

CAROLINA BEACH

Town Council Workshop Minutes
Tuesday, May 22, 2018 @ 9:00 AM
Council Chambers
1121 N. Lake Park Boulevard
Carolina Beach, NC 28428

ASSEMBLY

The Town of Carolina Beach Town Council Workshop was held on Tuesday, May 22, 2018 at 9:00 AM 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, Assistant Town Manager Ed Parvin, Finance Director Debbie Hall, and Town Clerk Kim Ward

1. MAYOR BENSON CALLED THE MEETING TO ORDER AT 9:00 AM

2. DISCUSSION ITEMS

a. Council Liaison Committee Updates

Council Member JoDan Garza said that nothing has changed with Freeman Park because they only meet typically four times a year. But the thing that we're currently working on is a Pack-It-In-Pack-It-Out Initiative, to make it "hip" and "cool". A lot of small hippie towns do that. We're currently working on that with Alex Torres. Parks and Rec equipment is being changed out. They're talking about putting a volleyball court somewhere.

Council Member LeAnn Pierce states that she is behind the idea of Pack-It-In-Pack-It-Out one hundred percent.

Council Member Tom Bridges stated that Operations is still working on getting feedback from the Canal Drive Committee and is looking at the bulkheads.

Mayor Benson mentioned that the Canal Drive Committee had their second meeting last Thursday and was making good advances. They are putting together a bulkhead ordinance that they want to have a sanity check before giving it to CAMA. The other thing they are doing is acknowledging the seven members that live on Canal. The duck valves are also working great. The price may also not be as small based on the small fixes. Joint Lane Use Study had their first meeting in April. Tomorrow, we meet with the Cape Fear Council of Governments. Nothing new to report from the Harbor Committee.

Council Member LeAnn Pierce stated that the Police Advisory Committee was starting their Coffee

with A Cop on June 6th at 8:00 AM at the Celtic Creamery. There will be press there. They are also researching a Citizen's Academy, which we hope to start up possibly in the fall. Their National Night Out is also coming in August. We're excited to start working with Jerry Haire and to set up our Pedestrian Bicycle Committee.

Council Member Steve Shuttleworth stated that Wilmington NPO has their meeting tomorrow and Mike Hoffer is their Town Representative for the Bike Trail Committee and Patrick Boykin is the Technical Advisory Committee (TAC) Representative. The MAC Committee is discussing specific marketing we would like to do as a community. Ports, Beach and Waterway had their budget approved.

b. Budget Discussion

Mr. Cramer presented the adjustments that he has made to the General Fund. He stated that at the last budget meeting, they showed a revenue projection of \$13,309,371. That has since been increased to \$14,499,976. That includes the following increases:

1.6% increase in Solid Waste

Parking Rate increase (\$358,550)

Marina Rate increase 6.3%

Planning – Remodeling Fee Calculation Change

Fine Adjustments

Ad Valorem Tax Rate increase of 1 cent from 22.5 cents per \$100 to 23.5 per \$100 (\$194,000)

Appropriation of Fund Balance (\$956,997)

Council Member Pierce asked if the marina slip fees are comparable to other marinas.

Mr. Cramer said that the cost is comparable but other marinas charge by the foot where the Town charges annually and they pay quarterly.

Council Member Shuttleworth asked the manager to compare charter boat fleets. He referenced Destin, Florida and that they charge based on the number of days that the boat can go out. They pay an average of \$1,400 per month but they can fish 12 months out of the year.

Council Member Pierce said that the Town needs to be comparable if they are going to continue to do major projects.

Mr. Cramer said that he had put out a Request For Proposals for marina management and all of the bids came back extremely high. He feels that this subject will come back up after all of the construction is complete.

Council Member Garza asked if the parking increase included extending the hours.

Mr. Cramer replied that it did not but it did include parking fees year round.

Council Member Pierce and Mayor Benson were not in favor of charging year round. Council Member Garza and MPT Bridges did not see a problem with it since the residents have parking passes. Council Member Shuttleworth said he was just looking for clarification on if that number

included year round fees. He added that Council had not mentioned going year round. They had requested the manager to look at increasing the hourly rate to \$2.50 and going from \$10 to \$20 on a resident decal.

Council Member Pierce said she is in favor of extending the hours between Memorial Day to Labor Day.

Council Member Shuttleworth mentioned that the numbers were not adding up on how the Manager is closing the gap.

Mr. Cramer replied that there had been more revenues added from fund balance. They have received new information on sales tax and ad valorem tax since the initial budget was put in.

Mr. Cramer reviewed the updated figure for general fund expenditures. That number has been reduced to \$15,456,973. \$208,665 in capital items have been removed.

Council Member Shuttleworth was concerned that 46-50% of the budget is personnel. He asked the Manager to research other similar size communities to see if 50% of their budget is personnel. He suggested that if revenue is \$14,449,000 then expenditures need to be \$14,449,000.

Mr. Cramer responded that if it is the wish of Council to have expenditures at \$14,449,000, there will be positions eliminated.

Council Member Pierce said that she does not know what the salaries of employees are so she cannot determine how much of an increase a percentage will be. She stated that she gets asked all the time what employees salaries are and how long they have been with the Town. She also asked how many positions are currently not filled.

Mr. Cramer said that he is currently working on this list and will send it out.

Council Member Shuttleworth stated that in order to get \$1.5 million in cuts, you would have to eliminate 13 positions and that is not acceptable. He asked to see more operational cuts.

Mr. Cramer asked what would be acceptable. If you cut maintenance and operations, it would cut services. If you cut services, you cut people.

Council Member Shuttleworth asked for an example of services.

Mr. Cramer replied that landscaping would be a good example. Code Enforcement is also considered a service.

Council Member Pierce said that she would have a hard time explaining to citizens that their taxes are going up to maintain services when they are always complaining about lack of service. She added that citizens are always complaining to her that staff will not return phone calls.

Mayor Benson feels that they are going about the budget process backwards. If you know the

projected revenue is \$13,300,000, that should be the starting point.

Council Member Shuttleworth and Pierce agreed.

Mr. Cramer said that small towns typically don't budget by service. The state and federal government does.

Mayor Benson said it appears that Council is having to make decisions for department heads at the 11th hour and he is not comfortable with that.

MPT Bridges said that he is very familiar with public sector budgets and personnel is the largest part. If you cut maintenance and operations, you cut staff because they wouldn't have anything to do.

Council Member Shuttleworth mentioned that Council has requested an increase in services over the past couple of years. They are now asking if there is a way to decrease the responsiveness of these services or cut them. He said he is not opposed to supporting some general fund transfer to pick up the gap. He stated that he is reluctant to increase taxes for two reasons, 1- There has been an increase in property 2- Down the road, there will need to be a discussion about sand. He added that in fairness to Michael, he has only instituted services that Council has gone to him and asked for. Parks and Rec has added more services and has not increased staff. Stormwater and Environmental have also had an increase in workload. The Town spent \$1 million for automated water meters and the meter reader position did not go away.

MPT Bridges said that he used to hear a lot of complaints about Town service but he does not hear them much anymore.

Council Member Shuttleworth suggested removing the blue trash cans from Freeman Park. Council Member Pierce said that she agrees 100%.

Council Member Pierce stated that the County is lowering taxes by a penny. It would look bad if Carolina Beach raised taxes when the County is lowering them.

MPT Bridges added that the County has consistently raised taxes over the past several years, where Carolina Beach has not. He said that you are going to get complaints either way if you raise taxes or cut services. You have decide which way you want to go.

Council Member Shuttleworth said that Michael has worked very hard and done a good job in projecting revenues and at the end of the year it seems to reverse the trend.

Mr. Cramer commented that he does not feel he will have to use any of the money that was appropriated for fund balance for this current fiscal year. That number was \$1.1 million approximately.

Council Member Shuttleworth stated that problem was spending the additional unfunded dollars. There was money spent out of the general fund that was not budgeted. Several million dollars was spent at the request of Council for projects such as the marina and cross walks. Some of that

money was an advance on loans. He asked if \$1.1 million would go back into the general fund.

Mr. Cramer replied yes but you spent close to the same amount in unfunded projects, so it will be a wash.

Council Member Pierce ask how retirement is planned for. She asked how much that costs.

Mr. Cramer said that it is about \$122,000 for retiree medical insurance.

Council Member Pierce said that she would like know how many people are retiring causing that number to increase and will those positions be filled.

Council Member Shuttleworth explained that there used to be a policy that the Town would cover health care for the life of the retiree and that was eliminated for new employees hired after 2015.

Mr. Cramer said that there are a certain number of employees that were here before that changed that will still receive that benefit. Anyone hired after would not get that benefit.

Council Member Garza asked if it is typical that the Town spends around 10% on unfunded projects. If so, why is that not put into the budget if that is the trend?

Mr. Cramer said that generally it is around that percentage. Typically those items are matching grants so you don't know the amount and if you add that to your budget, you will inflate the budget numbers. He added that he looks at the fund balance transfer as the flexibility to change the services for the need at hand and if you don't need it, it goes back into fund balance.

Mayor Benson said that ROT funds are the same way. You anticipate getting those funds back.

Mr. Cramer said that he doesn't mind the direction he is receiving, but what Council is asking for is not what has typically been done in the past and he is going to have change directions at the 11th hour. He said that he would like a consensus among Council to change to that direction. This would include; no \$994,000 increase in the rate, stay within the revenue that was projected, and not transfer any money from fund balance. He will present the items that would have to be removed from the budget and what impact that will have. He added that he is going to be protective of his employees and look at them last.

Council Member Shuttleworth asked to see a list of positions that have been approved but not filled.

Mr. Cramer said that there are 85 approved positions. One and one-half of them are vacant. One is a detective sergeant that has been on the books for a year that has been filled and unfilled as people have come and gone. The half position is the beach ranger position. The request for this year is to add a deputy chief position and add another half position to make a full time beach ranger.

Council Member Pierce wanted to conclude by saying to the Manager that he knows his operation better than Council does and all she is saying is sharpen the pencil and come back with something

that closes the gap on the \$1.8 million without raises taxes.

Council Member Shuttleworth said that he could support some general fund gap but not quite \$950,000 but he is not asking him to find \$1.8 million.

Council Member Pierce said that they can have more meetings.

Mr. Cramer asked for a consensus if this is what the majority of Council is wanting.

MPT Bridges said that he would like to see the \$194,000 cut. Last year Council approved \$1.1 million and the Manager is asking less than last year.

Council Member Shuttleworth said that he would feel comfortable with pulling \$600,000 out of the fund. He would like to see what the changes would be and he may have to change his mind and agree to \$900,000 if the changes are that dramatic. He also would like to understand the 350 on the parking. He stated he has had a number of people suggest raising the rates at Freeman Park and possibly cutting camping. Another item to look at is alcohol. There is an ordinance that says you can drink on Freeman Park. He would like to look at that.

Mr. Cramer asked for confirmation that the consensus from Council is for him to find at least \$194,000 in cuts.

Council Member Pierce clarified that what she wants to see it down a lot less than that. \$1.8 million is what you have to spend, then Council will decide if they want to make those cuts and how much they are willing to transfer.

MPT Bridges would like to see the areas that would be cut because he doesn't believe it can be done.

Council Member Garza said that he would like to see the number get crunched a little tighter. He doesn't agree with cutting camping and doesn't agree with raising the Freeman Park annual pass. He doesn't mind increasing the daily rate.

Council Member Shuttleworth mentioned that 90% of annual pass holders do not live in Carolina Beach.

Mayor Benson said that he concurs with raising the Freeman Park rates to a reasonable rate. He is not in favor of a property tax increase. He recommends \$500,000 as a starting point for the fund balance transfer.

MPT Bridges said that he will not be able to attend the meeting next Wednesday but would like to meet with Michael before then.

- c. Introduce Make-A-Wish Recipient Evan Woodwick

The Make-A-Wish recipient Evan Woodwick was introduced. He sat in the Mayor's chair alongside the Council and asked for a two-minute recess.

d. Presentation of the Carolina Beach Pedestrian Plan

The new Carolina Beach Pedestrian Master Plan was given to the Council.

Tim Tresohlavy was introduced as the VHB consultant and the project manager of the Pedestrian Plan.

The presentation had five objectives; the purpose, outreach, process, final plan and the next steps.

The purpose of the Plan was the ability to apply for planning grant funds.

The outreach of the plan included a steering committee, a public survey and public workshop events. The process of the plan was to formalize a steering committee, involve the public, review and analyze the existing conditions data, develop network plan for improvement, identify and prioritize facility recommendation projects, and involve education and encouragement programs.

The final plan produced the Steering Committee and BPAC, engaged the public, benchmarked existing conditions and created facility and program recommendations as well as an implementation plan. Carolina Beach is also now eligible for State funding. The next steps of the plan are policy action, program action and infrastructure action.

Council Member Pierce asked if they could make changes to the plan as they see little things come up.

VHB Consultant Tim Tresholavy answered yes because the plan is a base.

Council Member Pierce thanked the Steering Committee.

Mayor Joe Benson stated that the Carolina Beach Pedestrian Master Plan will go on the June Council agenda to make a motion to adopt the plan.

Council Member Pierce asked that all of the committee members get a copy of the plan. She also said she hopes to have a date for the committee to meet by the June meeting.

Council Member Steve Shuttleworth said that he appreciated that there were budget numbers on the Plan.

Mr. Cramer stated that each time you want to implement a piece of the plan, Council will be encouraged to vote on that piece.

Council Member Shuttleworth also said that any of those that we can do concurrent with existing projects would be great.

3. NON-AGENDA ITEMS

- a. Mayor Joe Benson called Honorary Mayor Evan Woodwick and his family to the front and presented him with a Key to the City.

4. ADJOURNMENT

- a. Honorary Mayor Evan Woodwick adjourned the meeting at 11:00 am.