

Board of Aldermen Regular Meeting
Wednesday, June 4, 2025
DRAFT MINUTES

The Town of North Topsail Beach Board of Aldermen held its regular meeting on June 4, 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 Pro Tem Tom Leonard
Aldermen: Richard Grant, Mike Benson, and Laura Olszewski

Board members absent: Mayor Joann McDermon, Alderman Connie Pletl

CALL TO ORDER

Mayor Pro Tem Leonard called the meeting to order at 11:00 am. Alderman Benson gave the invocation. Mayor Pro Tem Leonard led in the Pledge of Allegiance.

APPROVAL OF AGENDA

Mayor Pro Tem Leonard asked if there were any changes to the agenda.

Motion – Alderman Benson motioned to approve the agenda as presented; seconded by Alderman Grant; unanimously approved.

MANAGER’S REPORT

Manager Derian provided the following report to the Board.

Beach Projects and Operations

Potential Tropical Cyclone # 8, which we commonly refer to as PTC # 8, work has paused for the season effective May 2nd. The project continues to move through the process with FEMA for potential obligation of funds. I reported at the last meeting that FEMA had recently submitted a list of engineering based related questions on their submittal that Fran was working on. As Fran was completing the responses and wrapping it up, they amended one question on that request for information additional work had to be completed on his end. We will attempt once again to respond to and submit the full responses to the request for information this week.

Cost share project for beach plantings

The cost share project with Coastal Transplants for Sea Oats and Bitter Panikum is in progress. That is the project I reported on in April. Information can be obtained on our website under the project page. June 13th is the last delivery date for the project, so anyone that has not signed up this is the last opportunity to do so. It is a 50/50 % cost share with the Town. When I checked in with the vendor yesterday, we had over 19,000 plants installed. The program is proving to be successful again.

The Topsail Island Vitex Eradication Project

The Town of Topsail Beach approved a Resolution of Intent to award the contract to Miker Baker International at their meeting which was held on May 15th. The resolution was sent to the DEQ to confirm we are in compliance with the grant and to move forward with executing a contract. On May 27th we received approval to move forward and had an initial meeting with the contractor on Monday, June 2nd. The contract is pending and will be distributed to each Town's attorney for work before prior to any work starting. I prepared a letter which was mailed on Monday afternoon to all property who have not signed the online form that we established for them to fill out and return. We expect treatments to begin this summer at some point and continue until September of this year.

Turtle Talks

Turtle talks resumed this week at Town Hall on Tuesday. The Karen Beasley Rescue and Rehab Center will be at Town Hall throughout the summer each Tuesday at 9 am here in the boardroom meeting room. This is a free event open to the public to learn about sea turtle and their habitat. North Topsail Beach had the first two nests of the season.

Beach Crossovers

Work has been in progress. A contractor has been working this week on BA 40 which was completed yesterday as well as the Marina Way crossover that is ongoing to be completed the end of this week or Monday.

Beach Operations

We have three beach ambassadors who have started for the season, and they will be on beach patrol through the season to educate beach patrons on filling in holes, the importance of removing personal property items because we have an ordinance that goes into effect and personal property will be removed at the end of the evening so it is important that people remember to remove their items so that they do not get taken away. We have published notices, deployed the VMS board, added to the Town sign cautioning people remove their personal property items daily.

Ocean City Jazz Festival

I along with staff met with Carla and Craig Tori to discuss logistics for the upcoming Ocean City Jazz Festival scheduled July 4th through July 6th. Check out their website for event details and to get tickets at oceancityjazzfest.com.

2025 Hurricane Season outlook

June 1st marks the official start of the 2025 Atlantic hurricane season. Onslow County has rolled out a new emergency alert system. If you have not seen the notices we have put out, 'Regroup' has officially replaced "Code Red System". If you have not already done so, please take a moment to sign up today to stay informed. That is how we relay any information regarding

storm, severe weather or an other public safety issues. You can ‘join NTB alerts’ to 310002. This information is also on our website, the Town Hall sign and we started public outreach in May and will continue to do so as we move through the season. A reminder also for residents to either go online or stop at Town Hall to obtain a re-entry pass if you do not already have one. If you have a re-entry pass issued after 2020, those passes are still valid through the end of 2025 so you do not need to submit an application for a new one. I reached out to our community partners once again to organize another hurricane forum will be announcing that date soon. Out debris and monitoring contracts continue to be in effect for this year and I have touched base with them for the season already. I will be scheduling another meeting with them and staff in July anticipating we will have new staff members on board.

OPEN FORUM

- Keith Wilkerson, 149 Sea Gull Lane, cautioned about unlicensed contractors' solicitations after storms.

CONSENT AGENDA

Consent agenda items include:

- ~~Board of Aldermen May 7, 2025, regular meeting minutes~~ (moved to Continuing Business)
- Richard Peters Park Concession Service Contract
- NCTVS Motor Vehicle Refunds
- 2025-25.24 Budget Amendment Fund 50 Fire Station 2 – WB Brawley Change Order # 5 and ECS Southwest Change Order # 1
- ~~WB Brawley Construction change Directive -01~~ (Moved to New Business)
- Monthly Coastal Engineer report

Motion – Alderman Grant motioned to amend the Consent Agenda by moving item A ‘Approval of May 7, 2025, regular Board of Aldermen meeting minutes’ to the last item under Continuing Business and by moving item F ‘WB Brawley Construction change Directive -01’ to New Business as an updated document has become available; seconded by Alderman Benson; unanimously approved.

CONTINUING BUSINESS

A. Fiscal Year 2025-2026 Budget Ordinance and Fee Schedule

Manager Derian stated the proposed Fiscal Year 2025-2026 Budget Ordinance and Fee Schedule has been attached to the agenda packet for everyone’s review. The Public Hearing was held at the last Board meeting in May.

Alderman Benson commended everyone that worked to put the budget together. It is a budget we can be proud of. When he first came here as an alderman almost eight years ago, the General Fund budget was around \$5 million. It has almost doubled in those 7.5 years because of the desirability of North Topsail Beach as a tourist destination. We are using taxpayer funds and

other revenues to keep this a desirable beach destination in North Carolina. Congratulations to Manager Derian.

Mayor Pro Tem Leonard stated the Town is not increasing taxes this year. Surf City, Topsail Beach, Holly Ridge and the County are all increasing taxes.

Motion – Alderman Grant motioned to adopt fiscal year 2025-2026 Budget Ordinance, Fee Schedule and associated documents; seconded by Alderman Olszewski; unanimously approved.

B. Ordinance No. 2025-25.25 – Town Manager’s Contracting Authority

Attorney Ferguson stated historically the Manager’s contracting authority has been put into the budget ordinance. There has been discussion about not having it tied to the budget every year and just have a separate ordinance so that the contract authority can span throughout. The authority included in the budget ordinance is the exact same authority delegated to your manager for entering into contracts that are \$40,000 or less per vendor per contract. This ordinance memorializes the current state of how the Town does things.

Motion – Alderman Grant motioned to approve the Town Manager’s Contracting Authority as presented at the \$40,000 limit; seconded by Alderman Olszewski.

Alderman Benson stated he does not agree with this. Over the last 5 years the budget has grown from \$5 million to \$10 million. The cost of goods and services has gone up dramatically particularly since Covid, so it makes sense to increase the manager’s contracting limit to account for the current cost of doing business. Our Financial Consulting firm recommended we move the amount to \$100,000. He suggested a compromise of increasing the limit to \$75,000 per contract. He would like to amend the ordinance to change the limit from \$40,000 to \$75,000.

Alderman Grant said he fundamentally disagrees with increasing the authority amount. This ordinance gives her (manager) the right without Board approval to enter into contracts under \$40,000 with vendors. The protocol has always been that every contract comes to the Board. It is a control issue. The bigger this number is, the less control we have.

Alderman Olszewski stated she does not agree with moving the number higher. We need to look at our accounting controls and without a Finance Director on board, she is comfortable with \$40,000.

Mayor Pro Tem Leonard stated he sees three sides to this. The first is it has always been \$40,000. The second is that things do cost more money and he does not know how far back the \$40,000 was established. The third thing is it is not how we do business. We have a very conscientious manager who brings everything to the Board and makes sure the Board is aware of what her intentions are. This document is not reflective of how we are doing business. He thinks there still needs to be a document like this in place. He would like to see the amount higher. We have two members that want it higher and two that do not.

Alderman Benson suggested tabling until July when the full Board is present.

Alderman Grant said if this is tabled, the manager would have no approval authority. We could approve it today at \$40,000 and then bring it up at the next meeting when more Board members are present.

Manager Derian suggested approving it at \$40,000 and then the Board may discuss further if need be.

Roll call vote

Alderman Benson – no

Alderman Olszewski – yes

Alderman Grant – yes

Mayor Pro Tem Leonard – yes

The motion passed by a 3 to 1 vote.

Alderman Grant said by approving this separate ordinance, it may be amended at any time without amending the budget ordinance.

Motion – Alderman Olszewski motioned to recess the meeting for 10 minutes; seconded by Alderman Grant; unanimously approved.

Motion – Alderman Grant motioned to reconvene the meeting; seconded by Alderman Olszewski; unanimously approved.

C. Audit Request for Proposal Evaluation and Recommendation Resolution 2025-04

Motion – Alderman Grant motioned to adopt Resolution 2025-04 awarding the Audit Contract to AAPG, LLC and authorize the Mayor Pro Tem and Interim Finance Officer to execute the contract as well as authorize the Town Manager to transfer funds necessary from contingency to the Governing Body FY Budget; seconded by Alderman Olszewski; unanimously approved.

D. DBRA Congressional Subcommittee

Mayor Pro Tem Leonard stated he was in Washington, DC on the 20th of last month and spoke in front of the subcommittee on Water, Wildlife and Fisheries for five minutes on the CBRA bill that Congressman Murphy sponsored and Congressman Rouzer co-sponsored. He gave his testimony and used all of the five minutes. He received some questions from the chairman of the committee and some questions from the ranking member of the committee. Overall, it went really well, and the next step is going to be for the subcommittee to vote whether or not to move it forward to the full Natural Resources Committee. We have danced this dance before a couple of years ago. He expects the bill will advance to the full committee based upon if the vote goes by party lines as there are two more Republicans on the committee than Democrats. It will then go to the full committee to decide what to do with it. It will ultimately find its way to the House floor as part of a bundle of CBRA bills or as a separate bill. When it got to the full committee in the last session, there were questions about how we would actually determine what properties would be removed from CBRA and they drove us towards more specificity with regard to that issue. The specificity would be to the extent that any properties (residential or commercial) that were affected that were not in conservation land would be removed. We have now given them

the language they wanted to push it forward. Channel 12 picked up the story and has a link to YouTube video of the testimony. There is a way to follow the progress of the bill through [congress.gov/HR 1885](https://congress.gov/HR/1885).

F. Board of Aldermen May 7, 2025, regular meeting minutes

Mayor Pro Tem Leonard said he would like to add the hard copy of his presentation of the Washington DC trip to the minutes.

Motion – Alderman Benson motioned to add the hard copy of his presentation of the Washington DC trip to the minutes; seconded by Alderman Olszewski; unanimously approved.

NEW BUSINESS

A. WB Brawley Construction change Directive- 01

This item was moved from the Consent Agenda as an updated document became available after the agenda was published.

Motion – Alderman Grant motioned to approve the WB Brawley Construction updated change Directive – 01; seconded by Alderman Benson; unanimously approved.

B. Beach financial update

Alderman Grant gave a presentation on the financial update of the beach highlighting the following:

- Every beach project is a reimbursement project.
- In 2022, the Town did not have the money or the financial structures to pay for anything that we were going to be doing going forward.
- The Town hired Doug Carter and Associates to help us move forward.
- The 2015 SOBs (Special Obligation Bonds) for the beach nourishment program for Phase 5 still had \$14.5 million dollars outstanding on that loan.
- We found out there was a side agreement that no beach projects could be done in the Town until the \$14.5 million dollars was paid off.
- The Town was able to refinance the SOBs at 2.25% and saved \$5 million in interest. The second last payment on that loan has just been made. There is one more payment next year and then it is paid off.
- In 2022, when the Board decided it would build and maintain an engineered beach, we hired beach engineer expert Chris Gibson (TI Coastal) to help build and maintain the beach with a 30 Year Beach Plan to utilize third party funds (State and Federal); we formed BISAC (Beach, Inlet and Waterway Committee); we built a relationship with Onslow County; and we have put money in the budget every year to build funds because we know we must be prepared to spend money every year on the beach to stay ahead of it because even with an engineered beach, FEMA will only pay to put back what was there that year.
- Phase 5 work is done, the Phase 4 \$10.5 million project is finished, and the Board approved funding to file for and receive all necessary permits for Phases 1, 2 and 3 to be received in 2025 with the expectation that work will begin in the fall of 2025/2026 and

completed in 2026. The Board also authorized \$2.5 million to rebuild the dunes near Marina Way. We hope to get FEMA reimbursement for this.

- The Board put \$4,486,444 in the 2024/2025 budget
 - \$1,957,643 for the SOB/USDA loan
 - \$1,239,161 for future projects
- The Board put \$5,373,488 in the 2025/2026 budget
 - \$1,884,803 SOB –USDA loan (\$1,721,043 last payment 2026)
 - \$458,188 future projects
- Future plans for beach maintenance are the 30-year plan that calls for continuous monitoring and maintaining our beaches after the initial engineered beach work, funding from both NTB revenues and Federal and State funds, which will comprise most of the funding, and thus avoiding tax increases and monies designated for the beach as a separate fund to ensure the plan can be accomplished.

B. Hazard Mitigation Grant Program (HMGP 4393: Designated Agent Resolution

Planning Director Hill said the State must have an updated Designated Agent Resolution and updated complete execution of the Memorandum of Agreement to be able to work on behalf of the Town executing project 4393-0097 for mitigation reconstruction. These documents are included in the agenda packet. She requested the Board adopt the proposed Designated Agent Resolution.

Motion- Alderman Olszewski motioned to adopt the Designated Agent Resolution for the Hazard Mitigation Grant Program as presented; seconded by Alderman Benson; unanimously approved.

OPEN FORUM –

- Keith Wilkerson, 149 Sea Gull Lane, questioned the need for the contract with GWI Tax & Accounting for financial services. He believes this work can be done internally by hiring an accountant at less than the contract and wants to know why we are doing it this way.

ATTORNEY REPORT – no report

MAYOR PRO TEM REPORT – Mayor Pro Tem Leonard said he appreciated everyone coming out. The trip to Washington went well and we will stay on top of that. The summer season is upon us so please be safe.

ALDERMEN REPORTS:

Alderman Benson said he appreciated the interest from the audience in attending the meetings.

Alderman Olszewski cautioned everyone about digging holes and leaving them because people can fall into them. She attended the spring community event at Camp Lejeune when they bring in town boards and mayors to tell them what is going on at the base. This is an election year and there will be Board seats open, and the mayor seat is available.

Alderman Grant thanked everyone for coming. He said the County is not going to raise property taxes this year. They budgeted \$1 million to work on the facilities at county beach accesses. ONWASA Board has tested the new pumping station next to Town Hall, and it is working well

so hopefully there will not be any issues related to pressure this year. They have also put money aside to consider building a water tower in the north end on County property.

CLOSED SESSION

Motion – Alderman Olszewski motioned to go into Closed Session at 12:01 pm as per N.C.G.S. 143.318.11(a)(3) to consult with the attorney on a legal matter with CM Mitchell Construction Company; seconded by Alderman Benson; unanimously approved.

Motion – Alderman Grant motioned to return to open session at 1:17 pm; seconded by Alderman Olszewski; unanimously approved.

Mayor Pro Tem Leonard stated no action was taken in Closed Session.

A. GWI Tax & Accounting FY 2026 Contract Consideration

Beth Wood, GWI Tax & Accounting FY 2026, explained she presented a contract for seven months to assist while the Town hires a Finance Officer to do Accounts Payable, bank reconciliations, account clean up, budget amendments, etc. through January of 2026 to issue 1099s. She stated that the contract was for two 40 hours per week individuals at a rate of \$120 and \$150 per hour. She also stated that while the Town might hire a Finance Director, they would need training from GWI employees.

Alderman Grant asked about a question from the previous Board meeting on a status report to which Ms. Wood responded that she had it with her. He questioned the need for 40 hours a week since bank reconciliations and other things have been caught up. Specifically he stated that the Town was being billed \$12,000 per month to do accounts payable as he had expected that to go down similar to billings for bank reconciliations. In a question from Alderman Grant, Ms. Mack of GWI stated that we were doing weekly check runs and that some vendors were able to do a direct debit from town bank accounts. Alderman Grant indicated that he had spoken to a Company CFO and did not know of anyone doing more than two check runs per month and that we should look into that issue as a potential savings. Ms. Wood stated she did not know if there was any savings as you would still be doing the same number of checks but would look at ways to cut the billings.

Alderman Olszewski said she would like to know how many checks a week are processed. She asked when we would have the information.

Motion – Alderman Grant motioned to table GWI Tax & Accounting FY 2026 Contract Consideration to the July Board meeting; seconded by Alderman Olszewski; unanimously approved.

ADJOURNMENT

Motion – Alderman Grant motioned to adjourn at 1:31pm; seconded by Alderman Olszewski; unanimously approved.

Tom Leonard, Mayor Pro Tem