



# TOWN COUNCIL AGENDA

**REGULAR MEETING**

**October 18, 2016 @ 6:30 p.m.**

**\*Asterisks indicate documentation is included in agenda packet**

Call to Order – Mayor Swearingen

Invocation & Pledge of Allegiance – Pastor Cathy Chester, Carolina Coastal Vineyard Church

## APPROVAL OF CONSENT AGENDA ITEMS

1. \*Adopt Resolution R16-14 approving financing terms with BB&T for Public Works backhoe
2. Approve KBPD Policy Manual (drop-box link emailed)
3. Approve closing Town Hall at 12:00 p.m., for the remainder of the day on Wednesday, November 23<sup>rd</sup> for the annual employee luncheon
4. Renew five-year term for Kenneth Richardson on the Planning and Zoning Commission
5. \*Fire Department Report – September 2016
6. \*Building Inspections Report – September 2016
7. \*YTD Finance Report
8. Meeting Minutes:
  - \*September 20, 2016 public hearing
  - \*September 20, 2016 regular, continued on 9/21/16 & 9/22/16
  - \*September 20, 2016 closed, personnel and legal consultation (sealed)
  - \*September 21, 2016 closed, personnel (sealed)
  - \*September 22, 2016 closed, personnel (sealed)
  - \*October 6, 2016 emergency

## ADOPTION OF THE AGENDA

## DISCUSSION AND CONSIDERATION OF PRESENTATIONS TO COUNCIL

1. \*Bernard Robinson & Co., Victor Blackburn, presentation of FY2015-2016 audit

## DISCUSSION AND CONSIDERATION OF PERSONS TO ADDRESS COUNCIL

Sign up at podium (3-minute limit)

## DISCUSSION AND CONSIDERATION OF COMMITTEE BUSINESS

1. Board of Adjustment
2. Community Center Committee
3. Marketing Committee
4. Parks & Recreation Advisory Board
5. Planning & Zoning Commission
6. Shoreline Access, Beach Protection and Parking Committee
  - a. \*Approval of five parking spaces to be re-marked by DOT
7. Non-town Committee Reports



# TOWN COUNCIL AGENDA

**REGULAR MEETING**

**October 18, 2016 @ 6:30 p.m.**

## DISCUSSION AND CONSIDERATION OF DEPARTMENT HEAD BUSINESS

1. Administration and Recreation
  - a. \*Medical Insurance
2. Finance Department
3. Building Department
4. Fire Department
5. Police Department
6. Public Works Department

## DISCUSSION AND CONSIDERATION OF OLD BUSINESS

1. Letter regarding ROT rentals to Island Gazette and Property Owners (Heglar)
2. Discussion of Hurricane Matthew by Emergency Manager (Heglar)
3. Emergency Operations Plan proposed strategy for sewage spills (Heglar)
4. \*NCLM Biennium Advocacy Goals 2017-2018 (Swearingen)
5. \*70<sup>th</sup> Anniversary Celebration (Lisa Lowery, Chairman of planning group)
  - a. Sponsorship Packet to solicit Event Sponsors on Town's behalf
  - b. Close K Avenue (east of FFB) and Atlantic Avenue (between K and L Avenues) to vehicle traffic from the early morning hours through 7:00 p.m. on Saturday, April 29, 2017
  - c. Allow participation of commercial vendors at event sites as follows:
    - Food Truck/Vendors
    - Beer/Wine Vendors (sampling product and selling closed containers for offsite consumption – only at Ocean Front Park event area)
    - Arts/Crafts Vendors (only at Ocean Front Park event area)
    - Local Nonprofit Organizations

## DISCUSSION AND CONSIDERATION OF NEW BUSINESS

MAYOR UPDATES (no action required)

COMMISSIONER ITEMS (no action required)

## CLOSED SESSION

For personnel matters per N.C.G.S. 143-318.1(a)(6), and for legal matters per N.C.G.S. 143-318.1(a)(3)

ADJOURNMENT



TOWN COUNCIL  
TOWN OF KURE BEACH, NC

**R**ESOLUTION R16-14

**APPROVING FINANCING TERMS WITH BRANCH BANKING  
AND TRUST (BB&T) FOR BACKHOE**

**WHEREAS**, The Town of Kure Beach (“Town”) has previously determined to undertake a project for a backhoe (the “Project”), and the Finance Officer has now presented a proposal for the financing of such Project;

**NOW, THEREFORE, BE IT RESOLVED THAT**

1. The Town hereby determines to finance the Project through Branch Banking and Trust (“BB&T”), in accordance with the proposal dated October 3, 2016. The amount financed shall not exceed \$105,273.00, the annual interest rate (in the absence of default or change in tax status) shall not exceed 1.87% and the financing term shall not exceed five (5) years from closing.
2. All financing contracts and all related documents for the closing of the financing (the “Financing Documents”) shall be consistent with the foregoing terms. All officers and employees of the Town are hereby authorized and directed to execute and deliver any Financing Documents, and to take all such further action as they may consider necessary or desirable, to carry out the financing of the Project as contemplated by the proposal and this resolution.
3. The Finance Officer is hereby authorized and directed to hold executed copies of the Financing Documents until the conditions for the delivery of the Financing Documents have been completed to such officer's satisfaction. The Finance Officer is authorized to approve changes to any Financing Documents previously signed by Town officers or employees, provided that such changes shall not substantially alter the intent of such documents or certificates from the intent expressed in the forms executed by such officers. The Financing Documents shall be in such final forms as the Finance Officer shall approve, with the Finance Officer’s release of any Financing Document for delivery constituting conclusive evidence of such officer's final approval of the Document’s final form.
4. The Town shall not take or omit to take any action the taking or omission of which shall cause its interest payments on this financing to be includable in the gross income for federal income tax purposes of the registered owners of the interest payment



TOWN COUNCIL  
TOWN OF KURE BEACH, NC

R ESOLUTION R16-14

obligations. The Town hereby designates its obligations to make principal and interest payments under the Financing Documents as "qualified tax-exempt obligations" for the purpose of Internal Revenue Code Section 265(b)(3).

5. The Town intends that the adoption of this resolution will be a declaration of the Town's official intent to reimburse expenditures for the project that is to be financed from the proceeds of the BB&T financing described above. The Town intends that funds that have been advanced, or that may be advanced from the Town's general fund, or any other Town fund related to the project for project costs, may be reimbursed from the financing proceeds.

6. All prior actions of Town officers in furtherance of the purposes of this resolution are hereby ratified, approved and confirmed. All other resolutions (or parts thereof) in conflict with this resolution are hereby repealed, to the extent of the conflict. This resolution shall take effect immediately.

Adopted by the Kure Beach Town Council this 18<sup>th</sup> day of October, 2016.

\_\_\_\_\_  
Emilie Swearingen, Mayor

\_\_\_\_\_  
Attest: Nancy Avery, Town Clerk



5130 Parkway Plaza Boulevard  
Charlotte, North Carolina 28217  
(704) 954-1700  
Fax (704) 954-1799

October 3, 2016

Arlen Copenhaver  
Finance Officer  
Town of Kure Beach  
117 Settlers Lane  
Kure Beach, North Carolina 28449

Dear Mr. Copenhaver:

Branch Banking and Trust Company (“BB&T”) is pleased to offer this proposal for the financing of a backhoe, as requested by the Town of Kure Beach, North Carolina (“Town”).

- (1) **Project:** Backhoe
- (2) **Amount To Be Financed:** \$105,273.00
- (3) **Interest Rates, Financing Terms and Corresponding Payments:**

Term	Rate
5 years	1.87%

Payments shall be annually in arrears, or as requested. See the attached amortization schedule(s) for information on payments.

The financing proceeds may be deposited on behalf of the Town in a project fund account with Branch Banking & Trust. Earnings on the project fund shall accrue to the benefit of the Town for use on Project costs or interest payments.

The interest rate stated above is valid for a closing not later than November 18, 2016. A convenient date and time shall be mutually agreed upon for closing. Closing is contingent upon completing documentation acceptable to BB&T and upon the condition of the equipment acceptable to BB&T. BB&T shall provide a list of required documentation for closing should we be the successful proposer. Additionally, we shall review your most recent financial statements before funding this transaction.

All applicable taxes, permits, costs of counsel for the Town and any other costs shall be the Town’s responsibility and separately payable by the Town. The financing documents shall allow prepayment of the principal balance in whole on any date with a 1% prepayment premium.

The stated interest rate assumes that the Town expects to borrow less than \$10,000,000 in calendar year 2016 and that the Town shall comply with IRS Code Sections 141, 148, 149(e) and Section 265(b)(3). BB&T reserves the right to terminate its interest in this bid or to negotiate a mutually acceptable rate if the financing is not a qualified tax-exempt financing.

**(4) Financing Documents:**

BB&T and its counsel shall prepare all documentation for the Town. We shall provide a sample of those documents to you should BB&T be the successful proposer. This financing shall be secured by a first lien security interest in all personal property acquired with proceeds.

\* \* \* \* \*

BB&T appreciates the opportunity to provide this financing proposal and requests to be notified within ten days of this proposal should BB&T be the successful proposer.

BB&T shall have the right to cancel this offer by notifying the Town of its election to do so (whether or not this offer has previously been accepted by the Town) if at any time prior to the closing there is a material adverse change in the Town's financial condition, if we discover adverse circumstances of which we are currently unaware, if we are unable to agree on acceptable documentation with the Town or if there is a change in law (or proposed change in law) that changes the economic effect of this financing to BB&T. We reserve the right to negotiate and/or terminate our interest in this transaction should we be the successful proposer.

Should we become the successful proposer, we have attached the form of a resolution that your governing board can use to award the financing to BB&T. If your board adopts this resolution, then BB&T shall not require any further board action prior to closing the transaction.

Please call me at 336.376.0254 with your questions and comments. We look forward to hearing from you.

Sincerely,

BRANCH BANKING AND TRUST COMPANY



Alison W. Peeler  
Senior Vice President  
Enclosure

Kure Beach Backhoe						
Compound Period:	Annual					
Nominal Annual Rate:	1.870%					
CASH FLOW DATA						

Event	Date	Amount	Number	Period	End Date
1 Loan	10/3/2016	105,273.00	1		
2 Payment	10/3/2017	22,250.35	5	Annual	10/3/2021

AMORTIZATION SCHEDULE - Normal Amortization

	Date	Payment	Interest	Principal	Balance
Loan	10/3/2016				105,273.00
2017 Totals		0.00	0.00	0.00	
1	10/3/2017	22,250.35	1,968.61	20,281.74	84,991.26
2018 Totals		22,250.35	1,968.61	20,281.74	
2	10/3/2018	22,250.35	1,589.34	20,661.01	64,330.25
2019 Totals		22,250.35	1,589.34	20,661.01	
3	10/3/2019	22,250.35	1,202.98	21,047.37	43,282.88
2020 Totals		22,250.35	1,202.98	21,047.37	
4	10/3/2020	22,250.35	809.39	21,440.96	21,841.92
2021 Totals		22,250.35	809.39	21,440.96	
5	10/3/2021	22,250.35	408.43	21,841.92	0.00
2022 Totals		22,250.35	408.43	21,841.92	
Grand Totals		111,251.75	5,978.75	105,273.00	

# KURE BEACH FIRE DEPARTMENT

## FIRE CHIEF'S REPORT SEPTEMBER, 2016

DATE	PURPOSE
09/01/16	FALSE ALARM
09/02/16	MUTUAL AID Cbfd
09/02/16	TRANSFORMER
09/02/16	EMS
09/05/16	MUTUL AID Cbfd
09/06/16	EMS
09/07/16	EMS
09/10/16	FLARE SIGHTING
09/12/16	DRILL
09/16/16	ASSIST PUBLIC
09/16/16	HAZARDOUS CONDITION
09/16/16	ILLEGAL BURN
09/18/16	EMS
09/18/16	WATER RESCUE
09/19/16	EMS
09/19/16	EMS
09/19/16	DRILL
09/20/16	ASSIST PUBLIC
09/21/16	EMS
09/22/16	EMS
09/23/16	EMS
09/24/16	WATER RESCUE
09/25/16	EMS
09/25/16	EMS
09/26/16	FALSE ALARM
09/26/16	WIRE DOWN
09/26/16	DRILL
09/27/16	FALSE ALARM

All equipment checked and found to be in working order  
Harold Heglar  
Chief



**Kure Beach Inspections Dept.-All Permits Issue Date: 9/1/2016 - 9/30/2016**

PermitNo	Issue Date	Owner / Descript	ParcelID	Project Addr	Est Cost	Fee	Status	Final
<b>Building</b>								
160092	9/13/2016	BIANCHI, DAVID R REV TRUST ETAL Bathroom remodeling	R09316-002-001-40	1100 S FORT FISHER BLV KURE BEACH, NC 28449	\$7,500	\$150.00	Active	
160093	9/14/2016	HYLER, EDDIE F JR New Pool	R09217-009-010-00	218 S FORT FISHER BLV KURE BEACH, NC 28449	\$0	\$300.00	Active	
160094	9/14/2016	PENSCO, TRUST CO ETAL	R09217-019-012-00	321 S FORT FISHER BLV KURE BEACH, NC 28449	\$0	\$300.00	Active	
160096	9/16/2016	NICHOLSON, CHARLES E WANDA G Siding repair	R09209-003-020-00	469 FORT FISHER BLV N KURE BEACH, NC 28449	\$29,422	\$25.00	Active	
160097	9/19/2016	BRYAN, MARGARET Y Window replacement	R09200-001-058-00	126 SETTLERS LN KURE BEACH, NC 28449	\$5,489	\$25.00	Active	
160098	9/19/2016	NEWMAN, ROBERT AND MELISSA Elevator shaft	R09206-001-010-00	1102 FORT FISHER BLV N KURE BEACH, NC 28449	\$100,000	\$650.00	Active	
<b>Demolition</b>					<b>Total Building 6</b>	<b>\$142,411</b>	<b>\$1,450.00</b>	
160095	9/14/2016	HYLER, EDDIE CYNTHIA Demo existing building	R09405-005-001-00	437 FORT FISHER BLV S KURE BEACH, NC 28449	\$0	\$100.00	Active	
<b>Fence</b>					<b>Total Demolition 1</b>	<b>\$0</b>	<b>\$100.00</b>	
160005	9/19/2016	STAMP, BRIAN AND KATHERINE New 4' fence	R09205-020-003-00	810 CUTTER CT KURE BEACH, NC 28449	\$0	\$25.00	Active	
					<b>Total Fence 1</b>	<b>\$0</b>	<b>\$25.00</b>	
<b>Total Permits: 8</b>					<b>\$142,411</b>	<b>\$1,575.00</b>		

**TOWN OF KURE BEACH**  
**REVENUE AND EXPENDITURE SUMMARY**  
**JULY 1, 2016 TO OCTOBER 11, 2016**

**REVENUES**

**EXPENDITURES**

	2017 Initial Bud.	2017 Amend. Bud.	Actual 10/11/2016	% Collected	2017 Initial Bud.	2017 Amend. Bud.	Actual 10/11/2016	% Spent
<b>GENERAL FUND</b>								
Property Taxes (Cur. & PY)	\$ 2,328,500	\$ 2,328,500	\$ 347,136	14.9%	\$ 35,517	\$ 35,517	\$ 23,537	66.3%
Local Option Sales Tax	\$ 800,075	\$ 800,075	\$ 216,021	27.0%	\$ 4,300	\$ 12,280	\$ 11,505	93.7%
Franchise & Utility Tax	\$ 249,000	\$ 249,000	\$ 47,590	19.1%	\$ 151,889	\$ 151,889	\$ 50,015	32.9%
TDA Funds	\$ 204,517	\$ 204,517	\$ -	0.0%	\$ 397,192	\$ 397,192	\$ 134,330	33.8%
Garbage & Recycling	\$ 343,375	\$ 343,375	\$ 92,748	27.0%	\$ 23,300	\$ 23,300	\$ 3,748	16.1%
ABC Revenue	\$ 12,300	\$ 12,300	\$ 5,817	47.3%	\$ 100	\$ 100	\$ 1	1.0%
Bldg. Permit & Fire Inspect. Fees	\$ 56,800	\$ 56,800	\$ 23,085	40.6%	\$ 25,000	\$ 25,000	\$ 503	2.0%
Communication Tower Rent	\$ 77,408	\$ 77,408	\$ 27,188	35.1%	\$ 28,900	\$ 28,900	\$ 6,727	23.3%
Motor Vehicle Tags	\$ 12,000	\$ 12,000	\$ 4,070	33.9%	\$ 1,265,716	\$ 1,265,716	\$ 268,289	21.2%
Com Ctr/Parks & Rec/St Festival	\$ 26,350	\$ 26,350	\$ 5,950	22.6%	\$ 685,845	\$ 685,845	\$ 132,095	19.3%
Town Facility Rentals	\$ 11,000	\$ 11,000	\$ 5,704	51.9%	\$ 192,217	\$ 192,217	\$ 74,267	38.6%
Beer & Wine Tax	\$ 10,000	\$ 10,000	\$ -	0.0%	\$ 146,114	\$ 146,114	\$ 37,929	26.0%
OFF - Bluefish Purchases	\$ 13,200	\$ 13,200	\$ 2,860	21.7%	\$ 124,763	\$ 124,763	\$ 29,295	23.5%
Sales Tax Refund	\$ 47,500	\$ 47,500	\$ -	0.0%	\$ 988,011	\$ 988,011	\$ 394,188	39.9%
CAMA & Impact Fees	\$ 3,200	\$ 3,200	\$ 495	15.5%	\$ 316,626	\$ 316,626	\$ 91,281	28.8%
All Other Revenues	\$ 3,145	\$ 61,125	\$ 2,089	3.4%	\$ 50,000	\$ 100,000	\$ 100,000	100.0%
Other Financing Sources	\$ 290,000	\$ 290,000	\$ 216,623	74.7%	\$ 52,880	\$ 52,880	\$ -	0.0%
<b>Total Revenues</b>	<b>\$ 4,488,370</b>	<b>\$ 4,546,350</b>	<b>\$ 997,376</b>	<b>21.9%</b>	<b>\$ 4,488,370</b>	<b>\$ 4,546,350</b>	<b>\$ 1,357,710</b>	<b>29.9%</b>
<b>WATER &amp; SEWER FUND</b>								
Water Charges	\$ 791,800	\$ 791,800	\$ 291,273	36.8%	\$ 15,017	\$ 15,017	\$ 5,893	39.2%
Sewer Charges	\$ 1,110,100	\$ 1,110,100	\$ 378,611	34.1%	\$ 28,900	\$ 28,900	\$ 6,727	23.3%
Tap, Connect & Reconnect Fees	\$ 27,900	\$ 27,900	\$ 21,360	76.6%	\$ 178,238	\$ 178,238	\$ 45,996	25.8%
All Other Revenues	\$ 187,375	\$ 187,375	\$ 2,394	1.3%	\$ 248,806	\$ 248,806	\$ 110,961	44.6%
Other Financing Sources	\$ 102,500	\$ 102,500	\$ -	0.0%	\$ 1,748,714	\$ 1,748,714	\$ 436,566	25.0%
<b>Total Revenues</b>	<b>\$ 2,219,675</b>	<b>\$ 2,219,675</b>	<b>\$ 693,638</b>	<b>31.2%</b>	<b>\$ 2,219,675</b>	<b>\$ 2,219,675</b>	<b>\$ 606,143</b>	<b>27.3%</b>
<b>STORM WATER FUND</b>								
<b>Total Revenues</b>	<b>\$ 690,373</b>	<b>\$ 690,373</b>	<b>\$ 76,095</b>	<b>11.0%</b>	<b>\$ 690,373</b>	<b>\$ 690,373</b>	<b>\$ 142,966</b>	<b>20.7%</b>
<b>POWELL BILL FUND</b>								
<b>Total Revenues</b>	<b>\$ 65,050</b>	<b>\$ 65,050</b>	<b>\$ 32,556</b>	<b>50.0%</b>	<b>\$ 65,050</b>	<b>\$ 65,050</b>	<b>\$ 3,588</b>	<b>5.5%</b>
<b>SEWER EXPANSION RESERVE FUND (SERF)</b>								
<b>Total Revenues</b>	<b>\$ 180,000</b>	<b>\$ 180,000</b>	<b>\$ 15,076</b>	<b>8.4%</b>	<b>\$ 180,000</b>	<b>\$ 180,000</b>	<b>\$ -</b>	<b>0.0%</b>
<b>BEACH PROTECTION FUND</b>								
<b>Total Revenues</b>	<b>\$ 50,440</b>	<b>\$ 50,440</b>	<b>\$ 50,146</b>	<b>99.4%</b>	<b>\$ 50,440</b>	<b>\$ 50,440</b>	<b>\$ -</b>	<b>0.0%</b>
<b>FEDERAL ASSET FORFEITURE FUND</b>								
<b>Total Revenues</b>	<b>\$ 50,000</b>	<b>\$ 50,000</b>	<b>\$ -</b>	<b>0.0%</b>	<b>\$ 50,000</b>	<b>\$ 50,000</b>	<b>\$ 16,478</b>	<b>33.0%</b>

**TOWN OF KURE BEACH  
CASH AND INVESTMENTS  
AS OF SEPTEMBER 30, 2016**

<u>FUND</u>	<u>CASH IN BANK</u>	<u>INVESTMENTS</u>	<u>TOTAL CASH &amp; INVESTMENTS</u>
General	\$1,920,411	\$342,057	\$2,262,468
Water/Sewer	\$1,495,354	\$585,243	\$2,080,597
Storm Water	\$714,859	\$240,473	\$955,332
SERF	\$345,386	\$91,319	\$436,705
Powell Bill	\$264,284	\$19,939	\$284,223
Beach Protection	\$111,640	\$175,438	\$287,078
Federal Asset Forfeiture	\$78,096	\$0	\$78,096
Capital Project Fund	\$33,595	\$0	\$33,595
<b>TOTAL</b>	<b>\$4,963,625</b>	<b>\$1,454,469</b>	<b>\$6,418,094</b>
	<u>INSTITUTION</u>		
BB&T	\$4,963,625	\$0	
First Bank - Certificates of Deposit	\$0	\$963,189	
NCCMT Term Portfolio	\$0	\$481,942	
NCCMT Cash Portfolio	\$0	\$9,338	
<b>TOTAL</b>	<b>\$4,963,625</b>	<b>\$1,454,469</b>	

**TOWN OF KURE BEACH  
SUMMARY OF CONTINGENCY FUND AND COMMITTEE  
EXPENDITURE ACTIVITY  
07/01/2016 - 10/11/2016**

**CONTINGENCY FUND**

Fiscal Year 2017 Budget	\$52,880.00
Less:	
No activity	<u>\$0.00</u>
Remaining Budget as of 10/11/2016	<u><u>\$52,880.00</u></u>

**COMMITTEE (Shoreline Access, Beach Protection & Parking) EXPENDITURES**

Amended Fiscal Year 2017 Budget	\$12,280.00
Less Expenditures:	
Grant Writer Fees (E & I Avenue)	\$525.00
H Ave. Beach Access Solar Lighting	\$7,980.00
E Ave. Parking 60% of Design & Eng.	\$1,500.00
I Ave. Parking 60% of Design & Eng.	<u>\$1,500.00</u>
Total Expenditures	\$11,505.00
Projects Approved By Council But Not Yet Expended:	
No activity	<u>\$0.00</u>
Total Approved, Not Expended	<u><u>\$0.00</u></u>
Remaining Budget as of 10/11/2016	<u><u>\$775.00</u></u>

**TOWN OF KURE BEACH  
DEBT LISTING  
OCTOBER 18, 2016**

<u>LOAN PURPOSE/DESCRIPTION</u>	<u>FUND</u>	<u>LENDER</u>	<u>DATE OF LOAN</u>	<u>AMOUNT FINANCED</u>	<u>INTEREST RATE</u>	<u>LOAN TERM (YRS)</u>	<u>DATE PAID OFF</u>	<u>BALANCE AT 10/18/16</u>	<u>PAYMENT FREQUENCY</u>	<u>PAYMENT AMOUNT</u>	<u>NEXT PAY DATE</u>	<u>INT. EXPENSE LIFE OF LOAN</u>
Sewer Rehabilitation Project (a)	W/S	Fed Gov	05/01/2010	\$432,660	0.00%	20	05/01/2030	\$147,780.03	Annual	\$10,555.72	05/01/2017	\$0.00
Ocean Front Park (development)	G	BB&T	07/12/2011	\$347,000	4.39%	17	07/12/2028	\$244,941.20	Annual	\$31,164.68	07/12/2017	\$137,099.64
Ocean Front Park (acquisition)	G	BB&T	12/19/2007	\$3,600,000	4.28%	20	12/19/2027	\$778,846.27	Annual	\$98,238.48	12/19/2016	\$690,135.16
334 S. 4th, 402 H & 406 H Ave.	G	BB&T	03/12/2015	\$409,471	2.49%	10	03/12/2025	\$368,524.03	Annual	\$51,142.95	03/12/2017	\$56,077.07
Water Tower & Well House & Town Hall Expansion (b)	G, W/S	BB&T	04/11/2007	\$1,187,187	3.92%	15	05/07/2022	\$558,869.10	Semi-annual	\$52,716.71	11/07/2016	\$394,314.33
2017 Freightliner Garbage Truck	G	1st Bank	08/23/2016	\$179,756	1.70%	5	08/23/2021	\$179,756.00	Annual	\$37,805.31	08/23/2017	\$9,270.57
O'Brien 7065 Hydroletter (c)	W/S, SW	1st Bank	08/13/2015	\$81,485	1.70%	5	08/13/2020	\$65,732.71	Annual	\$17,149.28	08/13/2017	\$4,202.44
2016 Chevrolet Silverado	G	1st Bank	07/26/2016	\$36,867	1.60%	4	07/26/2020	\$36,867.00	Annual	\$9,593.55	07/26/2017	\$1,486.39
Cutter Court Drainage Project	SW	B of A	07/23/2005	\$875,000	4.40%	15	06/23/2020	\$270,583.57	Monthly	\$6,677.76	11/23/2016	\$326,995.49
FY 2016 Equipment & Vehicles (d)	G, W/S	BB&T	09/14/2015	\$186,000	2.01%	4	09/14/2019	\$140,878.73	Annual	\$48,859.87	09/14/2017	\$9,439.48
(2) 2015 Police Cars	G	BB&T	03/27/2015	\$48,359	2.19%	4	03/27/2019	\$36,659.23	Annual	\$12,758.83	03/27/2017	\$2,676.33
2015 Ford F-250 Utility Truck	W/S	BB&T	10/24/2014	\$32,216	2.19%	4	10/24/2018	\$16,456.90	Annual	\$8,499.73	10/24/2017	\$1,782.92
Downtown Improvement Project	G	BB&T	01/17/2014	\$117,000	1.93%	4.5	06/17/2018	\$71,644.71	Annual	\$24,719.00	01/17/2017	\$6,595.00
2013 Ford F-150 Police Truck	G	BB&T	01/15/2014	\$32,000	2.18%	4	01/15/2018	\$16,345.00	Annual	\$8,440.70	01/15/2017	\$1,762.80
2013 Ford Police Utility	G	BB&T	06/28/2013	\$29,836	2.17%	4	06/28/2017	\$7,700.88	Annual	\$7,867.99	06/28/2017	\$1,635.96

**FUND CODES**

G - General Fund  
W/S - Water/Sewer Fund  
SW - Storm Water Fund

**TOTAL OUTSTANDING DEBT AT 10/18/2016:**

General Fund \$ 1,942,423.22  
Water/Sewer Fund \$ 695,712.22  
Storm Water Fund \$ 303,449.93  
Total \$ 2,941,585.36

**NOTES**

- (a) - Total amount borrowed was \$432,660. As part of ARRA, the unpaid balance was immediately reduced by one-half of the loan amount.  
(b) - 78% of loan is Water/Sewer Fund and 22% is General Fund.  
(c) - 50% of loan is Water/Sewer Fund and 50% is Storm Water Fund.  
(d) - 55.5% of loan is General Fund and 44.5% is Water/Sewer Fund.

**LOAN PAYMENTS DUE (Next 12 Months):**

10/19/2016 - 12/31/2016 \$ 164,310.71  
01/01/2017 - 03/31/2017 \$ 117,094.76  
04/01/2017 - 06/30/2017 \$ 91,173.70  
07/01/2017 - 10/18/2017 \$ 179,783.46  
Total \$ 552,362.63

**TOWN OF KURE BEACH  
 BYPASS FORCE MAIN CAPITAL PROJECT BUDGET STATUS  
 AS OF 10/11/2016**

	APPROVED BUDGET	REVISED BUDGET (1)	FY 2016 ACTUAL	FY 2017 ACTUAL	TOTAL ACTUAL
<b><u>EXPENDITURES</u></b>					
<b><u>ENGINEERING SERVICES, PA</u></b>					
Land Surveying Fees	\$2,600	\$2,600	\$2,600.00	\$0.00	\$2,600.00
Engineering Design	\$15,800	\$15,800	\$7,900.00	\$7,900.00	\$15,800.00
Informal Bid Assistance	\$2,800	\$2,800	\$0.00	\$2,800.00	\$2,800.00
Construction Administration	\$6,725	\$6,725	\$0.00	\$0.00	\$0.00
Construction Observation	\$10,400	\$10,400	\$0.00	\$0.00	\$0.00
Total Engineering Services, PA	\$38,325	\$38,325	\$10,500.00	\$10,700.00	\$21,200.00
<b><u>T&amp;H CONSTRUCTION OF NC</u></b>					
Construction	\$132,494.22	\$156,494.22	\$0.00	\$58,773.46	\$58,773.46
<b>GRAND TOTAL EXPENDITURES</b>	<b>\$170,819.22</b>	<b>\$194,819.22</b>	<b>\$10,500.00</b>	<b>\$69,473.46</b>	<b>\$79,973.46</b>
<b><u>PROJECT REVENUE SOURCES</u></b>					
FY 2016 Water/Sewer Fund Operating Revenue	\$10,500.00	\$10,500.00	\$10,500.00	\$0.00	\$10,500.00
Transfer From Sewer Expansion Reserve Fund to Water/Sewer Fund	\$160,319.22	\$180,000.00	\$0.00	\$69,473.46	\$69,473.46
FY 2017 Water/Sewer Fund Operating Revenue	\$0.00	\$4,319.22	\$0.00	\$0.00	\$0.00
<b>GRAND TOTAL PROJECT REVENUE SOURCES</b>	<b>\$170,819.22</b>	<b>\$194,819.22</b>	<b>\$10,500.00</b>	<b>\$69,473.46</b>	<b>\$79,973.46</b>

(1) - Revised budget includes Change Order No. 1 that adds an emergency bypass pump connection totaling \$24,000.

**TOWN OF KURE BEACH**  
**TOWN HALL EXPANSION AND NEW FIRE STATION**  
**CAPITAL PROJECT BUDGET STATUS**  
**AS OF 10/11/2016**

	APPROVED BUDGET	ACTUAL AS OF 10/11/16
<b><u>EXPENDITURES</u></b>		
Architectural Services	\$28,500	\$16,405.00
Topographical Survey & Other Planning Costs	\$21,500	\$0.00
Total Expenditures	\$50,000	\$16,405.00
 <b><u>PROJECT FINANCING SOURCES</u></b>		
Transfer From General Fund	\$50,000	\$50,000.00



# TOWN COUNCIL MINUTES

**PUBLIC HEARING**

**September 20, 2016**

**PROPOSED NEW ORDINANCE  
BEACH SAFETY AND CONSERVATION STANDARDS  
SECTIONS 12-47, 12-48 and 12-49**

The Kure Beach Town Council held a Public Hearing on Tuesday, September 20, 2016 at 6:00 p.m. The town attorney was present and there was a quorum of council members.

**COUNCIL MEMBERS PRESENT**

Mayor Emilie Swearingen  
Mayor Pro Tem (MPT) Craig Bloszinsky  
Commissioner David Heglar  
Commissioner Joseph Whitley  
Commissioner Jim Dugan

**STAFF PRESENT**

Building Inspector – John Batson  
Town Clerk – Nancy Avery  
Deputy Town Clerk – Nancy Hewitt

**CALL TO ORDER**

Mayor Swearingen called the meeting to order stating that its purpose is to receive public input on a proposed new ordinance under Chapter 12 (Parks and Recreation), Article 2 (Recreation), Division 2 (Beach). Council is proposing to add Subdivision A (Beach Safety and Conservation Standards) to the town's code with the following new sections: 12-47 (Policy), 12-48 (Safety and Conservation Standards) and 12-49 (Exceptions). Notice of the public hearing was posted on the Town's bulletin board and website on September 2, 2016, and was published in the Island Gazette on September 14, 2016.

**PUBLIC COMMENTS**

None

**CLOSING OF PUBLIC HEARING**

As no one indicated their intent to speak, Mayor Swearingen asked for a motion to close the hearing.

**ADJOURNMENT**

**MOTION** – Commissioner Heglar moved to adjourn.

**SECOND** – Commissioner Dugan

**VOTE** – Unanimous





# TOWN COUNCIL MINUTES

**PUBLIC HEARING**

**September 20, 2016**

The meeting adjourned at 6:03 p.m.

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Emilie Swearingen, Mayor

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ATTEST: Nancy Hewitt, CMC, NCCMC  
Deputy Town Clerk

NOTE: These are action minutes reflecting items considered and actions taken by Council. These minutes are not a transcript of the meeting.

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# TOWN COUNCIL MINUTES

**REGULAR MEETING**

**September 20, 2016**

The Kure Beach Town Council held their regular meeting on Tuesday, September 20, 2016 at 6:30 p.m. The Town Attorney was present and there was a quorum of council members.

## COUNCIL MEMBERS PRESENT

Mayor Emilie Swearingen  
Mayor Pro Tem (MPT) Craig Bloszinsky  
Commissioner David Heglar  
Commissioner Joseph Whitley  
Commissioner Jim Dugan

## STAFF PRESENT

Building Inspector – John Batson  
Finance Officer – Arlen Copenhaver  
Public Works Director – Sonny Beeker  
Town Clerk – Nancy Avery  
Deputy Clerk – Nancy Hewitt

## CALL TO ORDER

Mayor Swearingen called the meeting to order at 6:30 p.m., and Rev. Tommy Williams delivered the opening invocation and led everyone in the Pledge of Allegiance.

Mayor Swearingen to read Proclamation 16-02 to support Constitution Week

## APPROVAL OF CONSENT AGENDA ITEMS

1. Adopt Proclamation 16-02 in support of Constitution Week, September 17-23, 2016
2. Approve Mayor Swearingen's travel to the 2016 NCLM City Vision Annual Conference in Raleigh, NC on 10/23-10/25/16 at an estimated cost of \$1,109
3. Approve Commissioner Whitley's attendance at Power Breakfast in Wilmington on 9/30/16 at cost of \$38 registration fee
4. Approve closing K Avenue east of Fort Fisher Boulevard and Atlantic Avenue between K and L Avenue to vehicle traffic from the early morning hours through 5 p.m. on Saturday, February 11, 2017
5. Allow a 5K race to be held on Kure Beach streets in conjunction with the event
6. Allow three to five food trucks vendors to park within the closed portion of Atlantic Avenue with other event vendors
7. Waive the Special Event fees associated with this event due to the Non-profit status of Special Olympics New Hanover County
8. Appoint Randy Bock and Pamela O'Quinn as members of the Shoreline Access, Beach Protection and Parking Committee
9. Renew five-year term for John Ellen on the Planning and Zoning Commission
10. Building Inspections Report – August 2016



# TOWN COUNCIL MINUTES

## REGULAR MEETING

September 20, 2016

11. Fire Department Report – August 2016
12. YTD Finance Report Meeting
13. Minutes:
  - August 16, 2016 regular meeting

Mayor Swearingen pointed out that Items 4, 5, 6 and 7 are all part of the Special Olympics Polar Plunge that will be held in Kure Beach on February 11, 2017.

MOTION – Commissioner Heglar moved to approve the Consent Agenda Items, as presented.

SECOND – Commissioner Dugan

VOTE – Unanimous

### ADOPTION OF THE AGENDA

MOTION – Commissioner Heglar moved to adopt the meeting agenda, as presented.

SECOND – Commissioner Dugan

VOTE – Unanimous

### DISCUSSION AND CONSIDERATION OF PERSONS TO ADDRESS COUNCIL

#### 1. David Garceau, 1038 S Fort Fisher Blvd

Mr. Garceau said he is the new owner of said property, and while he was looking into getting permits to do some additions to the house, he discovered his home was still on a septic system. He said he believes the sewer tap and user fees have already been paid because the sewer tap is already in place. He asked council to waive the \$4,000 sewer tap and user fee for his property.

Director Beeker said that all Kure Beach homes should have been taken off septic a long time ago, but there may one more house like this where the septic tank was never removed or filled. He said that he is sure the fees have already been paid since the house is tapped for sewer.

Lisa Heglar, a broker with Coldwell Banker Sea Coast Advantage, said it would have been changed in 1983. She said that, when she discovered the house was still connected to septic, she contacted Public Works and they came out and discovered they were connected to water, but not to sewer. She said she also had the town's clerks look through town records for more information, but there was nothing specific. She said the onus would have been on the previous property owners, three owners ago, to comply and connect with the town's sewer tap, but they didn't comply.

Director Beeker agreed that the previous owners should have removed and filled the area where the septic tank is and should have connected to the sewer line.



# TOWN COUNCIL MINUTES

## REGULAR MEETING

September 20, 2016

MOTION – Commissioner Heglar moved that the town annotate that the property at 1038 S. Fort Fisher Boulevard is in compliance and there is no outstanding sewer tap or user fee due in order to connect properly to the sewer system.

SECOND – Commissioner Whitley

VOTE – Unanimous

### 2. John Ellen, 181 Seawatch Way – Comprehensive Plan

Mr. Ellen said that the town has talked about having a Comprehensive Plan and had a meeting that was facilitated by UNCW, and focus teams were subsequently formed. He said he would be willing to lead the development of the plan and presented council with a hard copy of his draft of the plan. He said he also emailed his plan to the clerks, the town attorney, members of the Planning and Zoning Commission and the focus group members. He said each focus group has an area that needs work, but nobody is developing their area into readable material.

Mayor Swearingen said she doesn't believe the last statement he made was true. She said she thinks he missed the last meeting and each group is trying to work on their areas and come up with goals, objectives and activities to accomplish those objectives, and ways to measure them. She said she would welcome Mr. Ellen taking over the coordination of the plan and she might even give him a hug for doing it. She asked council to read over Mr. Ellen's plan in detail and make sure everything in the plan applies to Kure Beach, then bring back their input at the next council meeting. She added that she will email a proposed survey to council with questions that were put together by each focus group, and she would like their comments before it is officially presented to Kure Beach citizens. She added that she would like Orville Powell from the Parking Focus Group to come to council's October meeting to give a presentation of his group's work.

Mr. Ellen said there is a section for parking in his plan which says there must never be paid parking. He said he lays out a plan for council and citizens to work within that structure to solve the parking issue.

Mayor Swearingen said that the parking issue has been discussed for years and it's time to put up or shut up. She said that by the time council has its budget meetings in the spring they will need to have an idea of what the goals are, whether it takes a year or longer to accomplish those goals.

MPT Bloszinsky thanked Mr. Ellen for the work he put into his 144-page draft plan and said he looks forward to reading it.

### 3. Sarah Holler, 730 Sailor Court – Therapy Chickens

Miss Holler stated that last April she raised chickens as part of a school project. She said she named all four of her chickens and one by the name of Maisy was donated to a farm to be used as a "therapy chicken" for autistic individuals. She showed council photos of where the chicken coop is located in her backyard. She said the remaining chickens are very quiet and she doesn't



# TOWN COUNCIL MINUTES

## REGULAR MEETING

September 20, 2016

think the neighbors even know they're there, but they are becoming adults and are laying eggs now, so she thinks she will have to give them up if council doesn't pass an ordinance to allow them.

Miss Holler's mother said that a person representing their HOA came to look at the chickens and the coop and said that, as long as the chickens weren't bothering the neighbors, there's nothing in their covenant against them; but she asked them to check with council to see if there are any ordinances against having them.

P&Z Chairman, John Ellen read Section 4-4 of the code titled "Certain domestic fowl prohibited from running at large," which states the following:

*"It shall be unlawful for the owner or keeper of any chicken or tame or domestic fowl of whatever description to permit such chicken or fowl to be or run at large within the town."*

Inspector Batson said he will work with the Planning and Zoning Commission to writing a clear ordinance on the subject and may simply duplicate the one that Carolina Beach passed a few weeks ago. He said they will bring back their recommendation to council when ready.

## DISCUSSION AND CONSIDERATION OF COMMITTEE BUSINESS

### 1. Planning & Zoning (P&Z) Commission

#### a. Council's Intent for Commission's Alternate Position

Chairman Ellen said that one of the items for their September meeting agenda was to swear in Mr. Cawthorne who is an alternate on the commission, with the understanding that he could fill in in the absence of a regular member. He said that their understanding was the position would only be for the purpose of the alternate automatically taking the place of a regular member who could no longer serve on the commission.

Mayor Swearingen said she asked Mr. Ellen to talk to Mr. Cawthorne to explain that he is not to be sworn in, as that was not council's intent for the alternate position.

Commissioner Whitley said that it would be good if the alternate would attend all of P&Z's meetings to know what is being discussed.

Commissioner Heglar said that Section 2-41 of the code outlining the alternate position isn't well defined and should be defined better by council. He said it's smart for council to fix the ordinance so there's no confusion in the future of what the alternate's duties are.

**CONSENSUS** – Council agreed that the alternate member on the P&Z Commission is there only to automatically replace a regular member who is no longer able to serve, and is not there in the capacity of making a quorum or voting on issues, if there is no quorum.



# TOWN COUNCIL MINUTES

## REGULAR MEETING

September 20, 2016

### DISCUSSION AND CONSIDERATION OF DEPARTMENT HEAD BUSINESS

#### 1. Building Department

- a. Required changes to code to allow cleanup of undeveloped lots in Kure Beach due to health/public safety concerns

Inspector Batson said there was a formal complaint about a piece of property on South Fort Fisher Boulevard that has been problematic after a significant rain events. He said the complaint reached out to council requesting code enforcement on this property but, since then, he and Director Beeker have met with both property owners and have worked out a way to move forward and mitigate the issue. He said he doesn't believe anything needs to be changed in the code, unless council feels it needs to go in a different direction.

Director Beeker said that he agrees with Inspector Batson's summary. He said he will draw up a letter that needs to be signed by the owner of the problematic property to allow his department to do some mitigation work.

Commissioner Heglar said that it looks like Inspector Batson has the authority to have them remove the debris based on what the code says.

Inspector Batson said the code doesn't allow him to order the property owner to clear or fill the lot, but he can enforce the debris removal.

#### b. Coastal Resources Commission (CAMA)

Inspector Batson said that CAMA has a vague set of rules that applies to the entire coast of North Carolina. He said that an involved rule has just come out in the last couple of months which applies to all municipalities, and it puts some of the rule-making back into the town's hands. He showed council photos of the coast line, marked with the current Static Line, the 60-foot setback line and the First Line of Stable and Natural Vegetation. This enabled him to show council where, with CAMA's new rule, a new Development Line could be placed. He listed the items that can be constructed in the setback area and said that any new building can be built closer to the ocean using the Development Line. He said CB and Oak Island went forward with having a Development Line drawn last week. He asked council to approve a \$1,500 expenditure to have a survey done in order to provide the town with maps and aerial photos of the different lines in order to give council an idea of what the town's best option is. He said if council doesn't want to change anything, then nothing needs to be done; but this information will help them decide.

MOTION – Commissioner Heglar moved to approve spending \$1,500 from the Building Department's budget to contract for a survey of the Easement Line, the First Line of Stable and Natural Vegetation and the 60' Setback Line along the coastline in order to supply the town with maps and aerial photos, and directed Inspector Batson to work with P&Z to make a



# TOWN COUNCIL MINUTES

## REGULAR MEETING

September 20, 2016

recommendation to council which way they think council should go to define the “Development Line.”

SECOND – MPT Bloszinsky

VOTE – Unanimous

### 2. Public Works Department

#### a. Update on New Pump Station

Director Beeker provided council with a funding cost comparison for the pump station. He said he is ready to get started and needs to have some surveying done. He said it will take about nine months to complete the project, and he wants to get it finished before next summer.

Mayor Swearingen said she received incorrect information regarding two of the funding streams she told council about for the capital project. She said it turns out that a state environmental review would not have been required, saving a considerable amount of money, but the application deadline is next week so it's too late to apply. She asked the finance officer if he was going to pay for the project in all cash.

Finance Officer Copenhagen said he didn't think the town would pay for the project 100 percent in cash. He said he budgeted a \$50K transfer from the Water and Sewer Fund to go toward the pump station project, along with some money from the SERF fund; then, the town would probably borrow about \$400K for a loan term of six or seven years which would bring the interest down.

Commissioner Heglar asked the finance officer if Director Beeker could start the process of working on the pump station as the financing stands now, to which he responded that the transfer of \$50K has already been approved as part of the budget and it will also require a capital project ordinance for the project.

#### b. Funding for Bypass Pump

Director Beeker said that everyone knows there were a few problems with the pump station over the Labor Day weekend which created a discharge on the beach. He said he has been looking into a way to eliminate this from happening again, so he talked to the engineer and they came up with an idea to have an onsite pump station bypass. He said it would cost about \$32K to fund it. He said this wouldn't just be a fix that would last until the new pump station is built; instead, this would actually be a back-up pump to be used in the future.

Commissioner Heglar said that, if the town had this bypass pump before the incident, Public Works could have wheeled the pump over to the overflow and put it in the manhole in order to alleviate the problem. He said that it would be money well-spent for the town.



# TOWN COUNCIL MINUTES

## REGULAR MEETING

September 20, 2016

Mayor Swearingen asked Director Becker if he planned to expand or dredge the lagoon, to which he replied that there is about \$120K in the budget this year to clean it, but he needs the bypass project to be done before that. He said it won't increase the capacity of the plant but it will make it more efficient.

MOTION – Commissioner Heglar moved to approve up to \$32,000 to the Bypass Force Main Project for purchase of an emergency bypass pump, to be paid from the Sewer Expansion Reserve Fund.

SECOND – MPT Bloszinsky

VOTE – Unanimous

### c. Road Closure

Director Becker said they will close H Avenue at 5<sup>th</sup> Avenue for the next couple of days. He said they ran into some water and will have to do some dewatering on the project and added that they have notified nearby residents and will put a notification on the town website.

### d. Emergency Operations Plan Update

Commissioner Heglar said he will add an annex to the Emergency Operations Plan addressing the emergency steps that should be taken in the event of an accidental sewage spill and will bring his proposed wording to the October meeting for approval. He explained that Public Works will still be in charge of the issue, but they will be able to request other departments' assistance in blocking off spill areas and keeping the public informed.

Director Becker said that he is making changes to Public Works' standard operating procedures, to communicate with the different state and local departments that weren't on their notification list.

Mayor Swearingen said she'd like to see what changes he makes to the procedures.

## DISCUSSION AND CONSIDERATION OF OLD BUSINESS

1. Proposed New Ordinance 12-47, 12-48 and 12-49: Beach Safety and Conservation Standards  
Commissioner Heglar said the proposed policy is good except for wording regarding a "pertinent department head." He asked which department head would be considered pertinent, especially if the request was unusual. He said he doesn't want the department heads getting into an argument over who should handle a request.

MPT Bloszinsky said it might require that all of the department heads review the request or problem.

Council members presented different scenarios that could arise and asked the town clerk how she would determine which department head should handle the issue.





# TOWN COUNCIL MINUTES

**REGULAR MEETING**

**September 20, 2016**

Town Clerk Avery said that, traditionally, anything in the code is interpreted by the building inspector/code enforcement agent to determine which department should respond to the issue. She asked the town attorney if there is anything else in the code outlining a different department head that should handle issues like this.

Mayor Swearingen said that this is important to know, especially if the issue arises over a weekend or holiday.

Attorney Canoutas said that the building inspector is the code enforcement officer and should be the first contact for the issue, and he should be the second contact.

CONSENSUS – After further discussion, council agreed that if it is an active condition, the police should handle it; and if it's a request for future activity, the building inspector should handle it.

MOTION – Commissioner Heglar moved to adopt the new ordinances on Beach Safety and Conservation Standards, 12-47, 12-48 and 12-49, as presented.

SECOND – Commissioner Whitley

VOTE – Unanimous

2. Letter to Property Owners of Short-term Rentals for publishing in Island Gazette  
Commissioner Heglar read his proposed letter to council and asked for their input.

Recommendations were made on editing the letter and on how and where the information should be posted.

CONSENSUS – Council authorized Commissioner Heglar to draft a notice regarding the importance of paying Room Occupancy Tax (ROT) for publication in the Island Gazette, and to draft a letter to those property owners identified by the town as not paying ROT; both, to be submitted to council for review before proceeding

DISCUSSION AND CONSIDERATION OF NEW BUSINESS

None

ENTER CLOSED SESSION

MOTION – At 8:12 p.m., Commissioner Heglar moved to go into a closed session for the purpose of consulting with the town attorney per N.C.G.S. 143-318.11(a)(3), and to discuss a personnel matter per N.C.G.S. 143-318.11(a)(6).

SECOND – Commissioner Whitley

VOTE – Unanimous



# TOWN COUNCIL MINUTES

## REGULAR MEETING

September 20, 2016

### RETURN TO OPEN SESSION

MOTION – Commissioner Heglar moved to return to open session at 9:10 p.m.

SECOND – Commissioner Dugan

VOTE – Unanimous

### VOTE TO CONTINUE MEETING

MOTION – Commissioner Heglar moved to continue the regular council meeting at Town Hall on Wednesday, September 21, 2016 at 3:00 p.m.

SECOND – Commissioner Dugan

VOTE – Unanimous

### MEETING RECONVENED ON SEPTEMBER 21, 2016

At 3:00 p.m., on Wednesday, September 21st, the mayor called the continued meeting to order.

MOTION – Commissioner Heglar moved to excuse Commissioner Whitley from the meeting.

SECOND – MPT Bloszinsky

VOTE – Unanimous

### ENTER CLOSED SESSION

MOTION – At 3:01 p.m., Commissioner Heglar moved to go into closed session for the purpose of discussing a personnel matter, per NCGS 143-318.11(a)(6).

SECOND – Commissioner Dugan

VOTE – Unanimous

### RETURN TO OPEN SESSION

MOTION – Commissioner Heglar moved to return to open session at 3:39 p.m.

SECOND – MPT Bloszinsky

VOTE – Unanimous

### VOTE TO CONTINUE MEETING

MOTION – Commissioner Heglar moved to continue the regular council meeting at Town Hall on Thursday, September 22, 2016 at 6 p.m.

SECOND – MPT Bloszinsky

VOTE – Unanimous

### MEETING RECONVENED ON SEPTEMBER 22, 2016

At 6:00 p.m., on Thursday, September 22<sup>nd</sup>, the mayor called the continued meeting to order.

MOTION – Commissioner Heglar moved to excuse Commissioner Whitley from the meeting.

SECOND – Commissioner Dugan

VOTE – Unanimous



# TOWN COUNCIL MINUTES

**REGULAR MEETING**

**September 20, 2016**

ENTER CLOSED SESSION

MOTION – At 6:01 p.m., Commissioner Heglar moved to go into closed session for the purpose of discussing a personnel matter per NCGS 143-318.11(a)(6).

SECOND – Commissioner Dugan

VOTE – Unanimous

RETURN TO OPEN SESSION

MOTION – Commissioner Dugan moved to return to open session at 6:16 p.m.

SECOND – Commissioner Heglar

VOTE – Unanimous

ADJOURNMENT

MOTION – Commissioner Heglar moved to adjourn the meeting.

SECOND – MPT Bloszinsky

VOTE – Unanimous

The meeting adjourned at 6:16 p.m.

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Emilie Swearingen, Mayor

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ATTEST: Nancy Hewitt, CMC, NCCMC  
Deputy Clerk

NOTE: These are action minutes reflecting items considered and actions taken by Council. These minutes are not a transcript of the meeting.



# TOWN COUNCIL MINUTES

## EMERGENCY MEETING

October 6, 2016

The Kure Beach Town Council held an Emergency Meeting on Thursday, October 6, 2016 for the purpose of discussing and deciding when and if a State of Emergency should be declared in anticipation of Hurricane Matthew. Notice of the meeting was posted on the Town's bulletin board and website on October 5, 2016 at 11:50 a.m. The town attorney was present and there was a quorum of council members.

## COUNCIL MEMBERS PRESENT

Mayor Emilie Swearingen  
Mayor Pro Tem (MPT) Craig Bloszinsky  
Commissioner David Heglar  
Commissioner Joseph Whitley  
Commissioner Jim Dugan

## STAFF PRESENT

Building Inspector – John Batson  
Finance Officer – Arlen Copenhaver  
Public Works Director – Sonny Beeker  
Police Chief – Mike Bowden  
Fire Department – Hunter Ford  
Deputy Town Clerk – Nancy Hewitt  
Town Clerk – Nancy Avery

## CALL TO ORDER

Mayor Swearingen called the meeting to order at 6:02 pm, delivered the invocation, and led everyone in the Pledge of Allegiance. She asked the Emergency Operations Coordinator, Commissioner David Heglar, to share his information with the public.

Commissioner Heglar said that New Hanover County declared a State of Emergency effective 12:00 p.m. today, in anticipation of Hurricane Matthew. He showed pictures of the current storm track and explained its implications for the town. He said, as of now, it looks like the storm is going to create a huge rain event for Kure Beach, and Public Works has been working on all of the storm water systems to make sure they're open. He said they have rented six additional pumps that are in place, with three additional pumps being brought in by tomorrow. He said that the town can also expect stronger than tropical storm force winds. He said with the ground saturation and the expected wind, there is a high likelihood the town will lose power sometime during the storm. He explained those factors could impact the town's ability to move water, which is why the town rented generators to be placed at the lift stations to make sure there's not another sewage event like the one that occurred recently. He said the department heads have been making preparations all week and report they are ready for the storm. Public Works crews will be here Friday night and all day/night Saturday and Sunday to deal with water issues. He



# TOWN COUNCIL MINUTES

## EMERGENCY MEETING

October 6, 2016

said that the Police and Fire departments have increased their staffing for the storm event. He asked council to review the declaration for a State of Emergency he is recommending, to begin on Friday, October 7<sup>th</sup> at 12:00 p.m. He reviewed the declaration stating he is recommending a voluntary evacuation since he doesn't feel that we're anywhere near a mandatory evacuation according to the town's emergency plan. He said he recommends a curfew if power goes down during the nighttime since it's dangerous for people to be walking around town with no lights, and people don't like others walking around their houses when it's dark.

Mayor Swearingen said she agrees with the declaration, including the voluntary evacuation.

Commissioner Heglar said that, if there are a lot of people in Kure Beach on Saturday night and the town loses power for an extended period of time, Public Works may not be able to keep up with the full town's use of the sewer system while generators are powering the lift stations. He explained to the public the way the sewer system in Kure Beach works and the strain put on the system during an extended power outage.

MPT Bloszinsky asked what a three-foot surge of water could do to the town's storm water pipes that are on the beach.

Commissioner Heglar said that, if the storm surge plugs up the storm water pipes on the beach, the town will see ponding or even significant flooding on Route 421, since there is nowhere else for the storm water to go. He explained the scenarios of different size storm surges during low and high tides. He added that, if the storm doesn't turn out to sea as currently forecast, the town will probably sustain significant beach erosion. He asked the residents to clean up their property and secure it the way they feel is necessary and then make a decision on whether they want to stay or leave the island. He suggested the public not wait until Saturday to decide to evacuate since, if the storm track changes for the worse, the wind fields will make it difficult to drive a vehicle, especially on a road crowded with others who made the late decision to leave the island.

MPT Bloszinsky said that council can make the decision now to declare the State of Emergency effective tomorrow at 12:00 p.m. but, if anything changes, they can also change the declaration. He said he is in agreement with the current declaration, as written.

MOTION – Commissioner Whitley moved approve the declaration of the State of Emergency for the Town of Kure Beach, as presented, to go into effect at 12:00 p.m. on Friday, October 7, 2016.

SECOND – MPT Bloszinsky

VOTE – Unanimous



# TOWN COUNCIL MINUTES

## EMERGENCY MEETING

October 6, 2016

Commissioner Dugan told the public that, if they start having problems with their water, Public Works may not be able to help them right away since the crews will be working on areas that are the deepest and creating the most damage. He recommended everyone keeping their cell phones charged.

Mayor Swearingen said that Warren Lee from the county's EOC has urged residents and guests to stay off the beach on Friday and Saturday. She said the town can't afford sending its emergency workers out to rescue them while they are trying to work on everything else in preparation for the storm.

Council took questions from the public. Below, are the questions and answers:

- At what wind speed does the Snow's Cut Bridge close? At 45 mph sustained winds.
- Is the rumor true that, when the bridge closes, Duke Energy cuts off the power? That is not true.
- At what point does the flooding become a problem for emergency services? The emergency trucks can get through the water on the roads, but if wind speeds sustain at 45mph, emergency crews will not be dispatched into the storm for emergencies.
- How much water on Route 421 would be considered "flooding?" One inch, or more of water.

## ADJOURNMENT

MOTION – Commissioner Heglar move to adjourn the meeting.

SECOND – Commissioner Whitley

VOTE – Unanimous

The meeting adjourned at 6:20 p.m.

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Emilie Swearingen, Mayor

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ATTEST: Nancy Hewitt, CMC, NCCMC  
Deputy Town Clerk

NOTE: These are action minutes reflecting items considered and actions taken by Council. These minutes are not a transcript of the meeting.

October 10, 2016

To the Honorable Town Mayor and  
Members of the Town Council  
Town of Kure Beach, North Carolina

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Kure Beach, North Carolina for the year ended June 30, 2016. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated November 25, 2015. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

*Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Town of Kure Beach, North Carolina (the "Town") are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the fiscal year ended June 30, 2016. The effect of the adoption of GASB 68 is disclosed in the notes to the financial statements. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the Town's financial statements were:

Management's estimate of the Law Enforcement Officers Special Separation Allowance and other postemployment benefits for Healthcare Benefits liabilities is based on the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members.

We evaluated the key factors and assumptions used to develop the Town's liabilities associated with these plans in determining that they were reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent and clear.

*Difficulties Encountered in Performing the Audit*

We encountered no significant difficulties in dealing with management in performing and completing our audit.

*Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

*Disagreements with Management*

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

*Management Representations*

We have requested certain representations from management that are included in the management representation letter dated October 10, 2016.

*Management Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

*Other Audit Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.



*Other Matters*

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

This information is intended solely for the use of the Town Council and management of the Town of Kure Beach, North Carolina and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

*Bernard Robinson & Company, L.L.P.*

BERNARD ROBINSON & COMPANY, L.L.P.

**Nancy Hewitt**

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**From:** priscilla smith <pjsmithkure@att.net>  
**Sent:** Wednesday, October 12, 2016 11:42 AM  
**To:** Nancy Hewitt; Nancy Avery  
**Cc:** Susan Walters; James Smith  
**Subject:** Fw: Fwd: Parking spaces along Fort Fisher Blvd US 421 in Kure Beach

Please have these five parking spaces approved by Council. They were omitted after the repaving of 421. They will be added at no cost to the Town once they are approved.

On Saturday, October 8, 2016 11:46 AM, Jim Smith <jpsmithkure@gmail.com> wrote:

----- Forwarded message -----

**From:** **Mathis, Stonewall D** <[smathis@ncdot.gov](mailto:smathis@ncdot.gov)>  
**Date:** Fri, Oct 7, 2016 at 10:13 AM  
**Subject:** Parking spaces along Fort Fisher Blvd US 421 in Kure Beach  
**To:** "[jpsmithkure@gmail.com](mailto:jpsmithkure@gmail.com)" <[jpsmithkure@gmail.com](mailto:jpsmithkure@gmail.com)>  
**Cc:** "Mathis, Stonewall D" <[smathis@ncdot.gov](mailto:smathis@ncdot.gov)>, "Leonard, Jessi L" <[jleonard6@ncdot.gov](mailto:jleonard6@ncdot.gov)>

Dear Mr. Smith,

I have reviewed along Fort Fisher Blvd in Kure Beach and have identified five locations that would be acceptable for the addition of a parking space at each location so five additional spaces total. It appears that all of these locations previously had parking spaces which may have been removed with the resurfacing project some time back.

The locations are as follows:

- 1) Adjacent to 213 N Fort Fisher Blvd
- 2) Adjacent to 214 N Fort Fisher Blvd
- 3) Adjacent to and between 617 and 621 S Fort Fisher Blvd
- 4) Adjacent to 636 S Fort Fisher Blvd
- 5) Adjacent to 510 S Fort Fisher Blvd

Please provide documentation from the Town that they are in support of parking spaces being reinstalled at these locations. I will need this documentation in order to move forward.

Also, we are working on developing an estimate for pedestrian facilities at the intersection of K Ave and Fort Fisher Blvd. As we discussed, the Town would be tasked with funding the pedestrian improvements. I will be back in touch on this.

Please let me know if you need additional information at this time.

Thank you,

**Stonewall Davis Mathis**

Deputy Division Traffic Engineer  
Division Traffic Services – Division 3  
Department of Transportation

910 341 0300 office  
910 620 9441 mobile  
[smathis@ncdot.gov](mailto:smathis@ncdot.gov)

5504 Barbados Blvd  
Castle Hayne, NC 28429-5646



*Nothing Compares*

*Email correspondence to and from this address is subject to the  
North Carolina Public Records Law and may be disclosed to third parties.*

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Email correspondence to and from this sender is subject to the N.C. Public Records Law and may be disclosed to third parties.



# MEMO

TO: Town Council  
FROM: Nancy Avery, Town Clerk *Nancy Avery*  
RE: Agenda item 1 under Department Head business - Admin  
DATE: 10/10/16

## Medical insurance changes

The General Assembly recently mandated that all municipalities and counties participating in the State Health Plan must charge employees a portion of the monthly premium if they choose not to do wellness credits. These credits consist of a tobacco attestation (must join a program to quit, if you smoke), a health assessment that is quite detailed, and the selection and use of a primary physician. These wellness credits have been in place for 2 years now, but only required state employees to pay a portion of the premium if they did not complete them. There was no requirement for municipalities and counties.

We have always paid 100% of employee premiums for insurance. We have encouraged employees to comply with the wellness credits because it is a savings to the Town on premiums if they do. For those that don't, the Town pays a higher premium.

The new mandate is effective January 2017 when our next plan begins. We are in the open enrollment period until the end of October, so we have informed employees that unless they comply with completing the wellness credits for whichever plan they choose, they will be financially responsible for a part of the monthly premium.

Employees may choose between 3 plans; 2 of the plans have 3 wellness credit requirements, and 1 has 1.

PLAN	85/15	80/20	70/30
Tobacco attestation	\$40	\$40	\$40
Health assessment	\$20	\$25	N/A
Select primary physician.	\$20	\$25	N/A
<i>Total potential cost if no compliance on any</i>	\$80	*\$105.05	\$40
<i>Total Potential cost if compliance with all</i>	\$0	*\$15.04	\$0

### 85/15 PLAN

19 enrolled with 19 complying with physician requirement, 15 with tobacco requirement and 14 with health assessment requirement. 5 employees will be impacted by this change. 4 will have to pay \$40 a month and 1 will have to pay \$20. Of the 4 not complying with tobacco attestation, 1 is in Admin and 3 are in the Police Dept.

### 80/20 PLAN

6 enrolled with 6 complying with physician requirement and none complying with the health assessment or tobacco attestation requirements. These 6 employees would have to pay \$65 + an additional \$15.04\* that is required for the plan for a total of \$80.04 monthly. Of the 6 not complying; 2 are in police, 1 is in fire and 3 are in public works. This is the only plan that requires employee contribution even if he/she completes all 3 wellness credits.

### 70/30 PLAN

18 enrolled. The current plan this year has no wellness credit requirement, but will require the tobacco attestation in January. All of the employees on this plan are in either police (4), fire (3) or public works (11). I suspect a good number of them use tobacco, so they will be impacted with a \$40 a month charge if they don't agree to join a plan to quit.

I believe most of the employees on the 85/15 plan will go back to the 70/30 plan this year. I strongly encouraged employees to try this plan this year, but it has not worked out due to a lot of unexpected up-front out of pocket expenses that have been difficult to get reimbursed for. In the past, most of our employees have been on the 70/30 plan because dependent coverage is more affordable. My concern is that it leaves them vulnerable if they have a major medical issue because there is no maximum out of pocket.

With this prediction and the 70/30 plan now requiring the tobacco attestation, I believe at least 28 of our 43 employees will incur the \$40 a month charge for insurance because of non-compliance with the tobacco requirement. These employees will be in our Fire, Police and Public Works departments. Most of these employees will be the ones in the lower salary range that can ill afford this additional expense and it may be the deciding factor in whether they can also afford to cover dependents.

### *Action for consideration*

1. Take no action and let the employees adjust to the change.
2. Consider a mid-year cost of living (COLA) increase for all full time employees effective January 1, 2017 to help offset the initial impact to employees. Suggested range is \$16 to \$40 a month. Minimum total impact to all departments across all funds for the current year budget would be \$500 and maximum \$8,200 for these increases. If department budgets cannot absorb this additional cost, it would need to come from the contingency fund.

Since this means a salary increase that you probably don't want to have to take away from employees, you could then consider reducing the COLA or merit amount

appropriately for the next year's budget to offset this mid-year increase.

*Funding required*

Possibly an additional \$500 - \$8200 in current budget year.

*Comments for consideration*

It is important, I think, for Council to understand that since we have been paying 100% of premiums, we have already been paying for employees to use tobacco, to not give their personal medical information to the insurance provider and to not choose a primary physician. These are not new. The only thing that has changed is the state's mandate to pass these costs to the employees instead of the employer.

## Whether you smoke, dip or chew, we can help you quit for good

- We know ways to make it easier. We give you friendly support and practical tips that really work.
- You'll get help that fits your needs. Everybody is different. The help we give is personalized for your situation. You may be eligible for nicotine patches, gum or lozenges at no cost.
- QuitlineNC really works. People who get help from the Quitline are twice as likely to quit for good.

## Our help is confidential and provided at no cost.

- There is no cost to you for the call, coaching or the quit guide.
- We respect your privacy. Calls to the Quitline are confidential.



## Comments from North Carolina residents who have used the QuitlineNC

- "You've been great support. I am so glad I heard the number on the radio."
- "I think this is an awesome thing. I feel like I am doubly motivated now. I have someone to provide support in every area."
- "You guys do a beautiful job! I've been recommending this program to everyone."
- "Every person who has called me has been so wonderful."

To enroll online for the telephone or web-only program, go to [www.QuitlineNC.com](http://www.QuitlineNC.com).

# QuitlineNC

## Smoking

## Chewing

## Dipping

# Quitting

You can quit.

We can help.



1-800-QUIT-NOW



QuitlineNC

1-800-QUIT-NOW

1-800-784-8669

TTY 1-877-777-6534

24 hours a day / 7 days a week  
All calls are free and confidential

Tobacco Prevention & Control Branch  
N.C. Division of Public Health  
1932 Mail Service Center  
Raleigh, North Carolina 27699-1932  
[www.tobaccopreventionandcontrol.ncdhs.gov](http://www.tobaccopreventionandcontrol.ncdhs.gov)



Phone: 919-707-5400  
Fax: 919-870-4844

N.C. DHHS is an equal opportunity employer and provider. [ ] copies of this public document were printed at a cost of [ ] or [ ] per copy.  
February 2014



## Call QuitlineNC

- Trained Tobacco Quit Coaches—English, Spanish and translation service for 160 languages
- Receive up to four coaching calls at times convenient for you.
- Toll-free number 1-800-QUIT-NOW (1-800-784-8669)
- Deaf Access: TTY 1-877-777-6534
- 24-hours/7-days-a-week
- For all North Carolinians
- 24-hour enrollment available
- Web Coach available for on-line support
- You may be eligible for nicotine patches, gum, or lozenges at no cost.



## Should you call QuitlineNC?

- **Are you ready to quit?** Call and we'll help you make a quit plan.
- **Are you *not* quite ready to quit?** Call and we'll help you get started.
- **Have you tried to quit and it didn't work?** It can take more than one try to quit for good. Don't be discouraged. Call us. We'll help you learn from your experience and make a new quit plan.
- **Have you already quit?** We know it's hard for a while. If you need some help to stay tobacco-free, please call us.

## Talk with an expert Quit Coach

We know what you're going through. We don't nag or lecture. We help you feel more confident about quitting for good.

There are different ways to quit. We'll help you make a quit plan that will work for you, including:

- Help you identify what triggers you to smoke, dip or chew.
- Help you think of activities other than using tobacco.
- Talk about what hasn't worked and new things you could try.
- Tell you about medications that can help you quit.
- Give you helpful websites to visit.

## Get more help from your Quit Kit

- We'll send you a **Quit Kit** chosen just for you.

## Ask for support and plan your rewards

- Tell your family and friends about your quit plan and ask for their support.
- Plan rewards for yourself.

**Quit and Celebrate!**



**Nancy Hewitt**

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**From:** Emilie Swearingen  
**Sent:** Wednesday, October 12, 2016 8:53 AM  
**To:** Nancy Hewitt  
**Cc:** Nancy Avery; Craig Bloszinsky; David Heglar; Joseph Whitley; Jim Dugan; aa.canoutas@yahoo.com; Arlen Copenhaver  
**Subject:** FW: 2017-2018 Biennium Advocacy Goals - update

Nancy H – please put the attachment on the agenda...old bus. # 23 covers funding for CSDR. Would like to council let me know if there are any you want me to vote against or speak on.

Emilie

**From:** Rose Vaughn Williams, Associate Director of Public & Government Affairs [mailto:LeagueLINC@mailings.nclm.org]  
**Sent:** Tuesday, October 11, 2016 5:00 PM  
**To:** Emilie Swearingen <e.swearingen@townofkurebeach.org>  
**Subject:** 2017-2018 Biennium Advocacy Goals - updated



215 NORTH DAWSON STREET  
RALEIGH, NC 27603  
919-715-4000  
WWW.NCLM.ORG

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## MEMORANDUM

**TO:** NCLM Membership  
**FROM:** Rose Vaughn Williams  
**DATE:** October 11, 2016  
**SUBJECT:** 2017-2018 Biennium Advocacy Goals

On October 23, 2016, municipal officials from across North Carolina will gather at the Advocacy Goals Conference at the Raleigh Convention Center to discuss and vote on legislative and regulatory priorities. For your review and in preparation for the Advocacy Goals Conference, please [click here](#) for the package of goals that will be considered and voted on at the Goals Conference. This package includes a new goal, number 13 under Tax and Finance Goals that was added pursuant to the late goal submission process provided by the Bylaws.

[Recommended Goals for Advocacy Goals Conference](#)



## **Tax & Finance**

### **1. Seek opportunities to support the passage of the federal e-fairness legislation.**

**Background:** A federal effort in recent years has sought to establish a nationwide system for the taxing of purchases made via the Internet. Currently states and municipalities are owed sales taxes for Internet purchases, but they have no authority to collect these taxes. Federal legislation establishing a process for collecting these taxes would provide cities and towns with additional revenue and require that Internet purchases are treated the same as purchases at brick-and-mortar stores.

### **2. Seek legislation to provide municipalities with additional enforcement authority for ensuring the collection of room occupancy taxes owed on short-term rentals.**

**Background:** Short-term rentals of privately-owned properties are becoming increasingly popular in North Carolina and nationwide. Companies such as AirBNB have used their websites to more easily facilitate such rentals. Concerns about the proliferation of these rentals have been expressed by residents and by owners of bed and breakfasts and other similar businesses. There has also been concern expressed by city officials as to whether such rentals are paying the occupancy taxes required under North Carolina law. The committee expressed interest in a legislative goal that provide cities with additional tools for collecting the occupancy tax on short-term rentals.

### **3. Seek legislation to allow room occupancy tax revenues to be used to fund municipal service and infrastructure costs in order to support travel and tourism.**

**Background:** Occupancy taxes in North Carolina are created through local laws. They can vary from jurisdiction to jurisdiction, but the use of occupancy taxes are generally limited to being at least primarily spent on direct tourism promotion. Local governments have expressed interest in having greater flexibility as to how to spend their occupancy tax revenues. When a local bill to allow the City of Jacksonville to spend a greater percentage of its occupancy tax revenues on a capital project was considered in the General Assembly this year, it received pushback from House members and representatives of the tourism development industry. Such legislation may be more likely to receive consideration if any use occupancy tax revenues are expanded to can be directly connected to drawing additional visitors to a jurisdiction.

**4. Seek legislation to provide municipalities with additional locally-controlled revenue options.**

**Background:** Following recent legislative changes, the local property tax is the only municipally-controlled revenue source in North Carolina. That means that if local governing boards determine that there is a need to generate additional revenue for municipal operations, they are left with little choice but raising property taxes. The League has made additional local revenue flexibility a priority in recent years, both as a general goal and with specific proposals for generating additional revenue at the local level.

**5. Seek legislation to modernize and reform local property tax statutes.**

**Background:** As noted above, the property tax is the only locally-controlled revenue source in North Carolina. Many of the statutes related to the property tax in North Carolina were written in the 1970s and have received little revision since then. Properties owned by nonprofit organizations are frequently exempted from paying property tax under the theory that they are providing charitable benefits to the community. Some property owned by nonprofit organizations today may not have as direct a tie to the nonprofit's charitable activities. Reforms to the property tax statutes could help ensure that similar property is taxed similarly and that local governments are receiving all of the property taxes to which they are legally entitled.

**6. Support legislation which defends the fiscal integrity of the Local Government Employees' Retirement System and its defined benefit structure, promotes reasonable pension reforms that are prospective in nature, and meets the needs of local employees, employers, and retirees.**

**Background:** Various aspects of the state and local retirement systems have been discussed at the General Assembly in recent years. In 2015 there were rumors that legislation would be filed that would significantly overhaul the retirement systems in the state. Recently there have been discussions among some legislators and outside observers regarding the allocation of retirement system assets and the assumed rate of return for retirement system investments. The local government retirement system in particular is one of the best-funded in the country, and League members have long viewed a well-funded and stable retirement system as a key tool for attracting and retaining local government employees.

**7. Seek legislation requiring verification that property tax payments are current before any new deed is recorded for a property.**

**Background:** It currently varies from county to county whether it must be verified that property tax payments are current before a new deed for a piece of property is recorded. In the counties where this is not the case, municipalities are often left with an unpaid tax bill and little recourse for collecting these unpaid taxes from the owner. Standardizing this process across the state would ensure that all municipalities are able to collect the property taxes they are owed before a property is sold.

**8. Seek legislation to alter the current statutes governing distribution of local sales taxes by requiring a one-year delay in implementation when a county changes its method of distributing sales tax revenue.**

**Background:** Currently counties may decide how sales taxes returned to them by the state are distributed among the local governments in their jurisdiction. They may choose from two methods – population (per capita) and property tax levy (ad valorem). Many, but not all, counties choose the method that results in the most revenue for the county. Oftentimes one method may be more favorable for some municipalities in a county while less favorable for other municipalities.

Counties may change the method of distribution in April of every year. When they make this change, it goes into effect for the fiscal year beginning on July 1. This gives municipalities little time to plan for the impact of such a change.

**9. Support legislation providing sufficient state-level funding for incentive programs and maintaining grant and tax credit programs related to state and local economic development.**

**Background:** In addition to state-level incentives, a number of state grants and tax credits also help to draw economic development projects to local communities. This goal adds support for those programs generally to a goal regarding state-level economic development incentives.

**10. Support legislation that invests in a competitive film incentive program, robust state historic preservation tax credits, and the Main Street Solutions fund.**

**Background:** In recent years, significant changes have been proposed to both the state's program for supporting the film industry and for state historic preservation tax credits. On behalf of its members, the League has been a strong supporter of these programs that benefit local economies across the state. The Main Street Solutions fund is another state-level fund which helps fund assistance for economic development in North Carolina's cities and towns. This goal would express specific support for each of these three programs.



**11. Support legislation providing sufficient incentive funding at the state level to ensure that North Carolina can compete for economic development projects.**

**Background:** State and local incentives are a key part of almost every economic development discussion. Economic development professionals say that state incentives are necessary to help attract major economic development projects that are considering states around the country. The level of incentive funding and the geographic location of where incentives are provided has been a continued source of discussion at the General Assembly in recent years.

**12. Support providing cost of living adjustments for Local Government Employees Retirement System retirees that can be funded through pension system investment gains.**

**Background:** The Local Government Employees Retirement System (LGERS) Board has a long-standing policy of providing cost of living adjustments (COLAs) to retirees when the previous years' investment returns are sufficient to provide them. The League is sensitive to the needs of our retirees and has supported this policy with the belief that it is one of the management practices that helps keep the system so well-funded, and limits contributions by our municipal members. Since it would be an unfunded mandate on local government employers, the League does not support an additional increase to a LGERS Board approved COLA -- such an increase would require legislation and would be paid for by the personnel budgets of the local government employers in the system.

**13. Seek legislation limiting municipalities' repayment of water- and sewer- growth related fees, and providing municipalities with sufficient authority to be able to flexibly provide the utility services necessary for continued growth and economic development in the future.**

**Background:** In August, the North Carolina Supreme Court ruled against the Town of Carthage in the case of *Quality Built Homes Inc. v. Town of Carthage*. The developers had sued the town, challenging the impact fees that had been levied against them upon approval of a subdivision. (As the town's insurer, the League's risk management pools funded the town's defense in this case.) Both the trial court and the Court of Appeals ruled in favor of the town, but the N.C. Supreme Court reversed those decisions. The Supreme Court's decision could likely invalidate impact fees currently levied by hundreds of local government utilities throughout the state as to services to be furnished by any water or sewer system (the ruling does not apply to county water and sewer districts nor to metropolitan water districts, whose enabling statute's language differs from that of cities and counties).

Impact fees in North Carolina are levied under a variety of names – including system development fees and capacity fees – but all are potentially impacted by the N.C. Supreme



Court's ruling. They are charged to utility customers prior to connection to the utility system and are used to fund future improvements to the system necessitated by the addition of new customers. The N.C. Supreme Court ruled that there was no explicit authority for local government utilities to levy these fees for future water and sewer system expansion. The Supreme Court opined that municipalities have the authority to charge tap fees and to establish water and sewer rates to fund necessary improvements and maintain services, which is sufficient to address expansion needs.

The problems this ruling causes for local government utilities are two-fold. First, going forward, utilities will no longer be able to use the impact fees affected by this ruling to help new customers pay the full cost of their joining the utility system. Without fee authority, water and sewer rates for existing customers around the state will likely need to rise significantly. Second, and perhaps even more impactful, is that the N.C. Supreme Court remanded to the appeals court the decision as to how long the statute of limitations on past fees will run. Local government utilities could be required to refund impact fees previously charged, with plaintiffs advocating that the court could rule in favor of repayment for as much as 10 years' worth of impact fees. Data is still being gathered as to the full scope of the fees impacted by this ruling, but repayment alone could easily run costs for local government utilities into the tens of millions of dollars statewide, if not more.

The proposed goal seeks to address both the potential past and future impact of the N.C. Supreme Court's ruling. It asks for a legislative determination as to the number of years that municipalities must repay impact fees, and for authority going forward to continue funding the utility services that are so crucial to economic development and jobs attraction without burdening existing ratepayers.

## **General Government**

### **14. Support legislation that will provide funding for state-level incentive programs necessary to grow jobs and the economy.**

**Background:** Cities and towns have long supported programs and incentives that grow the economy and grow jobs, such as the Historic Tax Credit, and the Film Incentive grant program. These funds are positive investments that benefit the entire state.

### **15. Oppose legislation that interferes with local management or ownership of local assets.**

**Background:** The Core Municipal Principles address the preservation of municipal authority, but do address the preservation of the management and ownership of local assets. In recent years legislation has removed ownership and control of assets paid for by municipal taxpayers.

**16. Support legislation that would allow municipalities to supplement ABC law enforcement efforts.**

**Background:** Present law states that “Instead of hiring local ABC officers, a local board may contract to pay its enforcement funds to a sheriff’s department, city police department, or other local law-enforcement agency for enforcement of the ABC laws within the law-enforcement agency’s territorial jurisdiction.” This goal proposes changing the law so that a local board may supplement its ABC law enforcement efforts by allowing those Boards with ABC officers to also contract with a local police department to supplement enforcement efforts.

**17. Support municipal authority over municipal personnel issues.**

**Background:** Some employee organizations have sought changes in the law in the past that would limit a city or town’s ability to discharge an employee the town believed needed to be fired. This goal would oppose legislation that would limit a city or town’s ability to set its own standards for discharging an employee.

**18. Support legislation that provides for municipal elections to be determined by local municipal authority.**

**Background:** In 2016 the legislature passed a bill (SL 2016-109), which stated that “It is the intent of the General Assembly to provide for even-numbered year municipal elections, effective with the 2020 election cycle”. The legislation also authorized a study of how the state might move municipal elections to even-numbered years and to make recommendations to the 2017 General Assembly. Municipal election cycles are set by statute now, and have been since the early 1970’s. Present law requires that they be held in odd-numbered years. Some municipalities have asked their legislators to run local bills to change the election year for their municipality. Cities and towns would prefer the legislature not change this law statewide, but only make changes by local bills as requested by the cities and towns.

**19. Support legislation to revise the tier method of measuring levels of economic distress to focus on the causes of distress and taking sub-county data into account.**

**Background:** A tier system is used by the state Department of Commerce to rank the counties that would be deemed to be most in need for grants and investments. There has been proposed legislation that would eliminate the present economic development tier system and propose a new system and similar bills are expected in the future. Under the present system, a county may be ranked as a more prosperous area even though some cities in that county are very poor. Cities and towns believe that, if and when a new tier system is created, sub-county data needs to be utilized so that help can go to those poorer areas within a more prosperous county. Cities and towns would also believe the causes of the economic distress need to be taken into consideration.

**20. Support a formula- based Strategic Transportation Investment program.**

**Background:** This goal does not address what the formula for the STI should be, but focuses on the fact that cities and towns support a formula based program that sets priorities based on what is best for the state, not based on politics. Cities and towns invest money based on the plan that is created by the STI. It is very costly if the General Assembly steps in with legislation to change that plan after planning and investment has begun.

**21. Support legislation to bolster the state's mental health treatment resources, including resources and solutions to lessen the strain on sworn law enforcement officers when providing custody of individuals in crisis.**

**Background:** Municipalities feel the strain that a shortage of mental health treatment resources can put on their communities and their law enforcement officers. This goal would support increased resources for mental health treatment to lessen the strain on law enforcement officers and better support those in need of mental health treatment.

**Planning & Environment**

**22. Seek legislative and administrative changes to the STIP process that give local conditions increased weight in the allocation of transportation funds.**

**Background:** This goal seeks both statutory changes and changes made by NC DOT to the state's transportation prioritization process. With the agency wrapping up its fourth round of project prioritization since the Strategic Transportation Investment Prioritization (STIP) legislation made the selection process more data-driven in 2013, calls to reform that process have increased. Many legislative observers expect proposals to make changes to this law in 2017 that would direct more funding to rural areas than under current formulas.

This goal recommendation intentionally avoids asking to shift the way money is allocated to regions. Instead, the goal seeks to make changes to how projects are scored once the pot of funding has been divided among regions. Of particular importance, the subcommittee stressed that increasing the influence of local officials in project prioritization would benefit all cities and towns in the state, both large and small.

**23. Seek legislation to increase state-level funding for municipal infrastructure needs.**

**Background:** This goal encompasses all state-level funding requests the League members make for infrastructure, including funding for water/sewer, stormwater, transportation, beach



renourishment, inlet dredging, and parks. The broad wording allows for a variety of funding mechanisms, such as grant programs or statewide bonds. Therefore, the League would have maximum flexibility to work within the current political environment to secure funding for this broad array of purposes.

**24. Support state programs that encourage entrepreneurs to develop new uses for recyclable materials.**

**Background:** In making this recommendation, the committee acknowledged that in the current political climate, taking an incentive-based approach to encouraging recycling made the most sense for a League policy recommendation. This goal recognizes that for some materials, the recycling markets remain low or non-existent. If recyclable materials had more uses, they would become more valuable. In turn, local government efforts to encourage recycling of those products would increase if the collection grew a municipality's bottom line.

**25. Seek legislative and administrative changes to allow spending of non-entitlement CDBG funds on a wider array of allowable purposes.**

**Background:** This goal seeks to allow the State to direct non-entitlement CDBG funds to more purposes. Right now, North Carolina directs nearly all non-entitlement CDBG funds to water and sewer projects. However, federal law allows CDBG funds to be spent on a larger number of projects than N.C. law allows. If this goal was achieved, some of the State's funds would be diverted to other purposes, such as housing.

## **Regulatory**

**26. Support legislation that recognizes that management of a public utility is best determined by the local owning entity due to their consideration of financing, engineering, and regulatory responsibilities.**

**Background:** This goal is to support local utility control. In the past, there have been legislative proposals attempting to limit control over a variety of utility decision making. These limits have been in regards to rates, connections, materials, or resulted from enterprise tensions with the development community. (Examples: Asheville Water, piping preference, and legislation requiring Durham to provide water and sewer to a specific development).

**27. Support legislation that gives deference to community water systems in order to support growth and economic development and to address needs established in their 50 year water supply plans.**

**Background:** This goal addresses the topic of water allocation and recognizes that water supply is often a growth planning and economic development tool for municipalities. Additionally, since there is not a legal right to the water utilities use to provide drinking water, this goal states that deference should be given to the withdrawals of community water systems, especially to allow them to address the needs established their required 50 year water supply plans.

**28. Support solutions addressing established use impairments in waters that are based on current site-specific data and analysis, assign responsibility proportionate to the source, and equitably hold accountable all contributors.**

**Background:** This year the Senate proposed measures to continue to study existing State Nutrient Management Strategies, which would have resulted in possible repeal of existing rules. While the final measure that passed only affects the Jordan Lake and Falls Lake rules, this may be an issue that continues to arise. The goal lists factors to consider when addressing nutrient impairment of waters on a statewide level. The committee determined it also provides a clear stance for when existing strategies are called into question. The goal strikes a good balance by stating that policymaking to address nutrient impairment should:

- Be specific to a water body
- Be based on actual impairment
- provide solutions that are scientifically proven to work
- hold everyone that contributes to the problem accountable



# MEMO

TO: Town Council  
FROM: Nikki Keely, Recreation Manager  
RE: 70<sup>th</sup> Anniversary Celebration  
DATE: October 10, 2016

The Planning Committee for the 70<sup>th</sup> Anniversary Celebration has been meeting on a regular basis, formulating a general plan for this event. Committee Chairperson, Lisa Lowery, will be at the October Council Meeting to discuss the event and answer any initial questions.

The Committee is working diligently to produce an event within the \$10,000 expense and \$6,000 revenue budgets set by Town Council. In an attempt to generate revenue, the Committee would like to pursue cash and in-kind sponsors for this event. A copy of the Sponsorship Packet, created specifically for this event, is attached. The Committee awaits Council approval of the Sponsorship Packet prior to soliciting Sponsors on the Town's behalf.

The general plan for this event is for a 2-day celebration to take place on Friday, April 28<sup>th</sup> and Saturday, April 29<sup>th</sup>. A preliminary outline is as follows:

Friday, April 28<sup>th</sup>  
7-10pm Concert at Ocean Front Park

Saturday, April 29<sup>th</sup>  
Morning Sports Event at Joe Eakes Park  
-Small Disc Golf Tournament, Bocce Ball Tournament, etc  
-Concession Stand/Food Truck

11am-5pm Street Festival at Ocean Front Park and surrounding area  
-Footprint includes K Avenue (east of Fort Fisher Blvd), Atlantic Avenue (between K and L Ave), Ocean Front Park, Boardwalk, and Beach  
-Vendors, Music, Children's Activities, and other entertainment options are being considered

Historical Program at Community Center  
-Scheduled Historical Presentations/Talks  
-Historical Displays  
-Historical Car Show in Parking Lot  
-Historical Tour through town via Trolley

Before event planning can further progress, Council action is required on the following items:

- Approve the Sponsorship Packet for use by Committee in soliciting Event Sponsors on Town's behalf
- Close K Avenue (east of Fort Fisher Boulevard) and Atlantic Avenue (between K and L Avenue) to vehicle traffic from the early morning hours through 7 p.m. on Saturday, April 29, 2017
- Allow for the participation of commercial vendors at event sites from the following:
  - Food Truck/Vendors
  - Beer/Wine Vendors (sampling product and selling closed containers for offsite consumption – only at Ocean Front Park event area)
  - Art/Craft Vendors (only at Ocean Front Park event area)
  - Local Non-Profit Organizations

nk

Enclosure: Sponsor Packet



## **TOWN OF KURE BEACH**

117 Settlers Lane, Kure Beach, NC 28449

(910) 458-8216, Fax (910) 458-7421

[www.townofkurebeach.org](http://www.townofkurebeach.org)

Dear Prospective Sponsor,

Kure Beach celebrated its incorporation in 1947. Since then we have witnessed many changes to our community. One thing has remained clear; we have been a continuous draw to thousands of visitors each year from the Wilmington area and around the world! We have come a long way since our founding father, Hans Kure, stepped foot on our shores and we're proud to share our town with you.

In 2017, we will mark the 70th anniversary of our incorporation. As a community steeped in pride, plans are in the works to showcase our town on April 28-29, 2017. One of our goals is to bring a bit of nostalgia from 1947 back to our beach - cars, clothing, bicycles and food – just to name a few ideas we are cultivating. Utilizing areas of the town - our downtown, the beach, pier, neighborhoods and parks – we plan to host events that will draw tourism from across the state and beyond. We are seeking to provide a little something for everyone, while maintaining our family-friendly reputation.

It is important to the town to be able to offer this type of event free of charge to the public. In an effort to do so, we are offering a sponsorship program. We are looking for interested businesses, organizations, and/or individuals to join us as supporters of the **70<sup>th</sup> Anniversary Celebration**. As a sponsor, you will have the opportunity to have your information in front of our audience as outlined in the attached sponsorship packet. We look forward to working with you.

If you have any questions or are interested in a financial sponsorship and/or donating goods or services, please contact Nikki Keely at Kure Beach Town Hall. She can be reached directly at (910) 707-2015 or [parks@tokb.org](mailto:parks@tokb.org). Thank you in advance for your consideration.

Sincerely,

Emilie Swearingen  
Mayor, Town of Kure Beach



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### **70<sup>th</sup> Anniversary Celebration Sponsorship**

#### **Premier Sponsor (\$5,000 donation)**

- Corporate name included in event title
- The opportunity to setup a Marketing Booth at the pavilion (tent, banner, marketing materials, etc.)
- The opportunity to display promotional materials (handouts and/or marketing materials) at a single Sponsor Table in a high traffic, high visibility location in vendor area (*Placement and content of marketing materials subject to approval by Town of Kure Beach Staff*)
- Recognition of your sponsorship verbally (announcements) and visually (Sponsor board) at the event
- Corporate logo recognition of your sponsorship in online and print marketing\*
- Logo signage on any transportation vehicles used – Examples: Bike Taxi, Trolley, Golf Cart Shuttles
- Recognition of your sponsorship on the Town website with a link to your website

#### **High Tide Sponsor (\$2,000 donation)**

- The opportunity to setup a Marketing Booth at the pavilion (tent, banner, marketing materials, etc.)
- Recognition of your sponsorship in online and print marketing\*
- The opportunity to display promotional materials (handouts and/or marketing materials) at a single Sponsor Table in a high traffic, high visibility location in vendor area (*Placement and content of marketing materials subject to approval by Town of Kure Beach Staff*)
- Recognition of your sponsorship verbally (announcements) and visually (Sponsor board) at the event
- Recognition of your sponsorship on the Town website with a link to your website

#### **Low Tide Sponsor (\$500 donation)**

- The opportunity to display promotional materials (handouts and/or marketing materials) at a single Sponsor Table in vendor area (*Placement and content of marketing materials subject to approval by Town of Kure Beach Staff*)
- Recognition of your sponsorship verbally (announcements) and visually (Sponsor board) at the event
- Recognition of your sponsorship on the Town website

#### **Friend of KB70 (\$100 donation)**

- Recognition of your sponsorship verbally (announcements) and visually (Sponsor board) at the event
- Recognition of your sponsorship on the Town website

\*Subject to being a confirmed Sponsor prior to creation of online and print marketing materials



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### **Sponsorship Letter of Agreement**

Sponsor name: \_\_\_\_\_

Agrees to provide a financial sponsorship to the Town of Kure Beach for the **70<sup>th</sup> Anniversary Celebration**. As a sponsor, I understand that I will receive the applicable sponsorship opportunities described in this packet. I further understand that these opportunities will not be valid until this agreement is signed and my check has been issued to and accepted by the Town. As a sponsor, I agree to provide digital artwork for all promotional advertising.

*Please check appropriate sponsorship level:*

- Premier Sponsor: \$5,000**
- High Tide Sponsor: \$2,000**
- Low Tide Sponsor: \$500**
- Friend of KB70: \$100**

Sponsor Name: \_\_\_\_\_

Contact: \_\_\_\_\_

Address/City/Zip: \_\_\_\_\_

Phone: \_\_\_\_\_

Email: \_\_\_\_\_

Website: \_\_\_\_\_

Amount Enclosed: \_\_\_\_\_

Signature: \_\_\_\_\_

Checks Payable to: Town of Kure Beach

Mail to: TOKB, c/o KB70, 117 Settlers Lane, Kure Beach, NC 28449

***\*Please send your digital artwork to [parks@tokb.org](mailto:parks@tokb.org). All artwork is due no later than February 1, 2017.***

## **Thank you for your support!**