

# *Town of North Topsail Beach*

Daniel Tuman, Mayor  
Michael Yawn, Mayor Pro Tem  
Aldermen:  
Richard Farley  
Deborah Lanci  
Dick Macartney  
Robert Swantek



Breck H. Smith  
Interim Town Manager

Carin Z. Faulkner, MPA  
Town Clerk

## **Board of Aldermen Special Meeting December 15, 2009 6:15 P.M.**

**PRESENT:** Mayor Daniel Tuman, Mayor Pro Tem Michael Yawn, Aldermen Richard Farley, Robert Swantek, Dick Macartney, Deborah Lanci, Interim Town Manager Breck Smith, and Town Clerk Carin Faulkner

- I. **CALL TO ORDER:** Mayor Daniel Tuman called the meeting to order at 6:15 p.m. in the North Topsail Beach meeting room.
- II. **PLEDGE OF ALLEGIANCE:** Mayor Tuman led those present in the Pledge of Allegiance.
- III. **APPROVAL OF AGENDA:** Alderman Swantek made a motion to approve the agenda. Alderman Macartney seconded the motion. The motion was approved unanimously.
- IV. **CLOSED SESSION:** Mayor Pro Tem Yawn made a motion to come out of the recessed Closed Session of December 7, 2009 per N.C.G.S. § 143-318.11 Section 6. The motion was seconded by Alderman Dick Macartney. The motion passed unanimously.

The Closed Session was recessed until January 4<sup>th</sup> at 1:00 p.m.

The Board came out of closed session at 7:00 p.m. Mayor Pro Tem Yawn made a motion for the Town to contract with Colin Baenzinger & Associates to perform a set of services as documented on their memorandum of services to include the following: candidate interviews with their standard format, background checks, which includes five items (references (up to 3), verification of education, verification of employment (back 15 years), background checks and an internet research newspaper archive for up to 4 candidates.

Alderman Swantek seconded the motion. Alderman Farley recommended an amendment to the motion to give Aldermen Yawn and Lanci flexibility. Mayor Pro Tem Yawn agreed to amend the motion to include flexibility. Alderman Macartney seconded the amended motion. Mayor Pro Tem Yawn said he will call Colin Baenzinger & Associates tomorrow and will follow up with Town staff on the contract. Mayor Pro Tem Yawn further amended the motion to include that the timeline is that the firm get the

information to the Board by the morning of January 4<sup>th</sup>. Alderman Macartney seconded the amended motion. The motion passed unanimously.

V. **NEW BUSINESS**

A. **Beach Nourishment – Overall Plan for Beach Nourishment and Decision Process:**

Mayor Tuman introduced the item and emphasized that there will be discussion and possible action.

Mayor Pro Tem Yawn indicated that he requested this meeting. He said that based on the latest information from Coastal Planning and Engineering (CP&E) the Town could have a permit in the April to May time frame. He said this means that the Board may have a decision to make during budget time. He said that there is a lot of data that he would like to collect between now and then. He went through a list of questions that he said need answered:

- 1) Are we willing to tax all properties across NTB to fund phase 1? (alderman decision)
- 2) High much tax revenue will be supported by a significant majority of taxpayers and voters in phase 1?
- 3) How many properties are OF and non-OF in phase 1, and what is the average tax value in each of those districts (post reval).
- 4) How much is the town willing to allocate from our BN reserves and anticipated BN and occupancy taxes? (alderman decision)
- 5) How much outside funding can be solidly committed from the county, state, and feds?
- 6) What is our plan to lobby county, state, and federal governments for funding?
- 7) Are we willing to borrow money? What will the terms be? At what point do we have to (or will it be desirable to) go to a bond issue?
- 8) Are we willing to look at other options besides BN? Clay and environmental issues.
- 9) Are we willing to look at borrow sites for phase 1 other than the NR Inlet, ie, offshore?
- 10) Are we willing to look at funding options such as by feet of frontage assessments instead of taxes based upon values?
- 11) How much will phase 1 cost for construction/project management/monitoring/etc? (bid process after permits)
- 12) What easements are required and what is the process for NTB to deal with those property owners that deny easements? How many properties will fall into this category? Atty action
  - a. investigate
  - b. follow Supreme Court case in Florida
  - c. discuss with Rhett Pollock, Topsail Beach atty
  - d. estimates of costs
- 13) In June, need the status of terminal groins with the state.

- 14) In June, need the status of CBRA relief.
- 15) Do we want another BN Committee or Lobbying Committee or ???
- 16) Do we want to hire an outside consultant?
- 17) If permits are delayed beyond budget-time, does that delay construction to Nov 2011?

There was discussion on State and County funding of beach nourishment projects. Mayor Pro Tem Yawn said that in discussions with the County it was apparent that if the Town were to go to the County for money the Town should have a concrete number of how much the Town is willing to commit. He said knowing this will help the Town in discussions with outside agencies. There was discussion that the most the State would pay toward a project would be 35 percent. Mayor Tuman indicated that there is not a percentage, but that what is asked for must be reasonable.

Alderman Macartney discussed the work of the BEST committee. He said that the BEST report is extremely valuable work and he thinks that it is the job of this Board to tack onto it and move forward. He thanked the BEST committee. He said that the BEST report recommends that the Town do all four phases of the CP& E project. He said the first issue that needs to be worked out is the financing of the project and how the cost should be divided among the taxpayers. He suggested that the Town contract with Peter Ravella who works with Towns on financing plans for beach nourishment.

Mayor Tuman highlighted the two findings from the BEST report that he found significant. The first one is that they recommended that the Town pursue beach nourishment. The second is that they looked at the CP&E proposal and they endorsed the project design. He said that the Board could consider a resolution that embraces those findings. He said then the Town should work on financing the project and that hiring someone to help is an option.

Alderman Lanci said that Mayor Pro Tem Yawn had a good list of questions and that it would be a good idea to sit down and go through the BEST report and answer those questions. She suggested posting the answers on the website. She said it was important that the Town re-establish a beach committee because it will affect the Town's vote at the TISPC. She said that the Board should look at the suggestions that Frank Clifton made such as keeping communication open with the residents, basing funding on revenue streams, fostering relationships with other elected officials (Senator Brown and Representative Grady included), having the Division of Water Quality approve of the concept so the Town can get on the funding list, finding funding for channel related projects, and hiring a project manager or an information officer.

Alderman Farley said that if the issue of not doing the project is not on the table we do a disservice to the citizens. He said that the erosion problem is isolated in the north end. He said that the Town may need to enforce and change the setback and establish a requirement for moving homes. He said that there are other methods besides beach nourishment. He is not convinced it benefits the whole town. He said he is against taxing everybody. He supports taxing those who benefit from it.

Alderman Swantek read from the BEST report what the potential risks are for beach nourishment such as increased construction costs, more frequent renourishment, channel widening causing back erosion, storms washing away the sand, FEMA funding, and that it only delays the inevitable. He said that there are alternative plans that can be pursued instead of burdening the taxpayers during the current economic conditions.

Mayor Tuman said that the potential risks and rewards that Alderman Swantek referred to from the BEST report was a list of opinions as opposed to the conclusions the BEST team had after they did their research and had Dean's analysis. He said that the conclusions in the BEST report were not substantiating the risks.

Alderman Macartney made a motion endorse the first two conclusions of the BEST report which are as follows:

BEST endorses the recommendations of Coastal Planning & Engineering (CP&E) for the five-phased implementation of Beach Nourishment in the northern 7.25 miles of NTB, and the recommendation of the Army Corps of Engineers for the implementation of Beach Nourishment in the southern 3.85 miles. This endorsement reflects BEST's opinion that Beach Nourishment is the only currently viable option. BEST notes that there are uncertainties about the outcome of the proposed channel realignment at the New River Inlet. Dr. Robert Dean, in his assessment of CP&E's recommendations, states in his report: *"my assessment is that the greatest uncertainties lie in the effectiveness of the New River Inlet channel realignment component. The performance of the inlet component should be regarded as an experiment."* CP&E states in the Draft Environmental Impact Statement (DEIS) *"...higher erosion rates should be expected at the northern end, adjacent to New River Inlet."* CP&E has advised that *"The final design can certainly add an extra factor of safety... (so that) the top and the bottom of the channel would be further away from the houses."*

BEST supports implementing the Beach Nourishment solutions on a "pay-as-you-go" basis, avoiding debt financing of the projects. ~~If outside funding is insufficient to fund any portion of the implementation plan, then BEST recommends establishing tax districts that correspond to the phased implementation plan. Any taxpayer funds required, above what is already allocated by the Town for Beach Nourishment, should be provided only by the property owners in the tax district receiving beach nourishment.~~

Mayor Pro Tem Yawn seconded the motion. Alderman Macartney explained that there are two options, you can do beach nourishment as allowed by the State of North Carolina or you can do nothing. He said we choose beach nourishment, which is Phase One. Mayor Pro Tem Yawn pointed out to Alderman Macartney that the recommendation states that funds above what are already allocated by the Town for Beach Nourishment should be provided only by the property owners in the tax district receiving the beach nourishment. Alderman Macartney amended his motion to

remove the portion of the recommendation which tied the funding to the tax districts that corresponded to the phased implementation plan (strike through). He said he would prefer that the Town pay for Phase One before Phase Two.

Alderman Farley said he looked at the property value in the north end area and estimated it to be about \$7 million and compared it to the estimated project cost of \$10 million. He asked how that could be justified.

Mayor Pro Tem Yawn recommended surveying the taxpayers in Phase One and emphasized that knowing an amount gives the Town a better position when it goes to the County and the State.

Alderman Macartney withdrew the pay as you go portion of his motion and said that he would rather go with the first conclusion. He wants the Board to endorse Phase One.

There was further discussion about the process, Phase One, and financing.

Alderman Lanci suggested that the motion be that the Board supports moving forward with the due diligence as the Board does concur with the BEST committee on item one of the recommendations. Alderman Macartney accepted Alderman Lanci's restatement of the issue and withdrew his motion in favor of hers.

Alderman Lanci repeated the motion as that **“we proceed with the due diligence to move forward with CP&E's Phase One based on the Board's concurrence with BEST's recommendation to do Phase One.”** The motion passed 3 to 2 with Aldermen Farley and Swantek voting against. There was discussion that this vote does not require the Town to move forward with the project if for example the costs are significantly higher than expected or if the citizens are against it.

Mayor Pro Tem Yawn read a statement in the form of a motion and it read as follows:

Whereas, the Beach Erosion Study Team recommended that the town again survey the taxpayers on the topic of Beach Nourishment, and

The Beach Erosion Study Team recommended that the taxpayer funds required, above what is already allocated by the town for Beach Nourishment, should be provided only by the property owners in the tax district receiving beach nourishment, and

That a number of factors have changed significantly since the last scientific survey in 2006, including:

- 1) A Great Recession
- 2) Much higher property taxes and insurance costs
- 3) Increased erosion at the North end, more than the rest of the town

- 4) Our new 5-phase plan with significant risks and environmental questions involving the 15 foot deep dredging on the New River Inlet
- 5) Newly discovered clay issues
- 6) Costs of other beach nourishment projects have escalated dramatically
- 7) Sea level rise estimated to be one meter over the next 100 years
- 8) Terminal groins may gain acceptance by the state of NC, which may offer an alternative to beach nourishment
- 9) Elimination of CBRA designation efforts show promise of fruition, which may allow all of NTB to be covered by a federal project at some point in the future,

And, we have a past survey relationship with Holland and Associates, and we have an ongoing relationship with Holland and Associates on our LUP and Zoning Map, and our last survey cost was \$6000 plus mailing costs, for a very extensive survey, which is below the threshold required to put this out to bid,

And we need to have a firm estimate of the town's funding of construction of phase 1 in order to effectively lobby the county, state, and federal governments for their share of the funding required in order to construct phase 1 of the project,

And that an effective survey will give a calculated estimate of a fair split of the share of taxpayer funding required between oceanfront and non-oceanfront property owners, which has been a contentious issue in the past,

**I move that the Board of Aldermen request town staff to engage with Holland and Associates for the purpose of that firm submitting a contract for surveying all property owners in phase 1. This proposed contract shall be reviewed in our January meeting.**

The specifics of the contract shall be as follows:

- 1) About 7 pages of informational material shall be included on the proposed project's phase 1, with construction details, amounts/types of sand, timeframes, etc. Additionally, information shall be provided on alternatives, such as dune pushing, terminal groins, trucking in sand, and doing nothing. Also, information shall be included about sea level rise and the CBRA status. Finally, information shall be included on environmental issues, the clay issue, and the possibility of using offshore borrow sites instead of the NRI channel as a sand source. The information shall also include a link to the Beach Erosion Study Team report on the town website.
- 2) The questions shall be just one page, with 3 key questions:
  - a. How much are you willing to pay for the subject property per year, forever, in added property taxes:
    - i. I do not support going forward with the proposed project
    - ii. \$0, but I support the project
    - iii. \$100
    - iv. \$200
    - v. all the way up to "\$2000 or more"
  - b. Do you support NTB borrowing money for this project (Y/N)

- c. Are any owners of this property registered voters in NTB? (Y/N)
- 3) A survey shall be delivered to the Onslow County GIS mailing address of record for EACH taxpaying property in phase 1 of NTB, and the surveys shall be numbered for security purposes and the surveys shall state on the answers page that data are being collected in reference to that specific property. The surveys shall require signatures, and the signatures must be witnessed in order to be valid, similar to an absentee ballot. In the case where multiple people own a property, the survey must be signed by each property owner (per the GIS) and witnessed in order to be valid.
  - 4) The data shall be collected in such a way that a histogram for the tax question can be created in a number of different ways: oceanfront, non-oceanfront, total, by neighborhood, by tax valuation ranges, by voter/non-voter.
  - 5) The final verbiage of the survey shall be approved by the Board of Aldermen.
  - 6) The timing of the survey shall be in early March, with results back by May 1 at the latest, so that if any tax actions are required during our budget process, we can make those in a timely manner.

There was further discussion on Mayor Pro Tem Yawn's motion.

The motion was modified to also include instructing Town staff to ask Peter Ravella to submit a proposal regarding his firm's efforts in making a project plan for the financing of Phase One. **Mayor Tuman clarified that the full motion is to direct Town Staff to approach Holland & Associates about conducting a survey for Phase One property owners within the guidelines of Mayor Pro Tem Yawn's original motion and to ask consultant Peter Ravella to present a proposal to the Town regarding his firm's efforts for purposes of developing a project plan with financing for North Topsail Beach for Phase One.** Mayor Pro Tem Yawn accepted the modification. The motion passed 4 to 1 with Alderman Farley voting against.

Mayor Tuman indicated that any further discussion on this topic will take place after the Town receives the proposals.

There was further discussion on the time frame of receiving permits for the project and how that will coincide with possible tax actions. Mayor Tuman said that he will approach CP&E on the current status and possible meetings.

**B. Discussion on Additional Citizen Committees:**

Alderman Macartney explained that the TISPC (Topsail Island Shoreline Protection Commission) has a new charter which gives each town three members and each County one member with a total of eleven voting members. One of the designations of a town member is the chairman of a beach nourishment committee and if NTB does not have a beach committee, NTB will not have a third vote. He said this is a good reason for NTB to add a beach committee. There was discussion on what Topsail Beach was going to do and Mayor Pro Tem Yawn said that they may be forming a beach committee made up of their Board members and the chairperson of that committee will be a third voting member.

Alderman Macartney moved that the Board reinstate a beach advisory committee made up of former chairmen Ed Doherty and Ms. Bowman and advertise for additional members. He thinks that there should be an advisory committee to this Board on beach nourishment.

There was discussion on the need for a committee.

Mayor Pro Tem discussed that the Town's rules allow for the Board to create sub-committees made up of members of the Board of Aldermen. Mayor Pro Tem Yawn made a motion to create a beach nourishment sub-committee made up of the Board of Aldermen including the Mayor and that Alderman Macartney serve as the chairman. He said then the Board can vote on the at-large and elected official members to represent NTB on TISPC.

The Board voted on Alderman Macartney's motion to establish a citizen advisory committee for beach nourishment. The motion failed 3 to 2 with Aldermen Lanci and Marcartney voting in favor.

The Board voted on Mayor Pro Tem Yawn's motion to create a beach nourishment sub-committee made up of the Board of Aldermen and Mayor, with the Mayor having normal mayoral voting rights.. The motion passed unanimously.

Mayor Pro Tem Yawn made a motion to appoint Alderman Macartney the chairman of the beach nourishment committee, to appoint Alderman Lanci as the Board representative to the TISPC, and to appoint Alderman Swantek as the at-large representative to the TISPC. The motion passed 4 to 1 with Alderman Macartney voting against.

Mayor Pro Tem Yawn stated that he had some ideas about forming a lobbying committee, but because of the previous decisions of the Board he is going to put that on the back burner.

- C. **Appointment of Two Representatives to TISPC (Topsail Island Shoreline Protection Commission):** This item was resolved during Agenda Item B.

VI. **OPEN FORUM:**

**Thomas Leonard of 218 Coastal Drive** – Mr. Leonard stated that he was happy that the Town had this meeting tonight and the he thought things are getting off on the right foot. He served on the BEST team and said that he thinks how the Town deals with this issue will define the success or failure of our Town. He is glad that the BEST report is being looked at as well as the recommendations. He thinks that former chairmen of BEST, Ed Doherty would be very pleased. He said he agreed that the non-voting property owners should have a voice in the decisions. He wanted to make sure that each person receives the same number of surveys as the number of properties they own. He agrees that the Town needs a dollar amount of what citizens are willing to spend on beach nourishment so that when the Town goes to the County we can tell them how much the Town is

putting up, that will help in building a partnership. He said that non-oceanfront property owners benefit from the beach.

**Richard Peters of 601 New River Inlet Road** – Mr. Peters said that he concurs with Mr. Leonard's comments. He said that a survey question asking citizens how much they will be willing to pay is nebulous. He thinks the people need to have a good parameter of what is necessary to achieve the goal of beach nourishment. He thinks it is possible to narrow it down to what is necessary. He suggested using \$1,000 for oceanfront and \$250 non-oceanfront as a benchmark to see what can be accomplished. He said that right now the citizens are stressed by high taxes but that the environment that we have now is an opportunity to have a reduction in taxes and the citizens will be able to look at the situation and see that they are not paying any more than they are now.

- VII. **ADJOURNMENT:** Alderman Farley made a motion to adjourn. Alderman Lanci seconded the motion. The motion passed unanimously. The meeting adjourned at 8:32 p.m.

**APPROVED:**

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Daniel Tuman, Mayor

**ATTEST:**

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Carin Z. Faulkner, Town Clerk

Approved on: 1/7/2010