

CAROLINA BEACH

Town Council Workshop

Tuesday, April 27, 2021 – 9:00 AM

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



AGENDA

CALL TO ORDER

CONSENT AGENDA

1. Set a Public Hearing Date for May 11th, 2021 to consider amending Chapter 40, Article III & Article IX, to address temporary parking lots.

EMPLOYEE RECOGNITION

2. Employee Recognition

DISCUSSION ITEMS

3. Quarterly Financial Update
4. Fire Budget Presentation by Chief Griffin
5. Police Budget Presentation by Chief Ward
6. Parks and Recreation Budget Presentation for FY21/22
7. Public Works Budget Presentation by Brian Stanberry
8. Municipal Service District

NON-AGENDA ITEMS

CLOSED SESSION - ATTORNEY/CLIENT MATTER

ADJOURNMENT



AGENDA ITEM COVERSHEET

PREPARED BY: Jeremy Hardison, Planning &
Development Director

DEPARTMENT: Planning

MEETING: Town Council Workshop 4/27/2021

SUBJECT: Set a Public Hearing Date for May 11th, 2021 to consider amending Chapter 40, Article III & Article IX, to address temporary parking lots.

BACKGROUND:

ACTION REQUESTED:

Set Public Hearing Date

RECOMMENDED MOTION:

Approve the Consent Agenda



AGENDA ITEM COVERSHEET

PREPARED BY: Kim Ward, Town Clerk

DEPARTMENT: Clerk

MEETING: Town Council – 04/27/2021

SUBJECT: Employee Recognition

BACKGROUND:

- Mark Meyer will recognize Alvin Blanks for 5 years of service with Public Utilities
- Brian Stanberry will recognize Tony Burnett-Millage for 10 years of service with Public Works
- Chief Ward will recognize Brandon Smith for 10 years of service with the Police Department
- Chief Ward will introduce Captain Greg Steffens
- Chief Griffin will recognize his staff for their exemplary service during the Paradise Cove fire



AGENDA ITEM COVERSHEET

PREPARED BY: Debbie Hall, Finance Director

DEPARTMENT: Finance

MEETING: Town Council Workshop 4/27/2021

SUBJECT: Quarterly Financial Update

BACKGROUND:

Debbie Hall will give the quarterly financial update.



Quarterly Financial Update

July 1, 2020 through March 31, 2021

APRIL 27, 2021

Agenda

- Moody's Rating February 11, 2021
- Revenues through March 31, 2021
- Expenses through March 31, 2021
- Hurricane Isais Reimbursements

Moody's Annual Credit Rating

Moody's reviews the Town's financial data annually as a requirement of Revenue Bond Series 2016. The purpose is to report the financial health of the Town to the Bond market. This data is used by lenders to establish the interest rate to be charged on debt service and is monitored by the Local Government Commission. Once again, the General Fund and Utility Fund were issued Moody's second highest credit rating.

General Fund Rating = Aa1
Utility Fund Rating = Aa3

Long-term Debt Ratings
(maturities of one year or greater)

INVESTMENT GRADE

- » Aaa – highest rating, representing minimum credit risk
- » Aa1, Aa2, Aa3 – high-grade
- » A1, A2, A3 – upper-medium grade
- » Baa1, Baa2, Baa3 – medium grade

SALES AND USE TAX

Disp Acct	Budget	YTD	Variance	Prcnt
10-345-000 Sales Tax County	\$793,064.50	\$639,819.09	(\$153,245.41)	80.68%
10-348-000 Sales Tax Statewide	\$702,069.00	\$555,371.04	(\$146,697.96)	79.10%
10-348-002 Sales Tax New .25%	\$202,913.00	\$181,303.37	(\$21,609.63)	89.35%
Totals	<u>\$1,698,046.50</u>	<u>\$1,376,493.50</u>	<u>(\$321,553.00)</u>	

Collections for the Period July 1, 2020 - February 28, 2021

Collections are up 14.83% over same period in FY19/20.

PROPERTY TAX COLLECTIONS

Disp Acct	Budget	YTD	Variance	Prcnt
10-301-000 Ad Valorem-Current Year	\$4,848,579.00	\$4,806,853.52	(\$41,725.48)	99.14%
10-301-001 Ad Valorem-1st Prior Year	\$10,104.00	\$47,137.83	\$37,033.83	466.53%
10-301-002 Ad Valorem-Prior Years	\$5,200.00	\$2,749.19	(\$2,450.81)	52.87%
10-317-000 Tax Penalties	\$8,000.00	\$15,499.53	\$7,499.53	193.74%
Totals	\$4,871,883.00	\$4,872,240.07	\$357.07	

Collections for Period July 1, 2020 - March 31, 2021

Ad Valorem – Current Year collections were at 97% for the same time period in FY19/20.

Percentage Increase/Decrease Between FY20 and FY21

Revenue	FY19-20 Through 3/31/20	FY20-21 Through 3/31/21	% Change FY20 to FY21
ABC Tax	259,731	519,625	100.06%
Building Permits	54,425	36,165	-33.55%
Building Inspections	140,191	241,669	72.39%
Parking Lots	437,879	600,482	37.13%
Parking Meters	232,928	268,592	15.31%
Parking Permits	<u>111,207</u>	<u>229,094</u>	<u>106.01%</u>
Total	1,236,360	1,895,626	53.32%

FY20-21 ABC revenue includes \$28,006 for Sales of Castle Street Property.

General Fund Expenses

General Fund	FY19-20 Through 3/31/20	FY20-21 Through 3/31/21	% Change FY20 to FY21
YTD Expense Total	10,067,966	10,882,970	8.10%

General Fund	Budgeted Expenses FY19-20	Budgeted Expenses FY20-21
	16,296,805	17,211,336

Utility Fund Revenue Comparison

Utility Revenues	FY19-20 Through 3/31/20	FY20-21 Through 3/31/21	% Change FY20 to FY21
Stormwater Monthly Fees	984,298	1,070,970	8.81%
Water Monthly Service	1,561,846	1,659,659	6.26%
Sewer Monthly Service	2,654,900	2,825,876	6.44%
Water Connection	83,351	147,830	77.36%
Sewer Connection	71,540	122,500	71.23%
Water System Development	158,080	101,270	-35.94%
Sewer System Development	173,440	111,110	-35.94%
Total	5,687,455	6,039,215	6.18%

Utility Fund Expenses

Utility Fund	FY19-20 Through 3/31/20	FY20-21 Through 3/31/21	% Change FY20 to FY21
YTD Expense Total	4,497,342	3,901,367	-13.25%

Utility Fund	Budgeted Expenses FY19-20	Budgeted Expenses FY20-21
	10,468,579	9,739,463

Hurricane Isaias

Total Isaias Claims	=	\$552,737.07
Reimbursements Received	=	<u>427,097.58</u>
Balance Due from FEMA/State	=	\$125,639.49

Any Questions 

Thank you for your time.



AGENDA ITEM COVERSHEET

PREPARED BY: Chief T.A. Griffin

DEPARTMENT: Fire

MEETING: Town Council Workshop 4/27/2021

SUBJECT: Fire Budget Presentation by Chief Griffin

BACKGROUND:

Chief Griffin will present the proposed fire department budget for FY21/22.



AGENDA ITEM COVERSHEET

PREPARED BY: Chief C.V. Ward

DEPARTMENT: Police

MEETING: Town Council Workshop 4/27/2021

SUBJECT: Police Budget Presentation by Chief Ward

BACKGROUND:

Chief Ward will present the proposed police department budget for FY21/22.



AGENDA ITEM COVERSHEET

PREPARED BY: Eric Jelinski, Parks and Rec Director **DEPARTMENT:** Parks & Recreation

MEETING: Town Council Workshop 4/27/2021

SUBJECT: Parks and Recreation Budget Presentation for FY21/22

BACKGROUND:

Eric Jelinski will present the proposed Parks and Recreation department budget for FY21/22.



AGENDA ITEM COVERSHEET

PREPARED BY: Brian Stanberry, Public Works Director **DEPARTMENT:** Public Works

MEETING: Town Council Workshop 4/27/2021

SUBJECT: Public Works Budget Presentation by Brian Stanberry

BACKGROUND:

Brian Stanberry will present the proposed public works department budget for FY21/22.



AGENDA ITEM COVERSHEET

PREPARED BY: Bruce Oakley, Town Manager

DEPARTMENT: Executive

MEETING: Town Council – 04/27/2021

SUBJECT: Municipal Service District

BACKGROUND:

During the annual Town Council budget retreat in February, interest in a Municipal Service District for the Boardwalk area was expressed by Town Council. Below is information regarding MSD's and a proposal with options for Carolina Beach.

Purposes for District: NCGS 160A-536 state they city council of any city may define any number of service districts in order to finance, provide, or maintain for the districts. The following are some approved purposes for MSDs that could apply in Carolina Beach:

- Beach erosion control and flood and hurricane protection works.
- Downtown revitalization projects.
 - Urban area revitalization projects.
- Drainage projects.
 - Sewage collection and disposal systems.
- Off-street parking facilities
- Watershed improvement projects

Proposed Purpose for Carolina Beach: A Downtown Revitalization Project the Boardwalk/CBD District

Downtown Revitalization Defined. - As used in this section "downtown revitalization projects" are improvements, services, functions, promotions, and developmental activities intended to further the public health, safety, welfare, convenience, and economic well-being of the central city or downtown area. Exercise of the authority granted by this Article to undertake downtown revitalization projects financed by a service district do not prejudice a city's authority to undertake urban renewal projects in the same area. Examples of downtown revitalization projects include by way of illustration but not limitation all of the following:

- (1) Improvements to water mains, sanitary sewer mains, storm sewer mains, electric power distribution lines, gas mains, street lighting, streets and sidewalks, including rights-of-way and easements.
- (2) Construction of pedestrian malls, bicycle paths, overhead pedestrian walkways, sidewalk canopies, and parking facilities both on-street and off-street.

- (3) Construction of public buildings, restrooms, docks, visitor centers, and tourism facilities.
- (4) Improvements to relieve traffic congestion in the central city and improve pedestrian and vehicular access to it.
- (5) Improvements to reduce the incidence of crime in the central city.
- (6) Providing city services or functions in addition to or to a greater extent than those provided or maintained for the entire city.
- (7) Sponsoring festivals and markets in the downtown area, promoting business investment in the downtown area, helping to coordinate public and private actions in the downtown area, and developing and issuing publications on the downtown area.

Tax Authorization for MSDs: NCGS 160A-542 authorizes a city to levy additional property taxes with defined service districts in order to finance, provide, or maintain for the district services that are greater than provided for the entire city.

- Taxes cannot be levied above the limit established by G.S>. 160A-209 (d) which combined with property tax cannot exceed \$1.50 on the one hundred dollars appraised value of a property.
- The statutes state that in setting the tax rate, “the city council shall consider the needs, as well as the long-range plans and goals for the service district.” And, “shall be used only for meeting the needs of the service district, as those needs are determined by the city council.”

Potential Use of MSD funds: A tax rate for the Boardwalk/CBD District could potentially fund the following:

- Designated Police Officer
- Daily Maintenance/Cleaning personnel
- Lighting/Landscaping/Appearance materials and installation
- Pedestrian/Right of Way Improvements
- Capital Projects (new restrooms, performance stage, etc.)

Establishment of MSD: Town Council can define district by ordinance if it can establish the district is in need of one or more of the services, facilities or functions listed in NCGS 160A-536 to a greater extent than the remainder of the city.

A report with a map showing the district and its boundaries, a statement showing that the district meets the standards set out in the NCGS 160A-536 (a), and a plan for providing the district one or more of the services listed in NCGS 160A-536 must be presented to Town Council and be available for public inspection for at least four week before a required public hearing.

The proposed MSD district and the proposed tax rate for the district must be adopted and set prior to adoption of the new fiscal year budget.

District Options: Staff will propose four district boundary options for your review and will recommend a tax rate. Below are the options we are proposing with the amount of tax revenue each one will provide.

- Option 1 – Entire CBD zoning district which extends into west side of Lake Park Ave. The total property valuation of this district is \$154,842,400 and one cent of tax would generate \$15,484.24
- Option 2 – Encompasses only the historic boardwalk area and the two major hotel chains. The total property valuation of this district is \$70,777,790 and one cent of tax would generate \$7,077.79
- Option 3 – Includes most of the CBD district east of Lake Park Ave., including the Marina. The total property valuation of this district is \$136,275,600 and one cent of tax would generate \$13,627.56
- Option 4 – Includes a smaller version of the CBD district east of Lake Park Ave and excludes some properties that only have access to Lake Park Ave. The total property valuation of this district is \$126,198,000 and one cent of tax would generate \$12,619.80

Proposed Schedule:

- **April 27** – Discussion at Budget Workshop
- **May 11** – Present Report to Town Council and make available for public inspection
- **June 8** – Public Hearing
- **June 15** – Adoption of MSD and Budget

ACTION REQUESTED:

No Action at this time.