

**TOWN OF DUCK  
TOWN COUNCIL  
MID-MONTH MEETING  
May 19, 2021**

The Town Council for the Town of Duck convened at the Paul F. Keller Meeting Hall at 1:00 p.m. on Wednesday, May 19, 2021.

**COUNCIL MEMBERS PRESENT:** Mayor Don Kingston; Mayor Pro Tempore Monica Thibodeau; Councilor Nancy Caviness; Councilor Sandy Whitman; and Councilor Rob Mooney.

**COUNCIL MEMBERS ABSENT:** None.

**OTHERS PRESENT:** Town Manager Drew Havens, Director of Community Development Joseph Heard; Police Chief Jeffrey Ackerman; Fire Chief Donna Black; Deputy Fire Chief Clarence Batschelet; Town Attorney Robert Hobbs; Director of Marketing and Special Events Christian Legner; Ken Willson and Adam Priest from Coastal Protection Engineering; Becky Veazey of The MAPS Group; and Town Clerk Lori Ackerman.

**OTHERS ABSENT:** Deputy Town Clerk Kristiana Nickens and Public Relations Administrative Assistant Betsy Trimble.

Mayor Kingston called the meeting to order at 1:00 p.m. He noted that this meeting would be a work session and therefore Council would not be taking public comments. He added that Fire Chief Donna Black was attending the meeting remotely.

Director of Community Development Joseph Heard was recognized to speak. Director Heard stated that many communities have been dealing with a similar issue regarding the governor's most recent adoption of emergency orders as it has removed some of the occupancy restrictions that previously existed for businesses, noting that it particularly affected restaurants. He added that almost a year ago, the Town adopted some accommodations for the local businesses in Duck due to the COVID-19 restrictions placed on them by the governor's orders at the time. He stated that with those restrictions being lifted, the way that the Town's ordinance and order creating those allowances was worded tied into the governor's order. He stated that with that changing, Council has a choice of either letting it expire and informing the businesses that they could go back to business as usual, or Council could consider something that would allow the businesses to continue for a period of time in light of the fact that the Outer Banks was starting its busy season with a lot of people coming to visit.

Director Heard pointed out that there were a number of businesses and customers who were still looking at safety measures as an important part of their journey to Duck. He stated that he had an opportunity to discuss the issue with Town Manager Havens as well as Mayor Kingston and the provisions have been updated. He noted that the Mayor's

proclamation has some wording that speaks to the justification for the Town to continue to allow offering those allowances to businesses. He added that the temporary accommodations specified what businesses were and were not allowed to do under the accommodations. He explained that the main change was in the justification paragraph, which explained why the Town was continuing these as well as setting a deadline of November 30, 2021, which will allow the businesses to carry through the high summer and strong fall season. He stated that Town Attorney Hobbs felt it was important to have a deadline because it allowed the businesses to plan for it and know when it would end. He pointed out that the occupancy limits have changed due to the governor's order, but the intent was not to allow businesses to expand but allow them to continue with what they were previously doing, which was reflected in the new language.

### **DISCUSSION/CONSIDERATION OF PLANNING BOARD APPOINTMENT**

Director Heard stated that the term of Joe Blakaitis on the Planning Board has expired as of May 1, 2021, and he has expressed an interest in serving another three-year term, which would expire on May 1, 2024. He noted that Mr. Blakaitis currently serves as the Planning Board Chair and the Board elects the Chair each year. He asked Council to consider reappointing Joe Blakaitis to the Planning Board.

Councilor Mooney asked how long Joe Blakaitis has been serving on the Planning Board. Town Clerk Lori Ackerman was recognized to speak. Town Clerk Ackerman thought it was approximately seven years, adding that he was a Planning Board member before being appointed to Chair. Director Heard thought Joe Blakaitis has been the Chair for three terms. He thought Mr. Blakaitis has been the Chair for about seven years. Mayor Kingston thought Mr. Blakaitis became the Chair when former Councilor Jon Britt was appointed to Council in 2012. Mayor Pro Tempore Thibodeau agreed, adding that he was on the Planning Board before that. She asked Councilor Mooney if his question was how long Joe Blakaitis was on the Planning Board or as the Chair. Councilor Mooney stated it was both.

Councilor Mooney asked why when a board member's term was ending that it wasn't opened up for applications. Mayor Pro Tempore Thibodeau asked if it was opened for applications. Mayor Kingston stated that in the past, existing board members are asked if they were interested in being reappointed and that was the consideration that was given if they were. He added that when there was an opening from the standpoint of someone not wishing to serve on a board, then it was opened up for applications. Councilor Mooney pointed out that just because that was how it was done in the past did not mean it was the best approach. He didn't understand why Council wouldn't open it to other members of the community that have interest to apply for it and then pick the most qualified person, especially for someone that has been in the same position for a number of years, as the Chair of the Planning Board as well as being part of the Board for more than 10 years.

Mayor Pro Tempore Thibodeau stated that the Town has open applications where people have expressed an interest and if a position opens, they would be asked if they want to be considered. She noted that it was always available on the Town's website. She wasn't

sure if there was anyone else that was interested in the position, but Town staff does solicit volunteerism and have individuals fill out an application noting what boards they were interested in serving. Councilor Mooney noted that there were some individuals that have submitted applications for the Planning Board, but if Council was going to keep reappointing the same individuals, it did not afford the opportunity for the people that applied for it. He thought people become complacent when they are in the same position for a long time. He pointed out that change was good sometimes.

Mayor Kingston thought Council could delay the appointment in order to open it to additional applicants and deal with it at the June 2, 2021, meeting.

Councilor Whitman asked if Joe Blakaitis would still be able to chair the Planning Board if he was not reappointed. Director Heard stated that the Council meeting will be held prior to the Planning Board meeting so it should be fine, but if Mr. Blakaitis wasn't appointed, he would have to look at the by-laws to see what would need to be done.

Mayor Pro Tempore Thibodeau asked if it was feasible for Council to see who has applied for the position as well as putting out a call to anyone that wanted to apply. Director Heard stated that it could be done. Mayor Kingston thought new applications could be considered as well as those that have applied previously. Director Heard stated that staff will check with the individuals that applied before to see if there was still interest.

Councilor Mooney moved to table the appointment of an individual to the Planning Board until the June 2, 2021, meeting.

Councilor Caviness clarified that the solicitation of applications of individuals that want to be involved was an open and ongoing process. Mayor Kingston and Mayor Pro Tempore Thibodeau stated she was correct. Councilor Caviness pointed out that it has been for many years.

Councilor Whitman clarified that the nominations would be for any board going forward. Mayor Pro Tempore Thibodeau thought they always were. Councilor Whitman pointed out that the individuals were always asked if they wanted to serve for another term. He clarified that it would be done across the board. Councilor Mooney thought Council should. Mayor Pro Tempore Thibodeau stated that she didn't see a problem with it. She thought in addition to asking Joe Blakaitis, other individuals whose term have expired would be asked if they were interested as well as looking at the pool of applications. Councilor Whitman noted that the Vice Chair on the Planning Board has been there almost nine years. He clarified that when the Vice Chair's term is up, Council would go back through the process and possibly lose the Vice Chair and the Chair. Councilor Mooney stated that if their terms have expired and they apply and Council determines they are the best candidate, then it would be fine. He added that if a different candidate was the better choice, then the Town would be benefitting itself. Councilor Whitman pointed out that there could be a turnover every three years with the boards and there would be no consistency. Councilor Mooney asked why it would be a problem.

Councilor Whitman explained that the Town could lose two existing board members and have two new members appointed. Councilor Mooney noted that it was similar to Council members being elected. Mayor Pro Tempore Thibodeau agreed, adding that Council could lose members every two years. Councilor Whitman agreed, adding that he didn't think Council should be that way. Councilor Mooney stated that Council terms were not being discussed. Councilor Caviness pointed out that it wasn't a problem since it was defined by State statutes. Mayor Pro Tempore Thibodeau added that it was how Council had set it up. She stated that Council could discuss that rationale at another time.

Mayor Kingston pointed out that any appointment should be open for anyone that wanted to apply and Council could make the decision on who they wanted to fill the position.

Town Attorney Robert Hobbs was recognized to speak. Town Attorney Hobbs stated that Council's appointment procedure in the Town Code states that the presiding officer opens the floor to nominations where the members can put forward and debate the names of possible appointees. He added that there could be one or more persons that could be nominated for any opening.

Mayor Kingston reminded Council that the motion on the floor stated that the position would be open for applications and would be presented to Council at their June 2, 2021, meeting where Council would decide on the appointment for the Planning Board.

Motion carried 5-0 via roll call.

**PRESENTATION BY BECKY VEAZEY OF THE MAPS GROUP ON THE TOWN OF DUCK'S PERSONNEL POLICIES AND POSITION CLASSIFICATION/SALARY STUDY**

Town Manager Drew Havens was recognized to speak. Town Manager Havens noted that the issue was the culmination of a contract that started in November 2020 with The MAPS Group to complete a pay and classification study and to work on the Town's personnel policies. He noted that he was not expecting any action from Council at this meeting, adding that at Council's June 16, 2021, meeting, they would be adopting the new personnel policies for a July 1, 2021, effective date.

Becky Veazey of The MAPS Group was recognized to speak. Ms. Veazey gave a presentation on the Town's draft personnel policies as well as the position classification and salary study that was recently completed to Council and the audience.

Mayor Pro Tempore Thibodeau asked Becky Veazey if she was looking locally with regard to competitive salary ranges and not just across the state. Becky Veazey stated that she had submitted a letter that showed who she recommended surveying. She noted that coastal communities have some uniqueness in that the number of people that a town serves is much greater than the population as well as the cost of living since the cost of living in coastal communities tended to be higher. She stated that, over the years, she found it was best to stick with coastal communities. She added that with regard to the

Town of Duck, she primarily stayed within Dare and Currituck Counties since it reflected both the cost of living in the area and the core market.

Councilor Mooney asked if an employee gets to the top of their salary range and would be promoted, they would not be moved to a lower salary. Becky Veazey stated that they would not, adding that she was recommending that any time an employee was promoted, it comes with a minimum 5% increase, or if they were lower in the pay grade, they would come up to at least the minimum of the new pay range.

Councilor Caviness thought people could not perform as many years as professional firefighters or police officers versus someone in a less physical position. She clarified that the range was factored in with regard to police or firefighters who would not be working as long as someone in another type of job. Becky Veazey stated that it wasn't in performance-paced systems. She explained that in a performance-paced system, employers would move employees to the mid-point based on standard performance, but to go past mid-point, the employer expects above average performance. She added that there wasn't the expectation in a performance-paced system that every employee would get to the maximum, but there was the expectation that they get to the mid-point.

Mayor Kingston asked if the pay and grades as well as the policy manual needed Council approval or if it could be done administratively. Town Attorney Hobbs thought Council should approve all policies.

Town Attorney Hobbs noted that there were several references in the personnel policy management recommendations and the policy itself to a Human Resources Officer. He asked for an explanation on how that would be implemented. Becky Veazey explained that the language in the personnel policy under Responsibilities of the Human Resource Officer read as follows: "...the Town Manager shall appoint a Human Resource Officer or perform this role him or herself and delegate any or all of the responsibilities listed below..." She stated that the Town Manager is the Human Resources Officer but can delegate certain parts of it. She added that she wanted to create that role in the organization to make sure things happen that should happen.

Mayor Kingston thanked Becky Veazey for her presentation.

**PRESENTATION BY KEN WILLSON OF COASTAL PROTECTION ENGINEERING ON THE TOWN OF DUCK'S 2022 BEACH RENOURISHMENT PROJECT**

Ken Willson of Coastal Protection Engineering was recognized to speak. Mr. Willson went on to give a presentation on the potential for additional sand being placed on the beach during the Town's upcoming project, touching on the costs and benefits of the sand placement.

Mayor Kingston noted that in 2017, the Town spent \$15 million to put sand on the beach and that five years out would cost the Town \$5 million to renourish the beach. He noted

that, currently there was escarpment on the dunes with a useable beach, adding that no houses or pools have been lost and that there was still a lot of dune protection. He stated that there was more sand lost due to Hurricane Dorian, but FEMA would be paying for that. He stated that now the discussion was taking the beach back to where it was in 2017, adding that his fear was the cost would be an additional \$3-4 million as well as escalating costs and the Town would still get over the five years with significant depreciation of the sand to get back to where the Town was before the project. He stated that his concern was why the Town would want to spend additional money when the beach could be put back where it was and if there was another storm like Hurricane Dorian in the next five years, more than likely FEMA will help to reimburse the Town. He reiterated that his main concern was escalating the cost from \$8 million to \$10-\$12 million as it was just like nourishing the beach again. He stated that he was very concerned about the possibility of escalating the design and cost. He pointed out that the Town's commitment was maintaining the beach and getting it back to where it was in 2017. He stated that he was very concerned about the additional sand that was needed and thought it would end up being a significant cost to the Town and taxpayers.

Ken Willson thanked Mayor Kingston for his feedback as it helps him focus on where the priorities were. He stated that he discussed design as well as the idea that the design was like mimicking a storm that was similar to Hurricane Isabel. He pointed out that Hurricane Dorian was not anything close to Hurricane Isabel but that was why Council had the design for protection from a storm like it. He added that no one said that Hurricane Dorian or Hurricane Isabel were the worst that could happen, but they could pick a different storm. He stated that for budgetary reasons, they felt that acceptable levels of storm damage reduction was for a storm similar to Hurricane Dorian and the initial cost would have been less. He stated that it was a very prudent concept and something they will continue to work with the Town on. He added that it was easy to calculate how much volume the Town has lost and then put that much volume back when the dredge shows up. He noted that if they don't receive any improvement in the performance, there would be a little bit less design in place at the end of the five-year cycle than originally anticipated. He thought that by putting the amount that was lost over the five years and changing the configuration, it would be keeping up with background erosion and then for the next cycle they could look at trying to beef it up again.

Councilor Caviness asked whether the Town went with a project that was spread out evenly or one where there was a hump either north, south or the middle, if it would dramatically change the actual engineering cost of the project if the Town decided on a different strategy. Ken Willson stated that it would, explaining that the contract they were under currently for the design and permitting all anticipated that they would be looking at those types of changes. He added that, in effect, the Town has already paid for an assessment for trying to figure out how to improve and adaptively manage the project as well as improve the performance over time; however, it would not change the construction of the project. He noted that they talked to the contractor specifically about it because they did not know how far it would be pushed out.

Councilor Caviness noted that if the Town went from 110 to 115, it didn't look like the sand went out as far. She thought people would be complaining about how long it would take to get to the beach. She thought no one would notice the difference between 15 feet and 10 feet, adding that they may also not notice the difference between the end of 10 feet and 15 feet where the sand ended. Ken Willson thought it would be a noticeable difference in terms of walking from the dune to the water, but as far as the slope going down, he didn't think it would be noticeable. He stated that if they assumed that a certain amount of volume was needed, they could spread that out with a steeper slope and bump the berm out a little further or they could make it more gradual and the point to where it gets to the water would be shorter.

Mayor Kingston asked if the 266,000 cubic feet that would be added would be the \$4-\$5 million addition. Ken Willson thought it was approximately \$4 million. He thought they looked at a number around 300,000 and that had an impact of a little over \$4 million. He noted that the problem was that it was not a straight calculation of the volume because when looking at all four towns combined, the mobilization cost was split based on volume. Mayor Kingston clarified that Duck would be in the range of \$11-\$12 million. Ken Willson stated that from a cost perspective, to add 300,000 would be north of \$4 million.

Mayor Pro Tempore Thibodeau thought the erosion rate for Duck was double from what was anticipated as it was passing 11% and the Town was estimating 6%. She asked if the erosion rate was off due to storms. She thought it would not be because it was naturalized over the five years. She asked how the erosion rate was in Duck compared to the rest of the towns. Ken Willson stated that the other towns were keeping up closely with what was predicted. He thought the Towns of Kitty Hawk and Kill Devil Hills were both under six cubic yards or closer to four cubic yards. He noted that it was at the end of a very long project and those projects were benefitting from the fact that they were part of the long project even though the borrow area was 1.6 to 1.7 miles, which was why he believed that the erosion rate was so much higher.

Mayor Pro Tempore Thibodeau asked how the sand would affect the taper area if it was put on the northern end. She further asked if it would make more sand go past the project area. She pointed out that the Town was dealing with a hard stop at the Army Corps of Engineers property on the south end of Town. She asked if Coastal Protection Engineering was taking that into consideration. Ken Willson stated that it was a thought when they were looking at placing sand on the south end, adding that the fill equilibrated quickly and formed a natural taper. He stated that if it were the best solution, he didn't know if there was anything the Corps of Engineers could say with regard to not doing it. He noted that they would show the Corps of Engineers the data if they wanted him to try to tweak things. He stated that in terms of placing the sand on the north end, they have witnessed the benefits of the project both north and south of the project area, so they know that the volume was staying in place and benefitting the rest of the Town. He added that it was just a matter of configuring it with regard to structures in other areas.

Mayor Pro Tempore Thibodeau clarified that the sand wouldn't take any more than what was in the project area. She thought it was a critical factor and one of the pushbacks that Council received from the northern taper. She clarified that it would be in the MSD area and would be piled so it could naturally taper. Ken Willson stated she was correct.

Mayor Kingston asked how much sand was offshore. Ken Willson thought they were looking at pushing the six-foot contour, which was a little higher than the dry sand beach, on a flat six-foot beach 200-250 feet out and then starting to 1 on 15 or 1 on 10 slope down. He stated that it would be a considerable platform of sand.

Mayor Pro Tempore Thibodeau asked why the initial volume of cubic yard sand was increasing in the model that Ken Willson had shown. Ken Willson explained that some of it had to do with the way the volumes were calculated. He added that, initially, their goal was to put the same amount of volume in each of the alternatives. He added that if one calculated it based on the way they calculated volumes on a profile, they would average the in between and come up with a volume, the numbers would be very similar; however, when it's actually constructed over the surface that was in the model, the numbers ended up being a little different.

Mayor Kingston thanked Ken Willson for his presentation. He called for a 10-minute recess. The time was 3:15 p.m.

Mayor Kingston reconvened the meeting.

### **FY 2022 BUDGET WORK SESSION**

Town Manager Havens gave a presentation on the draft budget, touching on revenues, new positions, a department-by-department review of expenditures, the five-year forecast and the next steps to Council and the audience.

Mayor Kingston asked if the Town increased the cost of beach nourishment, it would be covered with the MSD rates up to a point. Town Manager Havens stated he was correct. Mayor Kingston clarified that it would not be up to \$4 million. Town Manager Havens stated he was correct, explaining that the Town could not cover a \$4 million debt service under the current rates.

Mayor Pro Tempore Thibodeau clarified that the MSD rates presumed the \$8 million. Town Manager Havens stated that staying static with the MSD rates and not changing them gives the Town enough revenue from MSD taxes and the 20% of the sales tax that has to go into the beach nourishment fund. He added that the Town will cover its debt service in the future and with the way the model was working, the Town will be able to build some beach reserve. He added that in Fiscal Year 2027, the Town should end up being able to fund some of it in cash, but not all of it. He anticipated that next year during budget discussions, Council will be talking about adjusting the MSD rates, but a lot of it will depend on how much more sand Council will want to put on the beach.

Mayor Pro Tempore Thibodeau asked what the difference was between the \$2,369,657 and \$1,777,844 on the Debt Service page of the draft budget document. Town Manager Havens explained that there was debt service which was the \$1,777,844 and the \$2,369,657 was the debt load, which was the Town's total outstanding debt.

Mayor Kingston asked if the big jump in 2023 was the Public Safety building, beach nourishment and the FEMA loan. Town Manager Havens stated that it was just beach nourishment.

Councilor Caviness moved to schedule a public hearing on the draft budget for June 2, 2021.

Mayor Kingston noted that he wasn't sure the budget would be adopted by June 2, 2021, due to the beach nourishment project. Mayor Pro Tempore Thibodeau thought the beach nourishment information would not affect the draft budget. Town Manager Havens noted that it will affect the Fiscal Year 2023 budget.

Mayor Kingston thought the MSD revenue the Town would collect in 2021/2022 was the first year for the beach renourishment project. Town Manager Havens stated that the money that was collected in Fiscal Year 2022 will pay the Fiscal Year 2022 debt service. Mayor Pro Tempore Thibodeau pointed out that the Town will not have any debt service in Fiscal Year 2022. Town Manager Havens disagreed, explaining that Council was considering the Fiscal Year 2022 budget now, which has the last debt service payment. Mayor Pro Tempore Thibodeau agreed, pointing out that the Town already collected that money. She thought the new MSD rate that was adopted last year was for the new project. She believed that the Town would not be spending the MSD money that will be allocated this year yet as the Town was a year ahead.

Councilor Caviness clarified that the public hearing could still be held on June 2, 2021, for a possible adoption as well as adopting the classification and pay study. Town Manager Havens stated that she was correct.

Mayor Kingston pointed out that this year, the Town was collecting the fifth year of MSD taxes and next year the Town will collect the first year for the renourishment project. He added that it did affect the tax rates. Town Manager Havens stated that it could if Council decided to go beyond what will be serviced. Mayor Kingston stated that Ken Willson will be coming back with a recommendation to spend an additional \$4 million. Town Manager Havens stated that the Town could not afford the additional \$4 million without adjusting the MSD rates.

Mayor Pro Tempore Thibodeau stated that the Town has a project cost, and it was allocated over time based on the debt service. She added that the Town got ahead of itself because the project was delayed in 2016, so the Town collected the MSD but did not spend it, which was why the Town did not have to pay for it until so many years after the project. She added that with last year's budget, Council set an MSD rate. Mayor Kingston noted that it was because of the revenue neutral rate that Council had to make

an adjustment but basically kept it the same. Mayor Pro Tempore Thibodeau stated that she was under the impression that the Town already collected that and the MSD rate that was set that was revenue neutral was being conservative about the upcoming project. Mayor Kingston stated she was correct. Mayor Pro Tempore noted that the Town was at the point of the same amount of funding for the project and was on track to fund another project with the current MSD rate at revenue neutral. Mayor Kingston explained that Council had a debate with respect to the FEMA grant and state grant, but with no assurances, so Council set the revenue neutral rate to collect the same amount of money. He believed it was to go towards the first year of renourishment. Mayor Pro Tempore Thibodeau agreed, reiterating that the Town was on track to fund the same amount. Mayor Kingston noted that the amount was not \$8 million. He added that it was at \$8 million currently and could go as high as \$12 million if Council adopted what Ken Willson will be bringing before them.

Mayor Pro Tempore Thibodeau thought Council should look back at what was done last year as she felt that it was completed at the revenue neutral rate. Mayor Kingston stated that Council did as there was a push to lower the rates, but it could not be done since there was no guarantee. Mayor Pro Tempore Thibodeau pointed out that it was left the same, adding that it was the first year of funding for the unknown amount. Mayor Kingston stated she was correct. Mayor Pro Tempore Thibodeau clarified that Mayor Kingston didn't think it was enough to fund the project at the previous level if it was the same amount of money that was collected. Councilor Caviness thought it would fund at the current level. Mayor Kingston explained that the Town was financing approximately \$6.9 million over five years with the last payment due next year but were in advance on collecting taxes. He stated that if the Town has to make an adjustment for the tax rate, the decision could not be made until Council decides what it wants to do with beach nourishment. He thought that decision needed to be made before July 1, 2021.

Mayor Pro Tempore Thibodeau stated that every year the Town could adjust the MSD rate, so if more information were received after passing the budget and if it's found that it will cost more, the MSD rate could be adjusted. She felt it was premature to make a decision based on Ken Willson's presentation as Council didn't have enough information. Mayor Kingston stated that Ken Willson would be coming back to Council's June 16, 2021, meeting. He added that he hated to set a rate and then start escalating the MSD rates. He wasn't sure the taxpayers would like that since Council was already proposing a tax increase. Councilor Caviness thought the MSDs have collected enough tax revenue that Council could accept that the renourishment efforts would only go so far.

Mayor Kingston wanted to know what the rush was since the Town has until July 1, 2021; a public hearing will be held on the proposed budget at Council's June 2, 2021, meeting where Council will receive public input; at Council's June 16, 2021, meeting, they will find out whether or not they would have to change beach nourishment moving forward; and if it does move forward, it could change the financials moving into the new year. He pointed out that Ken Willson could not provide information but kept throwing out \$4 - \$5 million for the renourishment. He added that he did not want to delay that another year as it would escalate taxes even more. He reiterated that Council could have

their public hearing and receive public input, but there was still an open issue with regard to beach nourishment.

Mayor Pro Tempore Thibodeau asked if Council should wait for Ken Willson's presentation at the June 16, 2021, meeting and make a decision after that. Councilor Caviness clarified that Mayor Kingston was suggesting not having the public hearing until the June 16, 2021, meeting. Mayor Kingston disagreed, adding that the public hearing could be held on June 2, 2021, receive public input, and then have the mid-month meeting for beach nourishment to find out whether or not Council wants to move forward with another 50% increase for beach nourishment or go with another plan since it will affect the MSD rates. He thought that was the path Council was following. Mayor Pro Tempore Thibodeau didn't disagree that it will need to be addressed as she didn't have an objection to not passing the budget until after, but thought it was an awful lot to do at one meeting. She thought it was premature for Council to decide exactly what they wanted to spend on beach nourishment at the mid-month meeting. She asked if it was going to be decided.

Councilor Mooney didn't think Council would be able to make that decision at the mid-month meeting. Mayor Kingston stated that Coastal Protection Engineering was presently working on the permitting so Council would have to make a decision, adding that it would be going out for bid in July or August. He noted that they will need to know whether they would be completing a \$12 million project or an \$8 million project in Duck.

Councilor Caviness thought it was clear that what Ken Willson was suggesting was extremely elevated above what was anticipated. She stated that Town Manager Havens had commented that the Town could not afford a \$4 million project. Mayor Pro Tempore Thibodeau stated that MSDs would need to be raised. Mayor Kingston stated that the bottom line was the Town could not afford it. Town Manager Havens stated that between now and Council's June 2, 2021, meeting, he would send them information on what he thought the Town could afford to add into the debt service without changing the MSDs.

Mayor Pro Tempore Thibodeau asked Town Manager Havens if he could provide Council with various scenarios on the variation on increases in MSDs. Town Manager Havens stated that he would, adding that the wild card was the percentage of the sales tax revenue. He added that, absent additional sand, Council leaving the MSD rates where they currently were, absent any additional debt service, based on the project Council has been discussing, the Town would be building a beach reserve so with the next cycle, the Town would not be borrowing as much.

Mayor Kingston reminded Council that the Town will have to finance the FEMA loan of almost \$3 million until the project is complete and then wait for reimbursement. He stated that the Town will have that debt load to carry, which will be coming out of the MSD taxes. Mayor Pro Tempore Thibodeau asked if it did. Mayor Kingston stated that it did. Town Manager Havens stated that it was the interest.

Mayor Kingston reminded Council that July 1, 2021, is when the proposed budget needed to be adopted. He added that there can be a public hearing with public comments, but there was an unknown issue with regard to beach nourishment and thought that before the budget gets adopted, Council needed to know what they would be committing to. He noted that there wasn't a lot of time since the project would be going out for bid soon. Councilor Caviness thought Council should be prepared to have more than one meeting. She didn't think there would be only two meetings in June. Mayor Kingston stated that it had been done before. Councilor Caviness agreed.

Mayor Kingston stated that if Council made a decision at their June 16, 2021, meeting to increase taxes, he didn't think it required another public hearing. Town Attorney Hobbs stated that Council was not required to have a second public hearing. Mayor Pro Tempore Thibodeau thought Councilor Caviness was discussing figuring things out. Councilor Caviness agreed, adding that she wasn't talking about an additional public hearing but additional budget meetings.

Town Manager Havens stated that he would model things out, adding that he didn't feel it was as big an issue as Council was anticipating. Mayor Kingston pointed out that Ken Willson's message was straightforward, which was whether or not Council wanted to put more money in the ocean. He wondered what the public would think as they started with \$15 million and went down to \$5 million and now the discussion is it will be between \$8 to \$12 million. Mayor Pro Tempore Thibodeau pointed out that Ken Willson was doubling the erosion rate from what he originally thought, adding that it was stable down in other areas.

Councilor Caviness moved to amend her motion to schedule a public hearing for the proposed budget on June 2, 2021.

Motion carried 5-0 via roll call.

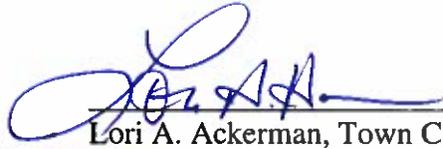
Mayor Kingston noted that the next meeting would be the Regular Meeting on Wednesday, June 2, 2021, at 6:00 p.m.

### ADJOURNMENT

Councilor Caviness moved to adjourn the meeting.

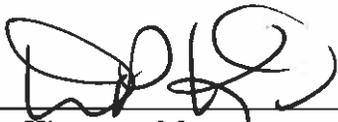
Motion carried 5-0 via roll call.

The time was 4:57 p.m.

  
Lori A. Ackerman, Town Clerk

Approved: July 7, 2021





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Don Kingston, Mayor