

**MINUTES OF THE SPECIAL MEETING  
OF THE TOWN COUNCIL  
TOWN OF CAROLINA BEACH**

*October 26, 2011*

The Town Council of the Town of Carolina Beach met in a special meeting on October 26, 2011 at 6:30 p.m. in the Council Chambers at the Municipal Administration Building, 1121 N. Lake Park Blvd., Carolina Beach, North Carolina. The following were present: Mayor Joel Macon; Mayor Pro Tem (MPT) Pat Efir; Councilman Dan Wilcox; Councilman Bob Lewis, and Councilman Lonnie Lashley. Also present were the Town Manager Tim Owens; Finance Director Dawn Johnson, and Assistant to Town Clerk Sara Hartman.

Mayor Macon called the meeting to order.

Mr. Owens began the meeting by saying the main focus of the meeting is on the parking RFPs that have been received. The four companies had representatives attending the meeting and they introduced themselves. First was Miles Bielec representing USA Parking and Central Parking who brought Bob Camper, Director of Municipal Services, Division of Central Parking. Scott Diggs represented Lanier Parking, along with Bryant Sykes, Sherry Shaw, and Kerry Loomis. Representing Standard Parking, SP Plus Municipal Services, was Brian Scoggins the managing director. John Madden, Vice-President of Standard Parking, was also in attendance. The town manager thanked the representatives.

Mr. Owens addressed Council by saying they received the RFPs at their last Council meeting, which he was unable to attend. Given the amount of information and material, he thought it important to have a workshop and go over some of it formally. Some of the things we're talking about are to look at these requests and information discussed and then decide how we want to proceed. Do we want to take two parking companies or four companies for presentations, then decide how and when those presentations might take place? We can discuss some of the pros and cons of outsourcing versus bringing the service in-house if that is something you want to discuss tonight. I am not anticipating a decision tonight. It will be based on whether we decide to do another workshop or whether we decide to have the folks who submitted come to our Council meeting. November 15<sup>th</sup> is what I am shooting for.

I tried to go through some of the key items of the RFP and tried to compare apples to apples between the four different companies that submitted. I will go through these briefly. I thought the number of employees was a crucial thing; it shows your experience: Lanier – 1600; USA/Central – 14,000; AmeriPark/Palmetto – 1150; SP Plus – 12,000 employees. These are based on their RFPs.

The organizational experience: Lanier – 1989; USA/Central – 1950's; AmeriPark/Palmetto – 25 years; SP Plus – 82 years. They all seem to have ample experience in parking.

The types of equipment, we currently use DPT. Most had a really good experience with those. AmeriPark/Palmetto has had some experience but maybe not as much as the others.

There was a question about Enterprise Management Software and the costs. You can see the difference between Lanier, USA/Central, AmeriPark/Palmetto, and SP Plus. SP Plus appeared to have a lower cost on a per monthly basis than some of the other vendors; but it is minimal compared to the cost in general.

Extended Warranty Agreements – all of them were pretty competitive. SP Plus appeared to have somewhat of a cheaper rate. We currently have 11 units out there as far as our pay stations go.

GSM Connectivity – They were all pretty comparable. Once again SP Plus appeared to have a better rate on the GSM Connectivity.

Let me preface this by saying I haven't had a chance to really call and ask these guys any questions. That is something I wanted to do. I am going on basically what I read and try to compare.

Purchase price of new pay stations for DPT. They all look pretty competitive. AmeriPark/Palmetto appeared to be a little higher but some of them included shipping on bidding so it is probably around the \$10,000 range for new machines.

All of them provided some form of discount, 30% range or so, basically by negotiating with the vendors directly.

Capital equipment purchases – Lanier talked about an item they have which is WEBPARK, which allows purchasing Freeman Park and parking passes on-line; USA talked about an Operational Study to determine what might be needed as far as capital goes; Parking Revenue and Efficiency Study, Ambassador Program, Web Resources were AmeriPark/Palmetto; and SP Plus basically said if awarded the contract they would give the town three DPT machines.

Number 14, what web based platforms – currently we are using Clancy and Lanier is proposing Clancy. There appears to be another option which two of them are proposing – Complus Data. Complus Data appears to come in a package where it is computer and handheld all in one. Both of them proposed different costs for that. AmeriPark/Palmetto looks like they have web resources as proposed and that's in the document.

Detail your “in” and “out” of state look up process – Lanier currently works with the state and its three cents per state look up; out of state varies for them. Most of them were in the same range. Those using Complus Data were included in the Complus Data charge whether it be in-state or out-of-state charge. I have to ask these questions to the vendors.

What experience have you had for “pay by cell”- For the most part, Lanier, USA, and SP Plus had some experience and there is limited experience by AmeriPark/Palmetto.

Detail and explain the vendor you recommend for a competitive parking enforcement and citation program – We got into that a little bit about Clancy from Lanier. USA/Central can give you Clancy or they could propose Complus Data. It looks like that would be around \$1200 per month. That would include the three handhelds and hardware, 1 PC and printer, ticket stock, DMV look-ups, and delinquent notices. Their charge is for the number of tickets issued, \$.10 per ticket and \$.71 per late notice. AmeriPark/Palmetto got into a little bit about what they are proposing and SP Plus is Complus Data as well. They are proposing roughly \$14,000 total cost per year and that includes a lot of different things. They're saying the Complus Data program would provide a collection rate of 90% with the Town seeing an increase in \$10,000. They are proposing that the Complus Data system is more efficient. There is an additional \$20,000 potential in backlogged tickets by using this platform.

Online citation platform – Basically all of them could provide something for a small convenience fee. They have all had some experience with it. They are pretty evenly matched.

For the most part when you get into the management fee, it appears that all of them are close to \$30,000. AmeriPark/Palmetto appeared to be a little more but their formula was a little more complex based incentives for parking, citations, Freeman Park. They also had a monthly growth incentive which a few of

them had. They appeared to be a little more than the other three. The key for SP Plus is they would three machines which I think was a pretty big bonus in their proposal.

Mr. Owens said he will answer any questions that he can and was sure the people there would correct anything he says that isn't correct. They tried to compare apples with apples.

The proposal Mr. Owens made was if they decided to have another workshop in the next couple weeks that all four vendors would be invited. They would be given 30 minutes each – 20 minutes for the presentation and 10 minutes for questions. Another option would be to invite them to the Council meeting on the 15<sup>th</sup> and try to make a decision then or delay that meeting until after the 15<sup>th</sup>. Regardless, a decision needs to be made fairly soon. We need to know if we are going to get out of a contract or what we are doing. We still need to consider the in-house option.

Councilman Lewis felt there should be an agreement on the line items they are going to be charged for so it is a fair playing field for everyone. Mr. Owens said in most of the costs they seem to be fairly uniform. We tried to provide the number of hours so they all would be bidding on the same hours. We talked about rent amount which was relayed to everybody. All of these vendors had a lot of different questions. I didn't get into line item by line item but they are in their packets. In hind sight, I probably should have said this is what their budget is or here is what their proposed budget is.

Councilman Wilcox said you say that all of the management fees are about \$30,000 but there are a lot of other things that factor into these fees. I think we know how many pay stations we have, we could pick a bench mark of what our volume would be, and we could pick numbers. We could then go through all 18 or 21 items and we could apply against those numbers what the fees would be for each company. Then compile all those and at the end of that we would have the costs for each company. We would then be looking at numbers and comparing apples to apples. Mr. Owens replied that he tried to give what each proposed and they are very similar. You are right we could try to figure it out. I could ask them what's the total and then compare apples to apples. Councilman Wilcox said you could value against the known number and within an hour we would know what the total for each of these companies were within a small margin.

Councilman Lewis said it is fine and good for someone to donate three DPT machines but not if we don't have the lots to put them. We could use two more machines to get everything electronic.

Mayor Pro Tem Efird asked if Mr. Owens could come up with a figure for in-house. Mr. Owens responded he could give it a shot. There are a lot of different things and we talked about the in-house number. You have to figure your costs are going to be the same as their costs, if not more given the number of hours. I can do that. We pay out of pocket if people claim unemployment. Mayor Pro Tem Efird said this is the reason we put this out to bid. Mr. Owens said he would come up with a number. Mayor Pro Tem Efird said I don't think it is going to do us any good if we don't know what we are going to save.

Councilman Lewis suggested we do a proposal where we move the operation here and find a room since a few people are leaving the organization and there seems like we are going to have open office spaces. This would save on utility costs, rent, and miscellaneous cost. That could be a \$30,000-\$40,000 savings. That is money we could use somewhere else. These proposals are much more competitive than last year's proposals, so it looks like we would actually save some more money whether we do it in-house or use whether use one of these outsources. Mr. Owens responded by saying that is one of the comparisons we will make. That is why I would like to see an interview with these folks because I am not positive I will get correctly what their costs are. I will call each one and try to gage what they feel their overall costs are because each one presented them in different ways.

Mayor Pro Tem Efird said and then have a workshop with these people. Mr. Owens said that is what he suggests. He continued we need to find a day to do that. He said our Council meeting is on the 15<sup>th</sup> so we could do it that Monday.

Councilman Lewis suggested doing a simple chart which would be revenues from all parking and revenues from Freeman Park starting with 2008, 2009, 2010, and 2011 so a trend analysis of what those four years are. A couple of these people are using a percentage incentive against the revenues.

Again Mr. Owens suggested having another workshop so the vendors could make a presentation and questions could be asked that he can't answer. If the meeting is before the Council meeting, then they can recess this meeting.

Councilman Wilcox didn't want to cause unnecessary work but when he looks at most of the items they are so much per charge. If you pick a number and use that number across the board, you can add them up. It's not perfect but at least it's a comparison. Mr. Owens said he will do what he can between now and the workshop.

Councilman Lashley said he is not ready to stop the discussion. He didn't want to waste any more time and wanted to know if they were or were not going to bring the parking in-house. If we are going to bring it in-house, then we are wasting these people's time. If we are not going to bring it in-house, then let's take a look. Last year we paid \$282,000 to Lanier Parking. Now we get bids from Lanier and others saying it is only going to be \$228,000 to \$239,000. We are elected to make decisions so let's make one.

**Councilman Lewis made a motion to bring the parking management for Carolina Beach in-house and to work a business plan to be developed over the next 60 days and be implemented before January 1, 2012.**

Councilman Wilcox understands Councilman Lashley's need to push this forward because there are some time issues but we are making a motion on something we know nothing about. We haven't had an analysis on any of the numbers to bring this in-house. Councilman Wilcox thought Mr. Owens was going to take the numbers Councilman Lewis' group presented or whatever is available for the proposed in-house and qualify those numbers. I'm not going to vote yes or no or something that I don't have the information to do it.

Mayor Macon said he was a bit confused because the person who is recommending the in-house is recommending that we get some bullet points so we can finite these costs. I know staff hasn't wanted the parking people here; but we have office space here and they shouldn't have to be renting anything. I agree 100% that is a savings. I am a little unprepared...we had too many questions about these bids much less what it is going to cost us in-house. Councilman Wilcox said he has questions about the in-house that they haven't even discussed yet.

Councilman Lewis said Councilman Lashley at least brought it up and if there is no one on Council who wants to bring it in-house we will know tonight. Mayor Macon's response was he doesn't have a problem bringing it in-house if it is going to save us money and it is going to be something we can handle.

Mr. Owens was asked by Councilman Wilcox if he would manage the in-house parking. His response was if Council's says he will then yes. Mr. Owens said he has given them numbers before and basically you would save the management fee and the rental fee if you brought it back over here. You may lose funds because we don't know the parking industry like these folks do. I can't quantify that. I looked at Councilman Lewis' proposal and he talked about doing a 1099. We can't 1099 a town employee. There

are a lot of different things like that that need to be addressed in the proposal. I haven't had a chance to look at and I haven't had a chance to talk to Councilman Lewis about either about the numbers and what he came up with. I would like to compare the number of hours I gave these guys versus what I think our costs will be and then you will have a bottom line. There are a lot of savings all these people bring to the table regarding contracts, equipment, and things like that that I don't even know if we can qualify for, probably not since we are not a large parking vendor.

Mayor Pro Tem Efird said she would like to see us save money anyway we can; but I can tell you we have had in-house parking before and it did not work. I think we ought to study this a little bit more before we make this final decision. Councilman Wilcox stated I think we all want to save money but I don't have the information I need to make a decision. We have a presentation that says here is what it costs for us to do it in-house. It doesn't take into consideration a lot of this information that's on here. There are numbers that I questioned the last time whether they are right or wrong I don't know. Maybe we need to have a third party look at it. I certainly don't have the information to make a decision tonight.

Mayor Macon called for a vote.

**MOTION DENIED 2-3 (MAYOR MACON, MAYOR PRO TEM EFIRD, AND COUNCILMAN WILCOX VOTED NO).**

Councilman Wilcox clarified that he voted no until he gets more information and then he is willing to reconsider.

Mayor Pro Tem Efird told Mr. Owens I definitely want to see everything that you can come up with that would help us. Mr. Owens said he would do what he can. Mayor Pro Tem Efird said then I will be willing to vote for that.

Mayor Macon's concern was when the suggestion to vote on it tonight was made that the town manager looked like a deer in headlights. I don't know if he is prepared to do that, which is what I am saying. I want to get it done but I don't think it is going to hurt us to wait two weeks.

Council was in agreement to meet with the four vendors on November 10<sup>th</sup> at 1 p.m. Mr. Owens and Councilman Lewis would get together before that time to go over the in-house details.

Kim Lewis said she spoke to Mayor Pro Tem Efird about when the town had in-house parking and it didn't work. She understands that it didn't work due to the management of it with our internal people. She suggested many companies today who have things in-house don't do it themselves. They have a temporary staffing company that they hire to do that for them. The temporary staffing company employs those employees. They do background checks on them, manage them, they operate them and they charge you a fee for that. That is something I would like you to think about because there are other options available to you. Tim mentioned you have to pay workman's comp, you have to pay unemployment. No you don't if you do temporary staffing.

The other concern I have is about accountability for the company that is currently doing our parking and collection. I believe there is an audit process in place and they turn that in to us. I am questioning that we are actually doing a process of auditing their audit. We are allowing a parking company to tell us how much is coming in, how much they are spending, how much they are collecting and the town doesn't have any checks and balances system in place to check that. I don't think that's a good thing. Whatever you decide to do, I want you to think about that and work a process into having a check and balance system.

Steve Shuttleworth, 808 Carolina Beach Avenue, North, said that he appreciated tonight's conversation about the RFPs. With the discussion still open as to whether to bring parking in-house, I would ask Council to consider two things: 1) to just bring Freeman Park in-house and allow a professional service to handle the machines, the meters, and other parking facilities that we have in town; 2) if the town manager will have time prior to your next meeting, you have asked him for a comparison of the four proposals but you are also saying we still might bring it in-house. Maybe that will give him a chance to have a fifth column with his expertise and estimates for the town to operate the parking. My understanding is Mr. Owens is going to give a summary of what the four proposals are – apples to apples.

I also wanted to comment that I saw on the agenda that there are three items. My question is do we have to stick around after the closed session. After last month, I sat here for the entire meeting, you went into a closed session and everyone left including myself, and then lo and behold I read in the paper today that you re-upped Mr. Coggins's contract. Mayor Macon said yes we did. Mr. Shuttleworth congratulated Mr. Coggins. I think Steve does a good job. I think he's a little more expensive and I'm glad to see we got the number down; but I was surprised that again we had a closed session meeting...I understand that those are personnel matters but the comment after the closed session was we didn't decide anything, it's called to order, okay do I have a motion, you made a motion, no discussion, and you voted unanimously to extend it. Those are the kinds of situations and decisions without any kind of public that said hey we put an RFP out, we decided we are going to do something different, at least have a little discussion. I know you can't say we had attorney A and he was going to charge us this and this attorney over here but you had 14 applicants. From what I read in the paper and we don't know what the process was, you just had an RFP and all of a sudden we rehire Mr. Coggins' firm at a reduced amount. I'm glad we saved the money but I'm disappointed that you waited for closed session and you come right back, you know no one is here after a closed session...so my question is Mr. Mayor are you going to make motions after the closed session that we ought to stick around and hear actions of Council. I understand that they are private matters. Mayor Macon said I have no idea because I don't know what the items are that we are going into closed session about. I can't tell you and I didn't know that night. Mr. Shuttleworth said I thought he gave you a list of what the items were and Mayor Macon replied no. I don't know what the particular items are. Mr. Shuttleworth continued that it was pretty stunning to read in the paper that we have been having this discussion...Mayor Macon said typically we don't know what the items are necessarily when we go into closed session. It seemed kind of odd that it happened right after closed session. You guys walked right back in here and boom. You could have waited another week until this meeting and said by the way we had a meeting, here's our discussion. We looked at the RFPs, we've decided not to go that route, and then make a motion so it's out in the open. This is the kind of closed session stuff that has gotten a lot of people to say what is going on.

Councilman Lewis said he agreed with Steve and that might be a recommendation if we are coming back out of closed session, we could wait until the next meeting to make a decision on that. We can come out in front of the public so the public has a chance to comment on it. I think that is the only time we have ever done it. Mr. Owens said it is the Council's decision but if there is a decision we have to make coming out of closed session, I wouldn't want to have a policy on the table that says we need to wait another month. Councilman Lewis I didn't say a policy. It might be something we think about. Mr. Owens said sometimes there are things we have to act on coming out of closed session and it might be urgent.

Mayor Macon commented to Mr. Shuttleworth that it was a pretty good idea of bringing the Freeman part of that in-house.

**Mayor Macon made a motion to go into closed session to discuss privileged information, attorney/client matters and personnel in compliance with [NCGS 143-318.11a(1, 3 and 6)].**  
**MOTION CARRIED UNANIMOUSLY.**

Mr. Coggins stated let the record show that in closed session that we will discuss the status of the case of the Town of Carolina Beach vs. Thinc Management pending in the Superior Court for New Hanover County regarding potential settlement and status of the case.

**Mayor Macon made a motion to go back into open session. MOTION CARRIED UNANIMOUSLY.**

Mayor Macon reported that there was no other action taken other than what was mentioned by the town attorney. .

**Mayor Pro Tem Efird made a motion to recess this meeting to November 10, 2011 at 1:00 p.m. MOTION CARRIED UNANIMOUSLY.**

Respectfully submitted,

Sara Hartman  
Administrative Support Specialist II

Approved: \_\_\_\_\_