

CAROLINA BEACH

Regular Town Council Minutes
Tuesday, June 12, 2018 @ 6:30 PM
Council Chambers
1121 N. Lake Park Boulevard
Carolina Beach, NC 28428

ASSEMBLY

The Town of Carolina Beach Regular Town Council was held on Tuesday, June 12, 2018 at 6:30 PM at Council Chambers.

PRESENT: Mayor Joe Benson, Mayor Pro Tem Tom Bridges, Council Member LeAnn Pierce, Council Member Steve Shuttleworth, and Council Member JoDan Garza

ABSENT:

ALSO PRESENT: Town Manager Michael Cramer, Finance Director Debbie Hall, Town Clerk Kim Ward, and Town Attorney Noel Fox

1. MEETING CALLED TO ORDER WITH INVOCATION BY PASTOR KEN GOURLAY FROM WHISPERING PINES BAPTIST CHURCH FOLLOWED BY THE PLEDGE OF ALLEGIANCE

2. ADOPT THE AGENDA

ACTION: Motion to adopt the agenda.

Motion: Joe Benson

Vote: UNANIMOUS

3. CONSENT AGENDA

a. The following items were approved under the consent agenda:

Appoint Abby Lorenzo to serve as the MPO liaison for the new Carolina Beach Bike/Ped Committee.

Budget amendments and transfers as presented by the Finance Director.

Meeting minutes from May 2, 4, 8, 16, 22, and 30, 2018.

4. SPECIAL PRESENTATIONS

a. Employee Recognition

Michael Cramer recognized Gil DuBois for 5 years of service as the Operations Director.

Captain Harry Humphries recognized Sergeant Larry Ward for 15 years of service with the Police Department.

b. Presentation on Opioid Crisis

Loralie Grigas with Carolina Beach Counseling gave a presentation on the opioid epidemic. She stated that residents of Carolina Beach are in need of assistance but have trouble getting it because most of the programs are offered only in Wilmington. She is requesting support from Carolina Beach to go to the County/State and request some of the funds be allocated to service providers in Carolina Beach.

Council was in favor of supporting this effort.

c. New Special Events Request - Turn the Tide Festival

Elena Blackwelder presented a request to hold the Turn the Tide Festival on September 15, 2018. Elena represents the Teen Ocean Stewards of the Fort Fisher Aquarium. The event would take place from 9 am until 2 pm using the land beside the Marriott and the Carolina Beach Gazebo. The event would host a beach clean up from 8:30 - 9:00, followed by a community market from 10:00 until 2:00. It would include local artisans, business, and restaurants as well as environmental clubs from New Hanover County High Schools and UNCW. Music will be provided at the Gazebo. The purpose of the event is to educate people on the negative effect that single use plastic and straws have on the ocean.

Council Member Garza expressed concern that the beach clean up was only 30 minutes and also mentioned he would like to see the clean up extend past the boardwalk area.

ACTION: Motion to approve the event.

Motion: Joe Benson

Vote: UNANIMOUS

d. New Special Event Request - Rib Fest

Bob Lewis presented a request to hold the Rib Fest on September 21-23, 2018. All of the roads will be open. They are expecting over 3,000 people. The Band of Oz will be the headline on Friday night. They are looking at using a trolley and golf carts to shuttle visitors from the Federal Point Shopping Center.

Council Member Shuttleworth asked where they would be getting their port-o-johns.

Mr. Lewis replied that they would be getting them from the Town.

Council Member Shuttleworth suggested that he look at a "plan b" for that.

ACTION: Motion to approve the event for September 21-23, 2018.

Motion: Joe Benson

Vote: UNANIMOUS

e. June & July Special Events

Brenda Butler presented the events for June and July.

f. Project Update by Gil DuBois

Mr. DuBois gave an update on the following projects: Phase B, Waste Water Treatment Outfall Pipe, sedimentation boxes that are going in at the Lake, sedimentation box at the Marina, and the Marina project.

Council Member Garza asked about the bids for marina management.

Mr. Cramer said that is on hold for now. It is hard for anyone to give a fair bid because of all the construction going on down there. They will revisit it after the construction is complete.

Council Member Shuttleworth asked if the Town would move the transient boat slips to the northern end in front of Blackburn Brothers and the rental slips closer to the southern end at the bulkhead.

Mr. Cramer said there are several options to make adjustments to the layout and they will meet with the boat Captains to discuss that.

Jerry Haire gave an update on the Greenway Project. He said they have put all the gravel down with the exception of the area around Mike Chappell Park. The contractors have been doing a good job and they should be on schedule to be complete by the end of July. The 50 foot pedestrian bridge has had some issues with delivery and it should be complete by mid September.

Council Member Shuttleworth asked about keeping the dust down.

Mr. Haire said that it will be incremental now. Most of that work has been completed.

Council Member Shuttleworth said that they are hearing from some of the neighborhoods that are concerned about people parking to get onto the trails. He asked that the Town put out a map that shows where to park and where the access points are to get on.

Mr. Haire said that he feels that most people that will be accessing the trails will be from the local area and will ride their bikes or walk to the trail. He doesn't feel that parking will be an issue.

Council Member Pierce asked how the access points were chosen.

Mr. Haire replied that they took every opportunity to make access points at the street ends.

Council Member Shuttleworth if there are any other bike trails that are being worked on.

Mr. Haire responded that Cape Fear Boulevard is ready to rock. They are signing the contract tomorrow. They will be discussing the notice to proceed.

Mr. DuBois said he met with Greg Thompson regarding the north end projects. They will be having public meetings on these projects to get public input.

Mr. DuBois gave an update on the crosswalk devices. The device got lost in shipping and they are waiting for it to arrive. It should be up and running by July 1.

5. PUBLIC COMMENT

- a. Nan Toppin, 104 South 6th Street spoke of her concerns on the Lake Dredge Project. She requested the following action be taken:

-Town staff to provide the cost of the first step of remediation to be provided to Council and the public within 30 days. Once the new lease is provided by MOTSU and the removal can begin, make the public aware of the impact this work will have on other ongoing projects.

-That a risk mitigation strategy be put in place for permanent remediation of the inappropriate dumping so that any costs that we might incur are well known and planned for.

-That Council direct town staff that no further dumping be done on MOTSU property without written permission from Council

-That Council direct town staff to come back within 30 days with a fully vetted plan, including costs, to complete the lake dredging project as it was originally scoped.

Tim Chestnut, 210 Cape Fear Boulevard spoke about towing companies that are not operating properly. He spoke specifically about Rosak's Towing Company and how they towed his vehicle off of his private property.

Tom Savarese, 101 Lighthouse Drive is concerned that the County does not spray for mosquitoes at Lighthouse and St. Joseph Street. He also is concerned about the speed on St. Joseph.

Bob Lewis, 102 Sugarloaf commented about Rosak's Towing as well and how they are a menace to the island. He also spoke about the algae at the lake and suggested having aerators installed to prevent the algae.

Lynn Conto, 7 North Carolina Avenue is concerned about drivers not stopping for the flashing light at pedestrian crossings. She asked the Town to explain them on social media.

Ronnie Lewis, 804 Charlotte Avenue gave the history on Henniker's Ditch. He said it was built by the Corps of Engineers to handle the drainage from 5th Street to Dow Road. It was dug from the lake to the main Henniker's Ditch. It was blocked off years ago. It has not been maintained so it is no longer effective. A town employee built his house on top of Henniker's Ditch in the 60's and the kitchen floor fell through. He suggested the Town look into utilizing and maintaining Henniker's Ditch.

6. PUBLIC HEARINGS

- a. Conditional Use Permit: Application from Jeanie Shaffer and Erik Dietrich for Latella Gelato, located at 11 Boardwalk Avenue Suite 110, to be classified as a bar to serve alcohol.

The following were sworn in by the Town Clerk:

Senior Planner Ed Parvin

Planner Miles Murphy

Applicant's Attorney Ned Barnes

Applicant Jeanie Shaffer

Mayor Benson: At this time, I open the evidentiary hearing. I would like the Town Attorney to give a brief review of the quasi-judicial hearings.

Ms. Fox: Mayor, Council and Members of the Town that are in attendance, this is a quasi-judicial matter which means that this hearing is an evidentiary hearing, much like a court hearing. Council must follow specific procedures that are required by state law in making its decision tonight. Specifically, Council's discretion is limited and must base its decision based on competent, relevant, and substantial evidence in the record. If you are a witness, you need to focus on the facts and standards, not personal preference or opinion. If you intend to testify please do not offer unsupported opinions or speculation. The Council cannot consider that testimony. Please limit your testimony to relevant, competent, substantial and material evidence. Before we begin, does any member of Council have any partiality to disclose or recusal to offer?

Mayor Benson: No

Ms. Fox: Does any board member have an ex parte or communications to disclose?

Mayor Benson and Mayor Pro Tem Bridges said no.

Ms. Fox: That being said, Mayor...

Mayor Benson: The staff presentation will be given by Miles Murphy. Miles?

Mr. Murphy: Good evening Mayor, Council. I am happy to be here, to present the Conditional Use Permit for Latella Gelato to be located at 11 Boardwalk Unit 110 in the Central Business District to be classified as a bar that will ultimately serve alcohol. What you see here is Latella Gelato as it currently exists so you are aware of their signs and sidewalk advertisements seen here are inline with current zoning ordinances so there is no concerns there. This is just the way the current store front looked about two or three weeks ago. 11 Boardwalk in general is located in the Central Business District. It is a approximately 6,000 square feet in total area which is divided into four units and it is this portion of the boardwalk through here. The adjacent uses to Latella Gelato are Carolina Smokehouse, seen here on your left, and Seaside Gift and Treasures seen here on your right. The Smokehouse, as we all know, is currently undergoing its second-floor expansion which is why it looks a little bit unputtogether in this photo. Additionally, Seaside Gifts and Treasures is also. All of that is up with current Boardwalk ordinance that infers the signs and the displays of items. There's no concerns there. This is the floor plan for Latella Gelato, as submitted. There are not

expected to be any substantial changes made to it to accommodate the sale of the alcohol or the alcoholic gelato proposed for the CUP. There are seven specific standards that the applicant must make provisions for. Staff reviewed these through TRC and through Planning and Zoning and they found that ingress and egress on the property will remain unchanged, that the property is located in the Central Business District and therefore is exempt from vehicular access and parking requirements. Refuse collection is handled collectively by Boardwalk area business so once again no concern for number three. Number four, there will be no increased impact on utilities based on the proposed Conditional Use Permit application. For screening and buffering, as it's as its located inside an existing commercial unit, the use is simply changing. No additional screening or buffering will be required. Additionally, its location in the Central Business District makes that very challenging. Any signs, as I mentioned earlier, all signs are currently permitted and any addition signs would have to, would require a permit from the Town of Carolina Beach to be added. And lastly, similar to screening and buffering, required yards and open space and preservation of existing trees and natural features is very difficult on the boardwalk and given that its just inside of a preexisting commercial building, it is relatively nonapplicable. Both TRC and Planning and Zoning approved the Conditional Use Permit with the only recommendations being the adherence to all local, state and federal regulations. In order for Council to approve this Conditional Use Permit, they must find that it follows the seven specific standards and the four general conditions and it has to follow all four general standards. To deny it, the Council only needs to find that any one or more of the four general conditions does not meet the requirement. The package has changed slightly. Mr. Parvin and I went over the presentation today and found a couple of typos and just smoothed a few things out so please stick to the screens, and I believe Ms. Kim has provided you all with an updated draft grant order to reflect some small changes as well, just a few typos that needed smoothing out. Do I take questions? I haven't done this before.

Council Member Garza: You're doing good.

MPT Bridges: Very good.

Council Member Pierce: I have a question for Mr. Murphy. I'll break you in.

Mr. Murphy: Yes ma'am.

Council Member Pierce: Just a question, is it alcohol to be served? Do you mean beer and wine or do you mean liquor?

Mr. Murphy: They specifically specified wine but the way Carolina Beach's zoning ordinance works is you are either a bar and restaurant, restaurant eating establishment or you are a tavern. So Latella Gelato would be classified as, changed to from an eating establishment to a bar or tavern. So, they plan on serving wine but they, the location of suite 110 would be approved for any alcohol, provided they acquire the necessary ABC permits from the state.

Council Member Pierce: So that kind of answers my question. So, it doesn't matter then if the gelato sales go away? Does it have to be any certain percentage kind of sales or can the gelato or ice cream or whatever go away and it just be alcohol sales?

Mr. Murphy: No ma'am. They could transition their entire establishment to a bar if they wanted to

but based on multiple conversations, I don't believe that is their intent at this time and they would obviously have to apply for a town business registration if they chose to change their use that drastically.

Council Member Pierce: Gotcha, because I know that in the past there was another, it wasn't gelato, it was ice cream or something that that they mixed with a wine and served it that way so I'll ask that when they come up.

Mr. Murphy: okay.

Mayor Benson: So, what I will do now, is ask that the applicant present evidence and legal arguments in support of their request.

Mr. Ned Barnes: Mr. Mayor and Council, I'm Ned Barnes from 814 Carolina Beach Avenue North. I'm here on behalf of Jeanie Shaffer who is here. She and her husband own Latella Gelato. It's a family owned business they've had for around two years now. What they are proposing is a process by which they can infuse wine into the gelato or into an Italian ice. They want to be able to be in a position to offer that to adult consumers who chose to purchase such items. It's not their intent to open a bar. It's not their intent to run a bar. It's just an option that they proposed to have available to for adult patrons. It's also their intent that the serving containers identify which containers may be infused with the wine and which are just shaved ice or gelato with no alcohol infusion. You already have a business, the Carolina Smokehouse, they serve beer and they may serve wine on the premises as well. I think Go Sauce Yourself, I think which is adjacent to where they are located has beer to be consumed off premises. I certainly think that what they're proposing is in conformity with what's there and would not impair the value of any adjacent businesses. As already indicated, there is no need unless you desire to address the seven specific issues because it is standard for the business. If you have questions about the specifics, Mrs. Shaffer can answer those questions.

Mayor Benson: Before we can do that, does anybody on Council have questions for the witness? For Ned?

No one spoke.

Mayor Benson: okay. And does the applicant have any other witnesses to call?

Jeanie Shaffer shook her head no.

Mayor Benson: okay.

Council Member Pierce: My only comment to the applicant would be just caution your customers to make sure that they understand that they can walk out with ice cream but they would not be able to walk out with any alcohol that's in the infusion of the ice cream.

Ms. Shaffer: correct.

Council Member Pierce: Am I correct?

Mrs. Shaffer: Yes, and we also have a plan in place should we get approval to update our menus to advise that any alcoholic gelato must remain on premises. There will be a sign that we will also put into each flavor that contains alcohol warning that alcohol is present because we also want to protect any of the families that come in and make sure that it is completely safe. At the door, there will also be a sign. We also usually have employees giving out samples so we are going to make sure that they all go through training to ensure that should they see one of our specialized cups that is geared toward gelato leaving the premises that they attempt to stop those individuals and let them know it must remain in the shop.

Mayor Benson: Are there any other questions for the applicant and are there no other witnesses to speak on behalf of the applicant?

Mrs. Shaffer shook her head no.

Mayor Benson: Okay. Before we deliberate, I'll open the public hearing for comments. So, at this point, I'd like to make a motion to open public hearing. All those in favor? The motion carried unanimously.

Mayor Benson: Any member of the public like to come up?

Bob Lewis, 102 Sugarloaf. Basically, I think it is a great business and these guys have been outstanding for the two years that I have been here and we've allowed most every other business. The interesting thing is when you say we can't take the alcohol outside of the business because we allow restaurants and bars to take the business outside to at least a table sitting outside within four feet of your business or maybe six feet now.

Mayor Benson: six feet.

Mr. Lewis: That's kind of interesting that we placed some kind of burden on them that's not a burden on anyone else. I just want to be clear; is that true?

Mr. Murphy: Just to clarify, they would be able to have alcohol in their sidewalk café if they chose to apply for a permit for a sidewalk café.

Mr. Lewis: okay, I just want to be sure.

Council Member Pierce: Yes, they just won't be able to walk past their roped off area.

Mayor Benson: Good point.

Mr. Lewis: It's great. I support it.

Mayor Benson: It is a raise. Anyone else like to comment?

No one spoke.

Mayor Benson: Okay Council, any comments?

Council Member Garza: Close the public hearing.

Council Member Pierce: Close the public hearing.

Mayor Benson: Oh, right. Motion to close public hearing. All those in favor.

Mayor Benson: The motion passes.

Council Member Shuttleworth: Miles, I have a question for staff. Miles, this is a CUP so this runs with the property, right?

Mr. Murphy: Yes sir.

Council Member Shuttleworth: So explain to me your comment before that said they could virtually change this entire use into a bar like they could stop selling ice cream and just turn it into a bar.

Mr. Murphy: Once the Conditional Use Permit is approved for an establishment like this, it runs with the property rather than the applicant itself.

Council Member Shuttleworth: But is there anything in this conditional use that said it's conceptual to this type of business?

Mr. Murphy: No. If they chose to and applied for the proper permitting and went through the Town's general process to renew business or change of use, they could turn it into...

Council Member Shuttleworth: Well, I guess that's my question. I have no concern about the current applicant but life changes. Someone comes in and offers you enough money and say I want to buy your license. You have a CUP to be a bar. Is there a process that someone would have to go through to have that into more of a traditional bar? They could just keep the name the same and buy the business and have a bucket of ice cream over here but really be a bar?

Mr. Murphy: well..

Council Member Shuttleworth: I'm not opposed to that. I just want to make sure that everyone understands that.

Council Member Pierce: I don't even think he said the side of ice cream at all.

Council Member Shuttleworth: Which I'm not having a problem with. I just want to make sure that we all understand what we are talking about.

Mr. Murphy: It is not tied to the current use of the property. The Conditional Use Permit would allow for alcohol sale at that specific location but any change of the use of the current business

would have to go through the Town for at least an update of their business registration and would likely instigate some sort of investigation from the building inspector or the zoning department to understand the change in use so that everything is permitted properly and that grease traps or anything of that nature should drastically change that be installed at that site.

Council Member Garza: The answer is yes.

Council Member Shuttleworth: The answer is yes, what?

Council Member Garza: For some reason, nothing against the gelato, but if someone did, yes there could be a bar or tavern.

Council Member Shuttleworth: Without any real business licenses for like what, \$15, \$20 bucks?

Council Member Pierce: Correct.

Mr. Cramer: It wouldn't have to come back to Council to change that use to a full bar.

Council Member Shuttleworth: I just wanted them to understand that and is there a condition that we can put on it, a conditional use that says it needs to be remaining in a conformity of some type?

Council Member Pierce: Because all the other places that we talked about are all serving food. There are very few that are just bars.

Mayor Benson: Noel, would we have to amend the seven criteria that apply?

Ms. Fox: The ordinance says that the criteria, we have seven standards, seven specific and four general. If and Mr. Parvin, you may be getting ready to weigh in on this, if you find that this applicant meets those conditions based on the evidence that they have produced here, then they have filed an application for a bar. It's a gelato business that is serving wine-infused gelato but under the Town's code, that's a bar. Correct, Ed?

Mr. Parvin: That's what it says and the Town cannot regulate alcohol. We are creatures of the State and they place all the regulations for alcohol so we couldn't put regulations on those alcohol sales. So, that's what Miles was talking about is once this is approved as a bar this is going to stay a bar unless the State goes back and takes that permit.

Mayor Pro Tem Bridges: So that's what our approval statement says that it will be classified as a bar.

Mr. Benson: Exactly.

Mr. Murphy: That has to do with the way that Carolina Beach classifies it. ABC has a wider range for how it classifies its alcohol permits and in Carolina Beach, you are either a restaurant or a bar, if you are serving alcohol.

Council Member Pierce: Could we tie that CUP to some type of ice cream, other sales, other than a bar or we don't have the ability to do that?

Ms. Fox: It is before you because it is a bar.

Council Member Shuttleworth: Again, I have no opposition to this applicant and this CUP...

Council Member Pierce: I agree.

Council Member Garza: It is the location.

Council Member Shuttleworth: I don't have a problem with any of it. I'm just bringing out that in the past, in the history of what we've tried to accomplish as a community, was not to have just out and out bars all over the Boardwalk and we went through a real cultural change to not do that. I'm not saying, by any means, that is what your intent is. I'm just trying to be pragmatic in the long term of intense change. I'm okay with it. I just want to make sure we are all on record with understanding specifically and if it would please the Mayor, **I would make a motion approve and order granting a conditional use permit and find that it meets all four standards and the seven specific standards.**

Mayor Benson said all those in favor?

Mayor Benson: Motion carried unanimously.

b. Public Hearing on FY 18/19 Budget

Michael Cramer reviewed the final presentation of the FY 18/19 budget.

General Fund revenue is expected to be \$15,067,067. Some of the increases include: 1.6% in solid waste fees, increase in parking rates, Freeman Park increases, 6.3% in marina rate each year for three years, fine adjustments, economic growth. \$368,000 will be needed out of fund balance to balance the budget.

Parking increases include: non-residential parking decals are going up to \$150, the hourly rate is going to \$2.50 per hour, \$17 for all day parking, penalties for violations are increasing, hours are increasing from 7pm until 10pm from April through October, non-residential golf cart passes are going to \$100, residential parking passes are going to \$20, residential golf cart passes will be \$20.

Mr. Cramer said that you may see a loss of customers of about 10% because of the rate increases but historically that has not been proven to be a fact.

Council Member Garza asked if they had ever considered giving Kure Beach a break on the non-residential decals.

Mr. Cramer explained that you have to charge all non-residential customers the same fee.

Freeman Park rate increases include: annual passes going from \$150 to \$200, early bird special will

go from \$75 to \$150, daily pass will go from \$30 to \$40, holiday pass from \$50 to \$60, and camping pass \$20 to \$30. The Town has not seen a reduction in customers throughout the years of rate increases.

Council Member Shuttleworth mentioned that the Town sells around 7,000 Freeman Park passes per year. Approximately 600 are from Carolina Beach. This would equal almost 4 points on the property tax.

Mr. Cramer agreed and said that is a good way to look at it because these are user fees.

Council Member Pierce asked if SP Plus is paid on the number of passes sold.

Mr. Cramer said that they are not it is in the overall revenue that they bring in.

Council Member Garza asked what percentage of residents purchase the early bird pass. He also mentioned that he is not in favor of it only being a \$50 reduction.

Mr. Cramer replied that he did not know the percentage.

The General Fund has been cut by approximately \$528,000.

Council Member Shuttleworth said that Council was concerned that personnel and benefits was 45-50% of the budget. He asked if Mr. Cramer had compared this number to other municipalities.

Mr. Cramer said that he spoke to the League of Municipalities and they couldn't compare apples to apples because each municipality classifies personnel and benefits differently. Sometimes they do not include numbers such as FICA costs, 401k benefits, etc. They did say that they see an average of 35% of budgets are personnel and benefits.

Council Member Shuttleworth stated that Council is going to revisit that and they are going to ask for an efficiency study.

Council Member Garza asked to see the historical data on the percentage of personnel over the years.

Mr. Cramer said that those numbers are in the agenda packet, he would just have to do the calculation to get the percentage.

Council Member Pierce asked if the employee contract price for events covers all costs including FICA.

Mr. Cramer said that they did.

Council Member Shuttleworth said that he has requested to be kept abreast of the fund balance. He suggested that you start with your revenue amount and build your budget from that.

Mayor Benson added that the budget process was done in reverse and also feels that you start with your revenues and drive a budget based off that.

MPT Bridges asked that Council Members not speak on behalf of the whole Council because he may or may not agree with what is being stated and doesn't want anyone speaking for him without hearing his opinion.

Council Member Shuttleworth agreed and stated that his opinion is he is concerned that rates and fees were raised by \$1,700,000 but expenses were only cut by \$400,000. He also reiterated that he is concerned with the number of personnel.

MPT Bridges said that he agreed but he understands that personnel and benefits is frequently the biggest cost to most organizations.

Council Member Pierce expressed concerned that the user fees are maxed out and you cannot raise them again next year.

Council Member Garza agreed.

Mr. Cramer said that the General Fund does include a half of a police officer position which would be combined with the current half position to make a full time position.

Mr. Cramer moved on to the enterprise fund. Revenue is at \$9,456,107. Revenue increases include:

Water/Sewer/Stormwater 11.5% Increase (\$711,366)(from previous year)
Change to AWWA Meter Equivalence Factor (\$16,450.00)(included in 11.5%)
New System Development Fee Change (included in growth)
Other Revenue due to economic growth (\$717,995)
Appropriation of Fund Balance (\$776,154)

The total budget is \$24,523,574 with 117.5 full time positions.

Mayor Benson made a motion to open the public hearing. Motion carried unanimously.

Miles Bielec, 633 Spencer Farlow stated that he feels he gets a good bang for his buck, referring to his tax dollars. He mentioned that he would not be opposed to raising the tax rate one penny.

Patrick Boykin, 702-2 Elton Avenue said that he has a problem with rates continuing to rise especially for water. He stated that the water at his brand new residence smells so bad that he doesn't like to shower in it. He feels that if rates are going to continue to rise, the water quality should be much better.

Patricia Jones, 612 Carolina Beach Avenue North feels that the Town should let the public know who the 85.5 employees are and that it is not good business practice to have that high of a percentage of your budget being employees.

Fred Grady, 608 Cape Fear Boulevard asked if Carolina Beach is comparable to other towns in regard to parking. He suggested increasing the parking time to midnight.

Dorrene Stanley, 1201 St Joseph Street is concerned about raising the Freeman Park rates. She stated there are a lot of Jeep and other 4WD clubs that help keep the beach clean and saves the Town a lot of money. She suggested raising the day passes and holiday passes only.

Ronnie Lewis, Charlotte Avenue mentioned that he also does not oppose property taxes even though he currently struggles to pay them at the current rate. He feels that he gets his money's worth in Carolina Beach taxes. He does not feel that he gets anything from his county taxes. He mentioned that he does not use any of their services.

Mayor Benson made a motion to close the public hearing. Motion carried unanimously.

Mayor Benson stated that he is not happy with the budgeting process. He added that it was no one's fault because it was done the way that it has always been done but he feels that it was done in reverse. He asked if any of the money was set aside for sand.

Mr. Cramer replied that \$350,000 is set aside each year for sand. The revenue increases from parking and Freeman Park will help offset the general fund assets.

Mayor Benson said that he does not see \$500,000 in cuts. He feels that it is done in reverse. He suggested that Council give the Manager a "bogey" and then they go back and forth and tell him what needs to be cut. He also stated that for next fiscal year, anything that is put into the Capital line item needs to have an associated risk by labeling it critical, essential, or enhancing. He went on to say that the increase in fees looked after the residents. It is more of cost sharing with people that come to the island.

Council Member Shuttleworth explained the math and said that raising the cost of the parking pass cost the residents \$10 versus raising taxes which he feels would average around \$300+. He is concerned about the \$1 million gap that seems to surface in the budget each year and it never gets spent. He mentioned that he has wanted to hold off on raising taxes because he feels that Carolina Beach is going to eventually have to do that for sand funding. That would be \$500,000 per year. Wrightsville Beach just signed up to contribute 17.5%. He stated that he would be happy to make a motion that Council not receive a free Freeman Park pass because he has seen the comments on social media about that.

Council Member Pierce said that she feels they put a band-aid on the budget this year. She also has held off on wanting to raise taxes. She added that she does not feel that 47% of the budget should be personnel and benefits. She does not want to raise taxes until she feels they are going directly to benefit the citizens and not to the current expenses. She concluded that she was fine with the way the budget is this year but feels there needs to be a lot of changes next year.

MPT Bridges said that they learned a lot this year and will be more prepared for the retreat in January. He is not in favor of raising taxes. He understands the concerns about raising fees but feels that a lot of work has gone into it and he can live with it this year.

Council Member Garza said that it is interesting to him how money just magically shakes up or adjusts. He sees it from a business stand point. He wanted to drop the taxes 1%. He also stated that he agrees with what Dorrene had mentioned about the day trippers at Freeman Park. He said that he would like a better explanation of the expectations at the January retreat. He did not know what to expect until he sat down in that meeting. He concluded that he was comfortable with the budget to a degree.

ACTION: Motion to approve the FY18/19 budget and Budget Ordinance 18-1088.

Motion: Steve Shuttleworth

Vote: UNANIMOUS

7. ITEMS OF BUSINESS

- a. Consider Adoption of the Carolina Beach Pedestrian Plan

Jerry Haire presented the Carolina Beach Pedestrian Plan.

ACTION: Adoption of the Carolina Beach Pedestrian Plan.

Motion: Tom Bridges

Vote: UNANIMOUS

- b. Budget Amendment for the Northend Water Project

ACTION: Motion to adopt Ordinance No. 18-1065 for engineering services for the Northend Water project.

Motion: Joe Benson

Vote: UNANIMOUS

- c. Budget Amendment for the Northend Sewer Project

ACTION: Motion to adopt Ordinance No.1066 for engineering services for the Northend Sewer Project.

Motion: Joe Benson

Vote: UNANIMOUS

- d. Budget Amendment for the Northend Stormwater Project

ACTION: Motion to adopt Ordinance No. 18-1067 for engineering services for the Northend Stormwater Project.

Motion: Joe Benson

Vote: UNANIMOUS

- e. Consider Approving a Public Private Partnership Predevelopment Study

Mr. Cramer reviewed the proposals for the multi-use development for a public Private Partnership for parking lots.

Council Member Shuttleworth said that he was the one that asked the Town Manager to look into this. He does not feel that it is worth spending \$60-80,000 to have a consultant come in and tell the Town what may or may not be viable. He showed a video on driverless shuttles. He said he would like to look at options for shuttling visitors.

Council was in agreement that they wanted to explore other options than a parking deck.

f. Annual Committee Appointments

The following applicants were appointed for a term ending 6/30/2021:

Freeman Park Committee: Steve Casey and Fred Grady

Board of Adjustment: Jerry Kennedy, Stephen Shepherd, Rob Pomeranz, and Teresa Shue

Marketing Advisory: Lauren Bollinger and Amy Snider

Operations Advisory Committee: John Ittu and Jason Wooten

Harbor Commission: Andrew Everhart, Keith Green, and David Tilley

Parks and Rec: Heather Kenny, Charlie Thomas, and Jason Kessler

Planning and Zoning: Melanie Boswell

The Police Advisory Committee asked to postpone their appointments until the September Council meeting. Council Member Pierce stated that the members of the Committee wanted to have more time to review the applications.

8. NON-AGENDA ITEMS

- a. Council Member Garza said he wanted to bring a concern to Council about appointed staff reviews. Council is responsible for the Town Manager, the Town Clerk, the Finance Director, and the Town Attorney. The Policy states that Council should evaluate them annually. Council has not followed the Policy to a T. These evaluations look like they have been pencil whipped. Michael's was due last year on April 1, it wasn't done until November 28th. The Town had to pay the Finance Director 8 months retro-pay because Council failed to give her an evaluation on time. Michael's contract says that he will be reviewed every April. He has not been reviewed this year. This is unacceptable to both the residents and the people that work for Council. They deserve better. They are not getting the feedback that they deserve to progress with the Town.

Mayor Benson said that Council needs to provide firm and clear guidance to staff.

Council Member Garza mentioned that there is no plan in place for follow ups for employees that do not meet expectations. There should be a 60 or 90 day follow-up.

Ms. Fox reminded Council that they can discuss policy but they should not be discussing specifics about individual employees. That needs to be done in closed session.

Mayor Benson asked Ms. Fox about the towing ordinance.

Ms. Fox said that she will be at the June 26th workshop to give a more robust presentation on the towing ordinance. She mentioned that towns have no authority to put a cap on fees for towing on private property.

9. CLOSED SESSION

- a. Closed Session to Discuss an Attorney/Client, Real Estate, and Personnel Matter in Accordance to NCGS 143.318.11(a)(3)(5) and (6)

Mayor Benson made a motion to go into closed session to discuss an Attorney/Client, Real Estate, and Personnel Matter in accordance to NCGS 143.318.11(a)(3) (5), and (6). The property being discussed is located at 903 North Dow Road, owned by Carolina Beach Presbyterian Church for the purpose of utility upgrades. Motion carried unanimously.

Mayor Benson made a motion to return to open session. Motion carried unanimously.

Mayor Benson made a motion to approve Resolution No. 18-2185 closing the 15 foot alley that runs through the Carolina Beach Presbyterian Church parking lot that belongs to the Town. Motion carried unanimously.

10. ADJOURNMENT

ACTION: Motion to adjourn at 11:35 p.m.

Motion: Joe Benson

Vote: UNANIMOUS

Adopted at a regular meeting on July 10, 2018.

Kimberlee Ward, Town Clerk