



City of Southport

BOARD OF ALDERMEN REGULAR MEETING AGENDA

223 E. Bay Street

July 9, 2020

6:00 p.m.

Meetings are now open. Facial covering required, 50 people capacity with adherence to Social Distancing. Public comments can be made in person.

- A) Call to Order
- B) Invocation
- C) Pledge of Allegiance
- D) Public Comment
- E) APPROVAL OF AGENDA
- F) Special Recognition: Chris May

ETHICS STATEMENT *"If any members know of any conflict of interest or the appearance of a conflict of interest with respect to matters on the agenda please so state at this time."*

CONSENT AGENDA

1. Approval of Minutes for Special Meeting June 1, 2020 (purple); Approval of Minutes for June 11, 2020 Regular Meeting (orange, Windham)
2. Bonnet Way Annexation: Certificate of Sufficiency (pink, Windham)
3. Budget Transfer (green, Trexler)
4. Resolution Authorizing Sale of Surplus Property by Private Negotiation and Sale (blue, Drew)

AGENDA

5. Public Hearing ZA 20-051-01: Zoning Amendments; Unified Development Ordinance (UDO), Article 2: Definitions, Article 10: Table of Permitted Uses, and

Article 12: Zoning & Conditional Use Permit Approval Concerning Transitional Housing Facilities (white, Lloyd)

6. Consideration of Zoning Amendments; UDO Article 2, 10 & 12
7. Public Hearing ZA 20-0521-02: Zoning Amendment; Unified Development Ordinance (UDO) Article 11: Table of Area, Yard, Density and Height (blue, Lloyd)
8. Consideration of Zoning Amendment; UDO Article 11
9. Salary Study (green, May)
10. Traffic/Pedestrian Plan, W. Bay Street & Yacht Basin (Coring)
11. Final Plat; *Preserve at Fisher Landing* (tan, Lloyd)
12. *Preserve at Fisher Landing* Deed of Dedication & Acceptance of Water, Sewer and Road Infrastructure (gray, Stanley)
13. *Villas at Fisher Landing* Deed of Dedication & Acceptance of Water and Sewer Infrastructure (orange, Stanley)
14. Presentation: Bald Head Limited & East West Partners, Proposed Indigo Plantation Development

COMMITTEE REPORTS

MANAGER'S REPORT

STAFF REPORTS – provided in Agenda packet

MAYOR'S COMMENTS

BOARD COMMENTS

ADJOURN

AGENDA SUMMARY
JULY 9, 2020

1. Approval of Minutes for Special Meeting Minutes June 1, 2020 (purple); Approval of Minutes for June 11, 2020 Regular Meeting (orange, Windham)
2. Bonnet Way Annexation: Certificate of Sufficiency (pink, Windham)
A voluntary annexation petition has been submitted by 32 property owners on Forest Oaks Drive. The City Clerk has verified the sufficiency of the petition.
3. Budget Transfer (green, Trexler)
Attached is a budget transfer to close out FY 2019/2020 Budget line items.
4. Resolution Authorizing Sale of Surplus Property by Private Negotiation and Sale (blue, Drew)
5. Public Hearing ZA 20-051-01: Zoning Amendments; Unified Development Ordinance (UDO), Article 2: Definitions, Article 10: Table of Permitted Uses, and Article 12: Zoning & Conditional Use Permit Approval Concerning Transitional Housing Facilities (white, Lloyd)
A proposed text amendment that would add a definition and supplemental standards for transitional housing facilities is attached for consideration by the Board of Aldermen. The amendment would make transitional housing facilities a conditional use in the Office/Institutional Zoning District.
6. Consideration of Zoning Amendments; UDO Article 2, 10 & 12
7. Public Hearing ZA 20-0521-02: Zoning Amendment; Unified Development Ordinance (UDO) Article 11: Table of Area, Yard, Density and Height (blue, Lloyd)
A proposed text amendment that would remove the language that allows 50-foot-tall marina dry storage buildings for 40 wet slip marinas in areas that are zoned Business District is attached for consideration by the Board of Aldermen.
8. Consideration of Zoning Amendment; UDO Article 11
9. Salary Study (green, May)
10. Traffic/Pedestrian Plan, W. Bay Street & Yacht Basin (Coring)
11. Final Plat; *Preserve at Fisher Landing* (tan, Lloyd)
Hoosier Daddy LLC has filed for Final Plat Approval of the *Preserve at Fisher Landing*. The Final Plat matches the Preliminary Plat and is in compliance with Southport Subdivision regulations. Staff recommends approval of the Final Plat with the condition that the performance guarantee for the sidewalk infrastructure be executed prior to recording of the plat.
12. *Preserve at Fisher Landing* Deed of Dedication & Acceptance of Water, Sewer and Road Infrastructure (gray, Stanley)
The developer is asking the City to accept and take over maintenance of the water, sewer, and road infrastructure of the *Preserve at Fisher Landing*. The developer has completed the

required wastewater infrastructure, water infrastructure, and road infrastructure to Southport construction standards, has provided as-built surveys of the infrastructure and certifications from the Engineer in charge of the project have been received. Asphalt core testing for the roads and all tests for the water and sewer have been provided to the Public Works Department.

Note: Stormwater infrastructure will remain private and maintained by the HOA.

13. *Villas at Fisher Landing* Deed of Dedication & Acceptance of Water and Sewer Infrastructure (orange, Stanley)

The developer is asking the City to accept and take over maintenance of the water and sewer infrastructure of the *Fisher Landing Villas*. The developer has completed the required wastewater infrastructure and water infrastructure to Southport construction standards, has provided as-built surveys of the infrastructure and certifications from the Engineer in charge of the project have been provided to the Public Works Department. The roads infrastructure will be privately maintained for this project.

Note: Stormwater infrastructure will remain private and maintained by the HOA.

14. Presentation: Bald Head Limited & East West Partners, Proposed Indigo Plantation Development

PRESENT: Mayor Joseph P. Hatem
Aldermen Karen Mosteller, Lora Sharkey, Lowe Davis,
Marc Spencer, John Allen, Tom Lombardi

STAFF PRESENT: Chris May, Interim City Manager
Michele Windham, City Clerk
Melanie Trexler, Finance Director
David Fox, Public Works Director
Tom Stanley, Assistant Public Works Director
Fire Chief, Charles Drew

A) Call to Order – 4:00 p.m.

Mayor Hatem called the special meeting to order at 4:00 p.m.

B) Invocation

A moment of silence was observed for those ill with the COVID-19 virus.

C) Pledge of Allegiance

Mayor Hatem led the assemblage in the Pledge of Allegiance.

D) Approval of Agenda

Alderman Sharkey moved, with a second by Alderman Mosteller to approve the Agenda.

Unanimous vote; motion carried.

ETHICS STATEMENT: *If any member of the Board knows of any conflict of interest or the appearance of a conflict of interest with respect to matters on the agenda, to please so state it at this time.*

AGENDA

1. Review and Approval of Proposed Capital Project Ordinance to Disperse NCDOT Proceeds to BEMC as agreed

Finance Director Trexler explained that the City had entered into an agreement with the North Carolina Department of Transportation (NCDOT) regarding utility relocation during the NC 211 expansion, in the amount of \$2.4M. Per the agreement, NCDOT would reimburse the City for charges incurred by Brunswick Electric Membership Corp (BEMC) for relocation of the electric lines. She reported that BEMC had submitted invoices for payment, NCDOT had paid the City, and a Capital



City of Southport

Project Fund needs to be adopted by the Board for revenues and expenditures associated with the project.

Alderman Sharkey moved, with a second by Alderman Lombardi to establish a Capital Project Fund for the NCDOT Route 211 Utility Relocation Project. **Unanimous vote; motion carried.**

**ORDINANCE ESTABLISHING A CAPITAL PROJECT FUND:
NCDOT Improvement Program
Utility Relocation Agreement 41582.2.2**

WHEREAS, the City of Southport is committed to improving Highway 211 access into the City of Southport:
and

WHEREAS, the City is committed to improving underground infrastructure of its electrical utilities along the project route: and

WHEREAS, The State will provide reimbursements to the city for all the non-betterment cost in the project:
and

WHEREAS, a Capital Project Fund is hereby determined to be the most appropriate manner in which to account for revenues and expenditures associated with the project.

NOW, THEREFORE, BE IT ORDAINED by the City of Southport Board of Aldermen, that the capital project budget shall be as follows.

Revenues	
City of Southport Budget Contribution	\$ 76,309.73
State Reimbursements	<u>\$ 2,410,417.81</u>
Total Revenue	\$ 2,486,727.54
Expenditures	
Construction Cost (BEMC)	\$ 2,486,727.54

The City Manager and Finance Officer are hereby authorized to make any Fund or accounting adjustments necessary to establish, implement and maintain this Capital Project Fund. The City Manager and Finance Officer are hereby authorized and empowered to execute on behalf of the City of Southport all contracts, agreements and other documents necessary to administer this ordinance.

Duly Adopted, this 1st day of June 2020.

/s/ Joseph P. Hatem, Mayor

Attest: /s/ Michele Windham, Clerk

2. Continued Discussions on FY 2020-2021 Operating Budget

Finance Director Trexler presented revised Community Building proposed FY 2020/2021 Operating Budget pages to the Board. She reported that \$13,110 for group health insurance had been incorrectly posted to the department and those funds needed to be specifically allocated by the Board. Additionally, Director Trexler asked the Board if they wanted to roll over unused 2019/2020 appropriations for the Forestry Committee and the Neighbors to Neighbors Program to the FY 2020/2021 Budget.

The Board considered revising the current pay plan to include incremental steps of 2-1/2% each in all grades and a 5% increase between grades. City Manager May shared his experience developing Step Pay Plan systems and he recommended adding steps to the current Southport Pay Plan.

The Board discussed the amount of funding for the Neighbors-to-Neighbors program. Board consensus to roll over \$6,000 from FY 2019/2020 Operating Budget to FY 2020/2021 Operating Budget and add \$4,000 to start FY 2020/2021 with a total of \$10,000 for that program.

Alderman Spencer suggested allocating \$7,000 in the Board Supplies line item and \$2,000 in the Board Travel line item.

Alderman Allen expressed his concern that the budget did not have enough designated maintenance funds for the many City buildings. He suggested re-examining the budget in three (3) months to determine if there is any money to address deferred maintenance costs.

Alderman Davis moved, with a second by Alderman Spencer to defer salary increases proposed in the FY 2020/2021 Operating Budget until November 2020 or such time that incoming City Manager Hargrove can present a salary study to the Board. **Unanimous vote; motion carried.**

ADJOURN

Alderman Mosteller moved, with a second by Alderman Lombardi to adjourn the special meeting at 4:57 p.m.

Joseph P. Hatem, Mayor

Attest: _____
Michele Windham, City Clerk

**BOARD OF ALDERMEN
COMMUNITY BUILDING
223 E. BAY STREET**

**REGULAR SESSION MINUTES
JUNE 11, 2020
SOUTHPORT, N.C.**

PRESENT: Mayor Joseph P. Hatem
Aldermen Karen Mosteller, Lora Sharkey, Lowe Davis,
Marc Spencer, John Allen, Tom Lombardi

STAFF PRESENT: Gordon Hargrove, City Manager
Michele Windham, City Clerk
Tanya Shannon, Deputy City Clerk
Mike Isenberg, City Attorney
Melanie Trexler, Finance Director
David Fox, Public Services Director
Tom Stanley, Asst. Public Services Director
Ellie Pittenger, Electrical Superintendent
Todd Coring, Police Chief
Charles Drew, Fire Chief
Heather Hemphill, Parks & Recreation Director
Thomas Lloyd, Planner
Randy Jones, Tourism Director
Lisa Anderson, Videographer
Kate Marshall, Animal Protectives Services/Code Enforcement Officer

A) Call to Order – 6:00 p.m.

Mayor Hatem called the meeting to order at 6:00 p.m.

B) Invocation

Pastor Brian Monroe, First Baptist Church of Southport, gave the invocation.

C) Pledge of Allegiance

Mayor Hatem led the assemblage in the Pledge of Allegiance.

D) Public Comment

Mr. Bob Tolle, 2136 Maple Leaf Drive stated the following:

“On behalf of the HOA’s of both Southport Way and The Ridge

We are appealing to your common sense, and request that you do what needs to be done to correct what should never have been in the first place.

What we are referring to is the Right of Way on the grassy and berm area at the end of Maple Leaf Dr.

Just to be clear, this piece of property is approximately 50 feet wide and 150 feet long, located between a townhome in The Ridge and a single-family home in Southport Way, where Maple Leaf Dr. dead ends.

It is somewhat obvious the original developer intended for this to have been a continuation of the road at some point for whatever reason, **but it never happened, so was there a Right of Way?** It may have been the original developer's plan, but it has never been the desire of the residents of The Ridge or Southport Way.

The residents of our two communities have used this property for years as a common area, for socializing, dog walking and parking, since we have no on street parking. We even made it clear several years ago that we were not even interested in having a pathway through the property for **security reasons**.

The streets within Southport Way were turned over to the City in June of 2014, but not until the HOA had to make improvements to bring them up to city standards, for which money had to be borrowed to make the improvements. It's obvious that if the roads had not been paved, the City would not have approved it. So, where this perceived Right of Way is, has never been paved, nor are there curbs. So it would seem apparent there would be no reason for a Right of Way, since **there is no road**.

So the question is; **Why does the City have a Right Away here?** It was not a developed road by the original or second developer, nor when the City took over the roads in 2014.

This Right of Way has no benefit to the residents and it's hard to see a benefit for the City.

So we are requesting the City do the right thing and remove this Right of Way."

Mr. Charlie Hess, 4459 Willow Moss Way, echoed Mr. Tolle's comments and spoke in opposition to the Osprey Landing subdivision. He shared his disappointment that the development had been approved by the Aldermen and he stated his safety concerns for the elderly residents of neighboring communities.

Mr. Jim Lightbourne, 316 W. West Street, indicated that he had heard a rumor that Southport Marina was seeking a CAMA permit to install boat lifts in the Yacht Basin marsh area. He questioned if the City was aware of the CAMA permit, if the City has been in discussions with the Marina, what the CAMA permit approval process was, if the City has input into the CAMA permit process and does the CAMA permit process include comments from the public?

City Clerk Windham read the following public comment into the record:

Mayor Hatem and aldermen, just a few questions concerning your 5-1 vote in favor of the Osprey Landing development. I've been informed that, because Osprey Landing is not located within the city limits, in order to connect to the city's sewer and water system they need to request the city to annex the new development. Why didn't you use this information when dealing with the developers??

If this information is correct than you (we) still have an opportunity to require a downsizing of Osprey Landing. You as a board can inform the developers that they must downsize before any annex.

My second question is, who made the decision to allow five Bill Clark representatives into a meeting that was closed to the citizens of Southport??

If your answer is that you closed the meeting because of a health risk, then why did you allow them to go without protective masks. Poor excuse!

Last comment and question. Alderman Allen, Aldermen Davis, one other aldermen and Mayor Hatem came to the Southport Way HOA during their campaign and promised us that you understood that we did not want anything to do with Osprey landing. You further stated that you would vote to disapprove the development. Then all of you with the exception of Aldermen Davis turned your back on us, your planning board and all the citizens of Southport who researched and reported the negative aspects of your decision.

I viewed the online meeting and heard nothing concerning a master plan, dog park or a review of who actually owns the property at the end of Maple Leaf dr.
Again, Thank You for attempting to do your share. I know it's not an easy task.
RESPECTFULLY Jerry Day

E) Approval of Agenda

Alderman Lombardi moved, with a second by Alderman Mosteller to approve the Agenda.
Unanimous vote; motion carried.

F) Special Recognition

Juneteenth Proclamation

Mayor Hatem read the proclamation into the record.

**CITY OF SOUTHPORT
PROCLAMATION**

WHEREAS, President Abraham Lincoln signed the Emancipation Proclamation on January 1, 1863, formally abolishing slavery in the United States of America; and

WHEREAS, word about the signing of the Emancipation Proclamation was delayed some two- and one-half years, to June 19, 1865, in reaching authorities and African Americans in the South and Southwestern United States; and

WHEREAS, Emancipation Day observations are held on different days in different states in the South and Southwest, and in other parts of the nation; and

WHEREAS, June 19th has a special meaning to African Americans, and is called "JUNETEENTH" combining the words June and Nineteenth, and has been celebrated by the African American community for over 150 years; and

NOW, THEREFORE, I, Joseph P. Hatem, Mayor together with the Board of Aldermen of the City of Southport, North Carolina, do hereby declare June 19, 2020, as

JUNETEENTH

in the City of Southport, North Carolina, and urge all citizens to become more aware of the significance of this celebration in African American History and in the heritage of our nation and City.

IN WITNESS WHEREOF, we have hereunto set our hand and caused the seal of the City of Southport, North Carolina to be affixed this 11th day of June 2020.

/s/ Joseph P. Hatem, Mayor

/s/ Karen Mosteller, Mayor Pro Tem

/s/ Lora Sharkey, Alderman

/s/ Lowe Davis, Alderman

/s/ Marc Spencer, Alderman

/s/ Thomas Lombardi, Alderman

/s/ John Allen, Alderman

Dosher Memorial Hospital 90th Anniversary

**CITY OF SOUTHPORT
PROCLAMATION**

WHEREAS, Dosher Memorial Hospital began serving the Southport community as Brunswick County Hospital on June 2, 1930; and

WHEREAS, Dosher Memorial Hospital is a full accredited, comprehensive healthcare facility providing diagnosis, treatment, acute care, skilled care, wellness and education in hospital, outpatient, and community settings; and

WHEREAS, Dosher Memorial Hospital's mission is to improve the health and well-being of the entire community; and

WHEREAS, Dosher Memorial Hospital serves more than 13,000 outpatient visits each year; and

WHEREAS, Dosher Memorial Hospital employs more than 300 North Carolinians in high quality, professional jobs; and

WHEREAS, Dosher Memorial Hospital is the only critical access hospital in North Carolina that is owned by a township, Smithville Township, and to support their beloved hospital, voted for a Hospital Tax, in the 1970s and most recently in 2000; and

WHEREAS, Dosher Memorial Hospital will celebrate its 90th Anniversary on June 2, 2020.

NOW, THEREFORE, I, Joseph P. Hatem, Mayor together with the Board of Aldermen of the City of Southport, North Carolina, do hereby proclaim June 2, 2020, as

**DOSHER MEMORIAL HOSPITAL
90TH ANNIVERSARY DAY**

in the City of Southport, North Carolina, and encourage all citizens to join me in this worthy observance.

IN WITNESS WHEREOF, we have hereunto set our hand and caused the seal of the City of Southport, North Carolina to be affixed this 11th day of June, 2020.

/s/ Joseph P. Hatem, Mayor

/s/ Karen Mosteller, May Pro Tem

/s/ Lora Sharkey, Alderman

/s/ Lowe Davis, Alderman

/s/ John Allen, Alderman

/s/ Marc Spencer, Alderman

/s/ Thomas Lombardi, Alderman

Recognition of Interim City Manager Chris May

Noting that Mr. May was absent due to unforeseen circumstances, Mayor Hatem reported that recognition of Mr. May would be held at a future date.

ETHICS STATEMENT: *If any member of the Board knows of any conflict of interest or the appearance of a conflict of interest with respect to matters on the agenda, to please so state it at this time.*

No Conflicts stated

CONSENT AGENDA

Correction to the Special Work Session – Manager Interviews Minutes was noted.

- Alderman *Lowe* corrected to Alderman *Davis*

Alderman Sharkey moved, with a second by Alderman Spencer to approve the Consent Agenda as amended. **Unanimous vote; motion carried.**

1. **Approval of Minutes for Special Work Session – Manager Interviews May 6 & May 8, 2020; Approval of Minutes for May 14, 2020 Regular Meeting - *approved***
2. **Cape Fear Council of Governments Service Agreement Term Extension - *approved***
3. **Resolution Appointing Gordon Hargrove as Southport City Manager – *approved***

RESOLUTION APPOINTING GORDON HARGROVE AS SOUTHPORT CITY MANAGER

WHEREAS, the City of Southport has a Council-Manager form of government; and

WHEREAS, the City of Southport has publicly advertised this position; and

WHEREAS, the Board of Aldermen have evaluated 20 applicants; and

WHEREAS, the Board has chosen one application based on his qualifications and local government experience.

NOW THEREFORE, BE IT RESOLVED, that Mr. Gordon Hargrove is appointed the City Manager of Southport, NC effective June 11, 2020, and that the Employment Agreement between the City and Mr. Hargrove is hereby approved.

/s/ Joseph P. Hatem, Mayor

Attest: /s/ Michele Windham, Clerk

AGENDA

4. **Public Hearing: FY 2020-2021 Operating Budget**

Alderman Mosteller moved, with a second by Alderman Lombardi to Open Public Hearing. **Unanimous vote; motion carried.**

No comments from the public.

Alderman Lombardi moved, with a second by Alderman Sharkey to close Public Hearing. **Unanimous vote; motion carried.**

City Manager Hargrove read the Budget Message, as prepared by Interim City Manager May, into the record.

City of Southport Budget Message FY 20-21

The past fiscal year may best be characterized as a year of change; a new Mayor, three new Aldermen, and a new City Manager. By mid-year, the economy was robust, unemployment lowest in over 50 years, and the future was bright! One month later came the worst pandemic since the 1917 Spanish Flu outbreak. The economy sputtered to a stop with the world being shutdown to “stay home” sequestered away from the virus. While our businesses languished, Southport City Government was ramped up to protect our citizens and keep the spread of the virus at bay. However, life as we had known it changed overnight to the new normal; masks, gloves, hand sanitizer, take-out food only, social distancing, no groups over 10. The impact felt world-wide resulted in economic collapse felt immediately here locally with reduced retail sales and sales tax revenues. The future suddenly became uncertain.

We are now two months into the pandemic and are beginning to slowly phase back into a more relaxed but still restrained economy. As we tally the costs, we are pleased to report that we may be over the worst of it and remain hopeful for a stronger third quarter followed by a recovery by January 2021, The local government experts agree and our numbers reflect the collective thought of the NC League of Municipalities, the UNC School of Government, the NC Local Government Commission, as well as our local government colleagues. No one has a crystal ball, but we can with certainty predict growth on the horizon. Thankfully, our reductions were not near as dire as initially thought. That said, we are solvent, secure, and confident with prudent fiscal conservatism, the budget presented for FY 20-21 is balanced with appropriations for necessities, no lost positions, and service levels at or above last year.

As we summarize the Budget Ordinance, it is important to understand the process that got us here. Melanie Trexler, CPA - Finance Director and her staff have been working on this budget since the first of the year. In February they began compiling year to date balances and projecting March through June estimates. At the same time the Department Heads were given worksheets to use in calculating what they needed for the upcoming Fiscal Year. Those estimates were turned in to Finance in late March so Finance could prepare draft budget numbers to review with each Department Head during April. By the end of April, I had the Department numbers and Finance recommendations to review for the final revisions leading to the balanced budget given to the Aldermen at their May meeting.

The proposed Budget is 5.4% less than last FY. We propose no new positions, modest increases in salaries of a one percent cost of living and the possibility of up to two percent merit based on employee evaluations. We are recommending no tax increase with the rate remaining 29.56 per \$100.00 of tax value. The General Fund is \$7,946,120 which is 4.0% below last year. The Water and Sewer Fund is \$3,754,002 which is (8%) below last year. The W/S Capital Reserve account is set at \$300,000 for Water and \$80,000 for sewer. The Electric Fund is projected at \$6,856,231

which represents a decrease of (13.9%) below last year. Three capital projects funds added this year, Howe St. Sewer Replacement Project funded by Golden Leaf and W/S funds of \$1,148,550, NCDOT Improvement Program / Utility Relocation Agreement 41582.2.2 funded by NCDOT reimbursements and the Electric fund for \$2,486,727.54, Taylor Field Part F Grant of \$842,448 funded by grant and donated property. The grand total for all funds is \$23,414,078.54, which represents an increase of 13% over last year.

Each Department Head provided explanations and defense for their budgets by line item. That sheet in your budget package follows each Departmental page as the next tab. The explanations are detailed, sufficient to understand what they are asking for, and will have some inserts from me and Finance in red where there is a difference which may occasionally need to be addressed by the BOA.

I am optimistic that next year will see a return to previous levels as we slowly come out of this pandemic. FY 19/20 was a challenging and historic time. As always, the citizens, the Staff, and the leadership of Southport have answered the challenge with determination, faith, and optimism. Better times are coming.

Respectfully submitted

Chris May

Chris May,
Interim City Manager

Alderman Mosteller pointed out that proposed salary adjustments would be considered after a salary study had been completed by Mr. May and presented to the Board in July.

Alderman Spencer moved, with a second by Alderman Sharkey to approve the FY 2020-2021 Operating Budget. **Unanimous vote; motion carried.**



BUDGET ORDINANCE - FISCAL YEAR 2020-2021

CITY OF SOUTHPORT

BE IT ORDAINED by the Board of Aldermen of the City of Southport, North Carolina, that, following a duly advertised public hearing, the following annual budget ordinance is adopted to estimate revenues and make appropriations for the financial operations of the City of Southport for the fiscal year beginning July 1, 2020, and ending June 30, 2020.

SECTION I. GENERAL FUND

- A. Anticipated Revenues. The following revenues are estimated to be available in the General Fund for the fiscal year beginning July 1, 2020, and ending June 30, 2021:

Taxes Current Year	\$ 2,393,785
Motor Vehicles Tax Collections	98,700
Interest/Penalties -Taxes	5,717
Waste Revenue	285,000
Motor Vehicle Interest	942
Taxes Prior Years	23,016
Local Option Sales Tax	942,575
Beer & Wine Tax	18,000
Utility Franchise Tax	328,500
Priviledge Licenses	525
Itinerant/Peddler Permit	105
Sale Of Fixed Assets	1,000
Community Garden	1,000
Interest Earned	80,000
Southport ABC Distribution	302,000
Forestry Committee Donations	3,000
Miscellaneous Revenues	10,000
Appropriated Fund Balance	48,773
ABC Revenue for Law Enf	18,000
Misc. Receipts/Police Dept.	444
Police Shop with a Cop	15,000
Golf Cart Fees	1,694

Fire District Fees	1,232,351
Duke Engergy For Fire Dept	50,000
Misc. Grants For Fire Dept	30,000
Fire Response Fees	25,000
Fire - Miscellaneous Revenue	25,000
Fire Inspections & Permit Fees	15,000
Rescue Squad Fees	210,000
Fire Fee Carryover	431,954
Citations	614
Inspection Permits	357,000
Re-Inspection Fees	2,678
Planning & Zoning Fees	21,000
Home Owners Recovery Fund	81
Recreation Programs Receipts	48,700
Parks & Recreation Donations	1,600
Rent Recreation Facilities	7,400
Community Bldg Rental Revenue	71,250
Local Occupancy Tax	99,000
Tourism - Misc Revenue	500
Tourism Special Events	8,000
Solid Waste Disposal Tax	2,100
Refuse Revenue	232,050
Donations Animal Care	3,000
Pet License and Tags	2,000
Boat Dock Fema /Goldenleaf	254,722
Land & Water Conservation Grant	75,000
Weather Tower Donations carryforward	4,225
Fema city pier	25,000
NC Powell Bill Funds	113,120
Southport Firemen'S Revenues	20,000
Total General Fund Revenue	<u>\$ 7,946,120</u>

B. Expenditures. The following amounts are hereby appropriated in the General Fund for the expenses of the city government and its activities for the fiscal year beginning July 1, 2020, and ending June 30, 2021:

Fire District Fees	1,232,351
Duke Engergy For Fire Dept	50,000
Misc. Grants For Fire Dept	30,000
Fire Response Fees	25,000
Fire - Miscellaneous Revenue	25,000
Fire Inspections & Permit Fees	15,000
Rescue Squad Fees	210,000
Fire Fee Carryover	431,954
Citations	614
Inspection Permits	357,000
Re-Inspection Fees	2,678
Planning & Zoning Fees	21,000
Home Owners Recovery Fund	81
Recreation Programs Receipts	48,700
Parks & Recreation Donations	1,600
Rent Recreation Facilities	7,400
Community Bldg Rental Revenue	71,250
Local Occupancy Tax	99,000
Tourism - Misc Revenue	500
Tourism Special Events	8,000
Solid Waste Disposal Tax	2,100
Refuse Revenue	232,050
Donations Animal Care	3,000
Pet License and Tags	2,000
Boat Dock Fema /Goldenleaf	254,722
Land & Water Conservation Grant	75,000
Weather Tower Donations carryforward	4,225
Fema city pier	25,000
NC Powell Bill Funds	113,120
Southport Firemen'S Revenues	20,000
Total General Fund Revenue	<u>\$ 7,946,120</u>

SECTION II. ELECTRIC FUND

A. Anticipated Revenues. The following revenues are estimated to be available in the Electric Fund for the fiscal year beginning July 1, 2020, and ending June 30, 2021:

Electricity Sales	6,375,000
Utility Sales Taxes	446,250
Service Charges	30,518
Other Revenues	<u>4,463</u>
Total Revenues	\$ 6,856,231

B. Expenditures. The following amounts are hereby appropriated in the Electric Fund for expenses for the fiscal year beginning July 1, 2020, and ending June 30, 2021:

Total Expenditures	\$ 6,856,231
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SECTION III. WATER AND SEWER FUND

A. Anticipated Revenues. The following revenues are estimated to be available in the Water and Sewer Fund for the fiscal year beginning:

Water	\$ 1,268,555
Sewer Sales	2,023,298
Water/Sewer Tap Fees	18,900
State Grant	29,250
Service Charges	13,125
Interest Income	1,050
Miscellaneous Revenues	6,825
Neighbor4Neighbors Donations	3,000
Transfer From General Fund	10,000
Transfer System Development Fund	<u>380,000</u>
Total Revenues	\$ 3,754,002

B. Expenditures. The following amounts are hereby appropriated in the Water and Sewer Fund for expenses for the fiscal year beginning July 1, 2020, and ending June 30, 2021:

Total Expenditures	\$ 3,754,002
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SECTION IV. SYSTEM DEVELOPMENT FEE FUND

A. Anticipated Revenues. The following amounts are estimated to be available in the System Development Capital Reserve Fund for the fiscal year beginning July 1, 2020, and ending June 30, 2021:

Sewer Development Fees	\$ 300,000
Water Development Fees	<u>80,000</u>
	\$ 380,000

B. Expenditures. The following amounts are hereby appropriated in the System Development Capital Reserve Fund for the fiscal year beginning July 1, 2020 and ending June 30, 2021.

Transfer to Water and Sewer Fund	\$ 380,000
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SECTION V. CAPITAL PROJECT FUND HOWE ST. SEWER REPLACEMENT PROJECT

A. Anticipated Revenues. The following amounts are estimated to be available in the Capital Project Fund Howe St. Sewer Replacement Project for the fiscal year beginning July 1, 2020, and ending June 30, 2021:

Revenues	
City of Southport Contribution	\$158,800
Golden Leaf Grant	<u>900,000</u>
	\$1,148,550

B. Expenditures. The following amounts are hereby appropriated in the Capital Project Fund Howe St. Sewer Replacement Project for the fiscal year beginning July 1, 2020 and ending June 30, 2021.

Expenditures	
Construction Cost	\$1,008,705
Engineering & Design	<u>139,845</u>
	\$1,148,550

SECTION VI. CAPITAL PROJECT FUND NCDOT UTILITY RELOCATION AGREEMENT 415825.2.2

A. Anticipated Revenues. The following amounts are estimated to be available in the Capital Project Fund NCDOT Improvement Program / Utility Relocation Agreement 41582.2.2 for the fiscal year beginning July 1, 2020, and ending June 30, 2021:

Revenues	
City of Southport Contributions	\$ 76,309.73
NCDOT Reimbursements	<u>2,410,417.81</u>
	\$2,486,727.54

B. Expenditures. The following amounts are hereby appropriated in the Capital Project Fund NCDOT Improvement Program / Utility Relocation Agreement 41582.2.2 for the fiscal year beginning July 1, 2020 and ending June 30, 2021.

Construction Cost	\$2,86,727.54
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SECTION VIII. CAPITAL PROJECT FUND TAYLOR FIELD PART F GRANT Phase 1

C. Anticipated Revenues. The following amounts are estimated to be available in the Capital Project Fund Taylor Field Part F Grant for the fiscal year beginning July 1, 2020, and ending June 30, 2021:

Revenues	
City of Southport Match	\$ 421,224
Part F Grant	<u>\$ 421,224</u>
Total Revenues	\$ 842,448

Anticipated expenditures. The following amounts are hereby appropriated in the Capital Project Fund Taylor Field Part F Grant for the fiscal year beginning July 1, 2020 and ending June 30, 2021.

Construction Cost	\$ 842,448
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SECTION IX. TAX RATE

There is hereby levied, for fiscal year 2020-2021, a tax at the rate of \$0.2956 on each one hundred dollars (\$100) of assessed valuation of property located within the City of Southport for the purpose of raising revenue in the General Fund. The assessed value of property is \$917,971,341.

SECTION X. BUDGET OFFICER AUTHORITY

The city manager (budget officer) is hereby authorized to transfer appropriations within a fund and between funds under the following terms:

- A. He may transfer amounts between appropriations within the same fund, provided that a report of such transfers shall be made no later than the next regular financial report to the Board of Aldermen.
- B. He may authorize temporary transfers of cash among funds as necessary to meet cash flow needs.

All other transfers of funds between appropriations or budget funds shall be accomplished by Board amendment of this ordinance.

SECTION XI. BUDGET IMPLEMENTATION

This ordinance and the supporting budget document shall be the basis of the financial plan for the City of Southport municipal government for the 2020-2021 fiscal year. The budget officer shall administer the budget and shall insure the finance officer and department heads of the city are provided with sufficient guidance to properly implement this plan. Copies of the budget ordinance shall be furnished to the city manager and the finance officer for their use and direction in the disbursement of funds and to the city clerk for the official records of the city.

SECTION XII. ADOPTION

This ordinance has been adopted by the Southport Board of Aldermen in regular session on June 11, 2020, upon the motion of Alderman Spencer and the second of Alderman Sharkey, with a vote of 6 ayes and 0 noes, and shall be effective July 1, 2020.

/s/ Joseph P. Hatem, Mayor

Attest: /s/ Michele Windham, City Clerk

5. Presentation of DRAFT Unified Development Ordinance

City Planner Lloyd presented a copy of the proposed revised Unified Development Ordinance (UDO) to each Board member. He indicated that the draft would be posted on-line, and an e-mail would be established for citizens to post their concerns and questions. He added that a joint Board of

Aldermen/Planning Board meeting would be scheduled. Planner Lloyd introduced Mr. Wes MacLeod with the Cape Fear Council of Governments, who has been working with the Planning Board and staff on the UDO update.

Mr. MacLeod addressed the Board and spoke about the process. He highlighted some of the revisions:

- The process has been on-going since July 2018
- Over a dozen meetings held
- A comprehensive audit was performed, reduction in overall text and clarification of many ambiguous, conflicting, and unclear provisions
- Document reduced from 27 Articles to 8 Articles
- Consolidation of approval procedures, roles, responsibilities, and administrative items into one article
- Clarification of development approval processes and responsibilities for major/minor site plans, major/minor subdivisions, exempt/final plats, and planned unit developments
- Conditional Zoning procedure included
- Building design standards for CBD and BD zoning district included
- Off-street parking requirements reduced and simplified
- Tree canopy standards updated
- Modification of sign requirements
- All legislative updates included
- Established roles and responsibilities for the UDO Administrator

Responding to a query from Alderman Sharkey, Mr. MacLeod explained that the bonding or financial guarantees for the installation of required infrastructure was removed. Developers will have to have all improvements finished, inspected, and certified prior to final plat approval.

Board members stated appreciation to all those involved in the UDO update.

6. Annexation; Resolution Directing the Clerk to Investigate A Petition Received Under G.S. 160A-31

Planner Lloyd reported that residents of Bonnet Way located off Robert Ruark Drive had requested annexation into the City. He stated that the property is 7.681 acres, 32 townhomes, all 32 property owners have signed the voluntary annexation petition, and the area has Southport water and sewer services. Mr. Lloyd explained that the first step in the annexation process is to recognize the receipt of the petition and to request the City Clerk to verify the sufficiency of the petition.

Alderman Lombardi moved, with a second by Alderman Mosteller to adopt the Resolution Directing the Clerk to Investigate a Petition Received Under G.S. 160A-31.

Discussion

Responding to queries by Alderman Mosteller and Davis, City Attorney Isenberg stated that the road, Forest Oaks Drive, would remain privately maintained and, if requested for acceptance by the City, would have to be brought up to City and NCDOT standards.

Unanimous vote; motion carried.

RESOLUTION DIRECTING THE CLERK TO INVESTIGATE
A PETITION RECEIVED UNDER G.S. 160A-31

WHEREAS, a petition requesting annexation of an area described in said petition was received on June 2, 2020 by the Board of Aldermen; and

WHEREAS, G.S. 160A-31 provides that the sufficiency of the petition shall be investigated by the City Clerk before further annexation proceedings may take place; and

WHEREAS, the Board of Aldermen of the City of Southport deems it advisable to proceed in response to this request for annexation.

NOW, THEREFORE, BE IT RESOLVED by the Board of Aldermen of the City of Southport that:

The City Clerk is hereby directed to investigate the sufficiency of the above described petition and to certify as soon as possible to the Board of Aldermen the result of her investigation.

/s/ Joseph P. Hatem, Mayor

7. Discussion; Amending Southport Code of Ordinance Article #19 Load Management

Electrical Superintendent Pittenger presented a proposed amendment to Article 19 of the Code of Ordinances relating to Load Management. He spoke about participation by residents in the Load Management program, the cost of the peak load hour, the savings to customers and the City, and expanding participation in the program by mandating installation of Load Management switches on all new electric service accounts. He pointed out that Load Management switches are mandated on all new construction.

Alderman Davis stated she had received comments from residents objecting to Load Management switches because the savings was minimal, and they did not want to get hot. Mr. Pittenger stated that a customer could get up to \$176 in savings with full participation in the program. Noting that she does not notice her house getting hot, Alderman Mosteller shared her experiences with full load management.

Alderman Allen suggested adding hot water heaters to the proposed amendment.

Alderman Sharkey moved, with a second by Alderman Mosteller to Amend Section 19-186 of the Code of Ordinances by adding subsection (c) thereto as presented in the agenda with the addition of electric water heaters to said subsection. **Unanimous vote; motion carried.**

- (c) Property owners, when making application for electrical service to an existing residential property, shall permit installation of load management switches if not already installed and functioning on all compressor and heat strip circuits, on all standard two hundred forty volt (240V) electric heat pumps or HFAC units ("Mini-split" heat pump units and geothermal systems are exempt) and on all electric water heaters forty (40) gallons or larger provided they are no more than nine (9) kilowatts before an electrical service account will be granted.

8. Reappointment to Bald Head Island Transportation Authority (BHITA)

Alderman Davis stated her opinion that the appointment to BHITA should be advertised and made available to the public.

Voicing support for and noting that Mr. Powell has had a long affiliation with Bald Head Island, Alderman Spencer moved, with a second by Alderman Sharkey to reappoint Mr. Powell to the Bald Head Island Transportation Authority for a three-year term.

VOTE

Aye: Aldermen Spencer, Sharkey, Mosteller, Allen, Lombardi

Nay: Alderman Davis

Motion carried 5-1

9. Appointment(s) to Forestry Committee

Alderman Davis reported that interviews had been held for appointments to the Forestry Committee and the Committee has requested addition of an alternate position.

Alderman Davis moved, with a second by Alderman Mosteller to reappoint Mr. Scott Len and Mr. Fred Fiss, to appoint Ms. Roxie Smith and Marianne Huntley to vacant positions, and to appoint Ms. Judy Ferris as an alternate. **Unanimous vote; motion carried.**

10. Discussion; State of Emergency

Alderman Spencer asked his fellow Aldermen to share their opinions on the continuance of a State of Emergency, i.e. the pros/cons, duration, plans for moving forward, what to advise the public.

Alderman Lombardi pointed out that many tourists are coming into the City, are not wearing facial covering, and are holding hands and hugging. He stated his opinion that the businesses should require customers to wear facial covering. He stated support for continuation of the State of Emergency.

Responding to Alderman Davis, Mayor Hatem acknowledged that Doshier Hospital is seeing patients with COVID-19. She expressed her impression that people do not believe the pandemic is real until it affects someone they know. She shared her experiences suffering with polio.

Responding to a query by Alderman Davis, Attorney Isenberg pointed out that the cancellation of the 4th of July Festival differed from the recent peaceful protests that are protected by the First Amendment of the Constitution.

Emphasizing the need to remain under a State of Emergency, Mayor Hatem noted that new cases of COVID-19 are rising and are putting Southport's over 65 population at risk. He added that numerous cities and towns throughout North Carolina and the U.S. had cancelled 4th of July celebrations.

Alderman Mosteller expressed gratitude for Mayor Hatem's physician expertise and having a Master of Public Health.

COMMITTEE REPORTS

Alderman Mosteller suggested having draft minutes of the Planning Board monthly meeting included in the Board's Agenda packet.

Alderman Mosteller asked that in addition to staff, the Chair of the Planning Board speak at Board of Aldermen meetings on topics forwarded to the Board of Aldermen from the Planning Board.

Alderman Lombardi reported that the Beautification Committee held a community clean up and hope to hold a membership meeting. Mayor Hatem suggested holding any committee meetings outside or via Zoom.

MANAGER'S REPORT

City Manager Hargrove reported that Mr. Chris May would present a Board authorized employee salary study at the July Board meeting.

City Manager Hargrove reported that a meeting with the Mayor, Mayor Pro Tem and Brunswick County representatives would be held to discuss sewer services and the Board would be apprised of the details of that discussion.

STAFF REPORTS - provided in Agenda packet

MAYOR'S COMMENTS

Noting that the event was peaceful, respectful, and soulful, Mayor Hatem expressed appreciation to all involved in the recent prayer march and demonstration for the loss of life of Mr. George Floyd. He stated he spoke frequently with many members of the community during the week leading up to the event to assure a safe, purposeful, prayful event. He stated he looks forward to a similar event scheduled for Saturday, June 13, 11:00 a.m. beginning at Waterfront Park and he encouraged all to attend.

Mayor Hatem spoke about the spirituality of the city; "Discrimination is not allowed to exist as our churches are open to all who wish to enter. Our City is full of free speech newspapers, and books abound in the library. I think that imbibes what we are trying to do here in Southport and I appreciate the Letters to the Editor that thanked the police department and sheriff's office for all they did and I thank the committee that set the march up."

BOARD COMMENTS

Alderman Allen encouraged everyone to complete the Census 2020 questionnaire.

Alderman Spencer thanked Pastor Monroe for attending the meeting. Alderman Spencer addressed comments to residents of Forest Oaks and Southport Way and he spoke about the difficult decision to permit a new housing development in the area. He spoke about past 4th of July celebrations and he wished all a Happy 4th of July.

Alderman Sharkey thanked law enforcement leadership for organizing the recent march and making it happen in a positive way. She quoted from an article by Michael Hall, writer for the State Port Pilot, *"Injustice anywhere is the threat to justice everywhere"* by Martin Luther King Jr. and John F. Kennedy; *"Let us not seek the republican answer or the democratic answer but the right answer. Let us not seek to fix the blame for the past, let us accept our own responsibility for the future."*

Alderman Davis spoke about traffic on W. Brunswick and Short streets. She discussed potential options, i.e., close Short Street to through vehicular traffic; initiate one-way traffic, install speed bumps/speed humps.

Per request by Alderman Mosteller, her comments are included verbatim:

"The Southport City Dock has been in the Yacht Basin since the late 1950's. As a result of the damage sustained during Hurricane Matthew in 2016, the City was given FEMA funds and a grant from the Golden Leaf foundation to rebuild the dock. After several starts and stops, the City has been waiting on CAMA permit approval since November of 2019 to rebuild the dock.

The City was made aware about a month ago, that Preston Development, owners of the Southport Marina, had submitted a preliminary CAMA permit application to build 86 boat lift type slips in the ICW in front of the marshes and build adjoining walkways and docks in the marsh and around in the Yacht Basin. The City then reached out to the regional office of the NC Division of Coastal Management for clarification of the Marina's proposed project and was informed that the completed application had yet to be submitted to CAMA and the City of Southport would be contacted for comment once Preston Development's application was complete. Last Thursday, June 4th, on behalf of Preston Development, Mr. Rose, the Vice President of Land Acquisitions and Construction for Preston Development contacted the Southport City Manager Mr. May, to advise the city that Preston Development's recent submittal for a CAMA permit to build additional new docks in the marsh areas adjacent to the Marina was being withheld by CAMA due to the City of Southport's existing Open Space District zoning.

According to the City Manager, Mr. Rose, indicated that because Southport's current zoning does not allow the Marina's business use in Open Space, the Preston Development Company, would be withholding the riparian line agreement between the current City Dock project and their property. Further, Mr. Rose indicated that Preston Development is now claiming that their riparian line intersects with the Southport City Dock. In part, because of Preston Development's new objection to the City's riparian line, CAMA has placed the Southport City Dock permit application on hold pending resolution and riparian line agreements. The City Manager also indicated that during the call, Mr. Rose offered to discuss what he called a compromise whereby Preston Development would be allowed to build new docks onto the marsh that is zoned Open Space District. This would require the City of Southport to change the current zoning ordinance in order to give Preston Development the right to build commercial docks in an area zoned Open Space.

Current Southport zoning defines Open Space District as areas of special interest that should be placed in a zone protected from any development other than improvements or uses undertaken by the City of Southport. Based on records, in recognition of its value to our community, the marsh areas beside the Yacht Basin may have been zoned Open Space for over 35 years. The city dock has been in the Yacht Basin for over 60 years. In 2007, the City of Southport gave Preston Development a zoning variance to build the existing 50-foot dry stack storage building. Last year, in 2019, a majority of the Board of Aldermen voted to sell to Preston Development two and a half acres of water access land at the end of West West Street for \$650,000. Then, against the recommendation of the Planning Board, a majority of the Board of Aldermen voted to change the zoning for Preston Development to maximize their investment and build a second 50-foot-high dry stack storage building.

The city has always worked with Preston Development and has been more than reasonable and accommodating....

Now, they want to claim the very heartbeat of Southport for more profit. Preston Development is in the business of making money... but their short-term gain would be at the expense of Southport's future. I say to Preston Development... We do live here; we do know that the marsh is zoned Open Space for a reason, we do know that Southport, in part, is defined by the Yacht Basin and the marshes.

The CAMA Core Land Use Plan, our city's strategic long-range planning document includes policies, regulations, land use goals and planning objectives for the future of the City of Southport and its citizens. In the plan, under Southport's Vision and Core Values, the first two named priorities are:

- Preserve Southport's historic character
- Protect Southport's Shoreline Vista

Let me repeat that ... our Vision and Core Values...

- Preserve the city's historic character.
- Protect the city's shoreline vista.

Am I to understand if Southport does not give Preston Development a zoning change to allow them to ruin the open space zoned marsh, then Preston Development will make the claim that their riparian line should prevent the City of Southport from rebuilding the City Dock that was originally built in the late 1950's? Our city manager said yes, from the conversation, this is what he understood was being offered.

It's a sad day in Southport. Sounds like the Board has been asked to choose between changing the definition of Open Space zoning and giving up rebuilding Southport's City Dock for our citizens and the public to enjoy. In this year's budget, the City of Southport has \$255,000 available from FEMA and grant money to rebuild the City Dock. And now, if Preston Development stops the City from getting a CAMA permit because they will not agree with our riparian line, the opportunity will expire, and the City will lose the money to rebuild the dock. I would like to believe that the owners of Preston Development, would reconsider their demand to build in the Open Space zoned marsh in trade for allowing Southport to rebuild our historic City Dock. I have to wonder if they have ever looked across the Yacht Basin to see the marsh ...the unparalleled vista that is the heartbeat of our community.

I say to Preston Development, that Southport has helped the Marina be successful... now, we ask you to help us preserve and protect our historic character and our shoreline vista... Preston Development... please dance with the one that brung ya... honor Southport and what makes our city this very special place. Please let the citizens of Southport rebuild our dock and preserve the heartbeat of our community."

ADJOURN

Alderman Lombardi moved, with a second by Alderman Mosteller to adjourn the June 11, 2020 regular Board meeting. **Unanimous vote; motion carried.**

Joseph P. Hatem, Mayor

Attest: _____
Michele Windham, City Clerk

CERTIFICATE OF SUFFICIENCY

To the Board of Aldermen of the City of Southport, North Carolina:

I, Michele Windham, City Clerk, do hereby certify that I have investigated the attached petition and hereby find that said petition is signed by all owners of real property lying in the area described therein in accordance with G.S. 160A-31.

In witness whereof, I have hereunto set my hand and affixed the seal of the City of Southport, this 30th day of June, 2020.



Michele Windham, Clerk