



CAROLINA BEACH
TOWN COUNCIL MEETING
MINUTES • JUNE 13, 2017

Council Chambers

Regular Meeting

6:30 PM

1121 N. LAKE PARK BLVD.
CAROLINA BEACH, NC 28428

1. CALL MEETING TO ORDER WITH INVOCATION AND PLEDGE OF ALLEGIANCE

Attendee Name	Title	Status	Arrived
Dan Wilcox	Mayor	Present	
LeAnn Pierce	Mayor Pro Tem	Present	
Steve Shuttleworth	Council Member	Present	
Tom Bridges	Council Member	Present	
Gary Doetsch	Council Member	Present	
Michael Cramer	Town Manager	Present	
Debbie Hall	Finance Director	Present	
Kim Ward	Town Clerk	Present	
Noel Fox	Attorney	Present	

2. ADOPT THE AGENDA

Mayor Wilcox made a motion to adopt the agenda. Motion carried unanimously.

3. SPECIAL PRESENTATIONS

a. Presentation of the Marketing Advisory Committee Budget

(Requested by Kim Ward, Town Clerk)

Miles Bielec presented the Marketing Advisory Committee budget request for the 2017/2018 fiscal year. The total request is \$514,465. That is an increase of \$99,000 from the current fiscal year. The TDA projects the room occupancy tax collections from year to year and they have allotted an additional \$100,000. Some of that will go to administrative costs for the Convention and Visitors Bureau. They are probably estimating the increase on the 100 rooms at the Hampton Inn. The Marketing Plan is not funded with local tax dollars. It is funded with a portion of room occupancy tax. Included in this year's budget are a couple of new programs. One is an increase in the secondary market geo programs. Included in the increase is a media contingency of about \$23,000. There is also a \$51,000 hold back which is typically Council's direction to hold back \$51,000. There is approximately \$225,000 of unspent funds that would be available because of the holdbacks.

Mayor Wilcox asked if the purpose of the hold back was for unexpected or new ideas that may come around. He also feels that contingency and hold back funds would be the same thing and should be put together then the marketing committee could come back to Council to approve the marketing concept.

Mr. Bielec thinks that having the \$23,000 of contingency funds in the budget gives the committee greater flexibility to work on the fly throughout the year without having to come back to Council to ask for money out of the hold back funds.

Mayor Wilcox mentioned that legislation says that Council is supposed to approve the

overall marketing plan and vision that is being put in place for the town. He feels if you have a contingency fund, it takes Council out of the process. He would like for the committee to come to Council before they approve a concept.

Council Member Shuttleworth said he continues to urge the committee to think out of the box and to continue to look for ideas locally. He pointed out that the budget this year is over \$500,000 so if you run short this year, you only have \$200,000 in hold back funds.

Mayor Wilcox mentioned how much the budget grows each year.

Mr. Bielec said that there are other marketing plans within the state that are competing for the same visitor population and their budgets are going up as well. They do not follow the holdback concept.

Council Member Shuttleworth reminded Council that he would rather focus on the shoulder season.

Mr. Bielec responded that all of the advertising focuses on the shoulder season.

Mayor Wilcox asked if there has been an analysis done on how the 2,400 new units being built on River Road will affect the numbers.

Mr. Bielec replied that the focus of the marketing program is to attract the out of town visitors to rent hotel rooms. It's heads on beds versus feet on street.

Mayor Wilcox wanted to clarify that the committee is involved with a group that only focuses on heads on beds but the purpose of the Carolina Beach Marketing Committee should have a much broader vision. He asked, "How much is enough to spend on marketing?"

Mr. Bielec said that only way to know is if you stop or cut back to see if it has an impact. The committee often discusses the legislation and how the money can be spent. There seems to be a division on what the CVB/TDA says versus the local communities.

Mayor Wilcox said he understands the funds have to be spent on marketing but he does not agree with the timing.

Council Member Shuttleworth asked if the town has to spend the money on what the CVB directs the town to spend it on. The town would like to enhance the visitor's stay and what they can do while they are here. He would like to see money spent on things other than print media and getting a large number of clicks for the videos online. He would like to see what information is being put out to help the boat captains at the marina.

Mr. Bielec said there seems to be a difference of opinion between the town versus what is being told from the other side. The committee is the go between.

MPT Pierce asked if there has been any focus on the marina for the fall.

Mr. Bielec replied that he has had conversations with Shawn Braden and Michael Cramer about this. The CVB marketing plan does have a segment that is focused on the charter boats. He said that he would like to meet with the Harbor Commission to discuss some options.

Mayor Wilcox said that he is on the Harbor Commission and that he advised them to attend the MAC meeting to give their input.

Mr. Cramer said that he was going to have Miles come to the Harbor Commission meeting instead.

Mr. Bielec asked if Council would get with the CVB and the TDA to try to get on the same page because it can be very frustrating for the committee to be caught in the middle.

Council Member Shuttleworth made a motion to approve the Carolina Beach Marketing Advisory Committee budget as presented noting that the additional \$23,000 in media contingency must be presented to Council before use. Motion carried unanimously.

- b. Special Events for June and July presented by Brenda Butler

(Requested by Brenda Butler, Planning & Development)

Michael Cramer presented the events for June and July.

- c. Project Update - Gil Dubois

(Requested by Michael Cramer, Town Manager's Office)

Gil DuBois gave an update on the current projects.

Lake Dredge Project - Friday there will be 2 long reach excavators on site. The goal is for the lake to be 6.5 to 7 feet deep.

The Marina Project is still underway. It should be completed mid to late July. Council Member Doetsch asked the manager to get with the Got-Em-On group to give them an update for the fishing tournament that will take place at the marina.

Water Plant 1 will be completed this week. The coke filtration will be done by the end of next week.

- d. Manager's Update

(Requested by Kim Ward, Town Clerk)

Michael Cramer gave an update on the unregulated compounds found in the water known as GenX. GenX has not been found in ground water only in the surface water of the Cape Fear River. Carolina Beach uses ground water and not surface water. None of the water in Carolina Beach comes from the Cape Fear River. Carolina Beach receives all of its drinking water from the Pee Dee and the Castle Hayne aquifers. The water quality issue does not affect the Town of Carolina Beach.

4. OLD BUSINESS

None

5. PUBLIC DISCUSSION

Patrick Boykin, 712 Glenn Avenue spoke against the solid waste center. He mentioned that all of the residents along the property line have some sort of privacy barrier along the fence except the end where his property is. He requested that the Town look into providing the privacy barrier all the way to the end of the property.

Mr. Cramer said he would look into it.

6. PUBLIC HEARINGS

a. Consider Adopting the 2017/2018 Town Budget

(Requested by Michael Cramer, Town Manager's Office)

Michael Cramer presented the FY17/18 budget. Some of the major highlights for the FY17/18 budget include:

- * Eliminating the COLA for the current fiscal year. This will be evaluated annually.
- * Eliminating the \$20 per pay period contribution that the Town makes into a 457 account for employees with 5 years of service or more.
- * Establishing a 401k incentive where the Town will contribute 1% of the employee's annual salary into the Prudential 401k program and will also match the employee's contribution up to an additional 1%.
- * Add two new police officers, one detective, one full time beach ranger and one part time beach ranger.
- * Increase lifeguard salaries.
- * Reduction in tax rate by 1 cent taking it from 23.5 to 22.5
- * Numerous rate and fee adjustments as mentioned in the June 1, 2017 budget workshop minutes.
- * Total budget \$22,921,601.

Mayor Wilcox opened the public hearing.

Patrick Boykin, 712 Glenn Avenue would like to see the elimination of the Solid Waste Center included in the budget.

Miles Bielec, 633 Spencer Farlow Unit 12 thanked Council for being good stewards of tax money.

Mayor Wilcox closed the public hearing.

Council Member Shuttleworth directed the manager come back to Council if staff decides to purchase new financial software.

Council Member Shuttleworth asked the manager to work with staff to help them understand why Council did not approve a COLA this fiscal year. Council has approved an additional 401k contribution in place of the COLA.

Council Member Bridges made a motion to approve Budget Ordinance 17-1057 for \$22,921,601 for FY17/18. Motion carried unanimously.

7. CONSENT AGENDA

Mayor Wilcox made a motion to approve the consent agenda. Motion carried unanimously.

The consent agenda includes:

Set a public hearing for July 11, 2017 to consider a Conditional Use Permit for a Business Planned Unit Development Center for an office complex consisting of three buildings with a total of 32,160 sq. ft. located at 1322, 1324, & 1326 N. Lake Park Blvd. Applicant: RGL Development

Set a public hearing for July 11, 2017 to consider a Conditional Use Permit for a CUP Modification for Carolina Beach Marina & Boat Yard expansion located at 917, 918, 924 and 926 Basin Rd & 922 and 928 St Joseph Street Applicant: David Pierce

Approve the debris contracts for 2017 which include:

Disaster Response Phase II Vegetative and C&D Removal 2017-2018
Primary: Custom Tree Care Inc.
Secondary: Southern Disaster Recovery, LLC.

Disaster Response Sand Debris Removal 2017-2018
Primary: Southern Disaster Recovery, LLC
Secondary: DRC Emergency Services, LLC

Budget transfers as presented by the finance director.

Write off outstanding accounts receivable as presented by the finance director.

Meeting minutes from May 9, May 16, and May 23, 2017

8. NEW BUSINESS

a. Annual Committee Appointments

(Requested by Kim Ward, Town Clerk)

The following committee appointments were made by written ballot for terms ending June 30, 2020:

Police Advisory Committee: John Coleman, Jeff Hogan, Tim Morrison, Wayne Rouse, Kenneth Hodges

Freeman Park Committee: Sammy Vestal, Miles Bielec

Board of Adjustment: Wayne Hartsell, Patrick Boykin

Marketing Advisory Committee: Brad Bradley, Tammy Hanson

Operations Advisory Committee: Ron Bond

Harbor Commission: Shane Snow

Parks and Recreation: Michael Callahan, Duke Hagestrom, Mike Hoffer, Shannon Fussell

Planning and Zoning Commission: Keith Bloemendaal, Deb LeCompte, Mike Hoffer, Wayne Rouse

9. NON-AGENDA ITEMS

Council Member Shuttleworth said he feels that golf carts are becoming a problem. They are overloaded, driving on Dow Road and carrying small children in their laps.

Mayor Wilcox said there are three different issues. You have golf carts with no safety equipment, street legal low speed vehicles and non-street legal low speed vehicles. They all have different rules.

MPT Pierce said that it needs to be cleaned up.

Council Member Doetsch asked for enhanced enforcement until this can come to Council at the next workshop.

Mr. Cramer stated that it is currently being done.

MPT Pierce asked about the beach ranger uniform. She wants them to be identifiable.

Mr. Cramer said the uniforms are coming in and will probably put out a press release on it.

10. ADJOURNMENT

Mayor Wilcox made a motion to adjourn at 8:20 p.m. Motion carried unanimously.

Kimberlee Ward
Kimberlee Ward, Town Clerk

7.11.17
Date Approved



Town of Carolina Beach, North Carolina Fiscal Year 2017/2018 Budget Ordinance

Whereas, the Town of Carolina Beach is directed by the North Carolina General Statutes to prepare, adopt and operate by a fiscal budget, and

Whereas, the Town of Carolina Beach endeavors to operate responsibly and efficiently in order to maximize the benefit of all revenues and comply with Federal, State and Local guidelines regarding operation and expenditures of public funds, and

Whereas, the Town of Carolina Beach recognizes the benefits and returns enjoyed by sound financial planning and management of resources,

Be It Therefore Resolved by the Town Council of the Town of Carolina Beach, North Carolina, That;

Authorization

In a regular Town Council Meeting on this the 13th day of June, 2017, a quorum being present, that the following Budget, for Fiscal Year 2017/2018, including Revenues, Unappropriated Surplus, Investment Instruments, Debt Payments, Departmental Expenditures, and Capital Expenditures, be adopted in accordance with the Generally Accepted Governmental Accounting Principles of this State and the Nation, the North Carolina Budget and Fiscal Control Act, and the requisite restrictions and authorizations required by the same.

Planning and Fiscal Management

The Revenues, Expenditures and Message included in this Budget, in conjunction with the Benefit Plan, and Salary Increases constitute the plans and intentions of the Town for sound fiscal management in FY 17/18. The policies of the Town of Carolina Beach, the actions of this Board, and Staff will carry out the plans and fiscal transactions contained within this Budget in order to meet the goals and objectives of the Town with respect to daily operations, development, and provision of services to the residents of this municipality.

The Finance Officer shall administer this Budget document, and shall insure that all officials and the administration are provided appropriate and timely information regarding the status of the Town's finances. Further, the Finance Officer shall provide to the Elected Officials all such pertinent information and guidance as is necessary for the daily operation, implementation of this Budget, and advice on handling the financial endeavors (current and future) of the Town.

Rate Summary (Taxes)

In accordance with the Budget documents attached, there shall be levied a tax on such taxable property which exists within the municipality. The rate for said tax shall be, as follows, for each one hundred dollars (\$100.00) of valuation of property:

General Fund – For general expenses incident to the operation of all General Fund departments, capital projects and for the payment of interest and principal on outstanding debts. - **\$.225 per \$100**

Rate Summary (Water, Sewer & Stormwater Charges)

In accordance with the Budget documents attached, there shall be levied a charge for the use of water and sewer services. The water and sewer rates for said services shall be, as follows, for each one thousand (1,000) gallons of water used after the first 3,000 gallons.

Water – For general expenses incident to the operation of all Enterprise Fund departments, capital projects and for the payment of interest and principal on outstanding debt - **\$4.78 per 1,000 gallons. A water flat rate charge for the first 3,000 gallons as identified in the attached schedule of fees.**

Sewer – For general expenses incident to the operation of all Enterprise Fund departments, capital projects and for the payment of interest and principal on outstanding debts - **\$8.12 per 1,000 gallons. A sewer flat rate charge for the first 3,000 gallons as identified in the attached schedule of fees.**

Stormwater – For general expenses incident to the operation of all Enterprise Fund departments, capital projects and for the payment of interest and principal on outstanding debts - **\$12.10 per Equivalent Residential Unit (ERU).**

Other Rates and Fees

Other Rates and Fees will be charged for services as listed and periodically amended in this Budget Document and as included in the Town's Rate and Fee Schedule.

Fiscal Calendar for Revenues and Expenditures/Appropriations

The Revenues and Expenditures detailed in this document shall be available and appropriated for the Fiscal Year beginning July 1, 2017 and ending June 30, 2018.

Distribution

Copies of this ordinance shall be furnished to the members of the Town Council, the Town Manager, the Finance Officer, and all Department Heads.

Be It Further Resolved by the Town Council of Carolina Beach, NC, that:

The following anticipated Fund Revenues, Departmental Expenditures, and Interfund Transfers are approved and appropriated for the Town of Carolina Beach's operations for the Fiscal Year beginning July 1, 2017 and ending June 30, 2018:

SECTION I -- General Fund

Revenues:

Property Taxes	14,239,350
Sales Taxes	11,701,346
Freeman Park	11,259,450
Parking	11,000,000
Solid Waste Fees	11,000,000
ABC Revenue	1,100,000
Transfer from Utility Fund	0
Powell Bill	1,000,000
Grants	1,000,000
Franchise Fees	1,000,000
Room Occupancy Tax	1,000,000
Building Permits	1,000,000
Appropriated Fund Balance	1,000,000
Other Revenue	1,000,000
Total General Fund Revenues:	-\$14,691,089

Expenditures:

Non-Departmental	\$412,868
Debt Service	1,051,580
Legislative	274,870
Executive	800,186
Clerk	216,890
Finance	356,148
Human Resources	406,470
Planning & Development	779,076
Public Works Administration	150,610
Police Department	2,624,330
Ocean Rescue	453,423
Fire Department	1,138,310
Marina	25,775
Powell Bill	836,000
Fleet Maintenance	304,500
Parking	295,000
Environmental	2,973,187
Parks & Recreation	754,347
Beach Maintenance	837,519
Total General Fund Expenditures:	\$14,691,089

SECTION 2 -- Utilities Fund

Revenues:

Water Monthly Service Fees	\$1,148,500
Sewer Monthly Service Fees	1,240,000
Stormwater Monthly Service Fees	610,750
Wholesale Sewer Services	100,000
Other Revenue	100,000
Appropriated Fund Balance	1,000,000
Total Utilities Fund Revenues:	\$3,209,250

Expenditures:

Debt Service	\$1,940,596
Administration	1,134,122
Waste Water Treatment	850,491
Waste Water Collection	1,462,497
Water Distribution	1,358,449
Water & Sewer Fleet Maintenance	223,000
Stormwater	1,261,357
Total Utilities Fund Expenditures:	\$8,230,512

Total All Funds **\$22,921,601**

SECTION 3 - Ad Valorem Taxes

An Ad Valorem tax rate of \$.225 (twenty two and 1/2 cents) per hundred (\$100) valuation of taxable property, as listed for taxes as of January 2017 is hereby levied and established as the official tax rate for the Town of Carolina Beach for Fiscal Year 2017-2018. The rate is based upon a total projected valuation of \$1,906,742,130 with an estimated tax collection rate of 98.00%. The purpose of the Ad Valorem tax levy is to raise sufficient revenue to assist in financing necessary municipal government operations in Carolina Beach

SECTION 4 – Documentation

Copies of this ordinance will be kept on file at the Municipal Building and shall be furnished to the Town Clerk and Finance Officer to provide direction in the collection of revenues and disbursement of Town Funds

SECTION 5 - Special Authorization

- A. The Town Manager shall serve as Budget Officer.
- B. The Budget Officer shall be authorized to make Interdepartmental Transfers, within the same fund, not to Departmental allocation being reduced. Notification of all transfers shall be made to the Town Council at the next following the transfer.
- C. The Budget Officer may make Interfund Loans not to exceed 10% of the appropriated revenues for a period of no more than sixty (60) days and shall inform the Town Council of the loan at the next regular meeting following the loan of the funds.

SECTION 6 - Restrictions of the Budget Officer

- A. Interfund transfers of monies shall be made only with prior approval of the Town Council.
- B. Capital Reserve funds may not be expended without approval by the Town Council.
- C. A minimum of eight percent (8%) fund balance shall remain in the General Fund.

SECTION 7 - Budget Amendments

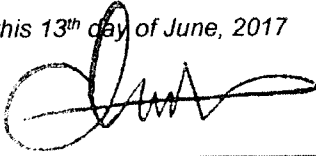
The North Carolina Local Government Budget and Fiscal Control Act allows the Town Council to amend the budget ordinance any time during the fiscal year, so long as it complies with the North Carolina General Statutes. The Council must approve all budget amendments.

SECTION 8 - Utilization of Budget and Budget Ordinance

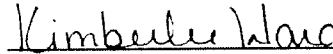
This ordinance and the budget documents shall be the basis for the financial plan of the Town of Carolina Beach during the 2017/2018 Fiscal Year. The Budget Officer shall administer the budget. The accounting system shall establish records which are in consonance with the budget and this ordinance and the appropriate statues of the State of North Carolina.

Ordinance No. 17-1057 for Operating Budget FY 17/18

Adopted this 13th day of June, 2017



Dan Wilcox, Mayor



Attest: Kimberlee Ward, Town Clerk



Resolution # 17-2161

**Town of Carolina Beach to Write-Off
Certain Uncollectible Utility Accounts**

WHEREAS, The Town of Carolina Beach has adopted a policy to review and write off uncollectible accounts; and

WHEREAS, The Finance Officer has determined that a list of utility accounts totaling \$40,777.57 which is attached hereto and made a part hereof by reference should be written off as bad debt; and

WHEREAS, diligent efforts have already been made to collect the amounts shown on the attached list; however, said accounts are uncollected and further efforts at collect are not possible either due to statutory limits or not being cost effective and

WHEREAS, the Finance Director and Town Manager met and reviewed the listing and recommends writing off said accounts as bad debt; and

WHEREAS, continuing to include such amounts in the financial records of the Town could result in a distorted balance sheet;

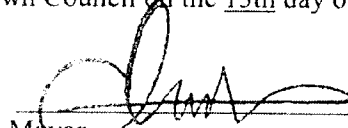
NOW THEREFORE, BE IT HEREBY RESOLVED THAT:

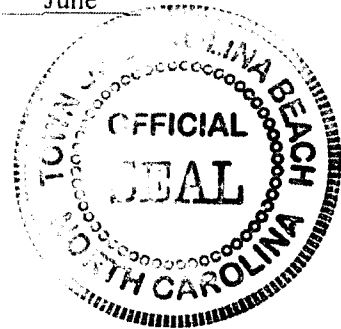
The Town of Carolina Beach direct the Finance Director to write off the accounts shown on the attached list totaling \$40,777.57 as uncollectible bad debts in the financial records of the Town of Carolina Beach.

The Town does not waive any rights it may have to collect any of the attached accounts receivable in the future.

Adopted by the Town of Carolina Beach Town Council on the 13th day of June 2017.

Kimberly Ward
Clerk


Mayor



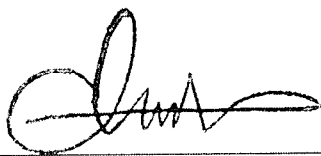
BOARD RESOLUTION

WHEREAS, the Town of Carolina Beach wishes to provide a qualified defined contribution plan to the employees of the Town of Carolina Beach.

AND WHEREAS, The State of North Carolina has established the North Carolina Employees Deferred Compensation Plan, a qualified governmental Deferred Compensation Plan under the Internal Revenue Code §457(b) for public employees of North Carolina.

THEREFORE, be it resolved that the Town of Carolina Beach has adopted the North Carolina Public Employees Deferred Compensation Plan also known as "NC Deferred Comp" under the terms of the Plan Document and the Third-Party Administrator Agreement. All full-time, benefit eligible employees shall become eligible to defer compensation the first of the month following 30 days of employment.

Signed this 13th day of JUNE, 2017



Mayor

6.13.2017

Date

