



DRAFT MINUTES
TOWN OF NAGS HEAD
BOARD OF COMMISSIONERS
MUNICIPAL SERVICE DISTRICT (MSD) WORKSHOP
MONDAY, NOVEMBER 18, 2019

The Nags Head Board of Commissioners met in the Board Room of the Nags Head Municipal Complex located at 5401 S Croatan Highway in Nags Head, North Carolina on Monday, November 18, 2019 at 9:00 a.m. for a Municipal Service District (MSD) Workshop.

Board members Present: Mayor Ben Cahoon; Mayor Pro Tem Susie Walters; **Comr. Renée Cahoon**;
Comr. Webb Fuller; and Comr. Michael Siers

Board members Absent: None

Others present: Town Manager Cliff Ogburn; Attorney John Leidy; Carteret County Shoreline Manager Rudi Rudolph; Kevin Brinkley; John Cece; Marvin Demers; Andy Garman; Amy Miller; and Town Clerk Carolyn Morris

Mayor Cahoon called the Workshop to order at 9:00 a.m.

Town Manager Ogburn introduced Greg (Rudi) Rudolph, Carteret County Shoreline Manager. Mr. Rudolph presented a powerpoint presentation on the beach nourishment process in Carteret County.

The Carteret County Beach Commission is made up of representatives from Atlantic Beach, Pine Knoll Shores, Emerald Isle, Indian Beach, Bogue Banks, the County, and the County Board. The Commission is an 11-member group entrusted with the decisions concerning the Beach Fund. All entities contribute money to the Beach Fund and all agree that the neediest area receives the nourishment.

Mr. Rudolph's powerpoint presentation is attached to and made a part of these minutes as shown in Addendum "A".

Highlights of Mr. Rudolph's presentation include:

A Master Plan was prepared and approved by each Town/entity.

The Master Plan runs a model for a 25-year storm event – for each Reach. The plan took 10 years to receive approval/receive permitting – from 2008 to 2018 – and uses one engineer. The project encompasses approximately 20 miles.

Costs

Estimated at \$230 million for 50 years (\$4.6 million/year)

75% comes from the County via the Occupancy Tax

The Plan accounts for worst-case scenario which means no State funding

The room occupancy and tourism tax, which is 6%, provides the funding: 3% is remitted to the County's Tourism Development Authority and 3% is remitted to the Beach Fund.

Hurricane Florence (September 2018) had a major impact to the area and they are now in the post-Hurricane Florence Renourishment Project Phase.

Vegetative sprigs were planted (by Coastal Transplant) using a mechanical planter on top of the dune and hand-planted on the slanted dune. Dune planting was incorporated into the dredging contract.

Board members expressed their appreciation of Mr. Rudolph's presentation and questioned why other coastal entities had not requested it previously; Mr. Rudolph said only Town Manager Ogburn had inquired about their project.

Attorney Leidy – Municipal Service Districts (MSD)

Attorney Leidy reviewed the State Statute pertaining to MSD creation. Beach erosion control and flood hurricane works is permissible for MSD's however the way the entire MSD statute is written does not lend itself to unpredictable projects – it is better for ongoing projects – such as providing for a specific area of Town that needs specific work. The use of MSD's and the way in which taxes are levied and districts created are governed by one article in GS 160A.

When a new district is established, the Town must provide or maintain these services within one year after creation of the district. There does not have to be a tax imposed at any specific time.

If a district is created and used to finance work, then it needs to be approved by the Local Government Commission (LGC); those in the MSD have a brief window of time (five days) to challenge their inclusion in the MSD.

Attorney Leidy recommended waiting to establish/modify a district until ready to tax it. Town Manager Ogburn confirmed that establishment of another MSD would not be effective until July 1st.

Mayor Cahoon, on behalf of the Board, thanked Mr. Rudolph for coming to Nags Head and answering a lot of questions with his presentation. The Carteret County process uses an organized methodology which was very informative for the Town. Mr. Rudolph stated that he feels that the Carteret County model would work well in the Outer Banks.

Board discussion

It was Board consensus to get a conversation started with the County/Towns concerning a more organized project that would benefit the entire area – a presentation to the County Shoreline Committee that was open to the public could be very beneficial.

Town Manager Ogburn mentioned the Town's upcoming RFQ bid opening for the next beach nourishment project for engineering/design and surveying. Mayor Cahoon pointed out that the Town should continue to pursue its own project as well.

Comr. Fuller said that he thought the Board would be discussing municipal service districts and insurance-type models at today's workshop but he agrees in moving forward by starting discussions with the county/municipalities.

Mayor Pro Tem Walters agreed and said that she ultimately sees expanding an area in the MSD based on benefit. She also expressed her appreciation of Mr. Rudolph's enlightening presentation.

Comr. Renée Cahoon said that she would like to explore other options but agreed to look at expanding MSD's only because of the influence the ocean has on various areas; she feels it is not critical to look at today - but to look at comprehensive models in the future.

Comr. Siers said that he would like to see visitors help more with the financing of beach nourishment.

Mayor Cahoon agreed to start with a discussion/presentation to the county/municipalities which he will look into and report back to the Board on the responses received.

Town Manager Ogburn confirmed with Board members/Attorney Leidy that no changes to the MSD are being proposed until the new project is defined. He also pointed out that the Board-adopted Maintenance Plan from 2012 lists 50% or five years as the trigger for a project.

Attorney Leidy suggested for long-range planning to not try to match up districts with the reaches.

Mayor Cahoon said it would be very different to consider all Town/County Beach Nourishment projects and not think in a box with just the Town.

Mr. Rudolph stated that in the Carteret County project all entities pay and they collect each year whether or not their area is being renourished. He said that the South Nags Head erosion situation is similar to Emerald Isle east.

ADJOURNMENT

MOTION: Comr. Fuller made a motion to adjourn. The motion was seconded by Mayor Pro Tem Walters which passed unanimously. The time was 11:34 a.m.

Carolyn F. Morris, Town Clerk

Date Approved: _____

Mayor: _____
Benjamin Cahoon