

Town of Pine Knoll Shores



Beach Renourishment MSDs: A report to the NCGA LRC Committee on Municipal Service Districts

March 31, 2016



About our MSD: Basics

- Established 2 MSDs in 2011 specifically for beach erosion control:
 - Oceanfront
 - Non-oceanfront
- Tax rate for town: 19.7 cents/\$100 value
- MSD Rate (Oceanfront): 6 cents/\$100 value
- MSD Rate (Non-oceanfront): 1.6 cents/\$100 value



MSD Admin and Ops



- Town administers MSD Funds and Board of Commissioners establishes goals
 - Bogue Banks Master Plan
 - Eligibility for FEMA Funding
- Town contracts out for dredging services
- Town performs beach maintenance and dune-building activities with city staff



MSD Planning



- Town's funding needs and MSD goals based on Bogue Banks Master Plan
 - Regional plan with other Bogue Banks municipalities and Carteret County
 - Project design life of 50 years
 - Renourishment trigger of 211 cubic yards/linear foot for PKS



FEMA Requirements



1. Engineered beach
2. Beach Nourishment Plan= **Bogue Banks Master Plan**
3. Demonstrated ability to fund Beach Renourishment Plan

Reduction of MSD jeopardizes implementation of #2 and #3



Project Finance



1. Pine Knoll Shores (MSD funds)
2. Carteret County (Occupancy Tax funds)
- ~~3. State Funds (Federally declared disaster)~~
4. Federal Funds (Federally declared disaster)
5. Debt (None right now)



Annual Audit?



Yes—municipally managed funds, so included as part of annual audit by approved audit firm.



Petition for Removal



- Free rider problem
- Threatens dedicated funding source for renourishment
- Threatens eligibility for FEMA Funding
- More likely to take on inefficient debt



What's at Stake?





Questions?