



Joann M. McDermon, Mayor
Mike Benson, Mayor Pro Tem

Alice Derian, ICMA-CM
Town Manager

Aldermen:
Fred Fontana
Richard Grant
Tom Leonard
Connie Pletl

Nancy Avery
Interim Town Clerk

Board of Aldermen Regular Meeting
Wednesday, December 6, 2023
DRAFT MINUTES

The Town of North Topsail Beach Board of Aldermen held its regular meeting on December 6, 2023. A quorum of the board was present. Town Attorney Edes was in attendance.

Board members present: Mayor Joann McDermon, Mayor Pro Tem Benson, Aldermen Connie Pletl, Fred Fontana, Richard Grant and Tom Leonard.

Board members absent: None

Staff present: Town Manager Derian, IT Director Ricky Schwisow, Finance Officer Caitlin Elliott, Code Enforcement Officer/Project Facilitator Wendy Conant, Police Chief Younginer, Fire Chief Soward, Public Works Supervisor Al Cablay and Interim Town Clerk Nancy Avery.

Call to order

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

Approval of Agenda

Mayor Pro Tem Benson requested the addition of a new item under Continuing Business # A of BISAC update by Chairperson Strother.

Motion – Alderman Grant made a motion to adopt the agenda with the addition of a new item under Continuing Business # A of BISAC update by Chairperson Strother; Alderman Pletl made a second to the motion; unanimously approved.

Manager's report

Holiday Season

- Christmas Tree Recycling Program: The Town will once again be holding a Christmas Tree Recycling program, where residents can drop off their undecorated Christmas trees to the Jeffries parking lot starting on December 26th. There will be a marked cordoned off area to drop your Christmas trees. The trees will be grounded for mulch that will be available on a first come first served basis free of charge in mid-January.
- Snowflakes were installed and lit for the November 15th tree lighting and Public Works staff has installed the wreaths and lighting to the Town entrance signs.
- Our 2nd Annual Christmas Tree lighting was held on Wednesday, November 15th at Town Hall. Thank you to the staff and everyone who volunteered to make this event

successful. We had over 200 attendees throughout the evening, which was double the attendance from last year's event.

Fire Station No. 2

- Work continues on the Fire Station Project Financing and Construction as planned. Caitlin and I worked with the Carters to walk through financials in the Capital Improvement Fund to determine the loan amount. We reviewed two scenarios; Par amounts at \$5.2M plus 7% contingency and \$6.2M. We will be borrowing \$5.6M for the total project, which includes the 7% contingency.
- Assumptions right now are a 15 yr. loan (I will still be looking at 15yr vs 20yr at the appropriate time) and a 5% fixed rate. We will be paying the remaining architect cost, furniture costs, and issuance costs out of budgeted funds and using \$1M of available funds. The benefit of the timing right now is that our first payment will not be until next FY (July 15th), which provides us the opportunity to build additional funds and provides us the opportunity to pay a majority of the architect costs out of this FY's budgeted funds. The prepayment terms will be structured so there is no pre-payment penalty and callable at any time. The solicitation to institutions for an Installment Financing Contract was formally issued for \$5.6M. Bank proposals are due December 13th.

Finalized Bid Specifications.

- ✓ October 18, 2023 - IFB Issued
- ✓ October 24, 2023 - Specifications made available.
- ✓ October 31, 2023 - Receive Audit and send to LGC.
- ✓ October 31, 2023 - Mandatory Pre-Bid meeting held.
- ✓ November 1, 2023 -Board of Aldermen to consider/approve Resolution with broad authorization (\$8Million). The original estimate was \$6-\$7 million. I used \$8 million, so we do not have to start the process over with the LGC.
- ✓ November 1, 2023 - Board of Aldermen authorizes Public Hearing for December 6, 2023.
- ✓ November 7, 2023 -2pm is the final day and cut off time for questions from bidders.
- ✓ November 14, 2023 -Final Addendums to be issued.
- ✓ November 21, 2023 -Bids Due with public bid opening at 2pm. Six bids received. The bids ranged from \$6,102,689 to \$6,456,000
- ✓ November 21-November 29, 2023 -Review of bids
- ✓ **November 22, 2023** -RFP finalized to solicit institutions for an Installment Financing Contract
- ✓ November 29, 2023 -Bid Review completed with full recommendation for Board of Aldermen packet.
- ✓ **December 5, 2023** -Application submitted to LGC
- December 6, 2023 -Public Hearing and consideration by Board of Aldermen to approve construction contract pending LGC approval.
- **December 13, 2023** -RFP responses due for the Installment Financing Contract
- **January 3, 2024** - approval of the actual financing documents and selected bank.
- January 9, 2024 -NC Local Government Commission Meeting-Receive approval/denial.
- January 15-17, 2024 - Anticipated closing.

Beach Projects:

- The Phase I project resumed on December 4th and is expected to be completed between two and four weeks, depending on weather and surf conditions. The contractor is accessing the beach at BA#41 (Jenkins Way Parking Lot located at 1294 NRI Rd). Sand is being placed on the active beach just South of Topsail Reef and continuing South towards Oceans Edge Restaurant at the St. Regis.
- The Phase 5 project resumed November 16th, and work will continue through February and will be completed. The contractor is accessing the beach at Gray Street and has started placing sand at the Surf City line and will continue approximately 3,200 feet North of the Town line. At the close of last season, we placed 410,905 cubic yards of sand and we expect to place an additional 225,095 cubic yards of sand that is expected to be completed in February 2024. The contractor has placed 6,165 cubic yards of sand since resuming operations.
- Phase 4 is anticipated to start February.

Open Forum

Jeff Myer, 2224 New River Inlet Road # 138, thanked Manager Derian and staff for a wonderful Christmas event. He asked Alderman Leonard why we worked to get only two areas of the Town out of CBRA into Federal. This is coming from comments he saw time and time again on Facebook during the election.

Alderman Leonard responded that there are two issues with CBRA; one is removing most of L06 out of CBRA which is what we went to Washington, DC for and there is only 10% of the L06 area that is being removed because the remaining 90% is all conservation land. So it is effectively is the area that has been developed or is able to be developed. There is another part to CBRA, which is what I think you are alluding to, is when the maps were changed from paper to digital years ago there were so many changes that did not flow through and there were some mistakes made that had to be corrected. There were areas that were out of CBRA that fell into CBRA by mistake when the maps were digitized. Department of Fish and Wildlife will have to go back and correct those with direction from Congress.

Consent Agenda

- Minutes from 11/1/2023 regular meeting
- MOTV Tax Refund \$17.54
- Budget Amendment 2023-24.7 Police Department LESO Program \$2,550.00
- Budget Amendment 2023-24.8 Fire Department Capital Improvement Fund \$474,968.45
- Capital. Project Ordinance Amendment BM CP A22-1003-Beach maintenance \$17,202,294.00

Motion – Alderman Fontana made a motion to approve the Consent Agenda as presented; seconded by Alderman Leonard; unanimously approved.

Public Presentation and hearings

A. Public Hearing

Consideration of entering into an installment financing contract in amount not to exceed \$8 million to finance demolition of existing Fire Station No. 2, located at 3304 Gray Street and to construct a new Fire Station on the same property, and paying the costs associated with entering in the Contract. Notice of the Public Hearing was advertised in the Jacksonville News on November 20th and 27th and was posted at Town Hall and on the Town's website on November 3rd.

Motion – Mayor Pro Tem Benson made a motion to open the Public Hearing at 11:18 am; seconded by Alderman Leonard; unanimously approved.

Mayor McDermon asked those interested in commenting on entering into an installment financing contract for Fire Station No. 2 to come to the podium.

No one signed up to speak and no one came forward to speak.

Motion – Alderman Leonard made a motion to close the Public Hearing at 11:19 am; seconded by Mayor Pro Tem Benson; unanimously approved.

Motion – Alderman Fontana made a motion to of enter into an installment financing contract in amount not to exceed \$8 million to finance demolition of existing Fire Station No. 2, located at 3304 Gray Street and to construct a new Fire Station on same property, and pay the costs associated with entering into the Contract; seconded by Alderman Grant; unanimously approved.

B. Easement for ONWASA

ONWASA CEO Franky Howard introduced Royce Bennet, ONWASA Board Chairman and an Onslow County Commissioner, and COO David Moore. Mr. Howard stated that two successful bids were received for the project and he needs to the Town to approve the easement. Mr. Moore said the construction contract is waiting on the easement approval to move forward. They expect construction to take 180 days to be completed by the July 4th holiday. The same backup plan as used last year will remain in place in the event construction is not finished plus 1,000 customers that were moved onto Surf City water last year have remained on that system, which will help.

Attorney Edes asked if the contractor has approved the temporary easement and if the Certificate of Recording of Plat with the hatched easement has been done.

Mr. Moore replied he believes so.

Attorney Edes suggested the motion should be 'to authorize the Mayor to execute a permanent water line and access easement and a temporary construction easement in favor of ONWASA as depicted on the sealed survey/plat signed by Duward S. Leggett on 11/30/2023'.

Motion – Mayor Pro Tem Benson motioned to authorize the Mayor to execute a permanent water line and access easement and a temporary construction easement in favor of ONWASA as

depicted on the sealed survey/plat signed by Duward S. Leggett on 11/30/2023; seconded by Alderman Fontana; unanimously approved.

ONWASA Chairman Bennett presented Mayor McDermon with a plaque in appreciation of her service on the ONWASA Board from May 2020 to September 2023.

C. Presentation of FY 22-23 audit

Austin Eubanks, CPA, FE at Thompson, Price, Scott and Adams & Co. presented an overview of the FY 22-23 audit highlighting the following:

- No material errors were noted
- Their work was not limited in any way with complete access to both management and required information made available
- The financial statement disclosures are neutral, consistent and clear
- There were no significant audit adjustments or unrecorded differences found
- There were no disagreements with management
- No difficulties were encountered performing the audit
- No irregularities or illegal acts were noted
- There were no other findings or issues
- The minimum undesignated Fund Balance as recommended by the Local Government Commission (LGC) is 34% of expenditures. The Town's is 117%.
- Tax collection rate is 99.21%
- There was one internal control significant deficiency due to a budgetary violation. It is a performance indicator where you went over budget. The transfer of \$1.5 million dollars was approved, however where it was transferred out of was not correctly budgeted. When this happens the LGC requires a letter to be signed by all members of the Board of Aldermen acknowledging this. The letter has been drafted and he has reviewed it. Within sixty (60) days the letter has to be signed by all board members and submitted.

Alderman Grant asked for a clarification that the finding was a “bookkeeping issue” that while the transaction (an internal accounting transfer of funds) had been approved by the Board the accounting for it had only been done on one “side” of the transaction and not the other.

Mr. Eubanks confirmed that it was the case.

The FY 22-23 audit is herein incorporated as part of these minutes.

D. Coastal engineer monthly update

Mr. Fran Way presented his monthly update with the following highlights:

- Phase 1 had 20,000 cubic yards placed this winter
- New River Inlet Management Master Plan EIS is draft is under development
- The State Grant nourishment place 303,000 cubic yards in Phase 4 and connects with Phase 5 truck haul
- Phase 5 beach nourishment fill work is ongoing and volume updates daily
- He is working with the Town's Finance Officer and Doug Carter Associates regarding funding for FEMA and State funded projects
- He is working on the coordination of all permitting

Mr. Fran Way's update is herein incorporated as part of these minutes.

Continuing Business

A. BISAC update

Chairman Strother reported that the committee met December 5th and engineer Chris Gibson provided great data regarding the status of the Five Year Action Plan and the Thirty Year Beach Plan. This information gives us an idea of where we are going and we expect to bring a completed plan to the Board of Aldermen within the next couple of months.

B. CBRA update

Alderman Leonard informed everyone that on November 15, 2023, the CBRA legislation bill 2437 was passed by the full committee on Natural Resources. This allows the bill to continue to the floor of the House for consideration. Then next to the Senate. This is the furthest we have come with legislation, so this is very good news.

C. Resolution 2023-07

Alderman Leonard presented Resolution 2023-07 in appreciation to Congressman Murphy and staff for the diligence shown in presenting and pushing the legislation saying we could not have done this without their attention to detail.

Motion – Alderman Leonard motioned to adopt Resolution 2023-07 as presented; seconded by Mayor Pro Tem Benson; unanimously approved.

D. Resolution 2023-08

Alderman Leonard presented Resolution 2023-08 in appreciation to Congressman Rouzer for assistance in sponsoring the legislation.

Motion – Alderman Leonard motioned to adopt Resolution 2023-08 as presented; seconded by Alderman Fontana; unanimously approved.

E. TISPC 2024 goals

Mayor Pro Tem Benson said the Board needs to recommend at least two goals for state, federal and local consideration by the TISPC.

The Board reviewed 2023 goals to help make a decision.

Consensus on 2024 TISPC goals:

State Goals: Keep all 2023 goals except item E (Work to pass state legislation to ban and to remove derelict vessels) which is complete. Top priorities are items A, B, and C.

A. Advocate for recurring funding for the Coastal Storm Damage Mitigation Fund

B. Continue to ensure funding for the Shallow Draft Inlet Dredging Fund

C. Work to change state funding and local financing guidelines for terminal groin

D. Request state support for the non-Federal Owners obligation under the USACE Flood Control and Coastal Emergencies Fund (PL 84-99) following storm damage

~~E. Work to pass state legislation to ban and to remove derelict vessels~~

- F. Continue to advocate for funding addressing island-wide resiliency projects
- G. Notify TISPC of pending legislation and regulations that impacts Topsail Island

Federal Goals: Keep all goals with top priorities items A and D

- A. Obtain legislation to allow the continued use of sand from the New Topsail Inlet and New River Inlet CBRA zones for non-CBRA zone beach nourishment when federal funds are involved
- B. Advocate to promote Community Rating System discounts while working to support the Federal Flood Insurance Program with emphasis based on fairness of historical claims
- C. Develop an island-wide consistency with one FEMA team to assist towns in dealing with disaster recovery efforts and to improve knowledge of local coastal conditions
- D. Continue to pursue legislation to amend the NTB CBRA Map Unit L06
- E. Notify TISPC of pending legislation and regulations that impacts Topsail Island

Local Goals: Keep all 2023 goals other than those completed (item C derelict vessels)

- A. Promote adoption of the ‘Beach Clean’ initiative by businesses and educate public to its goals.
- B. Encourage Pender and Onslow County to adopt a ban on use of non-encapsulated Styrofoam in docks and piers.
- C. ~~Encourage Pender and Onslow County to adopt a ban on derelict vessels.~~
- D. Work to increase understanding and cooperation between TISPC and environmental groups locally as well as regionally.
- E. Work through NC BIWAYS or other groups to identify and partner with communities (e.g. Wrightsville Beach) within and outside of NC that have similar situations where inlet maintenance complements beach nourishment with no environmental impacts.
- F. Promote a Vitex education and eradication program for Topsail Island.
- G. Move to use of mats versus permanent structures over new dune systems.
- H. Complete joint RCCP project and continue to upgrade storm runoff system across the island.
- I. Stay abreast of studies on sea-level rise particularly as it relates to coastal and sound side flooding then integrate into state and federal goals as appropriate.
- J. Understand and monitor CRC regulations and proposed rulemaking for integration into state and federal goals as appropriate.
- K. Be involved with efforts to find solutions for the disposal of non-federal dredge materials

F. Crosswalks update

Public Superintendent Cablay recommended the Board send a formal request to NCDOT for information on existing crosswalks before beginning the process of considering other locations for crosswalks to determine DOT’s technical review process.

Board members discussed issues with existing crosswalks and areas where they want to be considered for crosswalks.

Motion – Alderman Grant motioned to make a formal request to NCDOT to review all locations and provide approval/denial of the crosswalk based on engineering evaluation of the proposed locations; seconded by Alderman Leonard; unanimously approved.

G. Fire Station No. 2 Project

Manager Derian stated the apparent low bidder on the Fire Station No. 2 Project was WB Brawley in the amount of \$6,102,689.00. She requested the Board award the contract to WB Brawley pending NC Local Government Commission approval. She said the Town Attorney has the contract for review.

Town Attorney Edes suggested adding to the motion ‘subject to final Town Attorney review’.

Motion – Alderman Pletl made a motion to award the contract for Fire Station No. 2 project to the apparent low bidder of WB Brawley in the amount of \$6, 102,689.00 pending NC Local Government Commission approval subject to final Town Attorney review; seconded by Mayor Pro Tem Benson; unanimously approved.

Recess – Mayor McDermon called for a five minute recess at 12:38 pm.
Mayor McDermon called the meeting back to order at 12:48 pm.

New Business

A. Oaths of Office for newly elected officials

Interim Town Clerk Avery administered Oaths of Office to:
Mayor Joann McDermon
Aldermen Connie Pletl, Tom Leonard, Laura Olszewski

B. Election of Mayor Pro Tem

Motion – Alderman Leonard motioned to elect Alderman Mike Benson as Mayor Pro Tem; seconded by Alderman Grant; unanimously approve.
(Note – Alderman Benson did not vote)

C. Liaison appointments

Consensus on liaison appointments –

(Note - liaisons for Parking Committee and the Revetment Committee were determined by written ballot)

1. BISAC – liaisons to remain as Mayor Pro Tem (MPT) Benson and Alderman Grant until February meeting as terms expire in February.
2. Capital Improvement Projects Committee – Aldermen Grant and Pletl
3. Parking Committee - Aldermen Pletl and Leonard
4. Parks and Recreation Committee – Alderman Pletl and Mayor McDermon
5. Revetment Committee – Alderman Pletl and Mayor McDermon
6. Chamber of Commerce – Mayor McDermon
7. NCBIWA Board of Directors – remains as Alderman Leonard as the is an elected position by the NCBIWA Board
8. ONWASA Board of Directors – Alderman Grant as primary and Mayor McDermon as alternate
9. Onslow County Board of Commissioners – Alderman Grant as primary and Alderman Olszewski as alternate.

10. JUMPO – Alderman Olszewski as primary and Alderman Pletl as alternate
11. TISPC – MPT Benson and Alderman Leonard
12. Camp Lejeune – Aldermen Leonard and Olszewski
13. Coastal Resource Commission – Mayor McDermon as primary and Alderman Pletl as alternate
14. USACE Shallow Draft Inlet EIS – Mayor McDermon and MPT Benson
15. State and Federal representatives – Mayor McDermon as primary and Alderman Olszewski as state and Alderman Leonard as Federal.
16. Check signers – Alderman Grant, Leonard and Olszewski

D. Approval of 2024 Board of Aldermen Regular Meeting Schedule

Motion – Mayor Pro Tem Benson motioned to adopt the 2024 Board of Aldermen Regular Meeting Schedule as presented; seconded by Alderman Olszewski; unanimously approved.

F. Election polling locations

Alderman Pletl read a draft of a letter to the Board of Elections Director requesting a meeting to discuss a change of venue for North Topsail Beach voters for municipal elections from the Folkstone Original Freewill Baptist Church to the Town of North Topsail Beach Town Hall and for Primary and General elections to the Sneads Ferry Branch of the Onslow County Public Library.

After discussion among Board members regarding the best location for all voters, sufficient parking and space, and the best way to approach the Board of Elections, a consensus was reached as follows:

Consensus – Alderman Pletl and Mayor Pro Tem Benson to work on language for letter to Board of Elections regarding polling locations to be discussed at the January meeting.

Open Forum

Bill O'Donnell, 3612 Island Drive, said there are two points he wants to make. One is he thinks excess taxes collected should stay in the taxpayer's pocket. Of the annual budget when only 34% is required. We could do better having that money in our pockets than you sitting on it. He would like you (aldermen) to think about that when planning next year's budget. Two is he wants to see more respect for the citizens of the Town and the will of the citizens. The specific example he has in mind was a zoning exception where he lives where everybody in the neighborhood was against the zoning exception. The person who wanted it was not even going to live there. She wanted two houses put on her lot. As soon as the exception was granted, both of those house positions went on the market. It was a money grab by the person and we should not allow that when it is contrary to the will of the citizens in the neighborhood. Furthermore, more effort should be made to get valid maps by Mr. Riggs. The map presented at that discussion was gross and over emphasized the size of that lot when it was no bigger than lots on either side of it. That is not the only time this has occurred. We should have equitable lots based on the linear footage of the lots and not some grandiose idea that favors whoever is presenting something.

Attorney Report – No report and congratulations to those re-elected on their successful campaigns.

Mayor Report – Thank you to all for coming and getting through the large agenda. Welcome to Laura (Alderman Olszewski). Thank you to former Alderman Fontana for his time and I hope to see him on additional boards. Happy holidays.

Aldermen Reports

Alderman Grant – He is working with the ONWASA Board to make sure there is no shortfall in water for the July 4th holiday. Merry Christmas.

Alderman Olszewski – She stated she is glad to be here and thanked everyone. She hopes to serve all citizens. She wants to add 11th Avenue as another crosswalk location to be looked at by the state as well as the idea of painting, striping and signage. She wants to make sure it has been confirmed in the ONWASA contract that they have liquidated damages for lack of performance as well as missed due dates.

Mayor Pro Tem Benson – Happy holidays and thank you for staying for the almost three hour meeting.

Alderman Leonard – Thank you to former Alderman Fontana for his service, it was a privilege to serve with you. Welcome to Laura (Alderman Olszewski) and Merry Christmas.

Alderman Pletl – Thank you to former Alderman Fontana for his service and dedication. He was an asset on this Board most notably for his push to get a bike path on New River Inlet Road. Thanks to his initiative it has moved forward farther than it ever has before. Welcome to Laura (Alderman Olszewski) our newest member. She said she attended the NCBIWA conference which is a great networking opportunity. On November 18, 2023, a boat containing three fishermen submerged in the inlet after its engine stopped working. Waves and current were treacherous that day and the tide was running extremely high. Our Fire and Rescue responded almost immediately and saved them from an uncertain fate. Thank you to our skilled personnel. On November 20th, I attended the Gold Star, Blue Star Memorial dedication outside the Sneads Ferry library. The Blue Star represents those that served in the armed forces and the Gold Star represents families that have lost loved ones in battle. There are 129 Blue Star memorials in North Carolina and only 4 Gold ones. The Gold Star at the Sneads Ferry Library is the only one in Southeastern North Carolina and it was the New River Garden Club that pushed to get that done. It took about five years and the County Commissioners helped. The joint Board of Aldermen and Planning Board work shop on November 30th. It was good to have the two boards together as we fine-tuned the roles, duties, Rules of Procedures and other matters pertaining to how the Planning Board should operate. The Christmas tree lighting was a huge success and our Halloween event was also very popular and well attended. To keep the momentum going, she has a list of possible events and opportunities for the Parks and Rec committee for the coming year. If you would like to be part of the committee, please fill out an online applications.

Closed Session

Motion – Alderman Leonard motioned to go into Closed Session as per NCGS 143-318.11(a) (3) Attorney Client Privilege at 1:57 pm; seconded by Alderman Olszewski; unanimously approved:

Motion - Alderman Leonard motioned to return to open session at 2:45 pm; seconded by Alderman Olszewski; unanimously approved.

Mayor McDermon stated no action was taken in Closed Session.

Adjournment

Motion – Alderman Pletl motioned to adjourn at 2:45 pm; seconded by Mayor Pro Tem Benson; unanimously approved.

Joann McDermon, Mayor

ATTEST: _____
Nancy Avery, Interim Town Clerk