

Board of Aldermen Regular Meeting
Wednesday, May 7, 2025
DRAFT MINUTES

The Town of North Topsail Beach Board of Aldermen held its regular meeting on May 7, 2025. A quorum of the board was present. Town Manager Derian and Attorney Ferguson were in attendance. Debra Mack with GWI Accounting Services was also in attendance.

Board members present: Mayor Joann McDermon, Mayor Pro Tem Tom Leonard
Aldermen: Richard Grant, Mike Benson, Connie Pletl and Laura Olszewski

Board members absent: None

CALL TO ORDER

Mayor McDermon called the meeting to order at 11:00 am. Alderman Grant gave the invocation. Mayor Pro Tem Leonard led in a Moment of Silence in honor of the passing of former Topsail Beach Mayor Howard Braxton. Mayor McDermon led in the Pledge of Allegiance.

APPROVAL OF AGENDA

Mayor McDermon asked if there were any changes to the agenda.

Motion – Alderman Benson motioned to approve the agenda as presented; seconded by Mayor Pro Tem Leonard; unanimously approved.

MANAGER’S REPORT

Manager Derian provided the following report to the Board.

Beach Projects and Operations

- Phase 4 project - this project is officially completed. The contractor finished work on April 24th with 219,925 cubic yards of sand placed.
- Potential Cyclone # 8 dune project – the work plan was published on April 22nd for the start of this dune restoration project. The work plan was the result of engineer’s discussion with the contractor and the Division of Coastal Management (DCM) for permitting. Work continued on Phase 4 while the project was under review by the state. On April 28th, the contractor started work in areas where little to no dune currently existed. These areas included just south of Marina Way north to Barton Bay, One Topsail Dune structure and a small section of Shipwatch Villas. These areas were determined by engineers to be the most vulnerable for flooding during the storm system with elevated wave and water levels. As we were starting the dune project I started receiving inquiries concerning sandbags that were being installed along the Shipwatch property along a small section. I did confirm with the state which verified that they did receive a permit to do work. I also asked if they were allowed to use the sand on the beach and was told they were permitted to do that also. I asked the engineers to inquire further with the state as it creates a deficit of sand on the beach and in the system that we are working hard to

continually maintain and allocate money to. Once started, the Division of Coastal Management authorized a permit extension until May 9th. The contractors finished work on May 2nd for this season. I asked if we could continue work as we have to revisit Shipwatch and was told we were not able to do that. DCM requires updated surveys and plans prior to work in order to verify the plans. The footprint has not changed, and we are working landward of the mean high - water line. Only the critical dunes that were verified recently were a part of that survey so that is why we have completed the work for the season and will pick back up again next season. This project continues to move through the process with FEMA for potential reimbursement for obligation of funds. FEMA has recently submitted a series of engineering related questions that Fran (engineer) is working on.

- Cost share project for beach plantings – this is ongoing and started in May. Project information is on the website. There is still time to sign up if any residents are interested participating. It is for the purchase of sea oats or bitter panicum for the dunes. Delivery dates on here at Town Hall on May 9th, 16, 30th and June 13th.
- Bike lane project – I received notice on Monday that the DCM acknowledged receipt of NCDOT's application for approval of construction of the 5.4 miles of bicycle lanes adjacent to New River Inlet Road. The application was received and reviewed as completed. The projected deadline for making a decision is June 19, 2025. There could also be an additional 70-day review period and another meeting with the Town may be required. Information is on the Town's website and Facebook pages.

OPEN FORUM

- Fred Fontana, 1866 New River Inlet Road, thanked the Board and Manager for getting the dunes by Topsail Dunes rebuilt and stated he was glad to hear about the CAMA permitting for the bike lane.
- Rusty Walker, 115 Seagull Lane, asked the Board to set aside time at a meeting to discuss matters brought up by residents during open forum. He said he feels residents' concerns are not being addressed.
- Terry Ward, 154 Ocean Lane, on behalf of Ocean Sound Village and Phase 4, thanked the Board for finishing that project.
- Jeffrey Wells, 2000 New River Inlet Road, expressed concern about the condition of the roofs at Topsail Dunes condos between # 38 and #40. There have been reports of structural integrity issues.

PUBLIC PRESENTATIONS AND HEARINGS

A. Public Hearing on the proposed Fiscal Year 2025-2026 Budget Ordinance and Fee Schedule

Mayor McDermon asked for a motion to open the Public Hearing.

Motion – Mayor Pro Tem Leonard motioned to open the Public Hearing at 11:24 am; seconded by Alderman Benson; unanimously approved.

Mayor McDermon asked if anyone would like to speak. As no one came forward to speak, Mayor McDermon asked for a motion to close the Public Hearing.

Motion – Mayor Pro Tem Leonard motioned to close the Public Hearing at 11:25 am; seconded by Alderman Olszewski; unanimously approved.

Board of Aldermen changes to the proposed fiscal year 2025-2026 budget and fee schedule by consensus:

- Move \$100,000 from Contingency to line item 30-710-15 for rebuild of beach crossovers (Olszewski)
- Remove section 12-D of the ordinance which states ‘contracts in excess of \$100,000 shall be first approved by the Board of Aldermen. The Town Manager has the authority for execution under that amount; the item must be budgeted and contain the Finance Officer’s pre-audit’ until further discussion of the Board to determine whether Town Manager authority will be outlined in the budget ordinance or a separate ordinance (Grant)
- Remove reference in line item 10-410-47 ‘Sumrell Sugg Extra Services’ in line item 10-410-47 of \$50,000 and replace it with ‘Legal Services’ (Grant)
- Change reference in line item 10-420-45 from ‘GWI Tax 1,240 hours at \$150 and 1,240 hours at \$120 (Jul-Jan)’ to ‘Accounting and Financial Services’ (Grant)
- Move amount in Contingency for purchase of one police vehicle into the Police Department budget (Grant)

B. Coastal Engineer Monthly Report

Engineer Way presented the monthly report with the following highlights:

- Phase 1 Corps AIWW project is complete and placed 77,000 cubic yards of material north of Topsail Dunes Reef condos
- The New River Inlet Management Master Plan Environmental Impact Study is under review by the Corps of Engineers
- The State grant nourishment project to place 220,000 cubic yards of material in Phase 4 is complete
- Post Tropical Cyclone Survey was submitted to FEMA/NCCEM to place 61,000 cubic yards of material in Phases 1, 2 and 3 and is under review
- The disposal area 143 beneficial use for nourishment of Phases 1, 2 and 3 of between 1.9 and 2.6 million cubic yards of material is ongoing pending permitting

CONSENT AGENDA

Consent agenda items include:

- Board of Aldermen April 2, 2025, regular meeting minutes
- Board of Aldermen April 10, 2025, budget workshop minutes
- Board of Aldermen April 15, 2025, budget workshop minutes
- WB Brawley Company change order in the amount of \$1,292.45 for metal framing for the Fire Station # 2 project
- 2025-25.21 Budget Amendment transferring \$232,000 to Fund 50 for the purchase of equipment included in the GF operating budget
- 2025-25.22 Budget Amendment transferring \$232,000 from the GF for equipment, moving debt service \$584,395 to Fund 12 and change order # 4 for WB Brawley \$1,293.00 for the Fire Station # 2 project
- 2025-25.23 Budget Amendment Capital Improvements moving debt service for Fire Station # 2 from Fund 50 to Fund 12

Motion – Alderman Pletl motioned to adopt the Consent Agenda; seconded by Alderman Benson; unanimously approved.

CONTINUING BUSINESS

A. Status report from GWI on issues outlined in their contract

Beth Wood, GWI Tax and Accounting, explained there has been a lot of work and effort in cleaning up the financial process and untangling federal and state grants since 2021 to get them to the correct funds and accounts. As of right now, talks with FEMA have stopped and resolution of this will have to be put on hold until they can be resumed. Department Heads have needed training on where to charge expenses in terms of budget line items for coding invoices. The financial software is older, not up to date by industry standards and has not been utilized to the extent that it can. We encountered issues with the accounts payable, purchase orders, credit memo processes and the budget process does not allow electronic preparation or uploading. Bank reconciliations are caught up for all seven accounts. The entry for ‘fixes and duplicate work’ accounts for time my staff spent having to re-do work done by your staff. That number should come down as a lot of things have been cleaned up. There is still work and work arounds that need to be done.

Alderman Grant said GWI is a partner and we should not be paying them to do clerical work, staff should be doing that. There are 12 items in the contract. Once each is cleaned up it should be complete, and he would like a written list of the status of those.

Alderman Olszewski said she thinks the Board has realized the issues with the financial software.

B. Washington, D.C. Legislative Update

Mayor Pro Tem Leonard reported he and the manager went to Washington DC to meet with federal elected officials. Objectives were to:

- Secure senate support for the CBRA bill passage (House resolution 1885) and companion legislation.
- Continue efforts with congressional staff on HR-1885 for passage and support.
- Continue US Army Corps of Engineers funding for dredging of New River and New Topsail Inlets.
- Improve FEMA disaster recovery coordination island wide.

House resolution 1885 for the CBRA bill was filed by Congressman Murphy and co-sponsored by Congressman Rouzer on the 5th of April and referred to the House Committee on Natural Resources. They met with key staff for Congressmen Rouzer and Murphy, Senators Tillis and Budd, the House Transportation and Infrastructure Subcommittee on Water Resources and Environment and the Senate Environment and Public Works Committee.

He will testify at a subcommittee of the House Committee on Natural Resources on Water, Wildlife and Fisheries on the CBRA bill on May 20, 2025, at 10 am. Next steps will be for the bill to go for scoring by the Congressional Budget Office, the House floor and then the companion Senate bill. Homeowners may help by writing to Senators Budd and Tillis, members of Congress and out of state property owners may ask their representatives to support House Resolution 1855.

NEW BUSINESS

A. Consideration of Planning Board appointment

Mayor McDermon thanked Lisa Brown for her service on the Planning Board as her term is expiring on May 15, 2025.

Consensus – Directed the Town Manager to advertise the vacancy.

B. Consideration of Board of Adjustment appointments

Mayor McDermon thanked Hanna McCloud and Scott Morse for their service on the Board of Adjustment as their terms are expiring May 1, 2025.

Consensus – Directed the Town Manager to advertise the vacancies.

OPEN FORUM –

- Suzanne Vega, Topsail Dunes, thanked the Board for the extra sand. She questioned where the funds will come from for the bike path, the environmental impact, where the rainwater will go with more concrete, where more crosswalks are on the road, and where are we with the speed limit? She thanked Mayor Pro Tem Leonard for his work on CBRA to help relieve financial burdens for insurance.
- Mark Barefoot, 246 Sandpiper Drive, suggested having a form at Town Hall for people to sign on to support the CBRA bill rather than individually writing congressmen.
- Jeffrey Wells, 2000 New River Inlet Drive, said meeting face to face with representatives goes much farther with issues.

- Dean Halloman expressed concern about upcoming hearing associated with the bicycle lanes specifically for the 5-mile stretch going up the island because it is a challenge to enforce parking issues now and garbage collection would be another problem. He suggested utilizing the electric sign to educate island visitors.

ATTORNEY REPORT – none.

MAYOR REPORT – Mayor McDermon thanked everyone for coming to the meeting. Contact Town Hall to get the most accurate and up to date information, not social media. The bike lane is in the exploratory stage right now and there are funds in the budget for crosswalks. The Board decided to take no action on the speed limit request.

ALDERMEN REPORTS:

Alderman Pletl – Said she is happy about the budget and not raising taxes. Turtle season began May 1st but there are no nests now. Please turn off your ocean front lights or use turtle friendly lights which we have at Town Hall.

Alderman Benson – This is the second year we have not had to talk about a tax increase. He thanked Mayor Pro Tem Leonard for his work on the CBRA bill and thanked he and the manager for going to Washington DC to meet with representatives. He reminded everyone about hurricane preparedness and getting your re-entry pass.

Mayor Pro Tem Leonard said he appreciated the hard work on the budget by the manager and staff. There is no tax increase and a healthy fund balance. Three of us will attend the NC Beach, Inlet and Waterways conference.

Alderman Olszewski thanked the firm working on the accounting work.

Alderman Grant stated it was brought up at the County Commissioner meeting about free NARCON training and we should consider doing it. ONWASA is talking about doubling the sewer capacity. We have made the commitment to rebuild the beaches, we have a new fire station being built and a lot of the revenue goes into the beach.

CLOSED SESSION

Motion – Mayor Pro Tem Leonard motioned to go into Closed Session at 12:52 pm as per N.C.G.S. 143.318.11(a)(3) to consult with the attorney; seconded by Alderman Benson; unanimously approved.

Motion – Alderman Pletl motioned to return to open session at 1:30 pm; seconded by Alderman Olszewski; unanimously approved.

Mayor McDermon stated no action was taken in Closed Session.

ADJOURNMENT

Motion – Alderman Olszewski motioned to adjourn at 1:31pm; seconded by Mayor Pro Tem Leonard; unanimously approved.

Joann McDermon, Mayor