

Minutes of the Monday, January 14, 2019, regular meeting of the Kill Devil Hills Board of Commissioners held at 5:30 o'clock p.m. in the Meeting Room at the Administration Building, 102 Town Hall Drive, off Colington Road.

Members Present: Mayor Sheila F. Davies; Commissioners Terry Gray, Nelson “Skip” Jones, Mike Hogan, and John Windley

Members Absent: None

Others Present: Debora P. Díaz, Town Manager; Meredith Guns, Planning Director; Casey Varnell, Town Attorney; and James Michael O’Dell, Deputy Town Clerk

Call to Order

At 5:32 p.m., Mayor Sheila Davies opened this meeting of the Kill Devil Hills Board of Commissioners and welcomed all present.

Pledge of Allegiance and Moment of Silence

Mayor Davies shared that Police Sergeant Rodney Rawls’ grandmother had passed away over the holidays. She also said that Mike Elliott, husband of Zoning Administrator Donna Elliott, had recently had a heart attack. She noted that thanks to Donna’s quick action, along with Dare Central 911, and Sgt. Rawls on scene, Mr. Elliott was recovering very well. Mayor Davies asked everyone to keep both families in their thoughts.

Agenda Approval

Town Attorney Casey Varnell requested the Board consider amending the agenda to move the Town Attorney Agenda prior to the public hearings because his items would address the public hearings.

Commissioner Gray moved to approve the agenda for this meeting, with the Town Attorney Agenda to be addressed prior to the public hearings. Commissioner Windley seconded the motion, which passed by a unanimous, 4-0, vote.

Town Attorney’s Agenda

Eddie Goodrich – amend §153.002 Definitions to add *Zero Lot Line Development*; amend §153.096(L) Ocean Impact Residential Zone Permitted Uses and §153.176(FF) Commercial Zone Permitted Uses, to add *Zero Lot Line Development* as a permitted use in each section;

and add a new section: §153.291 Zero Lot Line Developments – to create associated regulations Mr. Varnell explained that when this requested amendment was submitted to the Planning Board, “zero lot line development” was the original title proposed by the applicant. The Planning Director’s memorandum recommended substitution of the term to “cluster homes,” a more accurate zoning term, and the applicant approved the change. Mr. Varnell noted that the changed term clarified the requested ordinance, while maintaining the applicant’s original intent. Although the title terminology was changed from “zero lot line development” to “cluster homes” during the Planning Board meeting, the public hearing notice, which resulted from the Board of Commissioners meeting, maintained the original title terminology. Mr. Varnell said there was no issue in legal terms, and it was acceptable to move forward with the public hearing.

1. Revival of Motion – Joe Lamb/Text Amendment Re: Chainlink/Fence (Attached TA-1)

Mr. Varnell reported that, after the December 10, 2018, public hearing on fences on unimproved properties in the LI-1 Zone, he had researched the procedural rules for tabling and deferring a motion for a non-specified time. After arriving at a 2-2 vote on a motion to approve the proposed amendment, the Board then approved a motion to table consideration of the amendment until a new Commissioner was appointed, fully constituting the body. Since the issue was deferred, Mr. Varnell suggested that the tabled item should be revived and considered within 100 days. The Board accepted Mr. Varnell’s recommendation and through consensus, included it within the original motion to table consideration of the Lake Drive application.

Following the hearing, Mr. Varnell received a query from a citizen regarding the procedure for reviving a motion. He read from his opinion, which has been included in the meeting materials. Mr. Varnell stated that any of the members could have made the motion to table and the Board was entitled to reconsider: the motion to reconsider was valid. Mr. Varnell stated if this meeting’s Consent Agenda is approved, the issue will be scheduled for a February 20, 2019, public hearing.

Commissioner Hogan expressed concern that this action would set an incorrect procedural precedent, since the original motion to approve the amendment failed through the 2-2 vote. He felt the members who voted against the original motion were the prevailing parties, but they had not made the motion to table consideration. Mr. Varnell stated that he had considered all of the facts in the current situation when arriving at his recommendation. The facts would have to be very specific for the Board to set a precedent. Mr. Hogan stated that historically with the Board, once a vote has been taken, it has been final.

Commissioner Gray said he felt that during the public hearing, the members had tried to come to a consensus to move forward and be considered by a fully constituted board; that was the reason he had moved to table the issue. Commissioner Hogan agreed the correct action for the Board was to table the item, but his concern was the legal aspect of doing so. Mayor Davies stated she was comfortable with the legal guidance and that if the Board now opted not to revisit the issue after agreeing to move forward, the Town’s position would be vulnerable.

Public Hearings

Town Attorney Casey Varnell presented instructions for both public hearings and called the first public hearing to order.

1. Public Hearings

- A. Eddie Goodrich – amend §153.002 Definitions to add *Zero Lot Line Development*; amend §153.096(L) Ocean Impact Residential Zone Permitted Uses and §153.176(FF) Commercial Zone Permitted Uses, to add *Zero Lot Line Development* as a permitted use in each section; and add a new section: §153.291 *Zero Lot Line Developments* – to create associated regulations (Attached PH-1A)**

At its November 13, 2018, meeting, the Planning Board considered an amendment to Chapter 153, Zoning, which was requested by Eddie Goodrich. During Planning Board discussions, the amendment was proposed for modification. It was the modified amendment that was voted on to be recommended for approval by the Board of Commissioners. Mr. Goodrich agreed to those modifications.

If adopted, the Ocean Impact Residential Zone and Commercial Zones will be amended to establish regulations for “cluster homes,” rather than “zero lot line development.” “Cluster homes” is a use similar in nature to “cottage courts.”

Mr. Varnell had earlier explained the use of the title, “zero lot line development” that had been used throughout the application, rather than the “cluster homes” title, which was established in the application revision. The other change was the removal of the setback decrease, which was included in the original request.

The following spoke at the hearing:

Skip Jones, 1508 Captain’s Lane, Kill Devil Hills Mr. Jones noted that the term “zero lot lines” was confusing and only described lots within a parcel, rather than the adjacent lots. He noted that was one rationale for the language change by the Planning Board.

Sharon Nelson, 1625 North Virginia Dare Trail, Kill Devil Hills In a written statement, Ms. Nelson shared her opposition to a zero lot line in Ocean Impact Residential Zone, noting that the Town needed larger setbacks not less. Her statement is filed with the minutes of this meeting.

Eddie Goodrich, the applicant, confirmed that the change to the term “cluster homes” added clarification to the amendment, although the definition remained the same. With no further public comment, Mr. Varnell closed the hearing.

Commissioner Windley stated that the proposed amendment provided options for developing oceanfront lots, rather than only the large event-style homes.

Commissioner Windley moved to approve the requested amendment, with the Board of Commissioners finding the proposed amendment to §153.002 Definitions, to add *Zero Lot Line*

Development; amend §153.096(L) Ocean Impact Residential Zone Permitted Uses and §153.176(FF) Commercial Zone Permitted Uses, to add *Zero Lot Line Development* as a permitted use in each section; and add a new section: §153.291 *Zero Lot Line Developments* – to create associated regulations, is *consistent* with all comprehensive plans and other official adopted plans of the Town of Kill Devil Hills that are applicable. The amendment is *reasonable and in the public interest* because it provides an alternative for large single family structures on the oceanfront and commercial zone. Commissioner Hogan seconded the motion, which was approved with a unanimous, 4-0 vote.

B. Randy Appleton - request for removal of property at 2024 North Virginia Dare Trail from Municipal Service District (Attached PH-1B)

Mr. Varnell then called the second public hearing to order. At the December 10, 2018, meeting, the Board heard a report from the Town Attorney on Mr. Randy Appleton's request for his property at 2024 North Croatan Highway to be removed from the Beach Erosion Control and Flood and Hurricane Works Municipal Service District (MSD). In his request, Mr. Appleton asserted:

- His property, a part of the ClayDon Inc. Subdivision, has no need of the protections provided by the MSD since the ClayDon, Inc. owners had “performed independent erosion control measure(s) which acted to create a large, vegetated dune on the oceanfront portion...” of his (Appleton's) property; and,
- Because of the dune line, his property did not need the MSD functions to a demonstrably greater extent than the remainder of the Town.

In his response, Mr. Varnell concluded, based on his findings, that the Town had “adequate foundation for its decision to include the applicant's property within the adopted MSD, and the Town is not legally obligated to grant the applicant's request for removal.” Mr. Varnell's response was included in the packet materials. Additionally, Municipal Service District materials were posted to the Town website, www.kdhnc.com, including the following:

- December 10, 2018 – *Town Attorney's Agenda* – Request for removal of property from Municipal Service District
- October 8, 2018 – *Public Comment* – Randy Appleton – 2024 N. Virginia Dare Trail – Submitted written request to the clerk to have his property removed from the MSD
- December 12, 2016 – *Old Business* – Second Vote – Proposed Amendment to the Beach Nourishment MSD
- April 13, 2015 – *Public Hearing* – Proposed beach nourishment municipal service district and the proposed service to be provided within the MSD and adoption of resolution establishing MSD

Mr. Appleton stated that his house was located at 2024 North Virginia Dare Trail. His property is intersected by NC 12, resulting in his residence being located west of NC 12 and the

remaining portion of his property being located east of NC 12, on the oceanfront. Although he is supportive of the beach nourishment program, he has filed this request to be removed. Mr. Appleton stated he was told by former Town Attorney Steve Michael that if he tried to separate the oceanfront portion of the parcel from the remainder of the property, the lot would be non-conforming and could not be conveyed.

Mr. Appleton referred to documents submitted with his request, noting actions to privately stabilize the oceanfront area of his lot. He stated that his house was not at any higher risk of damage from storms and erosion than any other structure on the west side of NC 12. With regard to erosion control, Mr. Appleton referred to the southern "taper" section of the Town's beach nourishment program, noting that several properties in the taper area were removed from the MSD either by court order or by agreement. One of the justifications for property owners in the taper being released was because the individual property did not receive the same amount of sand that the other parcels in the middle of the MSD received. Mr. Appleton stated that his 29-foot wide oceanfront property received less beach nourishment sand than similar oceanfront properties of a typical 55-foot to 65-foot lot width.

There being no other public comment, Mr. Varnell closed this public hearing.

Commissioner Gray stated that all of the lots adjacent to the oceanfront section of Mr. Appleton's property were approximately the same width. Ms. Guns said that the lots in the subdivision were partitioned from the property of the old ClayDon Motor Lodge site. When the building was demolished, the owner subdivided the lots specifically so each lot would include areas east and west of NC 12. The lots cannot be further divided because they would not meet minimum lot standards if they are separated. She stated they are oceanfront lots intersected by NC 12. The subdivision's plat specifically notes that the lots cannot be divided. Like the other seven lots, the eastern sides of the individual lots do not meet Town or CAMA regulations to be independent buildable lots.

Mayor Davies inquired about Mr. Appleton's statement noting his lot received less sand than other lots. He said his lot received less sand through the nourishment program because of the smaller 29-foot width, not because of the depth, as opposed to the other lots that are in the district. Ms. Guns stated that the property is located in the area where the full beach nourishment project was constructed.

Mr. Appleton said that the portion of his property east of NC 12 was condemned. Ms. Guns stated that the eastern portion of his property was not condemned. The areas of his property east and west of NC 12 were not independently condemnable; it is one lot. Mayor Davies noted that the lots on the site of the ClayDon Motor Lodge are anomalies due to how the parcels were designed and platted.

Commissioner Hogan moved the Board of Commissioners deny the request to remove the property at 2024 North Virginia Dare Trail from Beach Erosion Control and Flood and Hurricane Works Municipal Service District (MSD). Commissioner Gray provided a second, and the motion was approved by a unanimous, 4-0 vote.

Public Comment

Colleen Almoney, 900 Ninth Avenue, Kill Devil Hills – Ms. Almoney provided an update on the Neighborhood Watch group. A Neighborhood Watch meeting will be held on January 17, 2019, in the meeting room and the public is welcome. Ms. Almoney asked the Board to consider providing funding for the group, with plans to include printed door hangers, t-shirts, candy for events, bumper stickers, and Neighborhood Watch road signs.

Response to Public Comment

Mayor Davies inquired what level of funding the group was considering. Ms. Almoney stated the group was asking for funding of \$5,000.00 for their projects.

Introductions and Presentations

1. **Presentation of Comprehensive Annual Financial Report for FY 2017/2018 and Award for Excellence in Financial Reporting FY 2017**

Teresa Osborne, of the CPA firm Dowdy and Osborne, presented the Kill Devil Hills' audit for the 2017/2018 fiscal year. Ms. Osborne's comments included her firm's unmodified opinion, the best that can be issued, of the Town's financial condition and adherence to good governmental practices. She noted the Town goes above and beyond the basic statement reporting requirements through its completion of the Comprehensive Annual Financial Report (CAFR). The CAFR has been included in the meeting materials. The general fund, comprising most general functions, was \$9,642,000. Compared to the annual expenditures, the fund represents 52% of the current expenses. Ms. Osborne noted that the Town has a minimum fund balance policy that instructs management to maintain an unassigned fund balance of 35% of budgeted expenditures. The fund ended the year with a strong balance and ended the year in a strong position.

She noted that the Town was required to implement GASBY Statement 75, a standard which now requires the Town to recognize the full liability of this benefit in its general accounting procedures annually. There is no requirement to fund that liability at this point; however, she expected Staff to come forward in the future with recommendations to address the liability. Ms. Osborne expressed her appreciation for the Town's Finance Department and the high caliber work it does on behalf of the Town in completion of the CAFR. The Board thanked Ms. Osborne and her firm for its work.

Finance Director Beverly Kissinger presented the Certificate of Achievement for Excellence in Financial Reporting for Fiscal Year Ended June 30, 2017, from the Government Finance Officers Association. Ms. Kissinger shared that the Town has received this national honor for the past 30 consecutive years. She expressed her gratitude to the Finance Department for its hard work and the Board for its continued support. The Board congratulated the Finance

Department for its diligent efforts to maintain such a high standard of financial, budgetary and accounting practices.

Old Business

New Business

1. Oath of Office as a member of the Board of Commissioners – Nelson V. “Skip” Jones, Jr.

As directed at the December 10, 2018 meeting, Nelson V. “Skip” Jones, Jr. took his Oath of Office as a member of the Board of Commissioners. The Oath of Office was administered by Deputy Town Clerk James Michael O’Dell, as Mr. Jones’ wife, Kaye, held the Bible. Commissioner Jones took his seat at the dais and was congratulated by the other members of the Board.

Commissioner Hogan moved for a break in the proceedings at 6:18 p.m. Commissioner Windley provided a second, and the motion passed by a unanimous, 5-0 vote.

At 6:34 p.m., Mayor Davies reconvened the meeting.

2. Site Plan Review

A. Boundary Street Townhomes – 1206 W. Boundary Street in the Light Industrial Two Zone - proposed 11,875 square foot, 7-unit multi-family dwelling with 20 parking spaces and associated site improvements (Attached NB-2A)

Mayor Davies shared that this site plan was approved by the Planning Board at its December 18, 2018, meeting for favorable action by the Board of Commissioners. There were conditions to the Planning Board’s original approval; however, those conditions have since been addressed. Staff also recommended the Board of Commissioners approve the site plan.

Commissioner Jones stated this was a great direction for the Town, noting the community needs the smaller, more affordable units. Commissioner Windley was pleased with multi-family home developments. The applicant, Jonathan St. Leger, stated the Planning and Inspections Staff and the Planning Board have been tremendously helpful during the process.

Commissioner Gray moved to approve the site plan for the Boundary Street Townhomes – 1206 W. Boundary Street in the Light Industrial Two Zone - proposed 11,875 square foot, 7-unit multi-family dwelling with 20 parking spaces and associated site improvements, as presented. Commissioner Windley provided a second and the motion passed by a unanimous 5-0 vote.

Committee Reports

Community Appearance Commission (CAC) Commissioner Windley stated that the next CAC meeting would be Thursday, February 28, 2019, at 8:30 a.m. in the meeting room and the public was welcome.

Help KDH Kick Butt Subcommittee – Commissioner Windley invited everyone to the upcoming Help KDH Kick Butt Subcommittee meeting being held on Thursday, January 17, at 6:00 p.m. in the meeting room.

Commissioners' Agenda

Commissioner Gray

Wounded Warriors Parade Commissioner Gray was honored to participate with a group of motorcyclists who escorted veterans, all of whom had received Purple Hearts, from the Kilmarnock community to the North Carolina / Virginia State Line. Crowds lined US 158 to honor the veterans, and the parade then proceeded to Washington, D.C.

Commissioner Jones

Boards and Committees Commissioner Jones encouraged those who had applied to serve as Commissioner and others to get involved with the Town's various boards and committees.

Commissioner Windley

Beach Access Facilities Commissioner Windley suggested the replacement of porta-johns at beach accesses with small, more permanent facilities. He asked Staff to research to determine if this concept was possible. Commissioner Gray stated that the beach accesses are outlined in the Town's Shoreline Access Plan, and that it possibly needed updating in conjunction with the idea. Commissioner Jones shared that some upgrades needed consideration; even if existing porta-john bathrooms cannot be replaced with permanent facilities, options such as shade structures built over them to block the summer sun and lower the internal temperature could improve them. He agreed this issue was an important one for further research. Mayor Davies asked for an inventory of facilities at accesses. She stated that this type of project would need to be prioritized against other items, like stormwater drainage and street improvements. An assessment of what it costs to convert a porta-john to a more permanent bathroom facility would be helpful. Town Manager Debora Díaz stated that Staff had conducted some preliminary research. Town Clerk Mary E. Quidley stated that the Buildings and Grounds Staff had identified free-standing facilities that could be purchased through state contract. Depending upon the type, models range from \$17,500 to over \$100,000. Some models have drain fields,

while others are waterless. Ms. Quidley stated Staff was researching production and delivery timeframes for these products. Ms. Diáz stated that additional information, along with a beach access facility inventory, could be presented at the February meeting. She also stated that if the Board was interested in one or two pilot-project facilities, some units could be established during the current funding year and used during a season, instead of waiting for the new budget being adopted and the facilities established later. Members also noted that grant funding may be available for those types of facility upgrades.

Commissioner Hogan

Fire Station and Dare Centre Project Commissioner Hogan asked Public Services Director Steve Albright to provide a brief overview of the project ongoing at the Town's Fire Station and the Dare Centre. Mr. Albright stated that with the upcoming water tower replacement project, some drainage infrastructure was being relocated. As a result, drainpipes were being installed, and this infrastructure will support drainage through Third Street. In a partnership with the owners of the Dare Centre, pipe will be installed between the property and US 158, along with sidewalks. The owners of the Dare Centre have pledged \$125,000 towards the project.

Mayor's Agenda

1. Set date for Boards and Committees Appreciation Reception

Mayor Davies shared that the Board of Commissioners hosts an annual appreciation reception for those serving on the Town's various boards and committees. Through consensus, the Board determined that the reception would be open to each board and committee member, plus one guest. The Board selected tentative dates of Wednesday, March 6, or Wednesday, March 13, 2019, from 4:30 p.m. to 6:30 p.m.

Mayor Davies also shared the following information:

Joaquin Augustus Windley on behalf of the Board, Mayor Davies congratulated Commissioner Windley and his wife, Yahara, on the December 21, 2018, birth of their son, Joaquin Augustus Windley. Joaquin joins older brother, Oscar, and sister, Aaliyah.

Assistant Public Services Director Derek Dail She extended congratulations to Derek Dail, who was married on January 1, 2019.

Town Manager's Agenda

Town Attorney's Agenda

Consent Agenda

1. Minutes (Attached CA-1A)

A. December 10, 2018

2. November 2018 Monthly Report (Attached CA-2)

3. Budget amendment (Attached CA-3A)

A. #14 – to record US Department of Homeland Security Firefighters Grant for physical fitness equipment

B. #15 – to record Local Government Commission approval, and funding for the Public Works Complex Master Plan Final Phase.

4. Annual Certification of Firefighters (Attached CA-4)

In 1980 the Board of Trustees for the North Carolina Firemen’s Pension Fund established a requirement for State fire departments to annually submit a roster of active firefighters. The roster is prepared by the Fire Department and includes only those firefighters that have met the State’s minimum requirement for training hours. The list must be certified by each local governing board in order to maintain eligibility for pensions and the line of duty death benefit provided by the State for firefighters.

5. Revive consideration of Lake Drive Corporation (Joe Lamb) - § 153.082 (B)(2)(g) Exceptions – request to allow seven-foot high chain link fences on unimproved property in the Light Industrial One Zone – placement on February 20, 2019 meeting agenda

Approval of the Consent Agenda will remove this request for an amendment to the Town’s Zoning Ordinance item from its “tabled” status and place it on the February 20, 2019, agenda under *Old Business*. The request was tabled at the November 14, 2018, meeting, with the condition that it be brought back to the Board within 100 days. February 20, 2019, being 98 days, is within that condition.

Ms. Díaz presented the Consent Agenda and recommended approval as presented. Commissioner Hogan moved to approve the Consent Agenda. Commissioner Jones provided a second, and the motion passed with a unanimous, 5-0 vote.

General Worksession

1. Fiscal Year 2019/2020 and Plan Year 2020/2021 budget guidance worksession

Ms. Díaz stated that Ms. Kissinger's budget presentation would highlight specifics from department heads on staffing issues, including a request from the Fire Department on expanded services.

Ms. Kissinger then conducted a PowerPoint presentation on capital improvements, General Fund, Water Fund, and vehicle replacement schedules, to provide information on a variety of capital areas and revenue projections. Her presentation is included with the materials of the meeting.

Ms. Kissinger requested Board guidance on employee cost of living adjustments (COLAs). Through consensus, the Board identified the 2.8% COLA as a tentative amount for budget preparation.

Fire Chief Troy Tilley then presented information on the Fire Department's 10-year staffing plan, which his department established in 2016. Included in that plan is a two-person quick response squad to assist with minor situations, and also with structure fires, for each shift. With the addition of this squad, it frees the main duty crew and does not tie up the fire apparatus, as the quick response squad would utilize a pick-up truck or similar vehicle. Chief Tilley reported on the increased number of responses over the past nine years, with simultaneous calls being experienced. He also noted the complexity of calls with larger homes and the growth in hotel construction, community development, and population.

Commissioner Jones inquired about the requested Firefighter position salaries and what training was required. Chief Tilley stated that firefighters have all required certifications and training when they begin employment, and that the salary range begins at \$38,000-\$39,000 annually, plus benefits.

Chief Tilley also requested an additional group leader for the Ocean Rescue Division. An additional leader would then oversee four lifeguard stands each on the beach, rather than the five each overseen by the current four group leaders. Commissioner Windley inquired about the employment season for a group leader. Chief Tilley stated group leaders begin five days prior to lifeguard training, which begins three weeks before Memorial Day. Although the stands are removed after Labor Day, the leaders will stay through October 15.

Ms. Díaz noted these increases in services, through staffing and accompanying equipment, could not be funded by the Town under the current revenue streams; an increase in the tax rate would be required. The Board's guidance was requested on whether to include the additional staffing in the recommended budget draft. Mayor Davies stated that with current projections, a rate increase of three cents would be required. Ms. Díaz stated that the Fire Department staffing request could not be phased in stages over time. The Board asked to hear the remainder of the presentation prior to making a determination.

Other staffing requests were also heard: Ms. Guns requested a Planning / Public Services Geographical Information System (GIS) Technician position to develop operations and programming for a Town GIS system. Currently, the Town relies on information provided by the Dare County GIS Department. The Town does not have specialized maps, nor can it make

requests for specific maps. Mapping projects that could be implemented include streets, water lines, sidewalks, hydrants, and other infrastructure. Pre-storm and post-storm recovery mapping could also be included. The Community Rating System (CRS) recommends mapping that the Town cannot currently prepare due to a lack of staffing. The position would be shared through 50% Planning, 25% Public Services, and 25% through the Water Department. She noted the position could be added in the upcoming year or during the plan year. Commissioner Jones inquired whether the Town only utilized Dare County GIS at this time. Ms. Guns replied affirmatively and noted, for example, that Staff was working with Dare GIS to develop flood mapping for the Town, with first floor elevations. There is a state database with the information, but the Town does not have the staffing to integrate the information into a GIS system. A GIS position would assist the Planning Department in preparing local flood maps so the Board can make better decisions when developing a local elevation standard.

Mr. Albright requested additional staffing in sanitation because the division supervisor has been spending approximately 60% of his time in a truck to fill in and assist with collection. With current staffing limitations, along with growth in commercial and residential service needs, Mr. Albright requested two positions within the Solid Waste Division. In the Streets Division, three staff members maintain all roadways and stormwater facilities. With the growth in service regarding stormwater infrastructure maintenance, an additional employee was requested for the Streets Division.

Ms. Kissinger provided an overview of the current and projected debt payments, including lease payments. Projects included the Public Works Complex and beach nourishment. Commissioner Jones inquired whether the beach nourishment project will be paid in two years. Ms. Kissinger replied in the affirmative and that the beach nourishment debt cycle is every five years. Commissioner Jones stated the next beach nourishment would hopefully cost less. Ms. Díaz stated that some of the initial nourishment project's costs had been shared by several local governments due to a coordinated project, which realized a savings for each.

Commissioner Jones then inquired about the status of Town sidewalks projects. Mr. Albright stated some areas were to be addressed in the north end of Town, along with Landing Drive, south to Colington Road. Ms. Guns said that the Town's Pedestrian Plan included the development of east/west sidewalks, and a sidewalk along NC 12 could address the high multi-purpose traffic needs.

Commissioner Gray noted that no recreation funding had been initially listed, and shared that some facilities may need to be upgraded, including some neighborhood parks. Ms. Díaz shared that this presentation only addressed the capital reserve funding, and that many projects, including recreation facilities, may be planned in upcoming budgets.

Commissioner Hogan stated that several projects, especially ones addressing multi-purpose pedestrian needs, could potentially be funded through grant sources. Mayor Davies stated that project prioritization would make a difference, as some grant funding sources would not fund multiple concurrent projects.

Commissioner Jones inquired about the occupancy tax share that the Town received. Ms. Kissinger said the 2017/2018 total growth in the occupancy tax was 5.2%. Proceeds from the tax are allocated as follows: 1% to Dare County, 2% to beach nourishment, and 3% is divided among municipalities. Mayor Davies explained that the Town's share against other

municipalities was based on the *ad valorem* tax rates. If one municipality increases its tax rate, the other municipalities have a lower share the following year. Commissioner Hogan inquired about tax collection rates. Ms. Kissinger stated that tax collection rates remain very high, at over 99%.

Mayor Davies reminded the Board that the Staff needed some general guidance so the budget can be prepared. The largest issue: Is the Board comfortable with a tax increase and at what level? Commissioner Hogan stated that public safety should take priority, along with the GIS position.

Commissioner Jones inquired about the records storage facilities for the Town. Ms. Díaz stated that the Town has two records facilities: by Town Hall (for most departments) and at Public Works (Police Department). Ms. Quidley stated the various departments cycled through records approximately twice a year, following the Town's records and retention schedule. She provided a brief overview of the records retention and destruction process.

Commissioner Gray stated he agreed with Commissioner Hogan about the Fire and Ocean Rescue positions, along with Public Works. He said he would like to look at needs of the Town and make a decision, rather than initially address a tax increase. Mayor Davies ascertained what direction the Board wanted to give Staff: place the requested staffing and projects in the budget. However, she noted the only way to include those additions requires an *ad valorem* tax increase. Ms. Díaz stated that addressing all long-term staffing requests from the Fire Department would first require a larger discussion about additional facilities, as the current fire station cannot accommodate an additional crew.

Through consensus, the Board asked for the items to be placed within the budget for its consideration. Mayor Davies stated it was very important for the Board to consider the importance of Staff preparing a budget for consideration in 60 days if it would not consider a tax increase.

Public Comment

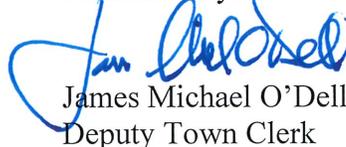
Response to Public Comment

Adjournment

There being no further business appearing before the Board of Commissioners at this time, Commissioner Windley moved to adjourn the meeting. Commissioner Gray seconded the motion and approval was by a unanimous, 5-0 vote. It was 8:00 p.m.



Submitted by:


James Michael O'Dell
Deputy Town Clerk

These minutes were approved by the Board of Commissioners on February 20, 2019.

A handwritten signature in cursive script that reads "Sheila F. Davies". The signature is written in black ink and is contained within a rectangular box.

Sheila F. Davies, Ph.D.
Mayor