

**TOWN OF DUCK
TOWN COUNCIL
REGULAR MID-MONTH MEETING
October 15, 2014**

The Town Council for the Town of Duck convened at the Duck Meeting Hall at 1:00 p.m. on Wednesday, October 15, 2014.

COUNCIL MEMBERS PRESENT: Mayor Don Kingston; Mayor Pro Tempore Monica Thibodeau; Councilor Nancy Caviness; Councilor Chuck Burdick; and Councilor Jon Britt.

COUNCIL MEMBERS ABSENT: None.

OTHERS PRESENT: Town Manager Christopher Layton; Director of Community Development Joe Heard; Police First Sergeant Jeffrey Ackerman; Fire Chief Donna Black; Town Attorney Robert Hobbs; Public Information Officer Denise Walsh; and Town Clerk Lori Kopec.

OTHERS ABSENT: Police Chief Phillip Ferguson.

Mayor Kingston called the meeting to order at 1:10 p.m. He noted that the meeting was not a public hearing and that there would not be any time for public comments because this was a work session between Council and the Town Manager. He stated that there would not be a closed session.

UPDATE ON THE TOWN OF DUCK BEACH NOURISHMENT PROJECT

Town Manager Christopher Layton was recognized to speak. Town Manager Layton stated that his intent was to bring everyone up to speed with where the Town was with regard to the beach nourishment project. He stated that he would be covering several items that would culminate with a discussion on the Municipal Service Districts. He stated that he would be discussing the project status, the project funding, and special municipal service districts as well as the next steps. He noted that Council would not be making a final decision on municipal service districts at this time. He stated that he wanted to bring everyone together so they were on the same page.

Project Status

Town Manager Layton went on to give a presentation on the beach nourishment project status to Council and the audience, touching on cost, the history of the project, the hot spot areas, the various designs that were suggested for nourishment for a Hurricane Isabel-type storm, and the storm reduction rates with a beach nourishment project.

Town Manager Layton stated that, presently, CP&E had gone out and performed vibracore studies. He added that the volume of sand in Area A was acceptable and met the criteria for the sand. He noted that the volume was enough for all of the projects for the three towns. He stated that they were still examining vibracore samples for Area C to determine if there was a source of quality sand. He stated that the concern with Area C was that the sand was too fine, adding that it could decrease the cost of the project significantly if Area C could be used.

Town Manager Layton reviewed the current status of the project with Council and the audience. He noted that the Town was trying very hard to stay in sync with the Towns of Kitty Hawk and Kill Devil Hills because it was believed that the cost of the project would decrease significantly if

the Town was able to keep in sync with the other two towns. He pointed out that the Town's project limit was only a portion of the Town, while Kitty Hawk was the entire town and Kill Devil Hills' project limit was approximately half of their town. He stated that the Duck project limit was calling for a 500 foot fill taper on one side and an 810 foot fill taper on the northern end with the main fill being 7,670 feet. He emphasized that even in the taper areas, there was a significant amount of sand that would be put down and was designed to have the same level of protection through the whole project area. He added that certain areas in Town needed more sand than others so the actual cubic yards would vary depending on the loss of sand that is identified. He went on to review the project specifications and cost estimates with Council and the audience.

Town Manager Layton reviewed the project status and schedule with Council and the audience. He noted that the Town was generally on schedule, with some milestones that will have to be met. He stated that he was confident that the Town would be able to meet the milestones on time. He stated that the Town should have all of the environmental documentation completed and submitted by February, 2015; would receive FONSI by October, 2015; would receive all permits by December, 2015; would open bids for construction after January, 2016; would review the bids and seek approval from the LGC around February, 2016; and commence construction starting in March, 2016 with completion anticipated in February, 2017.

Mayor Pro Tempore Thibodeau asked how often the LGC met. She asked if they met quarterly. Town Manager Layton stated that they meet on a monthly basis. He stated that a lot of information could be gathered ahead of time before submitting it for the LGC's approval. He stated that the actual bids will have to be ready to be looked at by the LGC as they like to know which contractor will be chosen due to the restrictions with regard to Municipal Service Districts as they are tied to specific project costs.

Councilor Burdick asked what the potential was if the Town could use borrow Area C. Town Manager Layton stated that he did not know at this point. He stated that CP&E were exploring an option where the Town may use some fill from Area C and Area A, which would reduce the Town's cost. He thought it was unlikely that the Town would use Area C exclusively. Councilor Burdick clarified that even if it was a 50/50 mix, it would be worth one million dollars. Town Manager Layton stated that it would not increase the overall project cost.

Councilor Caviness stated that the project schedule seemed compressed when the bids for construction open. She asked if everything would shift if the Town missed it by a month with regard to going before the LGC. Town Manager Layton stated that it would. He explained that the bidding and the LGC aspect were critical components but also easy to do. He added that it was a timing issue. He stated that CP&E had a five month window to work with but were now down to about three months. He stated that the issue was finalizing the Town of Kitty Hawk's plan. He added that the Town's and the Town of Kill Devil Hills' plans were further along and until the Town of Kitty Hawk finalizes what their plan will be, there will have to be some catch up.

Councilor Burdick clarified that the construction window of approximately eleven months included using the summer months for the project. Town Manager Layton stated he was correct. Councilor Burdick clarified that it was part of the permitting process. Town Manager Layton stated that it would be part of the process to obtain the exemption for the summer. He stated that if it didn't occur, the cost of the project would increase.

Town Manager Layton continued his presentation, focusing on project funding as well as the Dare County Occupancy tax and what the County would be bringing to the table with regard to the project.

Councilor Caviness clarified that when the contractor starts construction and in spanning the course of a year, they will work up or down depending on what the engineer deems best. Town Manager Layton stated that they may be bringing in enough equipment to do all three projects concurrently. He added that the Town has been advised to give the contractor that window because it gives flexibility which will lower the project cost. He stated that once the contractor starts the project in Town, they will finish it. He added that the only question was what their schedule will be and whether they will have the equipment to do all three at once or if one town would be completed first. He stated that the Town would have to wait and see what the contractor proposes and how it plays out.

Councilor Burdick asked if there was an estimate as to how long it would take the contractor to complete the project in Duck alone. Town Manager Layton stated that he could not guess at this time. He added that the Town of Nags Head's beach took three months for ten miles. He thought once the contractor got started, they would probably be fast with their work.

Councilor Britt clarified that Dare County would regenerate enough money in the fund by 2023, but it was unknown when or where the demand for the money would be needed. Town Manager Layton stated he was correct. He added that the concept was to get the Town of Nags Head in the loop for their renourishment project so everyone would be on the same cycle. He stated that the Town of Southern Shores has not come forward with a project but may in the future. He stated that Dare County was committed to providing some level of funding from occupancy tax for nourishment projects. Councilor Britt clarified that the County was not taking a certain town or area and using a percentage for a project. Town Manager Layton stated that they weren't at this point.

Mayor Pro Tempore Thibodeau asked if the County explained where they were coming up with increases by 2023 in terms of percentages. She further asked if it was based on history. Town Manager Layton stated that the County was applying a growth factor to it, but did not explain the increases by 2023. Mayor Pro Tempore Thibodeau thought it seemed aggressive. Town Manager Layton agreed. Mayor Kingston noted that the fund was nourishment and renourishment.

Discussion of Municipal Service District Options

Town Manager Layton gave a presentation on Municipal Service District options to Council and the audience. He stated that as far as FEMA was concerned, regardless of the public beach access issue, constructed beach projects and engineered beaches were considered infrastructure and were eligible for FEMA's reimbursement. He noted that the reimbursement wasn't based on historical costs, but on an actual calculation of sand loss. He stated that in the third year if the Town had a huge storm come through that badly damaged the beach, provided that there was funding for it, FEMA would come in and the Town would be required to have a pre and post-storm volume of sand and they would reimburse the Town for the cost of replacing the sand loss. He pointed out that the Town will have to monitor the sand every year as part of the permit project.

Town Manager Layton stated that Dare County was holding the Town's commitments to the money being borrowed. He stated that if the cost of the project decreased, the Town would still be paying the original amount. He noted that it did not reduce the debt but would reduce the occupancy tax.

Town Manager Layton stated there have been a lot of opinions regarding municipal service districts in regard to how they should be put together, what they mean and whether protection is

worth something while other protection is worth nothing. He went on to review the benefits of municipal service districts with Council and the audience.

Councilor Burdick suggested having the entire Town maintain the economy. Mayor Pro Tempore Thibodeau asked how it differed from the tax base. Councilor Burdick stated that there were businesses that employ people and tax base-wise; it may not always show up. He added that with the number of businesses in Duck and the amount of business they do, it impacted everyone.

Town Manager Layton continued his presentation, showing where the proposed municipal service districts would be located. He added that he was proposing two municipal service districts – one oceanfront area and the other was the non-oceanfront area. He stated that the two plans for Council to discuss were where one was the MSD Only plan and the other is the 1/3 plan. He stated that the MSD Only plan would be that the municipal service district would pay the entire debt service for the project. He stated that \$600,000 would come from oceanfront properties and \$600,000 from non-oceanfront properties and would be divided in the MSD's. He stated that the Town would have a minor contribution at some level to fill in the gaps. He added that in order to do that, 112 oceanfront properties would have to have an MSD rate on top of the tax rate of \$0.525, meaning \$5,300 per year per parcel for a minimum of five years. He stated that the non-oceanfront properties would be \$0.185, with them paying \$840 per parcel for a minimum of five years. He stated that at the end of the five year period, there would not be an extra tax. He explained that if the Town does start the nourishment project and at the end of the five year period, it should be expected that there will be some MSD rate that would continue until beach nourishment is no longer needed

Town Manager Layton went on to show examples of Municipal Service Districts of random addresses and what the theoretical impacts would be for oceanfront properties and non-oceanfront properties, to Council and the audience.

Town Manager Layton stated that the competing plan was the 1/3 Plan. He explained that this plan took part of the Town's General Fund and applies those revenues to help offset the cost of the project. He stated that it would put the Town, oceanfront properties and non-oceanfront properties in the \$400,000 range annually. He added that if the 1/3 Plan was selected, \$0.026 of the Town's General Fund revenues would go toward the project with an average tax per parcel of \$148. He emphasized that this would not be a new tax, but shifting funds from revenues that the Town was collecting and putting it into the project. He stated that oceanfront properties would have an MSD rate of \$0.355 with an average tax of \$3,634 and non-oceanfront properties of \$0.125 with an average tax of \$568 per parcel.

Town Manager Layton went on to show examples of Municipal Service Districts of random addresses in the 1/3 Plan and what the theoretical impacts would be for oceanfront properties and non-oceanfront properties, to Council and the audience. He stated that most other towns that have completed a beach nourishment project have done similar MSDs. He added that one difference for the Town was that Duck was not only taxing the oceanfront properties. He stated that the Town of Nags Head did a town-wide tax increase and then taxed the oceanfront properties directly at a higher rate. He stated that the Town of Kitty Hawk would be doing a combination of that as well. He stated that arguments over fairness have been made and were valid, but felt that the options he presented were straightforward and fair, based mostly on the project area and he was satisfied with the fundamentals of it. He stated that the question was if the Council had a preferred option at this point and if there were additional models that Council wished to look at. He hoped to have a consensus from Council on what direction they wished to go with regard to a public hearing.

Councilor Burdick asked with regard to the Nags Head model, which percentage they collected town-wise versus oceanfront. Town Manager Layton stated that he did not have that number. Councilor Burdick thought it would be helpful if Council could understand how Nags Head got their number. Town Manager Layton stated that he would contact Nags Head to see if they could give him the number.

Mayor Kingston thought the Town of Nags Head's tax rate was \$0.016 on oceanfront. Town Manager Layton stated that it started out at \$0.016 and believed it went up to \$0.023. Mayor Kingston thought it was \$0.002 on the whole town. Councilor Burdick noted that it didn't give the percentage.

Mayor Pro Tempore Thibodeau asked if there was a restriction on how many MSD's the LGC allows the Town to have. Town Manager Layton stated that there wasn't a real restriction, but their preference was to have as few as possible because the accounting could be difficult with more MSD's.

Councilor Caviness asked if there was a model that used a measured distance from the ocean as opposed to the arbitrary oceanfront lot and everyone else. She asked if the model captured the oceanfront lot and perhaps one or two lots back. Town Manager Layton stated that he had not seen or heard of that for beach nourishment. He added that for other MSD's project sidewalks and other items, sometimes it will be shown. He thought it was important for Council to remember that the size of a lot and amount of oceanfront was factored into the assessed value.

Councilor Burdick thought it made sense that the Town approach the project using a split of payment for it. He thought the question was whether it made sense to have a tax for the area that would be directly associated with the project and one for the Town as a whole. He thought in looking at the overall value, the answer would be yes because there was more value as a whole. He stated that it didn't make sense that the Town as a whole doesn't pay anything. He felt that that approach was right from that standpoint. He added that the question was how to split the directly affected district between the oceanfront and non-oceanfront. He agreed that there was an obvious, direct benefit for the non-oceanfront lots, but wondered if it should be 1/3 or 40% for the oceanfront and 30% for the non-oceanfront and 30% for the Town. He thought it would be worth having two or three more examples of the split to give Council a feel for what will be done given the real benefits of oceanfront versus non-oceanfront. Town Manager Layton stated that if the consensus that the Town should pay a portion, oceanfront should pay a portion and non-oceanfront should pay a portion, the rest would come down to how to get to the \$1.2 million. He stated that the only question he had was what basis Council wanted him to use for dividing it out.

Council Burdick thought it would have been interesting to have the Town of Nags Head's data so Council could have had an idea as to what they did. He thought Council needed the information to understand what may be happening as well as what Town Manager Layton saw happening in the Town of Kill Devil Hills. Town Manager Layton stated that the Town of Kill Devil Hills was looking at about a \$0.032 or \$0.033 increase on oceanfront properties and a \$0.003 town-wide increase. Councilor Burdick clarified that the Town of Kill Devil Hills was splitting it between oceanfront and the rest of the town. Town Manager Layton understood that they were only doing oceanfront MSD's and the rest of the town was paying for the rest.

Mayor Pro Tempore Thibodeau stated that they were doing half the town at this point. She added that the Town of Kill Devil Hills had public accesses. She thought each town was a little different and thought the same argument could be made with the Town of Nags Head with the multitude of

public beach accesses that they have. She noted that each town was unique. She noted that the Town of Kitty Hawk did not have a real oceanfront tax base to tax. She didn't disagree with Councilor Burdick's comments, but her personal opinion was that the whole Town had value and agreed that the Town should pay for some of the costs as a town because everyone will benefit from the project.

Councilor Burdick asked if the \$0.026 was from the Town's existing budget. Town Manager Layton stated he was correct. He added that he was not proposing a Town-wide tax increase. He stated that the level of service will be maintained while funding \$0.026 worth of the project, barring any unforeseen circumstances.

Town Manager Layton stated that Director Heard completed some work on the Town of Kitty Hawk's project before starting employment with the Town. Director Heard stated that the Town of Kitty Hawk had established the districts but have not finished putting the numbers to it because they did not have the total project figure yet. He stated that Kitty Hawk did not have a lot of value on just the oceanfronts and were taking the first district to U.S. 158 and looking at the commercial properties on the west side of U.S. 158 in the front district, while the rest of the town would be assessed a new tax as a second MSD, which would have a much lower rate.

Mayor Kingston thought Duck had a sense of community and added that he liked the 1/3 Plan. He thought all of the reasons Town Manager Layton stated from the standpoint of oceanfront and non-oceanfront with the oceanfront receiving a greater advantage from the project were valid, but there were also advantages to the non-oceanfront properties. He thought the Town could lessen the burden a little in the MSD's because the Town has the affordability without a tax increase to offset the cost. He noted that the average for the Town was \$150 and was certainly affordable and did lessen the burden. He thought by lowering the MSD amounts, it was reasonable. He stated that he liked the 1/3 Plan. He stated that he's heard arguments for both ways, but thought it should be kept simple as it could get very complex when discussing the distance from the ocean, over NC 12 and the west side of NC 12. He thought it would get too complicated from standpoint of trying to manage things over time and thought Town Manager Layton's suggested 1/3 Plan would work as it lessens the burden for some owners and doesn't put an unnecessary burden on the Town. He added that he would support the plan.

Town Attorney Robert Hobbs was recognized to speak. Town Attorney Hobbs stated that the Town of Nags Head's town-wide rate for this year was \$0.267, the beach nourishment MSD was \$0.023, with the total in that district at \$0.497.

Councilor Caviness stated that from an equity standpoint, she liked the 1/3 Plan and thought it was appropriate to acknowledge that the whole Town has made an enormous contribution to get it where it is today. She stated that she was concerned with tapping into the General Fund and what it would do to other competing needs in Town. She stated that one of her concerns from the beginning was that she did not want to see the Town railroaded into only paying for the beach nourishment project when there were other types of serious needs. She agreed with Town Manager Layton that this would not be easy and cuts may have to be made. She added that if the Town was constantly having to make cuts to fund the beach nourishment project, that was an issue for her being in favor of the 1/3 Plan. She stated that from an equity standpoint, she agreed that the whole Town did share in the benefits of the project and it would be nice to reduce some of the burden on the people who will most directly benefit from it. She stated that she was worried about what it would mean for every other project that the Town needed to do.

Councilor Britt stated that he viewed it as the MSD raising money for the project, which should not affect the Town's operating budget. He asked if that was true. Town Manager Layton stated that the first time Council had this discussion, the consensus was that only the MSD's should pay for the construction. He added that, with regard to permitting and helping with permitting, the whole Town should pay for. He stated that once the numbers were refined, there was some concern about the cost of the project, which was how he came up with the 1/3 Plan. He stated that he was asked to provide another alternative and the 1/3 Plan was the most fair one he could come up with. He stated that in looking at the budget and running the numbers, the project would work. He added that every year there were issues that came up and he could not say that hard decisions won't have to be made. He thought one way to look at it was that this was for construction only. He thought it was reasonable for Council when the Town gets to renourishment, to look at it as project area specific. He stated that if a third of the cost of the project was set aside for renourishment, Council could look at the Municipal Service Districts and see how much money was there in a reasonable range. He thought going forward with renourishment, the Town could make it as an MSD only project. He thought it was important if other projects came up, and something has to be done south of the pier, then the Town could use the same models using County occupancy tax and try using the same model for construction of the project and MSD's for renourishment or maintenance.

Town Manager Layton stated that the last note on the Town property was to be paid in 2018. He added that the goal was not to raise taxes under this plan, but to make it work and in order to do that, there may well be some projects that will have to be put aside for a few years.

Councilor Burdick asked when looking at the MSD only case, what the split was between the two MSD's as far as who was paying what percentage. Mayor Pro Tempore Thibodeau thought it was oceanfront and non-oceanfront. Town Manager Layton stated that it was roughly 50/50. He stated that the Town portion was the value of one cent of oceanfront and the value of one cent of non-oceanfront, making it 52 and nine thirds with a slight Town contribution. He noted that it was designed to be 50/50 and under any of the scenarios with the oceanfront property owners paying a higher amount than everyone behind them because they were getting the most value and benefit from it. He stated that the value of the benefit was much more difficult to quantify.

Mayor Pro Tempore Thibodeau stated that Council needed to think about the future, which was unpredictable. She stated that if the Town put in \$400,000 per year for the contribution, the precedent the Town would be setting was if another project came up in the future, the Town would be jumping in again. She stated that even if the Town did the 50/50 split and MSD only, the Town was doing something on 1.7 miles of Duck. She added that down the road, another area of a mile or more would need something done. She stated that it was not a given that the Town would be able to help. She reminded everyone that the County was putting in a lot of money for the project, the Town was a huge contributor of occupancy taxes, but the County could decide if there were competing needs, the Town may not get the funding. She stated that it was not a guarantee that if another need comes up in another area of Town that Duck could come to the aid of the area in need. She stated that it was a perfect opportunity to get where the Town needs to be, but it's not to say that in five years, it may be needed to be done again. She added that there were a lot of unknowns.

Town Manager Layton stated that the only reason the Town was able to do the beach nourishment project was because of occupancy tax money it was receiving. He stated that if that money was unavailable, the project could not be done. He thought that it would always come down to whether the Town thought a project was affordable. He stated that in a couple decades the Town would not be able to spend \$15 million a year to do a project. He added that these issues will

have to be dealt with eventually and thought, under the best circumstances; some models could be set that the Town could follow moving forward, but it would be specific as to what happens.

Councilor Burdick thought the Town came to conclusion that it wanted to do the beach nourishment project. He stated that in looking at what Town Manager Layton presented, he thought he presented Council with two alternatives, both of which could work. He thought one was using the stakeholders and was appropriate, given the economic impact across the Town that it find some way to include them. He added that it seemed like Town Manager Layton looked at the long-range forecast to ensure that the split was reasonable from a Town-wide standpoint, recognizing that down the road, some of the Town facilities will be paid off and the Town will have additional monies available at that point in time. He thought it was a question of what the split would be and thought that the Town should be involved, but he wasn't sure at what level. He thought the split could be 40% oceanfront, 30% non-oceanfront and 30% Town, which would put more on the oceanfront and was better than a 50/50 split. He wondered if the split should be 40/30/30 as it would minimize the impact on the rest of the Town.

Councilor Britt agreed with the comments as the community was in this together and thought the whole Town should be involved in the project. He thought the Town could play the 40/30/30 game, look at numbers, but wasn't sure if it would make a big difference. He stated that the 1/3 Plan was fine with him. He stated that he would be happy to look at other options but his position was that he was in favor of the model where everyone shares in the responsibility for the project. Councilor Burdick stated that he was also in favor of that.

Mayor Kingston stated that everything has a risk associated with any decision the Town makes. He thought moving forward; there will be future risk of not having the availability of funds for other projects. He stated that the Town has been successful in the past with financing projects and with the unknown; the Town will need to move forward as long as it made financial sense for the Town at this time.

Councilor Burdick stated that there were two things going on for the future – the County was continuing to build the fund and build it in a way that they were planning to have to do more beach nourishment, including renourishment. He stated that the second piece was if the Town was wiped out by a bad storm it would have FEMA to rely on for help. He thought that the Town was in good shape. He stated that he did not worry about the Town's financial future because Town Manager Layton has done a great job of keeping the Town on a straight line and out of debt, while being able to accomplish a lot of things. He stated that he didn't feel the risk level was so great that the Town should not move forward with one of the plans.

Mayor Pro Tempore Thibodeau agreed with Councilor Burdick's comments, adding that her point was to make the point that just because the Town could do it now didn't mean it could do it later for another area. She stated that it was miraculous that the Town could come this far with a huge project in a short amount of time. She stated that she was happy that the Town could tell the stakeholders that it could get the project done. She stated that she wasn't sure if the Town could always be there for everyone because no one knows what the future will hold. She stated that for here and now, she felt this was the right approach and was happy it could be done.

Mayor Kingston asked Council if they had consensus that they liked the plan where the Town shared in the cost.

Councilor Caviness stated that her principal concerns were that, even though the Town could do the project and it won't necessarily mean a tax increase for the Town, the concern was the impact

on the other types of profound needs that the Town would be faced with. She didn't think Council heard from an enormously diverse number of people in Town on the issue. She thought there were a lot of people in the immediate impact area that came forward and told Council their concerns and what they had to pay out of pocket for being an oceanfront property owner. She didn't feel like Council heard a lot of contrary information, which surprised her. She thought the project was good for the Town and thought that it was important that the Town share in the responsibility, but she was concerned that there were other strong needs and that they would be put on the back burner.

Mayor Kingston asked Council if Town Manager Layton should run two more scenarios that would reduce the Town contribution by either \$100,000 or \$200,000 and look at the impact. Councilor Burdick stated that he would like Town Manager Layton run a 40/30/30 split. Mayor Kingston thought a couple more scenarios would be good. Mayor Pro Tempore Thibodeau suggested a 20/40/40 scenario. Councilor Burdick did not agree with the suggestion. He thought that on a per property basis, the Town has 2,500 on the Town and the impact individually was \$150. He didn't feel there would be enough of a contribution with the 20/40/40 scenario. Councilor Britt noted that 40/30/30 or 32/34/33 did not really address the concerns of other expenses with the Town that will have to be done down the road. He thought the Town should move forward.

Mayor Kingston asked Council if they wanted Town Manager Layton to bring back more scenarios. Councilor Burdick stated that he was fine with 40/30/30 scenario as well as looking at others. Councilor Britt stated he was happy to look at the scenario Councilor Burdick suggested. Councilor Caviness stated that she was happy to look at it too but added that it would not get at her concerns about future projects. Town Manager Layton stated that he would run a model showing a 40/30/30 plan and other scenarios for Council to look at, but his critical date was the public hearing for the Municipal Service Districts.

Next Steps

Town Manager Layton reviewed the next steps with Council and the audience, reviewing the requirements for adoption of the MSD's. He added that he would like March 4, 2015 to be the target date for the public hearing as it gives him enough time to finalize a budget and get it to Council and gives the County enough time to receive the Town's final adopted MSD areas and rates to get it out effective July 1, 2015. He stated that the latest he would have to get letters out would be the last week of January, 2015. He added that he could have additional models ready for Council at their November 5, 2014 meeting.

Mayor Kingston stated that two things would be needed for the November 5, 2014 meeting – a few more scenarios that put the money back in the General Fund and to poll the Towns of Nags Head and Kill Devil Hills to see what percentage the oceanfronts have paid versus non-oceanfronts. Town Manager Layton stated he would do that.

Mayor Pro Tempore Thibodeau stated that the Town of Kill Devil Hills' project was half their beach. She suggested Town Manager Layton find out how much the Town of Nags Head benefitted from their nourishment project.

Councilor Burdick asked what the split was for the Town of Kitty Hawk between U.S. 158 and the rest of the town. Director Heard stated that the Town of Kitty Hawk did not have a final, overall project estimate so their Council has not put the numbers to the two. He added that it would happen in short order but they didn't have it yet. Town Manager Layton noted that the

Town of Kitty Hawk was still finalizing their project so they didn't have the numbers associated with it yet.

Mayor Kingston thanked Town Manager Layton for his presentation.

ADJOURNMENT

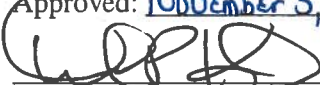
Councilor Britt moved to adjourn the meeting.

Motion carried 5-0.

The time was 2:55 p.m.



Lori A. Kopec, Town Clerk

Approved: November 5, 2014


Don Kingston, Mayor

