

CAROLINA BEACH

Town Council Regular Meeting

Tuesday, March 10, 2026 – 6:00 PM

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



AGENDA

CALL TO ORDER

INVOCATION AND PLEDGE OF ALLEGIANCE

ADOPT THE AGENDA

CONSENT AGENDA

- [1.](#) Budget Amendments/Transfers
- [2.](#) Approve Kure Beach & NC Aquarium Sewer Rates
- [3.](#) Set a public hearing for April 14, 2026, to consider a text amendment to amend Article 3 of the UDO to allow retail as an accessory use for hotels and motels in the MF district. Applicant: Max Sussman
- [4.](#) Set a public hearing for April 14, 2026, to consider a text amendment to Unified Development Ordinance Articles 2, 3, and 7 for ordinance clarification and consistency with state statutes. Applicant: Town of Carolina Beach
- [5.](#) Set Public Hearing for April 14, 2026 to Receive Public Input on the FY26/27 Budget
- [6.](#) Approve contract for auditing service for period ending 6/30/26
- [7.](#) Approval of Council Meeting Minutes

SPECIAL PRESENTATIONS

- [8.](#) Events Update by Tim Murphy
- [9.](#) Manager's Update

PUBLIC COMMENT

Public Comment allows the public the opportunity to address Town Council. Please direct your comments to Council only. Speakers should restrict comments to no more than three minutes. Items or questions presented during this time will not be discussed by Council. However, the topic may be deferred to Town staff or a Town committee for follow-up. Please be sure to state your name and address, and speak directly into the microphone for those watching online.

ITEMS OF BUSINESS

- [10.](#) SENC Regional Hazard Mitigation Plan Adoption
- [11.](#) Create Revenue Bond Series 2026 Capital Projects

ADJOURNMENT



AGENDA ITEM COVERSHEET

PREPARED BY: Debbie Hall, Finance Director

DEPARTMENT: Finance

MEETING: Town Council – 3/10/2026

SUBJECT: Budget Amendments/Transfers

BACKGROUND:

I have received a couple of budget transfer requests. Transfers require only your notification whereas amendments require your approval. Listed below you will find a description of the transfers. I have also attached a copy of the supporting documentation for the appropriation.

Transfers:

Transfer \$50,000 from account 30-812-020 Water M&O Infrastructure; \$50,000 from account 30-812-045 Water Contract Services to account 30-812-015 Water M&O Buildings to cover the cost of rebuilding the aeration trays at Water Plant #1.

Transfer \$72,057 from departmental -004 Merit accounts to the -002 Wage accounts for the General Fund; transfer \$20,216 from departmental -004 Merit accounts to the -002 Wage accounts for the Utility Fund to cover the Cost-of-Living increase implemented in January.

BUDGET IMPACT:

N/A

ACTION REQUESTED:

Approve the budget amendments and/or transfers as presented by the Finance Director.

Lynn Barbee
Mayor

Vince Lsito
Council Member

Deb LeCompte
Mayor Pro Tem



Jay Healy
Mayor Pro Tem

Wayne Rouse
Council Member

Bruce Oakley
Town Manager

TOWN OF CAROLINA BEACH
1121 N. Lake Park Boulevard
Carolina Beach, North Carolina 28428

BUDGET TRANSFER REQUEST

To: Debbie Hall, Finance Director

From: Mark Meyer, Public Utilities Director

Re: Budget transfer

Date: Feb 12th, 2026

Budget transfer amount: \$ 100,000

From: 30-812-020 (Water Maintenance and repair to Inf) \$50,000

30-812-045 (Water Contract services) \$50,000

To: 30-812-015 (Water Maintenance and repair to buildings)

Explanation: Total rebuild of the aeration trays at Water plant #1

Mark Meyer

Director of Public Utilities, Town of Carolina Beach

BUDGET AMENDMENTS/TRANSFERS				
Date	DESCRIPTION	GL #	DEBIT	CREDIT
3/10/2026	Transfer budgeted Merit monies to wage			
	line items.			
	Executive Wages	10-420-002	5,424.00	
	Executive Merit	10-420-004		5,424.00
	Clerk Wages	10-430-002	1,151.00	
	Clerk Merit	10-430-004		1,151.00
	Finance Wages	10-440-002	2,838.00	
	Finance Merit	10-440-004		2,838.00
	HR Wages	10-450-002	2,603.00	
	HR Merit	10-450-004		2,603.00
	Community Development Wages	10-491-002	6,134.00	
	Community Development Merit	10-491-004		6,134.00
	Police Wages	10-510-002	24,666.00	
	Police Merit	10-510-004		24,666.00
	Lifeguard Wages	10-520-002	681.00	
	Lifeguard Merit	10-520-004		681.00
	Fire Wages	10-530-002	13,856.00	
	Fire Merit	10-530-004		13,856.00
	Marina Wages	10-550-002	1,236.00	
	Marina Merit	10-550-004		1,236.00
	Environmental Wages	10-580-002	8,049.00	
	Environmental Merit	10-580-004		8,049.00
	P&R Wages	10-620-002	4,966.00	
	P&R Merit	10-620-004		4,966.00
	Boardwalk Wages	10-650-002	453.00	
	Boardwalk Merit	10-650-004		453.00
	General Fund Totals		72,057.00	72,057.00
	W&S Admin Wages	30-800-002	4,240.00	
	W&S Admin Merit	30-800-004		4,240.00
	WWTP Wages	30-810-002	3,428.00	
	WWTP Merit	30-810-004		3,428.00
	WWC Wages	30-811-002	5,943.00	
	WWC Merit	30-811-004		5,943.00
	Water Wages	30-812-002	1,183.00	
	Water Merit	30-812-004		1,183.00
	Stormwater Wages	30-900-002	5,422.00	
	Stormwater Merit	30-900-004		5,422.00
	Utility Fund Totals		20,216.00	20,216.00
	Total Transfers		92,273.00	92,273.00



AGENDA ITEM COVERSHEET

PREPARED BY: Debbie Hall, Finance Director

DEPARTMENT: Finance

MEETING: Town Council – 3/10/2026

SUBJECT: Approve Kure Beach & NC Aquarium Sewer Rates

BACKGROUND:

The Carolina and Kure Beach Sewer Authority met on March 2, 2026, and accepted the proposed sewer rates. Based on the new rates, Kure Beach was overcharged \$5,210.08 and NC Aquarium owes an additional \$64.12 for the period July 1, 2025, through January 31, 2026.

The new monthly rates to be adopted by Council for Kure Beach are:

\$ 9,978.24 – Fixed Rate

\$ 2,505.15 – Capital Recovery Rate

\$ 1.7092 – Variable Rate

The new monthly rate to be adopted by Council for the NC Aquarium at Fort Fisher is:

\$ 579.23 – Fixed Rate

ACTION REQUESTED:

Approve the new sewer rates for Kure Beach and NC Aquarium at Fort Fisher which are retroactive to July 1, 2025.

KURE BEACH RATE COMPARISON

Rate Type	Current Rate	New Rate	Monthly Increase/Decrease
Fixed Rate	10,586.38	9,978.24	(608.14)
Capital Recovery Debt	2,192.34	2,505.15	312.81
Variable Rate	8,854.46	9,440.75	586.28 *
Per 1000 gallon rate	1.7950	1.7092	(0.0858)

Rate Type	New Rate	New Rate	Annual Increase/Decrease
Fixed Rate	127,036.54	119,738.84	(7,297.70)
Capital Recovery Debt	26,308.06	30,061.81	3,753.75
Variable Rate	106,253.56	113,288.95	7,035.40 **
Total Estimated Annual Increase/Decrease			<u>3,491.44</u>

*Monthly Average Based on last fiscal year's flows

**Annual Change Based on last fiscal year's flows

**WASTEWATER TREATMENT RATE DETERMINATION for KURE BEACH
FY 2025-2026 Rate Structure**

FLOW PERIOD 7/1/24 TO 6/30/25

ADMINISTRATION TOTALS	TREAT %	APPLIED COSTS	FIXED COSTS	VARIABLE COSTS	TOTAL	DEPRECIATED CAPITAL	FIXED %
SALARIES	15%	\$ 355,751.17	\$ 53,362.68	-	\$ 53,362.68		100%
FICA	15%	\$ 27,214.96	\$ 4,082.24	-	\$ 4,082.24		100%
GROUP INSURANCE	15%	\$ 23,908.81	\$ 3,586.32	-	\$ 3,586.32		100%
RETIREMENT	15%	\$ 48,382.16	\$ 7,257.32	-	\$ 7,257.32		100%
TRAVEL/TRAINING	15%	\$ -	\$ -	-	\$ -		100%
M&R EQUIP	5%	\$ -	\$ -	-	\$ -		50%
M&R Software	5%	\$ -	\$ -	-	\$ -		50%
PROFESSIONAL SERVICES	5%	\$ 19,800.00	\$ 495.00	495.00	\$ 990.00		50%
INSURANCE, BONDS	18.13%	\$ -	\$ -	-	\$ -		100%
CAP PROJECTS EQUIP	5%	\$ -	\$ -	-	\$ -		50%
ADMINISTRATION TOTALS		\$ 475,057.10	\$ 68,783.57	\$ 495.00	\$ 69,278.57		
CAPITAL RECOVERY DEBT (w/beginning year)							
Notes Pymt- WWTP UPGRADE REVENUE BONDS 25 YR ('16)	100%	\$ 123,917.85	\$ 123,917.85	-	\$ 123,917.85	\$ 1,728,127	100%
Total Capital Recovery Debt		\$ 123,917.85	\$ -	\$ -	\$ -	\$ -	

WASTEWATER TREATMENT RATE DETERMINATION for KURE BEACH
FY 2025-2026 Rate Structure

FLOW PERIOD 7/1/24 TO 6/30/25

TREATMENT OPERATIONS	FIXED COSTS	VARIBALE COSTS	TOTAL	FIXED %	VAR %
SALARIES	347,506.82	-	347,506.82	100.00%	0%
OVERTIME	34,557.45	-	34,557.45	100.00%	0%
FICA TAXES	28,384.61	-	28,384.61	100.00%	0%
GROUP INS	37,134.79	-	37,134.79	100.00%	0%
RETIREMENT	62,358.41	-	62,358.41	100.00%	0%
401K Match	11,031.05	-	11,031.05	100.00%	0%
UNIFORMS	1,788.00	-	1,788.00	100.00%	0%
WORKMAN'S COMP	5,436.02	-	5,436.02	100.00%	0%
UNEMPLOYMENT	429.60	-	429.60	100.00%	0%
PHONES/CELLPHONES/DATA	5,723.64	-	5,723.64	100.00%	0%
ELECTRIC		147,128.39	147,128.39	0%	100%
TRAVEL	3,235.41	-	3,235.41	100%	0%
M&R BUILDINGS	16,779.01	-	16,779.01	100%	0%
M&R EQUIPMENT	14,631.99	14,631.99	29,263.97	50%	50%
M&R GROUND	6,647.77	6,647.77	13,295.54	50%	50%
M&R COMPUTERS	2,122.80	2,122.80	4,245.60	50%	50%
MAINTENANCE FLEET/CAPITAL OUTLAY					
a). OPERATIONAL EXPENSE FOR WWTP (813)	5,518.82	5,518.82	11,037.63	50%	50%
b). CAPITAL OUTLAY (PROJECT FUND)	-	-	-	50%	50%
CHEMICALS & LAB FEES	-	190,917.30	190,917.30	0%	100%
SUPPLIES	1,979.75	1,979.75	3,959.50	50%	50%
SMALL TOOLS	1,187.47	1,187.47	2,374.93	50%	50%
CONTRACT SERVICES	-	252,348.89	252,348.89	0%	100%
PROFESSIONAL SERVICES	-	49,259.02	49,259.02	0%	100%
PLANT RENOVATION	-	-	-	100%	0%
RENTAL OF PROPERTY	16,600.00	-	16,600.00	100%	0%
LIABILITY INSURANCE	27,094.60	-	27,094.60	100%	0%
DUES & SUBSCRIPTIONS	-	-	-	100%	0%
PERMITS & FEES	6,625.00	-	6,625.00	100%	0%
PPE & SAFETY EQUIPMENT	4,953.14	-	4,953.14	100%	0%
CAPITAL PROJECTS EQUIP	-	-	-	50%	50%
TOTAL OPERATIONS COSTS (Page 2)	641,726.14	671,742.19	1,313,468.32		
TOTAL ADMINSTRATIVE COSTS (Page 1)	68,783.57	495.00	69,278.57		
TOTAL APPLIED COSTS	710,509.70	672,237.19	1,382,746.89		

**WASTEWATER TREATMENT RATE DETERMINATION for KURE BEACH
FY 2024-2025 Rate Structure**

Item 2.

FLOW PERIOD 7/1/23 TO 6/30/24

Rate Calculation and Summary

Monthly Fixed Cost

Actual Sewerage Flows:

Annual Flow from Carolina Beach	327,024,000
Annual Flow from Kure Beach	<u>66,282,000</u>
Total Flow at WWTP	393,306,000
(a) Average Annual Flow by Kure Beach	16.853%

Percentage Allocation of Total Flow:

Total Flow allocated to Kure Beach	727,784	GPD
Total NPDES permitted plant model period	3	MGD
(b) Percentage of flow allocated to Kure Beach	24.259467%	

(c) Fixed Operations Costs from (page 2)	710,509.70
(d) Fixed Capital Recovery Debt Costs from (page 1)	123,917.85

	Annual	Monthly
Fixed Rate for Kure Beach Fixed Operations Costs (c x a)	\$ 119,738.84	\$ 9,978.24
Fixed Rate for Kure Beach Capital Recovery Debt Costs (d x b)	\$ 30,061.81	\$ 2,505.15
Total Fixed Rate for Kure Beach (1)	\$ 149,800.65	\$ 12,483.39

Gallonge Rate from Variable Costs

(e) Total Variable Costs from (page 2)	\$ 672,237.19
(f) Total Sewage Flow for the period	393,306,000
(g) Variable Costs per gallon (e ÷ f)	0.0017091964
(h) Total Sewage Flow from Kure Beach	66,282,000

	Annual	Monthly
Total Annual gallonge costs to Kure Beach based on actual flows for period (g x h) (2)	\$ 113,288.95	\$ 9,440.75
Variable Rate per 1000 gallons for Kure Beach	\$ 1.7092	

	Annual	Monthly
Estimated Treatment Costs for Kure Beach (1 + 2)	\$ 263,089.60	\$ 21,924.13

Wastewater Treated				
FLOW PERIOD 7/1/24 TO 6/30/25				
Month	Carolina Beach Flow	Kure Beach Flow	Total Flow	KB's Mthly % of Total Flow
Jul-24	32,387,000	8,804,000	41,191,000	21%
Aug-24	48,534,000	12,574,000	61,108,000	21%
Sep-24	47,530,000	7,745,000	55,275,000	14%
Oct-24	26,291,000	6,204,000	32,495,000	19%
Nov-24	21,471,000	3,782,000	25,253,000	15%
Dec-24	16,637,000	2,828,000	19,465,000	15%
Jan-25	17,538,000	2,437,000	19,975,000	12%
Feb-25	16,207,000	2,203,000	18,410,000	12%
Mar-25	25,432,000	4,192,000	29,624,000	14%
Apr-25	20,699,000	3,361,000	24,060,000	14%
May-25	24,028,000	5,379,000	29,407,000	18%
Jun-25	30,270,000	6,773,000	37,043,000	18%
	327,024,000	66,282,000	393,306,000	17%

PRIOR YEAR FLOW				
Wastewater Treated				
FLOW PERIOD 7/1/23 TO 6/30/24				
Month	Carolina Beach Flow	Kure Beach Flow	Total Flow	KB's Mthly % of Total Flow
Jul-23	31,046,300	8,005,700	39,052,000	21%
Aug-23	32,382,700	8,350,300	40,733,000	21%
Sep-23	30,748,200	7,928,800	38,677,000	21%
Oct-23	25,929,000	4,634,000	30,563,000	15%
Nov-23	16,059,000	3,337,000	19,396,000	17%
Dec-23	19,970,000	3,898,000	23,868,000	16%
Jan-24	18,716,000	3,248,000	21,964,000	15%
Feb-24	16,407,000	2,869,000	19,276,000	15%
Mar-24	20,594,000	3,934,000	24,528,000	16%
Apr-24	19,665,000	4,052,000	23,717,000	17%
May-24	20,612,000	4,242,000	24,854,000	17%
Jun-24	20,816,000	4,697,000	25,513,000	18%
	272,945,200	59,195,800	332,141,000	18%

Variance between
FY23/24 and FY24/25

54,078,800

7,086,200

61,165,000

NC AQUARIUM at FORT FISHER RATE COMPARISON

Rate Type	Current Rate	New Rate	Monthly Increase/Decrease
Fixed Rate	494.79	493.21	(1.58)
Capital Recovery	75.28	86.02	10.74
Totals	570.07	579.23	9.16

Rate Type	Current Rate	New Rate	Annual Increase/Decrease
Fixed Rate	5,937.52	5,918.55	(18.98)
Capital Recovery	903.34	1,032.24	128.89
Totals	6,840.87	6,950.78	109.92

**WASTEWATER TREATMENT RATE DETERMINATION for NC AQUARIUM
FY 2025-2026 Rate Structure**

FLOW PERIOD 7/1/24 TO 6/30/25

ADMINISTRATION TOTALS	TREAT %	APPLIED COSTS	FIXED COSTS	VARIABLE COSTS		TOTAL	DEPRECIATED CAPITAL	FIXED %
SALARIES	15%	\$ 355,751.17	\$ 53,362.68	\$ -	\$ -	\$ 53,362.68		100%
FICA	15%	\$ 27,214.96	\$ 4,082.24	\$ -	\$ -	\$ 4,082.24		100%
GROUP INSURANCE	15%	\$ 23,908.81	\$ 3,586.32	\$ -	\$ -	\$ 3,586.32		100%
RETIREMENT	15%	\$ 48,382.16	\$ 7,257.32	\$ -	\$ -	\$ 7,257.32		100%
TRAVEL/TRAINING	15%	\$ -	\$ -	\$ -	\$ -	\$ -		100%
M&R EQUIP	5%	\$ -	\$ -	\$ -	\$ -	\$ -		50%
M&R Software	5%	\$ -	\$ -	\$ -	\$ -	\$ -		50%
PROFESSIONAL SERVICES	5%	\$ 19,800.00	\$ 495.00	\$ 495.00	\$ -	\$ 990.00		50%
INSURANCE, BONDS	18.13%	\$ -	\$ -	\$ -	\$ -	\$ -		100%
CAP PROJECTS EQUIP	5%	\$ -	\$ -	\$ -	\$ -	\$ -		50%
ADMINISTRATION TOTALS		\$ 475,057.10	\$ 68,783.57	\$ 495.00	\$ -	\$ 69,278.57		
CAPITAL RECOVERY DEBT (w/beginning year)								
Notes Pymt- WWTP UPGRADE REVENUE BONDS 25 YR ('16)	100%	\$ 123,917.85	\$ 123,917.85	\$ -	\$ -	\$ 123,917.85	\$ 1,728,127	100%
Total Capital Recovery Debt		\$ 123,917.85	\$ -	\$ -	\$ -	\$ -	\$ -	

**WASTEWATER TREATMENT RATE DETERMINATION for NC AQUARIUM
FY 2025-2026 Rate Structure**

FLOW PERIOD 7/1/24 TO 6/30/25

TREATMENT OPERATIONS	FIXED COSTS	VARIBALE COSTS	TOTAL	FIXED %	VAR %
SALARIES	347,506.82	-	347,506.82	100.00%	0%
OVERTIME	34,557.45	-	34,557.45	100.00%	0%
FICA TAXES	28,384.61	-	28,384.61	100.00%	0%
GROUP INS	37,134.79	-	37,134.79	100.00%	0%
RETIREMENT	62,358.41	-	62,358.41	100.00%	0%
401K Match	11,031.05	-	11,031.05	100.00%	0%
UNIFORMS	1,788.00	-	1,788.00	100.00%	0%
WORKMAN'S COMP	5,436.02	-	5,436.02	100.00%	0%
UNEMPLOYMENT	429.60	-	429.60	100.00%	0%
PHONES/CELLPHONES/DATA	5,723.64	-	5,723.64	100.00%	0%
ELECTRIC		147,128.39	147,128.39	0%	100%
TRAVEL	3,235.41	-	3,235.41	100%	0%
M&R BUILDINGS	16,779.01	-	16,779.01	100%	0%
M&R EQUIPMENT	14,631.99	14,631.99	29,263.97	50%	50%
M&R GROUND	6,647.77	6,647.77	13,295.54	50%	50%
M&R COMPUTERS	2,122.80	2,122.80	4,245.60	50%	50%
MAINTENANCE FLEET/CAPITAL OUTLAY					
a). OPERATIONAL EXPENSE FOR WWTP (813)	5,518.82	5,518.82	11,037.63	50%	50%
b). CAPITAL OUTLAY (PROJECT FUND)	-	-	-	50%	50%
CHEMICALS & LAB FEES	-	190,917.30	190,917.30	0%	100%
SUPPLIES	1,979.75	1,979.75	3,959.50	50%	50%
SMALL TOOLS	1,187.47	1,187.47	2,374.93	50%	50%
CONTRACT SERVICES	-	252,348.89	252,348.89	0%	100%
PROFESSIONAL SERVICES	-	49,259.02	49,259.02	0%	100%
PLANT RENOVATION	-	-	-	100%	0%
RENTAL OF PROPERTY	16,600.00	-	16,600.00	100%	0%
LIABILITY INSURANCE	27,094.60	-	27,094.60	100%	0%
DUES & SUBSCRIPTIONS	-	-	-	100%	0%
PERMITS & FEES	6,625.00	-	6,625.00	100%	0%
PPE & SAFETY EQUIPMENT	4,953.14	-	4,953.14	100%	0%
CAPITAL PROJECTS EQUIP	-	-	-	50%	50%
TOTAL OPERATIONS COSTS (Page 2)	641,726.14	671,742.19	1,313,468.32		
TOTAL ADMINSTRATIVE COSTS (Page 1)	68,783.57	495.00	69,278.57		
TOTAL APPLIED COSTS	710,509.70	672,237.19	1,382,746.89		

**WASTEWATER TREATMENT RATE DETERMINATION for NC AQUARIUM at FORT FISHER
FY 2025-2026 Rate Structure**

Item 2.

FLOW PERIOD 7/1/24 TO 6/30/25

PAGE 3

Rate Calculation and Summary

Monthly Fixed Cost

Actual Sewerage Flows:

Annual Flow from Carolina Beach	327,024,000	
Annual Flow from Kure Beach (1)	66,282,000	
Projected Annual Flow from NC Aquarium	7,300,000	(Based on 80% of allocated flow)
Total Flow at WWTP (2)	393,306,000	
Average Annual Flow by Kure Beach (1 ÷ 2)	16.853%	

Percentage Allocation of Total Flow:

Total Flow allocated to Kure Beach	727,784	GPD
Total NPDES permitted plant model period	3	MGD
Percentage of flow allocated to Kure Beach	24.259467%	
Total Flow allocated to NC Aquarium	25,000	GPD

Percentage of flow allocated to NC Aquarium	0.8330%
TOTAL flow % allocated to Kure Bch/NC Aquarium	25.092467%

Fixed Operations Costs from page 2	710,509.70
Fixed Capital Recovery Costs from page 1	123,917.85

	Annual	Monthly
Fixed Operations Costs	\$ 710,509.70	
Fixed % Rate for Fixed Operations Costs	<u>0.8330%</u>	
Annual Fixed Rate for NC Aquarium Fixed Operations Cost	\$ 5,918.55	\$ 493.21
Fixed Capital Recovery Costs	\$ 123,917.85	
Fixed % Rate for Capital Recovery Costs	<u>0.8330%</u>	
Annual Fixed Rate for NC Aquarium Capital Recovery Costs	\$ 1,032.24	\$ 86.02
Total Annual Fixed Operations & Capital Recovery Costs for NC Aquarium	\$ <u>6,950.78</u>	\$ <u>579.23</u>

Gallongage Rate from Variable Costs - Not Applicable

	Annual	Monthly
Total Fixed Rate cost for NC Aquarium for Wastewater Treatment	\$ <u>6,950.78</u>	\$ <u>579.23</u>

Wastewater Treated

FLOW PERIOD 7/1/23 TO 6/30/24

Month	Carolina Beach Flow	Kure Beach Flow	Total Flow	KB's Mthly % of Total Flow
Jul-24	32,387,000	8,804,000	41,191,000	21%
Aug-24	48,534,000	12,574,000	61,108,000	21%
Sep-24	47,530,000	7,745,000	55,275,000	14%
Oct-24	26,291,000	6,204,000	32,495,000	19%
Nov-24	21,471,000	3,782,000	25,253,000	15%
Dec-24	16,637,000	2,828,000	19,465,000	15%
Jan-25	17,538,000	2,437,000	19,975,000	12%
Feb-25	16,207,000	2,203,000	18,410,000	12%
Mar-25	25,432,000	4,192,000	29,624,000	14%
Apr-25	20,699,000	3,361,000	24,060,000	14%
May-25	24,028,000	5,379,000	29,407,000	18%
Jun-25	30,270,000	6,773,000	37,043,000	18%
	327,024,000	66,282,000	393,306,000	17%

PRIOR YEAR FLOW

Wastewater Treated

FLOW PERIOD 7/1/23 TO 6/30/24

Month	Carolina Beach Flow	Kure Beach Flow	Total Flow	KB's Mthly % of Total Flow
Jul-23	31,046,300	8,005,700	39,052,000	21%
Aug-23	32,382,700	8,350,300	40,733,000	21%
Sep-23	30,748,200	7,928,800	38,677,000	21%
Oct-23	25,929,000	4,634,000	30,563,000	15%
Nov-23	16,059,000	3,337,000	19,396,000	17%
Dec-23	19,970,000	3,898,000	23,868,000	16%
Jan-24	18,716,000	3,248,000	21,964,000	15%
Feb-24	16,407,000	2,869,000	19,276,000	15%
Mar-24	20,594,000	3,934,000	24,528,000	16%
Apr-24	19,665,000	4,052,000	23,717,000	17%
May-24	20,612,000	4,242,000	24,854,000	17%
Jun-24	20,816,000	4,697,000	25,513,000	18%
	272,945,200	59,195,800	332,141,000	18%

Variance between FY23/24 and FY24/25 54,078,800 7,086,200 61,165,000

NC Aquarium
7/1/2025-6/30/2026
Based On Audited Numbers

<i>Month</i>	<i>Year</i>	<i>Monthly Gallons</i>	<i>Amount Paid</i>	<i>Adjusted Amount Due to Audit</i>	<i>Difference</i>
July	2025	No Data	570.07	579.23	9.16
August	2025	No Data	570.07	579.23	9.16
September	2025	No Data	570.07	579.23	9.16
October	2025	No Data	570.07	579.23	9.16
November	2025	No Data	570.07	579.23	9.16
December	2025	No Data	570.07	579.23	9.16
January	2026	No Data	570.07	579.23	9.16
February					0.00
March					0.00
April					0.00
May					0.00
June					0.00
Total Due for 2024/2025					64.12

Total Due from Aquarium

\$ 64.12



AGENDA ITEM COVERSHEET

PREPARED BY: Gloria Abbotts, Sr Planner

DEPARTMENT: Community
Development

MEETING: Town Council March 10, 2026

SUBJECT: Set a public hearing for April 14, 2026, to consider a text amendment to amend Article 3 of the UDO to allow retail as an accessory use for hotels and motels in the MF district.

Applicant: Max Sussman

BACKGROUND:

ACTION REQUESTED:

Adopt the consent agenda.

RECOMMENDED MOTION:



AGENDA ITEM COVERSHEET

PREPARED BY: Gloria Abbotts, Sr Planner

DEPARTMENT: Community
Development

MEETING: Town Council March 10, 2026

SUBJECT: Set a public hearing for April 14, 2026, to consider a text amendment to Unified Development Ordinance Articles 2, 3, and 7 for ordinance clarification and consistency with state statutes.

Applicant: Town of Carolina Beach

BACKGROUND:

ACTION REQUESTED:

Adopt the consent agenda.

RECOMMENDED MOTION:



AGENDA ITEM COVERSHEET

PREPARED BY: Kim Ward, Town Clerk

DEPARTMENT: Clerk

MEETING: Town Council Meeting 3/10/2026

SUBJECT: Set Public Hearing for April 14, 2026 to Receive Public Input on the FY26/27 Budget

BACKGROUND:

Set a public hearing for April 14, 2026, to receive input from the public on the upcoming budget.

ACTION REQUESTED:

Approve the consent agenda.

RECOMMENDED MOTION:

Approve the consent agenda.



AGENDA ITEM COVERSHEET

PREPARED BY: Debbie Hall, Finance Director

DEPARTMENT: Finance

MEETING: Town Council – 3/10/26

SUBJECT: Approve contract for auditing service for period ending 6/30/26

BACKGROUND:

G.S. 159-34(a) requires approval of the annual financial audit contract by the primary government governing body. Copies of the LGC Contract and Engagement Letter for Bernard Robinson & Company L.L.P. are attached for your review.

Fee for Audit Services for period ending June 30, 2026:

- Audit Services -----\$ 31,500
- Writing Financial Statements -----\$ 9,500
- Each Single Audit Major Programs -----\$ 4,000

ACTION REQUESTD:

The Finance Director recommends approval of the contract for auditing services.

ATTACHMENTS:

Audit Engagement Letter FY26
Audit Contract FY26



February 14, 2026

Town Council
Town of Carolina Beach, North Carolina
1121 N. Lake Park Blvd
Carolina Beach, North Carolina 28428

The following represents our understanding of the services we will provide Town of Carolina Beach, North Carolina.

You have requested that we audit the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Town of Carolina Beach, North Carolina as of June 30, 2026 and for the year then ending, and the related notes to the financial statements, which collectively comprise Town of Carolina Beach, North Carolina's basic financial statements as listed in the table of contents. We are pleased to confirm our acceptance and our understanding of this audit engagement by means of this letter.

In addition, we will audit the entity's compliance over major federal award programs for the period ending June 30, 2026. Our audits will be conducted with the objectives of our expressing an opinion on each opinion unit and an opinion on compliance regarding the entity's major federal award programs. The objectives of our audit of the financial statements are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America (GAAS) and in accordance with Government Auditing Standards, and/or any state or regulatory audit requirements will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

The objectives of our compliance audit are to obtain sufficient appropriate audit evidence to form an opinion and report at the level specified in the governmental audit requirement about whether the entity complied in all material respects with the applicable compliance requirements and identify audit and reporting requirements specified in the governmental audit requirement that are supplementary to GAAS and Government Auditing Standards, if any, and perform procedures to address those requirements.

1501 Highwoods Blvd., Ste. 300 (27410)
P.O. Box 19608
Greensboro, NC 27419

P: 336-294-4494 • F: 336-294-4495

brc.cpa

Accounting principles generally accepted in the United States of America require that included supplementary information, such as management's discussion and analysis and budgetary comparison information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the required supplementary information (RSI) in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist primarily of inquiries of management regarding their methods of measurement and presentation, and comparing the information for consistency with management's responses to our inquiries. We will not express an opinion or provide any form of assurance on the RSI. The following RSI is required by accounting principles generally accepted in the United States of America. This RSI will be subjected to certain limited procedures but will not be audited:

- Management's Discussion and Analysis
- Local Government Employees' Retirement System
- Law Enforcement Officers' Special Separation Allowance
- Other Post-Employment Benefits

Supplementary information other than RSI will accompany Town of Carolina Beach, North Carolina's basic financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the basic financial statements and certain additional procedures, including comparing and reconciling the supplementary information to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and additional procedures in accordance with auditing standards generally accepted in the United States of America. We intend to provide an opinion on the following supplementary information in relation to the financial statements as a whole:

- Combining Balance Sheet – Nonmajor Governmental Funds
- Combining Statement of Revenues, Expenditures and Changes in Fund Balance – Nonmajor Governmental Funds
- Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual:
 - General Fund
 - Utility Fund
 - Boardwalk Restroom
 - Marina Project Fund
 - Lake Park Recreation Project Fund
 - Ocean Sidewalk Fund
 - American Rescue Plan Fund
 - Saint Joseph Bike Path Fund
 - AIA Wastewater Project
 - Second Street Paving Project
 - Water Project
 - 1810 Canal ADA Improvements
 - Second Street Utility Project
 - Spot Lane Paving Project
 - Spot Lane Utility Project

Town of Carolina Beach, North Carolina
February 14, 2026
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- Schedule of Ad Valorem Taxes Receivable
- Analysis of Current Year Levy

Schedule of Expenditures of Federal Awards

We will subject the schedule of expenditures of federal awards to the auditing procedures applied in our audit of the basic financial statements and certain additional procedures, including comparing and reconciling the schedule to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and additional procedures in accordance with auditing standards generally accepted in the United States of America. We intend to provide an opinion on whether the schedule of expenditures of federal awards is presented fairly in all material respects in relation to the financial statements as a whole.

Data Collection Form

Prior to the completion of our engagement, we will complete the sections of the Data Collection Form that are our responsibility. The form will summarize our audit findings, amounts and conclusions. It is management's responsibility to submit a reporting package including financial statements, schedule of expenditure of federal awards, summary schedule of prior audit findings and corrective action plan along with the Data Collection Form to the federal audit clearinghouse. The financial reporting package must be text searchable, unencrypted, and unlocked. Otherwise, the reporting package will not be accepted by the federal audit clearinghouse. We will assist you in the electronic submission and certification. You may request from us copies of our report for you to include with the reporting package submitted to pass-through entities.

The Data Collection Form is required to be submitted within the earlier of 30 days after receipt of our auditors' reports or nine months after the end of the audit period, unless specifically waived by a federal cognizant or oversight agency for audits. Data Collection Forms submitted untimely are one of the factors in assessing programs at a higher risk.

Auditor Responsibilities

We will conduct our audits in accordance GAAS, the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States of America; the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and in accordance with any state or regulatory audit requirements. As part of an audit of financial statements in accordance with GAAS and in accordance with Government Auditing Standards, and/or any state or regulatory audit requirements, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the

override of internal control. We have identified the following significant risk(s) of material misstatement as part of our audit planning:

1. Management override of controls
 2. Improper revenue recognition due to fraud
 3. The Town has several significant capital project funds for major additions and replacements – risk that when projects are completed, the assets are not captured correctly
 4. The estimate of the LEO separation allowance and OPEB healthcare benefits liabilities is not accurate
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. However, we will communicate to you in writing concerning any significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that we have identified during the audit.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
 - Conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Town of Carolina Beach, North Carolina’s ability to continue as a going concern for a reasonable period of time.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, an unavoidable risk that some material misstatements or noncompliance may not be detected exists, even though the audit is properly planned and performed in accordance with GAAS and Government Auditing Standards of the Comptroller General of the United States of America and in accordance with any state or regulatory audit requirements. Please note that the determination of abuse is subjective and Government Auditing Standards does not require auditors to detect abuse.

Our responsibility as auditors is limited to the period covered by our audit and does not extend to any other periods.

Audit of Major Program Compliance

Our audit of Town of Carolina Beach, North Carolina’s major federal award program(s) compliance will be conducted in accordance with the requirements of the Single Audit Act, as amended; and the Uniform Guidance, and will include tests of accounting records, a determination of major programs in accordance with the Uniform Guidance and other procedures we consider necessary to enable us to express such an opinion on major federal award program compliance and to render the required reports. We cannot provide assurance that an unmodified opinion on compliance will be expressed. Circumstances may arise in which it is necessary for us to modify our opinion or withdraw from the engagement.

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The Uniform Guidance requires that we also plan and perform the audit to obtain reasonable assurance about whether material noncompliance with applicable laws and regulations, the provisions of contracts and grant agreements applicable to major federal award programs, and the applicable compliance requirements occurred, whether due to fraud or error, and express an opinion on the entity's compliance based on the audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, Government Auditing Standards, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the entity's compliance with the requirements of the federal programs as a whole.

As part of a compliance audit in accordance with GAAS and in accordance with Government Auditing Standards, and/or any state or regulatory audit requirements, we exercise professional judgment and maintain professional skepticism throughout the audit. We also identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks.

Our procedures will consist of determining major federal programs and, performing the applicable procedures described in the U.S. Office of Management and Budget OMB Compliance Supplement for the types of compliance requirements that could have a direct and material effect on each of the entity's major programs, and performing such other procedures as we considers necessary in the circumstances. The purpose of those procedures will be to express an opinion on the entity's compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to the Uniform Guidance.

Also, as required by the Uniform Guidance, we will obtain an understanding of the entity's internal control over compliance relevant to the audit in order to design and perform tests of controls to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each of the entity's major federal award programs. Our tests will be less in scope than would be necessary to render an opinion on these controls and, accordingly, no opinion will be expressed in our report. However, we will communicate to you, regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we have identified during the audit.

We will issue a report on compliance that will include an opinion or disclaimer of opinion regarding the entity's major federal award programs, and a report on internal controls over compliance that will report any significant deficiencies and material weaknesses identified; however, such report will not express an opinion on internal control.

Management's Responsibilities

Our audit will be conducted on the basis that management and, when appropriate, those charged with governance acknowledge and understand that they have responsibility:

1. For the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America;
2. For the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error;
3. For identifying, in its accounts, all federal awards received and expended during the period and the federal programs under which they were received;
4. For maintaining records that adequately identify the source and application of funds for federally funded activities;
5. For preparing the schedule of expenditures of federal awards (including notes and noncash assistance received) in accordance with the Uniform Guidance;
6. For designing, implementing, and maintaining effective internal control over federal awards that provides reasonable assurance that the entity is managing federal awards in compliance with federal statutes, regulations, and the terms and conditions of the federal awards;
7. For identifying and ensuring that the entity complies with federal laws, statutes, regulations, rules, provisions of contracts or grant agreements, and the terms and conditions of federal award programs, and implementing systems designed to achieve compliance with applicable federal statutes, regulations, and the terms and conditions of federal award programs;
8. For disclosing accurately, currently, and completely the financial results of each federal award in accordance with the requirements of the award;
9. For identifying and providing report copies of previous audits, attestation engagements, or other studies that directly relate to the objectives of the audit, including whether related recommendations have been implemented;
10. For taking prompt action when instances of noncompliance are identified;
11. For addressing the findings and recommendations of auditors, for establishing and maintaining a process to track the status of such findings and recommendations and taking corrective action on reported audit findings from prior periods and preparing a summary schedule of prior audit findings;
12. For following up and taking corrective action on current year audit findings and preparing a corrective action plan for such findings;
13. For submitting the reporting package and data collection form to the appropriate parties;
14. For making the auditor aware of any significant contractor relationships where the contractor is responsible for program compliance;
15. To provide us with:
 - a. Access to all information of which management is aware that is relevant to the preparation and fair presentation of the financial statements including the disclosures, and relevant to federal award programs, such as records, documentation, and other matters;
 - b. Additional information that we may request from management for the purpose of the audit;

- c. Unrestricted access to persons within the entity and others from whom we determine it necessary to obtain audit evidence;
16. For adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the current year period(s) under audit are immaterial, both individually and in the aggregate, to the financial statements as a whole;
 17. For acceptance of nonattest services, including identifying the proper party to oversee nonattest work;
 18. For maintaining adequate records, selecting and applying accounting principles, and safeguarding assets;
 19. For informing us of any known or suspected fraud affecting the entity involving management, employees with significant role in internal control and others where fraud could have a material effect on compliance;
 20. For the accuracy and completeness of all information provided;
 21. For taking reasonable measures to safeguard protected personally identifiable and other sensitive information; and
 22. For confirming your understanding of your responsibilities as defined in this letter to us in your management representation letter.

If you intend to publish or otherwise reproduce the financial statements and make reference to our firm, you agree to provide us with printers' proofs or masters for our review and approval before printing. You also agree to provide us with a copy of the final reproduced material for our approval before it is distributed.

With regard to the schedule of expenditures of federal awards referred to above, you acknowledge and understand your responsibility (a) for the preparation of the schedule of expenditures of federal awards in accordance with the Uniform Guidance, (b) to provide us with the appropriate written representations regarding the schedule of expenditures of federal awards, (c) to include our report on the schedule of expenditures of federal awards in any document that contains the schedule of expenditures of federal awards and that indicates that we have reported on such schedule, and (d) to present the schedule of expenditures of federal awards with the audited financial statements, or if the schedule will not be presented with the audited financial statements, to make the audited financial statements readily available to the intended users of the schedule of expenditures of federal awards no later than the date of issuance by you of the schedule and our report thereon.

As part of our audit process, we will request from management and, when appropriate, those charged with governance, written confirmation concerning representations made to us in connection with the audit.

Nonattest Services

Based on discussions with management and those charged with governance, we will perform the following nonattest services:

Town of Carolina Beach, North Carolina
February 14, 2026
Page 8

- Preparation of the draft financial statements and related notes, and supplementary information
- Cash -to-accrual conversions
- Preparation of supplemental schedules

We will not assume management responsibilities on behalf of Town of Carolina Beach, North Carolina. However, we will provide advice and recommendations to assist management of Town of Carolina Beach, North Carolina in performing its responsibilities.

Town of Carolina Beach, North Carolina's management is responsible for (a) making all management decisions and performing all management functions; (b) assigning a competent individual to oversee the services; (c) evaluating the adequacy of the services performed; (d) evaluating and accepting responsibility for the results of the services performed; and (e) establishing and maintaining internal controls, including monitoring ongoing activities.

Our responsibilities and limitations of the nonattest services are as follows:

- We will perform the services in accordance with applicable professional standards.
- The nonattest services are limited to the services previously outlined above. Our firm, in its sole professional judgment, reserves the right to refuse to do any procedure or take any action that could be construed as making management decisions or assuming management responsibilities, including determining account coding and approving journal entries.

Reporting

We will issue a written report upon completion of our audit of Town of Carolina Beach, North Carolina's basic financial statements. Our report will be addressed to the Honorable Mayor and Members of the Town Council of Town of Carolina Beach, North Carolina. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinions, add an emphasis-of-matter or other-matter paragraph(s) to our auditor's report, or if necessary, withdraw from the engagement. If our opinions on the basic financial statements are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or to issue a report as a result of this engagement.

In accordance with the requirements of Government Auditing Standards, we will also issue a written report describing the scope of our testing over internal control over financial reporting and over compliance with laws, regulations, and provisions of grants and contracts, including the results of that testing. However, providing an opinion on internal control and compliance over financial reporting will not be an objective of the audit and, therefore, no such opinion will be expressed.

Other

We understand that your employees will prepare all confirmations we request and will locate any documents or invoices selected by us for testing. We will schedule the engagement based in part on

Town of Carolina Beach, North Carolina
February 14, 2026
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deadlines, working conditions, and the availability of your key personnel. We will plan the engagement based on the assumption that your personnel will cooperate and provide assistance by performing tasks such as preparing requested schedules, retrieving supporting documents, and preparing confirmations. If, for whatever reason, your personnel are unavailable to provide the necessary assistance in a timely manner, it may substantially increase the work we have to do to complete the engagement within the established deadlines, resulting in an increase in fees over our original fee estimate.

To ensure that Bernard Robinson & Company, L.L.P.'s independence is not impaired under the AICPA Code of Professional Conduct, you agree to inform the engagement partner before entering into any substantive employment discussions with any of our personnel.

Regarding the electronic dissemination of audited financial statements, including financial statements published electronically on your Internet website, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in these sites or to consider the consistency of other information in the electronic site with the original document.

Professional standards prohibit us from being the sole host and/or the sole storage for your financial and non-financial data. As such, it is your responsibility to maintain your original data and records and we cannot be responsible to maintain such original information. By signing this engagement letter, you affirm that you have all the data and records required to make your books and records complete.

Provisions of Engagement Administration, Timing and Fees

During the course of the engagement, we may communicate with you or your personnel via fax or e-mail, and you should be aware that communication in those mediums contains a risk of misdirected or intercepted communications.

We expect to perform the audit and issue the audited financial statements during the period from May 2026 to October 2026. We will notify you regarding any circumstances we encounter that could significantly change the timing of the audit.

Victor Blackburn is the engagement partner for the audit services specified in this letter. Their responsibilities include supervising Bernard Robinson & Company, L.L.P.'s services performed as part of this engagement and signing or authorizing another qualified firm representative to sign the audit report.

We estimate our fees to be \$41,000 for the audit engagement for the year ending June 30, 2026. Our fees will be based on the actual time spent at our standard hourly rates, plus travel and other out-of-pocket costs such as report production, word processing, postage, etc. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of personnel assigned. Our fees are based on anticipated cooperation from your personnel, timely completion of all requested items, and the assumption that unexpected circumstances will not be encountered during the engagement. For each major program that a single audit is performed, there will be an additional \$4,000 per program. Our invoices for these fees will be rendered throughout the engagement as work progresses and are payable on presentation. All costs relating to collection of these fees will also be the responsibility of Town of Carolina Beach, North Carolina including, but not limited to, attorney

Town of Carolina Beach, North Carolina
February 14, 2026
Page 10

fees and collection agency fees. Invoiced fees outstanding past 60 days will be subject to a 1½% monthly finance charge. If circumstances occur and additional time is necessary to complete the audit, we will discuss this with you promptly to arrive at a new estimate before we incur the additional costs. The time related to any additional services we are required to perform in order to complete the audit will be billed separately. These invoices are also payable upon presentation.

You may request that we perform additional services not addressed in this engagement letter. If this occurs, we will communicate with you regarding the scope of the additional services and the estimated fees. We also may issue a separate engagement letter covering the additional services. In the absence of any other written communication from us documenting such additional services, our services will continue to be governed by the terms of this engagement letter.

During the course of the audit, we may observe opportunities for economy in, or improved controls over, your operations. We will bring such matters to the attention of the appropriate level of management, either orally or in writing.

You agree to inform us of facts that may affect the financial statements of which you may become aware during the period from the date of the auditor's report to the date the financial statements are issued.

We agree to retain our audit documentation or work papers for a period of at least five years from the date of our report.

At the conclusion of our audit engagement, we will communicate to the Honorable Mayor and Members of the Town Council the following significant findings from the audit:

- Our view about the qualitative aspects of the entity's significant accounting practices;
- Significant difficulties, if any, encountered during the audit;
- Uncorrected misstatements, other than those we believe are trivial, if any;
- Disagreements with management, if any;
- Other findings or issues, if any, arising from the audit that are, in our professional judgment, significant and relevant to those charged with governance regarding their oversight of the financial reporting process;
- Material, corrected misstatements that were brought to the attention of management as a result of our audit procedures;
- Representations we requested from management;
- Management's consultations with other accountants, if any; and
- Significant issues, if any, arising from the audit that were discussed, or the subject of correspondence, with management.

The audit documentation for this engagement is the property of Bernard Robinson & Company, L.L.P. and constitutes confidential information. However, we may be requested to make certain audit documentation available to regulators and federal agencies and the U.S. Government Accountability Office pursuant to authority given to it by law or regulation, or to peer reviewers. If requested, access

Town of Carolina Beach, North Carolina
February 14, 2026
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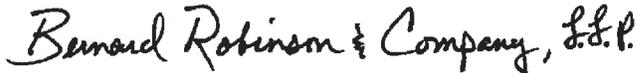
to such audit documentation will be provided under the supervision of Bernard Robinson & Company, L.L.P.'s personnel. Furthermore, upon request, we may provide copies of selected audit documentation to these agencies and regulators. The regulators and agencies may intend, or decide, to distribute the copies of information contained therein to others, including other governmental agencies. We agree to retain our audit documentation or work papers for a period of at least five years from the date of our report.

In accordance with the requirements of Government Auditing Standards, we have attached a copy of our latest external peer review report of our firm for your consideration and files.

Please sign and return the attached copy of this letter to indicate your acknowledgment of, and agreement with, the arrangements for our audit of the financial statements compliance over major federal award programs including our respective responsibilities.

We appreciate the opportunity to be your financial statement auditors and look forward to working with you and your staff.

Very truly yours,



BERNARD ROBINSON & COMPANY, L.L.P.

RESPONSE:

This letter correctly sets forth our understanding.

Acknowledged and agreed on behalf of Town of Carolina Beach, North Carolina by:

Management Signature: _____

Title: _____

Date: _____

The of and	Governing Board Town Council
	Primary Government Unit Town of Carolina Beach
	Discretely Presented Component Unit (DPCU) (if applicable) N/A

Primary Government Unit, together with DPCU (if applicable), hereinafter referred to as Governmental Unit(s)

and	Auditor Name Bernard Robinson & Company LLP
	Auditor Address 1501 Highwoods Blvd., Suite 300, Greensboro, NC 27410

Hereinafter referred to as Auditor

for	Fiscal Year Ending 06/30/26	Date Audit Will Be Submitted to LGC 10/31/26
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Must be within six months of FYE

hereby agree as follows:

1. The Auditor shall audit all statements and disclosures required by "U.S. Auditing Standards – AICPA (Clarified)," referred to as generally accepted auditing standards (GAAS) and additional required legal statements and disclosures of all funds and/or divisions of the Governmental Unit(s). The non-major combining, and individual fund statements and schedules shall be subjected to the auditing procedures applied in the audit of the basic financial statements and an opinion shall be rendered in relation to (as applicable) the governmental activities, the business-type activities, the aggregate DPCUs, each major governmental and enterprise fund, and the aggregate remaining fund information (non-major government and enterprise funds, the internal service fund type, and the fiduciary fund types). Budgetary comparison information shall be prepared in accordance with applicable GASB standards. Budget-to-actual comparisons at the level of the legally adopted budget ordinance shall be presented as required supplementary information and shall not be included in the basic financial statements. Any other budgetary comparison information shall be presented only as supplementary information for funds required to be budgeted under NCGS Chapter 159, Article 3.

2. At a minimum, the Auditor shall conduct the audit and render the report in accordance with GAAS. If the Governmental Unit expended \$100,000 or more in combined Federal and State financial assistance during the reporting period, the Auditor shall perform the audit in accordance with *Generally Accepted Government Auditing Standards (GAGAS)*. The Governmental Unit is subject to federal single audit requirements in accordance with Title 2 US Code of Federal Regulations Part 200 *Uniform Administration Requirements, Cost Principles, and Audit Requirements for Federal Awards, Subpart F (Uniform Guidance)* and the State Single Audit Implementation Act. Currently the threshold is \$1,000,000 for federal and state single audits, or such other threshold as applicable for the fiscal year under audit. This audit and all associated audit documentation may be subject to review by federal and State agencies in accordance with federal and State laws, including the staff of the Office of State Auditor (OSA) and the Local Government Commission (LGC). If the audit requires a federal single audit in accordance with the Uniform Guidance (§200.501) the Auditor and Governmental Unit(s) should discuss, in advance of the execution of this contract, the responsibility for submission of the audit and the accompanying data collection form (form SF-FAC) to the Federal Audit Clearinghouse as required under the Uniform Guidance (§200.512) to ensure proper submission.

If the audit and Auditor communication are found in this review to be substandard, the results of the review may be forwarded to the North Carolina State Board of CPA Examiners (NC State Board).

3. If an entity is determined to be a component of another government as defined by the group audit standards, the entity's auditor shall make a good faith effort to comply in a timely manner with the requests of the group auditor in accordance with AU-6 §600.41 - §600.42.
4. This contract contemplates an unmodified opinion being rendered. If during the process of conducting the audit, the Auditor determines that it will not be possible to render an unmodified opinion on the financial statements of the unit, the Auditor shall contact the LGC Staff to discuss the circumstances leading to that conclusion as soon as is practical and before the final report is issued. The audit shall include such tests of the accounting records and such other auditing procedures as are considered by the Auditor to be necessary in the circumstances. Any limitations or restrictions in scope which would lead to a qualification should be fully explained in an attachment to this contract.
5. If this audit engagement is subject to the standards for audit as defined in *Government Auditing Standards* (2018 revision or subsequent revisions, as applicable) issued by the Comptroller General of the United States, then by accepting this engagement, the Auditor warrants that he or she has met the requirements for a peer review and continuing education as specified in *Government Auditing Standards*. The Auditor agrees to provide a copy of the most recent peer review report to the Governmental Unit(s) and to the Secretary of the LGC prior to the execution of an audit contract. Subsequent submissions of the report are required only upon report expiration or upon the Auditor's receipt of an updated peer review report. If the audit firm receives a peer review rating other than pass, the Auditor shall not contract with the Governmental Unit(s) without first contacting the Secretary of the LGC for a peer review analysis that may result in additional contractual requirements.

If the audit engagement is not subject to *Government Auditing Standards* or if financial statements are not prepared in accordance with U.S. generally accepted accounting principles (GAAP) and fail to include all disclosures required by GAAP, the Auditor shall provide an explanation as to why in an attachment to this contract or in an amendment.

6. It is agreed that time is of the essence in this contract. All audits are to be performed, and the report of audit submitted to LGC Staff, within six months of fiscal year end. At the time of the execution of this contract, if the parties know that the anticipated submission date of the audit exceeds six months after fiscal year end, a written explanation shall be provided to the Secretary of the LGC on this contract form (see the space provided on Page 7). If it becomes necessary to amend the audit fee or the date that the audit report will be submitted to the LGC, an amended contract along with a written explanation of the change shall be submitted to the Secretary of the LGC for approval.
7. It is agreed that GAAS include a review of the Governmental Unit's (Units') systems of internal control and accounting as they relate to accountability of funds and adherence to budget and law requirements applicable thereto; that the Auditor shall make a written report, which may or may not be a part of the written report of audit, to the Governing Board setting forth the Auditor's findings, together with his or her recommendations for improvement. That written report shall include all matters determined to be "significant deficiencies and material weaknesses" in accordance with AU-C §265 "Communicating Internal Control Related Matters Identified in an Audit" of GAAS. The Auditor shall file a copy of that report with the Secretary of the LGC.

For GAAS or *Government Auditing Standards* audits, if an Auditor issues an AU-C §260 report, "Auditor's Communication With Those Charged With Governance," commonly referred to as a "Governance Letter," LGC staff does not require the report to be submitted unless the Auditor cites significant findings or issues from the audit, as defined in AU-C §260 paragraphs 12 - 14. This would include issues such as difficulties encountered during the audit, significant or unusual transactions, uncorrected misstatements, matters that are difficult or contentious for which the Auditor consulted outside the engagement team and, in the Auditor's judgment, are significant and relevant to those charged with governance, and other findings or issues that the Auditor believes are significant and relevant. If matters identified during the audit were required to be reported as described in AU-C §260 paragraphs 12 - 14 and were communicated in a method other than an AU-C §260 letter, the written documentation must be submitted.

8. All local government and public authority contracts for audit or audit-related work require the approval of the Secretary of the LGC. This includes annual or special audits, agreed upon procedures related to internal controls, bookkeeping or other assistance necessary to prepare the Governmental Unit's records for audit, financial statement preparation, any finance-related investigations, or any other audit-related work in the State of North Carolina. Approval is also required for the Alternative Compliance Examination Engagement for auditing the Coronavirus State and Local Fiscal Recovery Funds expenditures as allowed by US Treasury. Approval is not required on audit contracts and invoices for system improvements and similar services of a non-auditing nature.

9. Invoices for services rendered under these contracts shall not be paid by the Governmental Unit(s) until the invoice has been approved by the Secretary of the LGC. This also includes any progress billings [G.S. 159-34 and 115C-447]. All invoices for audit work shall be submitted in PDF format to the Secretary of the LGC for approval. The invoice marked 'approved' with approval date shall be returned to the Auditor to present to the Governmental Unit(s) for payment. This paragraph is not applicable to contracts for audits of hospitals.

10. In consideration of the satisfactory performance of the provisions of this contract, the Governmental Unit(s) shall pay to the Auditor, upon approval by the Secretary of the LGC if required, the fee, which includes any costs the Auditor may incur from work paper or peer reviews or any other quality assurance program required by third parties (federal and state grantor and oversight agencies or other organizations) as required under the Federal Single Audit Act and the State Single Audit Act. This does not include fees for any pre-issuance reviews that may be required by the North Carolina Association of Certified Public Accountants (NCACPA) Peer Review Committee or North Carolina State Board of CPA Examiners (see Paragraph 13).

11. If the Governmental Unit(s) has/have outstanding revenue bonds, the Auditor shall submit to LGC Staff, either in the notes to the audited financial statements or as a separate report, a calculation demonstrating compliance with the revenue bond rate covenant. Additionally, the Auditor shall submit to LGC Staff simultaneously with the Governmental Unit's (Units') audited financial statements any other bond compliance statements or additional reports required by the authorizing bond documents, unless otherwise specified in the bond documents.

12. After completing the audit, the Auditor shall submit to the Governing Board a written report of audit. This report shall include, but not be limited to, the following information: (a) Management's Discussion and Analysis, (b) the financial statements and notes of the Governmental Unit(s) and all of its component units prepared in accordance with GAAP, (c) supplementary information requested by the Governmental Unit(s) or required for full disclosure under the law, and (d) the Auditor's opinion on the material presented. The Auditor shall furnish the required number of copies of the report of audit to the Governing Board upon completion.

13. If the audit firm is required by the Secretary of the Local Government Commission to obtain a pre-issuance review or take corrective action as a result of peer review findings or quality control deficiencies, such corrective action shall be consistent with the authority and requirements of the North Carolina State Board of Certified Public Accountant Examiners, the AICPA Peer Review Program, and established Local Government Commission practice, including the use of report addenda or other remedial measures, as appropriate.

14. In accordance with G.S. 159-34, the Finance Officer of the Unit is responsible for filing the audited financial statements with the Secretary of the Local Government Commission.

The Auditor may upload the audit report and related documents through the LGC's electronic submission system; however, submission shall not be deemed complete until the Finance Officer has reviewed and certified the submission.

The Auditor, Finance Officer, other Unit staff member designated by the Finance Officer, or a third party approved by the Unit may enter all Data Input Report information except the information on the "transmittal doc info" tab. The "transmittal doc info" tab must be completed by the Auditor.

The Finance Officer shall review, approve, and certify the accuracy and completeness of the Data Input Report (DIR) in the LGC's LOGOS system prior to LGC review, regardless of whether the DIR is prepared by the Auditor or the Unit.

Finance Officer certification is required for any corrected or revised submissions.

Finance Officer certification of the DIR shall be completed in a timely manner following notification that the DIR is ready for review and within time frames prescribed by the LGC. Failure to complete certification in a timely manner may result in the audit being considered late due to unit action rather than auditor performance

The Auditor shall conduct the audit in accordance with generally accepted auditing standards and shall ensure that the financial statements are prepared in accordance with generally accepted accounting principles as of the fiscal year end. Budget-to-actual comparisons at the level of the legally adopted budget ordinance shall be presented in required supplementary information, separate from the basic financial statements, and shall not be included in the audit opinion. The Auditor shall confirm that such information reconciles to the financial statements and is consistent with applicable accounting guidance and any LGC reporting requirements.

The Finance Officer shall certify in a timely manner that all data inputted in LOGOS used for preparation of the financial statements and required supplementary information is complete and accurate.

For audits of units other than hospitals, the audit report should be submitted when (or prior to) submitting the final invoice for services rendered. The report of audit, as filed with the Secretary of the LGC, becomes a matter of public record for inspection, review and copy in the offices of the LGC by any interested parties. Any subsequent revisions to these reports shall be sent to the Secretary of the LGC. These audited financial statements, excluding the Auditors' opinion, may be used in the preparation of official statements for debt offerings by municipal bond rating services to fulfill secondary market disclosure requirements of the Securities and Exchange Commission and for other lawful purposes of the Governmental Unit(s) without requiring consent of the Auditor. If the LGC Staff determines that corrections need to be made to the Governmental Unit's (Units') financial statements and/or the compliance section, those corrections shall be provided within three business days of notification unless another deadline is agreed to by LGC Staff.

15. Should circumstances disclosed by the audit call for a more detailed investigation by the Auditor than necessary under ordinary circumstances, the Auditor shall inform the Governing Board in writing of the need for such additional investigation and the additional compensation required therefore. Upon approval by the Secretary of the LGC, this contract may be modified or amended to include the increased time, compensation, or both as may be agreed upon by the Governing Board and the Auditor.

16. If an approved contract needs to be modified or amended for any reason, the change shall be made in writing and preaudited if the change includes a change in audit fee (preaudit requirement does not apply to hospitals). This amended contract shall be completed in full, including a written explanation of the change, signed and dated by all original parties to the contract. It shall then be submitted to the Secretary of the LGC for approval. No change to the audit contract shall be effective unless approved by the Secretary of the LGC.

17. A copy of the engagement letter, issued by the Auditor and signed by both the Auditor and the Governmental Unit(s), shall be attached to this contract, and except for fees, work, and terms not related to audit services, shall be incorporated by reference as if fully set forth herein as part of this contract. In case of conflict between the terms of the engagement letter and the terms of this contract, the terms of this contract shall take precedence. Engagement letter terms that conflict with the contract are deemed to be void unless the conflicting terms of this contract are specifically deleted in Paragraph 30 of this contract. Engagement letters containing indemnification clauses shall not be accepted by LGC Staff.

18. Special provisions should be limited. Please list any special provisions in an attachment.

19. A separate contract should not be made for each division to be audited or report to be submitted. If a DPCU is subject to the audit requirements detailed in The Local Government Budget and Fiscal Control Act and a separate audit report is issued, a separate audit contract is required. If a separate report is not to be issued and the DPCU is included in the primary government audit, the DPCU shall be named along with the primary government on this audit contract. DPCU Board approval date, signatures from the DPCU Board chairman and Finance Officer also shall be included on this contract.

20. The contract shall be executed, preaudited (preaudit requirement does not apply to hospitals) and physically signed by all parties including Governmental Unit(s) and the Auditor, then submitted in PDF format to the Secretary of the LGC.

21. The contract is not valid until it is approved by the Secretary of the LGC. The staff of the LGC shall notify the Governmental Unit and Auditor of contract approval by email. The audit should not be started before the contract is approved.

22. Retention of Client Records: Auditors are subject to the NC State Board of CPA Examiners' Retention of Client Records Rule 21 NCAC 08N .0305 as it relates to the provision of audit and other attest services, as well as non-attest services. Clients and former clients should be familiar with the requirements of this rule prior to requesting the return of records.

23. This contract may be terminated at any time by mutual consent and agreement of the Governmental Unit(s) and the Auditor, provided that (a) the consent to terminate is in writing and signed by both parties, (b) the parties have agreed on the fee amount which shall be paid to the Auditor (if applicable), and (c) no termination shall be effective until approved in writing by the Secretary of the LGC.

24. The Governmental Unit's (Units') failure or forbearance to enforce, or waiver of, any right or an event of breach or default on one occasion or instance shall not constitute the waiver of such right, breach or default on any subsequent occasion or instance.

25. There are no other agreements between the parties hereto and no other agreements relative hereto that shall be enforceable unless entered into in accordance with the procedure set out herein and approved by the Secretary of the LGC.

26. E-Verify. The Auditor shall comply with the requirements of NCGS Chapter 64 Article 2. Further, if the Auditor utilizes any subcontractor(s), Auditor shall require such subcontractor(s) to comply with the requirements of NCGS Chapter 64, Article 2.

27. For all non-attest services, the Auditor shall adhere to the independence rules of the AICPA Professional Code of Conduct and *Government Auditing Standards, 2018 or 2024 Revision* (as applicable). Preparing financial statements in their entirety shall be deemed a "significant threat" requiring the Auditor to apply safeguards sufficient to reduce the threat to an acceptable level. If the Auditor cannot reduce the threats to an acceptable level, the Auditor cannot complete the audit. If the Auditor is able to reduce the threats to an acceptable level, the documentation of this determination, including the safeguards applied, must be included in the audit workpapers.

All non-attest service(s) being performed by the Auditor that are necessary to perform the audit must be identified and included in this contract. The Governmental Unit shall designate an individual with the suitable skills, knowledge, and/or experience (SKE) necessary to oversee the services and accept responsibility for the results of the services performed. If the Auditor is able to identify an individual with the appropriate SKE, the Auditor must document and include in the audit workpapers how the Auditor reached that conclusion. If the Auditor determines that an individual with the appropriate SKE cannot be identified, the Auditor cannot perform both the non-attest service(s) and the audit. See "Fees for Audit Services" page of this contract to disclose the person identified as having the appropriate SKE for the Governmental Unit.

28. **Applicable to audits with fiscal year ends of June 30, 2021 and later.** The Auditor shall present the audited financial statements including any compliance reports to the Government Unit's Governing Board or audit committee in an official meeting in open session as soon as the audited financial statements are available but not later than 45 days after the submission of the audit report to the Secretary of the LGC. The Auditor's presentation to the Governing Board or audit committee shall include:

- a) the description of each finding, including all material weaknesses and significant deficiencies, as found by the Auditor, and any other issues related to the internal controls or fiscal health of the Government Unit as disclosed in the management letter, the Single Audit or Yellow Book reports, or any other communications from the Auditor regarding internal controls as required by current auditing standards;
- b) the status of the prior year audit findings;
- c) the values of Financial Performance Indicators based on information presented in the audited financial statements; and
- d) notification to the Governing Board that the Governing Board shall develop a "Response to the Auditor's Findings, Recommendations, and Fiscal Matters," if required under Rule 20 NCAC 03 .0508.

29. Information based on the audited financial statements shall be submitted to the Secretary of the LGC through the LGC’s LOGOS system, including completion of the Data Input Report (DIR). Submission is not complete and shall not be accepted by the LGC until the Finance Officer has reviewed and certified the DIR in accordance with Paragraph 14 of this contract.

30. All of the above paragraphs are understood and shall apply to this contract, except the following numbered paragraphs shall be deleted (See Paragraph 17 for clarification).

31. The process for submitting contracts, audit reports and invoices is subject to change. Auditors and Units should use the submission process and instructions in effect at the time of submission. Refer to the N.C. Department of State Treasurer website at <https://www.nctreasurer.com/state-and-local-government-finance-division/local-government-commission/submitting-your-audit>.

32. All communications regarding audit contract requests for modification or official approvals will be sent to the email addresses provided on the signature pages that follow.

33. **Applicable to audits with fiscal year ends of June 30, 2025, and later.** The Unit authorizes the LGC to grant access to the LGC’s LOGOS system, including the Data Input Report (DIR), to employees of the contracted audit firm who are associated with and acting on behalf of the firm for purposes of performing audit and reporting services under this contract. Such access shall be limited to the scope necessary to perform contracted services and shall not relieve the Auditor or the Unit of their respective responsibilities under this contract.

34. Changes or edits to the text of this contract form are not permitted, except for the Secretary’s authority to revise or update this contract form pursuant to LGC Rule 20 NCAC 03. 0502.

For contracts with an anticipated audit submission date exceeding six months after fiscal year end, please use this space to explain the reason for the late submission, as required by Paragraph 6 of this contract form:

FEEES FOR AUDIT SERVICES

1. For all non-attest services, the Auditor shall adhere to the independence rules of the AICPA Professional Code of Conduct (as applicable) and Government Auditing Standards, 2018 Revision. Refer to Paragraph 27 of this contract for specific requirements. The following information must be provided by the Auditor; contracts presented to the LGC without this information will be not be approved.

Financial statements were prepared by: Auditor Governmental Unit Third Party

If applicable: The individual at the Governmental Unit designated to have the suitable skills, knowledge, and/or experience (SKE) necessary to oversee the non-attest services and accept responsibility for the results of these services:

Name: [Debbie Hall] Title and Unit / Company: [Finance Director] Email Address: [debbie.hall@carolinabeach.gov]

OR Not Applicable (Identification of SKE Individual on the LGC-205 Contract is not applicable for GAAS-only audits or audits with FYEs prior to June 30, 2020.)

2. Fees may not be included in this contract for work performed on Annual Financial Information Reports (AFIRs), Form 990s, or other services not associated with audit fees and costs. Such fees may be included in the engagement letter but may not be included in this contract or in any invoices requiring approval of the LGC. See Paragraphs 8 and 13 for details on other allowable and excluded fees.

3. The audit fee information included in the table below for both the Primary Government Fees and the DPCU Fees (if applicable) should be reported as a specific dollar amount of audit fees for the year under this contract. If any language other than an amount is included here, the contract will be returned to the audit firm for correction.

4. Prior to the submission of the completed audited financial report and applicable compliance reports subject to this contract, or to an amendment to this contract (if required) the Auditor may submit interim invoices for approval for services rendered under this contract to the Secretary of the LGC, not to exceed 75% of the billings for the Unit's last annual audit that was submitted to the Secretary of the LGC. All invoices for services rendered in an audit engagement as defined in Rule 20 NCAC .0503 shall be submitted to the Secretary of the LGC for approval before any payment is made. Payment before approval is a violation of law. (This paragraph not applicable to contracts and invoices associated with audits of hospitals).

Table with 2 columns: Description, Amount. Rows include Primary Government Unit (Town of Carolina Beach), Audit Fee (\$31500), Fee per Major Program (\$4000), Additional Fees Not Included Above (if applicable), Financial Statement Preparation (\$9500), All Other Non-Attest Services (\$0), TOTAL AMOUNT NOT TO EXCEED (\$49,000).

Table with 2 columns: Description, Amount. Rows include Discretely Presented Component Unit (N/A), Audit Fee (\$), Fee per Major Program (\$), Additional Fees Not Included Above (if applicable), Financial Statement Preparation (\$), All Other Non-Attest Services (\$), TOTAL AMOUNT NOT TO EXCEED (\$49,000).

SIGNATURE PAGE

AUDIT FIRM

Audit Firm* Bernard Robinson & Company LLP	
Authorized Firm Representative (typed or printed)* Victor Blackburn	Signature*
Date*	Email Address* vblackburn@brccpa.com

GOVERNMENTAL UNIT

Governmental Unit* Town of Carolina Beach	
Date Governing Board Approved Audit Contract* (Enter date in box to right)	03/10/26
Mayor/Chairperson (typed or printed)* Albert L. Barbee	Signature*
Date	Email Address* lynn.barbee@carolinabeach.gov

Chair of Audit Committee (typed or printed, or "NA") N/A	Signature
Date	Email Address

GOVERNMENTAL UNIT – PREAUDIT CERTIFICATE

Required by G.S. 159-28(a1) or G.S. 115C-441(a1). Not applicable to hospital contracts.

This instrument has been preaudited in the manner required by The Local Government Budget and Fiscal Control Act or by The School Budget and Fiscal Control Act.

Sum Obligated by This Transaction:	\$ 49,000
Primary Governmental Unit Finance Officer* (typed or printed) Debbie Hall	Signature*
Date of Preaudit Certificate* 03/10/26	Email Address* debbie.hall@carolinabeach.gov

CONTRACT TO AUDIT ACCOUNTS

SIGNATURE PAGE – DPCU
(complete only if applicable)

DISCRETELY PRESENTED COMPONENT UNIT

DPCU* N/A	
Date DPCU Governing Board Approved Audit Contract* (Enter date in box to right)	
DPCU Chairperson (typed or printed)*	Signature*
Date*	Email Address*

Chair of Audit Committee (typed or printed, or "NA")	Signature
Date	Email Address

DPCU – PREAUDIT CERTIFICATE

Required by G.S. 159-28(a1) or G.S. 115C-441(a1). Not applicable to hospital contracts.

This instrument has been preaudited in the manner required by The Local Government Budget and Fiscal Control Act or by The School Budget and Fiscal Control Act.

Sum Obligated by this Transaction:	\$ 49,000
DPCU Finance Officer (typed or printed)* Debbie Hall	Signature*
Date of Preaudit Certificate* 03/10/26	Email Address* debbie.hall@carolinabeach.gov

Remember to print this form, and obtain all required signatures prior to submission.

PRINT



AGENDA ITEM COVERSHEET

PREPARED BY: Kim Ward, Town Clerk

DEPARTMENT: Clerk

MEETING: Town Council Meeting 3/10/2026

SUBJECT: Approval of Council Meeting Minutes

BACKGROUND:

Attached are the meeting minutes from the January workshop and February meetings.

ACTION REQUESTED:

Review and consider approving under the consent agenda.

CAROLINA BEACH

Town Council Budget Retreat Day 1 of 2

Tuesday, January 29, 2026 – 8:30 AM

Riverview Restaurant 121 Riverfront Road Kure Beach, NC 28449



MINUTES

CALL TO ORDER

Mayor Barbee called the meeting to order at 8:30 AM.

PRESENT

Mayor Lynn Barbee

Council Member Jay Healy

Council Member Vince Losito

Mayor Pro Tem Deb LeCompte

Council Member Wayne Rouse

ALSO PRESENT

Town Manager Bruce Oakley

Finance Director Debbie Hall

Fire Chief Alan Griffin

Public Works Director Brian Stanberry

Parks and Rec Director Eric Jelinski

Community Development Director Jeremy Hardison

Deputy Town Manager Ed Parvin

Town Clerk Kim Ward

Police Captain Scott Hettinger

Public Utilities Director Mark Meyer

Executive Assistant Sheila Nicholson

Attorney Noel Fox

Welcome and Overview of the Agenda

Mayor Barbee called the Town Council Budget Retreat to order. The Mayor presented Town Manager Bruce Oakley with a certificate for his six years of service with the Town, acknowledging his valuable contributions.

Bruce explained that the retreat provides an important opportunity for Council and staff to communicate and align on priorities for the upcoming budget and projects. He noted that while the first day would cover many ongoing projects and strategic planning elements, the second day would focus more on gathering input from Council for the budget and strategic plan.

Bruce presented the current budget schedule timeline and showed a slide illustrating how single social media comments can sometimes divert focus from strategic priorities. Mayor Barbee emphasized the importance of adhering to the strategic plan rather than being swayed by social media commentary.

Project Successes

Mr. Oakley reported that the Town has accomplished over \$22 million in projects over the past six years, many funded by outside organizations. He emphasized that these accomplishments stemmed from the strategic plan and Council priorities, such as the marina, boardwalk bathroom, and lake dredge stabilization.

Mayor Barbee noted that a key factor in these successes was the improved relationship between staff and Council over the past six years, creating better harmony and professionalism. Council Member Losito mentioned that after attending government training the previous week, he recognized how fortunate Carolina Beach is compared to other municipalities facing significant challenges.

Council Member Rouse pointed out that when he researched other coastal Towns during his campaign, he found that Carolina Beach provides more services with proportionally fewer employees than comparable communities.

Bruce agreed and mentioned that he had a spreadsheet comparing Carolina Beach to all other coastal Towns in North Carolina, demonstrating that they provide more comprehensive services (including water, sewer, fire, police, and lifeguards) while maintaining lower tax rates than 80% of comparable communities.

Project Updates

Deputy Town Manager Ed Parvin provided updates on current projects, beginning with the Spartanburg Avenue crosswalk. He explained they were still waiting on the sidewalk plan from DOT before they could incorporate the crosswalk properly. Jeremy Hardison clarified that DOT had stormwater concerns with some neighbors and would be setting up a meeting with the Town to discuss the design.

Mayor Barbee expressed frustration with the slow progress, noting that he and Council Member Healy had campaigned on getting this crosswalk installed six years ago. Council members discussed other crosswalk issues in Town, including the Harper Avenue and Carl Winner intersection. Ed Parvin noted that Harper Avenue was part of an emergency evacuation route, and Fire Chief Alan Griffin clarified the distinction between DOT emergency evacuation routes and the Town's designated emergency response roads.

Mr. Parvin provided updates on PTC 8 projects, noting that the Scotch Bonnet bulkhead was the last remaining project under FEMA reimbursement. Council discussed ongoing challenges with persistent flooding issues in certain areas, particularly around Florida Avenue, where property owner reluctance has hampered efforts to implement solutions.

Mr. Parvin discussed several street paving and utility projects, including:

- Second Street, which is scheduled to be completed in spring 2026
- Texas Avenue, which requires stormwater solutions including a potential ditch connecting to Henniker's ditch to address flooding concerns
- Saint Joseph Street multi-use path, which is awaiting easement acquisitions
- Boardwalk restrooms, approaching substantial completion by the end of March
- 1810 Canal Drive parking and restrooms
- Relocation of portable restrooms to permanent facilities at Freeman Park
- Beach access improvements at Scallop Lane and the Hatteras Ramp

Council discussed the importance of ADA accessibility in these projects, with many Council members emphasizing how this has made Carolina Beach one of the most accessible beaches on the East Coast.

Financial Update

Finance Director Debbie Hall presented a comprehensive financial update, including:

Property Tax Collections:

- As of December, collections totaled \$6.4 million
- January collections (not reflected in the report) added \$900,000
- Collections appear to be on track to meet budget projections

Sales and Use Tax:

- Collections were up 13% compared to the same period last year
- This is trending higher than initial estimates

Room Occupancy Tax:

- Mrs. Hall presented data showing revenue from both hotels and short-term rentals
- Council noted the significant contribution from short-term rentals to this revenue stream

Other Revenue Sources:

- ABC tax sales were trending slightly down compared to the same period last year
- Investment interest remains strong due to continued higher interest rates

Debt:

- Mrs. Hall showed the current general fund debt and identified three debts that were retired in the previous fiscal year
- She noted that the CBP3 debt would be paid off by 2028

Utility Fund:

- Revenue sources were on track at approximately halfway through the year
- Connection fees and system development fees are dependent on development activity
- Redevelopment of existing properties results in lower connection fees than new development

Budget Summary:

- General Fund: 50% of revenues collected, 46% of projected expenses spent
- Utility Fund: 41% of both revenues and expenses used at this point in time

Mrs. Hall also presented the fund balance history, showing growth to 52%.

Council members acknowledged the positive trend in fund balance growth, with Mayor Barbee noting the importance of all staff members contributing to this financial success.

Capital Planning

Fire Chief Alan Griffin presented upcoming major capital purchases for the Fire Department:

1. A new engine scheduled for delivery in November, costing approximately \$1,100,000
2. A new ladder truck that needs to be ordered in fall 2026 with an estimated cost between \$2,000,000-\$2,600,000
3. Future replacement of the fire rescue boat in 3-5 years, estimated at \$500,000

Griffin explained that the department has worked to space out major purchases to avoid financial strain, timing new debt to coincide with retiring debt. He noted that the ladder truck would need to be ordered soon as manufacturers are taking 24-48 months for delivery, and the current ladder truck will be 20 years old in 2028. The fire boat may need replacement in 3-5 years due to hull deterioration.

Ed Parvin presented the capital improvement plan for water, wastewater, and stormwater projects. He discussed the upcoming revenue bond funding of nearly \$18 million for various infrastructure improvements including:

- Well 15H and associated piping
- New AMI water meter reading system
- Phase C of water/sewer infrastructure improvements
- 2-million-gallon ground storage tank and headworks engineering

Parvin explained that rates would need to increase to support these improvements, with projected 9% increases for four years followed by 5% in the fifth year. He and staff are also exploring changes to the water billing structure, potentially moving away from the current 3,000-gallon minimum to make rates more equitable.

For stormwater, there would be annual increases of approximately \$1 per ERU (Equivalent Residential Unit), with potential future changes to how ERUs are calculated to better reflect actual impervious surface area.

Overview of the Strategic Plan

Town Manager Bruce Oakley provided an overview of the current strategic plan, noting that approximately 95% of the actions identified in the plan have been accomplished. He suggested that rather than conducting a complete overhaul of the plan at this retreat, the Council could remove completed items, make minor adjustments, and consider a more comprehensive update with a facilitator next year.

Mayor Barbee agreed with this approach, noting that they had worked hard to get to this point and shouldn't start over completely, but should treat it as a living document that can evolve over time. Council Member Rouse suggested incorporating the Town's ADA accessibility accomplishments into the next version of the strategic plan.

Renaming the Public Parking Lots

Mr. Oakley presented a proposal to rename the Town's public parking lots, explaining that many current names cause confusion or reference landmarks or businesses that no longer exist. The new naming convention would primarily use geographic identifiers or street names.

Council members reviewed the proposed names and generally supported the changes, with Mayor Barbee suggesting that "Ocean Lot" should be "Ocean Boulevard Lot" to reduce confusion. Oakley noted that the Surfside lot would remain through the summer as site preparation for new development wouldn't begin until September.

Canal & Cape Fear Traffic

Public Works Director Brian Stanberry presented stormwater management efforts around Canal Drive and the Cape Fear Boulevard area, highlighting:

- Completed projects including Starfish, Florida Avenue, and Maryland Avenue stormwater improvements
- Bulkhead replacements and installations at Dolphin, Scallop, and Seagull
- Comprehensive scoping and cleaning of stormwater pipes throughout Town
- Approximately \$1,005,000 in total expenditures over the past four years

He also discussed planned projects including bulkhead work at Scotch Bonnet, Clamshell, and Sand Dollar, as well as a backflow installation at Captain's Quarters. He noted that these projects would address all the Town's remaining non-bulkheaded properties.

Canal Drive & RCCP

Community Development Director Jeremy Hardison provided an update on the Resilient Coastal Communities Program (RCCP), explaining that the Town is working with Coastal Protection Engineering on a comprehensive plan to address flooding vulnerabilities.

He explained that the Town is currently in Phase 1 (Risk and Vulnerability Assessment) and moving into project identification. While the north end of Town (Canal Drive, Florida Avenue) would be a focus area, this would be a Town-wide plan addressing all vulnerable areas.

Hardison noted that the plan would incorporate previous studies like the Canal Drive study and watershed plans, building upon their findings. A key goal is to bridge communication gaps with affected residents to ensure better support for proposed solutions.

Mayor Barbee expressed support for this process, noting it would help address long-standing questions about how to properly fix Canal Drive's infrastructure issues, which have been repeatedly deferred due to complexity and cost. The RCCP would provide a phased approach to addressing these concerns.

Council discussed challenges with certain property owners blocking improvements that would benefit the community, particularly around Florida Avenue. Parvin and Hardison emphasized that the RCCP process would help build community consensus around solutions.

FEMA elevation grants were also mentioned, with approximately 27 homes currently being evaluated for engineering to determine elevation feasibility.

Canal & Cape Fear Traffic

Town Manager Bruce Oakley provided an update on the temporary one-way traffic design implemented on Canal Drive from Cape Fear to Harper Avenue. He noted that there had been little feedback from the Council or community regarding the change.

The temporary design used stanchions to create a one-way traffic pattern. Council discussed whether to keep this temporary design for the summer season or revert to the previous two-way traffic pattern. Council members expressed concerns about the current appearance of the temporary barriers stating that it resembled a construction zone.

Chief Griffin explained why parking along the roadway was problematic, noting that the fire code requires a 20-foot egress, and the road is barely that wide. He emphasized that safety issues arise when delivery trucks park on the street.

Council discussed the option of hiring a traffic engineer to provide design options for a permanent solution. The estimated cost would be approximately \$37,000 for engineering work and \$28,000 for surveys.

Several Council Members questioned whether such extensive engineering was necessary, with Councilmember Rouse asking if they could simply change signage and traffic patterns without the expense. However, both staff and Mayor Barbee emphasized the importance of proper traffic engineering for safety and liability reasons.

Council ultimately decided to leave the temporary one-way configuration in place as a test through Easter weekend (until approximately April 5th), then remove it and pursue a professional traffic engineering study for a potential permanent solution.

Powell Bill Improvements

Public Works Director Brian Stanberry provided an update on street paving projects. He explained that the Town is finishing up paving segments based on the previous Pavement Condition Index (PCI) study from 2020-21, with about \$100,000 worth of work planned for approximately seven street segments.

Stanberry noted that TransMap would be conducting a new PCI survey by the end of January, with results expected by April or May. He explained that the PCI survey uses lidar, radar, and ground-penetrating radar to assess road conditions comprehensively and generates a scientific rating from 0-100 for each segment of roadway.

The Council praised the PCI approach for removing politics from the paving decisions. Stanberry mentioned that most streets in Town were currently rated in the 70s and 80s, showing significant improvement from previous years.

Welcome Sign

Public Works Director Brian Stanberry presented an update on the Town welcome sign project. The final design will be approximately 18 feet long, a significant increase from the originally planned 12-foot width for better visibility.

The sign will be placed in the right-of-way area at the Town entrance, positioned carefully to avoid conflict with the Island of Lights' large luminary display during the holiday season. It will be approximately 6 feet tall (8 feet including the base) and will be illuminated from the interior.

The design features posts in the back to create a floating appearance. The next steps include finalizing engineering and permitting, with Stanberry hoping to complete the project within the next five months, although challenges with supply chains might extend this timeline.

Town Council Round Table on Boards and Committees

Mayor Barbee led a discussion about the Town's various committees, explaining that they had evolved from a way to encourage community involvement when participation was low, to a situation where many had been replaced by nonprofits.

Council discussed which committees should be maintained. There was consensus that statutorily required committees (Planning & Zoning, Board of Adjustment) must continue, along with the Marketing Advisory Committee (MAC) which connects to the Tourism Development Authority.

After extensive discussion, Council unanimously agreed to keep only the Bike-Ped Committee in addition to the statutorily required ones, as it serves an important function with the Metropolitan Planning Organization (MPO) and is working on transportation initiatives beneficial to the Town. All other committees would be dissolved.

For the Beautification Committee and other dissolved committees, Council suggested their functions could continue under relevant nonprofits such as Friends of Parks and Greenways. Council also discussed creating a volunteer database to harness community interest without the formal structure of committees.

ACTION: Motion to keep only the statutory committees (Planning & Zoning, Board of Adjustment), the Municipal Advisory Committee, and the Bike-Ped Committee, while dissolving all other Town committees. Motion made by Mayor Barbee

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

Motion passed unanimously

Nonprofits

Town Manager Bruce Oakley presented information on nonprofits currently funded by the Town, including the Chamber of Commerce, Katie B. Hines, Sea Turtle Project, Inlet Association, Island of Lights, Federal Point Historic Preservation Society, Friends of Fort Fisher, and Friends of Felines.

Council discussed each nonprofit and their contributions to the Town, focusing on which ones perform functions that the Town would otherwise need to do. There were questions about the reporting requirements for nonprofits receiving Town funding and whether all applicants should be required to make presentations to the Council.

Council agreed on implementing more formal requirements for nonprofit funding applications, including:

- Providing previous year's financials and detailed reporting on how Town funds were used
- Explaining how their activities align with the Town's strategic goals
- Submitting a complete application package

Council decided that nonprofits would no longer need to make presentations at a public hearing but would instead submit applications to Town staff for initial review before Council consideration.

Town Attorney Noel Fox also reminded Council members about conflict of interest concerns if they serve on boards of nonprofits receiving Town funding, noting she would work with staff to identify potential conflicts before budget decisions.

Freeman Park Management Plan

Ed Parvin discussed the development of a land management plan for Freeman Park, which is required as part of the purchase agreement with the state land and water fund. A committee has been appointed to oversee this process, including Town staff, citizens, and representatives from the land and water fund.

He outlined the different areas of Freeman Park (beachfront, inlets, dunes, marsh, and spoil islands) and explained that some areas are "burdened" with specific restrictions under the declaration of covenants, while others are "unburdened."

The management plan will address environmental protection, historic preservation, recreation activities, safety and security, and economic impact. Permitted uses include camping, fishing, beach driving, dredge spoils, and a potential Freeman family memorial.

Council discussed annexing Freeman Park into the Town limits, which would give the Town more control over issues like abandoned boats in adjacent waters. Town Attorney Noel Fox advised that much of the preliminary work for annexation had already been done during the acquisition process.

E-bikes

Captain Hettinger provided an update on e-bike issues in Town, noting it has been a hot topic on social media for about two years. The department has focused on education, particularly for parents, as most riders are juveniles.

He explained the challenges of determining which bikes are actual e-bikes versus electric motorcycles that require registration, insurance, and licensed drivers. When stopping juveniles on non-compliant vehicles, officers contact parents to inform them of the requirements.

The department has documented four collisions involving e-bikes, including one serious head-on collision. Council was informed that a bill giving municipalities authority to regulate e-bikes remains at the state level, though there is continued support from elected officials to move it forward.

Facility Study

Mr. Oakley presented preliminary results from a facility study commissioned to assess the Town's building needs over the next 10-20 years. The study examined several properties, including land beside Town hall, and provided options for reorganizing Town facilities.

The preferred recommendation included:

- Building a new police department on the vacant property next to Town Hall
- Reorganizing Town Hall to incorporate some utility department staff
- Expanding the fire station at its current location
- Developing a new community center that would house the Chamber of Commerce, History Center, and the Senior Center in one building

Council discussed the condition of the Island Cottage building, which Fire Chief Alan Griffin indicated would need to be condemned due to structural issues. There were questions about the tenants of both Island Cottage and the Help Center, with Council Members expressing concern that they did not have clear information about who operated these facilities despite them being Town tenants.

The presentation was an introduction to the full facility study results, which would be presented at the February workshop for further discussion and prioritization.

Municipal Service District/Social District

Mr. Oakley presented information on both Municipal Service Districts (MSD) and Social Districts. An MSD would allow the Town to charge an additional tax in a defined area to provide enhanced services such as cleaning, maintenance, or security in that area. The tax revenue would be managed by a board appointed by Council and could only be used within the district.

Oakley noted that when previously proposed, most affected businesses would have paid between \$17-19 per month, with hotels paying about 90% of the total tax. The MSD was projected to generate around \$70,000 annually.

The Social District concept would allow people to carry alcoholic beverages in designated cups within specified boundaries during designated hours. This would require the Town to create a management and maintenance plan to enforce ABC laws.

Council discussed having the Chamber of Commerce lead outreach to business owners about both concepts before moving forward. They agreed that the two initiatives could work well together, with an MSD providing the structure and oversight for implementing a Social District.

For a business owner interested in testing a Social District concept in March, the Council concluded that the timeline was too short to implement the required regulations but suggested a special event permit might be a more appropriate alternative for a trial run.

Develop Legislative Initiatives

Council discussed potential legislative initiatives to pursue with state representatives:

Mayor Pro Tem LeCompte suggested legislation that would allow municipalities to recoup training and equipment costs when police officers or firefighters leave shortly after being hired. The discussion centered around the high costs of training new officers (approximately \$12,000-15,000) and the frequency with which smaller departments lose officers to larger departments offering higher pay.

Council also discussed continuing to support e-bike regulation legislation through the Metropolitan Planning Organization, which would give municipalities authority to establish local regulations.

Additionally, they revisited previously proposed legislation regarding bulkhead requirements along Canal Drive, which had been opposed by a few residents. Town Attorney Noel Fox noted the legal challenges of requiring bulkheads without specific legislative authority.

Mr. Oakley also alerted Council to pay attention to property tax limitation proposals being discussed at the state level that could impact Town revenue in the future.

Meeting adjourned at 4:00 p.m.

CAROLINA BEACH

Town Council Budget Retreat Day 2 of 2

Tuesday, January 30, 2026 – 8:30 AM

Riverview Restaurant 121 Riverfront Road Kure Beach, NC 28449



MINUTES

CALL TO ORDER

Mayor Barbee called the meeting to order at 8:30 AM.

PRESENT

Mayor Lynn Barbee

Council Member Jay Healy

Council Member Vince Losito

Mayor Pro Tem Deb LeCompte

Council Member Wayne Rouse

ALSO PRESENT

Town Manager Bruce Oakley

Finance Director Debbie Hall

Fire Chief Alan Griffin

Public Works Director Brian Stanberry

Parks and Rec Director Eric Jelinski

Community Development Director Jeremy Hardison

Attorney Noel Fox

Deputy Town Manager Ed Parvin

Town Clerk Kim Ward

Police Lieutenant Sonny Russell

Public Utilities Director Mark Meyer

Executive Assistant Sheila Nicholson

Human Resources Director Holly Brooks

Town Council Roundtable

What Is Working Well?

Mayor Barbee opened the roundtable by noting the lack of public pressure for change following the recent election, indicating overall citizen satisfaction.

Council Member Wayne Rouse agreed that residents feel happy, noting the Town has been well-run with money in reserves. Council highlighted visible improvements that residents appreciate, such as the marina, playground, Mike Chappell Park, and the public bathrooms.

Mayor Pro Tem Deb LeCompte reflected on progress since 2003, stating they've made great strides in making Carolina Beach "a great place to live and to raise a family for generations to come." She credited staff, particularly police and fire departments, for creating a safe environment where she feels comfortable walking alone late at night.

Council Member Healy shared a resident's observation that the biggest difference in Carolina Beach compared to 10 years ago is that it's "cleaner" and more of a Town. He also mentioned that Carolina Beach has become more of a player in regional politics, partly due to LeAnn Pierce being elected as a county commissioner.

Council Member Losito mentioned that you would be hard pressed to find a Town that has better financials than Carolina Beach. We see higher end investors coming here and they expect higher level services. That is a sign of success.

Where Can We Improve?

Council Member Healy raised concerns about downtown areas needing improvement. He noted that some business owners who don't live in Carolina Beach don't maintain their properties properly. Business owners need to have "skin in the game" and properly maintain their storefronts.

The discussion focused particularly on dilapidated buildings on the northeast corner of downtown, with property owners who live out of state and are difficult to work with. Staff noted they would use fire code enforcement and building inspections to address these issues in the spring.

Council also discussed the carnival rides that had been permitted, with Council expressing frustration about how the conditional use permit had been implemented. MPT LeCompte noted she had "no idea they were responding to permanent rides until they were being installed." The group discussed issues with noise, grease disposal, and the need for better oversight in the future.

Code enforcement was identified as an area needing improvement. While Council acknowledged the difficulty of enforcement without appearing heavy-handed, they agreed more consistent enforcement was needed, particularly for absentee owners of rental properties.

There was discussion about improving communication with military leadership at MOTSU to better coordinate on matters affecting the Town.

What Policies Do You Want to See Implemented?

Council discussed potential policy changes related to maintaining decorum during Council meetings. Attorney Noel Fox suggested they could be more formal, such as asking people not to call out during non-public comment periods and requesting phones be silenced.

Council Member Healy mentioned that he would like to see hats removed before entering Council Chambers.

Council Member Rouse emphasized the importance of the Council being unified on their strategic plan and sticking to it without deviation.

What New Programs/Projects Do You Want to See Implemented?

A significant discussion occurred about improving employee benefits and compensation to retain quality staff. Lieutenant Sonny Russell noted that insurance costs are a major issue, with family coverage costing nearly half of their salary. Council Member Rouse advocated for improving benefits, comparing it to property maintenance: "deferred maintenance is much more expensive than preventative maintenance."

Holly Brooks, Director of Human Resources, mentioned she was working on a family leave policy that could apply to both the beginning of life (new children) and end of life (caring for elderly parents).

Council also discussed the need to ensure proper resources for maintaining new facilities and improvements that have been made in recent years.

What Does Success Look Like For 2026/27?

Council Member Wayne Rouse emphasized the importance of fiscal responsibility and staying unified around the strategic plan. He stated the Council should "be super unified and whatever we leave this room with after these 2 days I think we need to stick to this strategic plan."

New Initiatives

Council discussed potential beach access improvements such as flexible decking material that could be used for beach access paths as an alternative to wooden walkways, which was received positively.

Succession Planning

Ed Parvin (Deputy Town Manager) led the discussion on succession planning for the Town of Carolina Beach. He emphasized the importance of developing internal talent and creating pathways for employee growth within the organization.

Ed highlighted several success stories within the Town's departments, including employees who had moved up from entry-level positions to leadership roles.

Ed identified several key principles for effective succession planning:

1. Breaking down departmental silos and encouraging cross-departmental cooperation
2. Creating a culture where knowledge is shared rather than hoarded
3. Developing standardized processes that can be followed regardless of who is in a position
4. Identifying and nurturing talent through individual development plans
5. Creating clear career progression paths for employees

Ed explained that effective succession planning results in higher service levels to the community, improved efficiency, better retention rates, and greater innovation. He emphasized that succession planning isn't about identifying specific individuals to replace current leaders, but rather about building organizational capability.

The Mayor expanded on Ed's points, stressing that investing in people is crucial, even if they eventually leave the organization. He encouraged department heads to give employees opportunities to experience different roles and departments, saying "Never ever resist investing in people."

Several department heads, including Mark Meyer (Public Utilities Director), shared their experiences with succession planning. Mark described how he had developed his team to function effectively during his absence, noting that "the majority of my guys could easily step in and do my job."

Lt. Sonny Russell from the Police Department pointed out that exposure to leadership activities was crucial for development. He recommended that department heads invite their second and third in command to important meetings, saying "I've learned more about you personally and about how the Town runs here than I would in class." Council welcomed the feedback and encouraged staff to speak up with ideas for growth.

The Mayor concluded by emphasizing that succession planning isn't about paperwork but about meaningful conversations with staff. He shared an anecdote about a team-building exercise where a quiet factory worker had the best idea but didn't speak up because she wasn't an engineer, reinforcing the importance of creating an environment where everyone feels their input is valued.

Cyber Security

Mr. Oakley informed Council that a recent Cyber Security audit conducted by the National Guard identified several areas of concern. Dataprise, the Town's contracted IT service provider concurred with the findings and stated that the public email terminal located in the Town Hall lobby exposes the Town to significant liability and recommended that the Town either remove the computer from the public area or discontinue the existing email-forwarding system. Council unanimously concurred with the Town Manager's recommendation to remove the terminal and to route all public records requests through the online public records request portal on the Town's website.

Mr. Oakley updated Council about an incident that occurred after the audit was completed. The Town was a victim of a cyber attack in which someone was able to defraud the Town out of \$487,000. The Carolina Beach Police Department along with the FBI investigated the crime as well as tried to recover some of the lost funds.

Closed Session

ACTION: Motion to go into closed session for attorney/client matters to include:

- Carolina Beach Land Holdings, LLC v. Town of Carolina Beach, New Hanover County File Number 23 CVS 3744
- Oceana Owners Association, Inc. vs. Town of Carolina Beach, New Hanover County File Number 24 CVS 1638
- CBYC, LLC vs. Town of Carolina Beach, New Hanover County File Number 24 CVS 3194
- Callie Ryan v. Town of Carolina Beach et al., New Hanover County File Number 25 CVS 005650-640
- Marlow vs. Town of Carolina Beach, New Hanover County File Number 25CVS002275-640

Motion made by Mayor Barbee

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

Motion passed unanimously

Council returned to open session and the meeting adjourned at 1:30 p.m.

CAROLINA BEACH

Town Council Regular Meeting

Tuesday, February 10, 2026 - 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 Mayor Pro Tem LeCompte and Pledge of Allegiance.

PRESENT

Mayor Lynn Barbee
Mayor Pro Tem Deb LeCompte
Council Member Jay Healy
Council Member Wayne Rouse
Council Member Vince Losito

ALSO PRESENT

Town Manager Bruce Oakley
Deputy Town Manager Ed Parvin
Finance Director Debbie Hall
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 LeCompte, Council Member Healy, Council Member Rouse, Council Member Losito

Motion passed unanimously

CONSENT AGENDA

1. Budget Amendments/Transfers
2. Approval of Council Meeting Minutes

ACTION: Motion to adopt the consent agenda

Motion made by Mayor Barbee

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

Motion passed unanimously

SPECIAL PRESENTATIONS

3. Events Update by Tim Murphy

Community Services Manager Tim Murphy said the Town has received four new event requests.

Paul Tully of Neapolitan presented a request to close a small portion of Saint Joseph Street during a block party event on April 11, with a rain date set for April 18. Mr. Murphy said the Events Committee had discussed the request and involved public safety and other entities, and the Town is good with it.

Mr. Tully described the event, which will involve four local businesses and offer bounce houses, face painting, ice cream, live music, and food trucks during a five-hour period. He said the street closure would help with the flow of the event and make it safer for those crossing. Mr. Tully said it would not impede Winner Avenue or entrances to any residences.

ACTION: Motion to approve the event as requested

Motion made by Mayor Barbee

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

Motion passed unanimously

Jeff Bourk of Wilmington International Airport, who is also a Town resident, announced plans for two air shows: a “baby air show” April 24-26 with five to seven flying acts, followed by a larger air show with the Thunderbirds September 10-12, 2027. He said they hope to turn the air show into an annual event to bring people to the Town during the shoulder season.

Mr. Murphy suggested that Council take action on the request, even though the Town does not control the airspace. He clarified that Council should hold off on any vote related to the 2027 show because it will be much bigger and staff will bring forth more details in the future.

ACTION: Motion to approve the baby air show as presented

Motion made by Mayor Barbee

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

Motion passed unanimously

Tony and Cassi Bellezza, the organizers of Anthony’s Way Walk for Kindness & ADHD in memory of their son, are proposing to hold this year’s event at Lake Park. Mr. Bellezza discussed the organization’s mission and services and said during the event they will ask everyone who attends to fill out an orange heart of kindness so they can create a board full of kind words and acts.

Council Member Healy offered his sympathy to the Bellezzas on the loss of their son and said he thinks what they are doing is fantastic, especially the orange hearts of kindness.

ACTION: Motion to approve the Carolina Beach Lake Walk on February 28 as presented

Motion made by Mayor Barbee

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

Council Member Losito

Motion passed unanimously

Jim DeGilio of the Pleasure Island Chamber of Commerce said they are proposing to have their MusicFest over two Saturdays, one in June and one in October, to bookend the shoulder season.

Mr. Murphy said this request has gone through the Events Committee, and there are no concerns, adding that Police and Fire are on board.

ACTION: Motion to approve the MusicFest of 2026 in June and October as presented

Motion made by Mayor Barbee

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

Motion passed unanimously

Mr. Murphy reviewed upcoming events:

- Skate Dog – March 21 at Mike Chappell Park Skate Park
- Neon Bike Brigade – March 7 at Kindred
- Lo Tide Run – March 14 at the Gazebo

Mr. Murphy released fireworks dates and noted that in addition to the three usual Friday exceptions to the regular Thursday schedule, there will be one additional Friday, June 5, to serve as a kickoff before MusicFest.

Mayor Pro Tem LeCompte noted that there are 16 fireworks shows planned for this season instead of 15.

Mr. Murphy said resurfacing of the pickleball and tennis courts has been delayed due to the threat of rain. He said the resurfacing company needs five consecutive days of favorable conditions to complete the project.

Mayor Pro Tem LeCompte asked Mr. DeGilio to return to the podium to discuss the special Friday fireworks show. He said this is the 40th year of the festival, so they are planning to look back at 1986 and possibly get an 80s band to play at the Gazebo that night.

4. Presentation by the American Legion Regarding the “Be the One” Campaign

Pete Green, John Hacker, and Edie Ludgate representing the American Legion’s Be the One campaign gave a presentation about efforts to prevent veteran suicide. The campaign focuses on destigmatizing asking for help, identifying veterans in crisis, and connecting them to resources.

Mayor Barbee read Resolution No. 25-2345 supporting the American Legion’s Be the One project, which was adopted by Council.

5. Manager’s Update

Mr. Oakley reviewed the budget FY 2026-27 schedule:

- Council strategic planning/budget retreat – January 29-30
- Budget open house – February 11
- Public hearing for community input – April 14
- Budget workshop – April 28
- Budget open house – May 5
- Review revenue and expense projections and public hearing for community input – May 12
- Budget message presented to Council – May 26
- Budget public hearing and adoption – June 9

Mr. Oakley gave an update on various projects:

- Infrastructure revenue bonds: They will be going to market with projected savings of \$80,000 per year in interest.
- Project updates
 - Boardwalk bathroom: The contractor has requested a two-week extension due to recent bad weather. Completion is expected in mid-April.
 - Lake Park pump house: An extension request due to weather is also expected for this project.
 - Lake Park bathroom: This was set this week and should be operational very soon. The project will include landscaping and painting the doors.
 - 1810 Canal Drive access: Plans are still in the works to pave the lot and add a restroom facility. This is moving along and will be a nice addition for the summer.
- Email terminal: Following cybersecurity reviews and threat assessments, the Town has removed the public email terminal based on a suggestion from its IT provider. There were concerns about people being able to access private information for both the Town and citizens. This was discussed at Council's recent retreat, and Council agreed with the recommendation.
- Cybersecurity incidents: The Town is investigating two cybersecurity incidents with the assistance of the Police Department and some Federal authorities. As a result, the Town has enhanced its cybersecurity policies and taken other actions intended to reduce the risk of future incidents. The Town is pursuing reimbursement for financial loss as a result of these attacks and will distribute a press release with more details tomorrow.

Mayor Barbee said there will likely be some victim shaming, but he is very proud of the way staff stepped up to deal with this. He said he believes all concerns around the incidents have been fully remediated. Mr. Oakley said the Town is still pursuing every angle possible to get reimbursement.

PUBLIC COMMENT

Mohamed Hassan requested a response to a previously submitted letter regarding his disapproval of three new Police positions. Mayor Barbee responded that he would find the letter, and Mr. Hassan offered to send another copy if needed.

Erika Robertson of Lanier Landing Court addressed the state of Saint Joseph Street, expressing concerns about the impact of the Greenway project along the route.

Michelle Alberda shared concerns about a proposed social district, including issues of trash management, maintaining the family-friendly atmosphere of the Boardwalk, policing, and underage drinking.

ITEMS OF BUSINESS

6. Social District Presentation and Discussion

Mayor Pro Tem LeCompte said in the past she held a series of roundtables with the public and business owners on the Boardwalk about a proposed social district, which would allow patrons to carry alcoholic beverages in designated cups within specific boundaries. She said the responses were overwhelmingly in favor of a social district within the Town, but she wanted the Boardwalk business owners to drive the effort, which was not being done at that time. However, Mayor Pro Tem LeCompte said this changed in 2025 when Roger and Jenny Monk of The Tropical approached her about looking into a social district again.

Mr. Monk gave a presentation, which included statistics about social districts across North Carolina. He said he knows of 68 permanent social zones, with one of them being in a coastal town, but when trials are included the number may be as high as 81. He said the vision and purpose are to enhance the year-round economic vitality of the Boardwalk by allowing visitors to move seamlessly between retailers, restaurants, and attractions, adding that the proposal seeks to bridge the gap between lunch/dinner and late-night nightlife, encouraging foot traffic and longer visitor stays.

Mr. Monk said the operational logistics would include the following proposed regulations:

- Daily hours of operation from 10:00 AM to midnight
- Approved non-glass, specially labeled cups at a maximum size of 16 ounces featuring the “CB Boardwalk” logo
- Color-coding system to indicate business participation
- Maximum drink limits of one per person for spirits and two per person for beer/wine, and drinks must be discarded before leaving the district or entering a vehicle

He added that the proposed boundaries would be as follows:

- North border: Lake Park Boulevard, including establishments on the west side
- South border: Hamlet Avenue
- West border: Pelican Lane, extending to SeaWitch, Nollie’s, and Stoked
- East border: Boardwalk

Mr. Monk also went over strategic benefits of a social district, noting that all 68 permanent zones currently in operation went through a trial and none were rejected. In addition, he outlined a management and sanitation plan, which includes increased waste management, signage, and safety.

Mr. Monk suggested that trials could be done during the Lo Tide Run on March 14, the entire summer season from Memorial Day to Labor Day, or Memorial Day weekend only.

Todd Luckadoo of Carolina Beach Grill & Bar said a social district would allow the restaurant to serve drinks in the grassy area in front of the restaurant while people play cornhole and otherwise enjoy the outdoors.

Tom Hayes of Havana's said during fireworks, the restaurant gets lots of requests for people who want to take their drinks with them to the Boardwalk, and they are disappointed when they learn they can't. He said he loves the souvenir cup idea because many people will keep it rather than discard it.

Mr. Monk discussed some of the other places where social districts have been successful, including Wilmington, Raleigh, Mebane, Monroe, and Manteo.

Mayor Barbee thanked them for the presentation and said he learned a lot but added that he has more questions than answers and isn't yet ready to form a positive or negative opinion of the idea.

Council Member Healy said he thinks a social district would be beneficial, especially during the shoulder season, but he believes this is a process with tonight being the starting point. He emphasized the need for caution and said initially the border should be tight. Council Member Healy said they need to take their time, even before getting to a trial, to make sure it's done correctly.

Council Member Losito said he agreed this should be done in a process-oriented, controlled environment and added that it's important to get critical mass of all the business owners on the Boardwalk and in the Central Business District (CBD). He said if only a handful of places are participating, then it will create mass confusion. Mr. Monk said in Raleigh, a minimum participation rate of about 65% or 70% was required for approval, and he thinks establishing a minimum threshold here would not be a bad idea.

Mayor Pro Tem LeCompte said the process is important and suggested that staff help Council understand what must be done to have a trial.

Mayor Barbee suggested that staff research the process and requirements for establishing a social district and report back with details. Council gave consensus.

Council Member Rouse raised concerns about resources, including the need for more Police officers. He said he would like the Police Department to give feedback.

7. Sidewalk from Lake Park to Carolina Sands

Mr. Parvin gave an update on efforts to construct a sidewalk on the west side of South Lake Park Boulevard. The project cost has increased significantly, primarily due to stormwater requirements. The N.C. Department of Transportation (DOT) originally committed \$183,000, but the Town contribution has increased from \$456,000 to potentially over \$1.2 million for the full project.

Mayor Barbee expressed frustration and said even getting from Lake Park to Spartanburg Avenue would be a huge improvement. He asked Mr. Parvin to come back with a figure for that so Council can

decide, and he also inquired about what is driving the cost. Mr. Parvin said stormwater design and getting permanent easements from property owners are the biggest challenges.

Council gave consensus for staff to determine what portion of the sidewalk could be completed with currently approved funding, with a focus on at least connecting Lake Park to Spartanburg Avenue.

ADJOURNMENT

Mayor Barbee adjourned the meeting at 7:35 PM.

CAROLINA BEACH

Town Council Workshop

Tuesday, February 24, 2026 - 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 Deb LeCompte

Council Member Jay Healy

Council Member Wayne Rouse

Council Member Vince Losito

ALSO PRESENT

Town Manager Bruce Oakley

Deputy Town Manager Ed Parvin

Finance Director Debbie Hall

Town Clerk Kim Ward

DISCUSSION ITEMS

1. Employee Recognition

Public Utilities Director Mark Meyer recognized Darius Grady for five years of service, praising his potential as a future leader within Public Utilities. Mr. Meyer also recognized Arnold "Stu" Frye for 10 years of service, commending his reliability and his role in maintaining team morale.

2. Presentation of the Facility Study Results by Creech & Associates

Brent Green of Creech & Associates shared results from the yearlong facility study, which included a space needs assessment and a facility master plan meant to figure out ways to meet the needs. Four master plan components were presented: the Public Works campus on Bridge Barrier Road, the municipal complex, Fire Station 1, and the Community Quad at Cape Fear Boulevard and 3rd Street. The study encompassed 14 departments and projected space needs over a 20-year horizon using a 3% annual growth rate derived from 11 population and development metrics.

The study identified significant space deficits across all reviewed facilities, with Town Hall (including Police) and Parks & Recreation representing the largest shortfalls. Mr. Green presented several long-term options for reorganizing and updating facilities, and he also identified a possible short-term measure of adding up to eight workstations within the existing Town Hall atrium.

Mayor Barbee commended the presentation and said it provided good context. He asked what the next step in the process is other than Council feedback. Mr. Oakley said they would need to select between options, prioritize projects based on interdependencies, develop long-range cost estimates, and identify funding mechanisms such as general obligation bonds and grants.

3. Bike/Ped Committee Update

Bike/Ped Committee Chair Rodney Kidd gave an update on current activities:

- The Bicycle Friendly Community application, due in June, has been substantially completed and is ready to be turned over to staff for finalization.
- The Carolina Beach Bicycle and Pedestrian Plan steering committee work from the prior year was noted, with the committee expressing readiness to prioritize next steps upon Council direction, with liaison Mayor Pro Tem LeCompte identified as the lead going forward.
- The NC BikeWalk Transportation Summit, a statewide advocacy event, will be hosted at the Courtyard by Marriott Carolina Beach Oceanfront September 17-19.

Mr. Kidd also noted the following volunteer activities:

- Event bike racks
- Tour de Island
- Police Department Bike Rodeo
- Community educational opportunities geared toward biking, pedestrian safety, and trail maintenance

Council Member Losito asked whether some of the event-oriented activities might be better served through a non-profit structure to access broader volunteer pools and funding.

Mayor Barbee said if the committee needs funding, the Town has seen great success raising money through non-profit organizations. Mr. Kidd said as of now, nothing is requiring any funding.

Mayor Pro Tem LeCompte clarified that the Bike Rodeo and Summit are already facilitated through non-profit organizations, and the committee is a volunteer mechanism for them.

Council gave consensus in support of the committee's work and directed Mayor Pro Tem LeCompte to bring the committee's prioritized project list to Council for feedback.

4. Committee Appointment – Bike/Ped

Mayor Barbee announced the following committee appointment:

- Bike/Ped: Tom Hayes

5. Manager's Update

Mr. Oakley gave an update on various projects:

- Cybersecurity incidents: All staff procedures were followed correctly and no fault rested with Town employees. Staff is actively reviewing the budget to identify savings through unfilled

positions and deferred projects to ensure the incident would not impact the Town's fund balance or future programs. Ongoing vigilance efforts include additional staff training and a public cybersecurity workshop on March 3 from 9:00 to 11:00 AM in Council Chambers.

- Potential Tropical Cyclone 8 (PTC 8): The Town has been reimbursed over \$1.1 million in expenses, including staff time, equipment use, repairs, and property damage.
- Lake Park Boulevard striping: This is still pending due to contractor scheduling and weather constraints.

Council Member Rouse asked about a prescribed burn in the State Park. Mr. Oakley said details would be communicated to the public through outreach materials.

Public Works Director Brian Stanberry provided an update on Mobi-mats as an alternative to wooden beach access walkways. He identified three access points – Clam Shell Lane, Seahorse Lane, and Seagull Lane – as candidates for conversion.

Council member Rouse asked about the material. Mr. Stanberry said it's a vinyl composite type of material that rolls out.

Council Member Rouse inquired about cost savings. Mr. Stanberry said wooden access replacements cost approximately \$70,000–\$80,000, while a Mobi-mat installation is estimated at approximately \$7,000.

Council Member Healy asked if the mats would need daily maintenance. Mr. Stanberry said they will just need to be blown off periodically.

Mayor Barbee said dunes are designed to move, so it makes more sense to put a mat on them instead of a thick structure. He said Mobi-mats may not be the answer everywhere, but they are worth trying.

Council Member Rouse noted that the mats would be an easier option for people with ambulatory issues.

Mr. Stanberry said he is excited to assess the mats and see how they do, noting that they hope to have them in place by spring.

6. Presentation on Future Grant Opportunities

Community Development Director Jeremy Hardison presented an overview of current and upcoming grant opportunities:

- Coastal Area Management Act (CAMA) access grants: final application due by the end of July
- New Hanover Community Endowment: possible improvements to the existing Gazebo stage area and Community Building complex; other funding possibilities were noted
- National Coastal Resilience Fund grant: This has progressed through Phase 1 and is now in Phase 2 focused on project identification
- Land and Water Conservation Fund grant: identified as a potential complement for acquiring low-lying lots near Lake Park or the North End for flood protection purposes

- Federal Emergency Management Agency (FEMA) Hazard Mitigation Grant Program: 28 applications submitted and currently undergoing engineering evaluation for home elevation; a stormwater infrastructure component of the same grant was also noted as a potential application
- Wilmington Urban Area Metropolitan Planning Organization (WMPO): annual cycle grant application in preparation, contingent on N.C. Department of Transportation (DOT) confirmation of a terminus point, with the goal of extending sidewalk and crosswalk improvements toward Alabama Avenue
- Cape Fear Council of Governments: stormwater mapping grant of just over \$69,000 was reported as awarded and underway, with expected completion within six months; this is focused on mapping stormwater flow direction, discharge points, and water quality improvements

Mayor Barbee commended staff for the Town's improved approach to grant seeking, noting that long-range plans – such as the facility study and Bicycle and Pedestrian Plan – are essential to being competitive in grant applications.

ADJOURNMENT

Mayor Barbee adjourned the meeting at 10:35 AM.



AGENDA ITEM COVERSHEET

PREPARED BY: Kim Ward, Town Clerk

DEPARTMENT: Clerk

MEETING: Town Council 3/10/2026

SUBJECT: Events Update by Tim Murphy

BACKGROUND:

Tim Murphy will give an update on the upcoming events.

ACTION REQUESTED:

No action needed.



AGENDA ITEM COVERSHEET

PREPARED BY: Bruce Oakley, Town Manager

DEPARTMENT: Executive

MEETING: Town Council 3/10/2026

SUBJECT: Manager's Update

BACKGROUND:

Town Manager Bruce Oakley will give an update on current and future projects.



AGENDA ITEM COVERSHEET

PREPARED BY: Gloria Abbotts, Sr Planner

DEPARTMENT: Community
Development

MEETING: Town Council – March 10, 2026

SUBJECT: SENC Regional Hazard Mitigation Plan Adoption

BACKGROUND:

The purpose of the SENC Regional Hazard Mitigation Plan is to reduce long-term risk to life and property from natural hazards. The plan includes Brunswick County, New Hanover County, Onslow County, and Pender County. The plan meets FEMA, CRS, and NC Emergency Management requirements, maintains the Town’s eligibility for federal mitigation funding, and strengthens regional coordination across jurisdictions.

Hazard Mitigation is defined as any sustained action taken to reduce or eliminate the long-term risk to human life and property from hazards. The focus of the plan is on hazards deemed to be “high” or “moderate” risks to our region, as determined by a hazard risk assessment.

The plan documents sustained efforts to incorporate hazard mitigation principles and practices into routine governmental activities and functions. The plan recommends specific actions to minimize vulnerability to hazards and protect residents. The plan is a living document to be updated every five years to maintain eligibility for federal mitigation and public assistance funding. Through routine annual progress tracking the goals from this plan are integrated into Town policies and land use planning.

ACTION REQUESTED:

Support the Regional Hazard Mitigation Plan Update

1. Authorize submission to NC Emergency Management and FEMA
2. Adopt the Plan by Resolution upon final approval

RECOMMENDED MOTION:

Adopt Resolution Number 26-2347 to adopt the 2026 Southeastern Mitigation Plan

ATTACHMENT:

 [020526 DRAFT SENC Regional HMP.pdf](#)

Resolution



Town of Carolina Beach
Town Council

RESOLUTION NO. 26-2347

ADOPTING THE SOUTHEASTERN NORTH CAROLINA REGIONAL HAZARD MITIGATION PLAN

WHEREAS, the citizens and property within the Town of Carolina Beach are subject to the effects of natural hazards that pose threats to lives and cause damage to property, and with the knowledge and experience that certain areas of the county are particularly vulnerable to drought, extreme heat, hailstorm, hurricane and tropical storm, lightning, thunderstorm wind/high wind, tornado, winter storm and freeze, flood, hazardous material incident, and wildfire; and

WHEREAS, the Town desires to seek ways to mitigate the impact of identified hazard risks; and

WHEREAS, the Legislature of the State of North Carolina has in Article 5, Section 160D-501 of Chapter 160D of the North Carolina General Statutes, delegated to local governmental units the responsibility to adopt regulations designed to promote the public health, safety, and general welfare of its citizenry; and

WHEREAS, the Legislature of the State of North Carolina has enacted General Statute Section 166A-19.41 (*State emergency assistance funds*) which provides that for a state of emergency declared pursuant to G.S. 166A-19.20(a) after the deadline established by the Federal Emergency Management Agency, the eligible entity shall have a hazard mitigation plan approved pursuant to the Stafford Act; and

WHEREAS, Section 322 of the Federal Disaster Mitigation Act of 2000, as amended, states that local governments must develop an All-Hazards Mitigation Plan in order to be eligible to receive future Hazard Mitigation Grant Program Funds and other disaster-related assistance funding and that said Plan must be updated and adopted within a five year cycle; and

WHEREAS the (local government) has performed a comprehensive review and evaluation of each section of the previously approved Hazard Mitigation Plan and has updated the said plan as required under regulations and at 44 CFR Part 201 and according to guidance issued by the Federal Emergency Management Agency and the North Carolina Division of Emergency Management, and that the plans have been updated in accordance with federal laws including the Robert T. Stafford Disaster Relief and Emergency Assistance Act, as amended; the National Flood Insurance Act of 1968, as amended; the National Dam Safety Program Act, as amended; as required under regulations at 44 CFR Part 201, and according to guidance issued by the Federal Emergency Management Agency and the North Carolina Division of Emergency Management; and

WHEREAS, it is the intent of the Carolina Beach Town Council to fulfill this obligation in order that the Town will be eligible for federal and state assistance in the event that a state of disaster is declared for a hazard event affecting the Town;

NOW, THEREFORE, be it resolved that the Carolina Beach Town Council hereby:

Town of Carolina Beach
Resolution No. 26-2347

Resolution



Town of Carolina Beach
Town Council

RESOLUTION NO. 26-2347

1. Adopts the Southeastern North Carolina Regional Hazard Mitigation Plan.
2. Agrees to take such other official action as may be reasonably necessary to carry out the objectives of the Hazard Mitigation Plan.

Adopted this the 10th day of March 2026.

Albert L. Barbee, Mayor

Attest: Kimberlee Ward, Town Clerk

Southeastern North Carolina Regional Hazard Mitigation Plan Update

3/10/2026

Purpose of the Regional Hazard Mitigation Plan

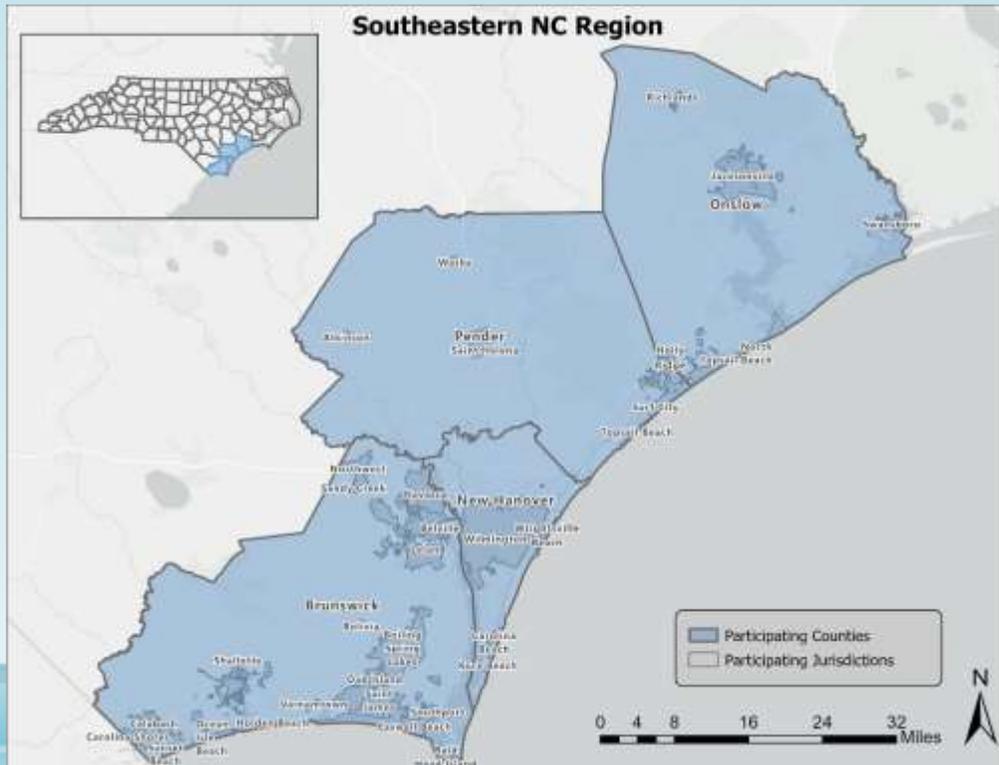
- Reduce long-term risk to life and property from natural hazards
 - Meet FEMA, CRS & NC Emergency Management requirements
 - Maintain eligibility for federal mitigation funding
 - Strengthen regional coordination across jurisdictions

Hazard Mitigation

Any sustained action taken to reduce or eliminate the long-term risk to human life and property from hazards.

Joint Regional Approach

- Multi-jurisdictional plan covering Southeastern NC communities
 - Shared risk assessment and hazard data
 - Coordinated mitigation strategies
 - Cost-effective and competitive for grant funding



Brunswick County	
Bald Head Island	Northwest
Belville	Oak Island
Boiling Spring Lakes	Ocean Isle Beach
Bolivia	Sandy Creek
Calabash	Shalotte
Carolina Shores	Southport
Caswell Beach	St. James
Holden Beach	Sunset Beach
Leland	Varnamtown
Navassa	
New Hanover County	
Carolina Beach	Wilmington
Kure Beach	Wrightsville Beach
Onslow County	
Jacksonville	Richlands
Holly Ridge	Swansboro
North Topsail Beach	
Pender County	
Atkinson	Surf City
Burgaw	Topsail Beach
Saint Helena	Watha

Carolina Beach Risk Profile

Natural

- Drought
- Excessive Heat
- Hurricanes and Coastal Hazards
- Tornadoes/Thunderstorms (including hailstorms and lightning)
- Severe Winter Weather
- Earthquake
- Geological (including sinkholes and coastal erosion)
- Dam Failure
- Flooding
- Tsunamis
- Wildfire
- Infectious Disease

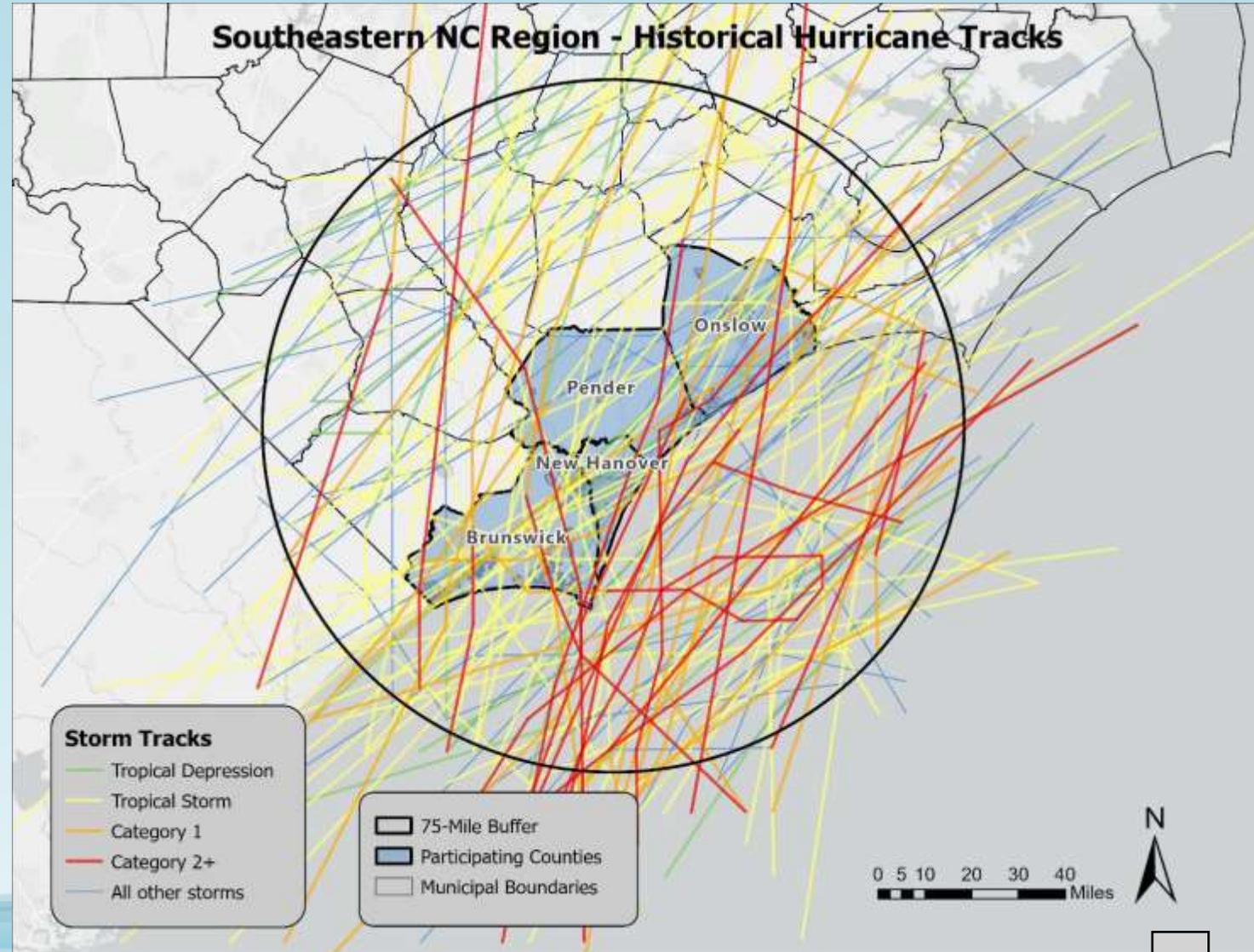
Technological

- Hazardous Substances
- Radiological
- Emergency – Fixed
- Nuclear Facilities
- Terrorism
- Cyber Security
- Electromagnetic Pulse
- Civil Disturbance
- Food Emergency

HIGH RISK	Flooding Cyber Security Excessive Heat Tornadoes/Thunderstorms Hurricane and Coastal Hazards Wildfire Infectious Disease
MODERATE RISK	Radiological Emergency Geological Hazards Severe Winter Weather Food Emergency Dam Failure Hazardous Substances Terrorism Civil Disturbance Drought
LOW RISK	Electromagnetic Pulse Tsunamis Earthquakes

Key Vulnerabilities

- Low-lying coastal and canal neighborhoods
- Critical infrastructure in flood-prone areas
- Stormwater capacity limitations
- Seasonal population increases
- Evacuation route dependencies



Progress Since Last Plan

- Stormwater and drainage improvements
 - Facility hardening and generator installations
 - Dune stabilization and coastal protection efforts
 - Improved emergency preparedness coordination
 - New pump house at the Lake
- Raising flood prone structures
- Adopted UDO to include 65% impervious limit

Priority Actions (2026–2031)

- Stormwater system capacity upgrades
 - Floodproofing critical facilities
 - Infrastructure resilience improvements
 - Grant-funded elevation or retrofits where feasible
- RCCP Grant Planning for Coastal Flooding
- Asset Inventory Assessment of water/sewer infrastructure

Council Action Requested

- Support the Regional Hazard Mitigation Plan Update
 - Authorize submission to NC Emergency Management & FEMA
 - Adopt the Plan by Resolution upon final approval

Motion

Adopt Resolution Number 26-2347 to adopt the 2026 Southeastern Mitigation Plan.



AGENDA ITEM COVERSHEET

PREPARED BY: Debbie Hall, Finance Director

DEPARTMENT: Finance

MEETING: Town Council – 3/10/2026

SUBJECT: Create Revenue Bond Series 2026 Capital Projects

BACKGROUND:

These budget ordinances will create Capital Project budgets for the Revenue Bond Series 2026 approved by the Local Government Commission on February 4, 2026. The bonds were sold on February 12th and the funds will be placed into a construction fund administered by US Bank on March 4, 2026.

Budget Ordinance	Project Name	Project Total
26-1277	SW Force main to Henniker's	2,419,493.00
26-1278	Well 15H/Alabama Vessel	4,696,764.16
26-1279	Automated Meter Intergration System	4,293,743.00
26-1280	Stormwater Street Sweeper	450,570.00
26-1281	WWTP Headworks	991,000.00
26-1282	Water Storage Tank	1,252,000.00
26-1283	Phase C Water & Sewer	3,000,000.00
	Total	17,103,570.16

ACTION REQUESTED:

- Approval of Ordinance No. 26-1277
- Approval of Ordinance No. 26-1278
- Approval of Ordinance No. 26-1279
- Approval of Ordinance No. 26-1280
- Approval of Ordinance No. 26-1281
- Approval of Ordinance No. 26-1282
- Approval of Ordinance No. 26-1283

**ORDINANCE NO. 26-1277
AN ORDINANCE TO CREATE THE 2026 REVENUE BOND BUDGET FOR THE
STORMWATER FORCE MAIN TO HENNIKER’S DITCH**

The Town Council of the Town of Carolina Beach, North Carolina, doth ordain:

SECTION ONE:

That the Fiscal Year 2025-2026 Budget for the Town of Carolina Beach is hereby amended to include the expenditures associated with the SW Force Main to Henniker’s Ditch by modifying the following Utility Fund Capital Project Ordinance:

<u>Account Code</u>	<u>Description</u>	<u>Previous</u>	<u>Amended</u>	<u>Changed</u>
51-701-046	Professional Services	\$.00	\$ 232,091.00	+ \$232,091.00
51-701-074	Capital over \$10,000	\$.00	\$ 2,083,240.00	+\$2,083,240.00
51-701-090	Contingency	\$.00	<u>\$ 104,162.00</u>	+ \$104,162.00
TOTAL:			\$ 2,419,493.00	

SECTION TWO:

That the Fiscal Year 2025-2026 Budget for the Town of Carolina Beach is hereby amended to include the revenues associated with the SW Force Main to Henniker’s Ditch by modifying the following Utility Fund Capital Project Ordinance:

<u>Account Code</u>	<u>Description</u>	<u>Previous</u>	<u>Amended</u>	<u>Changed</u>
51-350-001	Bond Proceeds SW Force Main	\$.00	<u>\$2,419,493.00</u>	+ \$ 2,419,493.00
TOTAL:			\$2,419,493.00	

SECTION THREE:

A copy of this Ordinance shall be furnished to the Finance Officer for direction in disbursement of Town funds and for public inspection.

Duly adopted this 10th day of March, 2026.

Albert L Barbee, Mayor

ATTEST:

Kimberlee Ward, Town Clerk

ORDINANCE NO. 26-1278
AN ORDINANCE TO CREATE THE 2026 REVENUE BOND BUDGET FOR WELL 15H
& ALABAMA VESSEL PROJECTS

The Town Council of the Town of Carolina Beach, North Carolina, doth ordain:

SECTION ONE:

That the Fiscal Year 2025-2026 Budget for the Town of Carolina Beach is hereby amended to include the expenditures associated with Well 15H and Alabama Vessel projects by modifying the following Utility Fund Capital Project Ordinance:

<u>Account Code</u>	<u>Description</u>	<u>Previous</u>	<u>Amended</u>	<u>Changed</u>
51-702-045	Cost of Bond Issuance	\$.00	\$ 456,462.16	+ \$456,462.16
51-702-046	Professional Services	\$.00	\$ 343,523.00	+ \$343,523.00
51-702-074	Capital over \$10,000	\$.00	\$ 3,711,218.00	+\$3,711,218.00
51-702-090	Contingency	\$.00	<u>\$ 185,561.00</u>	+ \$185,561.00
TOTAL:			\$ 4,696,764.16	

SECTION TWO:

That the Fiscal Year 2025-2026 Budget for the Town of Carolina Beach is hereby amended to include the revenues associated with Well 15H and Alabama Vessel projects by modifying the following Utility Fund Capital Project Ordinance:

<u>Account Code</u>	<u>Description</u>	<u>Previous</u>	<u>Amended</u>	<u>Changed</u>
51-350-002	Bond Proceeds Well 15H & Alabama Vessel	\$.00	<u>\$4,696,764.16</u>	+ \$ 4,696,764.16
TOTAL:			\$ 4,696,764.16	

SECTION THREE:

A copy of this Ordinance shall be furnished to the Finance Officer for direction in disbursement of Town funds and for public inspection.

Duly adopted this 10th day of March 2026.

Albert L Barbee, Mayor

ATTEST:

Kimberlee Ward, Town Clerk

**ORDINANCE NO. 26-1279
AN ORDINANCE TO CREATE THE 2026 REVENUE BOND BUDGET FOR THE
AUTOMATED METER INTERGRATION (AMI) SYSTEM PROJECT**

The Town Council of the Town of Carolina Beach, North Carolina, doth ordain:

SECTION ONE:

That the Fiscal Year 2025-2026 Budget for the Town of Carolina Beach is hereby amended to include the expenditures associated with the AMI project by modifying the following Utility Fund Capital Project Ordinance:

<u>Account Code</u>	<u>Description</u>	<u>Previous</u>	<u>Amended</u>	<u>Changed</u>
51-703-046	Professional Services	\$.00	\$ 92,801.00	+ \$92,801.00
51-703-074	Capital over \$10,000	\$.00	\$ 4,000,897.00	+\$4,000,897.00
51-703-090	Contingency	\$.00	<u>\$ 200,045.00</u>	+ \$200,045.00
TOTAL:			\$ 4,293,743.00	

SECTION TWO:

That the Fiscal Year 2025-2026 Budget for the Town of Carolina Beach is hereby amended to include the revenues associated with the AMI project by modifying the following Utility Fund Capital Project Ordinance:

<u>Account Code</u>	<u>Description</u>	<u>Previous</u>	<u>Amended</u>	<u>Changed</u>
51-350-003	Bond Proceeds AMI	\$.00	<u>\$4,293,743.00</u>	+ \$ 4,293,743.00
TOTAL:			\$4,293,743.00	

SECTION THREE:

A copy of this Ordinance shall be furnished to the Finance Officer for direction in disbursement of Town funds and for public inspection.

Duly adopted this 10th day of March 2026.

Albert L Barbee, Mayor

ATTEST:

Kimberlee Ward, Town Clerk

**ORDINANCE NO. 26-1280
AN ORDINANCE TO CREATE THE 2026 REVENUE BOND BUDGET FOR THE
PURCHASE OF A STORMWATER STREET SWEEPER**

The Town Council of the Town of Carolina Beach, North Carolina, doth ordain:

SECTION ONE:

That the Fiscal Year 2025-2026 Budget for the Town of Carolina Beach is hereby amended to include the expenditures associated with the purchase of a stormwater street sweeper by modifying the following Utility Fund Capital Project Ordinance:

<u>Account Code</u>	<u>Description</u>	<u>Previous</u>	<u>Amended</u>	<u>Changed</u>
51-704-074	Capital over \$10,000	\$.00	\$ <u>450,570.00</u>	+ \$ 450,570.00
TOTAL:			\$ 450,570.00	

SECTION TWO:

That the Fiscal Year 2025-2026 Budget for the Town of Carolina Beach is hereby amended to include the revenues associated with the purchase of a stormwater street sweeper by modifying the following Utility Fund Capital Project Ordinance:

<u>Account Code</u>	<u>Description</u>	<u>Previous</u>	<u>Amended</u>	<u>Changed</u>
51-350-004	Bond Proceeds Street Sweeper	\$.00	\$ <u>450,570.00</u>	+ \$ 450,570.00
TOTAL:			\$450,570.00	

SECTION THREE:

A copy of this Ordinance shall be furnished to the Finance Officer for direction in disbursement of Town funds and for public inspection.

Duly adopted this 10th day of March 2026.

Albert L Barbee, Mayor

ATTEST:

Kimberlee Ward, Town Clerk

**ORDINANCE NO. 26-1281
AN ORDINANCE TO CREATE THE 2026 REVENUE BOND BUDGET FOR THE
ENGINEERING OF THE WWTP HEADWORKS PROJECT**

The Town Council of the Town of Carolina Beach, North Carolina, doth ordain:

SECTION ONE:

That the Fiscal Year 2025-2026 Budget for the Town of Carolina Beach is hereby amended to include the expenditures associated with the engineering of the WWTP headworks project by modifying the following Utility Fund Capital Project Ordinance:

<u>Account Code</u>	<u>Description</u>	<u>Previous</u>	<u>Amended</u>	<u>Changed</u>
51-705-046	Professional Services	\$.00	\$ <u>991,000.00</u>	+ \$ 991,000.00
TOTAL:			\$ 991,000.00	

SECTION TWO:

That the Fiscal Year 2025-2026 Budget for the Town of Carolina Beach is hereby amended to include the revenues associated with the engineering of the WWTP headworks project by modifying the following Utility Fund Capital Project Ordinance:

<u>Account Code</u>	<u>Description</u>	<u>Previous</u>	<u>Amended</u>	<u>Changed</u>
51-350-005	Bond Proceeds Headworks	\$.00	\$ <u>991,000.00</u>	+ \$ 991,000.00
TOTAL:			\$ 991,000.00	

SECTION THREE:

A copy of this Ordinance shall be furnished to the Finance Officer for direction in disbursement of Town funds and for public inspection.

Duly adopted this 10th day of March 2026.

Albert L Barbee, Mayor

ATTEST:

Kimberlee Ward, Town Clerk

**ORDINANCE NO. 26-1282
AN ORDINANCE TO CREATE THE 2026 REVENUE BOND BUDGET FOR THE
ENGINEERING OF THE WATER STORAGE TANK PROJECT**

The Town Council of the Town of Carolina Beach, North Carolina, doth ordain:

SECTION ONE:

That the Fiscal Year 2025-2026 Budget for the Town of Carolina Beach is hereby amended to include the expenditures associated with the engineering of the water storage tank project by modifying the following Utility Fund Capital Project Ordinance:

<u>Account Code</u>	<u>Description</u>	<u>Previous</u>	<u>Amended</u>	<u>Changed</u>
51-706-046	Professional Services	\$.00	\$ <u>1,252,000.00</u>	+ \$ 1,252,000.00
TOTAL:			\$ 1,252,000.00	

SECTION TWO:

That the Fiscal Year 2025-2026 Budget for the Town of Carolina Beach is hereby amended to include the revenues associated with the engineering of the water storage tank project by modifying the following Utility Fund Capital Project Ordinance:

<u>Account Code</u>	<u>Description</u>	<u>Previous</u>	<u>Amended</u>	<u>Changed</u>
51-350-006	Bond Proceeds Headworks	\$.00	\$ <u>1,252,000.00</u>	+ \$ 1,252,000.00
TOTAL:			\$ 1,252,000.00	

SECTION THREE:

A copy of this Ordinance shall be furnished to the Finance Officer for direction in disbursement of Town funds and for public inspection.

Duly adopted this 10th day of March 2026.

Albert L Barbee, Mayor

ATTEST:

Kimberlee Ward, Town Clerk

**ORDINANCE NO. 26-1283
AN ORDINANCE TO CREATE THE 2026 REVENUE BOND BUDGET FOR THE
PHASE C WATER & SEWER PROJECT**

The Town Council of the Town of Carolina Beach, North Carolina, doth ordain:

SECTION ONE:

That the Fiscal Year 2025-2026 Budget for the Town of Carolina Beach is hereby amended to include the expenditures associated with the Phase C water & sewer project by modifying the following Utility Fund Capital Project Ordinance:

<u>Account Code</u>	<u>Description</u>	<u>Previous</u>	<u>Amended</u>	<u>Changed</u>
51-707-046	Professional Services	\$.00	\$ 286,362.00	+\$ 286,362.00
51-707-074	Capital over \$10,000	\$.00	\$ 2,466,944.00	+\$ 2,466,944.00
51-707-090	Contingency	\$.00	\$ 246,694.00	+\$ 246,694.00
TOTAL:			\$ 3,000,000.00	

SECTION TWO:

That the Fiscal Year 2025-2026 Budget for the Town of Carolina Beach is hereby amended to include the revenues associated with the Phase C water & sewer project by modifying the following Utility Fund Capital Project Ordinance:

<u>Account Code</u>	<u>Description</u>	<u>Previous</u>	<u>Amended</u>	<u>Changed</u>
51-350-007	Bond Proceeds Phase C	\$.00	\$ 3,000,000.00	+\$ 3,000,000.00
TOTAL:			\$ 3,000,000.00	

SECTION THREE:

A copy of this Ordinance shall be furnished to the Finance Officer for direction in disbursement of Town funds and for public inspection.

Duly adopted this 10th day of March 2026.

Albert L Barbee, Mayor

ATTEST:

Kimberlee Ward, Town Clerk