TOWN OF OCEAN ISLE BEACH
THREE WEST THIRD STREET
OCEAN ISLE BEACH, NC 28469

BOARD OF COMMISSIONERS MEETING
JANUARY 14, 2014
MINUTES

MEMBERS PRESENT:

Mayor Debbie Smith	Mayor Pro Tem Dean Walters
Commissioner D.B. Grantham	Commissioner R. Wayne Rowell
Commissioner Bob Williams	Commissioner Betty Williamson
Daisy Ivey, Town Administrator	Larry Sellers, Assistant Town Administrator
Sue Stuhr, Town Clerk	Elva Jess, Town Attorney

OTHERS PRESENT:

Approximately 16 Property Owners and Guest

MEETING CALLED TO ORDER

Mayor Smith called the regular meeting to order with everyone repeating the Lord's Prayer and pledging allegiance to the flag.

ADOPTION OF CONSENT AGENDA

Mayor Smith stated the consent agenda included approval of the minutes of the November 25, 2013 reconvened meeting, December 10, 2013 Board of Commissioners meeting and December 30, 2013 Public Hearing and Board of Commissioners meeting. Upon a motion by Commissioner Williamson and second by Commissioner Grantham, the Board voted unanimously to approve the consent agenda as presented.

ADOPTION OF AGENDA

Mayor Smith stated the next item of business was adoption of the meeting agenda with amendments to delete discussion regarding a request for revision of bond by The Retreat at Ocean Isle Beach and to add discussions regarding a resolution opposing homeowners' insurance rate increases and also adoption of a resolution approving financing terms under New Business. Commissioner Walters made a motion to approve the meeting agenda with amendments as stated. Upon a second by Commissioner Rowell, the Board vote was unanimous in approval.

MAYORS REPORT

Mayor Smith provided an update on the status of the Ocean Isle Beach Coastal Storm Reduction Project noting the Corps of Engineers conducted a preconstruction meeting with Weeks Marine on January 10. The Mayor stated plans include utilizing two pipeline dredges to complete the three Wilmington District projects. Mayor Smith advised the Ocean Isle Beach Project will place an estimated 640,000 cubic yards of sand on the beach strand during the expected dredging timeframe from mid-March to late April, 2014. It was indicated the dates may be subject to adjustment due to unforeseen weather or equipment malfunctions.

Mayor Smith also presented a service award to Sondra Ganus, Administration Department recognizing her 10 years of dedicated service to the Town and praising her ongoing excellence in customer service.

DEPARTMENTAL REPORTS

1. Administration – Mrs. Ivey provided a financial dashboard summary for December 2013 indicating an increase in Cash and Investments from same month prior year. Mrs. Ivey stated General Fund expenditures increased over same month prior year due to the disbursement of the Town's payment for the upcoming Beach Renourishment Project, and Terminal Groin project. Mrs. Ivey stated this is true also for the Water Fund due to the East End Tank Project. Mrs. Ivey also reported on F/Y 2013 tax collection indicating $1,219,245 in property taxes had been received as of December 2013, leaving a current outstanding balance of $951,705, a current collection rate of 65.31%. Mrs. Ivey stated the 2012 tax collection rate was 99.96%, with an outstanding balance of $ 1,242. Mrs. Ivey advised Accommodation Taxes collected for November decreased by 19% over same month prior year and VRBO's decreased by 26% over same month prior year. Mrs. Ivey reported attending a quarterly meeting in New Bern for the MOA for the Shallow Draft Dredging Project. Mrs. Ivey advised State funds will be provided for up to 50% of the project cost with local municipalities responsible for providing matching funds. Mrs. Ivey noted the Town's F/Y 2014-15 Budget process has begun with Board workshops to be scheduled soon. Mayor Smith reported a GSAT meeting regarding the Georgetown Road extension project indicating information regarding the construction schedule should be provided soon.
2. Police Department – Chief Goodwin provided a report indicating a reduction in activity for the month of December. Chief Goodwin also indicated Property Crimes were down by 29.5 % for the year 2013. Chief Goodwin reported that officers will be attending an upcoming class for certification in critical management training in order to prepare Police Officers to respond to situations involving people with mental health issues. Chief Goodwin advised officers continue to regularly perform house security checks and once again encouraged all property owners to report any irregular activity noted, directly to the Police Department.
3. Water/Sewer/Street – Mr. Sellers reported during the month of December, the Water Department activities included water shut-off for over 100 leaks (caused due to freezing temperatures), installation of taps, repair of water leak, maintenance around meter boxes and flushing of hydrants on the west end of island. Mr. Sellers summarized work activity by the Street Department including removal of Christmas decorations, trimming of palm trees, cut back of plants, maintenance of the Causeway and winterization of the irrigation system. The Sewer Department activities during the month included cleaning of lines, camera inspections and repair of broken clean-outs.
4. Fire Department – Assistant Chief Rash summarized an activity report for the month of December indicating the Department responded to a total of 51 calls, of which 26 were in the city. Total calls for service for 2013 were 782, an increase of 13% over totals for 2012. Assistant Chief Rash advised Fire Department personnel completed 328 hours of training and also performed 70 fire inspections during the month. Total fire inspections completed for the year 2013 were 399.
5. Planning/Zoning/CAMA – Mr. Whiteside reported Assistant Chief Rash is now certified to provide National Incident Management Systems (NIMS) training for response to disaster situations. Mr. Whiteside expressed the Town's appreciation of the recent donation of a gazebo by Debbie and Russ Cary, which is now a welcome improvement to the Shallotte Boulevard park area. Mr. Whiteside confirmed The Retreat at Ocean Isle

Beach has been recently purchased by Bill Clark Homes and landscaping improvements are currently in process. Mr. Whiteside also advised the first meeting of the steering committee for the Ocean Isle Bicycle and Pedestrian Plan will be held in February.

6. Building Inspections – Mr. Cook reported the Building & Inspections Department issued permits for 3 new single family (SF) residential homes in the city for a total of 56 permits issued during the month of December, with a total construction value of $1,295,693. Mr. Cook provided a year end activity summary indicating a total of 1425 permits issued during 2013 for a total annual construction value of $21,011,546.57, an increase over 2012 total of 1106 permits issued with a total construction value of 11,302,631.85.

COMMENTS

Mayor Smith stated that this time had been set aside to allow our citizens to speak in regard to issues relating to agenda items. Mayor Smith stated that due to time constraints, each speaker should limit their comments to three minutes. No comment was heard.

NEW BUSINESS

1. Mayor Smith stated the first item of New Business was discussion regarding appointment to fill a vacancy on the Board of Adjustment (BOA) for a term expiring August 2014.
   Board members accepted the resignation of Commissioner Wayne Rowell as a member of the Board of Adjustment. Mayor Smith advised current BOA alternate member, Becky Noble, has expressed her interest in serving as a member of this Board. Commissioner Rowell made a motion to appoint Mrs. Noble to serve in this capacity. Upon a second by Commissioner Grantham, the Board voted unanimously in approval.

2. The next item of New Business was discussion regarding award of contracts and project agreements as follows:
   a. Discussion and Review of Renewal of Lease Agreement between Town, Virginia Williamson & OIB Holdings, LLC for Open Space/Park Area Adjacent to R.H. McClure Realty and Bridge:

   Board members reviewed renewal of an annual lease of the Open Space Park Area, which includes payment of Brunswick County taxes assessed against the leased property and forgiveness of municipal taxes for the one year term of the lease. Commissioner Rowell made a motion to approve the agreement with Virginia Williamson & OIB Holdings for an additional year as presented. Upon a second by Commissioner Williams, the Board vote was unanimous in approval.

   b. Discussion Regarding Engineering Surveying and Testing Services for 2014-15 Concrete Canal Maintenance Dredging:

   Board members discussed approval of an agreement with Criser, Troutman, Tanner (CTT) for engineering services and coordination of the upcoming 2014-15 Concrete Canal Maintenance Dredging Project. Board discussion addressed the process for monitoring of the project to ascertain the dredging is completed to the width and depth as specified and consideration to the depth of the water necessary for vessel access. CTT's recommendations included suggested reductions in depth in the Tee canals to help prevent wall failures and a reduction of the dredge width to 20 feet and dredge depth to 5.0 MLW or 5.5 MLW. Board members were in consensus it was important to direct the engineer to maintain the same 25 foot dredge

cut width as used in the past and also to adhere to the prior permitted dredge depth of 6.0 MLW. However, it was conceded some dredge reduction may be included in the Tee heads. Mayor Smith suggested a letter be sent to concrete canal property owners to advise these owners to take measures to prepare for the dredging and make any necessary repairs to their revetment walls prior to the project commencing. The Board was in agreement and directed Town staff to proceed with a mailing to each concrete canal property owner to communicate the importance of inspecting their bulkhead and completing any necessary repairs as a precautionary measure to help prevent wall failures. The Town Attorney outlined a number of the Town's liability issues and included her recommendation for the inclusion of language regarding the contractor's assumption of responsibility for dredging outside the established limits of the engineer's dredge footprint. Also considered was the process that would be used to confirm these limits were being observed by the contractor as part of the post dredge survey. Board members suggested the draft contract agreement for engineering services by CTT be modified to reflect the 25 foot dredge width, include some dredge reduction as necessary in the T Canals, dredge to 6.0' MLW as discussed and to also include language to address the liability issues noted by the Town Attorney. Commissioner Walters made a motion to approve an agreement for engineering services with CTT including the amendments as noted. Commissioner Grantham made a second to the motion and the Board vote was unanimous.

c. Discussion Regarding Award of Contract for Project to Relocate Columbia Street Lift Station to Shallotte Boulevard and East 4th Street:

Board members reviewed the certified bid tabulation prepared by Compass Pointe Engineering for the Third Street and Shallotte Boulevard Sewer Modifications project. A copy of the bid tabulation is attached and hereby included in these minutes by reference. Six contractors submitted bids for the project and no bid irregularities were discovered. Based on the bids received, Compass Pointe Engineering recommended that low bidder J.P. Russ and Son, Inc. be awarded a contract to do the work for their total bid amount of $240,867.00. Following Board review of drawings, discussion of general work requirements and draft agreement for the project, Commissioner Grantham made a motion to award the project to low bidder J.P Russ and Son, Inc. A second to the motion was made by Commissioner Williamson and the contract was awarded by a unanimous vote.

d. Discussion Regarding Award of Contract for Project to Construct an Addition to the Town's Maintenance Building at 6166 Culpepper Road

The Board reviewed four bids received for the construction of a 26'x31' addition to the Town's existing maintenance building on Culpepper Road. Commissioner Grantham made a motion to award the contract to construct an addition to the Town's maintenance building at 6166 Culpepper Road to low bidder Steve Hardin Builders in an amount not to exceed $ 31,131.60. Upon a second to the motion by Commissioner Williams, the Board voted unanimously to authorize entry into a contract agreement with Steve Hardin Builders, Inc, as presented.

3. Discussion regarding adoption of a resolution opposing Homeowners insurance rate increases was the next item of New Business. Board member reviewed a draft resolution in opposition to the homeowners' rate increases for Brunswick County and other coastal counties in North

Carolina as requested by the NC Rate Bureau. The resolution stated the Board's opposition to the 35% or any rate increase in Homeowners insurance finding it both unjustified and unnecessary and also expressed the Town's support of the Commissioner of Insurance in his public efforts to encourage the NC Rate Bureau to withdraw the rate filing immediately. The Mayor and Commissioners encouraged Brunswick County residents to participate in the process by filing comments and making their position known regarding this issue by submitting comments to the North Carolina Department of Insurance (NCDOI) by the January 31, 2014 deadline. The Mayor and Board of Commissioners also requested the North Carolina Insurance Commissioner conduct a public hearing on the proposed rate increases to include actual loss history in Eastern North Carolina in the calculation of the rate increases. Upon a motion by Commissioner Rowell and second by Commissioner Grantham the Board voted unanimously to adopt the resolution as presented and forward a copy to the North Carolina Insurance Commissioner and the Town's legislative representatives.

4. The last item of New Business was discussion regarding adoption of a resolution approving financing terms. Mrs. Ivey advised, as part of the financing agreement for the purchase of property located on Causeway Drive, it was necessary to adopt a resolution approving the financing terms for BB& T. The resolution stated the amount financed shall not exceed $1,600,000, the annual interest rate shall not exceed 2.96% and the financing term shall not exceed ten (10) years from closing. The resolution also provided the authority to the Finance Officer to proceed taking any necessary actions to carry out the financing of the project. Commissioner Williamson made a motion to adopt the resolution approving financing terms for the purchase of land as presented. Upon a second by Commissioner Rowell, the resulting Board vote was unanimous in approval. A copy of the resolution is attached and hereby included in these minutes by reference.

EXECUTIVE SESSION

The Board recessed to Executive Session upon a motion of Commissioner Grantham with a second by Commissioner Rowell, the vote was unanimous. Mayor Smith stated an Executive Session was necessary in order to approve the minutes of the December 10 and 30, 2013 executive session meetings as per G. S. 143-318.11 (l), to consult with the Town Attorney regarding pending legal issues as per G.S. 143-318.11(3) and discussion to establish or instruct staff or agent concerning the negotiation of the price and terms of a contract for acquisition of real property described as Parcel Nos. 2430001801, 2430001802 and 2430001803 as per G.S. 143-318.11(5).

The Board returned to regular session upon a motion of Commissioner Williamson with a second by Commissioner Grantham. Mayor Smith reported during executive session the Board approved the minutes of the December 10 and 30, 2013 meetings upon a motion of Commissioner Grantham with a second by Commissioner Williams. The vote was unanimous. Mayor Smith stated also during executive session the Board held discussion regarding the negotiation of the price and terms of a contract for acquisition of real property described as Parcel Nos. 2430001801, 2430001802 and 2430001803 and consulted with the Town Attorney regarding pending legal issues.

ADJOURN

Being no additional business was heard, Commissioner Grantham made a motion to adjourn. Upon a second by Commissioner Williams, the vote was unanimous.

DATED: January 14, 2014

SIGNED: Debbie S. Smith
Debbie S. Smith, Mayor

TOWN OF OCEAN ISLE BEACH
SEAL
NORTH CAROLINA

ATTEST: Sue Stuhr
Sue Stuhr, Town Clerk