**CAROLINA BEACH**

Town Council Workshop Meeting Minutes

Tuesday, January 28, 2020 @ 9:00 AM

Council Chambers

1121 N. Lake Park Boulevard

Carolina Beach, NC 28428

**ASSEMBLY**

A workshop of the Town of Carolina Beach Town Council was held on Tuesday, January 28, 2020, at 9:00 AM at Council Chambers.

PRESENT: Mayor LeAnn Pierce, MPT Jay Healy, Council Member Steve Shuttleworth, Council Member JoDan Garza, and Council Member Lynn Barbee

ALSO PRESENT: Interim Town Manager Ed Parvin, Future Town Manager Bruce Oakley, Finance Director Debbie Hall, Town Clerk Kim Ward, Town Attorney Noel Fox and all department heads.

**PRESENTATION BY KEN RICHARDSON WITH THE DIVISION OF COASTAL MANAGEMENT**

Ken Richardson with the North Carolina Division of Coastal Management gave an update on the proposed Inlet Hazard Area Boundary and Rule Amendments. The comment period has been extended to March 2, 2020 so if anyone has any comments, they need to get them to the Commission before this date.

**CLOSED SESSION TO DISCUSS A PERSONNEL MATTER IN ACCORDANCE TO NCGS 143-318.11(a)(6)**

Mayor Pierce made a motion to go into closed session to discuss a personnel matter in accordance to NCGS 143-318.11(a)(6). Motion carried unanimously.

Mayor Pierce made a motion to return to open session stating that no action was taken during closed session. Motion carried unanimously.

Mayor Pierce announced that the budget portion of the meeting will be held at the Fire Department and asked everyone to meet at that location in 15 minutes.

**BUDGET RETREAT**

Assistant Town Manager Ed Parvin facilitated the budget retreat. The five key topics he covered include:

1. Capital Improvement Projects
2. Priorities for Services and Programs
3. Revenue Sources for Growth Opportunities
4. Identify Key Issues Facing the Community
5. Specific Goals for 2020/2021

Mr. Parvin reviewed survey results from Town staff and asked the Council to score the same projects as well. Overall, staff ranked the Town Hall HVAC replacement, WWTP Headworks, and the Lake Dredge as the top 3 priorities.

Department heads explained each project that was listed on the survey.

Mr. Parvin explained to Council that staff is not moving forward on any of the projects listed until Council gives direction on where they want staff to focus their energy. Today’s meeting is just introducing and prioritizing the projects.

Mayor Pierce would like Parks and Rec to look at implementing a 501(c)3 so residents can donate funds for park projects.

Council Member Garza was concerned about the vehicle budget request being one lump sum number versus breaking it out.

Council Member Shuttleworth suggested having vehicles listed as a line item each year because you know that you will be replacing vehicles every year. He would like to identify a set amount to place in the budget each year for the replacement of vehicles. He also would like to see the vehicles put on a rotation of life expectancy.

Mr. Oakley said that Southport is working with Enterprise Car Rental and renting their Town vehicles. They noticed a significant savings in their budget, but they just started the program, so he is unsure of the long-term results.

Council Member Barbee said he would like to see an inventory of the vehicles with their life expectancy.

Mark Meyer explained that it is difficult to put a life expectancy on all vehicles because some are on the beach and deteriorate faster and others are not. It all depends on the use of the vehicle.

Council Member Barbee felt that it would make the budget process much easier each year if there was a long-term plan in place.

Council and staff took a break for lunch that was prepared by the Fire Department.

Mr. Parvin continued the budget presentation and gave an update on the marina. FEMA is saying that the damage to marina was due to deferred maintenance. He does not feel the Town will get much from FEMA for the damage to the marina caused by Hurricane Florence. The Town is applying for grant money in the meantime. Staff is moving forward with filling the slips for this upcoming season. The license agreement will be until 2022 that is revocable at any time. The Town Attorney has drafted that language in the license agreement.

MPT Healy asked if the Town had a dedicated grant writer.

Mr. Parvin explained that Jerry Haire is the grant writer but also becomes the project manager of the grant which is very time consuming.

MPT Healy and Mayor Pierce expressed an interest in hiring an additional person to be aggressive in applying for grants and that be their only focus.

Mr. Oakley shared his experience with grant writers and that is to put them on a retainer. There are some laws that prevent towns from paying a percentage of the grant award to the grant writer.

Council Member Shuttleworth explained how sometimes grants can cost more than they save because of the requirements of the grant. The Cape Fear Bike Trail took 2 ½ extra years and cost 60% more because of the requirements. The Town had to pay a DOT engineer $40-50,000 to supervise the construction of 6 blocks.

Mr. Parvin said the money is still funded for the lake dredge; they are just waiting for approval from MOTSU.

MPT Healy asked staff to keep in mind that the bulkhead will need some fill dirt and that could be a possibility for the lake dredge spoils.

Public Utilities Director Mark Meyer explained the WWTP Headworks project. This is where all the wastewater comes into the plant. This is a critical need and was ranked 2nd by staff.

Council Member Shuttleworth asked if new spoils could be used for this project. Mr. Meyer explained that spoils must be dried out and tested before they can be used.

Mr. Meyer reviewed the importance of converting the 1 million gallon water storage tank at Cape Fear and Raleigh to a 3 million gallon tank. Council Member Shuttleworth mentioned that the Town had permission from Sunny Point to put a storage tank on their property at one time. He wants to have that conversation during the budget process.

Public Works Director Brian Stanberry discussed why replacing the Town Hall HVAC was critical. He mentioned that he has put it in the budget the past two years, and it was cut. It is only operating on 3 compressors and it cannot operate on two.

Council Member Shuttleworth summarized that the list they reviewed totaled $65 million. He wants to find a balance between quality of life and critical projects and infrastructure. They also need to think about where the Town will be in 8 years and start planning for it now. Council discussed the pros and cons of selling the water system to Aqua or Cape Fear Public Utility Authority. Mr. Meyer added that you will still see increases in cost, but you will no longer have control over it. Mayor Pierce would like to have the conversation and weigh out the options.

Mr. Parvin summarized that staff’s top priorities are the Town Hall HVAC, the WWTP Headworks, lake dredge, and the marina. They can take these priorities and move forward with the budget. Mr. Parvin asked Council if they wanted to go through and score the items. Council Member Garza said that he relies on staff’s recommendations for a 2-4 year plan. He asked that staff bring back what was actually spent on vehicle purchases during the past couple of budget years. Council agreed not to score these items individually and defer to staff.

Council Member Shuttleworth would like to see priority put on street repairs on Carolina Beach Avenue North and Canal Drive. He said there is standing water from 300 Carolina Beach Avenue North to the 700 block because of all the uneven pavement. There is a sidewalk that you can’t walk on. Mr. Parvin said that he would look into Powell Bill Funds and other options.

Mayor Pierce asked for an update on the road survey. Council Member Shuttleworth recapped the study and said that they scored the roads on their condition and not necessarily priority based on the amount of traffic. Mayor Pierce said that she would like to revisit those findings. This is a priority for the community. Residents are upset that St. Joseph Street was paved before Canal Drive and Carolina Beach Avenue North. Mayor Pierce wants to be informed on what streets are next so they can respond to the public. Mr. Parvin said that he would put a plan together.

Mr. Parvin moved on to discuss the services and programs the Town provides. He highlighted the top ten items that each department focuses on. Council scored the departments on how they were performing in each area.

Mr. Parvin discussed the increase in solid waste costs from Waste Industries. Council agreed that the Town must pass along the increase to the customer and not try to absorb it.

Council reviewed and voted by app on a list of projects and how they would like to handle them. Some of the comments mentioned during this exercise include:

Council Member Shuttleworth mentioned that the purchase of Freeman Park stickers is cumbersome for staff. Council Member Barbee added that he has heard a lot of complaints about the stickers being flimsy.

Council Members agreed that they would be interested in considering having some of the parking lots not accept the Town decal.

There was a lengthy discussion on short-term rentals and what fees can be charged. Ms. Fox stressed that you cannot charge more than it costs the staff to administer the program.

Council was in agreement that the fees associated with a license agreement at the marina were very low compared to other marinas. They only pay the fee and the electricity. The Town covers water, sewer, trash, restrooms, and repairs.

Council would like to have an analysis on the enterprise fund and the revenue bonds.

Council discussed putting parking meters in front of the American Legion on Bridge Barrier Road. Mayor Pierce wants staff to talk to the members of the Legion before putting meters up.

Lanier Parking mentioned some new options for pay by phone apps for paying parking fees. They have recently come out with a virtual meter that you can pay with Apple pay and enter your tag number. Mayor Pierce asked for some predictions on revenue for parking since they will be losing some of the lots. MPT Healy asked staff to look at removing the fence around the Shell Lot. That space could be used to park approximately 15 golf carts. Council also discussed having an ordinance about parking in the right-of-way in the residential area.

Mayor Pierce asked for an update on the Town absorbing the CBP3 loan. CBP3 is currently paying property tax on these properties. She asked if it would be beneficial for the Town to take on that debt to avoid paying property tax. Ms. Fox explained that the purpose for having this with CBP3 is so they can secure that debt. The Town does not have to adopt a budget that includes the debt service. The Local Government Commission does not recognize this as Town debt. Once the debt is paid, the deed will be in the Town’s name and would not be taxed. There are 9 more payments due.

Mayor Pierce said that Council’s number one goal for the manager is to develop a long range plan without losing services.

Council discussed water supply and treatment. Mayor Pierce said that she hears residents complain about paying for water that they cannot drink.

Mr. Parvin reviewed the key issues that department heads feel are facing the community. The top three were MOTSU relationships, dredging the lake, and parking needs.

Council Member Barbee asked about the IT issues that are on the list. Mr. Parvin explained some of the many issues that staff is having with the current IT company, VC3. Council Member Barbee said he would like to have further conversations about that offline.

MPT Healy asked about the status of the Clarendon Avenue grant. Mayor Pierce said the project was sent back to the MPO, but the Town has not lost the money. The Bike/Ped Committee is coming up with modifications to the project. The MPO is short on projects so the money is not going anywhere. Mayor Pierce said she would like to do more due diligence before they bring the project back.

Mr. Parvin gave an update on the status of the pay study. He explained that the pay study was implemented initially to the patrol officers in the police department first. Later, the remainder of the police staff received a 2% increase. General Town staff has not yet implemented the recommendations from the study.

Council Member Garza and Shuttleworth recalled putting money into this current budget year to cover the remainder of the study.

Mr. Parvin said that he could make it work this budget year.

Council Member Shuttleworth said he understood it that the police would be implemented first to address the recruitment and retention issue and then the remainder of staff would be included right after.

Council Member Garza requested a number for what that would cost if the remainder of the pay study was implemented now.

Mayor Pierce would like to know what is going to be left over at the end of the fiscal year.

Council Member Shuttleworth recommended that if Mr. Parvin felt that he had the funds to implement the remainder of the pay study now, that he do it since Council committed to staff to fund it.

Mr. Parvin asked Council to rank the 20 projects that are listed on the form in their packet.

**ADJOURNMENT**

Mayor Pierce adjourned the meeting at 5:00 PM.

Submitted by Kimberlee Ward, Town Clerk

Meeting minutes approved on March 10, 2020.