

# CAROLINA BEACH

Town Council Workshop

Tuesday, May 25, 2021 - 9:00 AM

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



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## MINUTES

### CALL TO ORDER

Mayor Pierce called the meeting to order at 9:00 AM.

### PRESENT

Mayor LeAnn Pierce

Mayor Pro Tem Jay Healy

Council Member Lynn Barbee

Council Member JoDan Garza

Council Member Steve Shuttleworth

### ALSO PRESENT

Town Manager Bruce Oakley

Assistant Town Manager Ed Parvin

Town Clerk Kim Ward

### EMPLOYEE RECOGNITION

1. Employee Recognition

Planning Director Jeremy Hardison recognized Code Enforcement Officer Joe Hutcherson, who will be retiring on May 31, and presented him with a plaque. Mr. Hardison said Mr. Hutcherson has investigated over 400 complaints during his time with the Town. Council Members expressed thanks to Mr. Hutcherson.

### MANAGER'S UPDATE

Mr. Oakley said he has submitted his draft budget message to Council, and he gave a presentation of the highlights.

Budget Message

FY 21-22

General Fund: \$16,627,254\*

Utilities: \$9,357,678\*\*

\*Includes proposed tax decrease – 21.5 cents per \$100

\*\*Includes 2 percent rate increase/\$1 stormwater fee increase and \$312,446 from Utilities General Fund

Mr. Oakley said based on the Office of the State Treasurer, the revenue-neutral tax rate is a little over 17 cents. He said this figure seems very low, so he has a call in for that office to review the numbers and get back to him.

#### Capital Projects

- Lake Park Playground
- Mike Chappell Restroom Facility
- St. Joseph Bike Lanes
- Stormwater Projects
- Florida Avenue
- Fire Equipment
- Town Hall HVAC

#### Personnel

- One new full-time position
- Beach Patrol – seasonal
- Cost-of-living adjustment/merit

#### Municipal Service District (MSD)

- 5 cents per \$100 of value
- Seasonal employees
- New signage
- Lighting
- Partial coverage of existing expenses

Mr. Parvin reviewed a map of the location of stormwater improvements and how they will be funded. He said these projects would be hitting a lot of areas throughout the Town before phased projects start again in 2024.

#### Rates and Fees

- Solid waste – consistent with GFL built-in CPI: 3.6 percent
- Water/sewer rates: 2 percent
- Paper bills administrative fee: \$1.50
- Freeman Park camping (Labor Day-Memorial Day): ~~\$50~~ \$60
- Mooring field: ~~\$20~~ \$30
- Transient slip: \$70
- Parks & Recreation non-resident: +\$10

Council Member Garza said Freeman Park camping already went from \$30 to \$50 last year and questioned the reasoning for the significant increase. Mr. Parvin said there are fewer camping spaces every year due to limited space from changing environmental conditions, and he said the price is based on what people are willing to pay. He said the camping spaces stay full.

Council Member Garza asked if the camping fee is the only increase for Freeman Park. Mr. Parvin said the Town didn't propose any other increases but will bring back some fees in the late summer or early fall if Council wants.

Council Member Garza asked if parking fees for residents are increasing. Mr. Parvin said the Town didn't increase any residential fees other than the solid waste and water/sewer rates mentioned previously.

Council Member Garza said he wants to see a fixed percentage every year for the cost-of-living adjustment/merit increases for staff. He said this would be good for employee morale and long-term retainment. He said if the Town does not concrete that percentage, there will be issues with staffing.

Council Member Garza said he hopes the Beach Patrol employee will be trained to approach visitors in a welcoming rather than scolding manner if violations of rules, such as trash disposal, are happening.

Mayor Pierce asked which department the Beach Patrol position will be under. Mr. Oakley said Ocean Rescue.

Council Member Garza said he wanted to talk about the proposed MSD. He said he thinks the timing is not right and suggested the Town push off the idea for a while. He said he thinks things got off on the wrong foot from a communications standpoint and that it would have been more beneficial if the Town went to the property owners first for buy-in and to find out their wants versus needs.

Mayor Pro Tem Healy said he has mixed feelings about the proposed MSD. He said he thinks the timing could be better when taking the COVID-19 pandemic into consideration. He said he thinks it will be important to get the facts about how much extra revenue above and beyond the Town spends downtown. He said the Town does spend a lot of money in that area and he thinks it is needed, and he also referred to a list of 15 to 20 municipalities that do a similar tax right now mostly for downtown areas. He said he thinks it is the right thing to do personally, but right now it looks like the Town is punishing business owners by introducing this.

Council Member Barbee said he thinks this is a narrative that the property owners have created. He said the proposed MSD would affect taxes for next year and not last year, and expectations point to a record year here next year. He said no one is ever going to say now is the right time to raise taxes, and you either believe in the MSD or you don't. Mayor Pierce asked Council Member Barbee if he is saying he wants to move forward with it. Council Member Barbee said he wants to hear from the public and that he is not committing to a vote either way right now.

Mayor Pierce said Council is going to have a public hearing on the proposed MSD but that Mr. Oakley needs to have a Plan B in his pocket if Council does not move forward with the implementing the tax. Mr. Oakley said he can have an alternate budget prepared for adoption.

Mayor Pro Tem Healy asked what the ballpark number is for what the Town spends in that area over and above. Mr. Oakley said he can't say over and above, but Public Works calculated at least \$159,000 worth of expenses annually on the Boardwalk area and marina. He said it's hard to account for

additional Police, Fire, and other services. He said the Town spends more there than anywhere else in Town and that he could work on a more precise number.

Council Member Garza said the proposed MSD treads a fine line because there are other areas of the Town that have the need for additional services, such as the lake district or the people who live near Mike Chappell Park.

Council Member Barbee asked about the language in the State rules. Mr. Oakley said MSDs are intended to provide services above and beyond anywhere else in Town, but the State language doesn't really go into expenses.

Mayor Pierce said the proposed MSD is very creative and works in other areas, but she thinks it is happening too fast to get the business owners on board. She said Wilmington Mayor Bill Saffo told her it took several years to happen in the City after committees were formed and business owners were involved. She said the only way to make this work is to have business owners on board. She agreed that the timing is bad and said she does think the MSD will happen in the Town, but this is not the year for it. She said the business owners need to have some recovery and decide what they want that money to go toward to complement their businesses. She said she wants to hear what the public has to say but would be surprised if property owners want to move forward with it right now. She said she wants the Town to revisit the issue after forming a committee and doing more research.

Council Member Shuttleworth said the MSD idea has been brewing for years as a result of business owners approaching the Town about getting extra support. He said if the Town wants a thriving community it has to have a Central Business District, and he doesn't think it's unreasonable to ask the property owners in this area to help bear some of the expense when the Town does things there that it doesn't do in other places. He said the dredging work at the lake is a community stormwater feature to protect the homes in the area and not to beautify the lake, and he said the Mike Chappell Park improvements are a community-wide commitment through taxes and Parks & Recreation. He said the MSD would cover specialty things above and beyond normal in the downtown area. Council Member Shuttleworth said he realizes this is a tough pill to swallow and that some property owners will not be happy about it, so he is fine with putting it off a year or two. He said he doesn't want to move forward with a contentious issue when the Town hasn't had a chance to talk to business owners. He said there should be a well-conceived plan and better education.

Council Member Barbee asked if the property owners in the proposed MSD area would have direct input into where the money goes. He said he wants to know how that works in other places and how it would work here.

Mr. Oakley said some places create downtown advisory boards or other groups. He said technically Council would be the oversight, but it would be a good thing to appoint a board to help plan for the budget and ensure the funds are spent as proposed.

Council Member Barbee said he thinks that long-term the MSD would actually improve the way the Town spends money in the Boardwalk area. He said it would give property owners a voice and help them get more of the services they need.

Mayor Pro Tem Healy said he was aware of a group of downtown business owners that met on a regular basis before the COVID-19 pandemic, so he recommended restarting this.

Mayor Pierce asked Council Members if they wanted to pull the proposed MSD now or move forward with the public hearing on June 8. The consensus of Council was to have the public hearing.

Mayor Pierce said she would encourage Mr. Oakley to have a Plan B for the budget without the MSD. Mr. Oakley said he would have an alternate budget ready to be approved.

Mayor Pierce asked if Council Members wanted to talk about having a committee for the proposed MSD now. The consensus of Council was to wait.

Council Member Shuttleworth said Mr. Oakley needs to decide how budget dollars are spent.

Mayor Pierce asked Mr. Oakley to think about the makeup and operation of a committee for the proposed MSD. She said she thinks it should not be all business owners.

Council Member Barbee said the committee should not tell Mr. Oakley how to spend the money but serve in an advisory capacity.

Mayor Pierce said the committee would be helpful to serve as eyes and ears since Council Members can't be in the Boardwalk area all the time.

Council Member Garza suggested reaching out to the City of Wilmington to find out more about how it overcame its MSD struggles. Mayor Pierce said the City had some struggles, and it took a couple of years to put in place.

Mr. Oakley said he has experience with MSD boards because he has served on one before.

Mayor Pierce asked if the Town's fees for boater services are in line with other places. Mr. Parvin said the fees are pretty close to what is charged elsewhere. He said there are not a lot of mooring fields in North Carolina, and the average is \$30. Mayor Pierce asked him to look at what the City of Wilmington is charging for transient slips.

## **BUDGET DISCUSSION**

Mr. Oakley said he could answer any questions on the general budget. He said the draft budget message is ready for inspection and will go online, but that is subject to change based on the alternate budget he will prepare.

Council Member Barbee asked about the remainder of the budget process. Mr. Oakley said the MSD public hearing and overall budget public hearing will be at the June 8 Council meeting. He said if the MSD is approved, it will go into the budget. Then the Town will have to wait a week to adopt the budget to allow time for people who want to be excluded to submit requests. He said if the MSD is not approved, Council can adopt the budget at the same meeting.

Council Member Barbee asked where the Town would get the rest of the money for the marina rebuild. Mr. Oakley said the Town is still working on that and hopes to split the project in two. He said the total project cost is \$3 million, and \$2 million in grants is available. He said there has been discussion about potential other ways to get funding. He said the project will start this year, but there are no hard numbers yet and the Town may be doing value engineering to get the numbers down.

In reference to the lake dredge, Council Member Barbee asked if the Town still has money from bonds held. Mr. Oakley said this is correct. He said the Town is proposing to use \$400,000 of the revenue bond money for stormwater projects but thinks that can be paid back with American Rescue Plan funds. Council Member Barbee asked if the Town feels confident that federal money will be available. Mr. Oakley said yes.

Council Member Shuttleworth asked where the Town is with the lake dredge request for proposals and having permits ready to go so a contractor can start on the work right away. Mr. Oakley said the Town put out a call for contractors and basically had no formal submittals, just a few people expressing interest. He said he spoke to one and hadn't heard back from him yet and met with another who was interested in dredging but wanted to drain the lake right away during the summer season.

Council Member Shuttleworth said Mr. Oakley needs to follow up with the interested parties, and he mentioned some contractors he believes are qualified. Council Member Shuttleworth said the Town is sitting on a treadmill and not going anywhere with this issue. He said he is getting mixed signals because the contractors he talked to said they were trying to get information to the Town.

Mayor Pierce said she agrees with Council Member Shuttleworth that the Town has to be ready to go when the time comes. She said there is a meeting with the Military Ocean Terminal Sunny Point (MOTSU) Colonel on June 4. Mr. Oakley said there will still be another level of approval after that meeting, but he expects some positive news to come out of it. Mayor Pierce asked if the Town may still get permission to put soil on MOTSU property. Mr. Oakley said it sounds like a good possibility, but the time frame may be two years down the road.

Council Member Shuttleworth said this has been going on for 10 years, and some Council Members have run for office saying they were going to come up with a solution. He said he doesn't understand why it's so difficult to make sure all the permits are lined up. He said it is dangerous out there, and he worries that a child might get stuck in 4 feet of muck. He said not only is the situation hurting the Town on stormwater, but it's an eyesore and it smells. He said the Town has the money in the bank but can't figure out how to do the job, and now it's almost June and things are no further along than they were in January or the January before. He called the situation "ridiculous."

Mayor Pierce said Council Member Shuttleworth is very passionate about the lake, so she asked Mr. Oakley to make that a priority and reach out to the interested parties again.

Mayor Pro Tem Healy asked about the previously mentioned \$400,000 the Town is proposing to take from the \$1.4 million bond money. Mr. Oakley said that money would pay for stormwater projects and be reimbursed, but if American Rescue Plan funds come in first, the Town doesn't have to touch it.

Council Member Garza asked when Mr. Oakley expects that money to be available. Mr. Oakley said he was originally told cash would be in hand by April, but funds have to go through the State and forms were just sent out that the Town has to submit.

Mayor Pro Tem Healy asked if the marina project slated to begin in the fall would start with the south or east side. Mr. Parvin said the Town is getting permits for both sides, but since the project is short \$1 million work might be done on only one side at first while the Town tries to find funding for the other side. Mr. Parvin said the Town will work with the contractor on which side should be first. He said the Town does not want to rip up Canal Drive in the middle of the summer, so that's a big consideration. Mayor Pro Tem Healy said it doesn't matter which side is first as long as a side is done. Council Member Barbee said this was a big project that will cause disruptions, so he thinks as much as possible should be done in the offseason.

### **NON-AGENDA ITEMS**

Council Member Garza said the lot next to the school is for sale, so he would like the Town to reach out to the County to see if it will look into purchasing the land for Carolina Beach Elementary School. He said he would also like to know if there are plans for any future upgrades to the school.

Council Member Garza said he would like the Town to look into adding some additional beach strand restroom facilities in the Wilmington Beach area.

Council Member Garza said budget season is always interesting, and he thanked Mr. Oakley for a great job.

Mayor Pro Tem Healy asked if the Town was in the process of filling the Code Enforcement job. He said this seems like a vital position this time of year. Mr. Parvin said the Town has advertised and received quite a few applications. He said it is a priority position. Mayor Pro Tem Healy said the Town might want to take a look at giving more authority to the Code Enforcement Officer to write tickets.

Mayor Pro Tem Healy said he wanted to know where the Town is in the process of reviewing the ordinance about dogs on the Boardwalk. He said he is a big fan of dogs on the Boardwalk and thinks the public is in favor of it as well. Mr. Oakley said he is meeting with Police Chief Vic Ward and Fire Chief Alan Griffin to review existing ordinances and bring back proposed new ordinances addressing dogs on the Boardwalk as well as other matters that the public has mentioned. Council Member Garza said he loves dogs, but he does not want to move forward with allowing dogs on the Boardwalk because many pet owners don't train their dogs properly. Mayor Pierce said she would be cautious about that because of crowds and little kids being near big dogs. She said maybe it could be a seasonal allowance. Council Member Barbee said there would need to be conditions around timing. Mr. Oakley said the existing ordinance has so many violations that enforcement is a challenge for the Police Department.

Council Member Barbee brought up people parking in the rights-of-way in residential areas. He said it has not been a problem in the past but is becoming one because suddenly crowds of visitors are huge. He said he does not have a proposed solution but wants the Town to think about it for the future.

Mayor Pierce said she is not a fan of parking in the rights-of-way and that the Town will need to have a conversation about it because she has heard complaints from residents. Council Member Shuttleworth said he does not want people parking in the medians on Cape Fear Boulevard and Harper Avenue because of the landscaping, and it also poses a problem for visibility and emergency vehicles. He said the options are to post no-parking signs in rights-of-way or install meters to collect revenue. He said the larger crowds are causing people to park further back, and the Town will need to start looking at towing if vehicles are blocking driveways. Mayor Pierce said five years ago everybody was against a parking deck, but it might be time to revisit that possibility. Council Member Garza mentioned the Harris Teeter lot and said maybe the Town needs to consider restructuring allowances so parking decks with shuttles can be built.

Council Member Garza said the Town needs to really take care of staff as a very busy season is on the horizon. He suggested a party with food trucks before the summer starts and an event after the summer to thank staff and show appreciation.

Council Member Garza brought up House Bill 781 and the potential for allowing open containers of alcohol in the Boardwalk vicinity. He said he thinks this would be beneficial, especially during Thursday night fireworks and other time frames because it would keep people social distancing and help bars.

Council Member Garza said he would like the Town to begin talking about another sidewalk on Ocean Boulevard. He said there are lots of people walking in that area, and there are no sidewalks on any of those side streets. Mayor Pierce said she would put this on her list to revisit. She said she thinks it's in the bike/pedestrian plan, but she doesn't think the Town has ever taken the issue to the Wilmington Urban Area Metropolitan Planning Organization (MPO) for money. She said she has a meeting with the MPO tomorrow and will mention it then. Council Member Shuttleworth said this has been discussed in the past and was an issue because of N.C. Department of Transportation (DOT) requirements that call for sidewalks to be a specific distance off the asphalt and out of the right-of-way, which would basically put the sidewalks on the front porch of residences. He said the Town needs to go to the DOT and request to put a multi-use path in the right-of-way. Mr. Parvin said it could be in the right-of-way but must be a certain distance from the street based on the speed limit and other factors. Mayor Pierce asked that the Bike/Pedestrian Committee revisit whatever is proposed for Ocean Boulevard.

## **ADJOURNMENT**

**ACTION:** Motion to adjourn

Motion made by Mayor Pierce

Voting Yea: Mayor Pierce, Mayor Pro Tem Healy, Council Member Barbee, Council Member Garza, Council Member Shuttleworth

*Motion passed unanimously*

The meeting adjourned at 10:05 AM.