



**Surf City, North Carolina**

**Tuesday, February 28, 2023**

**Retreat Agenda**

**Objectives:**

- ✓ Review Paid Parking Program
- ✓ Review Municipal Charter Reconciliation
- ✓ Provide Update on Water and Sewer Utility Structure and Rates
- ✓ Overview of Stormwater Utility Structure
- ✓ Obtain Consensus on Direction for Future Stormwater Structure
- ✓ Departmental Goal Progress Update
- ✓ Present and Receive Priority on Capital Improvement Plan Items
- ✓ Present and Receive Input on Draft Strategic Plan

**Present:**

Councilman Buddy Fowler  
Councilman John Koloski  
Councilman Jeremy Shugarts  
Mayor Pro Tem Don Helms  
Mayor Teresa Batts  
Councilman Hugh Cannady  
Town Manager Kyle Breuer  
Town Clerk Carla Citarelli  
David Price, Director, Utilities Department  
Pivot Parking – Corinne Zurcher, Tina Reed, Alesia Faulk

Meeting called to order by Mayor Batts at 9AM. Motion to approve the agenda made by Mr. Helms, seconded by Mr. Koloski, all in favor, agenda approved.

- 1) Welcome** – Town Manager, Kyle Breuer thanked everyone for being here. He stressed the importance of getting through the agenda today. He reminded everyone that the new finance director will be starting on Monday and he will be working with her to keep the budget moving forward. He introduced the team from Pivot Parking.
- 2) Parking Overview** – Ms. Faulk, our new Surf City parking manager introduced herself. Ms. Reed began with an overview of 2022. Premium parking areas were created which included a price increase. Signage was updated. There were 8 parking codes. Contractor passes were implemented. New golf cart was purchased. Pivot will

be purchasing a vehicle for this year. Escalations for citations were set which are in line with other area beaches but generally less. Season ended with 908 spaces.

\$1,411,432 gross revenue excluding fees

\$1,348,349.50 was the 2022 budget

Average of \$1,554 per space annually

84,818 paid transactions

Top Zip codes are Hampstead, Holly Ridge, Wilmington, Jacksonville, Rocky Point, Sneads Ferry, Richlands, Fuquay Varina, Garner, Clayton

Updates – there are a couple of EV charging stations in place. Season pass increased to \$300. Maintenance, including paint and new curb stops. Entrance signs for surface & leased lots. Updated enforcement vehicles. Collection agency and customer surveys.

Mr. Shugarts welcomed Ms. Faulk and also recognized Jackie McDonald from last year. He also commended Dan at the Surf City office. He is concerned about the image of the office going in. The building does not look up to date or clean. The employees do a great job but please keep in mind the image of the employees, including uniforms and hats.

Ms. Reed explained that the uniform colors are in response to NCDOT regulations and codes. They have to wear a high visibility shirt with reflective on it. They do have to comply to keep their workers compensation coverage.

Mr. Shugarts offered to give her more information on it that he found. Mr. Cannady said they need to look more professional, not necessarily official. Mr. Shugarts has researched with other companies and will send that to her. He would also like them to consider changing the label to enforcement rather than ambassadors. Ms. Reed explained that they are to act as ambassadors first and then enforcement if there isn't compliance.

**3) Municipal Charter Reconciliation** – Mr. Breuer explained that this is something already approved by council but did not appear consistent online with American Legal. They have asked that we send them the specific language to be changed. We have done that and will get that sent in so it can be changed. This is a result of the work session discussion from February.

**4) Water and Sewer Account Structure-** Utility Fund Division introduced by Mr. Breuer. Typically better rates than going to a bank.

Mr. Price, Utilities Director gave a background on using the USDA for funding. They allow us to stretch out the payment plans. All fees were collected this past year and put into Fund-30 Enterprise Fund. The system development fees are collected from new construction to fund future capacity related projects. Water and sewer fees are comingled which allows water to subsidize the sewer. However, now according to the USDA, the funds must be separated. Sewer related funds will now be Fund 31.

Debt service makes up 35% of the sewer budget. AMI has increased revenues by \$500,000 this year.

The town stopped accepting new sewer applications in 2020. Long term sewer solutions will require debt. We'd like to push that off until after 2026, when other debts are reduced/paid off. We can maintain the current rates for water and sewer but may need to increase within the next 2 years.

Mr. Breuer added that we do have a 10 million dollar appropriation request in that we hope can offset no new revenues with development.

- 5) Stormwater Utility Structure** – Mr. Breuer said we applied for \$400, 000 and will be awarded that money. However, with any “free” money, there is a caveat. If we accept those funds, we are obligated to set up a Stormwater Enterprise Fund. This will be a division under our utilities department. He is asking for feedback from council. This is a step to start addressing the needs of the town in terms of stormwater solutions.

There are 58 community owned stormwater permits and 10 town owned permits in city limits. The town defaults to NCDEQ standards for review and permit issuance.

The majority of permits are owned by developers who are no longer interested or HOA’s who are ill equipped to maintain the infrastructure. For example, Tidewater Landing has failure in their road as a result of the stormwater runoff. Mr. Koloski asked if there were no drainage lines (for example, Atkinson Rd), what can we do about that? Mr. Price said he has spoken to DEQ about that specific area. There is no system for that road. The new stormwater division is hoped to rectify some of these areas.

Initially, the division would have one supervisor, two employees. Budget would be \$421,770 and a separate fund. Funding would be a percentage of the overall budget and would be a monthly fee attached to the water bill similar to trash. There was further discussion about how existing systems would be accepted into the town’s maintenance.

The town has been awarded the LASII funds of \$400,000. Surf City would like to use them to do a stormwater feasibility study on all of the town. The study would be complete and the fund established by 24/25 budget. Ms. Batts asked if it could be tied into roadway maintenance. She would like to see it incorporated into the same fund. Mr. Price agreed that is a good idea but the point of the fund is to have a dedicated project to use it.

Mr. Price continued to explain the process of assuming maintenance of private systems, with the final being based on council approval.

After more discussion of how our town has always tried to be proactive rather than reactive, Council gave consensus to move forward with accepting the funds.

We could plan to hire a supervisor in the FY 23-24, with the understanding that by July 2024, the program is ready to start and to hire support staff. Mr. Fowler proposed hiring someone January of 2024, giving them 6 months to get into place before the new budget year. Mr. Cannady asked if that gives enough time. Mr. Price said yes. Mr. Fowler said we have dealt with stormwater problems and trash problems since he’s been on council. They have taken care of trash. They have given people opportunity to take care of stormwater. As of now, he believes the discussion of the plan is good and will help everyone in the long run. It’s a service Council will be providing and they need to move forward in order to keep us proactive. Mr. Koloski asked what qualifications for a person like that would be. Mr. Price said someone could come in with the qualifications. It is a specialty but not as rigorous as other areas.

- 6) Departmental Goals Overview-** Mr. Breuer gave an overview of each department, beginning with IT. They continue to seek ways to protect the town from external threats and speed up response time to internal requests. They are always looking for more efficient and cost effective ways to conduct business.

Human Resources – develop performance pay for FY 24/25. Evaluate evaluation packets, work with EM director regarding Risk Management Policies.

Community Development – Complete and adopt Comprehensive Land Use Plan. Bid and award zoning ordinance update. Complete updates to website.

Provide assistance to other departments, working on various plans and projects.

Utilities – working on wastewater disposal methods, complete design of well 6, develop fiscal policy working with manager and finance director. Have employees gain more licensing. Complete stormwater study. Complete design and implement plan for rehabilitation /SCADA registration.

Emergency Management – Track progress of employee ICS courses. Develop risk management policies.

Finance – Develop fiscal policies and automate processes.

Fire Department – Continue to work with HR and EM to become more efficient.

Police Department – present a 5-year strategic plan. Work with EM to assure emergency preparedness. Foster relationships with Pender County and continue to seek a magistrate closer to Surf City. Designate a PD IT liaison. Enhance media relations. Continue to seek education opportunities.

Parks, Recreation and Tourism – review parks comp plan, thing long term about capital needs. Oversee new park construction. Work with communications department to develop marketing and branding.

Mr. Fowler added they need to add to their goals to hire as many CDL drivers as possible. Mr. Breuer said that has been added to new job descriptions.

- 7) **Financial Overview** – Mr. Breuer gave a snapshot on where we are in the fiscal year based on the calendar year. General fund revenues are \$1.8 million higher year over year through December.
- 8) **Capital Improvement Plan-** Represents a 5-10 year plan. Departments are requested to submit items so they can be prioritized. It includes the East Coast Greenway, \$4,010,000 in Fire Department Updates and Improvements. Some of the items could be obtained through grant money. Emergency Management Radio project, which has been moving forward to improve overall communication during an emergency. Utilities was discussed earlier in the meeting.
- 9) **Strategic Plan Overview** – Service, Opportunity, Resiliency, Efficiency

There was discussion about implementing more sidewalks. Key focus areas are organizational excellence, Safe, vibrant and healthy community, growth and natural resources, tourism and cultural resources, infrastructure and transportation.

Mr. Helms made a motion to adjourn, Mr. Koloski seconded, all in favor, meeting adjourned.