

CAROLINA BEACH

Town Council Regular Meeting

Tuesday, April 12, 2022 – 6:00 PM

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



AGENDA

CALL TO ORDER WITH INVOCATION GIVEN BY LIFEPOINT CHURCH FOLLOWED BY THE PLEDGE OF ALLEGIANCE

ADOPT THE AGENDA

CONSENT AGENDA

1. Set a public hearing for May 10, 2022 for a Text Amendment – to amend:

Chapter 40 Sec 40-70 & 72, add multi-family uses to the Neighborhood Business (NB) zoning district with reduced setbacks.

Chapter 40 Sec 40-74, increase the density in Neighborhood Business (NB) zoning district.

Chapter 40 Sec 40-72, allow parking areas serving the use to be located in a different zoning district.
Applicant: Hamby Beach Properties, LLC
2. Approve Contract for Auditing Service for period ending 6/30/22
3. Create a Capital Project Fund for HVAC
4. Budget Amendments/Transfers
5. Approval of Minutes from February 22, March 8 and 31

SPECIAL PRESENTATIONS

6. Events Update by Tim Murphy
7. Police Advisory Committee Presentation on RideMICRO
8. Proclamation Naming April 26th as Jerry Ann Brady Kennedy Day
9. Proclamation Naming April 18th Holly/Love Where You Live Day
10. 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.

PUBLIC HEARINGS

- [11.](#) Public Hearing to Receive Public Input on the 2022/2023 Budget
- [12.](#) Text Amendment to amend Chapter 40, Sec. 40-494. Site Plan *Supplemental information* to require total daily water flow and sewer data on projects.
- [13.](#) Text Amendment to amend Chapter 40, Sec. 40-487. Planning and Zoning Commission to amend the meeting time from 6:30pm to 6:00pm.

ITEMS OF BUSINESS

- [14.](#) Update on the FEMA lot and Harper Avenue Parking
- [15.](#) Discussion on Repurposing the Operations Advisory Committee
- [16.](#) Paving Condition Index Update

COUNCIL COMMENTS

CLOSED SESSION

- [17.](#) Closed Session - Attorney/Client Privilege

ADJOURNMENT



AGENDA ITEM COVERSHEET

PREPARED BY: Jeremy Hardison, Planning Director **DEPARTMENT:** Planning

MEETING: Town Council – April 12, 2022

SUBJECT: Set a public hearing for May 10, 2022 for a Text Amendment – to amend:

Chapter 40 Sec 40-70 & 72, add multi-family uses to the Neighborhood Business (NB) zoning district with reduced setbacks.

Chapter 40 Sec 40-74, increase the density in Neighborhood Business (NB) zoning district.

Chapter 40 Sec 40-72, allow parking areas serving the use to be located in a different zoning district. Applicant: Hamby Beach Properties, LLC

BACKGROUND:

ACTION REQUESTED

Set public hearing for May 10, 2022

RECOMMENDED MOTION:

Approve consent agenda



AGENDA ITEM COVERSHEET

PREPARED BY: Debbie Hall, Finance Director

DEPARTMENT: Finance

MEETING: Town Council – 4/12/22

SUBJECT: Approve Contract for Auditing Service for period ending 6/30/22

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, 2022:

- Audit Services -----\$ 26,000
- Writing Financial Statements -----\$ 6,000
- Each Single Audit (Federal or State) -----\$ 2,000

ACTION REQUESTD:

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

ATTACHMENTS:

Audit Engagement Letter FY22
Audit Contract FY22



March 31, 2022

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

We are pleased to confirm our understanding of the services we are to provide for Town of Carolina Beach, North Carolina (the “Town”) for the year ended June 30, 2022.

Audit Scope and Objectives

We will 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, including the disclosures, which collectively comprise the basic financial statements, of Town of Carolina Beach, North Carolina as of and for the year ended June 30, 2022. Accounting standards generally accepted in the United States of America (GAAP) provide for certain required supplementary information (RSI), such as management’s discussion and analysis (MD&A), to supplement Town of Carolina Beach, North Carolina’s 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 Town of Carolina Beach, North Carolina’s RSI in accordance with auditing standards generally accepted in the United States of America (GAAS). These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by GAAP and 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

We have also been engaged to report on supplementary information other than RSI that accompanies Town of Carolina Beach, North Carolina’s financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS, and will provide an opinion on it in relation to the financial statements as a whole, in a report combined with our auditor’s report on the financial statements:

1501 Highwoods Blvd., Ste. 300 (27410)
P.O. Box 19608 | Greensboro, NC 27419
P: 336-294-4494 • F: 336-294-4495

1. Combining Balance Sheet – Nonmajor Governmental Funds
2. Combining Statement of Revenues, Expenditures and Changes in Fund Balance– Nonmajor Governmental Funds
3. Schedule of Revenue, Expenditures and Changes in Fund Balance – Budget and Actual:
 - General Fund
 - Grant Fund
 - Island Greenway Improvement Fund
 - Marina Project Fund
 - Cape Fear Multi-Use Path Project Fund
 - Hamlet Bathroom/Ocean Rescue Fund
 - Clarendon Ave MUP Fund
 - Utility Fund
 - Water Project
 - Stormwater Improvement
 - AIA Wastewater Project
 - Northend Project
4. Schedule of Ad Valorem Taxes Receivable
5. Analysis of Current Year Levy

The objectives of our audit 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 issue an auditor's report that includes our opinions about whether your financial statements are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America, and report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. 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 and *Government Auditing Standards* 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 judgement of a reasonable user made based on the financial statements.

The objectives also include reporting on internal control over financial reporting and compliance with provisions of laws, regulations, contracts, and award agreements, noncompliance with which could have a material effect on the financial statements in accordance with Government Auditing Standards.

Auditor's Responsibilities for the Audit of the Financial Statements

We will conduct our audit in accordance with GAAS; the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and will include tests of accounting records and other procedures we consider necessary to enable us to express such opinions. As part of an audit in accordance with GAAS and *Government Auditing Standards*, we exercise professional judgment and maintain professional skepticism throughout the audit.

We will evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management. We will also evaluate the overall presentation of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government. Because the determination of waste and abuse is subjective, *Government Auditing Standards* do not expect auditors to perform specific procedures to detect waste or abuse in financial audits nor do they expect auditors to provide reasonable assurance of detecting waste or abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is an unavoidable risk that some material misstatements or noncompliance may not be detected by us, even though the audit is properly planned and performed in accordance with GAAS and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, any fraudulent financial reporting, or misappropriation of assets that come to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

We will also conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for a reasonable period of time.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, tests of the physical existence of inventories, and direct confirmation of receivable and certain assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will also request written representations from your attorneys as part of the engagement.

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

We may, from time to time and depending on the circumstances, use third-party service providers in serving your account. We may share confidential information about you with these service providers but remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that we are unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. Furthermore, we will remain responsible for the work provided by any such third-party service providers.

Audit Procedures – Internal Control

We will obtain an understanding of the Town and its environment, including internal control relevant to the audit, sufficient to identify and assess the risks of material misstatement of the financial statements, whether due to error or fraud, and to design and perform audit procedures responsive to those risks and obtain evidence that is sufficient and appropriate to provide a basis for our opinions. 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, misrepresentation, or the override of internal control. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. Accordingly, we will express no such opinion. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards and *Government Auditing Standards*.

Audit Procedures—Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of Town of Carolina Beach, North Carolina's compliance with provisions of applicable laws, regulations, contracts, and agreements, including grant agreements. However, the objective of those procedures will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

Other Services

We will assist in preparing the financial statements and related notes, and supplementary information of Town of Carolina Beach, North Carolina in conformity with accounting principles generally accepted in the United States of America based on information provided by you. These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*. We will perform the services in accordance with applicable professional standards. The other services are limited to the financial statements, related notes, and supplementary information, and performing of cash basis to accrual basis accounting adjustments previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

Responsibilities of Management for the Financial Statements

Our audit will be conducted on the basis that you acknowledge and understand your responsibility for (1) designing, implementing, establishing, and maintaining effective internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, and for evaluating and monitoring ongoing activities to help ensure that appropriate goals and objectives are met; (2) following laws and regulations; (3) ensuring that there is reasonable assurance that government programs are administered in compliance with compliance requirements; and (4) ensuring that management and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements.

You are also responsible for making drafts of financial statements, all financial records, and related information available to us and for the accuracy and completeness of that information (including information from outside of the general and subsidiary ledgers). You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, identification of all related parties and all related-party relationships and transactions, and other matters; (2) additional information that we may request for the purpose of the audit; (3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence. At the conclusion of our audit, we will require certain written representations from you about the financial statements; compliance with laws, regulations, contracts, and grant agreements; and other responsibilities required by GAAS and *Government Auditing Standards*.

Your responsibilities include 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 latest period presented are immaterial, both individually and in the aggregate, to the financial statements of each opinion unit taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the Town involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the Town received in communications from employees, former employees, grantors, regulators, or others. In addition, you are

responsible for identifying and ensuring that the Town complies with applicable laws, regulations, contracts, agreements, and grants. You are also responsible for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements that we report.

You are also responsible for the preparation of the supplementary information, which we have been engaged to report on, in conformity with accounting principles generally accepted in the United States of America. You agree to include our report on the supplementary information in any document that contains and indicates that we have reported on the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the supplementary information in accordance with accounting principles generally accepted in the United States of America; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with accounting principles generally accepted in the United States of America; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies of previous financial audits, attestation engagements, performance audits, or other studies related to the objectives discussed in the Audit Scope and Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions for the report, and for the timing and format for providing that information.

You agree to assume all management responsibilities for the financial statements, related notes, and any other nonaudit services we provide. You will be required to acknowledge in the management representation letter our assistance with preparation of the financial statements and related notes, supplementary information, performing of cash basis to accrual basis accounting adjustments, and that you have reviewed and approved the financial statements and related notes prior to their issuance and have accepted responsibility for them. Further, you agree to oversee the nonaudit services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

With regard to the electronic dissemination of audited financial statements, including financial statements published electronically on the Town's website, management understands 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.

If applicable, the use of any portal set up by Bernard Robinson & Company, L.L.P. is designed for the secure exchange of information, rather than the storage of information. Management is responsible for providing its own data backup for business continuity and disaster recovery, and our copies of any information maintained by Bernard Robinson & Company, L.L.P. are not to be used for these purposes. Any information uploaded to the portal will be deleted after 270 days.

Engagement Administration, Fees, and Other

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

We will provide copies of our reports to Town of Carolina Beach, North Carolina; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of Bernard Robinson & Company, L.L.P. and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Bernard Robinson & Company, L.L.P. personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of five years after the report release date or for any additional period requested by the Town. If we are aware that a federal awarding agency, pass-through entity, or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

Victor Blackburn is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them. Our audit engagement ends on delivery of our audit report. Any follow-up services that might be required will be a separate, new engagement. The terms and conditions of that new engagement will be governed by a new, specific engagement letter for that service.

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.

We estimate our fees for these services will not exceed \$32,000. However, for each major program that a single audit is required, there will be an additional \$2,000 per program. Our fees are 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 the Organization's personnel, timely completion of all requested items, and the assumption that unexpected circumstances will not be encountered during the engagement. If circumstances occur and additional time is necessary to complete the audit, we will discuss this with management 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. 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 fees and collection agency fees. Invoiced fees outstanding past 60 days will be subject to a 1½% monthly finance charge.

We have attached our most recent external peer review report.

You agree to hold us harmless and to release, indemnify, and defend us from any liability or costs, including attorney's fees, resulting from management's knowing misrepresentations to us.

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.

Reporting

We will issue a written report upon completion of our audit. 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 a separate section, or add an emphasis-of-matter or other-matter paragraph to our auditor's report, or if necessary, withdraw from this engagement. If our opinion is 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 an opinion, we may decline to express opinions or issue reports, or we may withdraw from this engagement.

We will also provide a report (that does not include an opinion) on internal control related to the financial statements and compliance with the provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements as required by *Government Auditing Standards*. The report on internal control and on compliance and other matters will include a paragraph that states (1) that the purpose of the report is solely to describe the scope of testing of internal control and compliance, and the results of that testing, and not to provide an opinion on the effectiveness of the Government's internal control on compliance, and (2) that the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Government's internal control and compliance. The paragraph will also state that the report is not suitable for any other purpose. If during our audit we become aware that Town of Carolina Beach, North Carolina is subject to

an audit requirement that is not encompassed in the terms of this engagement, we will communicate to management and those charged with governance that an audit in accordance with auditing standards generally accepted in the United States of America and the standards for financial audits contained in *Government Auditing Standards* may not satisfy the relevant legal, regulatory, or contractual requirements.

We appreciate the opportunity to be of service to Town of Carolina Beach, North Carolina and believe this letter accurately summarizes the significant term of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the attached copy and return it to us.

Very truly yours,



BERNARD ROBINSON & COMPANY, L.L.P.

RESPONSE:

This letter correctly sets forth the understanding of Town of Carolina Beach, North Carolina.

By: _____

Title: _____

By: _____

Title: _____



POTTER & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS

Report on the Firm's System of Quality Control

January 27, 2021

To the Partners of Bernard Robinson & Company, LLP and the Peer Review Committee
of Coastal Peer Review, Inc.

We have reviewed the system of quality control for the accounting and auditing practice of Bernard Robinson & Company, LLP (the firm) in effect for the year ended May 31, 2020. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at www.aicpa.org/prsummary. The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

Firm's Responsibility

The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review.

Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards*, including compliance audits under the Single Audit Act, audits of employee benefit plan and an Examination of Service Organization (SOC Type 2). As a part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Bernard Robinson & Company, LLP, in effect for the year ended May 31, 2020, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Bernard Robinson & Company, LLP has received a peer review rating of *pass*.

Potter & Company, PA

Mooresville, North Carolina

The of and	Governing Board Town Council
	Primary Government Unit The 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 06/30/22	Audit Report Due Date 10/31/22

Must be within four months of FYE

hereby agree as follows:

1. The Auditor shall audit all statements and disclosures required by U.S. 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). The basic financial statements shall include budgetary comparison information in a budgetary comparison statement, rather than as RSI, for the General Fund and any annually budgeted Special Revenue funds.
2. At a minimum, the Auditor shall conduct the audit and render the report in accordance with GAAS. The Auditor shall perform the audit in accordance with *Government Auditing Standards* if the Governmental Unit expended \$100,000 or more in combined Federal and State financial assistance during the reporting period. The auditor shall perform a Single Audit if required by Title 2 US Code of Federal Regulations Part 200 *Uniform Administration Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) or the State Single Audit Implementation Act. 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 staffs 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), it is recommended that the Auditor and Governmental Unit(s) jointly agree, in advance of the execution of this contract, which party is responsible for submission of the audit and the accompanying data collection form to the Federal Audit Clearinghouse as required under the Uniform Guidance (§200.512).

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, issued by the Comptroller General of the United States, then by accepting this engagement, the Auditor warrants that he/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 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 auditor's receipt of an updated peer review report. If the audit firm received 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 Accounting 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 four months of fiscal year end. 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 same 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 his/her findings, together with his recommendations for improvement. That written report shall include all matters defined as "significant deficiencies and material weaknesses" in AU-C 265 of the *AICPA Professional Standards (Clarified)*. The Auditor shall file a copy of that report with the Secretary of the LGC.
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 (Units') records for audit, financial statement preparation, any finance-related investigations, or any other audit-related work in the State of North Carolina. Approval is not required on 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 and State Single Audit Acts. This does not include fees for any pre-issuance reviews that may be required by the NC Association of CPAs (NCACPA) Peer Review Committee or NC State Board of CPA Examiners (see Item 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 NC State Board, the NCACPA Peer Review Committee, or the Secretary of the LGC to have a pre-issuance review of its audit work, there shall be a statement in the engagement letter indicating the pre-issuance review requirement. There also shall be a statement that the Governmental Unit(s) shall not be billed for the pre-issuance review. The pre-issuance review shall be performed prior to the completed audit being submitted to LGC Staff. The pre-issuance review report shall accompany the audit report upon submission to LGC Staff.

14. The Auditor shall submit the report of audit in PDF format to LGC Staff. 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, 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 pre-audited if the change includes a change in audit fee (pre-audit 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, the Governing Board, and the Auditor.

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 Item 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, pre-audited (pre-audit 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. Auditor shall comply with the requirements of NCGS Chapter 64 Article 2. Further, if Auditor utilizes any subcontractor(s), Auditor shall require such subcontractor(s) to comply with the requirements of NCGS Chapter 64, Article 2.

27. **Applicable to audits with fiscal year ends of June 30, 2020 and later.** For all non-attest services, the Auditor shall adhere to the independence rules of the AICPA Professional Code of Conduct and Governmental Auditing Standards, 2018 Revision (as applicable). Financial statement preparation assistance 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, s/he must document and include in the audit workpapers how he/she 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 body 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. The auditor's presentation to the government unit's governing body 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 set by the Accounting Standards Board or its successor;
- 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 body that the governing body shall develop a "Response to the Auditor's Findings, Recommendations, and Fiscal Matters," if required under 20 NCAC 03 .0508.

29. Information based on the audited financial statements shall be submitted to the Secretary for the purpose of identifying Financial Performance Indicators and Financial Performance Indicators of Concern. See 20 NCAC 03 .0502(c)(6).

30. All of the above paragraphs are understood and shall apply to this contract, except the following numbered paragraphs shall be deleted (See Item 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. Modifications to the language and terms contained in this contract form (LGC-205) are not allowed.

FEES 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 *Governmental Auditing Standards, 2018 Revision*. Refer to Item 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 not be approved.

Financial statements were prepared by: ☒ Auditor ☐ Governmental Unit ☐ Third Party

If applicable: Individual at 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:**Title and Unit / Company:****Email Address:**

Debbie Hall

Finance Director

debbie.hall@carolinabeach.org

OR Not Applicable ☐ (Identification of SKE Individual not applicable for GAAS-only audit 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 Items 8 and 13 for details on other allowable and excluded fees.

3. 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. Should the 75% cap provided below conflict with the cap calculated by LGC Staff based on the billings on file with the LGC, the LGC calculation prevails. All invoices for services rendered in an audit engagement as defined in 20 NCAC .0503 shall be submitted to the Commission 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).

PRIMARY GOVERNMENT FEES

Primary Government Unit	The Town of Carolina Beach
Audit Fee	\$ 26,000
Additional Fees Not Included in Audit Fee:	
Fee per Major Program	\$ 2,000
Writing Financial Statements	\$ 6,000
All Other Non-Attest Services	\$
75% Cap for Interim Invoice Approval (not applicable to hospital contracts)	\$ 24000

DPCU FEES (if applicable)

Discretely Presented Component Unit	N/A
Audit Fee	\$
Additional Fees Not Included in Audit Fee:	
Fee per Major Program	\$
Writing Financial Statements	\$
All Other Non-Attest Services	\$
75% Cap for Interim Invoice Approval (not applicable to hospital contracts)	\$

SIGNATURE PAGE**AUDIT FIRM**

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

GOVERNMENTAL UNIT

Governmental Unit*	
The Town of Carolina Beach	
Date Primary Government Unit Governing Board Approved Audit Contract*	
(G.S.159-34(a) or G.S.115C-447(a))	
Mayor/Chairperson (typed or printed)*	Signature*
Lynn Barbee	
Date	Email Address
	lynn.barbee@carolinabeach.org

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

GOVERNMENTAL UNIT – PRE-AUDIT CERTIFICATE

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

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

Primary Governmental Unit Finance Officer* (typed or printed)	Signature*
Debbie Hall	
Date of Pre-Audit Certificate*	Email Address*
	debbie.hall@carolinabeach.org

SIGNATURE PAGE – DPCU
(complete only if applicable)

DISCRETELY PRESENTED COMPONENT UNIT

DPCU*	
N/A	
Date DPCU Governing Board Approved Audit Contract* (Ref: G.S. 159-34(a) or G.S. 115C-447(a))	
DPCU Chairperson (typed or printed)*	Signature*
Date*	Email Address*

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

DPCU – PRE-AUDIT CERTIFICATE

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

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

DPCU Finance Officer (typed or printed)*	Signature*
Date of Pre-Audit Certificate*	Email Address*

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

PRINT



AGENDA ITEM COVERSHEET

PREPARED BY: Debbie Hall, Finance Director

DEPARTMENT: Finance

MEETING: Town Council – 04/12/2022

SUBJECT: Create a Capital Project Fund for HVAC

BACKGROUND:

The Town closed on a Truist Loan for the purchase and installation of an HVAC system on February 7, 2022 with the revenue and expense for the project being appropriated to the General Fund. As a result of supply chain issues, the project will not be completed until next fiscal year. Revenues and expenses are zeroed out when a fiscal year is closed. This ordinance will transfer the current revenue and expense out of the General Fund into a Capital Project so the funds will be available in the new fiscal year.

ACTION REQUESTED:

Approval of Ordinance No. 22-1172

ORDINANCE NO. 22-1172
AN ORDINANCE TO AMEND THE GENERAL FUND BUDGET TO CREAT A
PROJECT FUND FOR TOWN HALL HVAC PURCHASE AND INSTALLATION

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

SECTION ONE:

That the Fiscal Year 2021-2022 Budget for the Town of Carolina Beach is hereby amended to include the expenditures associated with the HVAC Capital Project by establishing the following General Fund Capital Project Ordinance:

<u>Account Code</u>	<u>Description</u>	<u>Previous</u>	<u>Amended</u>	<u>Changed</u>
61-580-074	Capital Over \$10,000	\$.00	<u>\$687,953</u>	+\$ <u>.00</u>
TOTAL			\$ 687,953	

SECTION TWO:

That the Fiscal Year 2021-2022 Budget for the Town of Carolina Beach is hereby amended to include the revenue associated with the Fire Station Renovation Capital Project by establishing the following General Fund Capital Project Ordinance:

<u>Account Code</u>	<u>Description</u>	<u>Previous</u>	<u>Amended</u>	<u>Changed</u>
61-350-000	Truist Loan Proceeds	\$.00	<u>\$687,953</u>	+ \$.00
TOTAL:			\$687,953	

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 12th day of April 2022.

Albert L Barbee, Mayor

ATTEST:

Kimberlee Ward, Town Clerk



AGENDA ITEM COVERSHEET

PREPARED BY: Debbie Hall, Finance Director

DEPARTMENT: Finance

MEETING: Town Council – 4/12/2022

SUBJECT: Budget Amendments/Transfers

BACKGROUND:

I have received several budget amendments and/or transfer requests. As you know, transfers require only your notification whereas amendments require your approval. Listed below you will find a description of the amendments and/or transfers. I have also attached a copy of the supporting documentation for the appropriations.

Appropriations:

Appropriate \$85,725 from the General Fund fund balance to account 10-630-046 Beach Maintenance Professional Services to cover attorney fees related to the Freeman Park Easements and purchase of the property.

Appropriate \$3,250 donation received to account 10-620-018 Parks & Rec M&O Grounds for two new swings at the Lake Park.

Transfers:

Transfer \$15,332 from account 10-630-056 Beach Maintenance to account 10-570-012 Parking Printing & Publishing to cover cost of 2022 seasonal parking signs.

Transfer \$40,000 from account 30-810-047 WWT Plant Renovations to account 30-810-032 WWT Chemical & Lab Fees to cover increase in cost of chlorine and sulfur dioxide.

Transfer \$5,000 from account 10-420-090 Executive Contingency to 10-420-023 Executive M&O - Software to cover upgrades to Cityworks permitting platform.

Transfer \$7,495 from account 10-510-001 Police Holiday Pay to account 10-510-000 Police Separation Allowance to cover the unbudgeted expense for an office who retired in September.

Transfer \$50 from account 30-800-003 W&S Admin Overtime Pay to account 30-800-059 W&S Admin Longevity Pay to cover line-item shortage.

Transfer \$10,000 from 30-900-019 Stormwater M&O Streets to 30-900-016 Stormwater M&O Equipment to cover emergency equipment repairs.

Transfer \$300 from 30-900-045 Stormwater Contract Services to account 30-900-078 Stormwater Permits & Fees to cover CAMA permitting costs.

Transfer \$79,573.03 from the General Fund departmental 004 COLA/Merit Pay line items to the departmental 002 Wage line items to implement the budgeted 2% COLA increase and up to 2% Merit increase effective in January 2022.

Transfer \$24,292.32 from the Utility Fund departmental 004 COLA/Merit Pay line items to the departmental 002 Wage line items to implement the budgeted 2% COLA increase and up to 2% Merit increase effective in January 2022.

BUDGET IMPACT:

Appropriation for attorney fees for Freeman Park matters will affect budget.

ACTION REQUESTED:

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

From: Sheila Nicholson
Sent: Tuesday, March 29, 2022 5:11 PM
To: Debbie Hall
Cc: Bruce Oakley
Subject: Budget Appropriation Request for fund 10-630-046

Debbie,

I would like to request an appropriation of \$85,725.00 from the General Fund balance to cover attorney fees related to the purchase of Freeman Park. These fees were unplanned and not included in 21/22 or 22/23 budgets. These fees include charges for legal services previously rendered as well as expected closing cost expenses.

Please let me know if you have any questions.

Thank you,

Sheila P. Nicholson

Executive Assistant to the Town Manager
Town of Carolina Beach
sheila.nicholson@carolinabeach.org
(910)458-2995

DISCLAIMER:

E-mail correspondence to and from this address may be confidential and/or subject to the North Carolina Public Records Law and may be disclosed to third parties.

Lynn Barbee
Mayor

Joe Benson
Council Member

Deb LeCompte
Council Member



Jay I Item 4.
Mayor Pro Tem

Mike Hoffer
Council Member

Bruce Oakley
Town Manager

Town of Carolina Beach
1121 N. Lake Park Blvd.
Carolina Beach, NC 28428
Tel: (910) 458-2999
Fax: (910) 458-2997

To: Debbie Hall, Finance Director
Bruce Oakley, Town Manager

From: Eric Jelinski, Parks and Recreation Director

Date: 3/23/22

Re: Budget Transfer

I am requesting the below budget transfer for the FY 21/22 Parks and Recreation Department budget. If you have any questions regarding the below transfers, please let me know.

Account	Amount	Transfer to Account	Reason
General Fund	\$3,250	10-620-018	We received another donation for a bench swing at Lake Park. The donation includes the cost of the swing and three engraved fish tiles.

From: Sheila Nicholson
Sent: Wednesday, March 2, 2022 11:58 AM
To: Debbie Hall
Cc: Bruce Oakley; Brian Stanberry
Subject: Budget Transfer Request-Parking Signs

\$ 15,332.04

Please transfer ~~\$13,937.09~~ from 10-630-056 to 10-570-012 to cover the cost of 2022 seasonal parking signs. If you have any questions, just give me a call. Thanks!

Sheila P. Nicholson

Executive Assistant to the Town Manager
Town of Carolina Beach
sheila.nicholson@carolinabeach.org
(910)458-2995

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Lynn Barbee
Mayor

Joe Benson
Council Member

Deb LeCompte
Council Member



Jay Healy
Mayor Pro Tem

Mike Hoffer
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: March 14, 2022

Budget transfer amount: \$ 40,000.00

From: 30-810-047 (WWT Plant Renovation)

To: 30-810-032 (WWT – Chemical & Lab Fees)

Explanation: Additional budget needed to cover chlorine and sulfur dioxide

Mark Meyer

 3/14/22
Director of Public Utilities, Town of Carolina Beach

From: Sheila Nicholson
Sent: Thursday, March 24, 2022 2:00 PM
To: Debbie Hall
Cc: Bruce Oakley
Subject: Budget Transfer Request for 10-420-023

Please transfer \$5,000 from 10-420-090 (contingency) to 10-420-023 (software) to cover the cost of upgrades for Cityworks permitting platform.

If you have any questions, just let me know.

Thanks!

Sheila P. Nicholson

Executive Assistant to the Town Manager
Town of Carolina Beach
sheila.nicholson@carolinabeach.org
(910)458-2995

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Fund Or Attrib	Type	Dept Desc	Disp Acct	Budget	YTD	Variance
Fund Or Attrib: 10 General Fund						
Type: Expenses						
10 General Fund	Expenses	Police	10-510-000 Separation Allowance	\$21,395.00	\$21,532.64	(\$137.64)
				\$21,395.00	\$21,532.64	(\$137.64)
				\$21,395.00	\$21,532.64	(\$137.64)
Fund Or Attrib: 30 Utilities Fund						
Type: Expenses						
30 Utilities Fund	Expenses	W&S Administrative	30-800-059 Longevity Pay Plan	\$1,100.00	\$1,150.00	(\$50.00)
				\$1,100.00	\$1,150.00	(\$50.00)
				\$1,100.00	\$1,150.00	(\$50.00)

From: Brian Stanberry
Sent: Thursday, March 31, 2022 3:21 PM
To: Debbie Hall
Cc: Alisa Perry
Subject: Budget Transfer

Debbie,

We would like to request the following budget amendments to accommodate overages in certain line items.

\$10,000 from 30-900-019 to 30-900-016 to cover emergency equipment repairs

\$300 from 30-900-045 to 30-900-078 to cover CAMA permitting costs

Thank you for your assistance, and let me know if there are any questions or concerns.

Brian Stanberry

Director of Public Works

Town of Carolina Beach

910-458-8291 office

910-443-1837 mobile

brian.stanberry@carolinabeach.org



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As of March 30 2022

<u>Cost Center</u>	<u>Department Name</u>	<u>Budgeted</u> <u>COLA &</u> <u>Merit</u>	<u>Utilized</u> <u>COLA &</u> <u>Merit</u>	<u>Remaining</u>
10-420-004	Executive	8,794.00	(8,794.00)	\$0.00
10-430-004	Clerk	1,648.00	(1,648.00)	\$0.00
10-440-004	Finance	4,297.00	(4,297.00)	\$0.00
10-450-004	Human Resources	3,061.00	(2,936.62)	\$124.38
10-491-004	Planning	8,599.00	(7,708.49)	\$890.51
10-510-004	Police	32,359.00	(21,392.97)	\$10,966.03
10-520-004	Ocean Rescue	987.00	(852.40)	\$134.60
10-530-004	Fire	16,853.00	(13,895.87)	\$2,957.13
10-550-004	Marina	912.00	(814.80)	\$97.20
10-580-004	Environmental	11,216.00	(9,074.72)	\$2,141.28
10-620-004	Parks and Rec	6,922.00	(5,700.32)	\$1,221.68
10-630-004	Beach Maintenance	3,793.00	(2,457.84)	\$1,335.16
General Fund Totals		99,441.00	(79,573.03)	\$19,867.97
30-800-004	Water/Sewer Admin	6,160.00	(5,354.73)	\$805.27
30-810-004	WWTP	5,468.00	(4,644.79)	\$823.21
30-811-004	WWC	10,117.00	(7,428.40)	\$2,688.60
30-812-004	Water	1,838.00	(1,619.20)	\$218.80
30-900-004	Stormwater	8,205.00	(5,245.20)	\$2,959.80
Utility Fund Totals		\$31,788.00	(\$24,292.32)	\$7,495.68



AGENDA ITEM COVERSHEET

PREPARED BY: Debbie Hall, Finance Director

DEPARTMENT: Finance

MEETING: Town Council – 4/12/2022

SUBJECT: Budget Amendments for Freeman Park

BACKGROUND:

Council approved using the Storm Damage Prevention Reserves (Sand Fund) towards the purchase of parcels at Freeman Park.

Appropriations:

Appropriate \$2,150,000 from Storm Damage Prevention Reserve Funds to account 10-630-074 Beach Maintenance Capital Outlay over \$10,000 for the purchase of parcels at Freeman Park.

Appropriate \$12,411 from the General Fund fund balance to account 10-630-074 Beach Maintenance Capital Outlay over \$10,000 to cover cost associated with the purchase of parcels at Freeman Park not covered by the bank loan, ROT or Storm Damage Prevention Reserves.

BUDGET IMPACT:

Appropriation for the additional cost for property purchase of Freeman Park will affect budget.

ACTION REQUESTED:

Approve the budget amendments as presented by the Finance Director.

[illegible]



AGENDA ITEM COVERSHEET

PREPARED BY: Kim Ward, Town Clerk

DEPARTMENT: Clerk

MEETING: Town Council – 4/12/2022

SUBJECT: Approval of Minutes from February 22, March 8 and 31

BACKGROUND:

Attached are the meeting minutes from February 22, March 8 and 31.

ACTION REQUESTED:

Review and consider approving under the consent agenda.

CAROLINA BEACH

Town Council Workshop

Tuesday, February 22, 2022 - 9:00 AM

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



MINUTES

CALL TO ORDER

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

PRESENT

Mayor Lynn Barbee

Mayor Pro Tem Jay Healy

Council Member Joe Benson

Council Member Mike Hoffer

Council Member Deb LeCompte

ALSO PRESENT

Town Manager Bruce Oakley

Assistant Town Manager Ed Parvin

Finance Director Debbie Hall

Town Clerk Kim Ward

SPECIAL PRESENTATIONS

1. Employee Recognition

Planning Director Jeremy Hardison recognized Building Inspector Darrel Johnson for 5 years of service.

Public Works Director Brian Stanberry recognized Senior Stormwater Construction Specialist Rich Holt for 25 years of service.

2. Presentation by Wave Transit

This item was removed from the agenda due to the presenter's absence.

3. Beautification Committee's Presentation on Becoming a Tree City

Cindy Dunn and Scott Pate of the Town's Beautification Committee presented information about the Tree City USA program from the Arbor Day Foundation, including an overview of its value and benefits. Ms. Dunn said the purpose is to present a concept for Council to consider in the future.

Mr. Pate said the Tree City USA program encompasses the following standards:

- Tree board or department

- Tree care ordinance
- Community forestry program with annual budget of at least \$2 per capita
- Arbor Day observance and proclamation

He said the Town would need to take the following steps to meet those standards:

- Consider establishment of a tree board or responsible party and where it will live
- Current tree ordinance may not be sufficient to meet Tree City USA standards
- Review current Town budget for expenses that qualify as tree expenses; determine minimum gap to meet Tree City USA requirements
- Review existing Town event calendar to see where an Arbor Day celebration may occur and determine level of event
- Application deadline is December 31

Mr. Pate said the committee's recommendations are as follows:

- Establish a tree board; consider using members of the committee, along with members of Pleasure Island Habitat and local arborists
- Review and update the Town tree ordinance to comply with certification
- Partner with local organizations to establish an Earth Day/Arbor Day event in our community for April 2023
- Apply for Tree City USA designation by July 2022

Mayor Barbee asked about the next steps for Council. Town Manager Bruce Oakley said the next steps would be declaring a proclamation for Arbor Day, designating a tree board, checking to see if the \$2 per capita budget is met, and asking the tree board to start reviewing the tree ordinance.

Council Member Hoffer said the Town is lagging behind other municipalities in this area when it comes to trees. He said trees take a long time to come to maturity, and the Town should get them in the ground during next year's planting season in January and February. Council Member Hoffer said some private funds could be raised to match what the Town puts in, but the Town just has to commit to doing it.

Mayor Barbee said it sounds like Council is supportive of the endeavor and asked if anything needs to be done now. Mr. Oakley said he can have the Arbor Day proclamation ready for an upcoming Council meeting.

PUBLIC HEARING

4. Public Hearing for Financing Freeman Park

Mr. Oakley said the Town asked for bids for financing \$3.25 million, part of the purchase price for Freeman Park. He said the Town received 9 bids, and the recommendation is to go with Truist, which is offering a 2.3% interest rate with no pre-payment penalty. Mr. Oakley said the Local Government Commission (LGC) requires a public hearing before moving forward.

Mayor Barbee asked what the next steps are after the public hearing. Mr. Oakley said the Town will submit paperwork to the LGC, and with the other funds lined up a closing date will be set.

ACTION: Motion to open the public hearing

Motion made by Mayor Barbee

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

Motion passed unanimously

Cathrine Robbins asked for more information on the loan, including terms of payment.

Finance Director Debbie Hall said the financing term is for 10 years at 2.3%. She said the Town is financing \$3.25 million and has a fixed principal payment of \$325,000 per year with no pre-payment penalty. Ms. Hall said the LGC application must be in by March 8 for consideration at the April 5 meeting. She said the rest of the \$7 million purchase price is made up of \$350,000 in this year's budget for the sand fund, \$2.3 million in reserves for the sand fund, and \$1.1 million of room occupancy tax carryover funds.

Mr. Oakley said there are grant applications out that may help to significantly reduce the debt.

No one else requested to speak.

ACTION: Motion to close the public hearing

Motion made by Mayor Barbee

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

Motion passed unanimously

ACTION: Motion to approve Resolution 22-2253 to accept the terms of the proposal from BB&T Truist Bank

Motion made by Mayor Barbee

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

Motion passed unanimously

ACTION: Motion to approve Resolution 22-2252 authorizing the Finance Director to file an LGC application

Motion made by Mayor Barbee

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

Motion passed unanimously

ITEMS OF BUSINESS

5. Manager's Update

Mr. Oakley gave the following updates:

- Beach nourishment/Coastal Storm Damage Reduction: Work has begun, and the online tool showing specific locations will be available soon.
 - Public information session on February 25 at 2:00 PM
- Non-profit request: The Island Men group has requested 2 Freeman Park passes to auction off for a fundraiser, and this requires Council approval.

ACTION: Motion to approve The Island Men's request for 2 annual Freeman Park passes

Motion made by Council Member Benson

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

Motion passed unanimously

- Consultant contract: The agreement with former U.S. Rep. Mike McIntyre expires at the end of the month, and Council must decide via consensus whether to extend or modify the contract.

Mayor Barbee said Mr. McIntyre has been a fantastic resource for the Town, but it might not be possible to keep him indefinitely.

Mayor Pro Tem Healy suggested putting the services on hold for a while.

Council Member LeCompte asked about the cost. Mr. Oakley said \$10,250 per month is the retainer fee, and a new contract would likely be for a year.

Mr. Oakley said he thinks all of the projects that Mr. McIntyre was hired to help with have come to fruition, so it would be acceptable to pause the contract.

Mayor Barbee said the consensus is that Mr. McIntyre is a valuable resource and the Town wants to keep the relationship going, but the contract will be paused until there is another need for Washington, D.C., lobbying.

- Parking map: The Town is looking at the potential for 105 new parking spaces.

Mr. Oakley said he was requesting direction from Council about any changes to previous decisions about parking due to the need for ordering signs and equipment.

Mayor Barbee said former Mayor LeAnn Pierce suggested Council reach a compromise so staff can move forward with the parking program. He said as a result, he wanted to propose dropping January and February from paid parking.

ACTION: Motion to seek a compromise amongst Council to give clear direction and basically split off-season parking in half (charging in November and December but having free parking in January and February)

Motion made by Mayor Barbee

ACTION: Motion to amend the motion on the floor to strike November and December as paid months, maintaining the 4 months of free parking
 Motion made by Council Member Benson

Council Member Hoffer said for November through February he wanted to leave bags on the parking meters so those spaces have free parking but charge for parking in the lots.

Council Member LeCompte said Council still hasn't fully heard from the public, and she doesn't like making these kinds of decisions in a workshop. She suggested putting the issue on the March 8 agenda.

Mayor Barbee said he wanted to avoid going back to a start-to-finish parking discussion. He withdrew his motion, which also withdrew Council Member Benson's motion to amend.

Mayor Pro Tem Healy said he wants to see more numbers and data. He said there are two ways to generate revenue, one of which is parking, and if the Town takes away from that the money will have to be made up somewhere else. Mayor Pro Tem Healy said there is also inflation to account for, and he doesn't want to raise taxes. He said everybody wants things such as parks and infrastructure, but no one wants to pay for them.

Mayor Barbee said he thinks Town residents lost big today and added that he was upset that Council failed to reach a compromise.

Council Member Hoffer asked about the Hamlet Ocean Rescue project. Mr. Oakley said it's moving forward quickly and on schedule to be completed by Easter. He said the parking lot will be resurfaced and mentioned that Council Member Hoffer had made suggestions about adding golf cart spots and bike racks.

Council Member Hoffer said he hopes the Town will at least keep pedestrian access somewhat free through the Marriott parking lot. He suggested not covering it up with shrubs and parking spots, which would keep people from stepping over the curb. Mr. Oakley said there is nothing to stop the Marriott from putting up a fence, but the Town can keep from putting up its own landscaping or fencing. He said without an easement, the Town can't control what the Marriott does.

Council Member LeCompte asked about scheduling a session with the Wilmington Urban Area Metropolitan Planning Organization (WMPO). She said she would like to see this on an upcoming workshop agenda.

6. Discuss Agenda Items for March Council Meeting

Mayor Barbee said he wants to see regular updates about seasonal readiness and current projects. He also asked about the timing of the Town's revenue and expenses forecast.

Council Member Benson said he wanted a parking discussion and a lake dredge update on the March agenda.

Mayor Pro Tem Healy said he wanted an update on the marina project.

ADJOURNMENT

ACTION: Motion to adjourn

Motion made by Mayor Barbee

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

Motion passed unanimously

The meeting adjourned at 10:20 AM.

CAROLINA BEACH

Town Council Regular Meeting

Tuesday, March 8, 2022 - 6:00 PM

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



MINUTES

CALL TO ORDER

Mayor Barbee called the meeting to order at 6:00 PM, followed by the invocation by Pastor Shawn Blackwelder of St. Paul's United Methodist Church and Pledge of Allegiance.

PRESENT

Mayor Lynn Barbee

Mayor Pro Tem Jay Healy

Council Member Joe Benson

Council Member Mike Hoffer

Council Member Deb LeCompte

ALSO PRESENT

Town Manager Bruce Oakley

Assistant Town Manager Ed Parvin

Finance Director Debbie Hall

Town Clerk Kim Ward

Town Attorney Noel Fox

ADOPT THE AGENDA

Council Member LeCompte said Council decided previously to remove non-agenda items for expediency, but she thinks these should be added back to all agendas moving forward.

ACTION: Motion to add back in Council comments at the end of agendas

Motion made by Council Member LeCompte

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

Motion passed unanimously

ACTION: Motion to adopt the agenda

Motion made by Mayor Barbee

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

Motion passed unanimously

Mayor Barbee said the public hearing for non-profit funding requests will be removed from this agenda due to a requested delay.

CONSENT AGENDA

1. Set Public Hearing for April 12, 2022 to receive public input on the 2022/2023 budget
2. Set a public hearing for April 12, 2022 for a Text Amendment – to amend:
Chapter 40 Sec 40-70 & 72, add multi-family uses to the Neighborhood Business (NB) zoning district with reduced setbacks.
Chapter 40 Sec 40-74, increase the density in Neighborhood Business (NB) zoning district.
Chapter 40 Sec 40-72, allow parking areas serving the use to be located in a different zoning district. Applicant: Hamby Beach Properties, LLC
3. Set a public hearing for April 12, 2022 for a Text Amendment to amend Chapter 40, Sec. 40-394. Zoning and Site Plan Approvals to provide proposed water usage data for multi-family projects.
4. Set a public hearing for April 12, 2022 for a Text Amendment to amend Chapter 40, Sec. 40-487. Planning and Zoning Commission to amend the meeting time from 6:30pm to 6:00pm.
5. Budget Amendments/Transfers
6. Approval of Minutes from January 25 and February 8

Council Member Benson said Finance Director Debbie Hall pointed out to him that the \$52,377.60 for the marina project is coming from a contingency fund that is set aside for emergencies.

ACTION: Motion to adopt the consent agenda

Motion made by Mayor Barbee

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

Motion passed unanimously

Mayor Barbee recognized former Mayor LeAnn Pierce and former Council Member JoDan Garza in the audience.

SPECIAL PRESENTATIONS

7. Presentation by the Friends of CB Parks and Greenways

LeAnn Pierce, Chair of the Friends of CB Parks & Greenways, introduced the program and its mission. She said this is a 501(c)(3) organization that can raise funds for recreational projects. She said the first fundraiser is planned for March 23 at Good Hops Brewing.

Treasurer Nick Hahn introduced the organization's team:

- Ms. Pierce, Chair
- Emily Joyner, Vice Chair
- Yvonne Bailey, Secretary
- Mr. Hahn, Treasurer
- Janet Hoffer, Assistant Treasurer
- Jason Kesler, Board Member
- Jill Oakley, Board Member

Mr. Hahn gave a presentation of the history of the group as well as its purpose and goals. More information is available at www.friendsofcb.org and www.facebook.com/friendsofcarolinabeach.

Council Member Hoffer said this organization can be a clearinghouse for donations because people cannot donate directly to the Town. He said to help start fundraising efforts for the group, on May 13 he is going to attempt a Guinness World Record for the longest disc golf round ever played.

Mayor Barbee said this is a big step for the Town to move initiatives forward.

8. Events Update by Tim Murphy

Tim Murphy, Recreation Programs Superintendent/Community Events Coordinator, reviewed upcoming special events:

- Steve Haydu St. Patrick's Lo Tide Run – March 12
- Solstice Healing Arts & Music Festival – March 19 at Carolina Beach Lake
- Island Montessori School Tinted Turtle Trot – April 10 at Mike Chappell Park
- Spring Fever Dance Party – April 8 at Carolina Beach Rec Center
- Summer Camp 2022 – registration begins April 5 for residents; general registration opens April 11

9. Manager's Update

Mr. Oakley gave an update on various projects and events:

- There were some parking issues over weekend, and warning tickets were issued. The issues have been resolved, so enforcement will now begin.
- Beach nourishment is moving forward quickly at about 800 feet per day and should be done in three weeks.

Project/funding updates (underway/starting soon):

- Ocean Rescue Building/Restroom Facility – \$777,000 (room occupancy tax)
- Florida Avenue Paving/Infrastructure Improvements – \$250,000 (American Rescue Plan and Powell Bill)
- Marina Reconstruction – \$3.8 million (Golden Leaf, American Rescue Plan, Federal Emergency Management Agency, Town)
- Mike Chappell Park Restrooms – \$250,000
- Stormwater projects – \$300,000 (American Rescue Plan)
 - Spartanburg Avenue/2nd Street Reprofile and Pipework
 - Maryland Avenue and Virginia Avenue Pipe Re-route
 - Greenville Avenue Stormwater Emergency Pump
- Saint Joseph Street Bike Multi-Use Path – \$572,000 (N.C. Department of Transportation, Town match 80/20)
- Freeman Park – \$7 million (Tourism Development Authority rollover, room occupancy tax, financing, N.C. Land and Water Fund Grant)

Project/funding updates (future funded projects):

- Carolina Beach Avenue North Paving and Improvements – \$1 million (State budget)
- Ocean Boulevard Sidewalk – \$485,000 (State budget)
- Dow Road/State Park Turn Lane (N.C. Department of Transportation/State budget)
- Stormwater Projects -- \$229,000 (American Rescue Plan)
 - Basin Road Installation
 - Hamlet Stormwater Repair
 - 7th Street Pipe Lining
 - Sumter Avenue and 7th Street Improvements
- Lake Park Improvements
 - Brandy Myers Memorial Playground – \$1.35 million (State budget, Land Water Conservation Fund match 50/50)
 - Stormwater Retention and Stabilization – \$2-3-4 million (State budget, Town)

Project/funding updates (future unfunded projects)

- Spartanburg Crosswalk
- Coastal Area Management Act Grants
 - 1810 Canal Drive Acquisition – awaiting appraisal (85/15 match)
 - Starfish Stormwater and Site Improvements – awaiting estimates (75/25 match)
- Wastewater treatment plant headworks project – \$3.8 million (potential American Rescue Plan funds available through N.C. Department of Environmental Quality)
- Wastewater treatment plant drying beds – \$150,000

Mr. Oakley said the Town is looking at \$20 million in projects with \$8 million to \$11 million in taxpayer savings.

Council Member Benson said he received news that the N.C. Department of Transportation (DOT) approved the traffic light at North Lake Park Boulevard and Winner Avenue. He asked if The Proximity's multi-use path will tie in on the west side of Saint Joseph Street. Mr. Oakley said this project still needs to be coordinated. Council Member Hoffer said The Proximity will present options, so that remains to be seen.

Mayor Pro Tem Healy asked if the marina project will pose a conflict with paving of Carolina Beach Avenue North. Mr. Oakley said both can't happen at the same time, so staff will make sure they are timed properly.

PUBLIC COMMENT

Skipper Funderburg of 203 Bogey Drive in Wilmington said he wanted to remind everyone of the positive impact surfing has had on the Town.

Scott Seifer of 101 North 6th Street said options for revenue generation are limited at the municipality level, so it's going to take creative thinking and difficult choices. He said the burden of the cost should be spread so that visitors pay their fair share. Mr. Seifer said he does not want to discuss possible tax increases until all possible revenue sources have been exhausted.

Karen Graybush of 518 Sumter Avenue said she doesn't think it's OK to not offer parking passes to those who live in Kure Beach and over the bridge. She also said she is against paid parking during the winter and asked Council to investigate other options.

Joe Starks of 203 Florida Avenue said there is a lot of Federal money out there, but without plans the Town won't get it. He encouraged the Town to pursue these funds as quickly as possible.

Bob Ponzoni of 1201 Canal Drive said he is seeking support for addressing the repeated nuisance of flooding on the north end, specifically Canal Drive. He said he proposes putting controls on outflow pipes and suggested offering guidance to the nine properties identified as the most problematic.

Bill Carew of 1520 Bonito Lane said he supports year-round parking and is opposed to year-round non-resident passes unless they carry use restrictions. He said he wants to avoid damaging parking revenue and alleviate the tax burden on residents.

Katie Stone of 612 Charlotte Avenue said she believes tourists and non-residents should pay for the share of resources they use instead of having the burden fall on residents. She said she wants Council to support year-round parking and discontinue non-resident parking passes.

Brenda Butler of 6709 Dorrington Drive in Wilmington said she is requesting that Council let retired Town employees who don't live in the Town buy passes at the same price as residents or employees.

Michael Hannan of 1615 Bowfin Lane said he doesn't want to pay more taxes and complimented Council for looking at alternative revenue sources. He said he supports what Council has done with parking this year and said after the year is over it can be reviewed and tweaked.

Ben Richardson of 731 Grand Banks Drive in Wilmington said he is frustrated with not being able to purchase a non-resident parking pass and thinks he should be treated like a local and not a tourist. He said he's not opposed to year-round parking if New Hanover County residents have the option to purchase a season pass, even if it costs more than in previous years.

Kristen Dunn of 905 Ocean Boulevard said communication is a problem for the Town. She said citizens need continuous updates on the budget process and mentioned concerns about spending. Ms. Dunn also said she'd like to see a sign at the corner of Dow Road and Atlanta Avenue indicating that is the turn for Carolina Beach Elementary School.

Matt Dunn of 905 Ocean Boulevard said he has concerns about the Town's communication. He said the last Council caused a loss of trust, and the current Council has not done enough to rebuild that. Mr. Dunn said it's essential for citizens to be engaged in decisions. He said he's against year-round parking.

Cindy Dunn of 915 Tidewater Lane said she would like to see a speed limit reduction to 35 mph at North Lake Park Boulevard down Dow Road beyond Cape Fear Boulevard where the crossing is or at least to Harper Avenue. She said she'd also like for Council to look at parking signs around the Senior Center and Community Center so there is enough free parking and no confusion for people using those services.

Harry Humphries of 111 Dow Road said he is opposed to year-round parking and wants to see season passes extended to residents of Kure Beach and those to the north. He said as a retired Town employee, he would be in favor of the benefit of a parking pass at the employee rate. Mr. Humphries said the Boardwalk businesses and others will lose revenue due to current parking regulations.

Troy Eason of 717 Valley Brook Road in Wilmington asked Council to please consider offering non-resident parking permits. He said he and his family otherwise won't be able to patronize Town businesses and events.

Olin Furr of 440 Oceana Way said the Town needs to get more information to really analyze the numbers regarding parking. He said he doesn't think the current regulations are a good long-term solution and asked Council to look at expenses and focus on numbers.

Jeff Hogan of 1108 Merchant Lane said he is against year-round parking. He said as a business owner, he knows how badly everyone struggles during the off-season, and this will only make the situation worse.

Kevin Fritzinger of 704 Harper Avenue said local businesses may close if changes are not made to the current parking regulations. He said he is opposed to year-round parking.

Michelle Alberda of 205 Greenville Avenue said she had concerns about the Town's fiscal responsibility. She said until the Town comes up with a framework for making decisions, there will never be enough money. Ms. Alberda said she would like to make a \$5,000 donation to the new 501(c)(3) organization for new lights on the Boardwalk.

Kathy Murray of 794 Sloop Pointe Lane in Kure Beach, President of Island Women, thanked Council for working with the group to help with parking for volunteers. She said Kure Beach residents should have an option for a non-resident pass and mentioned that year-round parking might cause her group to pick other places for meetings during the off-season.

Cathrine Robbins of 301 Ivy Lane said business owners already struggle during winter months and may close for the season or permanently if things get worse. She said this will cause the Town to lose sales tax and Alcoholic Beverage Control (ABC) revenue. Ms. Robbins also asked the Town to work with the Wilmington Urban Area Metropolitan Planning Organization (WMPO) to see what other grants may be available for the crosswalk at North Lake Park Boulevard and Winner Avenue.

Susan Ywaskevic of 205 South Lake Park Boulevard said she has been in business for 24 years and has heard her customers say they will no longer shop with her due to new parking regulations. She said people who live over the bridge should be considered for non-resident parking passes. Ms. Ywaskevic said not enough income will come from the bad will this is causing.

Dan McNutt of 496 Congress Street in Portland, Maine, founder and owner of the company that operates as NC Parking Co., said his company will offer the more than 450 private parking spaces they

control for free use during the off-season. He said the lots are temporarily closed due to maintenance work but will reopen shortly.

Butch LeCompte of 307 Charlotte Avenue said he would like to see all workshops streamed live, including those held at the Fire Department. He also asked for an update about Ocean Boulevard sidewalks and expressed safety concerns about parking spaces at the corner of North Lake Park Boulevard and Cape Fear Boulevard by Havana's. Mr. LeCompte also asked when the WMPO is coming to meet with Council and said strategic planning is critical for the Town. He urged Council to create a multimodal transportation plan ad hoc committee soon.

Steve Stefanovich, Chair of the Pleasure Island Chamber of Commerce, said his organization has sent a parking survey to its members and will later report results.

Ricky Niec of 702 Clarendon Avenue said there is not yet any hard data regarding year-round parking. He said he doesn't know if it will affect businesses, but he does know it will affect the Town's income if the current regulations are removed or modified. He said parking is one of a few methods the Town has to collect from non-residents who visit.

Paul Levy of 1606 Mackerel Lane offered suggestions for better decision making. He said what matters is whether voters, residents, and taxpayers were included in the decision-making process before a decision was made and whether Council took enough time to think things through.

Ron Stevens of 402 South 5th Street, owner of Lake Park Steakhouse, said he wants Council to reconsider year-round parking. He said people who don't live in the Town support local businesses in the off-season, and it's not fair to that part of the community to stop offering a non-resident parking pass.

JoDan Garza of 513 Atlanta Avenue said he was not in favor of Council removing the non-agenda items portion of each meeting. He asked about stormwater updates and said porta-potties should be present at each entrance to the beach. Mr. Garza also mentioned a light at Winner Avenue, the HVAC budget at Town Hall, and engineering expenses among his concerns. He said non-residents to the south and north are more upset about the removal of their option to buy a parking pass than they are about year-round parking.

James Sanderford of 418 Marina Street said Canal Drive should be paved because it's a public safety issue.

Lila Torres of Carolina Beach Avenue South said drivers on Hamlet Avenue are going the wrong way. She said she's against the current parking regulations because she thinks they will be a complete disaster. Ms. Torres said people should not have to pay extra to support local businesses and worries businesses will lose revenue. She said December, January, and February should offer free parking for everyone.

Joe Tyron of 619 Hamlet Avenue said he is not in favor of year-round parking but is more against the lack of transparency. He said this type of decision should not be done in a workshop that falls at the

end of the terms of several Council Members. He said he would like to see a light at South Lake Park Boulevard and Hamlet Avenue for public safety reasons.

Michael Urti of 513 Monroe Avenue said he has concerns about the way in which the current parking regulations went into place. He said Council Members are firing before they aim and encouraged every resident to be concerned about how decisions are made.

Jeff Smith of 770 Settlers Lane in Kure Beach said businesses have been beaten up by the pandemic and are looking to the government for protection, but they've lost a friend with Town government right now. He said this is shameful and asked Council to reconsider parking regulations.

Jeremy Fenton of Fentoni's Pizza, who lives in The Cape, said some business owners lose money by opening in the off-season. He said he is unhappy with the way the vote on parking regulations happened.

Anthony Newberry of Island Cruises said his customers are asking for his boat to dock elsewhere for charters due to new parking regulations. He said year-round parking is going to be a killer for his business and others. Mr. Newberry asked Council to rethink year-round passes for those in the community who don't live inside the Town.

Amanda Hassler, who said she lives under the bridge, asked Council to consider increasing sales tax for the island instead of the new parking regulations. She suggested getting rid of year-round parking and letting non-residents have passes at an increased cost with a lot designated for them. Ms. Hassler said if this is not possible, charge an extra 5 percent in sales tax.

Melanie Boswell of 107 Island Palms Drive suggested that Council bring back non-resident passes but possibly charge more. She said the Town should look at ways to cut wasteful spending. Ms. Boswell said saying that taxes will go up without the current parking regulations is a fear tactic.

Brenda Butler 6709 Dorrington Drive in Wilmington said information about when meetings are and what's on the agenda is available to everyone well in advance. She said there should be a full audience for every meeting.

Cathrine Robbins of 301 Ivy Lane said she listens to every meeting online and reads all of the meeting minutes. She said the parking topic was moved multiple times and was not on the agenda for the workshop when the vote took place.

PUBLIC HEARINGS - POSTPONED TO 4/12/2022

10. Public Hearing on Non-Profit Funding Requests

This item was removed from the agenda.

ITEMS OF BUSINESS

11. 2022 Lifeguard Season Discussion

Fire Chief Alan Griffin presented details about the current lifeguard program's needs and proposed changes for fiscal year 2022/2023.

Changes to 2022 season

- Start Easter weekend patrolling beach with lifeguards and Beach Patrol
- Utility terrain vehicle (UTV) lease vs. purchase
- Storage unit lease

Action request

- Approval of starting lifeguards April 15, 2022
 - Transfer \$7,000 from General Fund to 10-520.02
- Approval of property rental for UTV storage/lease
 - Transfer \$8,500 from 10-383.000 to 10-520.02

Council Member Benson asked if the Town will take these figures to the Tourism Development Authority (TDA) for reimbursement. Mr. Oakley said yes.

ACTION: Motion to approve starting lifeguards April 15 and transfer \$7,000 from the General Fund to 10-520.02

Motion made by Mayor Barbee

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

Motion passed unanimously

Chief Griffin said he is asking to use money from the sale of four-wheelers to pay for leases and rental property.

ACTION: Motion to approve property rental for UTVs and storage lease transfer of \$8,500 as described by the Chief from 10-383.000 to 10-520.02

Motion made by Mayor Barbee.

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

Motion passed unanimously

12. Adopt a certificate of Municipal Declaration to decrease the speed limit on N. Lake Park Blvd.
Applicant: Town of Carolina Beach

DOT received concerns about traffic crashes and speed at the traffic island at Saint Joseph Street and North Lake Park Boulevard. DOT has completed a review of the request to extend the 25 mph speed limit on U.S. 421/North Lake Park Boulevard for 600 feet north from Saint Joseph Street/Wilson Avenue and has found it is warranted. DOT is requesting certificates of Municipal Declaration for the Town's adoption of the ordinance changes.

Planning Director Jeremy Hardison presented the details.

Council Member Hoffer said this feels like a speed trap because visuals and the type of road affect motorist behavior more than what a sign says. He said he disagrees that it will slow people down and would like to see no left turn out of the intersection at Saint Joseph Street and North Lake Park Boulevard.

Mayor Pro Tem Healy said that intersection is terrible, which is the reason for the speed limit change.

Council Member Hoffer said he will go along with it but doubts it will matter.

Mr. Hardison said once the DOT changes the signage, there will be an expectation of enforcement.

Council Member LeCompte said she would be happy if the lower speed limit went all the way to Food Lion.

ACTION: Motion to adopt Ordinance 22-1170 repealing State Ordinance 1077224 and adopt Ordinance 22-1171 enacting a 25 mph speed limit on Lake Park Boulevard from Alabama Avenue to 340 feet north of Goldsboro Avenue

Motion made by Mayor Barbee

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

Motion passed unanimously

13. Marina Budget, Reimbursement Resolution, and Entering into a Contract for Construction

Hurricane Florence caused severe damage to the south and east bulkheads at the Town marina. The western bulkhead was replaced after Hurricane Matthew and had no issues. After reviewing the damage with the Federal Emergency Management Agency (FEMA), it was determined most of the issues were associated with deferred maintenance. Due to this reason, only limited funds were allocated by FEMA to include the following summary:

Northeast corner stormwater outfall

Federal share (75 percent) \$15,069.24

Non-federal share (25 percent) \$5,023.07

Damage to the south and east bulkhead

Federal share (75 percent) \$107,567.16

Non-federal share (25 percent) \$35,855.71

Total from FEMA/State: +\$163,515.18

To help with costs, the Town also obtained a grant from Golden Leaf Foundation in the amount of: +\$2,112,493.60

The Town will receive American Rescue Plan funds in the amount of: +\$1,019,672.47

Rolled over from prior project: +\$234,817.63

Current expenditures: -\$190,554.76

Total available: \$3,339,944.12

The lowest responsive/responsible bid (Evans & Sons Contracting Inc.): \$3,615,950.00

Fund Balance: \$276,005.88

Mr. Parvin presented the details.

Mayor Barbee said Council sent Mr. Oakley to look for money for this project, and he did what he was asked and is now asking for the remainder. Mayor Barbee said this is a lot of money but nowhere near the whole thing, so he offered praise to Town staff.

ACTION: Motion to approve Ordinance No. 22-1161, an ordinance to amend the General Fund balance creating a budget appropriation for Marina Bulkhead Project, Resolution No. 22-2254, reimbursement resolution for Marina Bulkhead Project Phase III, and approval for the Town Manager to enter into a contract with Evans & Sons Contracting

Motion made by Mayor Barbee

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

Motion passed unanimously

14. Parking Discussion

Mayor Barbee gave a timeline of the parking discussion over the past year. He said the current regulations were the recommendation of Pivot Parking and Town staff and asked Mr. Oakley if this is still staff's recommendation. Mr. Oakley said yes, the Town strives to maximize service delivery while maintaining a high quality of life and minimizing the burden on taxpayers, and that's the intent of the parking changes. He said the goal is to maximize parking income.

Council Member Benson said he is making a motion to offer non-resident passes to be purchased in-person April 1-30 at \$250 per pass with restrictions that the pass not be honored between the hours of 9:00 AM and 6:00 PM on weekends beginning the Saturday before Memorial Day to Labor Day. He said the Town needs to consider expenses and how to generate revenue from existing resources.

Council Member LeCompte said the current regulations have created a divide between the business community and residents, but many business owners are also residents. She said she likes the idea of non-resident passes with caveats, but **she would like to amend Council Member Benson's motion to charge \$365 instead of \$250** to make up for the resident tax increase for infrastructure improvements. Council Member LeCompte said she would be in favor of capping the non-resident parking permits at 500 or allowing for unlimited sales.

Ms. Fox said procedural rules require Council to vote on whether Council Member Benson's motion can be amended, not on the action itself initially.

ACTION: Motion to amend Council Member Benson's motion from \$250 to \$365

Motion made by Council Member LeCompte

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

Voting Nay: Council Member Benson, Council Member Hoffer

Motion passed 3-2

The motion is amended to propose offering non-resident passes with caveats for \$365.

Council Member Hoffer said he doesn't like not giving the option for a non-resident pass, but he thinks it's too dangerous to start upending what's already in place with the current contract. He said non-resident passes will have to wait until 2023 as far as he's concerned.

Mayor Pro Tem Healy said Council is having a discussion about how to lose money vs. making money. He said if you don't believe in taking care of our taxpaying citizens, then you have the wrong mindset. Mayor Pro Tem Healy said Council is allowed to make decisions at a workshop and needed to act quickly because it was a time-sensitive issue. He said the former Council that voted on the issue had 30 years of experience, as opposed to the current Council that has six years of experience. Mayor Pro Tem Healy said the parking company recommended discontinuing non-resident passes because they caused the Town to lose revenue. He said he cares about the downtown businesses, but the bottom line is the Town needs money. Mayor Pro Tem Healy said he wants Council to stick with the original plan and if changes are necessary make them when the contract ends.

Council Member LeCompte said non-resident passes are guaranteed revenue that is now being discontinued. She said the bulk of the 30 years of experience Mayor Pro Tem Healy mentioned was between three people, two of whom were adamantly opposed to the new parking regulations. Council Member LeCompte said Council must encourage input from residents and build a consensus among constituents. She said parking and taxes are not the only revenue streams for the Town, and Council needs to take a long, hard look at spending. Council Member LeCompte said people didn't have a voice when the parking changes happened, and while it might be legal to make decisions in a workshop that doesn't make it the right way to go about things. She said Council may be stuck where things currently stand with November and December because of the contract.

Mayor Barbee said this is probably the most financially reckless conversation he's ever heard in his life. He said the goal is to find \$1 million, so a professional parking company made recommendations to help the Town achieve that goal. He said no Council Members have run their ideas by Pivot Parking to find out if the system can do the things they are proposing. He said the system will not do this. Mayor Barbee said Council is basically voting on cutting fiscal year 2023 revenue, and to cut revenue before even seeing a proposed budget is reckless behavior. He said has 110 percent confidence in Mr. Oakley and his staff and will vote for Mr. Oakley's recommendation.

Mr. Oakley said Pivot Parking indicated imposing exceptions on certain passes is not a feasible option this year, but it can be revisited in the future. He said they think it would be chaotic and logistically tough to do.

ACTION: Motion to sell non-resident passes at \$365 each for a 30-day period, with or without limit, in-person only with limited access Memorial Day through Labor Day (no use between 9:00 AM and 6:00 PM Fridays through Sundays on weekends and holidays)

Motion made by Council Member LeCompte

Voting Yea: Council Member Benson, Council Member LeCompte

Voting Nay: Mayor Barbee, Mayor Pro Tem Healy, Council Member Hoffer

Motion failed 2-3

Council Member LeCompte said she is making a motion to allow free parking in January and February 2023.

Mayor Pro Tem Healy said if Town lots are free and private lots decide to charge, there's a good possibility the Town will lose its leased lots because there would be no incentive to stay.

Council Member LeCompte said the Town is going to lose those lots anyway because eventually they're going to be developed.

Council Member Hoffer said he is proposing to keep lots as paid year-round but put bags over meters in the streets during the off-season. He said this would allow the Town to charge in places where there are amenities, such as nearby beach access, showers, and bathrooms. He said it's the least impactful solution while offering something for non-residents in winter and something for downtown business owners who are worried about the off-season.

Mayor Barbee said the Town hired a professional parking company that has made recommendations and staff has reviewed and agreed with those recommendations, so that's what he's supporting.

ACTION: Motion that we go back to the original motion that Mayor Barbee made at our workshop where January and February 2023 will be free

Motion made by Council Member LeCompte

Voting Yea: Council Member Benson, Council Member LeCompte

Voting Nay: Mayor Barbee, Mayor Pro Tem Healy, Council Member Hoffer

Motion failed 2-3

Council Member Hoffer said he is making a motion for street-side parking meters to be free from December 1 to March 31.

Council Member Benson said this is a move in the right direction.

Mayor Pro Tem Healy again said Council is discussing how to lose revenue. He said when the Town has to make budget cuts, it's on them.

Council Member LeCompte said people wouldn't be opposed to year-round parking if it was handled in a different manner. She said Council has divided the heart of the community by pitting business owners against residents. Council Member LeCompte said she will refuse to vote for any large issues that come up in a workshop.

Mayor Barbee said this is about \$1 million. He said he doesn't like Council Member Hoffer's proposal because it would result in the loss of March revenue.

Council Member LeCompte said she is not sure why the Town would bag meters in March.

Council Member Hoffer said he's hesitant to include November instead of March because of what it would do to the contract. He said December is minimal enough.

Council Member Hoffer said he was rescinding his previous motion and offering a new one.

ACTION: Motion that street-side metered parking is free December 1 through February 28

Motion made by Council Member Hoffer

Voting Yea: Council Member Benson, Council Member Hoffer, Council Member LeCompte

Voting Nay: Mayor Barbee, Mayor Pro Tem Healy

Motion passed 3-2

NON-AGENDA ITEMS

Council Member Hoffer asked how many Council Members it takes to put something on an agenda. He said his understanding was any one Council Member could request an agenda item. Mr. Oakley said that is correct.

Council Member Benson asked whether 2016 revenue bonds can be applied to the marina project. Ms. Hall said she would have to check to see if that's within the scope.

Mayor Barbee said he is looking forward to budget season and thinks it's going to be eye-opening for everyone. He thanked staff members for their hard work.

Ms. Fox said the Town has collected all but \$14,000 of the Wilmington Beach street assessments. She asked Council for consensus to send final demand letters and proceed accordingly. There was no objection.

ADJOURNMENT

ACTION: Motion to adjourn

Motion made by Mayor Barbee

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

Motion passed unanimously

The meeting adjourned at 10:15 PM.

CAROLINA BEACH

Town Council Special Meeting

Thursday, March 31, 2022 — 3:00 PM

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



MINUTES

CALL TO ORDER

Mayor Barbee called the meeting to order at 3:00 p.m.

PRESENT

Mayor Lynn Barbee

Mayor Pro Tem Jay Healy

Council Member Mike Hoffer

EXCUSED

Council Member Joe Benson

Council Member Deb LeCompte

ALSO PRESENT

Town Manager Bruce Oakley

Assistant Town Manager Ed Parvin

Finance Director Debbie Hall

Town Clerk Kim Ward

Town Attorney Noel Fox

ITEMS OF BUSINESS

Consider Entering Into a Lease Agreement with Carolina Beach Land Holdings LLC for the Town's property located at 3 Carolina Beach Avenue South.

Ed Parvin presented a proposed lease agreement between the Town of Carolina Beach and Carolina Beach Land Holdings LLC. The lease is for 3 Carolina Beach Avenue South beginning April 1, 2022 and would terminate on March 31, 2022. Carolina Beach Land Holdings LLC will pay the Town \$400 per month on the 1st day of each month.

Carolina Beach Land Holdings LLC plans to erect a sky wheel on this property.

ACTION: Motion to give the Town Manager direction to enter a lease agreement for 3 Carolina Beach Avenue South in accordance with the terms of the draft agreement.

Motion made by Mayor Barbee

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

Motion passed unanimously

ADJOURNMENT:

ACTION: Motion to adjourn at 3:30 p.m.

Motion made by Mayor Barbee

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



AGENDA ITEM COVERSHEET

PREPARED BY: Tim Murphy

DEPARTMENT: Parks and Rec

MEETING: Town Council Meeting 4/12/2022

SUBJECT: Events Update by Tim Murphy

BACKGROUND:

Tim Murphy will give an update on the upcoming events.

Matt Hamlet will request approval for a Croquet Tournament at Mike Chappell Park.

Carey Jones will request approval to close off a portion of the boardwalk for a private event.

ACTION REQUESTED:

A vote will be needed to approve any new events.



AGENDA ITEM COVERSHEET

PREPARED BY: Deb LeCompte

DEPARTMENT: Legislative

MEETING: Town Council 4/12/2022

SUBJECT: Police Advisory Committee Presentation on RideMICRO

BACKGROUND:

Lynn Conto with the Police Advisory Committee will present their ideas on the RideMICRO program.

ACTION REQUESTED:

Discussion



AGENDA ITEM COVERSHEET

PREPARED BY: Deb LeCompte, Council Member

DEPARTMENT: Legislative

MEETING: Town Council 4/12/2022

SUBJECT: Proclamation Naming April 26th as Jerry Ann Brady Kennedy Day

ACTION REQUESTED:

Read Proclamation 22-2257 declaring April 26th as Jerry Ann Brady Kennedy Day.

RECOMMENDED MOTION:

No motion needed

Proclamation



Town of Carolina Beach
Town Council

PROCLAMATION NO. 22-2257

A Proclamation naming April 26th Jerry Ann Brady Kennedy Day
In Recognition of Her
Outstanding Community Service to the Town of Carolina Beach

WHEREAS, Jerry Ann Brady Kennedy was a pioneer in the field of Women Pharmacists. She was a leader and contributor.

WHEREAS, she served as a Board of Adjustments Commissioner (appointment 2011) and as Planning & Zoning Commission (appointment 2016).

WHEREAS, she served as a volunteer with the New Hanover Board of Elections and was appointed the Chief Judge for the Carolina Beach Polling location.

WHEREAS, she prepared and served meals that the Katie B. Hines Senior Center as well as being a very active Member of St. Paul's United Methodist Church where she served on the Finance Committee and was the church Treasurer.

WHEREAS, she served as a volunteer at New Hanover Regional Medical Center, the NC Aquarium at Fort Fisher and Wilmington International Airport.

WHEREAS, she was a passionate friend to animals. She volunteered tireless hours and personal resources to local veterinarians and organizations like Friends of Felines. She often took in sick, injured, and orphaned cats and provided them with care and a forever home.

WHEREAS, she was a mentor, a leader, a pioneer, a volunteer, and a selfless giver.

NOW THEREFORE, by the authority vested in me as Mayor of Carolina Beach and speaking on behalf of the entire Town Council and our citizens, do hereby proclaim April 26th as Jerry Ann Brady Kennedy Day in honor of her love and dedication to the Town of Carolina Beach and its citizens. Adopted this 12th Day of April, 2022.

Albert L. Barbee, Mayor

Attest: Kimberlee Ward, Town Clerk

Town of Carolina Beach
Proclamation No. 22-2257



AGENDA ITEM COVERSHEET

PREPARED BY: Deb LeCompte, Council Member

DEPARTMENT: Legislative

MEETING: Town Council 4/12/2022

SUBJECT: Proclamation Naming April 18th Holly/Love Where You Live Day

ACTION REQUESTED:

Read Proclamation 22-2258 declaring April 18th as Holly/Love Where You Live Day.

RECOMMENDED MOTION:

No motion needed

Proclamation



Town of Carolina Beach
Town Council

PROCLAMATION NO. 22-2258

A Proclamation naming April 18th Holly/Love Where You Live Day
In Recognition of Community Spirit & Unity
In the Town of Carolina Beach

"Coming together is a beginning. Keeping together is progress. Working together is success."
-Henry Ford.

WHEREAS, a rescued Great Pyrenees named Holly brought our whole community together in the effort to ensure her safe return to her new family home.

WHEREAS, she became a household name in a matter of hours after her great escape in the early Spring of 2019 via social media.

WHEREAS, on April 18th, 2019 Holly found her way home and it was declared a "Holly Day".

WHEREAS, time and time again our Community comes together in a time of need with love, compassion and dedication.

WHEREAS, our resilience as a community through unity is our strength to realize wonderful achievements.

NOW THEREFORE, by the authority vested in me as Mayor of Carolina Beach and speaking on behalf of the entire Town Council and our citizens, do hereby proclaim April 18th as Holly/Love Where You Live Day to be celebrated as a day of Community Spirit & Unity in the Town of Carolina Beach and by its citizens. Adopted this 12th Day of April, 2022.

Albert L. Barbee, Mayor

Attest: Kimberlee Ward, Town Clerk



AGENDA ITEM COVERSHEET

PREPARED BY: Bruce Oakley, Town Manager

DEPARTMENT: Executive

MEETING: Town Council Meeting 4/12/2022

SUBJECT: Manager's Update

BACKGROUND:

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



AGENDA ITEM COVERSHEET

PREPARED BY: Kim Ward, Town Clerk

DEPARTMENT: Clerk

MEETING: Town Council Meeting 4/12/2022

SUBJECT: Public Hearing to Receive Public Input on the 2022/2023 Budget

BACKGROUND:

Council will receive input from the public on the FY22/23 budget.

ACTION REQUESTED:

Open the public hearing to receive input on the FY22/23 budget.

RECOMMENDED MOTION:

Motion to open the public hearing.

Motion to close the public hearing.



Town of Carolina Beach FY 21/22 Budget in Brief

General Fund
\$16,554,184

Utility Fund
\$ 9,328,375

Where does the money come from?



Sales & Services

Parking Revenue	2,184,670
Freeman Park	999,104
Mooring Field	10,000
Dock Rent	77,400
Cell Tower Rental	119,113
Chamber Rent	3,000
Fire Marshall Inspections	11,000
Refuse Collections	1,804,229
Carolina Beach Market	12,512
Events	3,000
Fish Tiles	5,500
Parks & Rec	200,000
Water Monthly	2,288,570
Sewer Monthly	3,903,278
Stormwater Monthly	1,522,107
Wholesale Sewer	271,807
W&S Installs Other services	1,059,470
	\$14,474,760

Federal, State & County

Sales Tax	1,921,782
Occupancy Tax	739,263
Utility Sales Tax	460,000
Cable TV Sales Tax	84,332
Beer & Wine Tax	26,806
Solid Waste Disposal Tax	4,473
ABC	550,000
Policy Body Camera Grant	24,500
NC Remit	1,000
Digital Forensic Investigation	800
Court Fees	1,200
Powell Bill Fund Bal	17,654
Powell Bill	167,346
	\$3,999,156

Permits & Fees

Building Permits	42,000
Building Inspections	230,000
Planning Permits	45,000
Business Registration	1,500
Privilege License	1,000
Privilege License Penalty	50
Tow Company Application	800
Civil Citations	15,000
	\$335,350

Appropriation/Reserves

Utility fund	\$283,143
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Property Taxes

Ad Valorem Current Year	6,283,970
Ad Valorem 1st Prior	50,000
Ad Valorem Prior	4,000
Penalties	15,000
Fill/Driveway Permits	1,000
Recovery Fund Permits	100
Camera	800
	\$6,354,870

Other

Miscellaneous	25,080
Credit Card Surcharge	2,000
Revenue from Signage	3,000
Sale of Fixed Assets	1,000
Interest on Investment	4,200
Reimbursement from UF	400,000
	\$435,280

Public Services

Powell Bill	185,000
Parking	356,980
G/F Fleet Maintenance	271,250
ENVIRONMENTAL	3,699,394
Beach Maintenance	650,595
Boardwalk	61,000
Marina	114,494
P&R	1,217,649
Stormwater	1,218,214
W&S Administrative	1,265,827
W&S FLEET MAINT	222,700
Wastewater Collection	1,698,413
Wastewater Treatment	1,075,594
Water	1,321,928
	\$13,359,038

General Government

Non-Departmental	247,862
Clerk	162,117
Executive	1,211,089
Finance	409,468
HUMAN RESOURCES	555,720
Legislative	442,878
Planning	685,503
	\$3,714,637

Police, Fire & Lifeguards

Lifeguard	514,229
Fire	1,659,253
Police	2,941,301
Police Beach Maintenance	303,830
	\$5,418,613

Debt Service

Debt Service	864,572
Debt Service	2,525,699
	\$3,390,271

52% Public Services

21% Police/Fire/Lifeguards

14% General Government

13% Debt Service



Where is the money spent?

PROPOSED 2022/2023 STRATEGIC BUDGET ITEMS



INFASTRUCTURE



- Enhance efforts to maintain public facilities and infrastructure
- Develop ordinances to guide strategic growth to overcome current and future challenges
- Partner with MOTSU for additional water and sewer infrastructure
- Mill and pave roadways throughout town
- Add stormwater infrastructure on Starfish, St. Joseph, Alabama, Monroe, Florida, Basin, Maryland, Spartanburg, Croaker, Canal, and Hamlet.
- Establish additional well/water supply

- Repairs/improvements to beach accessways, ramps, signs, trash, and recycling
- Support inlet dredging
- Installation of new public access amenities at Scotch Bonnet and Starfish
- Rebuild south and east bulkheads of Town marina utilizing multiple funding sources including Golden Leaf, ARPA, and FEMA
- Purchase equipment for enforcement of harbor and marina regulations and management of the mooring field

ENVIRONMENT



COMMUNITY



- Focus on beautification through landscaping in public areas
- Install new restroom facilities at Mike Chappel Park
- Build on the vision of the Parks and Recreation master plan
- Add/enhance public parking opportunities
- Lake Park improvements
- Improve/enhance communications that help citizens and visitors be informed (social media, website, press release)
- Add on bicycle and pedestrian amenities in the area of St. Joseph and Lewis

- Prioritize efforts to increase public safety, communications, financial analysis, planning and personnel management
- Improve employee recruitment and retention practices

RESOURCES



FISCAL RESPONSIBILITY



- Increase fund balance as feasible
- Research grants and outside sources of funding for Town needs
- Evaluate contracts and review costs
- Apply cost-conscious spending practices



AGENDA ITEM COVERSHEET

PREPARED BY: Jeremy Hardison, Sr Planner

DEPARTMENT: Planning and
Development

MEETING: Town Council – 12 April 2022

SUBJECT: **Text Amendment** to amend Chapter 40, Sec. 40-494. Site Plan Supplemental information to require total daily water flow and sewer data on projects.

BACKGROUND:

Planning & Zoning recommended to amend the supplemental information to address concerns over both water quantity and quality, the Town is currently working with our Engineering Services for a path forward to satisfy future demand and water quality concerns. Presently the Town is challenged during consecutive peak days in the summer season. Similar to most utility providers serving vacation destinations, the water demand is noticeably seasonal and often comes with challenges. The water supply and storage is geared towards satisfying consecutive peak day demands experienced over Memorial Day Weekend, the July 4th holiday, Labor Day Weekend, and other peak summer periods. The town capital improvements are a few years away before the added compacity will be coming online. Until that time it is important to evaluate what impact future projects have on the infrastructure supply. To accomplishment this staff will require future projects to submit the total daily water flow usage and sewer design flow.

2020 CAMA Land Use Plan identified the Public Water Supply as an emerging concern. The plan states that protection of public water supply areas prevents damage to fresh water supplies which are vulnerable to sea-level rise and salt water intrusion. The town's public wells are being actively managed to preserve their capacity, and current consideration is being given to expanding public water supply through desalination.

ACTION REQUESTED:

Consider the amendment and make a motion for recommendation or denial.

RECOMMENDED MOTION:

Approval – whereas in accordance with the provisions of the NCGS, the Commission does hereby find and determine that the adoption of the following ordinance amendment to Chapter 40 Sec 494 to Site Plan Supplemental information to require total daily water flow and sewer

data on projects and it is consistent with the goals and objectives of the adopted Land Use Plan and/or other long-range planning documents.

Denial – whereas in accordance with the provisions of the NCGS, the Commission does hereby find and determine that the denial of the following ordinance amendment to Chapter 40 Sec 494 is inconsistent with the goals and objectives of the adopted Land Use Plan and/or other long-range planning documents.

ARTICLE XIII. ZONING AND SITE PLAN APPROVALS

ORDINANCE NO. 22-**Text Amendment: To amend the Chapter 40 Article XIII Sec. 40-394.****Sec. 40-394. Site plan.**

- (a) *Preparation of plans by a licensed professional.* It is recommended that all site plans be prepared and certified by a licensed professional duly registered by the state (i.e., engineer, architect, or land surveyor), however, the following site plans shall always be prepared and certified by a licensed professional:
 - (1) Conditional zoning.
 - (2) New commercial or industrial development.
 - (3) Change to a more intense use (i.e., increase in occupancy) for multifamily/commercial uses.
 - (4) New residential development with three or more units.
- (b) *Site plan criteria.* All site plans shall include the following:
 - (1) The name, address, and phone number of the professional(s) responsible for preparing the plan if different than the applicant.
 - (2) Engineer's scale one inch equals 40 feet or larger.
 - (3) Title block or brief description of project including all proposed uses.
 - (4) Date.
 - (5) North arrow.
 - (6) Property and zoning boundaries.
 - (7) The square footage of the site.
 - (8) Lot coverage (buildings, decks, steps).
 - (9) Location of all existing and proposed structures and the setbacks from property lines of all affected structures to remain on-site.
 - (10) Design of driveways and parking/loading areas with parking spaces individually numbered in sequential order.
 - (11) Adjacent rights-of-way labeled with the street name and R/W width.
 - (12) Location of all existing and/or proposed easements.
- (c) *Supplemental information required.* Additional information or data as determined necessary by Town staff and/or other reviewing agencies, including, but not limited to, the following, may be required:
 - (1) Location and design of refuse facilities.

- (2) Approximate locations and sizes of all existing and proposed utilities.
- (3) Existing and/or proposed fire hydrants (showing distances).
- (4) Adjacent properties with owners information and approximate location of structures.
- (5) Distances between all buildings.
- (6) Number of stories and height of all structures.
- (7) Locations of all entrances and exits to all structures.
- (8) Calculate the gross floor area with each room labeled (i.e., kitchen, bedroom, bathroom).
- (9) Exterior lighting locations with area of illumination illustrated as well as the type of fixtures and shielding to be used.
- (10) Location of flood zones and finished floor elevations.
- (11) CAMA areas of environmental concern (AEC) and CAMA setbacks.
- (12) Delineation of natural features and wetlands with existing and proposed topography with a maximum of two foot contour intervals.
- (13) Proposed landscaping including percentages of open space.
- (14) Stormwater management systems.
- (15) Cross-sectional details of all streets, roads, ditches, and parking lot improvements.
- (16) Building construction and occupancy type(s) per the building code.
- (17) Location of fire department connection(s) for standpipes.
- (18) Turning radii, turnarounds, access grades, height of overhead obstructions.
- (19) Dimensions and locations of all signs.
- (20) A vicinity map drawn with north indicated.
- (21) [Submit the total daily water flow usage and sewer design flow by a design professional.](#)

(Code 1986, app. A, § 21.2; Ord. No. 00-463, 10-10-2000; Ord. No. 01-468, 1-9-2001; Ord. No. 02-501, 3-12-2002; Ord. No. 02-504, 5-14-2002; Ord. No. 06-652, 8-8-2006; Ord. No. 08-766, 11-10-2008; Ord. No. 09-776, 2-10-2009; Ord. No. 13-905, 1-8-2013; Ord. No. 21-1153, 6-8-2021)

Adopted this 12th day of April 2022.

Lynn Barbee, Mayor

Attest: _____

Kimberlee Ward, Town Clerk



AGENDA ITEM COVERSHEET

PREPARED BY: Gloria Abbotts, Sr Planner

DEPARTMENT: Planning and
Development

MEETING: Town Council – 12 APRIL 2022

SUBJECT: **Text Amendment** to amend Chapter 40, Sec. 40-487. Planning and Zoning Commission to amend the meeting time from 6:30pm to 6:00pm.

BACKGROUND:

Town Council recently changed their meeting time from 6:30pm to 6:00pm. Multiple Town Committees meet at 6:00pm, including the Board of Adjustment, Beautification Committee, Bike/Pedestrian Committee, and Centennial Committee. Planning and Zoning Commission's meeting time should be changed to 6:00pm to be consistent with Town Council and other Committees. The current zoning ordinance states that the Commission shall meet at 6:30pm on the second Thursday of each month. To change the meeting time a text amendment must be approved. Planning and Zoning recommended approval of the text amendment at their March 10th meeting.

ACTION REQUESTED:

Consider the amendment and make a motion for recommendation or denial.

RECOMMENDED MOTION:

Approval – whereas in accordance with the provisions of the NCGS, the Commission does hereby find and determine that the adoption of the following ordinance amendment to Chapter 40 Sec 487 to change the Planning and Zoning Commission meeting time is consistent with the goals and objectives of the adopted Land Use Plan and/or other long-range planning documents.

Denial – whereas in accordance with the provisions of the NCGS, the Commission does hereby find and determine that the denial of the following ordinance amendment to Chapter 40 Sec 487 to change the Planning and Zoning Commission meeting time is inconsistent with the goals and objectives of the adopted Land Use Plan and/or other long-range planning documents.

Sec. 40- 487. – Planning and Zoning Commission

**ORDINANCE NO. 22-****Text Amendment: To amend the Chapter 40 Article XVI Sec. 40-487.****Sec. 40-487. Planning and Zoning Commission.**(e) *Planning and Zoning Commission administration.*

- (1) The commission shall adopt rules of procedures and regulations for the conduct of its affairs.
- (2) All meetings of the commission shall be open to the public. Regular monthly meetings shall be held on the second Thursday of each month at ~~6:30 p.m.~~ 6:00 p.m. in the council room of the Town hall.

(Code 1986, app. A, § 21.2; Ord. No. 00-463, 10-10-2000; Ord. No. 01-468, 1-9-2001; Ord. No. 02-501, 3-12-2002; Ord. No. 02-504, 5-14-2002; Ord. No. 06-652, 8-8-2006; Ord. No. 08-766, 11-10-2008; Ord. No. 09-776, 2-10-2009; Ord. No. 13-905, 1-8-2013; Ord. No. 21-1153, 6-8-2021)

Adopted this 12th day of April 2022.

 Lynn Barbee, Mayor

Attest: _____

Kimberlee Ward, Town Clerk



Text Amendment: To amend Chapter 40 Article XVI Sec. 40-487.

Change P&Z Meeting Time

Ordinance Change

Item 13.

Sec. 40-487. Planning and Zoning Commission.

(e) *Planning and Zoning Commission administration.*

- (1) The commission shall adopt rules of procedures and regulations for the conduct of its affairs.
- (2) All meetings of the commission shall be open to the public. Regular monthly meetings shall be held on the second Thursday of each month at ~~6:30 p.m.~~ 6:00 p.m. in the council room of the Town hall.

P&Z Recommended Approval

Motion

Approval

- The Commission, Whereas in accordance with the provisions of the NCGS, does hereby find and determine that the adoption of the following ordinance amendment to Amend Chapter 40 Sec 40-487 –to change the Planning and Zoning Commission Meeting time from 6:30p.m. to 6:00p.m. is consistent with the goals and objectives of the adopted Land Use Plan and other long-range plans

or

- Denial - based on inconsistencies or how it relates with the goals and objectives of the adopted Land Use Plan and/or other long-range planning documents.
- Further Direction/Discussion



AGENDA ITEM COVERSHEET

PREPARED BY: Bruce Oakley, Town Manager

DEPARTMENT: Executive

MEETING: Town Council 4/12/2022

SUBJECT: Update on the FEMA lot and Harper Avenue Parking

BACKGROUND:

Town Manager Bruce Oakley will give an update on the FEMA lot and Harper Avenue Parking.

ACTION REQUESTED:

Discussion



AGENDA ITEM COVERSHEET

PREPARED BY: Joe Benson, Council Member

DEPARTMENT: Legislative

MEETING: Town Council 4/12/2022

SUBJECT: Discussion on Repurposing the Operations Advisory Committee

BACKGROUND:

Council Member Benson will lead a discussion on repurposing the Operations Advisory Committee.

ACTION REQUESTED:

Discussion and consider repurposing the Operations Advisory Committee. Council will also need to establish if there will be a new meeting date and time.

RECOMMENDED MOTION:

A motion will be needed if Council chooses to repurpose and rename the Operations Advisory Committee.



AGENDA ITEM COVERSHEET

PREPARED BY: Kim Ward, Town Clerk

DEPARTMENT: Clerk

MEETING: Town Council 4/12/2022

SUBJECT: Paving Condition Index Update

BACKGROUND:

Public Works Director Brian Stanberry will give an update on the Paving Condition Index Report conducted by Transmap Corporation.

ACTION REQUESTED:

Discussion



AGENDA ITEM COVERSHEET

PREPARED BY: Kim Ward, Town Clerk

DEPARTMENT: Clerk

MEETING: Council Meeting 4/12/2022

SUBJECT: Closed Session - Attorney/Client Privilege

RECOMMENDED MOTION:

Motion to go into closed session to consult with the Town Attorney to preserve attorney/client privilege pursuant to North Carolina General Statute 143-318.11(3).