

**Town of Pine Knoll Shores Board of Commissioners**  
**Regular Monthly Meeting**  
**May 11, 2016**  
**6:00 PM**

**Call to Order and Pledge of Allegiance**

Mayor Jones called the May 11, 2016 First Regular Monthly Meeting of the Pine Knoll Shores Board of Commissioners to order at 6 PM and led the Pledge of Allegiance. Also present for the meeting were Commissioners Fred Fulcher, Clark Edwards, John Brodman, and Ted Goetzinger; Town Manager Brian Kramer; Assistant Town Manager/Finance Officer Julie Anderson; Police Chief Ryan Thompson; Fire Chief Jason Baker; Public Services Director Sonny Cunningham; Town Clerk/Planning Administrator Scott Sherrill; Town Attorney Neil Whitford; and six members of the public. Commissioner Larry Corsello was absent from the meeting.

**Approval of the Agenda**

Mayor Jones requested that the agenda be amended to remove Item X. a. Cape Carteret Shared Services and X. b. Knollwood Easement such that Item a. would be the FY 2016-2017 Budget; he also requested that a Closed Session be added to discuss personnel and meet with the attorney under attorney-client privilege. The agenda was approved as amended on a motion by Commissioner Edwards with a second by Commissioner Goetzinger that passed unanimously.

**Disclosures/Conflicts of Interest**

There were no disclosures or conflicts of interest.

**Announcements**

Mayor Jones announced that the next Board meeting will be May 25 at 6 PM; he stated that there will be a bicycle safety meeting and training on May 18 at 2 PM and May 21 at 8 AM; he announced that the FY2016-2017 Budget will be on June 1 at 6 PM; he announced that the Kayak for Warriors events will be the 5K Beach Run and Fun Run/Walk will be at 9 AM on May 28, the reception and live auction will be on June 2 at 6 PM at the Aquarium, and the Kayak/Paddleboard Race will be on June 4 at 10 AM.

**Public Comment**

No members of the public wished to comment.

**Safe Boating Proclamation**

Mayor Jones issued a safe boating proclamation declaring May 21-27 Safe Boating Week. JB Bagby of the local Power Squadron expressed his appreciation to the Mayor and the Town for issuing the proclamation and supporting safe boating.

**Consent Agenda**

The Consent Agenda, consisting of the Minutes from the April 8, 2016 Meeting, the Minutes from the April 13, 2016 Meeting, and the Resolution Supporting Oyster Restoration to Enhance the Coastal North Carolina Environment and Economy, was approved unanimously on a motion by Commissioner Brodman with a second by Commissioner Fulcher.

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**Town Manager's Report**

*FIRM Release:* Town Manager Kramer briefed the Board that the Town attended two meetings with the North Carolina Department of Public Safety and learned that the map release is still scheduled for the end of June or early July. He informed the Board that the 90-day appeal period for the new Flood Insurance Rate Map (FIRM) does not start with the map release, but rather FEMA determines when it will occur, and it will not be any earlier than December. He informed the Board that the Town is trying to figure out how many properties decreased from VE to AE and how many increased from X to AE, and that Town Clerk/Planning Administrator Sherrill has been working with a PE firm on the project. He also stated that the Town has confirmed that those in AE zones with Base Flood Elevation (BFE) increases who already have policies, will be grandfathered and not see rate increases. Town Manager Kramer stated that the Town has forwarded hot spots to Moffatt-Nichol for work the Board authorized in April. He stated that Building Inspector Taylor will start his outreach in July, and he recommended that folks get elevation certificates for their property.

*Smart Meter Project:* Town Manager Kramer briefed the Board that he met with Carteret Craven Electric Co-op (CCEC) on April 22 regarding alarm frequency. He stated that at the meeting, CCEC hinted at a price increase or shifting responsibility for leak investigation to the Town. He stated that rather than going either of those routes, the two organizations agreed to manage the parameters that trigger alarms. In response to inquiries from prior months, Town Manager Kramer informed the Board that the threshold for a broken pipe alarm is 500 gallons/hr, and the threshold for a leak alarm is 10 gallons per hour over a 24-hour period; he stated that the Town has authorized CCEC to adjust the parameter for a broken pipe alert to 800 gallons/hr to avoid alarms from irrigation. He stated that the other recommendation to CCEC was to consider seasonal parameter changes, which can be done in the computer system. In response to questioning from Commissioner Brodman, Town Manager Kramer established that the majority of leak detection have been broken pipe alarms.

*Beacon's Reach Access Repair:* Town Manager Kramer informed the Board of some cost increases associated with the Capital Improvement Plan (CIP) item of Beacon's Reach Access Repair. He stated that the electric panel boxes are in exceptionally poor shape, and the cost will be \$6,400 to replace them. He stated that there may be some room to discuss shared cost with the Masters' Association, but he did view replacement as the Town's responsibility per the terms of the lease. Commissioner Brodman inquired about what, other than lighting, the panel box supports; Commissioner Edwards recommended in the future looking into the condition of something before accepting maintenance responsibility in the terms of a lease.

*Regional Water System Planning:* Town Manager Kramer informed the Board that the Town has distributed a spreadsheet to all of the county water systems to gather information about each system to be returned by May 27. He stated that there is an ECU Ph.D. candidate who will help with analysis and mapping of the collected data. He stated that there will be a meeting in about two weeks with Bogue

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Banks Water to discuss a tie in on the west end of Town, so he will discuss with Public Services Director Cunningham to see how complex it is.

*Sidewalks:* Town Manager Kramer informed the Board that the design work has been completed on the Mimosa to Arborvitae sidewalk segment, but formal NCDOT approval of the design is proving complex because the Town cannot get formal approval until the funding source is identified. He stated that if the Town gets NCDOT funding through the SPOT process, then NCDOT approval will be in Raleigh, but otherwise, the approvals will be done by Division 2 in Greenville.

*Streetlights:* Town Manager Kramer reminded the Board that there was discussion of the effectiveness of street lighting back in the fall. He stated that initially the idea was to identify areas where there are no lights, but the project evolved into looking at areas where existing lights were not sufficiently extending into the street. He stated that Commissioner Edwards had identified 17 high-need areas along Hwy 58; Commissioner Edwards stated that the figure was all of the lights on Hwy 58 that are short: he elaborated that there are 5-6 lights at high use areas that were higher priorities. Town Manager Kramer stated that the cost for 12-foot extension arms were \$225 per light, for a total cost of \$3,825. In response to inquiries from Commissioner Brodman, he also specified that the Town could get a list of all of the lights that are paid for by individuals and the Town, not just along Hwy 58, but also in the interior. Commissioner Brodman also recommended developing criteria for upgrading lights. Town Manager Kramer stated that the Town is exploring a new street light at the Hampton Inn for a public beach access crosswalk. He stated that the crosswalk is very dark because there is no light there, and the flat rate for a light is \$120 per year; Commissioner Fulcher recommended that the Town check with the Hampton Inn to see if they would be willing to participate in funding the new light. He recommended that the Public Works Committee examine street light effectiveness and report back to the Board of Commissioners.

*C&D Dumpster:* Town Manager Kramer briefed the Board that he did not believe that the C&D Dumpster at Town Hall is working. He expressed concern that the resident-only rule is unenforceable, and that contractors are charging citizens for disposal off-island, but using the dumpster. He recommended either removing the dumpster as soon as possible or following a Public Works Committee meeting and a report back to the Board of Commissioners. Finance Officer Anderson stated that when the dumpster was first acquired, the estimate was \$11,500 per year, but the year-to-date for FY2015-2016, the cost has been \$15,000 through April and is estimated to come in around \$21,000 at year end. She briefed that the C&D Dumpster was one of two prices to go up in Waste Industries' bid for solid waste services. The Board agreed to terminate the service by unanimous consent, and Commissioner Edwards made a recommendation to put out a release as to why the service is going away; Commissioner Fulcher recommended putting up signage to let people know where to take C&D waste, and Commissioner Brodman recommended letting people know where to take C&D waste in the release also.

*ECC's Manager Forum:* Town Manager Kramer informed the Board that he recently attended the Eastern Carolina Council of Governments Manager's Forum, where there was a brief on NC House and Senate bills that have been filed to do away with state economic development tiers. He stated that historically the

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economic development tiers have been bad for Pine Knoll Shores because the Town has been ineligible due to the Tier 3 designation. He informed the Board that the proposals replace the tier system with an Economic Distress Index, so the Town may not do much better. He stated that it was unlikely that there would be a vote on doing away with the tiers this year, but it was likely that the General Assembly would establish a study committee to report out in 2018.

*Sales and Use Tax:* Town Manager Kramer stated that a Senate Bill 846 has been filed which represents the resurrection of the sales and use tax issue. He stated that the bill was introduced by Senator Brown, and that the bill would change the adjustment factor that accounts for population fluctuations. He stated that Finance Officer Anderson is going to get with the League to find out what the impact is to the Town.

*Yard Debris Pickup:* Town Manager Kramer briefed the Board that chipping yard debris will not work, per Temple Tree Service, so the Town will go back to look at outsourcing deliver to the landfill in Morehead City.

*Amend Appeal:* Town Manager Kramer informed the Board that he met with Mr. Amend on April 28 to hold the hearing. Mr. Amend agreed to pay the fine and to plant the trees in the Fall. Town Manager Kramer stated that Mr. Amend does not wish to appeal again to the Board of Commissioners. He also stated that the Community Appearance Commission will discuss what to do about the remnants of the tree on Mr. Amend's property.

*New Street Signs on Hwy 58:* Town Manager Kramer reminded the Board that the Town replaced Traffic Control/Regulatory Signs a couple of years ago to meet new NCDOT requirements. He stated that the next step will be replacing street signs. He stated that the Town only has to replace street signs that border Hwy 58, and that Public Services Director Cunningham is collecting quotes now. He stated that there are 264 signs along Hwy 58.

*Water Leak Adjustment Policy:* Town Manager Kramer stated that he is awaiting a meeting with CCEC.

*Welcome Sign Project:* Town Manager Kramer stated that in the past there has been discussion of "Welcome to Pine Knoll Shores" signs with appropriate landscaping and lighting, so he sought Board of Commissioner direction to form a committee or take no action. He stated he would bring the item back in June for a decision, but that he had not approached the Garden Club about the project yet.

*Garden Club:* Town Manager Kramer briefed the Board that the Garden Club is going to install a Blue Star Memorial Hwy sign on November 9, 2016. He stated that lighting is cost prohibitive as it requires \$306 for the power drop, \$500 for installing a poll with a meter, and \$25 per month for the meter. He stated that a better solution may be a solar sign.

*Municipal Service Districts:* Town Manager Kramer informed the Board that two bills have been submitted this session regarding municipal services districts, but neither appears to threaten the beach tax collection effort.

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**Staff Reports**

*Assistant Town Manager/Finance Officer Anderson* reported that there is a missing digit in the dashboard. She stated that instead of \$290,000 in revenues fiscal year to date, the figure should be \$2,901,986. She informed the Board that the Beach Capital Reserve Fund has a balance of \$1.6 million, and after the transfer from the Beach Expense Reserve Fund, the figure will be closer to \$1.661 million as of June 30, 2016. She stated that the Beach Expense Reserve Fund will keep just under \$100,000 going into the FY2016-2017 fiscal year.

*Town Clerk/Planning Administrator Sherrill* reported that the Board of Adjustment hearing on 451 Maritime Place will be on May 27 at 11 AM. He also reported that finished merging the video and audio from the sign ordinance presentation, and he estimated that it would go online on May 12. He reported that no one had registered for the webinar, so the meeting was not broadcasted; however, he reported that Citrix has stopped supporting Windows XP, meaning that the current desktop will no longer be able to broadcast meetings. He is continuing to work the issue.

*Police Chief Thompson* reported that he recently sent out an email regarding an IRS scam that the Department of Justice had issued a warning about as they had received more than 500 complaints, with many of them coming from the 252 area code.

*Fire Chief Baker* reported that hurricane season is here, so it is time to start thinking about it. He urged members of the public to be safe with grills and not to dump hot coals into brush. He stated that if citizens want to burn brush or yard debris, they have to get a permit from the Fire Department. He stated that there is currently no ordinance to prohibit open burning in Town, so individuals can get a burn permit: there are just rules that apply.

*Public Services Director Cunningham* reported that the inmate labor contract is ready to be signed, which would enable the Town to have two inmates. He stated that his department is getting ready to rehab storm drains in Town. He stated that the Town is waiting on 10 meters from the factory and one large compound meter, which the Town will run for 4-5 months to make sure it works. He stated that there will be a little more right of way trimming where it is needed. *Town Manager Kramer* elaborated that Atlantic Beach will transport both inmates from Newport. He also elaborated that the meter update refers to the retrofit of the 32 compound meters: there is a substantial cost for the Sensus retrofit equipment of about \$40,000, so the Town is attempting to get much less expensive Carolina Meter retrofit kits; however, the Town will not fully implement the retrofit unless it can be proven that the Carolina Meters communicate with the Sensus equipment through every possible test. *Public Services Director Cunningham* stated that he received a quote for \$7,500 from Carolina Meter instead of \$11,000 for Sensus. *Commissioner Fulcher* inquired about yard waste at Lot C and use by contractors: *Town Manager Kramer* responded that it may occur, but not to the same degree as the C&D dumpster.

*Commissioner Edwards* stated that there have been some quite dramatic issues with cable television and

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others who are installing utility lines in the Town right of way, and he said the Town should figure out how to deal with it. He stated that he would ask for recommendations in the future.

**Unfinished Business**

**2016 Annual Agenda and Commissioner Reports**

Mayor Jones reported that he briefed the Beacon's Reach Masters Association during the week of May 2 as part of elected officials outreach. Commissioner Edwards reported that there was a meeting with NCDOT representatives during the week of May 2 also regarding stormwater; *Public Services Director Cunningham* stated that NCDOT is going to see if they can get to Town and clean out some of the drains, and the Town is also going to look at actions it can take.

Commissioner Brodman stated that he had just returned from a Coastal Resources Advisory Council meeting where most of the time was spent discussing inlet hazard areas of environmental concern, sandbags, and good discussion and presentations regarding the development line. He stated that it might be possible for a Town to have a development line in some places in Town and in other places a static line with an exception if it would benefit the Town. He also reported that the Administration Committee met with Human Resources Officer Gibble, Town Manager Kramer, and Assistant Town Manager/Finance Officer Anderson to discuss the question of reimbursement of training expenses for employees who pay tuition bills and then leave the employ of the Town and requiring that they reimburse the Town for tuition expenses.

**FY2016-2017 Budget**

Town Manager Kramer reviewed that the proposed expenses exceed the proposed revenues by \$36,000 for the General Fund, so he recommended funding the difference through the use of Fund Balance. He stated that Assistant Town Manager/Finance Officer Anderson predicted that the Town should have at least that amount in fall out from the FY2015-2016 fiscal year. He reminded the Board that the appropriation of Fund Balance that is already in the budget of \$66,500 is almost entirely funding pumps from designated reserves. He briefed the Board that the revenue reduction of \$16,500 is because the Triad grant came in \$16,500 less than the Town had hoped. He informed the Board that the \$15,000 reduction in revenues is from the solid waste fee because the Town does not have to increase its solid waste fee to cover increases in charges from Waste Industries. He noted that there is an expenditure reduction of \$46,000 because of the reduction in cost of the Waste Industries contract. Assistant Town Manager/Finance Officer Anderson stated that she ran the numbers for the General Fund, and stated that she projected that the Town would be over \$100,000 to the good at the end of the fiscal year even after the budget amendment. She recommended that the Town not issue debt for the Public Safety Building repairs, which are coming in under budget, and should come in around \$107,000. She suggested that the Town just pay for the repairs out of the fallout, which will shave another \$27,000 off of the \$36,000, provided that the Town closes on Knollwood prior to June 30. Town Manager Kramer briefed the Board that the only change to the Water Enterprise Fund is the additional cost of \$16,000 for retrofit, which may be substantially reduced if the Town goes with Carolina Meter. He stated that the proposed budget

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removes a \$50,000 expense for the Iron Steamer Public Beach Access, so the Beach Expense Reserve Fund comes in at \$137,000, and the Beach Capital Reserve Fund comes in at \$395,000. He reported no change for the Police Separation Allowance Fund or the Kayak for the Warriors Trust Fund.

**Sign Ordinance**

Commissioner Brodman made a motion to call for a public hearing on the Sign Ordinance on June 8; Commissioner Goetzinger made the second, and the motion passed unanimously. In discussion, the Board removed the size limit on flags in the draft of the ordinance that will go to public hearing.

**Visual Preferences Survey**

Town Clerk/Planning Administrator Sherrill briefed the Board on the Visual Preferences Survey and the major topics covered in the survey. Commissioner Brodman made the motion to authorize moving forward with the survey; Commissioner Goetzinger made the second. Commissioner Fulcher suggested that the policy decisions not be totally guided by the survey results from a few individuals; Commissioner Brodman echoed the concern, but suggested that the survey is likely to reveal a lack of consensus. Assistant Town Manager/Finance Officer Anderson recommended that the Building Height question have some visualization of what a 35' structure looks like. Commissioner Fulcher requested the addition of questions about the appearance of sidewalks along Hwy 58 to show vegetation removal, which he offered as an amendment to the motion; Commissioner Brodman restated his motion to authorize Town Clerk/Planning Administrator Sherrill to move forward with the survey as presented, but with Assistant Town Manager/Finance Officer Anderson's recommendation incorporated; Commissioner Goetzinger renewed his second, and the motion passed with three voting in favor and Commissioner Fulcher voting against since his amendment was not incorporated.

**Sidewalks**

Town Clerk/Planning Administrator Sherrill made a presentation on the Board regarding the current status of the SPOT 4.0 process. His presentation is incorporated herein by reference and attached to these minutes. After the presentation and some discussion, Commissioner Edwards made a motion to proceed with funding the Arborvitae to Mimosa segment with \$100,000 out of reserves; Commissioner Goetzinger made the second; in discussion, Commissioner Brodman inquired about seeing if the Town could still get reimbursed, even if the Town funded the project itself. The motion passed with three voting in favor, and Commissioner Fulcher abstained, which counts as a motion in favor of the motion.

**New Business**

**FY2015-2016 Budget Amendment**

After a brief description by Assistant Town Manager/Finance Officer Anderson, the budget amendment passed unanimously on a motion by Commissioner Edwards with a second by Commissioner Goetzinger.

**Volunteer Board Appointment**

John Tilyard was appointed to the Strategic Planning Committee on a motion by Commissioner Edwards with a second by Commissioner Fulcher that passed unanimously.

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**Agenda Items for Next Meeting**

No specific agenda items were identified.

**Public Comment**

Susan Phillips inquired when mosquito spraying would begin; Public Services Director Cunningham responded that it has already begun.

**Recess**

The Board took a recess from 7:42 PM to 7:47 PM.

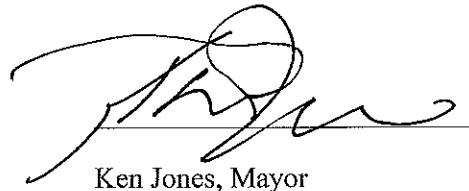
**Closed Session**

The Board went into Closed Session at 7:47 PM on a motion by Commissioner Edwards with a second by Commissioner Brodman that passed unanimously in accordance with NCGS 143-318.11(a)(4) and (6) to consult with the attorney under attorney-client privilege and discuss personnel.

The Board came out of Closed Session at 8:03 PM on a motion by Commissioner Goetzinger with a second by Commissioner Brodman that passed unanimously.

**Adjournment**

The Board adjourned at 8:04 PM on a motion by Commissioner Goetzinger with a second by Commissioner Fulcher that passed unanimously.



Ken Jones, Mayor



Sarah G. Williams, Town Clerk