be two to three months before it would be presented back to the Board of Aldermen. Attorney Kilroy noted that Sec. 7-219 states there is no limitation to submit a site specific plan. Once it goes to the Planning Board they have 60 days to approve it.

Alderman Farley said that provision sites for sale, Sec. 7-211, must be approved as such and Attorney Coggins said that subdivision regulations will be held to an equivalent or higher degree. Attorney Kilroy noted that sites are sold as a package and not sold as a subdivision lot.

Alderman Farley said that we need to meet our 8 ft. setback on these buildings and a PRD doesn't permit you to have 3 ft. Attorney Coggins noted that it states that you can build up to the lot line and they wouldn't do that. Alderman Farley said if 44 lots were permitted using non buildable land in that measurement they could have 44 duplex lots and he thought it was based on total sq. footage and you use that as a comparison. Attorney Coggins said that is true and you could still use that computation and it is interesting to note that it is still aesthetically pleasing. Attorney Kilroy noted that our Planning Board could hire professionals to determine if the high water mark is correct.

Alderman Tuman said that all of the testimony describing their intent is also conditions for approval.

Alderman Tuman moved, seconded by Alderman Handy to close the Hearing on Boardwalk Villas. The motion passed unanimously.

Alderman Tuman moved, seconded by Alderman Handy to approve the Conditional Use Permit and Preliminary Sketch Development Plan for Boardwalk Villas pursuant with the following conditions provided by Attorney Kilroy: 1. Lots 5 through 14 may be improved with on-site waste treatment until such time as sewer becomes available to the entire 5.59 acre tract. 2. All representations of the Applicant at the hearing as to improvements, restrictive covenants and conditions and use of the property are incorporated herein as additional conditions. A Site Development Plan shall be submitted to the Board of Aldermen for approval pursuant to Section 7-219 and the 5.59 acres of land shall remain under unified control.

The motion passed three to two with Alderman Farley and Peters voting nay.

707

12/07/06

At 11:30 p.m. Mayor Knowles recessed this Board meeting until Monday, December 11, 2006 at 11:00 a.m.

MONDAY, DECEMBER 11, 2006 BOARD MEETING RECONVENED:

NEW BUSINESS:

a. Resolution Supporting Property Tax Relief Legislation:

Mayor A. D. (Zander) Guy has requested that Mayor Knowles present a resolution to the North Topsail Beach Board of Aldermen. The Surf City Council passed the Resolution Supporting Property Tax Relief Legislation on November 8, 2006 and is asking that our Town Board also approve the resolution and forward it to the Onslow County Commissioners and to our representatives in the General Assembly.

Manager Smith noted that the resolution that Surf City adopted supports tax relief for certain categories. Alderman Farley felt it was too restrictive since it addressed senior citizens and low income only and he felt the resolution should be broader. Alderman Farley said that there needs to be some tax relief and the Homestead exemption needs to be increased. Mayor Knowles suggested deleting elderly and low income.

Alderman Tuman moved, seconded by Alderman Handy to approve the Resolution Supporting Property Tax Relief Legislation as amended.

Alderman Farley noted that the League of Municipalities is interested in this and he hoped that they are sincere. Alderman Farley also asked that the Board delete "and start a new life at other locations" and to also delete "similar to property tax legislation that is currently in effect in thirty five state governments" and delete "qualified elderly and low income".

The motion passed unanimously.

**RESOLUTION
SUPPORTING PROPERTY TAX RELIEF LEGISLATION**

WHEREAS, the members of the Onslow County Board of Commissioners, as required by statutes, are charged with the responsibility of placing equitable property values on all property within their county; and

WHEREAS, the values placed on some property has escalated as much as threefold and fourfold by the recent revaluation prices; and

12/07/06

WHEREAS, these increased values have caused a financial hardship for a number of homeowners, specifically those with limited income desiring to live in their home for the remainder of their lives. Realizing that the Board of Commissioners, through the process of property owner appeals to the Board of Equalization and Review and acknowledging that it has exhausted all efforts for assistance to these financial burdened homeowners. North Topsail Beach Aldermen are unanimous in agreeing that unless relief from the increased property tax is provided to homeowners, many will be deprived of the necessities of life or be forced to involuntarily sell their homes.

NOW, THEREFORE, BE IT RESOLVED that the North Topsail Beach Aldermen endorses and directs the Town Clerk to forward this resolution to the members of the Onslow County Board of Commissioners, requesting both counties to endorse and to forward this request to our members of the General Assembly representing each county requesting them to introduce and support legislation that will bring property tax relief for homeowners.

Adopted this the 7th day of December 2006.

b. Condemned Buildings Ordinance:

ARTICLE VI.

Division 2. Administration and Enforcement

Subdivision 1. Generally

REPAIR, CLOSING OR DEMOLITION OF ABANDONED OR STORM DAMAGED STRUCTURES

Sec. 7-313. Finding; intent.

It is found that at times there exists within the town abandoned or storm damaged structures which are hazardous to the health, safety and welfare of the residents of the town due to the attraction of insects or rodents; conditions creating a fire hazard; dangerous conditions constituting a threat to children; or frequent use by vagrants as living quarters in the absence of sanitary facilities or structures that are nuisances and unfit for human habitation due to damage from storms or erosion. Therefore, pursuant to the authority granted by G.S. 160A-441, it is the intent of this article to provide for the repair, closing or demolition of any such abandoned, nuisance and unfit structures in accordance with the same provisions and procedures as are set forth by law for the repair, closing or demolition of dwellings unfit for human habitation.

Sec. 7-314. Duties of the building inspector.

The building inspector is designated as the officer to enforce the provisions of this ordinance. It shall be the duty of the building inspector to:

- (1) Locate abandoned, storm-damaged and erosion-damaged structures within the town and determine which structures are in violation of this article;
- (2) Take such action pursuant to this article as may be necessary to provide for the repair, closing or demolition of the structures;
- (3) Keep an accurate record of all enforcement proceedings begun pursuant to the provision of this article; and
- (4) Perform such other duties as may be prescribed in this article or assigned by the board of Aldermen.

Sec. 7-315. Powers of the building inspector.

729

12/07/06

The building inspector is authorized to exercise such powers as may be necessary to carry out the intent and the provisions of this article, including the following powers in addition to others granted in this article:

- (1) To investigate the condition of buildings within the town in order to determine which structures are abandoned, storm-damaged or erosion-damaged and in violation of this article;
- (2) To enter upon premises for the purpose of making inspections pursuant to an administrative search warrant. Any violations of these sections should be subject to a \$50/day civil penalty
- (3) To administer oaths and affirmations, examine witnesses and receive evidence; and
- (4) To designate such other officers, agents and employees of the town as he deems necessary to carry out the provisions of this article.

Sec. 7-316. Standards for enforcement.

(a) Every abandoned, storm-damaged or erosion-damaged structure within the town shall be deemed in violation of this article whenever the structure constitutes a hazard to the health, safety or welfare of town citizens as a result of:

- (1) The attraction of insects or rodents;
- (2) Conditions creating a fire or health hazard;
- (3) Dangerous conditions constituting a threat to children;
- (4) Frequent use by vagrants as living quarters in the absence of sanitary facilities;
or
- (5) *Storm or erosion damaged structures and resulting debris.* The existence of any of the following conditions associated with storm-damaged or erosion-damaged structures or their resultant debris shall constitute a public nuisance.
 - a. Damaged structure in danger of collapsing;
 - b. Damaged structure where it can be reasonably determined that there is a likelihood of personal or property injury;
 - c. Any structure, regardless of condition, which is located in whole or in part in a public trust area or public land.

(b) In making the preliminary determination of whether or not an abandoned, storm-damaged or erosion-damaged structure is in violation of this article, the building inspector may, by way of illustration and not limitation, consider the presence or absence of the following conditions:

- (1) Holes or cracks in the structure's floors, walls, ceilings or roof which might attract rodents and insects, or become breeding places for rodents and insects;
- (2) The collection of garbage or rubbish in or near the structure which might attract rodents and insects, or become breeding places for rodents and insects;
- (3) Violations of the state building code, the state electrical code, or the fire prevention code which constitute a fire hazard in the structure;
- (4) Violations of public health regulations including but not limited to the lack of systems or facilities for the proper disposal of wastewater.

12/07/06

- (5) The collection of garbage, rubbish or combustible material which constitutes a fire hazard in the structure;
- (6) The use of the structure or nearby grounds or facilities by children as a play area;
- (7) Violations of the state building code which might result in danger to children using the structure or nearby grounds or facilities as a play area; and
- (8) Repeated use of the structure by transients and vagrants, in the absence of sanitary facilities, for living, sleeping, cooking or eating.

Sec. 7-317. Enforcement.

- (a) Any violation of these sections, for which a criminal citation is issued pursuant to G.S. 14-4, shall subject the offender to a fine of \$50.00 for each violation.
- (b) In addition to the remedies provided in section 16-165, a property owner shall be liable for the cost of abating the nuisance or remedying the health or safety hazard created by a tenant for a third or subsequent violation of these sections. A property owner may be liable for the actual cost of abatement/remedy taking into account the cost of law enforcement personnel salaries, law enforcement equipment, administrative overhead, law enforcement record keeping, mailing and notification costs, and any other costs directly or indirectly attributable to the cost of abating the nuisance or remedying the health or safety hazard. In no case shall the cost assessed under this section be less than \$100.00 for the third violation by the tenant (initial assessment of property owner), or less than \$75.00 for any subsequent assessment for the same-tenant violation. If costs assessed pursuant to this subsection are not paid by the property owner within 30 days of receipt of a statement of costs from the town, the costs may be placed as a lien on the property where the hazard existed.
- (c) *Preliminary investigation; notice; hearing.* Whenever a petition is filed with the building inspector by at least five residents of the town charging that any structure exists in violation of this article or whenever it appears to the inspector, upon inspection, that any structure exists in violation of this article, the building inspector shall, if the preliminary investigation discloses a basis for such charges, issue and cause to be served upon the owner of and parties in interest in such structure, a complaint stating the charges and containing a notice that a hearing will be held before the inspector at a fixed place, not less than ten nor more than 30 days after the serving of the complaint. The owner or any party in interest shall have the right to file an answer to the complaint and to appear in person, or otherwise, and give testimony at the place and time fixed in the complaint. Notice of the hearing shall also be given to at least one of the persons signing a petition relating to the structure. Any person desiring to do so may attend the hearing and give evidence relevant to the matter being heard. The rules of evidence prevailing in courts of law or equity shall not be controlling in hearings before the inspector.
- (d) *Procedure after hearing.* After the notice and hearing, the inspector shall state in writing the determination as to whether the structure violates this ordinance. If the inspector determines that the dwelling is in violation, the inspector shall state in writing findings of fact to support such determination and shall issue and cause to be served upon the owner an order directing and requiring the owner to either repair, alter and improve the structure or else remove or demolish the structure within a specified period of time not to exceed 90 days. All requirements of G.S. 160A-443(3) shall be complied with before proceeding with any further action.
- (e) *Failure to comply with order.*

12/07/06

- (1) *In personam remedy.* If the owner of any structure shall fail to comply with an order of the inspector within the time specified in the order, the inspector may submit to the board of aldermen at its next regular meeting a resolution directing the town attorney to petition the superior court for an order directing the owner to comply with the order of the inspector, as authorized by G.S. 160A-446(g).
- (2) *In rem remedy.* After failure of an owner of a structure to comply with an order of the inspector within the time specified in the order, if injunctive relief has not been sought or has not been granted as provided in subsection (c)(1) of this section, the inspector shall submit to the board of aldermen an ordinance ordering the inspector to cause the structure to be removed or demolished, as provided in the original order of the inspector, and pending the removal or demolition, to placard such dwelling as provided by G.S. 160A-443(4).
- (3) *Petition to superior court by owner.* Any person aggrieved by an order issued by the inspector shall have the right, within 30 days after issuance of the order, to petition the superior court for a temporary injunction restraining the inspector pending a final disposition of the cause, as provided by G.S. 160A-446(f).

Sec. 7-318. Methods of service of complaints and orders.

Complaints or orders issued by the inspector shall be served upon persons either personally or by registered or certified mail; but if the whereabouts of such persons are unknown and cannot be ascertained by the inspector in the exercise of reasonable diligence, the inspector shall make an affidavit to that effect; and the serving of the complaint or order upon such person may be made by publication once at least ten days prior to the date of the hearing in a newspaper having general circulation in the town. Where service is made by publication, a notice of the pending proceedings shall be posted in a conspicuous place on the premises affected by the complaint or order.

Sec. 7-319. In rem action by inspector; placarding.

- (a) After failure of an owner of a structure to comply with an order of the inspector issued pursuant to the provisions of this article, and upon adoption by the board of commissioners of an ordinance authorizing and directing the inspector to do so, as provided by G.S. 160A-443(5) and section 16-165, the inspector shall proceed to cause the structure to be removed or demolished, as directed by the ordinance of the board of Alderman, and shall cause to be posted on the main entrance of the structure a placard prohibiting the use or occupation of the structure. Use or occupation of a building so posted shall constitute a misdemeanor.
- (b) Each ordinance shall be recorded in the office of the register of deeds of the county and shall be indexed in the name of the property owner in the grantor index, as provided by G.S. 160A-443(5).

Sec. 7-320. Costs of lien on premises.

As provided by G.S. 160A-443(6), the amount of the cost of any removal or demolition caused to be made or done by the inspector pursuant to this article shall be a lien against the real property upon which the cost was incurred. The lien shall be filed, have the same priority, and be enforced and the costs collected as provided by G.S. 160A-216 et seq.

Sec. 7-321. Alternative remedies.

12/07/06

Neither this article nor any of its provisions shall be construed to impair or limit in any way the power of the town to define and declare nuisances and to cause their abatement by summary action or otherwise, or to enforce this article by criminal process; and the enforcement of any remedy provided in this article shall not prevent the enforcement of any other remedy provided in this article or in other ordinances or laws.

Adopted this 7th day of December 2006.

Alderman Smith noted that this Ordinance gives another condemnation that puts onus on the property owner. Alderman Peters asked if these were competitive fines as in other communities and Manager Smith said they would have a limit of days and then we would put a lien on the property.

Alderman Tuman moved, seconded by Alderman Handy to approve ARTICLE VI. Division 2. Administration and Enforcement Subdivision 1. Generally REPAIR, CLOSING OR DEMOLITION OF ABANDONED OR STORM DAMAGED STRUCTURES.

Alderman Peters noted that on page 3 it indicates board of commissioners instead of board of aldermen.

Attorney Kilroy added under Sec. 7-315. Powers of the Building Inspector, item 2 "to enter upon and into premises for purposes of making inspections pursuant to an administrative search warrant. Any violations of these sections should be subject to a \$50/day civil penalty.

Sue Tuman suggested not putting any dollar amount, but to refer to a table so our ordinances don't have to be changed if the dollar amount changes. Attorney Kilroy said that they would need to state the penalty and you can change it any time you want.

Alderman Farley said that they have talked about stating a penalty before and putting fines in another place so we won't have to change it and we would have to hold a public hearing. Manager Smith said to leave it at civil and maximum at what the state allows. Alderman Tuman noted that the ordinance provides for a fine. Attorney Kilroy said that they should still put in \$50/day.

Alderman Tuman felt that they should go along with the attorney's recommendation.

Alderman Farley noted that once a house had been condemned there was no opportunity to go after people out of state and we would be limited to applying it to the property itself. Manager Smith said they would go in, call a salvage company and they strip it, a shell is left and we would do a controlled burn, and the rubble would be removed. Mayor Knowles said that they

12/07/06

couldn't burn on the ocean and questioned where the debris would go. Manager Smith said they would have to time it for burn and removal and he said you could burn anything with a training burn. If it has water underneath it they may have to haul it out.

Alderman Farley felt if they proceed with this we could bear the cost and he didn't see the incentive. He asked if they could quantify what the cost would be. Manager Smith said the cost could be less than \$10,000. Alderman Farley said he remembered approving a contract of \$45,000.00 to demolish a house. Manager Smith said they would go to a salvage company first to keep the cost down.

Alderman Farley felt that this would be a drawn out process. Manager Smith said that the State protects the property owner. Once condemned they can challenge it and there might be some cost, but you show it is right and just to do so.

The motion passed unanimously.

c. Ordinance Amending Chapter 8, Flood Damage Prevention:

This issue was tabled in order to research the subject matter.

d. Ordinance Amending Chapter 7 Sec. 7-101 Board of Adjustments:

AN ORDINANCE AMENDING CHAPTER 7 – SEC. 7-101 ESTABLISHMENT OF THE BOARD OF ADJUSTMENT

SECTION 7-101

Chapter 7 – Establishment of the Board of Adjustment Section 7-101

Change: one (1) alternate to the Board of Adjustment to four (4) alternates to the Board of Adjustment. Following are the highlighted additions and the language to be deleted is bold and in brackets:

Sec. 7-101. Establishment of the Board of Adjustment.

There is hereby created and established a Board of Adjustment (hereinafter called the board) which shall consist of five (5) members who shall be residents of the Town of North Topsail Beach. The members shall be appointed by the Board of Aldermen for a regular term of office of three (3) years. The appointments for the initial board shall be for staggered terms in order that members' terms of office will not expire at the same time. In creating the board two (2) members will be appointed to serve for three (3) years, two (2) members will serve for two (2) years, and one (1) member will be appointed to serve one (1) year. Board members whose terms of office have expired may be reappointed to serve consecutive terms. In appointing members to fill vacancies, the board of aldermen shall appoint persons to serve the remaining term of office rather than a full three (3) years.

There shall be [one (1) alternate member] 4 alternate members to serve on the board in the absence for any cause of any regular member. [This alternate member] These alternate members shall also be [a resident] residents of North Topsail Beach and shall be appointed by the board of aldermen. The

12/07/06

terms of office of alternate members shall also be for three (3) years. Alternate members shall have and may exercise all the powers and duties of a regular member while attending any regular or special meeting of the board of adjustment. The members of the board shall receive no compensation for their services.

No more than one (1) regular member and one (1) alternate member of the board shall be permitted to sit concurrently on the planning board or on the Board of Aldermen.

Adopted this 7th day of December 2006.

Manager Smith noted that this change would increase the alternates from one to four for the Board of Adjustment. Four gives us a better chance to have a quorum. Attorney Kilroy noted that the training went well and they understand that there has to be hardship on the land and they can't be sorry for someone. Alderman Peters asked in what order would they become active and Manager Smith said whoever we could get a hold of and we would go down the alternate list. Alderman Tuman stated that Mr. Convy said whoever is first to arrive at the meeting would be the alternate. Mayor Pro Tem Hardison said it would be helpful to encourage all the alternates to attend the meetings.

Alderman Tuman moved, seconded by Mayor Pro Tem Hardison to approve Ordinance Amending Chapter 7 Sec. 7-101 Board of Adjustment.

Alderman Farley felt that four were too many and it would dilute the effectiveness of the board. He couldn't understand why they didn't show up at meetings. He preferred having the basic five people and that they learn the process through Attorney Kilroy. Manager Smith noted that they have all had the same training. Alderman Farley again said that this would dilute the effectiveness by having people in and out and if they don't want to serve they shouldn't.

Alderman Tuman shared his concern and said that there are individuals who we appoint to the Planning Board that don't attend. If you apply for these boards you should make every effort to attend, but the Board of Adjustments haven't met because they did not have a quorum. Alderman Tuman said he would support this provided we keep an attendance record and once a year reexamine those who are on these boards and look at their attendance and remove them if they don't attend. He noted that he had requested the attendance of Planning Board applicants for this meeting's agenda item.

Manager Smith said that part of the problem is that there has to be five minimum by state statute and they have to have four members to vote in the affirmative. They could increase the size of the board itself to seven. Alderman Handy said that he supported some of the arguments and he thought four was high but maybe they should look at the other side and that a Chairman of a Board could remove people because of lack of participation. You should have back ups that are trained and put the onus on the chairman to make recommendations to us.

Alderman Farley asked if they were empowering people not to show up by having four alternates. Alderman Tuman asked if Deborah Hill sees if there is a

12/07/06

quorum first and Manager Smith said yes. Alderman Tuman shared Alderman Farley's concern.

The motion passed four to one with Alderman Farley voting nay.

e. Ordinance Amending Chapter 7 Sec. 7-300 Building Codes:

AN ORDINANCE AMENDING CHAPTER 7 – SEC. 7-300 BUILDING CODES ADOPTED

Chapter 7 – Section 7-300 Building Codes Adopted

DELETE IN ITS ENTIRETY THE FOLLOWING LANGUAGE:

Sec. 7-300. Building codes adopted.

- (a) The following codes are hereby adopted by reference as though they were copied herein fully:
- (1) Volume V -- Fire Prevention (1988 Standard Fire Prevention Code with North Carolina amendments) of the North Carolina State Building Code.
 - (2) NFPA Volumes 1--12 Fire Prevention Code of the National Fire Protection Association and the adopted codes and standards as published in the National Fire Code.
 - (3) Standard Amusement Device Code, 1985 Edition.
 - (4) Standard Building Code, 1988 Edition.
 - (5) Standard Excavation and Grading Code, 1975 Edition.
 - (6) Standing Existing Buildings Code, 1988 Edition.
 - (7) Standard Gas Code -- 1988 Edition.
 - (8) Standard Housing Code -- 1988 Edition.
 - (9) Standard Mechanical Code -- 1988 Edition.
 - (10) Standard Plumbing Code -- 1988 Edition.
 - (11) Standard Swimming Pool Code -- 1985 Edition.
 - (12) Standard Unsafe Building Abatement Code -- 1985 Edition.

ADD THE FOLLOWING LANGUAGE:

Sec. 7-300. Building codes adopted.

The minimum standards, provisions and requirements for safe and stable design, methods of construction and usage of materials in buildings and structures erected, enlarged, altered, repaired, moved, converted to other uses or demolished and the equipment, maintenance, use and occupancy of all buildings and structures in the town to which the state building code applies, shall be regulated by the North Carolina State Building Code, which is hereby adopted and incorporated in this chapter by reference as though fully set forth herein, and such amendments thereto as are prepared and published from time to time by the state building code council and approved by the state insurance commissioner. A certified copy of such code is on file in the office of the town clerk.

State law references: Municipal authority to adopt building codes by reference, G.S. 160A-76, 143-138(e); state building codes, G.S. 143-138 et seq.

Adopted this 7th day of December 2006.

Manager Smith noted that this ordinance amendment adopts the building code in its entirety and when the state changes we don't have to change.

12/07/06

Alderman Handy moved, seconded by Alderman Tuman to approve AN ORDINANCE AMENDING CHAPTER 7 – SEC. 7-300 BUILDING CODES ADOPTED.

The motion passed unanimously.

f. Resolution Authorizing the Submission of a Grant Request to the State of NC for a Beach Protection Project:

Resolution Authorizing the Submission of a Grant Request to the State of North Carolina for a Beach Protection Project

WHEREAS, in accordance with North Carolina General Statute 143-215.71.(5) the Board of Aldermen for the Town of North Topsail Beach desires to apply for a grant for protection of the privately owned beaches where public access is allowed and provided for. The proposed North Topsail Beach Shoreline Protection Project will preserve the Town's existing and future tax base and infrastructure. The Project will reduce damages associated with coastal storms and reduce losses due to changes in the New River Inlet, plus improve the recreational opportunities along the Town's coastal shoreline; and

WHEREAS, in December of 2002, the Board of Aldermen for the Town of North Topsail Beach entered into a professional services contract for a Feasibility Study for a Shoreline Protection Project with Coastal Planning & Engineering (CP&E); and

WHEREAS, in September 2004, CP&E presented a final report of the Feasibility Study and a recommended project for the Town to consider; and

WHEREAS, on September 13, 2004, the Board of Aldermen for the Town of North Topsail Beach approved of professional services with CP&E to pursue the necessary environmental impact statement for beach nourishment and inlet management plan, to obtain the necessary State and Federal permits for use of the borrow areas and to prepare design surveys to include construction plans and specifications; and

WHEREAS, the Board of Aldermen for the Town of North Topsail Beach requests the State of North Carolina to provide financial assistance to the Town of North Topsail Beach in the amount of thirty percent of the project construction cost; and

WHEREAS, the Town of North Topsail Beach assumes full obligation for payment of the balance of project costs; and

WHEREAS, the Town of North Topsail Beach will obtain all necessary State and Federal permits; and

WHEREAS, the Town of North Topsail Beach will comply with all applicable laws governing the award of contract and the expenditure of public funds by local governments; and

WHEREAS, the Town of North Topsail Beach will supervise construction of the project to assure compliance with permit conditions and to assure safe and proper construction according to approved plans and specifications. The Town will obtain easements or rights-of-way that may be necessary for the construction and operation of the project without cost or obligation to the State; and

WHEREAS, the Town of North Topsail Beach will assure that the project is open for use by the public on an equal basis; and

12/07/06

WHEREAS, the Town of North Topsail Beach will hold the State harmless from any damages that may result from the construction, operation and maintenance of the project; and

WHEREAS, the Town of North Topsail Beach will accept responsibility for the operation and maintenance of the completed project.

NOW THEREFORE, BE IT RESOLVED, that the Board of Aldermen for the Town of North Topsail Beach authorizes the Town staff to submit a grant application for the State cost-share up to 75% in the amount of \$10,200,000.00 for the North Topsail Beach Shoreline Protection Project.

Adopted this 7th day of December 2006.

Manager Smith said that he knows they have tabled Beach Nourishment but this Resolution doesn't commit us. He recommended pursuing this application and if they do get the money it will change the nature of their discussions.

Mayor Pro Tem Hardison asked if the Town would be required to have 75% of the cost and Manager Smith said no only up to 75% of the project and according to the state people if we ask for that much it will be shot down. We will apply for 30% to make it more feasible to get the grant.

Alderman Handy said if we ask for 75% would they give us 50% and Manager Smith said no. Mayor Pro Tem Hardison said that this has turned upside down from the funds that were available from the state. Grants were available, but we would have to pay 75% and people were reluctant to go into it because it wasn't very much. Mayor Knowles noted that this is a one time deal now and we would have to wait another year to apply.

Alderman Farley stated that they have said they would hold off discussion on beach nourishment. We may be kidding ourselves, but when we went to the Department of Water Quality we weren't getting 10 million. Alderman Tuman noted that Shelia Cox had the conversation with John Morris with DENR and he recommended that we move with 30%. This is a wonderful opportunity and we should pursue this. To hold back adds to the cloud of mystery as to our future.

Alderman Tuman moved, seconded by Alderman Peters to approve Resolution Authorizing the Submission of a Grant Request to the State of NC for a Beach Protection Project.

Mayor Pro Tem Hardison noted that the last sentence bothered him on the agenda item and he felt it should be moved back to beach discussion. This is a slap in the face that we bring something out as a continuation that the Town had a lot of questions on and we should discuss this at a future time.

Alderman Farley said that he agreed with Mayor Pro Tem Hardison and he had no idea how to pay for the balance to submit this. We would have to come up

12/07/06

with a plan that is not acceptable to the electorate and he said he would prefer knowing how they would pay for this.

Alderman Smith said you could accept it or not at the time of the acceptance and we could go through the application process and be turned down.

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

g. Appointment of Patricia Moylan and Terry Leonard as Alternates to Board of Adjustment:

Upon approval of the Ordinance Amending Chapter 7 Sec. 7-101 Board of Adjustments the following applications have been received to serve as Alternates: Patricia Moylan and Terry Lee Leonard

At the November 2, 2006 Board of Aldermen meeting the Board voted to appoint Robert Swantek as a full member and to appoint Jim Milligan as the 1st Alternate. A training session is scheduled with Attorney Kilroy on Friday, December 8, 2006.

Manager Smith said he knew Patricia Moylan had health issues and Mayor Knowles said to pass on her right now.

Alderman Handy moved, seconded by Alderman Tuman to approve the appointment of Terry Lee Leonard as an alternate to the Board of Adjustment. The motion passed unanimously.

h. Appointments to Planning Board:

Two terms will expire this month.

Following are applications for appointment to the Planning Board:

- Term of Gerald Riggelman expires on December 7, 2006 and he is requesting to continue as a member.
- Donald Martin is requesting to move from alternate to full member.
- Gary Rowland would be considered as an alternate.

Alderman Tuman suggested holding a secret ballot. Attorney Kilroy noted that if they have alternates who want to be a full member that they should appoint them. Alderman Tuman said that he looked at their attendance record and there shouldn't be an automatic formula.

12/07/06

Alderman Farley questioned if Mr. Rowland could serve on two committees and he felt that they needed different voices. Mr. Yawn noted that Mr. Riggleman was an alternate and he moved up to Hillary Zang's position. He also noted that Mr. Martin has been to every meeting. Mr. Yawn said he had discussed this with Mr. Rowland and he wanted to be a permanent member.

Alderman Handy moved, seconded by Alderman Farley to appoint Mr. Riggleman and Mr. Martin as permanent members of the Planning Board.

Alderman Peters said that they need to address Mr. Rowland.

Alderman Handy withdrew his motion.

Alderman Handy moved, seconded by Alderman Peters to accept the recommendations of Mr. Riggleman and Mr. Martin as members and Mr. Rowland as alternate to the Planning Board..

The motion passed four to one with Alderman Tuman voting nay.

i. Resolution Declaring Result of Bond Referendum:

The Board of Aldermen for the Town of North Topsail Beach, North Carolina, met in a regular meeting at the Town Hall located at 2008 Loggerhead Court in North Topsail Beach, North Carolina, the regular place of meeting, at 7:00 p.m. on December 7, 2006.

Present: Mayor W. Rodney Knowles, presiding, and Mayor Pro Tem Larry Hardison and Aldermen Richard Farley, Fred Handy, Richard Peters and Daniel Tuman

Also present: Town Manager Bradley Smith, Town Clerk Loraine Carbone and Attorney Robert Kilroy

* * * * *

The Board of Aldermen received from the Onslow County Board of Elections a certified copy of the proceedings of said Board of Elections taken on November 17, 2006, evidencing said Board of Elections' determination of the result of the canvass of the returns of the bond referendum held in the Town of North Topsail Beach, North Carolina on November 7, 2006, upon the question of approving \$34,000,000 Beach Improvement Bonds of said Town.

After said proceedings had been considered and reviewed by the Board of Aldermen, Mayor Knowles introduced the following resolution the title of which was read and copies of which had been previously distributed:

RESOLUTION DECLARING THE RESULT OF THE BOND REFERENDUM HELD IN THE TOWN OF NORTH TOPSAIL BEACH, NORTH CAROLINA ON NOVEMBER 7, 2006, UPON THE QUESTION OF APPROVING \$34,000,000 BEACH IMPROVEMENT BONDS

BE IT RESOLVED by the Board of Aldermen for the Town of North Topsail Beach, North Carolina:

Section 1. The Board of Aldermen for the Town of North Topsail Beach, North Carolina having received from the Onslow County Board of Elections a certified copy of the proceedings of said Board of Elections taken on November 17, 2006, evidencing said Board of Elections' determination of the result of the canvass of the returns of the bond referendum held in the Town of North Topsail Beach, North Carolina on November 7, 2006, upon the question of approving \$34,000,000 Beach Improvement Bonds of said

12/07/06

Town, does hereby declare and certify the result of said referendum to be the result which is set forth in the following statement of the result of said referendum, which statement has been prepared by said Board of Aldermen:

STATEMENT OF THE RESULT OF THE BOND REFERENDUM HELD IN THE TOWN OF NORTH TOPSAIL BEACH, NORTH CAROLINA ON NOVEMBER 7, 2006 UPON THE QUESTION OF APPROVING \$34,000,000 BEACH IMPROVEMENT BONDS

At a bond referendum held in the Town of North Topsail Beach, North Carolina on November 7, 2006, 239 voters were registered and qualified to vote in the municipal service district of said Town.

At said bond referendum 34 votes were cast in said municipal service district for the order adopted on August 9, 2006, authorizing not exceeding \$34,000,000 Beach Improvement Bonds of the Town of North Topsail Beach, North Carolina for the purpose of providing funds, together with any other available funds, for providing beach improvements and recovery, including, without limitation, beach nourishment, sand dunes, additional sand and vegetation, beach access areas, within and without the corporate limits of said Town, and any necessary equipment, and 102 votes were cast against said order, and that a majority of the qualified voters of said municipal service district who voted thereon at said referendum voted against said order.

At said bond referendum 777 voters were registered and qualified to vote in the entire said Town.

At said bond referendum 75 votes were cast in the entire said Town for the order adopted on August 9, 2006, authorizing not exceeding \$34,000,000 Beach Improvement Bonds of the Town of North Topsail Beach, North Carolina for the purpose of providing funds, together with any other available funds, for providing beach improvements and recovery, including, without limitation, beach nourishment, sand dunes, additional sand and vegetation, beach access areas, within and without the corporate limits of said Town, and any necessary equipment, and 281 votes were cast against said order, and that a majority of the qualified voters of the entire said Town who voted thereon at said referendum voted against said order.

Board of Aldermen for the
Town of North Topsail Beach, North
Carolina

Section 2. The Town Clerk of the Town of North Topsail Beach, North Carolina shall file a copy of the foregoing statement of the result of said referendum in her office.

Section 3. This resolution shall take effect upon its passage. Upon motion of Alderman Handy, seconded by Alderman Peters, the foregoing resolution entitled: "RESOLUTION DECLARING THE RESULT OF THE BOND REFERENDUM HELD IN THE TOWN OF NORTH TOPSAIL BEACH, NORTH CAROLINA ON NOVEMBER 7, 2006, UPON THE QUESTION OF APPROVING \$34,000,000 BEACH IMPROVEMENT BONDS" was passed by the following vote:

Ayes: 5
Noes: 0

* * * * *

I, Loraine M. Carbone, CMC, Town Clerk of the Town of North Topsail Beach, North Carolina, DO HEREBY CERTIFY that the foregoing is a true copy of the recorded minutes of the Board of Aldermen for said Town at a regular meeting held on December 7, 2006, said record having been made in the minutes of said Board of Aldermen and is a true copy of so much of said proceedings of said Board of Aldermen as relates in any way to the declaration of the result of the bond referendum held November 7, 2006, upon the question of approving \$34,000,000 Beach Improvement Bonds of said Town.

I DO HEREBY FURTHER CERTIFY that proper notice of such regular meeting was given as required by North Carolina law.

I DO HEREBY FURTHER CERTIFY that a copy of the statement of the result of the referendum adopted by the resolution set forth in the foregoing transcript has been filed in my office.

WITNESS my hand and official seal of said Town this 7th day of December, 2006.

12/07/06

STATEMENT OF THE RESULT OF THE BOND REFERENDUM HELD IN THE TOWN OF NORTH TOPSAIL BEACH, NORTH CAROLINA ON NOVEMBER 7, 2006 UPON THE QUESTION OF APPROVING \$34,000,000 BEACH IMPROVEMENT BONDS

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At said bond referendum 777 voters were registered and qualified to vote in the entire said Town.

At said bond referendum 75 votes were cast in the entire said Town for the order adopted on August 9, 2006, authorizing not exceeding \$34,000,000 Beach Improvement Bonds of the Town of North Topsail Beach, North Carolina for the purpose of providing funds, together with any other available funds, for providing beach improvements and recovery, including, without limitation, beach nourishment, sand dunes, additional sand and vegetation, beach access areas, within and without the corporate limits of said Town, and any necessary equipment, and 281 votes were cast against said order, and that a majority of the qualified voters of the entire said Town who voted thereon at said referendum voted against said order.

Board of Aldermen for the Town of North
Topsail Beach, North Carolina

OPEN FORUM:

Sue Tuman said that people need to understand how important alternates are; we need them and use them a lot. She said she felt bad that Mr. Rowland felt that an alternate would be of no use. Only if we don't need their vote we don't use them, but they are important and they could come up with a great idea. Sue Tuman also said that Tom Dale left because he could not hear and we need a sound system so everyone could hear.

Mike Yawn said that he agreed with Sue Tuman. He said that the Board had voted to have a workshop on beach nourishment and he asked that they make that public and do it soon. He urged the Board to take a 6 month hiatus on spending money and to find out about hardened structures. If you analyze the data, the ocean front voted more favorably and thought it was fair. If you want it to pass make it fairer to non ocean front.

ATTORNEY'S REPORT:

Attorney Kilroy said that at the Board of Adjustment training he impressed upon them how to come up with six criteria and he left them with copies of rules and procedures from Pender County. One rule is if you miss three consecutive meetings you are disqualified. The Litvak issue is history since on November 7th the court of appeals made a decision. Attorney Litvak had a suit against us and Kaye Smith and the contract read that it was subject to non appeal on the final zoning of the land. Kaye Smith filed a summons and complaint and he

12/07/06

counterclaimed and Judge Henry ruled on Litvak's side. Ms. Smith went to the court of appeals and they said it was reasonable to end the contract.

Attorney Kilroy reported that the Briggs lot where the house had been moved received a Judgment on the condemnation on Nov. 6th and they have 30 days to appeal and they didn't show up in court. You could think about giving it to the state.

Mayor Knowles asked if they could go after Attorney Litvak for our legal expenses and Attorney Kilroy didn't think so. Mayor Knowles noted that they spent a lot of money on that case. Alderman Farley said that he read in the letter that the Judge went a step further in Ms. Smith's favor. Attorney Kilroy said that the court of appeal could send it back to the superior judge.

Alderman Tuman noted that at the workshop on January 4th on the new zoning map they should discuss the Jackson/Lanier property. Attorney Kilroy said that case has always been a subdivision problem, not a zoning issue. If Charles Riggs brings in a map and he marks the wrong zoning classification and we sign off on it we are not amending our zoning map and it doesn't change anything. It's a subdivision problem - just dedicate that road and that would be fine. We have called Mr. Riggs a couple of times and he hasn't picked up the maps. The last lot is conservation and there is not 80,000 sq. ft and they can't build on it. He told that to Attorney Wright and there are three or more lots, but the other lot is conservation and there would be no problem proving it. Alderman Tuman said that 95% was in conservation. They took three lots and subdivided it into five, but two of three did not meet our ordinance. When we review the map on the 4th of January he said he wouldn't know what we are looking at or what is legal. Manager Smith said that is a subdivision issue. Alderman Tuman said that they avoided going to the Planning Board.

Attorney Kilroy suggested that they don't do anything on that parcel of property and to leave it for another day. The zoning is correct as shown on the map. Mayor Knowles said there were two large lots that they made into five and they said they were doing each individually.

Alderman Tuman said where it states up to two acres you can subdivide into two lots you could end up with a subdivision with 16 properties without ever going to the Planning Board. Mr. Yawn said it was a loophole.

Attorney Kilroy addressed the zero lot line issue and he said that two developments that he is aware of that have zero lot lines are Calinda Cay (basic lot sits underneath the improvement) and Portofino. A zero lot line is something you use in a central business district and everyone comes to the street. If you are building town homes or condos there are many ways to do that. Manager Smith noted there would be a firewall between them and duplexes do not.

12/07/06

Alderman Tuman's interpretation was that we would have a duplex sitting on a lot and it meets all of the requirements such as minimum lot size and set backs and as a zero lot line - two living units are joined and that joining is a zero lot line. The lot itself has been subdivided and is in two separate ownerships. It is a non-conforming property and has special treatments and anyone requesting a building permit has been denied. We recognize and allow for in our ordinance a common wall. Alderman Tuman noted that he lives in half of a duplex and he meets the size and setback but someone is telling him that his home is nonconforming because he doesn't meet the setback for a common wall.

Manager Smith said that is not it, it is the lot that is nonconforming because it is under 5,000 sq. ft. and that has to be resolved. Attorney Kilroy said back to the beginning before the zoning ordinance, we had lots and uses. The day it took affect we had non conforming uses or non conforming lots that don't meet minimum requirements. It required 5,000 sq. ft. but we are not talking about a lot that a house was built on and they sold part of the house. If after the date of the ordinance the lot is conforming, they build one building and make two dwellings, that is a violation of the subdivision ordinance. Anything that was built prior to 1991 we can do nothing but we can enforce afterwards. When you are nonconforming you cannot expand it.

Alderman Tuman read 7-60 (definition of a zero lot line) – A concept commonly used in planned developments where individual commercial buildings or dwellings, such as townhouses (row houses), duplex town homes, and patio homes, are sold along with a small yard or patio area. Such commercial or residential units are grouped in buildings with two (2) or more units per building, usually including common walls or married walls. With zero lot-line development styles, the minimum interior side yard requirements are relaxed. Construction takes place right up to the lot line

Manager Smith noted that a single home is not a planned development and Attorney Kilroy said that is right it's a planned development and the only time you use a zero lot line is for planned development. Alderman Tuman said that something developed could be restricted to one unit and Attorney Kilroy said no. Alderman Tuman said that we have had planned developments that were established in neighborhoods that had HOA's prior to the town and approved by the county. River Road had one builder who planned houses with the same design and subdivided the lots. That meets the requirements of the ordinance.

Manager Smith noted that Surf City does not allow a duplex to be divided and they have just one owner. Alderman Farley said that this was done before we were a town and the issue is if anyone could expand or not. Units have restrictive covenants near him and the issue is if we allow building on it will it affect the other side of the duplex. They would have to take it up in court and the covenant would restrict that. Manager Smith said we are creating nonconforming lots by allowing it. Zoning creates nonconforming.

12/07/06

Mr. Yawn said if a person who was in a PRD before the Town was incorporated they could go to the county and get the paperwork with the allowances of a PRD and have special dispensation. Manager Smith said that our job is to interpret the zoning ordinance in the most conservative way.

Mayor Pro Tem Hardison said that we won't settle this today. Mr. Yawn said that they have looked at this a lot and have allowed zero lot lines but how do we limit the lot size. We could have a zero lot line but the size has to meet the standards of width and size of lot. Attorney Kilroy said starting with a lot, once you divide it you are in violation and a zero lot line doesn't apply to that lot.

Alderman Tuman said it was incumbent upon the Town to come up with an interpretation that is brand new and restrictive on property owners and bring this forward to the Town Board since people are affected by it.

ALDERMEN'S REPORT:

Alderman Farley said that the elementary school needs volunteers. He said that in looking at the Audit we have overspent the budget and the auditor said it was immaterial. It may be immaterial for the auditor but not for us. Our expenses are over and beyond our budget. Internal controls need to be looked at.

Departments are over budget and they can't be addressed with an amendment.

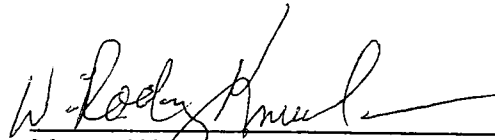
Alderman Handy congratulated the new committee members.

Mayor Pro Tem Hardison thanked everyone for being patient and he said they still need to do something about the length of time we extend our meetings.

ADJOURNMENT:

Alderman Farley moved, seconded by Alderman Handy to adjourn the meeting at 12:55 p.m. The motion passed unanimously.

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



Mayor W. Rodney Knowles

Date Approved