

Tacks in the Road

By Mayor John Brodman

My two-cents worth

By the time you are reading this, Labor Day will be upon us, another summer will have come and gone and, hopefully, the Atlantic Basin will still be quiet. Although COVID is still very much with us, the illness is fast becoming a regular part of our existence and something to be taken in stride. Nevertheless, the social and economic effects of the pandemic are something we may be dealing with for years to come. The impact of school closures on students' social and academic development could prove to be long-lasting, and the "great resignation" and work-from-home changes in attitudes toward employment are creating havoc in many markets for goods and services. A full return to the office may never occur; hybrid work schedules may be here to stay.

Closer to home, economic development in our region has really taken off, and many projects in the pipeline show little sign of slowing down. While inflation is a problem for nearly everyone, Carteret County may be more immune to several of the headline macroeconomic issues starting to affect the rest of the country. In spite of the considerable influx of remote workers, labor markets here are still tight and many jobs, especially in the service sectors, are still going unfilled. Carteret County is no longer an underdeveloped, low wage, high unemployment, out-of-the-way coastal community. Average home sales prices are still rising in spite of the recent increases in mortgage rates.

Pine Knoll Shores issued more than 35 single family landscape permits in the past year, and many more are in the works. Development on the island, while very strong in historical perspective, may soon be dwarfed by developments on the mainland in Beaufort, Morehead City, Newport, and especially in the western part of the county, including Bogue, Peletier, Cape Carteret and Cedar Point. The completion of I-42 is expected to hasten this growth, expand our economic base, and move us toward being less dependent on a tourism-driven, seasonal economy. Growth comes with many challenges to our natural environment, traditional way of life and infrastructure needs for workforce training and development, affordable housing, schools, police and fire departments, roads, utilities, and treatments of all the waste streams that accompany development.

For the country as a whole, the numbers of jobs and people employed have pretty much recovered, but the overall labor market participation rate is still about one percentage point below the pre-pandemic level of 2019. The economy is in a strange place. Gross Domestic Product (GDP) in the US fell by 1.6% in the first quarter, followed by a 0.9% loss in the second quarter of 2022, but employment keeps growing at a healthy rate. In spite of the two consecutive quarters of negative GDP growth, it is difficult to say that we are in a recession, given the overall strength of the labor market. The US registered an overall unemployment rate of 3.5% in July, one of the lowest unemployment rates in our post-war history. Some people see this as a result of lower investment and supply-chain shortages during the pandemic, which led to declining output in the face of strong demand. Subsequent increases in employment, as the economy struggled to re-open, led to a big decline in worker productivity. This is a very unusual set of circumstances, for sure, that will take some time to sort out, among all the other headwinds.

In Memoriam

Walter "Buddy" Thomas II

Inflation watch. The 12-month rise in the Consumer Price Index (CPI) for July (July22/July21) came in at 8.5%, down from the 9.1% recorded in the 12 months to June, primarily because of the drop in oil and energy prices. This is good news, but it may not last. Russia is continuing to cut supplies of oil and natural gas to Europe and, with winter approaching, the scramble for supplies will only intensify. The Producer Price Index (PPI, formerly the Wholesale Price Index) rose by 9.3% in the 12 months to July, signaling that further gains in consumer prices may still be coming down the road ahead. Price increases have moderated slightly, which is good news, but we're not out of the woods yet.

Social Security payments are likely to get the highest cost-of-living adjustment (COLA) this year since the early 1980s. The Social Security Administration (SSA) computes the annual COLA by comparing the average CPI index for Urban Wage Earners and Clerical Workers for July, August and September of the current year with the average for the same months of last year. While we won't know the figures for August and September for a few months, most forecasts expect the COLA calculation to come in at between 9 and 10% for this year, which will show up in Social Security monthly checks beginning in January 2023. Social Security benefits rose by 5.9% this year by comparison. Federal and military retirees are on track to get COLAs similar to those of Social Security recipients next year.

New planning roles. The departure of Town Planner Kevin Reed last month has created some changes in the roles played by remaining staff members and brought forward some of the moves we have been contemplating since last winter as part of a longer-term transition plan. We have hired a part-time consultant who is a certified zoning officer to help us review single family landscape permits to ensure compliance with our zoning ordinances and codes. We formed a technical Plan Review Committee, consisting of the consultant, Town Clerk Charlie Rocci, who will also take on the role of Planning Administrator, and citizen volunteers Bud Daniels and Michelle Powers. Michelle is a current member and Bud is a former member of the Planning Board, and both of them have extensive career experience as planners prior to coming to Pine Knoll Shores. The Plan Review Committee has already convened three times and reviewed 13 permit applications. On behalf of the Board of Commissioners, I want to thank Michelle and Bud for stepping up and helping us out during this transition.

Town Clerk Charlie Rocci is now filling the role as Town Clerk/Planning Administrator. Charlie will soon graduate from UNC with a master's degree in Public Administration and become a certified zoning official, and we hope he will eventually move into the job as full-time Planning Administrator. Charlie is a busy man, and he is taking on many of the roles and responsibilities of former Planner Kevin Reed as staff support for the Community Appearance Commission (CAC) and the Planning Board (PB). This includes CAC meetings and site visits for single family landscape permits and ongoing PB work on the Unified Development Ordinance (UDO). Police Chief Ryan Thompson will take on

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