

CAROLINA BEACH

Town Council Regular Meeting

Tuesday, June 14, 2022 - 6:00 PM

Council Chambers, 1121 N. Lake Park Boulevard, Carolina Beach, NC



MINUTES

CALL TO ORDER

Mayor Barbee called the meeting to order at 6:00 PM, followed by the invocation by Council Member LeCompte and Pledge of Allegiance.

PRESENT

Mayor Lynn Barbee

Mayor Pro Tem Jay Healy

Council Member Joe Benson

Council Member Mike Hoffer

Council Member Deb LeCompte

ALSO PRESENT

Town Manager Bruce Oakley

Assistant Town Manager Ed Parvin

Town Clerk Kim Ward

Town Attorney Noel Fox

ADOPT THE AGENDA

ACTION: Motion to adopt the agenda

Motion made by Mayor Barbee

Voting Yea: Mayor Barbee, Mayor Pro Tem Healy, Council Member Benson, Council Member Hoffer, Council Member LeCompte

Motion passed unanimously

CONSENT AGENDA

1. Annual Write-off of Outstanding Accounts Receivables
2. Budget Amendments/Transfers
3. Approval of Council Meeting Minutes from April 26, May 3, 10, and 24, 2022

Council Member Benson asked for details about budget amendments and transfers, which Finance Director Debbie Hall provided.

Mayor Pro Tem Healy asked if there is a way for the Town to follow up on collecting some of the outstanding accounts receivables, including a total of \$9,000 owed by five residents. Ms. Hall said the Town has turned over all of them to debt setoff, so if they have a tax refund or lottery winnings the Town can get some of the money back. She said all of them are closed accounts.

Council Member Benson asked if parking citations are handled the same way. Ms. Hall said those go to a collection agency after three tries. She said out-of-state debt cannot go to debt setoff.

Council Member LeCompte asked about money being transferred to cover the increase in fuel costs. She asked that Town employees do their best to conserve as much as possible. Mr. Oakley said the Town has already been talking about this but will look to better enforce fuel conservation measures.

ACTION: Motion to approve the consent agenda

Motion made by Mayor Barbee

Voting Yea: Mayor Barbee, Mayor Pro Tem Healy, Council Member Benson, Council Member Hoffer, Council Member LeCompte

Motion passed unanimously

SPECIAL PRESENTATIONS

4. Marketing Advisory Committee Budget Presentation

Jeff Hogan, Chairman of the Marketing Advisory Committee, presented the FY 22/23 marketing budget. The total budget is \$1,065,924 compared to \$647,777 in FY 21/22. Mr. Hogan said the committee had to go back to the drawing board with the new ad agency to come up with plans for all of the extra money available for the upcoming year. He said the new ad agency suggests going after people from farther away who will stay longer and spend more money, so now there are funds to target this demographic.

Mayor Barbee said the committee will provide this input to the New Hanover County Tourism Development Authority (TDA) Board, and the Board will vote on whether to approve the budget.

ACTION: Motion to approve the FY 22/23 marketing budget as presented

Motion made by Mayor Pro Tem Healy

Voting Yea: Mayor Barbee, Mayor Pro Tem Healy, Council Member Benson, Council Member Hoffer, Council Member LeCompte

Motion passed unanimously

Mayor Barbee thanked committee members for their work.

5. Manager's Update

Town Manager Bruce Oakley gave an update on various projects and events.

Hamlet Ocean Rescue/Restroom Facility

The facility is still not open due to an issue with a subcontractor and supplies, but completion should be happening soon. The Town will review the contract and enforce anything that will offer recourse for the delayed opening.

Lake Park Stabilization, Retention, and Improvements

The Town met with engineers and should have a permit application to the U.S. Army Corps of Engineers in the next two weeks, and then there will be up to 180 days for review. The net gain in retention may not be what the Town had hoped for, but once stabilization occurs the future dredge project will be easier and prevent future sloughing off of banks while also helping to offset biological growth.

Marina Project

This is moving fast and way ahead of schedule on the south end, but the east end won't go as fast because there are more complications.

Council Member Hoffer asked when Canal Drive might close as a result of the project. Mr. Oakley said this would happen sometime after Labor Day.

Proposed Mural at Katie B. Hines Senior Center

The Carolina Beach Mural Project is considering something with a native plant theme here and would like Council input. The consensus of Council was that there was no problem with moving forward on this particular project. Mr. Oakley said the Town owns the land but not the building, so the mural group will need to get permission from the non-profit entity as well.

N.C. Department of Transportation (DOT)

There have been complaints of the crosswalk signal at Lake Park Boulevard and Cape Fear Boulevard not working as it should, and this is on the project list to get done. DOT is also looking into adding yield-to-pedestrian signage. In addition, DOT is working on estimates for an additional signal light on Lake Park Boulevard at the intersection with the Publix entrance.

Legislation

State Rep. Charlie Miller has introduced two bills: House Bill 1070, which would give the Town authority to address derelict boats, and House Bill 1163, which would give the Town authority to regulate bulkheads on Canal Drive and elsewhere to help with tidal flooding. Rep. Miller is willing to speak to Council in the future if requested.

Planning Director Jeremy Hardison said the Town is offering an informational meeting about flood insurance changes and how they affect your property on August 10 at 6:00 PM at Town Hall in Council Chambers.

PUBLIC COMMENT

None

PUBLIC HEARINGS

6. Hearing on Preliminary Assessment Resolution to Improve 1000 block of South Second Street

ACTION: Motion to open the public hearing

Motion made by Mayor Barbee

Voting Yea: Mayor Barbee, Mayor Pro Tem Healy, Council Member Benson, Council Member Hoffer,

Council Member LeCompte
Motion passed unanimously

On March 21, 2022, the property owners adjacent to the 1000 block of South Second Street submitted a petition to improve the right-of-way to access their lots for development. South Second Street is paved to Greenville Avenue. The South Second Street right-of-way terminates in the 1000 block to private lots in the Carolina Sands subdivision. The unimproved right-of-way in this area is 80 feet wide and 290 feet in length. There are three lots on each side of the right-of-way owned by two different property owners. The properties to the west have 170 feet of frontage, and the properties to the east have 135 feet of frontage. The 1000 block of South Second Street is currently not accessible. It is covered with thick vegetation with an approximately 10-foot open stormwater ditch. There is a stormwater pump station that is located to the west of the 80-foot South Second Street right-of-way that faces Greenville Avenue. Wetlands are also present in the area and would need to be delineated, and any disturbance would need to be permitted through the Corps of Engineers.

Council may adopt a final assessment resolution directing that the project or portions thereof be undertaken. The improvements consist of the following to South Second Street lying between Greenville Avenue and the Carolina Sands neighborhood:

- a. Engineered design for the 270 feet (length) X 20 feet (width) of pavement to include turnaround emergency access with fire hydrant
- b. Install water and sewer mains
- c. Install storm water management
- d. Wetland mitigation

The preliminary numbers of the improvements totaled \$571,047. Historically when the Town has paved streets, there has been an assessment of two-thirds (66.7%) of the total cost of the improvement to be assessed upon the property receiving the improvements.

If the assessment resolution is approved, staff will start the design of the improvements for the 1000 block of South Second Street. Once the project is complete, staff will present Council with the final project cost at the preliminary assessment roll hearing. At or after the hearing, Council shall annul, modify, or confirm the assessments, in whole or in part, either by confirming the preliminary assessments against any lot, parcel, or tract described in the preliminary assessment roll or canceling, increasing, or reducing the assessments as may be proper in compliance with the basis of assessment. If any property is found to be omitted from the preliminary assessment roll, the board may place it on the roll and make the proper assessment. When Council confirms assessments for the project, the clerk shall enter in the minutes the date, hour, and minute of confirmation. From the time of confirmation, each assessment is a lien on the property assessed of the same nature and to the same extent as the lien for County or Town property taxes under the priorities set out in G.S. 153A-200.

Mr. Hardison presented the details and showed photos of current conditions. He said the Town contribution would be \$190,349, of which \$30,000 would come from the General Fund and the remaining \$160,000 from the Utilities Fund. Mr. Hardison said property owners would be assessed and have seven years to pay in installments, or they may pay upfront and save about \$500.

Council Member Benson said it would be helpful to hear from the Corps of Engineers about possible wetlands before committing to the project.

Mayor Barbee asked if anyone from the public wanted to speak about this item.

Michelle Alberda of 205 Greenville Avenue asked how many people received notices about this item and how that was determined. She said she lives behind the area and did not receive anything. Mr. Hardison said for an assessment resolution, only the properties that may be subject to the proposed assessment are notified. Ms. Fox said the Town published a notice of the public hearing in the newspaper. Mayor Barbee said the Town followed all legal requirements.

Scott Sutton of 105 Greenville Avenue said he can't get to his three lots and is paying taxes for something that can't be accessed.

No one else requested to speak.

Mayor Pro Tem Healy and Mayor Barbee also said they would like to know an answers about wetlands before committing to anything. Mr. Hardison said the property owners would need to provide that data to staff after getting an assessment from the Corps of Engineers.

Mayor Barbee said he is also concerned about budget impacts and noted what he considers to be a timing issue.

Council Member Hoffer said this project should be consistent with what was previously done with Wilmington Beach. He asked if there were any wetlands issues then. Mr. Hardison said there were some wetlands that were disturbed and a spot was holding up the project, so a portion of that block was not done.

Mayor Barbee asked which budget this would affect. Mr. Oakley said this can be done during the current or upcoming year.

Council Member LeCompte asked what happens if Council approves this and then the Corps of Engineers determines there are wetlands. Ms. Fox said if the Federal government says the Town can't do it, then the Town can't do it. She said the concern is what the additional cost of potential wetlands mitigation would be once a resolution is adopted.

Mr. Sutton asked how to go about getting data from the Corps of Engineers. Mr. Hardison said staff can help get the ball rolling.

ACTION: Motion to close the public hearing

Motion made by Mayor Barbee

Voting Yea: Mayor Barbee, Mayor Pro Tem Healy, Council Member Benson, Council Member Hoffer, Council Member LeCompte

Motion passed unanimously

Council Member Hoffer said he is committed to treating the property owners fairly, but it's on them to determine whether this is a feasible endeavor.

ACTION: Motion to table this until a future date uncertain when the applicant is ready to proceed with the Corps work done

Motion made by Mayor Barbee

Voting Yea: Mayor Barbee, Mayor Pro Tem Healy, Council Member Benson, Council Member Hoffer, Council Member LeCompte

Motion passed unanimously

7. Public Hearing and Vote on the Proposed FY 22/23 Budget

ACTION: Motion to open the public hearing

Motion made by Mayor Barbee

Voting Yea: Mayor Barbee, Mayor Pro Tem Healy, Council Member Benson, Council Member Hoffer, Council Member LeCompte

Motion passed unanimously

Mr. Oakley went over key calendar dates for the budget process, which began in January with a strategic planning retreat and is scheduled to end tonight with budget adoption. He presented a draft of a balanced budget for 2022/2023.

FY 22/23

- General Fund: \$19,778,842*
- Utilities: \$10,159,155**

*No tax increase

**4% rate increase/\$0.40 stormwater fee increase and \$238,506 from Utilities Fund Balance

General Fund expenses

- Personnel
 - Communications Coordinator
 - Financial Analyst
 - Human Resources Administrative Support
 - 3 firefighters
- Projects
 - 4.5 miles of paving
- Fund balance addition
 - \$150,000

Mr. Oakley said hiring of the three administrative positions would be staggered, with the Human Resources role being advertised in July and the other two in each subsequent quarter. He said prior to filling those, he will come back to Council with a financial update and ask permission to move forward with hiring.

Mr. Oakley said many revenue sources – such as sales tax, room occupancy tax, and parking – are over what was projected for the current year, so he expects to see an additional fund balance increase at the end of this year.

Utilities Fund revenues and expenses

- 4% water/sewer rate increase
- \$0.40 stormwater fee increase
- Permit fee increases
- Phase 1 of water study
 - Preliminary engineering report – permitting
- Wastewater headworks
- Stormwater projects
- \$238,506 transferred from Utilities Fund Balance

Mr. Oakley said the Town expects money from the State and other grant opportunities to help pay for stormwater projects.

Dan Adams of 202 Spencer Farlow Drive thanked Council, Mr. Oakley, and the rest of staff for their work. He said Mr. Oakley brings leadership and direction to the Town.

Cathrine Robbins of 301 Ivy Lane asked Council to consider the state of the economy and the reputation damage that the Town has suffered in recent months. She said a negative perception of parking changes has led to a decrease in traffic and sales at some businesses. Ms. Robbins asked Council to work with the parking company to fix the Town’s reputation as engaging in predatory parking regulations before it creates a long-term issue. She asked Council to hold off on hiring anyone other than the three firefighter positions due to inflation.

Lynn Conto of 707 Magnolia Avenue asked Council not to pursue non-essential employees, or those whose actions don’t directly touch residents or tourists, due to the state of the economy. She said those who must be hired should be on a temporary basis to avoid unemployment and severance.

Michelle Alberda of 205 Greenville Avenue said the Communications Coordinator role seems to be the least necessary of the proposed new positions. She asked Council to look into funding it at least partially from the marketing budget presented earlier. Ms. Alberda also said the cost of signs at the Boardwalk and Lake could be covered by the marketing budget because they contain a lot of tourist information. She said she is in favor of finding creative ways to not add costs onto citizens.

Ken Thompson of 203 Carolina Sands Drive said he supports the proposed budget and focused on the need for security through the Fire Department. He said the Fire Department is experiencing many challenges that warrant the request for three additional firefighters. He asked Council to pass the budget as presented to give staff members the resources they need to do their jobs.

No one else requested to speak.

ACTION: Motion to close the public hearing

Motion made by Mayor Barbee

Voting Yea: Mayor Barbee, Mayor Pro Tem Healy, Council Member Benson, Council Member Hoffer, Council Member LeCompte

Motion passed unanimously

Mayor Barbee said he wanted to make a motion to approve the budget as presented by the Town Manager.

Council Member Benson asked Fire Chief Alan Griffin to speak. Chief Griffin said he had done some additional research on staffing at comparable beach towns, and all of them have more full-time Fire Department staff than the Town. He said the Town is running four firefighters per shift, while other comparable beach towns are running five to eight without much of the commercial, high-rise, and seasonal population challenges that we have. Chief Griffin said The Proximity project as well as other recently issued building permits will add to the need.

Council Member LeCompte said the Town has issued 124 certificates of occupancy since July 1, 2021, and many are for multi-family dwellings that will add a lot of additional units. She said the number of new construction permits is also high.

Council Member Benson said he hopes all three of the new positions proposed outside of the Fire Department will come in October or beyond once summer revenues are in and hurricane season is almost over. Mr. Oakley said he would like to begin advertising the Human Resources position in July because it would cost more to wait, but the others would start advertising in October and January. He said it is likely the new people would not come on board until two months after the beginning of each quarter.

Council Member LeCompte said she has concerns about hiring three administrative people, but she is adamant that the Town hire the three new firefighters. She said no one knows what will happen with the economy months from now, so she would prefer for new hires to happen after the first quarter.

Mayor Pro Tem Healy said Mr. Oakley's top priority is to have a balanced budget. He said the Town budget has grown from \$24 million to \$29 million over the past few years, but there has not been much additional hiring due to the COVID-19 pandemic. Mayor Pro Tem Healy said Mr. Oakley has been running a Town for 17 years, so for him to ask for personnel he must need it. He said he likes the idea of staggering the hiring. Mayor Pro Tem Healy thanked Mr. Oakley and the rest of staff for their hard work.

Council Member Hoffer said Council's job is to question Mr. Oakley and set parameters for the size and scope of government. He said he is concerned about hiring, including adding three new firefighters when the Town added three in 2018 and again in 2021. Council Member Hoffer asked if this could be incremental. He said he feels like the revenue projections for parking citations are dirty money. Council Member Hoffer said he would like to hold the line on hiring and would be open to Mr. Oakley adding three new total positions instead of six.

Mayor Barbee said he sees Council's role as determining what we want, when we want it, and why we want it. He said that's part of the strategic planning process, and determining how to get it is mostly up to Mr. Oakley. Mayor Barbee said his confidence in Mr. Oakley is high and called him one of the best fiscal managers he's ever seen. He said he wants to approve the budget and hold Mr. Oakley accountable for what's he's committed to in terms of staggered hiring and coming back to Council for final approval.

Council Member Benson asked if the Human Resources position planned for July will come back to Council. Mr. Oakley said he can come back before starting that process. He said he wanted to hire for this position soon due to cost considerations and the need for training to prepare for possible retirement within the department in the next few years.

ACTION: Motion to approve the budget as presented by the Town Manager

Motion made by Mayor Barbee

Voting Yea: Mayor Barbee, Mayor Pro Tem Healy, Council Member Benson, Council Member LeCompte

Voting Nay: Council Member Hoffer

Motion passed 4-1

Mayor Barbee thanked department heads for answering budget questions and helping Council learn and understand.

Council Hoffer said even though he voted against the budget, Council has approved it as a whole and he will do everything he can to make it successful.

Council Member LeCompte thanked members of the public who have commented and otherwise participated in the budget process since January.

ITEMS OF BUSINESS

8. Amend Capital Project Fund for ARP Unassigned Funds

A proposed ordinance would transfer unassigned revenue of \$686.71 from the American Rescue Plan (ARP) out of the General Fund into the ARP Water, Sewer & Stormwater Capital Project so the funds will be available in the new fiscal year.

Mr. Oakley presented the details.

ACTION: Motion to amend the Capital Project Fund for ARP unassigned funds as the Town Manager has presented

Motion made by Mayor Barbee

Voting Yea: Mayor Barbee, Mayor Pro Tem Healy, Council Member Benson, Council Member Hoffer, Council Member LeCompte

Motion passed unanimously

9. Amend Capital Project Fund for Lake Dredging SERDRF Grant

A proposed ordinance would amend the Lake Dredging Project Fund to appropriate the \$2,000,000 State Emergency Response and Disaster Relief Fund (SERDRF) grant received from the State.

Mr. Oakley presented the details. He said this is a reserve fund, and this money does not go into the Town's General Fund or factor into the fund balance at any time.

ACTION: Motion to amend the Capital Project Fund for lake dredging SERDRF grant as presented by the Town Manager

Motion made by Mayor Barbee

Voting Yea: Mayor Barbee, Mayor Pro Tem Healy, Council Member Benson, Council Member Hoffer, Council Member LeCompte

Motion passed unanimously

10. Create Capital Project Fund for Ocean Boulevard Sidewalk and Carolina Beach Avenue North Improvements

A proposed ordinance would create a Capital Project Fund to appropriate the \$900,000 State Capital Infrastructure Fund (SCIF) grant received from the State.

Mr. Oakley presented the details. He said the Town had hoped to do some stormwater improvements along Carolina Beach Avenue North with this money, but it's not in this funding. He said it will fund the Ocean Boulevard Sidewalk and Carolina Beach Avenue North paving.

ACTION: Motion to create a Capital Project Fun for Ocean Sidewalk and Carolina Beach Avenue North improvements as presented by the Town Manager

Motion made by Mayor Barbee

Voting Yea: Mayor Barbee, Mayor Pro Tem Healy, Council Member Benson, Council Member Hoffer, Council Member LeCompte

Motion passed unanimously

11. Create Capital Project Fund for Lake Park Recreation Project

A proposed ordinance would create a Capital Project Fund to appropriate the \$1,000,000 Brandy Myers grant received from the State and the Land and Water Conservation Fund (LWCF) grant for a new playground and other improvements at Lake Park.

Mr. Oakley presented the details.

Council Member LeCompte asked if the LWCF grant requires a match. Mr. Oakley said yes, but he thinks the other grant will help to satisfy that.

Mayor Healy said this project has been in the works for years and will be great for the Town.

Council Member Hoffer asked if the Town will be rebranding the park. Mr. Oakley said just the playground would be rebranded.

Mayor Barbee thanked Rep. Miller for helping the Town to secure this funding, which is part of a leukemia awareness initiative from the State.

ACTION: Motion to create a Capital Project Fund for Lake Park recreation project

Motion made by Mayor Barbee

Voting Yea: Mayor Barbee, Mayor Pro Tem Healy, Council Member Benson, Council Member Hoffer, Council Member LeCompte

Motion passed unanimously

Council Member Benson asked what is left in the 2016 revenue bonds. Ms. Hall said \$1.3 million remains.

12. Annual Committee Appointments

Mayor Barbee said the outpouring of interest from citizens was amazing. He said he wishes there were seats for everyone and encouraged people to keep applying.

Council made the following committee appointments:

- Beautification: Sarah Finn
- Board of Adjustment: Tim Howard
- Marketing: Jeff Hogan, Rachel Nadeau, and Robin Cowie
- Operations: Cindy Dunn, Gerald Taylor, and Steve Wright
- Parks and Rec: Jasmine McKee
- Planning and Zoning: Jeff Hogan
- Centennial: Christopher Scharf
- Police: Frances Reyes, Pete Green, and Stephen Graybush

Mayor Barbee congratulated the newly appointed members and said Ms. Ward will be in touch to get them started.

COUNCIL COMMENTS

Council Member LeCompte said in light of the number of applicants for committees, she would like for staff to look at term limits and the number of committees on which people can serve so interested residents aren't left out. She said she would like to hear ways to get more and different people involved.

Council Member LeCompte said 50/50 raffles will start again during the weekly music/fireworks events. She said proceeds will benefit Friends of CB Parks & Greenways, Carolina Beach Blueliners Foundation, and the Carolina Beach Lifeguard Association, which are all Town-associated non-profit organizations.

Council Member LeCompte said she would like to get the process moving quickly for the Unified Development Ordinance (UDO) review now that the budget has been approved. Mr. Oakley said he is working with a consultant and will come back with a plan soon.

Mayor Pro Tem Healy said he has received some emails about trash. He said the Town can do better as far as maintaining downtown and holding businesses accountable. Mr. Oakley said Keep New Hanover County Beautiful brought some additional butt buckets, and staff has been informed that the trash situation needs improvement. Mayor Barbee and Council Member LeCompte said some of the trash cans could use cleaning or replacement.

Council Member Benson said he'd like approval from Council to move the Operations Advisory Committee meetings from the first Tuesday to the second Tuesday at the same time. He said the schedule change would ensure that he doesn't miss meetings. Council Member Benson said the committee took a vote supporting the proposed switch. It was the consensus of Council to allow the change.

Council Member Hoffer said with DOT looking at major repaving of Lake Park Boulevard in 2025, now is the time to come up with a good, solid plan forward for this area. He said he'd like for the Operations Advisory Committee to focus on just that corridor and start coming up with concepts. Council Member Hoffer said there may be potential for DOT to share costs because that entity is doing the work anyway.

Council Member Benson asked when committees would resume coming before Council. Mayor Barbee said committee training is happening in July, and then a schedule will be created for committees to give reports at upcoming meetings.

Mayor Barbee said if the Town is planning to make any changes to enforcement of illegal fireworks, he wants to communicate it to the public in advance. He asked to discuss this with Police Chief Vic Ward during the next workshop.

CLOSED SESSION

13. Closed Session – Real Estate Parcel ID# R08814-001-007-000

ACTION: Motion to go into closed session to discuss attorney/client and real estate matters in accordance with NCGS 143-318.11(a)(3) and (5). The matter being discussed is 19 CVS 4634 James and Barbara Miller vs. Town of Carolina Beach; the property being discussed is Parcel ID R08814-001-007-000

Motion made by Mayor Barbee

Voting Yea: Mayor Barbee, Mayor Pro Tem Healy, Council Member Benson, Council Member Hoffer, Council Member LeCompte

Motion passed unanimously

Mayor Barbee called the meeting back to order and said Council took no action during closed session.

ADJOURNMENT

Mayor Barbee adjourned the meeting at 8:45 PM.