

CAROLINA BEACH

Town Council Workshop

Tuesday, October 25, 2022 - 9:00 AM

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



MINUTES

CALL TO ORDER

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

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

Finance Director Debbie Hall

Town Clerk Kim Ward

DISCUSSION ITEMS

1. Employee Recognition

The following employees were recognized for their years of service:

- Bryce Smithson, 10 years (Parks & Recreation)
- Nyllia Mann, 25 years (Executive)

2. Proclamation Naming October 25, 2022, Marie Underwood Day

Mayor Barbee read Proclamation No. 22-2273 naming October 25, 2022, Marie Underwood Day in honor of her 100th birthday.

ACTION: Motion to approve the resolution

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 LeCompte gave details about a community parade being held for Ms. Underwood this afternoon. Afterward, she said Mayor Barbee with present Ms. Underwood with a key to the Town and the proclamation, and community members will gather to sing “Happy Birthday” to her.

3. Clarendon Avenue Multi-Use Path

Mr. Parvin said the Town received a grant several years ago for a multi-use path on Clarendon Avenue from the Lake to Mike Chappell Park. He said the Town looked at options for several years and then brought it back to the Bike/Ped Committee for review, but there was not a lot of support for moving forward and the committee voted to eliminate the project. Mr. Parvin presented Resolution No. 22-2272, which would approve returning the grant back to the Wilmington Urban Area Metropolitan Planning Organization (WMPO) and N.C. Department of Transportation (DOT). He said the Town could consider this project again after a number of years and developing a bike/ped plan to support it.

ACTION: Motion to adopt the resolution to cancel the Clarendon Avenue multi-use path project and return those funds to the WMPO

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

4. Manager’s Update

Mr. Oakley gave an update on current and future projects.

Beautification Project

At the last meeting the Beautification Committee gave a presentation about landscaping the median on the north side of Snow’s Cut Bridge, but there was some sticker shock regarding the proposed cost. Staff, Council Member Hoffer, and the Beautification Committee came up with ways to make the plan more feasible, so the current proposal is to do about 50 feet initially instead of the whole median. Non-profit organizations may be willing to contribute money to help finish the project. There is no solid cost estimate, but staff thinks it will be about \$5,000 and not more than \$10,000. The Town will try to find initial funding in the budget, but if things come up short staff will come to Council for any budget transfers or amendments.

Council Member LeCompte said the N.C. Wildlife Federation is a possible partner for funding and expertise.

Mayor Barbee asked if the initial cost can be absorbed in the current landscaping budget. Mr. Oakley said yes, staff will look to see what can be funded in the current budget but come back to Council if more money is necessary.

Mayor Pro Tem Healy said it’s important to have a good first impression coming into Town and he’s all for getting it started, but he’s interested to see the final number.

Council Member LeCompte said maintenance is a big issue for her. She said the Town tends to plant things and forget they are there, so maintenance costs need to be built into whatever is done. Mr. Oakley said this can be added to the existing landscaping contract.

Mayor Barbee said he thinks this is a good start.

ACTION: Motion of support for the Beautification Committee's plan 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

Cape Fear/Canal Underground Utilities

The latest cost estimate for putting AT&T lines underground, including concrete replacement and removing poles, is about \$80,000 to \$85,000. Council can move forward with this now or wait for the next budget.

Council Member Benson said this is not yet a firm quote. Mr. Oakley said staff wants to have a conversation with AT&T but hasn't yet heard back.

Mayor Barbee said he wants to wait until there is a real number.

Council Member LeCompte said she wants to know why AT&T didn't put the lines underground when Duke Energy was burying lines. She said staff needs to find out whether the Town has already paid for this and it just didn't happen.

Mr. Oakley said he will compile history/research and send out a briefing to Council.

Financial Update

Finance Director Debbie Hall gave an update on where the Town stands after the first quarter of the fiscal year. She said while the fund balance went from 35% to 31%, the available amount actually increased \$1.8 million and the overall fund balance went up \$89,000, which is no small feat after the purchase of Freeman Park. Ms. Hall said the percentage is down because you take the total fund balance and divide it by expenditures, which included the purchase of Freeman Park even though part of that was financed and not actually spent during this fiscal year. She said the audit was submitted to the Local Government Commission (LGC) last Thursday, and she will distribute audited financial statements as soon as they are available.

Mayor Barbee said the Town spent \$7 million to buy a piece of property cherished by the community and the fund balance still went up, which is fantastic. He gave Mr. Oakley and his team credit for this.

Council Member LeCompte asked if staff has heard about the grant money from the N.C. Land and Water Fund. Mr. Oakley said staff is meeting with representatives from the organization this week and hopefully will have more information soon.

Ms. Hall said sales and use tax collections for July and August were up 25.19% over the same period in fiscal year (FY) 21/22. Mayor Barbee said some people might attribute this to inflation, but the increase far exceeds the inflation rate.

Ms. Hall said the ad valorem property tax collection rate for FY 22 was 99.38%, and it has been steady for this year. She said room occupancy tax (ROT) collections for July and August were up 13.39% over the same period last fiscal year. She said hotel collections are down but other rentals are up, and overall this looks positive for the economy. Ms. Hall also reviewed the percentage increase/decrease of various revenue sources between FY 22 and FY 23: Alcoholic Beverage Control (ABC) tax, building inspections, parking lots, parking meters, and parking permits. She said revenue from all of these sources was up with the exception of parking permits, which was down a little because of changes the Town made to how passes are sold. Ms. Hall said overall, the revenue sources show strong growth.

Ms. Hall said the available utility fund balance for FY 22 was \$2,410,713, which is an increase of \$1,459,838 over FY 21. For the utility fund revenue comparison, she noted the following:

- Monthly collections are up over the prior fiscal year.
- Connection fees are reduced if water and sewer taps already exist.
- System development fees are charged when new customers are added to the water/sewer system or there is an increase in meter size.

Mayor Barbee said as available land runs out, the development rate may remain the same but system development fees will decrease. He praised Ms. Hall for a good, clear, and concise report.

5. Presentation by Pivot Parking and Vendors

Mr. Parvin introduced Tina Reid of Pivot Parking, who gave a quarterly financial update.

Beginning of season update reminders

- Implemented Text 2 Park in all parking areas
- New signage
- 23 parking codes created
- Parking codes start with "CB" and include abbreviation for location name and/or street address
- Customers can text or scan QR code
- Customers can start parking sessions prior to paid parking time/start, which is popular in the Weeks Lot with charter boat customers
- New permit portal/new citation portal
- License plate recognition (LPR) equipment installed

Parking gross revenue for 2022 (January-September) was \$2,992,888.80, which includes, from highest to lowest, Text 2 Park, pay stations, permits, meters, and violations. Ms. Reid also presented the revenue per location of the top 10 revenue locations for the third quarter (July, August, and September).

Text 2 Park gross revenue for the third quarter was \$658,963 with 58,226 transactions. The top ZIP codes using Text 2 Park during the third quarter were as follows (in no particular order): six from Wilmington, Belville, Wake Forest, Apex, and Cary. Text 2 Park gross revenue March-September was \$1,327,638.25, or 44% of total parking revenue.

Pay station gross revenue for the third quarter was \$364,540 with 29,499 transactions. The most used lots during this period were Palms, Surfside East, and Town Hall. Pay station gross revenue March-September was \$743,659.59, or 25% of total parking revenue. There are 17 currently operational pay stations, and in 2023 there is the possibility of eliminating five or six.

Mayor Barbee asked about the cost to operate Text 2 Park vs. meters and pay stations. Ms. Reid said pay stations require paper, printers, software fees, and keeping the motherboard and other internal parts in working order. She said in a salty environment, it's good to get a pay station to last four or five years. Ms. Reid said she doesn't have an exact number, but the cost of operating these is significantly more than Text 2 Park.

MacKay meter gross revenue for the third quarter was \$139,682.30 with 22,790 transactions. MacKay meter gross revenue March-September was \$293,272.95, or 10% of total parking revenue. Because support for the current meter system has stopped and upgrading is costly, it is likely all meters will not be operational by the end of 2023.

Parking permit sales for the third quarter totaled \$19,540 for a quantity of 465. This includes residential, low-speed vehicle (LSV) for residents and non-residents, golf cart, business employee, re-entry decals, and seven-day visitor.

Citation data for the third quarter included 2,020 written citations, 121 warning citations, and 1,214 paid citations. The third quarter collection rate was 83%. Ms. Reid said the industry-standard goal is about 72%.

The citation data also included the number of residential parkers that were hit by LPR during July (248), August (214), and September (372). Mayor Barbee said he would like to know the percentage of what LPR hit in terms of residential parkers vs. non-residential parkers. Ms. Reid said Pivot can drill out that information. Mayor Barbee said this would give an indication of how much residential passes are being used.

Freeman Park revenue for 2022 (January-September) was \$644,631.21. This includes, from highest to lowest, daily passes, camping, and permits. The figure does not include permit sales from December 2021, which would add about \$238,000. Freeman Park third quarter (July-September) gross revenue was \$241,544 with 3,663 transactions.

Overall total revenue including parking and Freeman Park for November 2021-September 2022 was \$3,958,884.01, up from \$3,238,379.09 for November 2020-September 2021.

Total third quarter parking operational expenses were \$147,967.32. This does not include any expenses paid directly by the Town or the incentive management fee. Mayor Barbee said he would like

to know how this compares to what was budgeted. Ms. Reid said she would have to look up that figure.

The presentation also included information about potential new paid parking areas, the capability of the LPR system to provide data, and occupancy counts, something Pivot was able to provide to the Town upon request at no extra charge.

Potential parking updates for 2023

- Electric vehicle (EV) charging stations
- Pay station conversion to Text 2 Park only
- Paint/maintenance/new curb stops
- Enforcement/right-of-way enforcement
- Signal boosters/portable cell towers
- Permeable parking lot pavers
- Updated enforcement vehicles
- More permanent signage

Mayor Barbee said the Parking Committee recommended re-evaluating and increasing handicap parking, which is something that still needs to be addressed. He said this was a great presentation, and the overall numbers are fantastic.

Mayor Barbee said he would like the Town to look into a practice he noticed in Indianapolis for defunct parking meters. He said rather than leaving the poles with a metal sign, they had a cap to go on the post with parking instructions, which blended in well and concealed the fact that it was a leftover parking meter. Mayor Barbee said it's important to think of the aesthetics of converting parking meters.

Council Member Benson asked if the Town is on par with revenue over expense numbers. Mr. Oakley said expenses are on track with what was budgeted for this fiscal year.

Mayor Barbee said the Town not only changed parking companies but also its management philosophy so there would be more input and control of expenses. He said although it was not necessarily the fault of Reef Parking, the previous parking management company, the former contract hid a lot of expenses that are now transparent. Mayor Barbee said this has enabled Council to have the knowledge to take a deeper dive into those expenses during the next budget cycle to see if there is anything that can be done to control or reduce them.

Mr. Oakley said staff is already identifying and looking into some ways to save on expenses.

Ms. Reid said one way the Town may save money is through credit card fees. She said Pivot uses a different merchant than the Town, but Pivot's merchant has analyzed the situation and indicated it can save the Town money.

Mayor Barbee said this type of partnership to help drive down costs is why the Town changed parking management companies, and he thanked Pivot for the effort.

Mayor Pro Tem Healy said he is pleased with revenue but a little shocked by expenses. He said he is looking forward to next year because hopefully the initial setup costs will be absorbed.

Council Member Hoffer said the presentation was very professional, and he expressed appreciation for the data Pivot supplies.

Ms. Reid said Pivot's analytics are a team effort.

Next, two separate vendors demonstrated how a gate arm could benefit Freeman Park. Ms. Reid said Pivot has been looking into ways to potentially automate access.

Cody Shealy of Parkonect gave a presentation on the following:

- Who Parkonect is
- Its connected platform
- Software, data, and integrations
- Operational summary
- Questions and answers

Mayor Barbee said a system like this would be helpful for days when Freeman Park reaches capacity because it would allow the Town to know exactly how many people have left and if more people can enter. He said the exit gate must be fast to prevent backups on the soft sand.

Council Member Hoffer shared concerns about the exit gate.

Mayor Barbee said a system that eliminates mechanical parts would be helpful because the salt environment is harsh.

Council Member Benson said he is worried about backups on Canal Drive.

Ms. Reid said the intent is not to completely remove attendants. She said on the busiest days there could be an attendant assisting to make the process even quicker.

Mayor Pro Tem Healy asked if the process of entry is faster without an attendant. Ms. Reid said with updated equipment, such as a touchscreen, either vendor would speed up the process over what is in place now.

Mayor Pro Tem Healy asked about cost. Mr. Shealy said there are six different solutions. Mr. Parvin said normally this is something staff would review at this stage before bringing more details, including price, to Council, but staff wanted Council to be part of the initial presentations for a change this big. Mayor Barbee said the purpose now is not to go through pricing but to be introduced to potential technology.

Mayor Barbee said the Town should make the Freeman Park entry/exit process as painless as possible and remove obstacles. He said the customer service element of using technology to make it seamless for people is good for the Town.

Ali Clough, Brian Roberts, Aaron Davis, and Jason Baker of Carolina Time & Parking Group gave a presentation on the following:

- Easy for the customer to use
- Experienced local direct partner that responds quickly
- Fast and high percentage read rate for LPR cameras
- Highly secure operating system (OS)-less devices/fastest and most reliable parking access and revenue control systems (PARCs) equipment in the industry
- Technologically advanced and scalable system
- Stainless-steel enclosures and true visible touchscreen
- Client owns its data and open application programming interface (API) software solution

Mayor Barbee said he likes some of the guest experience things he's seen today. He said guest experience goes a long way.

COUNCIL COMMENTS

6. Council Comments and Requests for November Agenda Items

Council Member LeCompte said while the raw numbers on parking this year look excellent, when revenue over expenses is taken into consideration there is a very small net gain. Mayor Barbee said compared to the biggest year the Town has ever had, this is a phenomenal number.

Council Member LeCompte said she wants to put some options for next year on the next agenda. She said she wants to see bottom line numbers for Freeman Park this year and wants to know how many of the 656 non-resident parking permits sold in 2021 were to Kure Beach residents. Council Member LeCompte said the Town needs to offer a welcoming experience to visitors, and the changes to citations were a step in the right direction, although more tweaking is necessary. She said with an \$80,000 loss on parking permits this year, the Town needs to consider some off-season parking options during the next Council meeting.

Mayor Barbee said this should be part of the November 22 workshop rather than the November 9 regular meeting because that's how other parking-related items were handled. He said this gives time for discussion before it's brought back to a regular meeting for public comment.

Council Member LeCompte said she would be fine with putting it on the agenda for the November 22 workshop.

Council Member Hoffer said he voted against the parking proposal at the last meeting because the Town didn't yet have data for the third quarter, but now that he has seen it he wants to bring back non-resident parking permits and free parking in December. He said he would like to discuss this at the November 9 regular meeting because it's during the evening when the public can easily attend.

Mayor Barbee reiterated that this should be discussed at a workshop before appearing on a regular meeting agenda.

Council Member Hoffer said he's flexible when it comes to the parliamentary procedure but wants to propose those changes at some point. He said non-resident parking permits should be open to everybody, not just Kure Beach residents.

Council Member Benson said he thinks the data proves there is capacity.

Council Member Hoffer said a big part of what he wanted to see was capacity as well as overall performance. He said now that he's seen the data, he's comfortable proposing non-resident parking permits and free parking in December.

Mr. Oakley asked for confirmation that this would be for the November 22 workshop. Council Member Hoffer said Council is running short on time. Mayor Barbee said the passes wouldn't go on sale until next year, so it's not necessary to rush it on the November 9 regular meeting agenda. Council Member LeCompte said it is incumbent upon Council to get it right. The parking items will come back for discussion at the November 22 workshop.

Mayor Barbee said it's interesting to note that six Wilmington ZIP codes were the top users of Text 2 Park during the third quarter. He said he would like to know what the revenue loss would be if you take out these ZIP codes that are likely to purchase non-resident parking passes.

Mayor Barbee said both the financial and parking updates show the Town is very healthy and the overall picture is very good, and he praised all involved.

CLOSED SESSION

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

ACTION: Motion to go into closed session to discuss a real estate matter in accordance with NCGS 143-318.11(a)(5); 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.

ACTION: Motion to approve the Offer to Purchase agreement entered into by and between Gregory L. Basinger et al. and the Town of Carolina Beach on 10/25/2022 for property located at 1101 North Lake Park Boulevard, which contains the following terms:

1. Purchase price: \$2 million
2. Earnest money: \$50,000
3. Conditions precedent to closing:

- a. Approval of LGC of financing terms
- b. Receipt of \$4 million of grant funds for purchase of Freeman Park
- c. Satisfactory Phase I Environmental Site Assessment

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

ACTION: Motion to appropriate the funds for the earnest money for Parcel ID R08814-001-007-000 from the fund balance

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

ADJOURNMENT

Mayor Barbee adjourned the meeting at 11:30 AM.