

MINUTES  
OAK ISLAND TOWN COUNCIL  
SPECIAL MEETING – BEACH WORKSHOP  
and BUDGET WORKSHOP  
JUNE 3, 2016 – 10 A.M.  
OAK ISLAND TOWN HALL

Present: Mayor Cin Brochure, Mayor Pro Tempore Jim Medlin, Council members Sheila Bell, Charlie Blalock, Loman Scott and Jeff Winecoff, Interim co-Managers Rob Gandy and Lisa P. Stites, CMC, and Administrative Support Specialist Debbie Lasek.

Mayor Brochure called the meeting to order at 10 a.m. and thanked the public for attending.

1. Consideration of a Resolution in Recognition of Tax Collector Linda Harris upon Her Retirement: Ms. Harris was thanked for her work on the Town's behalf and presented with the Resolution.
  
2. Presentation on the Town of Oak Island's Beach and Waterway/Inlet Issues – Johnny Martin, Moffatt & Nichol Engineers (Beach nourishment, Wilmington Harbor Project, shallow draft inlet permit, Lockwood Folly Inlet dredging, Holden Beach Terminal groin project, etc.) Mr. Martin wanted to remind everyone of what they are working on. The Beach Plan is to provide protection, help the local economy and working with the Development line and developing an engineered beach, as well as work on Davis Canal and Lockwood Folly. He explained that the Beach Plan needs to be developed; in the past, the Town relied on the U.S. Army Corps of Engineers for beach restoration, but the Federal government is no longer providing as much financial support for these projects. The dune line is eroding; the beach has receded about 200' feet from the renourishment done in the early 2000s. There has been no loss of infrastructure on the front row, but eventually the shoreline and dune line will encroach landward, making the first row vulnerable. The West end has had issues in the past couple of years, and the Eastern Channel Project provided half the funds and beach quality sand to be placed on the beach there. The proposed Development Line would be a good thing for Oak Island, as it will offer some relief; however, in order for it to be effective, the current line of vegetation must be maintained. The setbacks must still be met with the development line, and he thinks more lots will be buildable. The way to maintain the current line is to make sure there is enough sand to maintain that vegetation. Mr. Martin also explained how the volumes of sand were calculated, the importance of keeping it to protect from wave or surge events and the triggers that would be involved in a FEMA engineered beach. If there is a named event with a disaster declaration, with a FEMA engineered beach the Town could then request federal funds for rebuilding to the level that existed before the storm. Monitoring of the sand would be a necessary component. Mr. Martin reviewed possible offshore sand resources; depending on availability of the dredges, the costs of this sand can fluctuate greatly. Understanding the past problems with the Yellow Banks and the rocks on the beach is a factor, but the cost factor of this sand would mean significant savings. The preliminary costs were then presented, ranging from \$24-34 million dollars for a 5-year event. Annual maintenance costs were also projected, depending on storms; it could be \$2.5 million every 8 years up to \$4 million per year with a greater number of storms. By beginning an annual monitoring process, the Town would be able to provide pre-storm numbers in case of a storm. The cost of this monitoring project is approximately \$70,000-75,000 annually for the next 4-5 years. They would also need to survey the Eastern Channel and the Lockwood Folly Inlet. Mr. Martin is aware of consultant Peter Ravella's involvement in the funding plan; if Council decides to at least develop a funding stream, Moffatt & Nichol could then do geotechnical investigations so that project costs could be more effectively estimated. He said he understands that the last large project (the sewer) has elevated concerns, but feels that Moffatt & Nichol has proven with the Eastern Channel project that it could be handled effectively.

Councilor Blalock asked about the \$2-3 million quoted for the monitoring; Mr. Martin explained this was for all the up-front engineering, such as core samples and all the work needed to finalize the master plan to provide costs for a 5 or 10-year Beach Plan and tighten up the cost figures. It is getting to the point where they can construct the project, and that most of that money would be spent on the geotechnical investigations into possible sand sources. Permitting costs are included in this figure, and these costs would be tied together. Councilor Bell asked how long permits are good for; Mr. Martin said generally 2-3 years and that extensions can be applied for. This \$2-3 million was included in the initial projected costs. Mayor Brochure added that it would include sand and studies.

Davis Canal Management Plan: The budget for this project would be \$6-6.5 million, due to the distance involved and fees imposed by the Corps. Most of the material would probably not beach compatible; it would be too fine or too mucky and would have to go to disposal islands. The firm was told that permits would be impossible to attain, and they would recommend not pursuing at this time due to primary nursery areas and concerns over disturbing the bottom. Mr. Martin said he would hate for the Town to spend money on something that may only have a 2% chance of getting approved.

Lockwood Folly Management: The firm was happy to hear the Town asked to be a separate permit holder for current authorized dimensions. This will allow the Town to do the same work that the Corps has been doing without applying for extra permitting. Even though they often use a side caster dredge, they often use a hopper to dump material into a near shore area, which allows for some of this material to potentially get on the beach. They would suggest attempting to modify this permit to go wider and deeper and would provide sand; they suggest talking to Holden Beach as they feel that town would definitely be interested. Ultimately both towns have an interest in maintaining this area. Councilor Blalock asked about the permit; Mr. Martin explained that the Town would have the same permit and authorized limits that the Corps already has, and can dredge the channel without the Corps being involved. It is always easier to modify a permit than going out and getting a new one. Councilor Blalock asked why that sand could not be put on the beach; Mr. Martin gave some history about shallow draft inlets being only 6-8', and that a small enough dredge plant is needed to work in this area. Side caster fleets were started (NC is about the only state that uses these) because of these shallow draft permits; hoppers that suck sand cannot work in these depths and wave conditions. Pipeline dredges also have a difficult time pumping material in this shallow environment and operating in wave conditions. The mouth of this project area is the hardest to maintain, with the shoals and being at the mouth of the inlet. They would like to talk to the Corps about at least widening the mouth; most of the back channel is fairly stable but the mouth is much tougher to maintain. By piggybacking on the AIWW Bend Widener, it may provide more equitable sand distribution between the Town and Holden Beach; this material is much cheaper. Mayor Pro Tempore Medlin confirmed that typically, in the past, most of that sand has gone to Holden Beach. By developing a management plan, the firm bought up all of these conditions and is trying to get to a fair and equitable division of these sand materials.

Current Ongoing Effort: They will continue to represent the Town in Holden Beach's Terminal Groin Project, work on adding the dredging of the Eastern Channel mouth to AIWW Crossing Bend widener for cost-effective sand placement (working with Holden Beach), and assist Kilpatrick Stockton with discussion of the Wilmington Harbor Project and beach placement and changes to the sand management plan. There are concerns regarding potential costs with the Corps providing sand placement for Oak Island with the sand management plan; that is the importance of staying in the loop. Mayor Pro Tempore Medlin asked about the costs; as of now, there is no cost to the municipalities for this sand as it is a Federal cost. However, if it is shown that the Corps will not place sand on Oak Island due to costs, it may be that the Town could pay for moving the sand farther west if it's not needed by Caswell Beach.

Stormwater Services: There is a small contract to look at some conceptual options for handling stormwater flooding.

Potential Action Item: The firm would like the Council to authorize the annual monitoring program, which includes surveys of the channels and some sections of the Lockwood Folly inlet to provide more predictable time lines of issues.

Mr. Stites noted that Councilor Winecoff had to leave and was considered properly excused from the meeting. Mayor Brochure suggested tabling any action today as he was not present.

I. Presentation from Oak Island's Beach & Inlet Committee – Chairman Steve Foster and/or Vice-chairman Carol Painter

Mr. Foster thanked Council for the opportunity to discuss sand management issues. He noted that the Committee wanted to address the necessity for beach nourishment; there are millions of dollars of real estate that will be lost year in and year out, and someone else will have to pick up the tab for the loss of revenues. Homes are more vulnerable when sand washes away, and the cost of clean-up for structures that collapse in the ocean is extremely high along with dangerous debris left in the surf. Negative publicity is also a component, as is loss of tourism and tax dollars and reduced property value. Towns with an engineered beach plan have an average increase in property value of approximately 20%. In 1988, there was an amendment passed called Upton/Jones that allowed for the state government pay for the full cost of the house to be moved or destroyed and also pay the homeowner for the house. This amendment went away in 1994; there are mitigation programs through FEMA but they are unwieldy and often have minimal impact on homeowners moving their houses.

Mr. Foster addressed the often-held idea that “the sand just washes away.” He reviewed the 2001 Turtle Project and the impact on East Beach. The damage began with Hurricane Diana, nor'easters and high tides. This project is now 15 years old and the beach has lasted with no significant erosion. There are currently no Federal funds for beach renourishment projects. The State only offers funds for dredging of up to 2/3 of the project only. There is no money in Brunswick County's budget for beach projects; the Town got \$500,000 for the Eastern Channel Dredging project, but additional funds will be difficult. Brunswick County has 40 miles of beach. He said County officials also questioned how much the Town had invested in this project. Mr. Foster said there are no “sand fairies” or “Sandy Clause” for these projects. Currently, Town taxpayers and “day trippers” are not contributing to the Beach Fund, only renters.

Erosion is an ongoing and pivotal problem to the beach, more so than hurricanes; Mr. Foster provided pictures of Topsail Beach homes that were in the surf and had to be removed and spoke about the cost to the Town. He listed North Carolina beaches that all have a Sand/Beach Management program supported by taxes. Holden Beach is starting a beach nourishment program this year estimated to cost \$15 million. He also reviewed the 2014 erosion of the West End, showing pictures from 2014 and from yesterday showing the amount of sand and the newly planted sea grass.

Mr. Foster said the two primary responsibilities of a municipality are the public's safety and protection. He reviewed his recommendations to the Council, which involved funding a beach renourishment fund in the upcoming fiscal year.

Councilor Blalock said that he is new at this and is learning a lot; he was approached by a member of the Beach & Inlet Committee who said he disappointed in him, yet Councilor Blalock said he hadn't yet been educated on the topic. Councilor Blalock said he will not vote on this without being educated. He also lamented the lack of existence of a plan for beach nourishment all these years; bullying him to try to vote on something without educating him will not work.

Beach & Inlet Committee vice-chairman Carol Painter said that in going through the Comprehensive Land Use process, the whole town agreed that the beach was the number one asset and it must be maintained and protected. She noted that Moffat & Nichol were hired to come up with a plan; they have paid a consultant to explore issues with Town members, but she feels the consequences of not doing anything have not been fully explained. The Turtle Project nourished the whole beach in 2001; in 2009 from 70<sup>th</sup> eastward received sand from the Wilmington Harbor dredging. Beautiful dunes can now be seen there, but west of 58<sup>th</sup> Street, the dunes are scarped (halfway gone) and there is limited beach at high tide. This winter, it is our turn to get sand again from Wilmington Harbor dredging. The Corps is under guidelines to place sand where it costs the least, so it will most likely go to Caswell Beach and the east end of Oak Island. The Town can pay to place the sand differently, but the costs of booster pumps are \$1 to \$1.5 million dollars and will not provide enough sand for the desperate needs of the middle beach area. The Town has to get funds to get permits and must demonstrate that our Town is committed to saving our beach, starting this year. All of the beach towns are doing this, some with assistance from the Federal government and some without. Almost all of them have tax dollars going into the bank to assist with these projects; the State and Federal government often give money on a “matching” basis.

Mayor Brochure advised the audience that there will be a Public Hearing on June 14<sup>th</sup> on this subject. Council took a brief recess and the meeting resumed at 11:21 a.m. The Mayor advised there would be two other brief presentations on potential revenues.

Nicki Cutler, 2212 E. Dolphin Drive: Ms. Cutler made a presentation on her business plan to implement paid parking. First, she wanted to make it clear that residents would not pay for parking, other than the \$5 decals. The privilege parking sticker would continue; she advises transitioning to a hologram sticker that would not be able to be removed. For residents or property owners, there would be different stickers. Local businesses would be asked to sell one-day hang tags for \$7, three days for \$15 and seven days for \$28. This would help fund some of our beach renourishment. There would also be a “year round” pass available. This is a “pay and display” system; vendors would have to meet some criteria to display them, and would be compensated by business fees of .50 per ticket. She said she was being very conservative and estimates sales of \$700,000 with an 80/20 percent split with 80% going directly to the Town of Oak Island. She explained how this would be enforced, from April to September; unpermitted right-of-way parking would be eliminated. Public works could provide signage, police would provide enforcement; she said this could be implemented by July 11<sup>th</sup>. Ms. Cutler said she would replace current parking stickers at no charge. Mayor Brochure verified there would be no up-front costs for the Town, other than signage by public works. Ms. Cutler said her company is set up as a public utility.

Malcolm Morrison, 119 SW 21<sup>st</sup> Street: Mr. Morrison said that the beach is a public trust recreation area, state-owned but maintenance is not funded by the State. He reviewed general statutes that needed further investigation, in his opinion. He also provided a map of Brunswick County that showed all the areas which are within 40 miles of our beach/recreational area and categorized that these are “daytrippers” in spite of being less than 50 miles away. He proposed “pay to play” of \$10 per head, to be returned to the Town by the State from revenue from income taxes. He said that establishing the actual number of daytrippers will be one of the biggest milestones, and suggested using a traffic survey even though the NCDOT rejects this type of data. He stressed that this data is also important when dealing with disaster evacuation planning. Mr. Morrison also suggested the possibility of using drones or helicopters to provide surveys and to count cars, along with Beach Ambassador data. He gave examples of potential Daytripper user fees, using 915 bumpered parking places and the data from the peak month of July to determine the number of daytrippers. He came up with figures from \$2,841,696 to \$4,501,845 in potential Daytripper User Fees. He also emphasized the importance of lobbying for state funds.

Council took a lunch recess at 11:40 a.m. and Mayor Brochure called the meeting back to order at 1 p.m.

## II. Consideration of the Proposed Development Line

Steve Edwards, Director of Development Services, said that the Town is currently subject to a static vegetation line which means development must occur 60 feet from the established vegetation line. In 2000 and 2001, Oak Island received two large scale beach renourishment projects; the 1135 Sea Turtle Project and the 933 Spoil deposition project. This resulted in the State enacting a Static Vegetation Line (SVL). In 2006, the CRC (Coastal Resource Commission) gave the current SVL based on the vegetation that existed in 1998. Currently, there are areas on the West End that are not subject to the SVL (the Kings Lynn area), but other areas are. There are exceptions for campsites, driveways with sand or gravel, elevated decks of less than 500 square feet, beach access ways and uninhabited gazebos/storage sheds, temporary amusements stands, storage sheds, gazebos, sand fences, swimming pools that are located landward of the SVL, etc..

Oak Island currently has three options at this time. The Town can do nothing, can request a development line or it can request an exception from the SVL and provide the CRC with a 30-year plan to maintain the initial beach fill project. The third option would require identifying the sand source, the financial resources, summary of the design, supporting documentation and reauthorization every five years. The rules have changed in that the SVL exception can now be requested prior to the five years; with a SVL exception, new construction would have to line up with the most landward neighboring structure. No swimming pools would be allowed seaward of the SVL, and if structure is over 5,000 square feet, it would have to sit 120 feet back.

The development line is not the same as the SVL exception; it uses stable natural vegetation line instead of the SVL. Any local government with an SVL can petition the CRC for a development line to guide ocean front development. Our current setbacks are 60 feet, which is 30 feet times the annual erosion rate of 2 feet. Most of the oceanfront lots are platted with approximately 150 feet of depth. There are approximately 167 undeveloped parcels along the proposed development line, and 129 are identified as unbuildable. There are approximately 525 structures are parallel to the proposed ocean line, and 341 of these structures are defined as unbuildable. Approximately 440 oceanfront parcels are landward of the proposed development line; this leaves 85 that intersect the line. Many of these structures are at the edge of the line, and they would be allowed to rebuild in the same general location. CAMA exceptions allow for the same exceptions. Staff is not proposing a development line in the west end of town, where the Town didn't have one previously. The normal established building and permitting process would remain in place.

The methodology used was kept simple, and staff with the Division of Coastal Management was consulted throughout the process; staff created several potential development lines via GIS to calculate the number of structures beyond the proposed development line. This served to identify non-conforming structures. Mr. Edwards also explained the process for having a development line approved. A map was created that shows the proposed development line and the current SVL, incorporating the proposed development line into the Town ordinances in order to show the CRC that the Town recognizes the line as enforceable. Existing structures seaward of the development line could not be replaced if damaged more than 50%; the SVL would be the guide in those cases. The CRC will be asked to approve the petition for the development line and, once it is approved, only the Town could request to change it.

Councilor Bell questioned where the line would be closest to, the street or the ocean, and Mr. Edwards said that it would depend on the individual lot. Mr. Edwards explained that there are lots on the east end with more beach than the west end, and ones on the west end with stable, natural vegetation with no static line; this is not fair, and that is why development lines have been created -- for more consistency. Most of the line is parallel to the right-of-way, with the least number of impacted houses. The 85-foot setback was based on the lowest number of impacted houses. The majority of the development line will be determined

by measuring 85 feet seaward from the property line (with 60 feet to the stable vegetation); that will be the most seaward point they could build.

Jake Vares presented a GIS map showing the existing SVL and the proposed development line that was created for the CRC. He wanted to make everyone aware of what types of data could be manipulated by this program. The Public Hearing will be held at the June 14 meeting; Council can take action that night.

Answering questions from the audience, Mr. Edwards said that no properties that are currently conforming that would be made non-conforming. If properties are set back farther, they could develop further seaward than their neighbors.

Public comment: A local realtor commented that sales for the oceanfront properties have screeched to a halt; she asked for the timing of this potential change. Mr. Edwards said once the development line is approved by Council, the Town petitions the CRC and hopefully may make the July agenda; if not, they will be heard on the September agenda. It would be effective as soon as it approved by the CRC. The Town will put a link to the CRC meeting schedule on the website. It would likely be September before the Town hears anything.

Council took a recess at 1:40 p.m. Mayor Brochure called the meeting back to order at 1:54 p.m.

### III. Presentation – Potential Alternate Revenue Sources

Ms. Stites said changes were incorporated, along with some additional fund requests – Community Watch and the Sea Biscuit Wildlife Shelter. The Budget Message was not changed yet; it will be revised when the budget is approved. Councilor Bell asked if the 269,000-plus transfer to the General Fund would change; it will.

Councilor Scott asked about a funding, or Outside Agency request, from Coastal Race Productions; Finance Director David Hatten explained that they have the “Run Oak Island” race, and Parks and Recreation Director Rebecca Squires added that it is run by a private company based out of Ocean Isle Beach. Consensus was that if they are a for-profit company, then the Town will not be giving them any funding. Councilor Scott asked what “Brunswick County Planning” entry was, and Ms. Stites noted that was a request from the County last year and no funds were included in the proposed budget for the coming year. Councilor Bell noted that it was the same with the Vietnam Veterans Memorial wall. The Town has not received anything from Cape Fear Hospice this year. Councilor Scott asked if the airport was publicly or privately owned; Ms. Stites said they fall under government control and we appoint two positions to their commission. They did provide an audit and Mr. Hatten said he would need to review it in order to answer questions. Mayor Pro Tempore Medlin then said they have been through this as long as he’s been on Council, and he is unsure if they should be giving them townspeople’s money. He said there are many for-profit businesses that don’t ask for money; Ms. Stites said this is the only one that is managed by a government agency. Mayor Pro Tempore Medlin said this is a very gray line and that the Commission was not accountable to the County. Councilor Scott said he would like to have more answers before dispersing funds, and Ms. Stites said she would provide the Council with documents they have received. Councilor Bell would also like to see the amount of taxes collected from the airport.

### IV. Review of Proposed FY 2016-17 Budget Items Previously Addressed

Mr. Hatten explained that benefits were changed to reflect no COLA raise and instead included as a potential merit raise.

Police Department: Mr. Hatten added a patrolman per the discussion previously. He also left the three vehicles that were discussed. Mayor Pro Tempore Medlin suggested doing one new vehicle, replacing the highest mileage vehicle and driving the other two for another year. Chief Jordan said he would need three cars in the next two years; Boiling Spring Lakes Police Department replaces vehicles at 150,000 miles and Leland uses 100,000 miles. The only caution is that in BSL, several times, the cars break down before 150,000 miles. Councilor Scott suggested doing two this year and one next year; there was a consensus among Council to make this change.

Fire Department: Mr. Hatten said the SUV was removed. Mayor Pro Tempore Medlin's question on the thermal imaging cameras was why purchasing three; Chief Anselmo answered that they run three engines but they don't run on all patrols. These cameras are mounted on the trucks on chargers; these cameras would replace cameras that are outdated and unable to hold a charge and are needed to determine where fires are inside a building. With a structure fire, their goal is to run two engine companies; however, they often rely on mutual aid. The \$100,000 included for Capital Reserves for this department was transferred to Capital Reserves in the General Fund, according to Council's previous directions.

Development Services: The Zoning Technician was the only added item. Mayor Pro Tempore Medlin asked if inspections was short staffed; Mr. Edwards now feels they have enough staff with the most recent position that has now been refilled. Currently, he feels they have enough staff. They are up about 30% in new starts with fiscal year, but calendar year they are up about 10%.

Public Works Operations 10-570—Public Services Director David Kelly noted that they talked about the contract for right-of-way and grounds maintenance, and it should come in June 10<sup>th</sup> prior to the Council meeting June 14.

Mr. Edwards interjected; he may need to buy more licenses for the new software. He will need four more, for the permitting software. Mr. Hatten asked for the price as soon as possible.

Parks and Recreation pg. 54—Mr. Hatten said no changes; they discussed the new position, and it is still in the budget. Councilor Scott asked about the weight room expenses; Ms. Squires said this is to maintain what the Center has, for the contract that maintains the equipment.

Ms. Stites mentioned transferring the animal control van to the Parks & Rec Department, and allot approximately \$10,000 for the Police Department to purchase a pickup truck to transport animals instead of spending \$24,000 for a Recreation Department pickup truck. The van has very few miles as it was purchased just prior to the department going to the County. Ms. Squires said that would work. The \$10,000 would come from the Police Department, per Mr. Hatten. Chief Jordan said that they haul maybe three animals a week; Councilor Bell questioned continuing to pay the County. Chief Jordan said that was on weekends or if County officers were unable to respond immediately. Council consensus was to make this change regarding the vehicles.

Community Center, pg. 58—no changes per Mr. Hatten. Mayor Pro Tempore Medlin confirmed that they still have the \$20,000 credit for the bus purchase; there is also grant money to use toward this purchase.

Water Admin: This year, Mr. Kelly's salary is split 3 ways in three budgets instead of just one.

Wastewater: Mayor Pro Tempore Medlin asked about equipment replacement; Mr. Hatten said \$250,000 was transferred last year, and \$150,000 will be transferred this year.

Wastewater Collections: Mr. Kelly said that all money not spent in the current year would be transferred to next year to finish the air conditioning installations. Also, staff is using the Brunswick County

engineering report as their 20-year plan; this is reflected in the budget. Mayor Brochure asked about the payback to the Accommodations tax fund; Mr. Hatten said approximately \$3 million is still owed to the fund.

Stormwater: Mr. Hatten said that increases in rates had been discussed. Mr. Kelly said they would look at flood problems in the 70's and Yacht Drive, and will explore with Mr. Martin any possible solutions. Councilor Bell questioned page 83 and water quality monitoring; Mr. Kelly said the State only monitors 3 locations and not Davis Canal. The Water Quality Working Group of the Environmental Advisory Board also wants to do DNA analysis on water samples; Mr. Martin is willing to talk to the group to determine what sampling is needed to get compliance with the state stormwater permit. Councilor Scott asked what could be done with this information; Mr. Kelly said they are trying to isolate what kind of contamination it is, whether human or animal. There are still active septic tanks on Davis Canal. Mr. Kelly said the Group wants to make sure all properties are connected to the sewer system. Ms. Stites suggested investigating and look at daily fines versus a minimum fee, as both can't be done. Mr. Edwards said they are working on a spreadsheet to identify unconnected homes. Ms. Stites added that changing from billing to fines would change the amount of revenue coming into the wastewater funds. Councilor Bell added that all the septic tanks that are still in the ground could be leaking; Mr. Edwards added that there is no Town ordinance regarding abandoned septic tanks. That had been considered but was not pursued. He said he thinks there are 900-1,000 that are not connected but they are being billed the minimum treatment fees. Mayor Pro Tempore Medlin said he remembered the reason was to try to allow the homeowners to accumulate money to connect; consensus was this may be the time to revisit the idea. Councilor Bell again noted she does not favor spending the \$20,000 for water analysis. The DNA is the expensive part; they do need a water quality group as far as the stormwater permit requirements, but there is a question of where they are going. Consensus was to cut that amount to \$10,000.

Solid Waste Fund: Mr. Kelly said that picking up and disposing of leaves is an expensive problem, and they are going to have a company come in to look at composting leaves. Councilor Scott asked about the recycling program and the charges for recycling. Councilor Bell asked if this contract with Waste Industries could be renegotiated; Mr. Kelly said they are trying to figure out how to do something in-house to get these costs down, but the volume has increased.

South Harbour Par 3: Mr. Hatten said no significant changes at this moment, and that capital outlay was previously discussed. There was confusion regarding the amount of the transfer from the General Fund; it is almost \$200,000, which includes almost \$63,000 for new equipment. Councilor Blalock said he has not heard from the HOA regarding a meeting about the golf course, and he will follow up on that. Mayor Brochure suggested again that they need to talk to the POA before addressing this. Mayor Pro Tempore Medlin asked if there were any chances on consolidating internet costs. At the golf course, the internet is needed for processing credit card payments. The internet charge is \$100 per month according to Ms. Squires. Mr. Hatten said Becky Doshier/IT is always looking for ways to improve/save money.

Accommodations Tax: Mayor Brochure said there was one remaining issue here was the money included for marketing. Consensus was to use that \$45,000 for Capital Reserves for the Pier. Mr. Hatten will make a separate line item for the insurance of the pier (it is now approximately \$61,000/year). At this point, the Town owes \$270,000 on the pier; payoff is June 2019 with interest at \$23,706. The Town does have funds to do this. Mr. Hatten explained how the Accommodations taxes were transferred to the General Fund for the difference between revenues from the Pier and annual expenses; that had not been done since 2012. Councilor Scott said he would be in favor of paying off the Pier. Consensus was to pay off the Pier. Mayor Pro Tempore Medlin asked about shopping the insurance on the pier; this seems like an awful lot.

Mr. Hatten said he has started using Fund 46/Beach Fund again; Mayor Brochure added that they would be able to view the funds in the Beach Fund. Mayor Pro Tempore Medlin asked if they could change the

amounts put into the beach fund, and Ms. Stites said she thought they would need to have the legislation changed. There was some discussion regarding the accommodations tax. Mayor Pro Tempore Medlin asked whether \$30,000 in the Beach Fund could be used for handicapped beach accesses; Mr. Kelly said it would need to be added. Mayor Brochure added that this was a major concern at the first budget workshop, along with a welcome sign. Mr. Kelly and Ms. Squires will report back on that.

Mayor Pro Tempore Medlin said this is about the fifth or sixth year where the subject of beach renourishment has been discussed, and there is still nothing in the budget. He said Council must stand up and create a fund through a tax increase to assist in paying for beach renourishment. He would like to see the tax rate increase by five cents and be earmarked for beach nourishment. He said he would like to make a motion; Ms. Stites said that would be part of the public hearing and in the adopting of the tax rate at the June 14 meeting. Mayor Pro Tempore Medlin added that if it does not get approved, it will not be his fault. He said it was time for us to do something. The beach is the driver of our economy, and if we don't do something about it, it's going to be gone. He said there are places on the beach where there is no beach at high tide. Councilor Blalock asked how other towns handled this; Ms. Stites said she thinks that the Town of Oak Island is the only one that does not have a tax for beach renourishment. Councilor Scott said that property taxes have not been increased since 2012. Mayor Pro Tempore Medlin said that it would be an atrocity in our Town if something is not done about this. Mr. Hatten added that one cent on our taxes generates a little more than \$235,000. Councilor Bell noted that was slightly less than what is proposed to come out of General Fund to balance the 2016-17 budget. She asked if the Town went revenue neutral last year when Brunswick County did the property revaluation; Mr. Hatten said that the Town did not.

Mayor Brochure asked if there were any other questions that would prevent them from moving forward at the next meeting.

**Mayor Pro Tempore Medlin made a motion to adjourn at 3:16 p.m., Councilor Blalock seconded and the motion passed unanimously.**

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Cin Brochure, Mayor

ATTESTED: \_\_\_\_\_  
Lisa P. Stites, CMC  
Town Clerk

*Clerk's Statement: Minutes are in compliance with the open meetings laws. The purpose of minutes per the open meetings laws is to provide a record of the actions taken by a Council or a Board and evidence that the actions were taken according to proper procedures. All actions of the Council are recorded in the official minutes. Not all portions of Town of Oak Island meetings are recorded verbatim in the official minutes, with general discussion items, reports, presentations, and public comments being paraphrased or summarized in many instances. Public comments in writing should be submitted to the clerk via hard copy, electronic mail, or other means so as to ensure an exact verbatim account. The Town of Oak Island provides full coverage of meetings on Government Channel 8 so that the Citizens and the Public may view and listen to the meetings in their entirety.*