



## ORIENTAL TOWN BOARD MEETING

Tuesday, June 5, 2018 at 7pm

507 Church Street, Oriental, NC

Mayor Sally Belangia Officiating

The Town Board of Oriental Town Board Meeting on June 5, 2018 was called to order at 7pm. The Mayor Sally Belangia determined a quorum to be present. She said we have a Public Comment period, if you wish to speak please make sure you are signed up on the correct sheet.

Present: Mayor Sally Belangia, Mayor Pro Tempore White, Commissioner Overcash, Commissioner Simmons, Commissioner Price, Town Manager Diane Miller, Officer Nic Blayney and Members of the Public. Commissioner Dammeyer and Deputy Finance Director Tammy Cox were absent.

### APPROVAL OF AGENDA

Mayor Pro Tempore White made a **MOTION** to approve the Agenda. Seconded by Commissioner Overcash. Motion passed 4-0.

#### 1. Consent Agenda

- a. Minutes from Regular Town Board Meeting May 1, 2018
- b. Minutes from Budget Meeting April 9, 2018
- c. Minutes from Budget Meeting April 23, 2018
- d. Minutes from Budget Meeting May 14, 2018

Commissioner Overcash made a **MOTION** to approve the Consent Agenda. Seconded by Commissioner Simmons. Motion passed 4-0.

### REGULAR BUSINESS

#### 2. Public Comment Period

Susan King, 300 Freemason Street, accompanied by her husband Jamie: Mrs. King brought a proposal addressing Chapter H, Article III, Section 2, paragraph 2 (Animals at Large) proposing a change with supporting material, feels this is very important as the Town is aging. Mrs. King feels this will improve the safety of individuals on their property and in Town. Mayor Belangia asked if Manager Miller would like to comment tonight or review. Manager Miller replied it would be prudent for us to take the suggestions from Mrs. King and line our Ordinance up against the State Statute, which has been revised a few times and our Ordinance has not where it regards animals, see where we stand and if it is found to be inconsistent, she will bring a proposal to the next meeting. At that point when it is on the Agenda, if anyone would like to speak to the issue, it will be published ahead of the meeting and the public would have the opportunity to comment on the proposal.

#### 3. 2018-2019 Budget Public Hearing (Tab 2)

Manager Miller spoke about the Budget proposal prior to opening the Public Hearing. On the revenue side, there is no tax increase proposed. There are no water or civil fee increases proposed. One penny on our tax rate is equal to \$22,202.15. The addition of \$5,000,000 of property in Town over the past year has given us a little cushion and our collection rate is up to 99.8%. Expenditures of the General Fund: We do have a new police officer coming on board shortly at the beginning of the new fiscal year, July 1. Whittaker Pointe project is not in this budget. The Dog Park has become self-sustaining and we now have 65 dogs registered. The continued sale of the tags allow us to purchase bags, etc. Water craft racks are installed and are awaiting edits on the Ordinance to add to Chapter E, Docking Ordinance, to allow people to use those racks to store kayaks, canoes, paddleboards, etc. Powell was saved from last year to do the whole project at Main and South Water and will be working on that after the holiday. Drainage work is ongoing. HWAC and Tourism projects are reserve restricted funds, currently budgeted at \$12,000, which is the occupancy tax that we receive as revenue. Any or all can be spent and what is not spent goes into a reserve restricted fund. Money will not be pulled from reserve until if/when we get to those projects. Capital reserve ongoing for generator replacement. Capital reserve has been established in this budget for ditch work equipment, very expensive, so we will be putting some aside every year. Capital purchase in this budget for a heater for the

Public Works that runs off of recycled oil and a trailer with modifications to assist Public Works. Water Fund: The second payment was made on the tank abatement. Over the next two years, the maintenance payment decreases as the mixers come off of the yearly maintenance costs. Large valves and pumps to be replaced in the water plant. Meter replacement continues and we are down to those less than 10 years old. Additional licensing in the water fund for staff. According to N.C.G.S. 159-48(b)(15), we have to do a Capital Reserve Resolution at the end of the year and that Resolution is in the package, needs to be approved separately after approval or denial of the budget. General Fund numbers were presented. There is a Capital Reserve for the police vehicle and will take a significant sum off of the purchase price. We did spend a lot of the money on necessary equipment for the second officer whose joining us was delayed due to contract issues. Much of the equipment for that officer was purchased so it is not in next years' budget. Public Works: Mosquito control will be fully funded. Sanitation fund is still subsidized by the General Fund, \$23,000-\$29,000 per year and is affected by tipping fees, which will be increasing this year. An additional dollar on the trash rate would only generate \$7,800. Yard debris cost is a large part of the overage but is a justifiable use of general funds as it keeps residents from burning and yard debris getting into the ditches and causing other problems. Streets are at \$38,000; this is a set Powell fund number unless or until we add more streets with paving being the largest part. Sidewalks were fixed this year replacing several in the older sections of Town. The leftover portion goes to a reserve restricted savings fund that can only be used for paving. Recreation is at \$18,930. We are looking to get a few more pieces of playground equipment at Lupton Park and do some maintenance at the tennis courts. Water Fund is at \$320,440 divided between administration and distribution. With distribution, the chemicals are a large part of the budget with approximately \$36,000 being spent per year on salt in addition to ammonia, dechlorination tablets and injectables, etc. Water billing software and maintenance are also in the budget.

Bay River MSD is not owned by the Town. Manager Miller spoke about the proposed rates beginning July 1. Currently, there is a \$22, which includes the first 2,000 gallons, from 2,001-5,000 is \$9.20 per 1,000, from 5,001 and up currently \$9.65 per 1,000; flat fee is going up to \$23 including 1,500, from 1,501-5,000 will be \$9.00 per 1,000 with 5,001 and up going up to \$9.85 per 1,000. These are pass through rates which we collect and send to them receiving \$1.50 for each bill we send out.

Pamlico County tax rate is .65 per \$100 of property value, not sure if this will change.

**Mayor Pro Tempore White** made a **MOTION** to open the Public Hearing on the proposed budget. Seconded by **Commissioner Overcash**. Motion passed 4-0.

Mayor Belangia opened the Public Hearing stating that the floor was open for comments. Mr. Jamie King commented that it is "downright amazing" what Manager Miller accomplishes with the budget she has.

**Commissioner Overcash** made a **MOTION** to close the Public Hearing. Seconded by **Commissioner Simmons**. Motion passed 4-0.

**Mayor Pro Tempore White** made a **MOTION** to adopt the Budget for approval as presented. Seconded by **Commissioner Simmons**. Motion passed 4-0.

**Mayor Pro Tempore White** made a **MOTION** to adopt the Capital Reserve Resolution. Seconded by **Commissioner Overcash**. Motion passed 4-0.

#### **4. Whittaker Pointe Restoration project presentation (Tab 3)**

Manager Miller showed a presentation on the Whittaker Pointe Restoration project. Mayor Belangia stated to those in attendance that Manager Miller should make her presentation entirely and then take comments. The presentation began with a slide showing the original outline of Whittaker Pointe and made clear this is not the dredging project. There is a dredging Grant in place for \$360,000 of which \$120,000 is the required match. The Town has agreed to be the administrator for that Grant and that is all. The funds, which are State money, will run through our accounts so that the State can see the money going in and out and deem a municipality a responsibility entity to handle this. That project is waiting to receive funds from those directly affected by the dredging in Whittaker Creek. Ms. Lisa Thompson did a similar project in Pierce Creek that has already been completed. Manager Miller explained the process – the entity requesting the grant gives us the check for the match, which we deposit, work begins and we send reimbursement, then the state sends back money spent on the project until is complete and closed out and end

with a zero balance. We only keep the paperwork. This is the same process with the dredging Grant. Mr. Deaton will speak about the dredging grant in the future to those directly affected by that. Manager Miller showed a picture from the 2014 Intracoastal Waterway Guide of the Atlantic showing what is protected – three marinas, homes – 297 residents according to the tax rolls, two boatyards, and \$222,000,000 worth of real property with \$92,000,000 directly affected. A picture was shown from 1934 or 35 showing the original point and how it protected the creek. In approximately 1933-34, an entire block washed into the river. The jetty was installed in 1955. The next photo showed where the fetch is. When the wind is from the northeast; that is when it starts digging. There is a photo from 2018 showing a full breach and with the right wind; there is a second breach as well with another forming. This is also causing trees to fall from erosion. By 1993, it shows how the point had been carved out. A photo from 2017 shows a full breach with two others forming beside the original shoreline. Manager Miller showed the paths of our recent named storms and the damage they did although they did not come very close and were Category 1 and 2 storms. A SLOSH map was shown (Sea, Lake, and Overland Surges from Hurricanes) which models where storm surge will be and where the high and low points are. Manager Miller discussed the preliminary and effective flood maps and flood areas that have changed. Environmental and wildlife groups are now involved. Discussed fetch and what it means. This is the power of water, it is wind driven, comes in and carves out areas and re-deposits sand in other places and showed a fetch map. This damage can be significant even without a hurricane or named storm. Manager Miller stated that some feel not all of the town residents are stakeholders in this project; she feels differently and discussed why. There are two boatyards in Whittaker Creek which are utilized by boaters cruising up and down the Intracoastal. Without this protection, this will shoal up and prohibit access. Manager Miller addressed Lisa Thompson of Sea Harbour asking how often she dredges, every five years. If the dredging is done and the point remains unprotected, it may be the next year or the next storm and if the boaters cannot access our boatyards, they will go elsewhere. This also affects the restaurants and retail stores. We receive \$220,000 per year in sales and use tax from retail and services. Those homes on Whittaker Creek were deeded with deep water slips which would reduce the property value approximately \$30,000. Services would have to be reduced or raise taxes to make up the difference so this does affect all residents if we were to lose the point. We have to maintain the balance between taking care of residents and welcoming visitors as they add to our economy. This is also a primary nursery. Our fishermen do not need to go far but if we lose the point, they will have to go much farther. The more erosion happens, the more remediation will need to happen. 41% of the real property in Town is directly affected plus the personal property – cars, boats, etc. We have partnered with the County on several different projects and have been forthcoming in the past. We are looking at a living shoreline. This is not a bulkhead but it still a hard structure able to break the 77 mile fetch. We have received estimates along the scalloped coastline. If we restore along a straight line, it will be less costly because we are not going in and out. This is approximately two tons per linear foot and comes out to between \$550,000 and \$650,000 just for the rock, not backfilling, grasses or oyster beds. The back side can be stabilized more easily as the sand is washing across and is actually gaining ground using oyster bags or oat grass. Failed wave attenuators are still present at the site. Dr. Lexia Weaver and a group of scientists from North Carolina Coastal Federation came out to the site as well along with several contractors. Manager Miller spoke about the possible solutions – backfilling, rock, living shoreline. The site was originally 18.5 acres and is now just over 3 acres. North Carolina Coastal Federation and North Carolina Department of Environmental Quality were brought in, even though in the past they have denied applications to do what we are now asking, and are seeing the result of this. NCCM started with a grant from NOAA, who decided not to fund the opportunity this year, which was a big part of our plan. Mr. Davis at DEQ has found an opportunity we can apply for. The land is currently privately owned, who have been denied several times and have been fined for trying to put revetments and sills in. Our attorney has an offer for the Town to receive this land at no cost. Our Town Board believes this is a priority. Manager Miller believes we may be able to leverage the value of the land against grant money. Manager Miller believes we can tie some of this damage to Hurricane Matthew and there is money from the state for mitigation of storm hazards, trying to get representatives on board. This is not dredging, simply the restoration of the point. We received a letter of support from the County Economic Developer, Beth Bucksot. Some statistics from that office: 8,000 boats in Pamlico County – 2,000 registered in Oriental; 6,000+ ICW boaters visit Oriental/Pamlico County yearly; 8,000 youth from around the world attend local camps, 50 marine-related services locally. Oriental has the largest Yanmar engine dealer with a three-state region, often an emergency stopping point for vessels in distress, has towing services, 150+ jobs directly related to marine industry, 200+ jobs associated with service support – retail, tourism, restaurants, hotels, recreational fishing, commercial vessels docked, fuel, groceries and contributes about \$17,200,000 to tourism economy with \$3,000,000 to payrolls in Pamlico County, \$9,200,000 to state tax receipts. Catherine Herman of the Pamlico News asked if we could receive multiple grants, yes we can. We must do preliminary engineering before we apply. Manager Miller approached the County to participate in this project.

165 Their initial answer was there were not funds at that time. Ms. Bohmert, Soil and Water Conservation and Oriental  
166 resident, has reached out to some other entities for us. A resident in attendance asked what is the potential downside  
167 of the Town taking ownership. Manager Miller responded maintaining it but the size and scope of this project would  
168 be a fairly permanent fix and it may cost money checking out what this fix will cost but construction will not begin  
169 unless we have the land and the money. Resident (Richard Lambert) asked what would be the ongoing increase to  
170 the Town's budget to maintain it. Manager Miller stated maybe 20 years in the future additional rock may be needed  
171 but we are still figuring out the energy going in there, another reason we have not taken possession. Mr. Lambert  
172 asked about maintenance of the land. Manager Miller stated it is natural and will be left that way. Resident (Bonnie  
173 Crosser) asked about cost of break wall. Mayor Pro Tempore White stated it was installed in 1955 by local residents.  
174 Ms. Crosser asked how long it will take for studies, grants. Manager Miller stated this is a phase project, solve  
175 biggest problems first. Richard Lambert questioned the "20 tons of rock" and stated the maintenance on this will be  
176 horrific and the Town will own it and suggested Manager Miller should educate herself. Unknown resident stated  
177 "if we don't do it?" Ms. Crosser stated she was here during Hurricane Irene and owns waterfront property and wants  
178 to see an engineering report on what the Town is signing up for on the long term maintenance acquiring this land  
179 and is not city land. Manager Miller stated it has an easement. Ms. Crosser asked how if we know we can maintain  
180 that property with an easement. Manager Miller explained that the rocks will be brought in from the water side. This  
181 is still very preliminary. We are investigating what we can do to save the point. Ms. Crosser stated we should  
182 understand what will happen if there is a deficit how it will be paid for. Resident Larry Summers stated he was  
183 involved with the reaction from Hurricane Irene and believes we may have actually made money from damages the  
184 Town received, more in than spent on repairs. He believes if we make this repair and another hurricane comes, if it  
185 does damage, then we can apply for FEMA funds to repair damage to the existing structure. Manager Miller agreed  
186 with Ms. Crosser in that we have to take into account all of our options but at the same time keep going forward to  
187 see what we can do to get it repaired. Manager Miller showed what land we would own and the easement if this  
188 were to go forward. Mayor Pro Tempore White stated the Board commissioned Manager Miller to look at this  
189 project about six months ago and have been very public with these meetings and encourage comments and  
190 recommendations from residents and will be a Board of Commissioners decision, whether they accept the land or  
191 not. Mayor Pro Tempore White urges residents to reach out to Commissioners and talk to them further stating there  
192 is more to do. They need to look at engineering and maintenance costs going forward. They have seen evidence in  
193 other areas that the large granite boulders work. The DEQ grant people have told us "write the grant, you are going  
194 to get it." Candy Bohmert, Soil and Water Conservation, was present when the DEQ came out. The County  
195 understands the economic portion of this. Addressing a comment from one resident that they will dead in 20 years,  
196 Mayor Pro Tempore White stated, what about the other people? He stated he is here in Oriental because his own  
197 children went to camp here and fears people will not buy here due to this situation, we are competing. Jennifer  
198 Pawlikowski of M & J Marine asked if the project will only go forward if the Town owns the land. Mayor Pro  
199 Tempore White stated if we do not take it, it will fall back to the owners to do something. Lisa Thompson, Harbor  
200 Waterfronts, stated grants are distributed to government agencies, not private entities. Manager Miller agreed that  
201 we would have better opportunities on the permitting process than a private entity. Neither the Town nor the State  
202 can force the owner to protect this land and what will happen if we do not. Manager Miller presented this  
203 information tonight to dispel rumors and present the facts to the residents stating we will not do anything unless we  
204 own the land. Resident in attendance asked if this will be designated as park land if the Town takes ownership.  
205 Manager Miller stated it would not as it would open us up to liability and is not a safe place, may be an opportunity  
206 to use it for educational purposes. Larry Summers speaking about the ecology stated he has been paddling the creeks  
207 for a long time and need to go way back in Greens and Smith creeks before you see nurseries, feels the best creek is  
208 Pierce Creek and feels this project will help the ecology. Mayor Belangia stated there is a petition to show support  
209 to restore the barrier at Whittaker Pointe. Manager Miller stated we have a letter from the Economic Developer, a  
210 letter from the North Carolina Coastal Federation and any private citizens can write in support of or even if they  
211 have reservations but support investigating; we will accept any support.

#### 212 213 **5. Award contract for Debris Removal (Phase I) (Tab 4)**

214 Our contract is up with Pamlico Tree Care, LLC – our standby contractor for debris removal. According to N.C.G.S.  
215 143-129(g), we do not need to go through three formal bids if we were satisfied with the contract.

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217 **Commissioner Overcash** made a **MOTION** to accept the contract. Seconded by **Commissioner Simmons**. Motion  
218 passed 4-0. Manager Miller stated we still do not have a Phase 2 Debris Removal Contract if we have an Irene-type

event where we would have a contractor pick up our construction-type debris. Contractors that have the resources to do that, generally sign to larger places so we will likely join a County contract if this were to happen.

#### **6. Budget Amendment (Tab 5)**

Manager Miller stated this is to clean up accounts by June 28, explained page by page – Capital Reserve, Powell Bill Paving, moving money between smaller accounts to keep in balance before the end of the fiscal year. Schools/Employee Travel – education and travel for Manager Miller SOG. Worker’s Compensation Insurance was a little over so had to move some there. Capital Outlay – project that was budgeted for three years in a row to replace money in other accounts – office furniture replacement, came in slightly over the three year old estimate. Moving money out of Police Officer B salary to other police accounts – not outside – to secure equipment and supplies prior to our second officer coming on. Waterfront Enhancement for cleaning contract at harbor restrooms will be moved from reserved fund. Drainage was reduced to cover Lawn Maintenance Repair and Supplies. \$1,300 was spent for Storm Preparation which was not budgeted. Public Works salaries was a bit over, uniforms was a bit over as well so that goes between the two. We have everything we need for mosquito control so the remaining was moved to maintenance, tires.

**Mayor Pro Tempore White** made a **MOTION** to approve the Budget Amendments as presented. Seconded by **Commissioner Overcash**. Motion passed 4-0.

#### **7. Financial Policy Revision (Tab 6)**

Manager Miller stated currently any expenditures over \$2,500 requires a purchase order and would like to reduce that to \$1,000 including group purchases which add up to over \$1,000 in a single order. This will enable us to see the effect more quickly as purchase orders will be signed before purchases are made. Change will be made to Financial Policy to reflect this.

#### **8. Road Closing for event (Tab 7)**

Penny Flaherty has requested a road closure for an event at The Bean, The Urban Gypsies of Florida, who will be performing at the Old Theater, and will do a teaser concert on June 22 from 6-6:30pm.

**Commissioner Overcash** made a **MOTION** to close Hodges Street from Water Street to Wall Street for the above event. Seconded by **Mayor Pro Tempore White**. Motion passed. 4-0.

#### **9. Review of Engineering Contract for System Development Fees (Tab 8)**

The Board was given a copy of a signed contract per their direction in May. Impact fees were removed on advice of legal counsel due to the Carthage lawsuit in North Carolina. The outcome of the appeals is that there is a specific way impact fees can be charged and it is off of calculations from costs incurred regularly by the water system and operating costs. It must be calculated by an engineering firm. Original quotes were \$10,000-\$15,000, which Manager Miller thought were excessive for the size of our Town and had to be completed by July 1. An engineer offered to do our study in time to allow us to reinstate impact fees. These were previously \$2,500 per new tap, which went to the capital costs incurred. Due to the lawsuit, legal counsel encouraged towns to calculate costs over the previous 10-year period for impact fees received. We had taken in approximately \$62,000 over that time and spent well over \$400,000 in capital improvements. Impact fees, now called System Development Fees, would be restricted to recovery of capital costs already expended and there are limits to what impact fees can be spent on. We have signed the contract and will have the analysis back shortly.

#### **10. Reappointment of Planning Board Members – Stan Aeschleman and Richard Flaherty**

Dr. Aeschleman responded that he agrees to be reappointed. Mr. Flaherty has not, so the Manager recommends we should reappoint him anyway. Mrs. Flaherty, who was in attendance this evening, agreed he should be reappointed.

**Mayor Pro Tempore White** made a **MOTION** to approve the reappointments. Seconded by **Commissioner Simmons**. Motion passed 4-0.

#### **11. Manager’s Report (Tab 9)**

- Financials are attached

- Emergency Management group did meet, consists of Manager Miller and Town department heads as well as representatives from Southeast Pamlico Fire, Lisa Thompson as Chair of Harbor Waterfronts, and faith-based institutions. This is how information is distributed and help is coordinated as to what organization has what items, etc. Manager Miller feels the groups work really well together.
- Rabies quarantine continues
- Before the end of June, the office will be closed for demolition and installation of new equipment. We will publicize this date(s) when it is confirmed.
- The steps to the green waste dumpster are being built to assist our residents in placing items in the dumpster.
- New auditor is coming Thursday (June 7) and will make every effort to get us through everything we need to accomplish. We can only have two fiscal years open so we need to get through 16-17.

## 12. Police Report: (Tab 10).

Reports more activity where it concerns traffic stops, traffic warnings and check points with the Sheriff's office. Calls for service – last month there were four larcenies, all taken care of. We do have more people coming in as the weather gets warmer so calls increase. Overall, last month was very good. Mayor Pro Tempore White asked if there was an increase in thefts or larcenies. Office Blayne stated there was a small increase but some of it is related.

## 13. Commissioner Comments

Commissioner Overcash thanked Manager Miller and staff for all of their work on the budget. Mayor Pro Tempore White stated he would welcome Town participation on the budget. Planning sessions are held before the budget and were attended by only two residents. He welcomes comments and did not receive one call regarding the budget and stated the he does listen to input from the residents and recommends that they attend the meetings as this is where they discuss what they are doing, long term projects, reserves. He gave the example of the police car where for the last four years, money has been put in reserve and there is a large portion already put away. The same is being done for the generator, maintenance and repairs in the water works and would welcome input. One resident asked if the subjects of these meetings could be publicized.

## 14. Auxiliary Boards (Tab 11)

BRMSD May 17, 2018  
Planning – Did not meet  
Tree Board – May 28, 2018

Lisa Thompson of Harbor Waterfronts stated they are meeting constantly as they are working on the point and the grant. These meetings are all noticed on the Town calendar on the website, welcomes input.

**15. Closed Session: The Board will go into Closed Session for contract negotiation according to N.C.G.S. 143-318.11(a) (5) for the negotiation of a contract with two (2) private outside entities (engineering and lobbying). Mayor Pro Tempore White made a MOTION to go into Closed Session. Seconded by Commissioner Simmons. (8:34pm)**

**Mayor Pro Tempore White made a MOTION to return to Open Session. Seconded by Commissioner Simmons. Motion passed 4-0.**

**Mayor Pro Tempore White made a MOTION to approve Manager Miller to sign the contract with Stroud Engineering. Seconded by Commissioner Simmons. Motion passed 4-0.**

Manager Miller stated there is a Special Meeting scheduled for June 28 at 8am for Budget Amendment – Special Meeting, one item Agenda. There is also a regular Town Board Meeting scheduled for July 3 at 7pm. Manager Miller suggests that the Board move the July 3 meeting to June 28 already slotted time and make this not a Special Meeting but a moved Regular Meeting. All agreed.

**16. Adjourn.** Next meeting scheduled as June 28, 2018 at 8am. Regular Town Board Meeting moved from July 3, 2018 at 7pm.

**Commissioner Simmons made a MOTION to adjourn. Seconded by Commissioner Price. Motion passed 4-0.**

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329 Meeting Adjourned at 8:44pm.

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335 Sally Belangia, Mayor Diane H. Miller, Town Manager/Clerk

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339 Approved 6/28 , 2018 \_\_\_\_\_