



TOWN COUNCIL AGENDA

REGULAR MEETING

November 20, 2018 @ 6:30 p.m.

**Asterisks indicate documentation is included in agenda packet*

Call to Order – Mayor Bloszinsky

Invocation & Pledge of Allegiance – Rev. Thomas Williams, Lay Pastor

APPROVAL OF CONSENT AGENDA ITEMS

1. *Approval of Proclamation 18-04 America Recycles Day
2. *Accept resignation of regular member John Cawthorne from P&Z
3. Direct the Town Clerk to advertise for an alternate on P&Z
4. *Authorize closure of K Avenue (East of FFB) and Atlantic Avenue (between K and L Avenues) to vehicle traffic from the early morning hours on Monday, December 31, 2018 through the early morning hours on Tuesday, January 1, 2019 for the Island of Lights New Year's Eve event and allow for one food truck to operate within the event from 9pm until midnight.
5. *Minutes:
 - October 22, 2018 Public Hearing
 - October 22, 2018 Regular

Consent agenda items are voted on as one item. If a member of Council wishes to discuss an individual item, a motion must be made and approved to move the item to the agenda.

ADOPTION OF THE AGENDA

AWARD PRESENTATION

DISCUSSION AND CONSIDERATION OF PERSONS TO ADDRESS COUNCIL

1. Bernard Robinson & Co., Victor Blackburn, presentation of FY 2017-2018 audit
2. Andro Keck, Special Olympics Athlete and Global Messenger
3. Arlene Diaz, Public Affairs Specialist with the (SBA) U. S. Small Business Administration, Office of Disaster Assistance

DISCUSSION AND CONSIDERATION OF COMMITTEE BUSINESS

1. Community Center Committee
2. Marketing Committee
3. Planning & Zoning Commission – Chairman Galbraith
 - *Recommend amending Code of Ordinances, Chapter 19 (Zoning), Article VI (Signs), Section 371 (Definitions) to add a new definition for 'Monument Sign'
 - *Recommend amending Code of Ordinances, Chapter 19 (Zoning):
 - Article I (Definitions) to add new definitions for 'Habilitation/Rehabilitation Facility'; 'Halfway House'; 'Homeless shelter'; 'Religious institution'; and 'Religious annex'



TOWN COUNCIL AGENDA

REGULAR MEETING

November 20, 2018 @ 6:30 p.m.

- Article III (Administration), Divisions 1, 2, 4, 6, 7, 10 and 12 on Permitted Uses to delete 'Churches and other places of worship including parish houses and Sunday schools (8661)' and add new verbiage regarding 'Religious institutions'

Above Code amendments require a public hearing-suggest as first order of business at the December 18th council meeting

4. Non-town Committee Reports
5. Shoreline Access and Beach Protection Committee

DISCUSSION AND CONSIDERATION OF DEPARTMENT HEAD BUSINESS

1. Administration
2. Building Department
3. Finance Department
4. Fire Department
5. Police Department
6. Public Works Department
7. Recreation
 - *Proposed Dates for 2019 OFP Summer Programs

DISCUSSION AND CONSIDERATION OF OLD BUSINESS

1. Parking update (Whitley)
2. Town facility construction project update (Oliver)
 - *Approval of Landscaping Contract in the amount of \$15,509.00
Funding to be from project contingency budget
 - *Approval of annual landscaping maintenance contract for the Town Hall, Police and Fire facility in the amount of \$3,810.00 for January – December of 2019 with one-half of cost to be charged to current Public Works General Fund budget and the second half to be budgeted as part of next year's Public Works General Fund budget.
3. *Request from P&Z for direction regarding Overlay district for business district (Whitley)
4. *Re-entry process for emergencies (Oliver)

DISCUSSION AND CONSIDERATION OF NEW BUSINESS

1. *Start time for Council meetings – change from 6:30 to 6:00 pm (Bloszinsky)
2. *Encroachment request for 633 S Fort Fisher Blvd to encroach upon Beach Nourishment easement area and utility area to construct a deck

MAYOR UPDATES



TOWN COUNCIL AGENDA

REGULAR MEETING

November 20, 2018 @ 6:30 p.m.

1. *Naming Committee (Bloszinsky)

COMMISSIONER ITEMS

1. Beach Storm Damage Control (Oliver)
2. MPO Focus (Ellen)

CLOSED SESSION, if needed

ADJOURNMENT

CONSENT AGENDA



TOWN COUNCIL
TOWN OF KURE BEACH, NC

PROCLAMATION P18 -04

PROCLAIMING AMERICA RECYCLES DAY

WHEREAS, to focus the town's attention on the importance of recycling; by encouraging local businesses, schools, nonprofit organizations, and individuals to celebrate America Recycles Day and encouraging friends, neighbors, and coworkers to pledge to learn more about recycling options in their community and commit to recycle more materials every day of the year; and

WHEREAS, Recycling saves energy, conserves valuable natural resources, protects the environment, reduces landfill needs and has a positive economic impact; and

WHEREAS, participating in America Recycles Day is one way citizens can help raise awareness about the need to reduce waste by reusing, recycling and buying recycled products; and

WHEREAS, Kure Beach Town leaders can help by informing residents about the importance of buying recycled products and can also use this as an opportunity to spread the word about the excellent recycling programs that have been established, and the growth of markets for recyclable materials.

NOW, THEREFORE, BE IT PROCLAIMED, that the Kure Beach Town Council hereby proclaims November 15th America Recycles Day in the Town of Kure Beach.

Proclaimed this the 20th day of November 2018.

Signed: _____
Craig Bloszinsky, Mayor

ATTEST: _____
Nancy Avery, Town Clerk

Nancy Avery

From: Sturm, Jennifer J <jjsturm@novanthealth.org>
Sent: Tuesday, November 6, 2018 12:18 PM
To: Nancy Avery
Subject: RE: America Recycles Day proclamation request

Hello Ms. Avery,
Unfortunately we will not have anyone able to attend this meeting. If you could mail it to me I would very much appreciate it.

Thank you,
Jen Sturm, Conservation Chair NSDAR
7501 High Rock Drive
Wilmington NC 28412

From: Nancy Avery [mailto:n.avery@townofkurebeach.org]
Sent: Friday, November 02, 2018 1:48 PM
To: Sturm, Jennifer J <jjsturm@novanthealth.org>
Cc: Craig Bloszinsky <c.bloszinsky@townofkurebeach.org>
Subject: RE: America Recycles Day proclamation request

WARNING: This email originated from **outside** of Novant Health.
Do not click links or open attachments unless you recognize the sender & are expecting the message.

Ms. Sturm – will anyone attend the Council meeting to receive the proclamation, or shall I email it? The Council meeting will be Nov. 20th at 6:30 pm.

Nancy Avery
Town Clerk
Town of Kure Beach
117 Settlers Lane
Kure Beach, NC 28449
910-458-8216 (office)
910-458-7421 (fax)
910-707-2016 (direct)
910-443-0410 (cell)
n.avery@tokb.org
www.townofkurebeach.org

From: Craig Bloszinsky
Sent: Tuesday, October 30, 2018 9:50 AM
To: Sturm, Jennifer J <jjsturm@novanthealth.org>
Cc: Nancy Avery <n.avery@townofkurebeach.org>; Allen Oliver <a.oliver@townofkurebeach.org>; Joseph Whitley <j.whitley@townofkurebeach.org>; David Heglar <d.heglar@townofkurebeach.org>; John Ellen <j.ellen@townofkurebeach.org>
Subject: Re: America Recycles Day proclamation request

Ms. Sturm, we will participate in this endeavor, thank you.

Regards,

Craig Bloszinsky

Mayor Kure Beach

Craig

From: Sturm, Jennifer J <jjsturm@novanthealth.org>

Sent: Monday, October 29, 2018 5:34 PM

To: Craig Bloszinsky

Subject: America Recycles Day proclamation request

Hi Mayor Bloszinsky,

Please consider adding our proclamation request to your next meeting in awareness of America Recycles Day.

Thank you very much,

Jen Sturm, Conservation Committee Chair

Wilmington Ladies Tea Walk

National Society Daughters of the American Revolution

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Beth Chase

From: Joseph Whitley
Sent: Friday, November 9, 2018 11:40 AM
To: Nancy Avery; Beth Chase
Subject: Fwd: Stepping Down, P&Z

Opening for alternate for P&Z

Joseph Whitley
Commissioner, Town of Kure Beach
910-620-4900

Begin forwarded message:

From: John Cawthorne <johncawth@hotmail.com>
Date: November 9, 2018 at 11:35:21 AM EST
To: KB P&Z Craig Galbraith <galbraithc@uncw.edu>
Cc: Joseph Whitley <j.whitley@tokb.org>
Subject: Stepping Down, P&Z

Craig

Just a quick note. After discussing with Joseph and looking at my personal & business travel...best I step down from the Commission.

I did not anticipate this level of commitment away from Kure Beach, and the town deserves 100%. So I do appreciate y'all asking the question. Maybe in future, I can relook and again join P&Z if there is availability.

Really enjoyed your leadership and serving with our dedicated fellow Commissioners. Regret not contributing more, as I looked to do.

Thanks to you and Joseph for the opportunity. Will look to continue to participate as a concerned citizen.

best regards
John
793-785-5714

Sent from my iPhone



MEMO

TO: Town Council
FROM: Nikki Keely, Recreation Director
RE: Road Closures for Island of Lights NYE Celebration
DATE: November 13, 2018

It is Kure Beach's turn to host the Island of Lights New Year's Eve Celebration. The holiday falls on a Monday this year and the program is open to the public from 9pm until midnight. Execution of this event necessitates closing K Avenue east of Fort Fisher Boulevard and Atlantic Avenue between K and L Avenues for the entire day, which requires Town Council approval.

Island of Lights has also requested consideration for a food truck to participate in the event. In years past, volunteers from Island of Lights sold popcorn and hot chocolate from a tent setup from 9pm until midnight. This year they would like to try a food truck that will sell doughnuts, hot chocolate, and other similar items in lieu of their volunteers making and selling food/drink items.

Town Council Action Required:

Authorize closure of K Avenue (East of FFB) and Atlantic Avenue (between K and L Avenues) to vehicle traffic from the early morning hours on Monday, December 31, 2018 through the early morning hours on Tuesday, January 1, 2019 for the Island of Lights New Year's Eve event and allow for one food truck to operate within the event from 9pm until midnight.

nk



November 5, 2018

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, 2018. 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 January 24, 2018. Professional standards also require that we communicate to you the following information related to our audit.

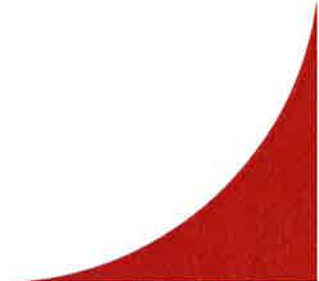
Significant Audit Findings

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, 2018, except for the adoption of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, which resulted in a restatement of beginning net position of the Town and a recording of the Town’s appropriate values related to the Post-Employment Health Benefit Plan. 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 the 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 November 5, 2018.

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.

FY 17-18 AUDIT

TOWN OF KURE BEACH, NORTH CAROLINA

FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2018



TOWN OF KURE BEACH, NORTH CAROLINA
June 30, 2018

Town Council Members

Craig Bloszinsky, Mayor
David Heglar, Mayor Pro Tem
Allen Oliver
John Ellen
Joseph Whitley

Administrative and Financial Staff

Nancy Avery, Town Clerk
Arlen Copenhaver, Budget and Finance Officer

TOWN OF KURE BEACH, NORTH CAROLINA
Table of Contents
June 30, 2018

	<u>Page No.</u>
Independent Auditor’s Report	1-2
Management’s Discussion and Analysis	3-10
<i>Basic Financial Statements</i>	
Government-Wide Financial Statements:	
Statement of Net Position (Exhibit 1)	11
Statement of Activities (Exhibit 2).....	12
Fund Financial Statements:	
Governmental Funds:	
Balance Sheet (Exhibit 3).....	13
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position (Exhibit 4).....	14
Statement of Revenues, Expenditures, and Changes in Fund Balances (Exhibit 5)	15
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of the Governmental Funds to the Statement of Activities (Exhibit 6).....	16
Statement of Revenues, Expenditures, and Changes in Fund Balances - Annual Budget and Actual - General Fund (Exhibit 7)	17
Proprietary Fund:	
Statement of Net Position (Exhibit 8)	18
Statement of Revenues, Expenses and Changes in Net Position (Exhibit 9)	19
Statement of Cash Flows (Exhibit 10).....	20
Notes to Financial Statements	21-46
<i>Required Supplementary Financial Data</i>	
Schedule of the Proportionate Share of Net Pension Liability – Local Government Employees’ Retirement System (Exhibit 11)	47
Schedule of Contributions – Local Government Employees’ Retirement System (Exhibit 11).....	47
Schedule of Changes in Total Pension Liability – Law Enforcement Officers’ Special Separation Allowance (Exhibit 12)	48
Schedule of Total Pension Liability as a Percentage of Covered Payroll (Exhibit 13).....	49
Schedule of Changes in the Total OPEB Liability and Related Ratios (Exhibit 14).....	50
<i>Individual Fund Statements and Schedules</i>	
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - General Fund (Statement 1)	51-54

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Capital Projects Fund – Fire Station and Town Hall Renovations (Statement 2).....	55
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual (Non-GAAP) - Water and Sewer Fund (Statement 3)	56-57
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual Capital Projects Fund – Pump Station (Statement 4)	58
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Capital Project Fund –Utility Renovations (Statement 5)	59
Other Schedules	
Schedule of Ad Valorem Taxes Receivable (Schedule 1)	60
Analysis of Current Year Tax Levy (Schedule 2).....	61



Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund and the aggregate remaining fund information of the Town of Kure Beach, North Carolina (the "Town"), as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these basic financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the basic financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the basic financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Town's preparation and fair presentation of the basic financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the basic financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based on our audit, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type

activities, and each major fund and aggregate remaining fund information of the Town of Kure Beach, North Carolina as of June 30, 2018, and the respective changes in financial position and cash flows, where appropriate, thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis on pages 3 through 10; Schedule of the Proportionate Share of Net Pension Liability and Schedule of Contributions - Local Government Employees' Retirement System (Exhibit 11) on page 47; Schedule of Changes in Total Pension Liability - Law Enforcement Officers' Special Separation Allowance (Exhibit 12) on page 48; Schedule of Total Pension Liability as a Percentage of Covered Payroll (Exhibit 13) on page 49; and Schedule of Changes in the Total OPEB Liability and Related Ratios (Exhibit 14) on page 50 be presented to supplement the basic financial statements. Such information, although not a required part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the basic financial statements of Town of Kure Beach, North Carolina. The budgetary schedules and other schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The individual fund budgetary schedules and other schedules, as listed on the table of contents, are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, based on our audit and the procedures performed as described above, the budgetary schedules and other schedules, are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Bernard Robinson & Company, L.L.P.

Greensboro, North Carolina
November 5, 2018

MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2018

As management of the Town of Kure Beach, North Carolina (the "Town"), we offer readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended June 30, 2018. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the Town's financial statements, which follow this narrative.

Financial Highlights

- The assets and deferred outflows of resources of the Town exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$15,008,739 (net position).
- The government's total net position decreased by \$605,793. This decrease was attributable to the implementation of Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (OPEB)*. This new GASB Statement requires that the Town record the actuarially determined total OPEB liability.
- As of the close of the current fiscal year, the Town's total governmental funds reported combined ending fund balances of \$7,319,409 with a net increase of \$3,066,886 in fund balance. This increase is primarily due to the Town Hall and Fire Station capital projects. Approximately 54% of fund balance or \$3,945,368 is restricted.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$2,674,943 or 52% of total General Fund expenditures for the fiscal year. The combined unassigned and assigned fund balance for the General Fund was \$3,374,041 or 66% of total General Fund expenditures for the fiscal year.
- The Town's total long-term liabilities increased by \$5,396,974 during the current fiscal year. The key factor in this increase was an installment purchase contract totaling \$5,000,000 for the Town Hall and Fire Station capital project.
- The business-type activities revenue decreased by \$133,871 (6%).

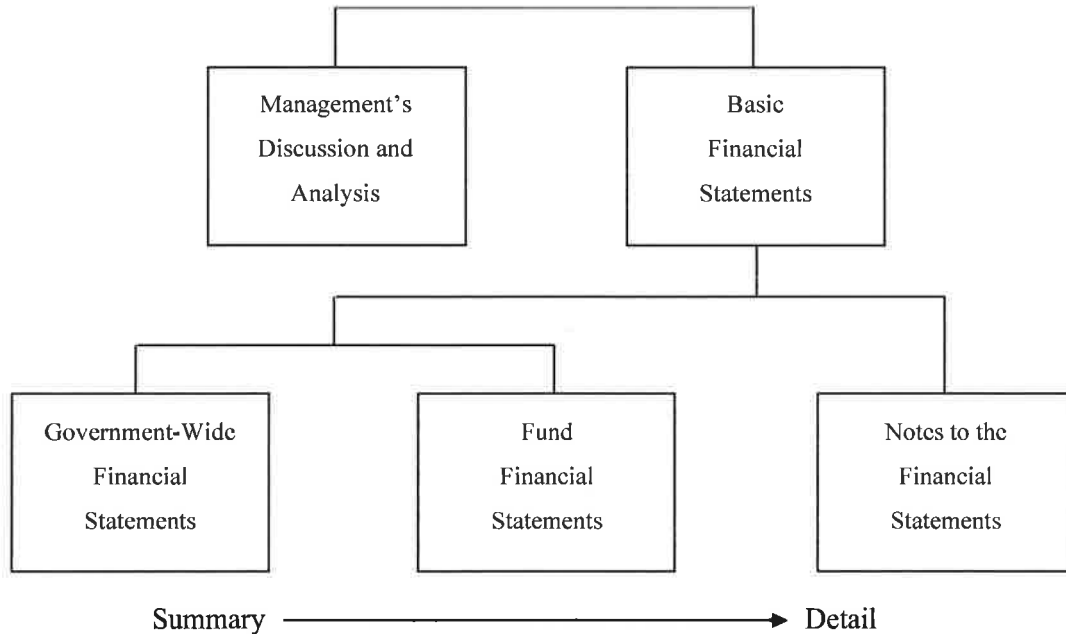
Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the Town of Kure Beach, North Carolina's basic financial statements. The Town's basic financial statements consist of three components; 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements (see Figure 1). The basic financial statements present two different views of the Town through the use of government-wide statements and fund financial statements. In addition to the basic financial statements, this report contains other supplemental information that will enhance the reader's understanding of the financial condition of the Town of Kure Beach, North Carolina.

MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2018

Required Components of Annual Financial Report

Figure 1



Basic Financial Statements

The first two statements (Exhibits 1 and 2) in the basic financial statements are the Government-Wide Financial Statements. They provide both short and long-term information about the Town's financial status.

The next statements (Exhibits 3 through 10) are Fund Financial Statements. These statements focus on the activities of the individual parts of the Town's government. These statements provide more detail than the government-wide statements. There are three parts to the Fund Financial Statements: 1) the governmental funds statements; 2) the budgetary comparison statements; and 3) the proprietary fund statements.

The next section of the basic financial statements is the notes. The notes to the financial statements explain in detail some of the data contained in those statements. After the notes, supplemental information is provided to show details about the Town's individual funds. Budgetary information required by the North Carolina General Statutes also can be found in this part of the statements.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide the reader with a broad overview of the Town's finances, similar in format to a financial statement of a private-sector business. The government-wide statements provide short and long-term information about the Town's financial status as a whole.

The two government-wide statements report the Town's net position and how it has changed. Net position is the difference between the Town's total assets and deferred outflows of resources and total liabilities and deferred inflows of resources. Measuring net position is one way to gauge the Town's financial condition.

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2018

The government-wide statements are divided into two categories: 1) governmental activities; and 2) business-type activities. The governmental activities include most of the Town's basic services such as public safety, parks and recreation, and general administration. Property taxes and state and federal grant funds finance most of these activities. The business-type activities are those that the Town charges customers to provide. These include the water and sewer services offered by the Town of Kure Beach.

The government-wide financial statements are on Exhibits 1 and 2 of this report.

Fund Financial Statements

The fund financial statements (see Figure 1) provide a more detailed look at the Town's most significant activities. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town of Kure Beach, like all other governmental entities in North Carolina, uses fund accounting to ensure and reflect compliance (or non-compliance) with finance-related legal requirements, such as the General Statutes or the Town's budget ordinance. All of the funds of the Town can be divided into two categories: governmental funds and proprietary funds.

Governmental Funds - Governmental funds are used to account for those functions reported as governmental activities in the government-wide financial statements. All of the Town's basic services are accounted for in governmental funds. These funds focus on how assets can readily be converted into cash flow in and out, and what monies are left at year-end that will be available for spending in the next year. Governmental funds are reported using an accounting method called *modified accrual accounting* that provides a short-term spending focus. As a result, the governmental fund financial statements give the reader a detailed short-term view that helps him or her determine if there are more or less financial resources available to finance the Town's programs. The relationship between government activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is described in a reconciliation that is a part of the fund financial statements.

The Town of Kure Beach adopts an annual budget for its General Fund, as required by the General Statutes. The budget is a legally adopted document that incorporates input from the citizens of the Town, the management of the Town, and the decisions of the Board about which services to provide and how to pay for them. It also authorizes the Town to obtain funds from identified sources to finance these current period activities. The budgetary statement provided for the General Fund demonstrates how well the Town complied with the budget ordinance and whether or not the Town succeeded in providing the services as planned when the budget was adopted. The budgetary comparison statement uses the budgetary basis of accounting and is presented using the same format, language, and classifications as the legal budget document. The statement shows four columns: 1) the original budget as adopted by the Board; 2) the final budget as amended by the Board; 3) the actual resources, charges to appropriations, and ending balances in the General Fund; and 4) the difference or variance between the final budget and the actual resources and charges.

Proprietary Fund - The Town of Kure Beach has one kind of proprietary fund, an Enterprise Fund.

An Enterprise Fund is used to report the same functions presented as business-type activities in the government-wide financial statements. The Town of Kure Beach, North Carolina uses an enterprise fund to account for its water and sewer activity. This fund is the same as those functions shown in the business-type activities in the Statement of Net Position and the Statement of Activities.

MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2018

Notes to the Financial Statements - The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements immediately follow Exhibit 10 of the audit report.

Other Information - In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information concerning the Town's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found beginning on page 47 of this report.

Interdependence with Other Entities - The Town depends on financial resources flowing from, or associated with, both the federal government and the State of North Carolina. Because of this dependency, the Town is subject to changes in specific flows of intergovernmental revenues based on modifications to federal and State laws and federal and State appropriations.

Government-Wide Financial Analysis
Town of Kure Beach, North Carolina's Net Position

Figure 2

	Governmental Activities		Business-Type Activities		Totals	
	2018	2017	2018	2017	2018	2017
Assets:						
Current and other assets	\$ 7,974,848	\$ 4,462,584	\$ 2,400,796	\$ 3,093,659	\$ 10,375,644	\$ 7,556,243
Capital assets	9,119,553	7,610,796	6,563,473	5,431,241	15,683,026	13,042,037
Deferred outflows of resources	442,225	505,785	74,869	136,061	517,094	641,846
Total assets	<u>17,536,626</u>	<u>12,579,165</u>	<u>9,039,138</u>	<u>8,660,961</u>	<u>26,575,764</u>	<u>21,240,126</u>
Liabilities:						
Long-term liabilities	8,456,951	3,673,388	2,163,238	1,549,827	10,620,189	5,223,215
Other liabilities	639,035	185,992	95,798	186,229	734,833	372,221
Deferred inflows of resources	166,250	23,759	45,753	6,399	212,003	30,158
Total liabilities	<u>9,262,236</u>	<u>3,883,139</u>	<u>2,304,789</u>	<u>1,742,455</u>	<u>11,567,025</u>	<u>5,625,594</u>
Net Position:						
Net investment in capital						
assets	3,050,893	5,470,359	4,973,235	4,284,286	8,024,128	9,754,645
Restricted	3,945,368	690,494	-	-	3,945,368	690,494
Unrestricted	1,278,129	2,535,173	1,761,114	2,634,220	3,039,243	5,169,393
Total net position	<u>\$ 8,274,390</u>	<u>\$ 8,696,026</u>	<u>\$ 6,734,349</u>	<u>\$ 6,918,506</u>	<u>\$ 15,008,739</u>	<u>\$ 15,614,532</u>

As noted earlier, net position may serve over time as one useful indicator of a government's financial condition. The assets and deferred outflows of the Town of Kure Beach exceeded liabilities and deferred inflows by \$15,008,739 as of June 30, 2018. The Town's net position for governmental activities and business-type activities were \$8,274,390 and \$6,734,349, respectively. The Town's net position decreased by \$605,793 for the fiscal year ended June 30, 2018. However, the largest portion, \$8,024,128, reflects the Town's net investment in capital assets (e.g. land, buildings, machinery, and

MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2018

equipment); less any related debt still outstanding that was issued to acquire those items. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's net investment in its capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities. An additional portion of the Town's net position of \$3,945,368 represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$3,039,243 is unrestricted.

Several particular aspects of the Town's financial operations positively influenced the total governmental net position, notably, the continued diligence in the collection of property taxes by accomplishing a tax collection percentage of 99.85% and the continued growth in the tax base.

Town of Kure Beach, North Carolina's Changes in Net Position

Figure 3

	Governmental Activities		Business-Type Activities		Totals	
	2018	2017	2018	2017	2018	2017
Revenues:						
Program revenues:						
Charges for services	\$ 1,171,029	\$ 1,153,669	\$ 1,949,498	\$ 2,087,346	\$ 3,120,527	\$ 3,241,015
Operating grants and contributions	327,475	238,167	-	-	327,475	238,167
General revenues:						
Property taxes	2,520,305	2,375,755	-	-	2,520,305	2,375,755
Other taxes	776,566	724,148	-	-	776,566	724,148
Grants and contributions not restricted to specific programs	391,271	362,067	-	-	391,271	362,067
Other	8,666	3,113	6,685	2,708	15,351	5,821
Total revenues	<u>5,195,312</u>	<u>4,856,919</u>	<u>1,956,183</u>	<u>2,090,054</u>	<u>7,151,495</u>	<u>6,946,973</u>
Expenses:						
General government	794,112	608,608	-	-	794,112	608,608
Public safety	2,464,462	2,264,880	-	-	2,464,462	2,264,880
Highways/streets	18,127	30,358	-	-	18,127	30,358
Environmental protection	1,081,263	1,014,595	-	-	1,081,263	1,014,595
Parks and recreation	146,697	145,942	-	-	146,697	145,942
Interest on long-term debt	128,442	76,429	-	-	128,442	76,429
Water and sewer	-	-	1,926,866	1,999,708	1,926,866	1,999,708

MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2018

	Governmental Activities		Business-Type Activities		Totals	
	2018	2017	2018	2017	2018	2017
	Other	\$ 24,909	\$ 25,242	\$ -	\$ -	\$ 24,909
Total expenses	4,658,012	4,166,054	1,926,866	1,999,708	6,584,878	6,165,762
Increase in net position	537,300	690,865	29,317	90,346	566,617	781,211
Net position, July 1	8,696,026	8,005,161	6,918,506	6,828,160	15,614,532	14,833,321
Restatement	(958,936)	-	(213,474)	-	(1,172,410)	-
Net position, beginning, restated	7,737,090	8,005,161	6,705,032	6,828,160	14,442,122	14,833,321
Net position, June 30,	\$ 8,274,390	\$ 8,696,026	\$ 6,734,349	\$ 6,918,506	\$ 15,008,739	\$ 15,614,532

Governmental Activities - Governmental activities decreased the Town's net position by \$421,636, thereby accounting for 70% of the total decrease in the net position of the Town. The decrease was the result of implementing GASB Statement No. 75 (Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions). GASB Statement No. 75 implementation required a restatement of the beginning net position, a reduction of \$958,936. Positive elements affecting net position were an increase in local option sales tax revenue and a strong property tax collection rate of 99.85%.

Business-Type Activities - Business-type activities of the Town reported \$6,734,349 in net position, a decrease of \$184,157. As with the governmental activities, implementation of GASB Statement No. 75 included a restatement of the beginning net position resulting in a reduction of \$213,474. Positively impacting net position was a \$72,842 reduction in expenditures.

Financial Analysis of the Town's Funds

As noted earlier, the Town of Kure Beach uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds - The focus of the Town's governmental funds is to provide information on near-term inflows, outflows, and balances of usable resources. Such information is useful in assessing the Town's financing requirements. Specifically, unassigned fund balance can be a useful measure of a government's net resources available for spending at the end of the fiscal year.

The General Fund is the chief operating fund of the Town of Kure Beach. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$2,674,943, while the total fund balance reached \$4,227,281. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 52% of total General Fund expenditures, while total fund balance is 82% of total General Fund expenditures.

At June 30, 2018, the governmental funds of the Town of Kure Beach reported a fund balance of \$7,319,409 with a net increase in fund balance of \$3,066,886. Included in this change in fund balance is an increase in fund balance in the Capital Projects Fund totaling \$3,024,514.

General Fund Budgetary Highlights - During the fiscal year, the Town revised the budget on several occasions. Generally, budget amendments fall into one of three categories: 1) amendments made to adjust the estimates that are used to prepare the original budget ordinance once exact information is available; 2) amendments made to recognize new funding amounts from external sources, such as federal and State grants; and 3) increases in appropriations that become necessary to maintain services.

MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2018

Revenues were more than the budgeted amounts primarily because the Town did not expect to receive some of the unrestricted intergovernmental funds that became available. Expenditures were held in check to comply with its budgetary requirements.

Proprietary Fund - The Town's proprietary fund provides the same type of information found in the government-wide statements, but in more detail. Unrestricted net position of the Water and Sewer Fund at the end of the fiscal year amounted to \$1,761,114. Other factors concerning the finances of this fund have already been addressed in the discussion of the Town's business-type activities.

Capital Asset and Debt Administration

Capital Assets - The Town's investment in capital assets for its governmental and business-type activities as of June 30, 2018, totals \$15,683,026 (net of accumulated depreciation). These assets include buildings, land, machinery and equipment, park facilities, and vehicles.

Major capital asset transactions during the year include the additions of equipment, vehicles and infrastructure. Also included is construction in progress of \$2,239,070 relating to the Town Hall and Fire Station capital project. There were no significant demolitions or disposals of capital assets.

Town of Kure Beach, North Carolina's Capital Assets

Figure 4

	Governmental Activities		Business-Type Activities		Totals	
	2018	2017	2018	2017	2018	2017
	Land	\$ 4,213,583	\$ 4,213,583	\$ 20,697	\$ 20,697	\$ 4,234,280
Building	661,457	687,448	108,983	113,812	770,440	801,260
Equipment and vehicles	501,420	547,864	131,120	135,578	632,540	683,442
Improvements other than buildings	412,365	432,263	-	-	412,365	432,263
Plant and Distribution Systems	-	-	5,702,673	5,014,272	5,702,673	5,014,272
Infrastructure	1,691,658	1,547,252	-	-	1,691,658	1,547,252
Construction in progress	1,639,070	182,386	600,000	146,882	2,239,070	329,268
Total	\$ 9,119,553	\$ 7,610,796	\$ 6,563,473	\$ 5,431,241	\$ 15,683,026	\$ 13,042,037

Additional information on the Town's capital assets can be found in the notes to the basic financial statements.

Long-Term Debt - As of June 30, 2018, the Town had total debt outstanding of \$7,658,898. Installment debt for governmental type activities and business-type activities was \$6,068,660 and \$1,590,238, respectively.

Additional information regarding the Town's long-term debt can be found in the notes to the basic financial statements.

MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2018

Economic Factors and Next Year's Budgets and Rates

The following key economic indicators reflect the growth and prosperity of the Town.

- Tourism to the Town has continued to increase.
- The Town approved a \$5,280,032 General Fund budget for fiscal year 2018-2019. This budget represents a 3.4% increase from the fiscal year 2017-2018 amended budget.

Requests for Information

This report is designed to provide an overview of the Town's finances for those with an interest in this area. Questions concerning any of the information found in this report or requests for additional information should be directed to the Finance Officer, 117 Settlers Lane, Kure Beach, NC 28449. You can also call (910) 458-8216, visit our website www.townofkurebeach.org or send an email to a.copenhaver@tokb.org for more information.

BASIC FINANCIAL STATEMENTS

TOWN OF KURE BEACH, NORTH CAROLINA
Statement of Net Position
June 30, 2018

Exhibit 1

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
Assets			
Current assets:			
Cash and cash equivalents	\$ 3,052,316	\$ 2,091,314	\$ 5,143,630
Investments	762,341	-	762,341
Receivables, net	361,558	309,482	671,040
Restricted cash and cash equivalents	3,798,633	-	3,798,633
Total current assets	7,974,848	2,400,796	10,375,644
Non-current assets:			
Capital assets:			
Land, non-depreciable improvements, and construction in progress	5,852,653	620,697	6,473,350
Other capital assets, net of depreciation	3,266,900	5,942,776	9,209,676
Total capital assets	9,119,553	6,563,473	15,683,026
Total assets	17,094,401	8,964,269	26,058,670
Deferred Outflows of Resources			
Pension deferrals	413,385	61,909	475,294
OPEB deferrals	28,840	12,960	41,800
Total deferred outflows of resources	442,225	74,869	517,094
Liabilities			
Current liabilities:			
Accounts payable and accrued expenses	639,035	89,438	728,473
Customer deposits	-	6,360	6,360
Current portion of long-term liabilities	717,192	246,130	963,322
Total current liabilities	1,356,227	341,928	1,698,155
Long-term liabilities:			
Net pension liability	716,815	118,921	835,736
Total OPEB liability	1,531,519	421,950	1,953,469
Due in more than one year	5,491,425	1,376,237	6,867,662
Total liabilities	9,095,986	2,259,036	11,355,022
Deferred Inflows of Resources			
Pension deferrals	15,008	4,085	19,093
OPEB deferrals	151,242	41,668	192,910
Total deferred inflows of resources	166,250	45,753	212,003
Net Position			
Net investment in capital assets	3,050,893	4,973,235	8,024,128
Restricted	3,945,368	-	3,945,368
Unrestricted	1,278,129	1,761,114	3,039,243
Total net position	\$ 8,274,390	\$ 6,734,349	\$ 15,008,739

The notes to the financial statements are an integral part of this statement

TOWN OF KURE BEACH, NORTH CAROLINA
Statement of Activities
Year Ended June 30, 2018

Functions/Programs	Program Revenues			
	Expenses	Charges for Services	Operating Grants	Capital Grants
Primary government:				
Governmental activities:				
General government	\$ 794,112	\$ 743,556	\$ -	\$ -
Public safety	2,464,462	5,185	262,207	-
Transportation	18,127	-	65,268	-
Parks and recreation	146,697	16,259	-	-
Special projects	24,909	32,465	-	-
Environmental protection	1,081,263	373,564	-	-
Interest on long-term debt	128,442	-	-	-
Total governmental activities	<u>4,658,012</u>	<u>1,171,029</u>	<u>327,475</u>	<u>-</u>
Business-type activities:				
Water and sewer	1,926,866	1,949,498	-	-
Total business-type activities	<u>1,926,866</u>	<u>1,949,498</u>	<u>-</u>	<u>-</u>
Total primary government	<u>\$ 6,584,878</u>	<u>\$ 3,120,527</u>	<u>\$ 327,475</u>	<u>\$ -</u>

General Revenues:

Taxes:

Property taxes, levied for general purpose

Local option sales tax

Other taxes, licenses and fees

Grants and contributions not restricted to specific programs

Investment earnings, unrestricted

Total general revenues, special items, and transfers

Change in net position

Net position, beginning, previously reported

Restatement

Net position, beginning, restated

Net position, ending

The notes to the financial statements are an integral part of this statement

Exhibit 2

Net (Expense) Revenue and Changes in Net Position		
Primary Government		
Governmental Activities	Business-type Activities	Total
\$ (50,556)	\$ -	\$ (50,556)
(2,197,070)	-	(2,197,070)
47,141	-	47,141
(130,438)	-	(130,438)
7,556	-	7,556
(707,699)	-	(707,699)
(128,442)	-	(128,442)
<u>(3,159,508)</u>	<u>-</u>	<u>(3,159,508)</u>
-	22,632	22,632
-	22,632	22,632
<u>(3,159,508)</u>	<u>22,632</u>	<u>(3,136,876)</u>
2,520,305	-	2,520,305
765,806	-	765,806
10,760	-	10,760
391,271	-	391,271
8,666	6,685	15,351
<u>3,696,808</u>	<u>6,685</u>	<u>3,703,493</u>
<u>537,300</u>	<u>29,317</u>	<u>566,617</u>
8,696,026	6,918,506	15,614,532
(958,936)	(213,474)	(1,172,410)
7,737,090	6,705,032	14,442,122
<u>\$ 8,274,390</u>	<u>\$ 6,734,349</u>	<u>\$ 15,008,739</u>

TOWN OF KURE BEACH, NORTH CAROLINA

Exhibit 3

Balance Sheet

Governmental Funds

June 30, 2018

	Major Governmental Fund		Total Governmental Funds
	General Fund	Capital Projects Fund	
Assets			
Cash and cash equivalents	\$ 2,830,385	\$ 221,931	\$ 3,052,316
Investments	762,341	-	762,341
Restricted cash	508,086	3,290,547	3,798,633
Taxes receivable, net	16,404	-	16,404
Account receivables, net	345,154	-	345,154
Total assets	<u>\$ 4,462,370</u>	<u>\$ 3,512,478</u>	<u>\$ 7,974,848</u>
Liabilities			
Accounts payable and accrued liabilities	\$ 218,685	\$ 420,350	\$ 639,035
Total liabilities	<u>218,685</u>	<u>420,350</u>	<u>639,035</u>
Deferred Inflow of Resources			
Property taxes receivable	16,404	-	16,404
	<u>16,404</u>	<u>-</u>	<u>16,404</u>
Fund Balances			
Restricted for:			
State statute	345,154	-	345,154
Streets	337,653	-	337,653
Federal asset forfeitures	170,433	-	170,433
Capital Projects	-	3,092,128	3,092,128
Assigned:			
Beach protection	336,436	-	336,436
Storm water	362,662	-	362,662
Unassigned	2,674,943	-	2,674,943
Total fund balances	<u>4,227,281</u>	<u>3,092,128</u>	<u>7,319,409</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 4,462,370</u>	<u>\$ 3,512,478</u>	<u>\$ 7,974,848</u>

The notes to the financial statements are an integral part of this statement

TOWN OF KURE BEACH, NORTH CAROLINA
Reconciliation of the Governmental Funds Balance Sheet to the
Statement of Net Position
Governmental Funds
June 30, 2018

Exhibit 4

Amounts reported for governmental activities in the statement of net position (Exhibit 1) are different because:

Total Fund Balance, Governmental Funds	<u>\$ 7,319,409</u>
Changes to the pension and OPEB plan in the current fiscal year are deferred outflows of resources on the Statement of Net Position	442,225
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds	
Capital assets at historical costs	13,592,243
Less: accumulated depreciation	<u>4,472,690</u>
Net capital assets used in governmental activities	9,119,553
Net adjustment to increase fund balance-total governmental funds to arrive at net assets - governmental activities	<u>9,561,778</u>
Liabilities for earned but considered deferred inflows of resources in fund statements	<u>16,404</u>
Liabilities owed from governmental activities are not due and payable in the current period and therefore are not reported in the funds	
Installment purchases debt	6,068,660
Net pension obligation	286,452
Other postemployment benefits	1,531,519
Compensated absences	139,957
Net pension liability	430,363
Pension and OPEB related deferrals	<u>166,250</u>
Net adjustment to reduce fund balance-total governmental funds to arrive at net assets - governmental activities	<u>8,623,201</u>
Net position of governmental activities	<u><u>\$ 8,274,390</u></u>

The notes to the financial statements are an integral part of this statement

TOWN OF KURE BEACH, NORTH CAROLINA
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2018

Exhibit 5

	Major Governmental Fund		Total Governmental Funds
	General Fund	Capital Projects Fund	
Revenues			
Ad valorem taxes	\$ 2,527,970	\$ -	\$ 2,527,970
Other taxes and licenses	22,815	-	22,815
Unrestricted intergovernmental	1,155,519	-	1,155,519
Restricted intergovernmental	227,036	-	227,036
Permits and fees	1,103,758	-	1,103,758
Sales and services	157,899	-	157,899
Investment earnings	8,427	239	8,666
Total revenues	<u>5,203,424</u>	<u>239</u>	<u>5,203,663</u>
Expenditures			
Current:			
General government	766,904	-	766,904
Public safety	2,228,046	-	2,228,046
Transportation	18,127	-	18,127
Parks and recreation	132,336	-	132,336
Special projects	24,909	-	24,909
Environmental protection	958,405	-	958,405
Debt service	664,360	-	664,360
Capital outlay	350,632	1,456,684	1,807,316
Total expenditures	<u>5,143,719</u>	<u>1,456,684</u>	<u>6,600,403</u>
Excess of revenues over expenditures	<u>59,705</u>	<u>(1,456,445)</u>	<u>(1,396,740)</u>
Other Financing Sources (Uses)			
Transfers from other funds	-	80,959	80,959
Transfers to other funds	(80,959)	-	(80,959)
Proceeds from installment purchases	63,626	4,400,000	4,463,626
Total other financing sources (uses)	<u>(17,333)</u>	<u>4,480,959</u>	<u>4,463,626</u>
Net change in fund balances	<u>42,372</u>	<u>3,024,514</u>	<u>3,066,886</u>
Fund balances, beginning	<u>4,184,909</u>	<u>67,614</u>	<u>4,252,523</u>
Fund balances, ending	<u>\$ 4,227,281</u>	<u>\$ 3,092,128</u>	<u>\$ 7,319,409</u>

The notes to the financial statements are an integral part of this statement

TOWN OF KURE BEACH, NORTH CAROLINA
Reconciliation of the Statement of Revenues, Expenditures, and Changes
in Fund Balances of the Governmental Funds to the Statement of Activities
Governmental Funds
Year Ended June 30, 2018

Exhibit 6

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - total governmental funds \$ 3,066,886

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Capital outlay expenditures which were capitalized	1,807,316
Depreciation expense for governmental assets	(298,559)

Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities	131,183
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Benefit payments paid and administrative expense for the LEOWSA are not included on the Statement of Activities	11,124
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OPEB benefit payments and administrative costs made in the current fiscal year are not included on the Statement of Activities	28,840
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Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.	
Change in tax receivable	(7,665)

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:

Compensated absences	(1,572)
Net pension obligation	121,336
Total pension obligation	(35,028)
Other postemployment benefits	(358,853)

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.	(3,927,708)
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Total changes in net position of governmental activities	\$ 537,300
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TOWN OF KURE BEACH, NORTH CAROLINA
Statement of Revenues, Expenditures, and Changes in Fund Balances -
Annual Budget and Actual - General Fund
Year Ended June 30, 2018

Exhibit 7

	General Fund			Variance with Final Budget - Positive (Negative)
	Original Budget	Final Budget	Actual Amounts	
Revenues				
Ad valorem taxes	\$ 2,491,300	\$ 2,491,300	\$ 2,527,970	\$ 36,670
Other taxes and licenses	15,145	15,145	22,815	7,670
Unrestricted intergovernmental	1,164,175	1,168,267	1,155,519	(12,748)
Restricted intergovernmental	154,632	154,632	227,036	72,404
Permits and fees	912,540	937,532	1,103,758	166,226
Sales and services	126,375	137,775	157,899	20,124
Investment earnings	2,835	3,323	8,427	5,104
Total revenues	<u>4,867,002</u>	<u>4,907,974</u>	<u>5,203,424</u>	<u>295,450</u>
Expenditures				
Current:				
General government	751,279	922,279	766,904	155,375
Public safety	2,302,878	2,324,570	2,228,046	96,524
Transportation	65,070	65,070	18,127	46,943
Parks and recreation	144,977	144,977	132,336	12,641
Special projects	28,700	28,700	24,909	3,791
Environmental protection	975,152	993,144	958,405	34,739
Debt service	460,455	664,370	664,360	10
Capital outlay	624,710	630,510	350,632	279,878
Total expenditures	<u>5,353,221</u>	<u>5,773,620</u>	<u>5,143,719</u>	<u>629,901</u>
Revenues over (under) expenditures	<u>(486,219)</u>	<u>(865,646)</u>	<u>59,705</u>	<u>925,351</u>
Other Financing Sources (Uses)				
Proceeds from installment purchases	105,000	105,000	63,626	(41,374)
Transfers from other funds	-	(80,959)	(80,959)	-
Total other financing sources (uses)	<u>105,000</u>	<u>24,041</u>	<u>(17,333)</u>	<u>(41,374)</u>
Fund balance appropriated	<u>381,219</u>	<u>841,605</u>	<u>-</u>	<u>(841,605)</u>
Net changes in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>42,372</u>	<u>\$ 42,372</u>
Fund balances, beginning			<u>4,184,909</u>	
Fund balances, ending			<u>\$ 4,227,281</u>	

The notes to the financial statements are an integral part of this statement

TOWN OF KURE BEACH, NORTH CAROLINA
Statement of Net Position
Proprietary Fund
June 30, 2018

Exhibit 8

	Major Enterprise Fund <u>Water and Sewer Fund</u>
Assets	
Current assets:	
Cash and equivalents	\$ 2,091,314
Account receivables, net	<u>309,482</u>
Total current assets	<u>2,400,796</u>
Noncurrent assets:	
Capital assets, net	<u>6,563,473</u>
Total assets	<u>8,964,269</u>
Deferred Outflows of Resources	
Pension deferrals	61,909
OPEB deferrals	<u>12,960</u>
Total deferred outflows of resources	<u>74,869</u>
Liabilities	
Current liabilities:	
Accounts payable and accrued liabilities	89,438
Customer deposits	6,360
Current portion of compensated absences	25,000
Current portion of long-term debt	<u>221,130</u>
Total current liabilities	<u>341,928</u>
Noncurrent liabilities:	
Non-current portion of compensated absences	7,129
Net pension liability	118,921
Total OPEB liability	421,950
Non-current portion of long-term debt	<u>1,369,108</u>
Total liabilities	<u>2,259,036</u>
Deferred Inflows of Resources	
Pension deferrals	4,085
OPEB deferrals	<u>41,668</u>
Total deferred inflows of resources	<u>45,753</u>
Net Position	
Net investment in capital assets	4,973,235
Unrestricted	<u>1,761,114</u>
Total Net Position	<u>\$ 6,734,349</u>

The notes to the financial statements are an integral part of this statement

TOWN OF KURE BEACH, NORTH CAROLINA
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Fund
Year Ended June 30, 2018

Exhibit 9

	Major Enterprise Fund <u>Water and Sewer Fund</u>
Operating revenues:	
Charges for services	\$ 1,943,103
Other operating revenues	<u>6,395</u>
Total operating revenues	<u>1,949,498</u>
Operating expenses:	
Administration	453,386
Water and sewer system operations	1,234,320
Depreciation	<u>204,344</u>
Total operating expenses	<u>1,892,050</u>
Operating income	<u>57,448</u>
Non-operating revenues (expenses):	
Investment earnings	6,685
Interest and fees	<u>(34,816)</u>
Total non-operating revenues (expenses)	<u>(28,131)</u>
Net income	<u>29,317</u>
Change in net position	<u>29,317</u>
Net position, beginning, previously reported	6,918,506
Restatement	(213,474)
Net position, beginning, restated	<u>6,705,032</u>
Total net position, ending	<u>\$ 6,734,349</u>

The notes to the financial statements are an integral part of this statement

TOWN OF KURE BEACH, NORTH CAROLINA
Statement of Cash Flows
Proprietary Fund
Year Ended June 30, 2018

Exhibit 10

	Major Enterprise Fund Water and Sewer Fund
Cash flows from operating activities:	
Cash received from customers	\$ 1,932,131
Cash paid for goods and services	(815,812)
Cash paid to employees for services	(691,651)
Net cash provided by operating activities	<u>424,668</u>
Cash flows from capital and related financing activities:	
Acquisition and construction of capital assets	(1,336,576)
Proceeds from installment purchases	631,958
Principal paid on installment purchases	(188,675)
Interest and fees paid on installment purchases	(34,816)
Net cash used in capital and related financing activities	<u>(928,109)</u>
Cash flows from investing activities:	
Interest	<u>6,685</u>
Net decrease in cash and cash equivalents	(496,756)
Balances, beginning, as previously reported	2,801,544
Restatement	(213,474)
Balance, beginning, as restated	<u>2,588,070</u>
Balances, ending	<u>\$ 2,091,314</u>
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	<u>\$ 57,448</u>
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	204,344
Changes in assets and liabilities:	
(Increase) decrease in:	
Accounts receivable	(17,367)
Deferred outflows of resources - pensions	74,152
Deferred outflows of resources - OPEB	(12,960)
Increase (decrease) in:	
Accounts payable and accrued liabilities	(90,431)
Compensated absences	(4,792)
Net Pension Liability	(33,360)
Deferred inflows of resources - pensions	(2,314)
Deferred inflows of resources - OPEB	41,668
OPEB liability	208,280
Total adjustments	<u>367,220</u>
Net cash provided by operating activities	<u>\$ 424,668</u>

The notes to the financial statements are an integral part of this statement

TOWN OF KURE BEACH, NORTH CAROLINA
Notes to Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Town of Kure Beach, North Carolina (the "Town") conform to accounting principles generally accepted in the United States of America as applicable to governments. The following is a summary of the more significant accounting policies:

Reporting Entity

The Town is a municipal corporation, which is governed by an elected mayor and a four-member council.

Basis of Presentation

Government-Wide Statements: The statement of net position and the statement of activities display information about the primary government. These statements include the financial activities of the overall government. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the *governmental* and *business-type activities* of the Town. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenues for the different business-type activities and for each function of the Town's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expense allocations that have been made in the funds have been reversed for the statement of activities. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements: The fund financial statements provide information about the Town's funds. Separate statements for each fund category - *governmental* and *proprietary* - are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as non-major funds.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenues, such as subsidies result from non-exchange transactions. Other non-operating revenues are ancillary activities such as investment earnings.

The Town reports the following major governmental funds:

General Fund – This fund is the general operating fund of the Town. The General Fund accounts for all financial resources except those that are required to be accounted for in another fund. The primary revenue sources are ad valorem taxes, State grants, and various other taxes and licenses. The primary expenditures are for public safety, street maintenance and construction, and sanitation services.

Capital Projects Fund – This fund is used to account for the renovation of the Town hall and construction of a new fire station.

TOWN OF KURE BEACH, NORTH CAROLINA
Notes to Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Town reports the following major enterprise fund:

Water and Sewer Fund – This fund is used to account for the Town’s water and sewer operations. Water and Sewer Capital Projects Fund has been consolidated into the Water and Sewer Fund for financial reporting purposes. The budgeting comparison for the Water and Sewer Capital Projects Fund has been included in the supplemental information.

Measurement Focus and Basis of Accounting

In accordance with North Carolina General Statutes, all funds of the Town are maintained during the year using the modified accrual basis of accounting.

Government-Wide and Proprietary Fund Financial Statements - The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus. The government-wide and proprietary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the Town gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Town’s enterprise funds are charges to customers for sales and services. The Town also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the water and sewer system. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Governmental Fund Financial Statements - Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

The Town considers all revenues available if they are collected within 90 days after year end, except for property taxes. Ad valorem taxes receivable are not accrued as revenue because the amount is not susceptible to accrual. At June 30, taxes receivable for property other than motor vehicles are materially past due and are not considered to be an available resource to finance the operations of the current year.

TOWN OF KURE BEACH, NORTH CAROLINA

Notes to Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Also, as of September 1, 2013, State law altered the procedures for the assessment and collection of property taxes on registered motor vehicles in North Carolina. Effective with this change in the law, the State of North Carolina is responsible for billing and collecting the property taxes on registered motor vehicles on behalf of all municipalities and special tax districts. Property taxes are due when vehicles are registered. The billed taxes are applicable to the fiscal year in which they are received. Uncollected taxes that were billed in periods prior to September 1, 2013 and for limited registration plates are shown as a receivable in these financial statements and are offset by deferred inflows of resources. Sales taxes and certain intergovernmental revenues, such as the utilities sales tax, collected and held by the State at year-end on behalf of the Town are recognized as revenue. Sales taxes are considered a shared revenue for the Town because the tax is levied by New Hanover County and then remitted to and distributed by the State. Most intergovernmental revenues and sales and services are not susceptible to accrual because generally they are not measurable until received in cash. Under the terms of grant agreements, the Town funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Thus, when program expenses are incurred, there is both restricted and unrestricted net position available to finance the program. It is the Town's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants, and then by general revenues.

Budgetary Data

The Town's budgets are adopted as required by North Carolina General Statutes. An annual budget is adopted for the General and Enterprise Funds. All annual appropriations lapse at the fiscal year-end. Project ordinances are adopted for the Governmental and Enterprise Capital Projects Fund. All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the departmental level for all annually budgeted funds and at the project level for the multi-year funds. The Budget Officer is authorized by the budget ordinance to transfer appropriations within a fund under the following conditions as specified in North Carolina General Statute Chapter 159: amounts between line item expenditures without limitation and without a report being required up to \$10,000 at any one time; amounts within departments and of the same fund and reported as part of the financial statements and shall make an official report immediately to Town Council on such transfers; and may not transfer amounts between funds without prior Town Council action.

Assets, Liabilities, Deferred Inflows/Outflows of Resources, and Fund Equity

Deposits and Investments

All deposits of the Town are made in board-designated official depositories and are secured as required by the State law (G.S. 159-31). The Town may designate, as an official depository, any bank or savings association whose principal office is located in North Carolina. Also, the Town may establish time deposit accounts such as NOW and SuperNOW accounts, money market accounts, and certificates of deposit. State law (G.S. 159-30(c)) authorizes the Town to invest in obligations of the United States or obligations fully guaranteed both as to principal and interest by the United States; obligations of the State of North Carolina; bonds and notes of any North Carolina local government or public authority; obligations of certain non-guaranteed federal agencies; certain high quality issues of commercial paper and bankers' acceptances and the North Carolina Capital Management Trust ("NCCMT"). The Town's investments are reported at fair value. Non-participating interest earning contracts are accounted for at cost. The NCCMT Government Portfolio, a SEC-registered (2a-7) external investment pool, is measured at amortized cost, which is the NCCMT's share price. The NCCMT-Term Portfolio's securities are valued at fair value.

TOWN OF KURE BEACH, NORTH CAROLINA
Notes to Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Cash Equivalents

The Town pools money from several funds to facilitate disbursement and investment and to maximize investment income. Therefore, all cash and investments are essentially demand deposits and are considered cash and cash equivalents.

Restricted Cash

Restricted cash recorded in the Governmental Fund and General Fund represents unexpended Powell Bill, Federal Asset Forfeiture and Capital Project loan proceeds of \$337,653, \$170,433 and \$3,290,547, respectively, because their use is completely restricted to the purpose for which the grant or contribution was issued or given which is street improvements, law enforcement equipment or training and the Town Hall and Fire Station capital project.

Ad Valorem Taxes Receivable

In accordance with State law (G.S. 105-347 and G.S. 159-13(a)), the Town levies ad valorem taxes on property other than motor vehicles on July 1st, the beginning of the fiscal year. The taxes are due on September 1st (lien date); however, interest does not accrue until the following January 6th. These taxes are based on the assessed values as of January 1, 2017. As allowed by State law, the Town has established a schedule of discounts that apply to taxes which are paid prior to the due date. In the Town's General Fund, ad valorem tax revenues are reported net of such discounts.

Allowance for Doubtful Accounts

All receivables that historically experience uncollectible accounts are shown net of an allowance for doubtful accounts. This amount is estimated by analyzing the percentage of receivables that were written off in prior years. At year end, the Town believes that receivables are fully collectable.

Capital Assets

Capital assets are defined by the government as assets with an initial, individual cost of more than a certain cost and an estimated useful life in excess of two years. Capitalization cost for the Town's assets are \$5,000. Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets received prior to June 30, 2015 are recorded at their estimated fair value at the date of donation. Donated capital assets received after June 30, 2015 are recorded at acquisition value. All other purchased or constructed capital assets are reported at cost or estimated historical cost. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Capital assets of the Town are depreciated on a class life basis at the following rates:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Furniture and office equipment	10 years
Maintenance and construction equipment	5 years
Medium and heavy motor vehicles	5 years
Automobiles and light trucks	5 years

TOWN OF KURE BEACH, NORTH CAROLINA
Notes to Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element called deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as expense or expenditure until then. The Town has an item that meets this criterion, deferrals of pension and OPEB. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflow of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The Town has two items that meet the criterion for this category – property taxes receivable, and pension and OPEB deferrals.

Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method that approximates the effective interest method. Bonds payable are reported net of the applicable bond premiums or discount. Bond issuance costs, except for prepaid insurance costs, are expensed in the reporting period in which they are incurred. Prepaid insurance costs are expensed over the life of the related debt.

In fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Compensated Absences

Vacation leave is accumulated at the rate of up to twenty-seven (27) days per year with each leave being fully vested when earned. For the Town's government-wide and proprietary funds, an expense and a liability for compensated absences and the salary-related payments are recorded within the funds as the leave is earned. The Town has assumed a first-in, first-out method of using accumulated compensated time. The portion of that time that is estimated to be used in the next fiscal year has been designated as a current liability in the government-wide financial statements.

The Town's sick leave policies provide for an unlimited accumulation of earned sick leave. Sick leave does not vest, but any unused sick leave accumulated at the time of retirement may be used in the determination of length of service for retirement benefit purposes. Since the Town does not have any obligation for the accumulated sick leave until it is actually taken, no accrual for sick leave has been made.

TOWN OF KURE BEACH, NORTH CAROLINA
Notes to Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net Position/Fund Balances

Net Position - Net position in the government-wide and proprietary fund financial statements are classified as net investment in capital assets; restricted; and unrestricted. Restricted net position represents constraints on resources that are either a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or b) imposed by law through State statutes.

Fund Balances

In the governmental fund financial statements, fund balance is composed of three classifications designed to disclose the hierarchy of constraints placed on how fund balance can be spent.

The governmental fund types classify fund balances as follows:

Restricted Fund Balance - This classification includes amounts that are restricted to specific purposes externally imposed by creditors or imposed by law.

Restricted for Stabilization by State statute - portion of fund balance that is restricted by State Statute [G.S. 159-8(a)]. At year end, restricted for stabilization by state statute was \$345,154.

Restricted for Streets - Powell Bill - portion of fund balance that is restricted by revenue source for street construction and maintenance expenditures. This amount represents the balance of the total unexpended Powell Bill funds. At year end, restricted for streets – Powell Bill was \$337,653.

Restricted for Federal asset forfeiture - portion of fund balance that is restricted by Federal regulations. This amount represents the balance of total unexpended federal asset forfeiture funds received by the Town. At year end, restricted for Federal asset forfeiture was \$170,433.

Restricted for Capital Projects – portion of fund balance that has been budgeted by Town Council for the construction of a new fire station and renovation of the Town Hall facility. This amount represents the balance of unexpended loan proceeds and at year end totaled \$3,092,128.

Assigned Fund Balance – portion of fund balance that the Town intends to use for specific purposes.

Assigned for Storm Water – portion of fund balance that has been budgeted by Town Council for maintenance and improvement of the Town’s storm water system.

Assigned for Beach Protection – portion of fund balance that has been budgeted by Town Council for beach related expenditures.

Unassigned Fund Balance – the portion of fund balance that has not been restricted, committed, or assigned to specific purposes or other funds.

The Town has a revenue spending policy that provides guidance for programs with multiple revenue sources. The Finance Officer will use resources in the following hierarchy: bond proceeds, federal funds, State funds, local non-Town funds, Town funds. For purposes of fund balance classification, expenditures are to be spent from restricted fund balance first, followed in-order by committed fund balance, assigned fund balance and lastly, unassigned fund balance. The Finance Officer has the authority to deviate from this policy if it is in the best interest of the Town.

TOWN OF KURE BEACH, NORTH CAROLINA
Notes to Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Town has also adopted a minimum fund balance policy for the General Fund which instructs management to conduct the business of the Town in such a manner that an unrestricted fund balance in the Governmental Funds of no less than 32% of the total projected expenditures be maintained. Unrestricted fund balance is the total of all committed, assigned and unassigned fund balance, as reported in the Annual Financial Report. Unrestricted fund balance in excess of 32% is available for general appropriation during the budget year as approved by the Town Council. Restricted fund balances only can be used, by authorization of the Town Council, for the purposes for which they were externally restricted. At the end of the fiscal year, after the annual audit is complete and financial statements have been reported, the Town Council may, at its discretion, credit any unrestricted fund balance in excess of 75% of the subsequent year's total expenditures, to a capital reserve fund. This designation will be done by formal resolution of the Town Council. If a catastrophic, economic or natural event occurs that requires a 25% or more deviation from the total budgeted revenues or expenditures, the unrestricted fund balance can be reduced below 32% of the total projected expenditures by Town Council action. In such an event, the Town Council shall develop a recovery plan to rebuild the fund balance within 36 months of the current fiscal year end.

Defined Benefit Cost-Sharing Plans

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Local Governmental Employees' Retirement System (LGERS) and additions to/deductions from LGERS' fiduciary net position have been determined on the same basis as they are reported by LGERS. For this purpose, plan member contributions are recognized in the period in which the contributions are due. The Town of Kure Beach, North Carolina's employer contributions are recognized when due and the Town of Kure Beach, North Carolina has a legal requirement to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of LGERS. Investments are reported at fair value.

NOTE 2 – DETAIL NOTES ON ALL FUNDS

A. Assets

Deposits

All the deposits of the Town are either insured or collateralized by using one of two methods. Under the Dedicated Method, all deposits that exceed the federal depository insurance coverage level are collateralized with securities held by the Town's agents in the unit's name. Under the Pooling Method, which is a collateral pool, all uninsured deposits are collateralized with securities held by the State Treasurer's agent in the name of the State Treasurer. Since the State Treasurer is acting in a fiduciary capacity for the Town, these deposits are considered to be held by the Town's agents in their names. The amount of the pledged collateral is based on an approved averaging method for non-interest-bearing deposits and the actual current balance for interest-bearing deposits.

Depositories using the Pooling Method report to the State Treasurer the adequacy of their pooled collateral covering uninsured deposits. The State Treasurer does not confirm this information with the Town or the escrow agent. Because of the inability to measure the exact amounts of collateral pledged for the Town under the Pooling Method, the potential exists for under-collateralization, and this risk may increase in periods of high cash flows. However, the State Treasurer of North Carolina enforces strict

TOWN OF KURE BEACH, NORTH CAROLINA

Notes to Financial Statements

NOTE 2 - DETAIL NOTES ON ALL FUNDS (Continued)

standards of financial stability for each depository that collateralizes public deposits under the Pooling Method. The Town has no formal policy regarding custodial credit risk for deposits, but relies on the State Treasurer to enforce standards of minimum capitalization for all pooling method financial institutions and to monitor them for compliance. The Town complies with the provisions of G.S. 15931 when designating official depositories and verifying that deposits are properly secured.

At June 30, 2018, the Town's deposits had a carrying amount of \$8,942,063 and a bank balance of \$9,071,015. Of the bank balance, \$500,000 was covered by federal depository insurance and the remainder was covered by collateral under the pooling method. The Town's petty cash fund totaled \$200.

Investments

The Town's investment balances were as follows:

<u>Investment Type</u>	<u>Valuation</u>	<u>Book Value</u>	<u>Maturity</u>	<u>Rating</u>
	<u>Measurement Method</u>			
NC Capital Management Trust - Government Portfolio	Amortized Cost	\$ 215,708	N/A	AAAm
NC Capital Management Trust - Term Portfolio	Fair Value - Level 1	<u>546,633</u>	0.09 years	Unrated
		<u>\$ 762,341</u>		

All investments are measured using the market approach: using prices and other relevant information generated by market transactions involving identical or comparable assets or a group of assets.

Level of fair value hierarchy: Level 1: debt securities valued using directly observable, quoted prices (unadjusted) in active markets for identical assets.

Interest Rate Risk - The Town has no formal investment policy regarding interest rate risk. As a means of limiting its exposure to fair value losses arising from rising interest rates, the Town's internal investment policy limits the Town's investment portfolio to maturities of 12 months or less.

Credit Risk - The Town has no formal policy regarding credit risk, but has internal management procedures that limits the Town's investments to the provisions of G.S. 159-30 and restricts the purchase of securities to the highest possible ratings whenever particular types of securities are rated. The Town's investment in the NC Capital Management Trust Government Portfolio carried a credit rating of AAAM by Standard & Poor's as of June 30, 2018. The Town's investment in the NC Capital Management Trust Term Portfolio is unrated. The Term Portfolio is authorized to invest in obligations of the U.S. government and agencies, and in high grade money market instruments as permitted under North Carolina General Statutes 159-30 as amended.

Custodial credit risk - For an investment, the custodial risk is the risk that in the event of the failure of the counterparty, the Town will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The Town has no formal policy on custodial credit risk, but management procedures are that the Town shall utilize a third party custodial agent for book entry transactions, all of which shall be held in the Town's name. At year end, the Town did not have any uninsured or unregistered investments that were not in the Town's name.

TOWN OF KURE BEACH, NORTH CAROLINA
Notes to Financial Statements

NOTE 2 - DETAIL NOTES ON ALL FUNDS (Continued)

Receivables

Governmental activities – General Fund receivables of \$361,558 consist of \$62,710 for customer accounts; \$16,404 for taxes and related accrued interest, and \$282,444 due from other governments. Business-Type activities – Water and Sewer Fund receivables of \$309,482 consist entirely of customer accounts. Based on historical experience an allowance for doubtful accounts has not been established.

Capital Assets

Capital asset activity for the Primary Government was as follows:

	Beginning Balances	Increases	Decreases	Transfers	Ending Balances
Governmental Activities:					
Capital assets not being depreciated:					
Land	\$ 4,213,583	\$ -	\$ -	\$ -	\$ 4,213,583
Construction in progress	182,386	1,456,684	-	-	1,639,070
Total capital assets not being depreciated	<u>4,395,969</u>	<u>1,456,684</u>	<u>-</u>	<u>-</u>	<u>5,852,653</u>
Capital assets being depreciated:					
Buildings	1,304,247	-	-	-	1,304,247
Equipment and vehicles	3,555,569	125,413	5,000	-	3,675,982
Improvements	608,602	-	-	-	608,602
Infrastructure	1,925,540	225,219	-	-	2,150,759
Total capital assets being depreciated	<u>7,393,958</u>	<u>350,632</u>	<u>5,000</u>	<u>-</u>	<u>7,739,590</u>
Less accumulated depreciation for:					
Buildings	616,799	25,991	-	-	642,790
Equipment and vehicles	3,007,705	171,857	5,000	-	3,174,562
Improvements	176,339	19,898	-	-	196,237
Infrastructure	378,288	80,813	-	-	459,101
Total accumulated depreciation	<u>4,179,131</u>	<u>298,559</u>	<u>5,000</u>	<u>-</u>	<u>4,472,690</u>
Total capital assets being depreciated, net	<u>3,214,827</u>				<u>3,266,900</u>
Government activity capital assets, net	<u>\$ 7,610,796</u>				<u>\$ 9,119,553</u>

TOWN OF KURE BEACH, NORTH CAROLINA
Notes to Financial Statements

NOTE 2 - DETAIL NOTES ON ALL FUNDS (Continued)

Depreciation expense was charged to functions/programs of the primary government as follows:

General Government	\$ 20,481
Public Safety	166,715
Environmental Protection	97,002
Cultural and Recreational	14,361
Total depreciation expense	<u>\$ 298,559</u>

Capital asset activity for the Business-Type Activities was as follows:

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balances</u>
Business-Type Activities:					
Capital assets not being depreciated:					
Land	\$ 20,697	\$ -	\$ -	\$ -	\$ 20,697
Construction in process	146,882	1,264,538	-	(811,420)	600,000
Total capital assets not being depreciated	<u>167,579</u>	<u>1,264,538</u>	<u>-</u>	<u>(811,420)</u>	<u>620,697</u>
Capital assets being depreciated:					
Plant and Distribution Systems	8,604,767	29,845	-	811,420	9,446,032
Buildings	193,162	-	-	-	193,162
Equipment and vehicles	686,707	42,193	-	-	728,900
Total capital assets being depreciated	<u>9,484,636</u>	<u>72,038</u>	<u>-</u>	<u>811,420</u>	<u>10,368,094</u>
Less accumulated depreciation for:					
Plant and Distribution Systems	3,590,495	152,864	-	-	3,743,359
Buildings	79,350	4,829	-	-	84,179
Equipment and vehicles	551,129	46,651	-	-	597,780
Total accumulated depreciation	<u>4,220,974</u>	<u>204,344</u>	<u>-</u>	<u>-</u>	<u>4,425,318</u>
Total capital assets being depreciated, net	<u>5,263,662</u>				<u>5,942,776</u>
Water and Sewer activity capital assets, net	<u>\$ 5,431,241</u>				<u>\$ 6,563,473</u>

TOWN OF KURE BEACH, NORTH CAROLINA
Notes to Financial Statements

NOTE 2 - DETAIL NOTES ON ALL FUNDS (Continued)

B. Liabilities

Pension Plan and Postemployment Obligations

a. Local Governmental Employees' Retirement System

Plan Description. The Town of Kure Beach is a participating employer in the statewide Local Governmental Employees' Retirement System (LGERS), a cost-sharing multiple-employer defined benefit pension plan administered by the State of North Carolina. LGERS membership is comprised of general employees and local law enforcement officers (LEOs) of participating local governmental entities. Article 3 of G.S. Chapter 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the LGERS Board of Trustees, which consists of 13 members – nine appointed by the Governor, one appointed by the State Senate, one appointed by the State House of Representatives, and the State Treasurer and the State Superintendent, who serve as ex-officio members. The Local Governmental Employees' Retirement System is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes financial statements and required supplementary information for LGERS. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, by calling (919) 981-5454, or at www.osc.nc.gov.

Benefits Provided. LGERS provides retirement and survivor benefits. Retirement benefits are determined as 1.85% of the member's average final compensation times the member's years of creditable service. A member's average final compensation is calculated as the average of a member's four highest consecutive years of compensation. Plan members are eligible to retire with full retirement benefits at age 65 with five years of creditable service, at age 60 with 25 years of creditable service, or at any age with 30 years of creditable service. Plan members are eligible to retire with partial retirement benefits at age 50 with 20 years of creditable service or at age 60 with five years of creditable service (age 55 for firefighters). Survivor benefits are available to eligible beneficiaries of members who die while in active service or within 180 days of their last day of service and who have either completed 20 years of creditable service regardless of age (15 years of creditable service for firefighters and rescue squad members who are killed in the line of duty) or have completed five years of service and have reached age 60. Eligible beneficiaries may elect to receive a monthly Survivor's Alternate Benefit for life or a return of the member's contributions. The plan does not provide for automatic post-retirement benefit increases. Increases are contingent upon actuarial gains of the plan.

LGERS plan members who are LEOs are eligible to retire with full retirement benefits at age 55 with five years of creditable service as an officer, or at any age with 30 years of creditable service. LEO plan members are eligible to retire with partial retirement benefits at age 50 with 15 years of creditable service as an officer. Survivor benefits are available to eligible beneficiaries of LEO members who die while in active service or within 180 days of their last day of service and who also have either completed 20 years of creditable service regardless of age, or have completed 15 years of service as a LEO and have reached age 50, or have completed five years of creditable service as a LEO and have reached age 55, or have completed 15 years of creditable service as a LEO if killed in the line of duty. Eligible beneficiaries may elect to receive a monthly Survivor's Alternate Benefit for life or a return of the member's contributions.

Contributions. Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. Town of Kure Beach employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. The Town of Kure Beach's contractually required contribution rate for the year ended June 30, 2018, was 8.25% of compensation for law enforcement

TOWN OF KURE BEACH, NORTH CAROLINA
Notes to Financial Statements

NOTE 2 - DETAIL NOTES ON ALL FUNDS (Continued)

officers and 7.5% for general employees and firefighters, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year. Contributions to the pension plan from the Town of Kure Beach were \$167,389 for the year ended June 30, 2018.

Refunds of Contributions - Town employees who have terminated service as a contributing member of LGERS, may file an application for a refund of their contributions. By state law, refunds to members with at least five years of service include 4% interest. State law requires a 60-day waiting period after service termination before the refund may be paid. The acceptance of a refund payment cancels the individual's right to employer contributions or any other benefit provided by LGERS

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2018, the Town reported a liability of \$549,216 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2017. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2016. The total pension liability was then rolled forward to the measurement date of June 30, 2017 utilizing update procedures incorporating the actuarial assumptions. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. At June 30, 2017, the Town's proportion was 0.03595%, which was an increase of 0.00278% from its proportion measured as of June 30, 2016.

For the year ended June 30, 2018, the Town recognized pension expense of \$198,114. At June 30, 2018, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 31,640	\$ 15,547
Changes of assumptions	78,436	-
Net difference between projected and actual earnings on pension plan investments	133,350	-
Changes in proportion and differences between Town contributions and proportionate share of contributions	24,801	-
Town contributions subsequent to the measurement date	167,389	-
	<u>\$ 435,616</u>	<u>\$ 15,547</u>

\$167,389 reported as deferred outflows of resources related to pensions resulting from Town contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the year ending June 30, 2019.

TOWN OF KURE BEACH, NORTH CAROLINA

Notes to Financial Statements

NOTE 2 - DETAIL NOTES ON ALL FUNDS (Continued)

Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended June 30:</u>	
2019	\$ 42,173
2020	164,651
2021	83,775
2022	(37,919)
	<u>\$ 252,680</u>

Actuarial Assumptions: The total pension liability in the December 31, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0%
Salary increase, including inflation and productivity factor	3.50 to 8.10%
Investment rate of return, net of pension plan investment expense, including inflation	7.20%

The plan currently uses mortality tables that vary by age, gender, employee group (i.e. general, law enforcement officer) and health status (i.e. disabled and healthy). The current mortality rates are based on published tables and based on studies that cover significant portions of the U.S. population. The healthy mortality rates also contain a provision to reflect future mortality improvements.

The actuarial assumptions used in the December 31, 2016 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through December 31, 2014.

Future ad hoc COLA amounts are not considered to be substantively automatic and are therefore not included in the measurement.

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

TOWN OF KURE BEACH, NORTH CAROLINA
Notes to Financial Statements

NOTE 2 - DETAIL NOTES ON ALL FUNDS (Continued)

The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2017 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Fixed income	29.0%	1.4%
Global equity	42.0%	5.3%
Real estate	8.0%	4.3%
Alternatives	8.0%	8.9%
Credit	7.0%	6.0%
Inflation protection	6.0%	4.0%
	100.0%	

The information above is based on 30 year expectations developed with the consulting actuary for the 2016 asset, liability and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.00%. All rates of return and inflation are annualized.

Discount rate: The discount rate used to measure the total pension liability was 7.20%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Town's proportionate share of the net pension liability to changes in the discount rate: The following presents the Town's proportionate share of the net pension liability calculated using the discount rate of 7.20%, as well as what the Town's proportionate share of the net pension asset or net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.20%) or one percentage point higher (8.20%) than the current rate:

	1% Decrease (6.20%)	Discount Rate (7.20%)	1% Increase (8.20%)
Towns' proportionate share of the net pension liability (asset)	\$ 1,648,760	\$ 549,216	\$ (368,555)

TOWN OF KURE BEACH, NORTH CAROLINA
Notes to Financial Statements

NOTE 2 - DETAIL NOTES ON ALL FUNDS (Continued)

Pension plan fiduciary net position: Detailed information about the pension plan’s fiduciary net position is available in the separately issued Comprehensive Annual Financial Report (CAFR) for the State of North Carolina.

b. Law Enforcement Officers Special Separation Allowance

Plan Description

The Town of Kure Beach, North Carolina administers a public employee retirement system (the *Separation Allowance*), a single-employer defined benefit pension plan that provides retirement benefits to the Town’s qualified sworn law enforcement officers under the age of 62 who have completed at least 30 years of creditable service or have attained 55 years of age and have completed five or more years of creditable service. The Separation Allowance is equal to 0.85 percent of the annual equivalent of the base rate of compensation most recently applicable to the officer for each year of creditable service. The retirement benefits are not subject to any increases in salary or retirement allowances that may be authorized by the General Assembly. Article 12D of G.S. Chapter 143 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly.

All full-time Town law enforcement officers are covered by the Separation Allowance. At December 31, 2016, the Separation Allowance’s membership consisted of

Retirees receiving benefits	2
Active plan members	11
	<u>13</u>

Summary of Significant Accounting Policies

Basis of Accounting: The Town has chosen to fund the Separation Allowance on a pay as you go basis. Pension expenditures are made from the General Fund, which is maintained on the modified accrual basis of accounting. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

The Separation Allowance has no assets accumulated in a trust that meets the criteria which are outlined in GASB Statement 73.

Actuarial Assumptions

The entry age normal actuarial cost method was used in the December 31, 2016 valuation. The total pension liability in the December 31, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5%
Salary increases, including inflation and productivity factor	3.50 to 7.35%
Discount rate	3.16%

The discount rate is based on the yield of the S&P Municipal Bond 20 Year High Grade Rate Index as of December 31, 2017.

TOWN OF KURE BEACH, NORTH CAROLINA
Notes to Financial Statements

NOTE 2 - DETAIL NOTES ON ALL FUNDS (Continued)

Mortality rates are based on the following:

- Deaths After Retirement (Healthy): RP-2014 Healthy Annuitant base rates projected to 2015 using MP-2015, projected forward generationally from 2015 using MP-2015. Rates are adjusted by 104% for males and 100% for females.
- Deaths Before Retirement: RP-2014 Employee base rates projected to 2015 using MP-2015, projected forward generationally from 2015 using MP-2015.
- Deaths After Retirement (Beneficiary): RP-2014 Healthy Annuitant base rates projected to 2015 using MP-2015, projected forward generationally from 2015 using MP-2015. Rates are adjusted by 123% for males and females.
- Deaths After Retirement (Disabled): RP-2014 Disabled Retiree base rates projected to 2015 using MP-2015, projected forward generationally from 2015 using MP-2015. Rates are adjusted by 103% for males and 99% for females.

Contributions

The Town is required by Article 12D of G.S. Chapter 143 to provide these retirement benefits and has chosen to fund the amounts necessary to cover the benefits earned on a pay as you go basis through appropriations made in the General Fund operating budget. There were no contributions made by employees. The Town's obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly. Administration costs of the Separation Allowance are financed through investment earnings. The Town paid \$22,887 as benefits came due for the reporting period.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2018, the Town reported a total pension liability of \$286,452. The total pension liability was measured as of December 31, 2017 based on a December 31, 2016 actuarial valuation. The total pension liability was then rolled forward to the measurement date of December 31, 2017 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2018, the Town recognized pension expense of \$28,734.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 12,464	\$ -
Changes of assumptions	16,090	3,546
Benefit payments and administrative costs made subsequent to the measurement date	11,124	-
Total	\$ 39,678	\$ 3,546

\$11,124 paid as benefits came due and of administrative expenses subsequent to the measurement date have been reported as deferred outflows of resources and will be recognized as a decrease of the total pension liability in the year ending June 30, 2019.

TOWN OF KURE BEACH, NORTH CAROLINA
Notes to Financial Statements

NOTE 2 - DETAIL NOTES ON ALL FUNDS (Continued)

Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ended June 30:</u>	
2019	\$ 5,766
2020	5,766
2021	5,766
2022	6,096
2023	1,614
	<u>\$ 25,008</u>

Sensitivity of the Town's total pension liability to changes in the discount rate. The following presents the Town's total pension liability calculated using the discount rate of 3.16 percent, as well as what the Town's total pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.16 percent) or 1-percentage-point higher (4.16 percent) than the current rate:

	<u>1% Decrease (2.16%)</u>	<u>Discount Rate (3.16%)</u>	<u>1% Increase (4.16%)</u>
Total pension liability	\$ 310,294	\$ 286,452	\$ 264,673

Schedule of Changes in Total Pension Liability Law Enforcement Officers' Special Separation Allowance

Beginning balance	\$ 251,424
Service cost	13,363
Interest on the total pension liability	9,263
Differences between expected and actual experience in the measurement of the total pension liability	15,404
Changes of assumptions or other inputs	19,885
Benefit payments	<u>(22,887)</u>
Ending balance of the total pension liability	<u>\$ 286,452</u>

The plan currently uses mortality tables that vary by age, and health status (i.e. disabled and healthy). The current mortality rates are based on published tables and based on studies that cover significant portions of the U.S. population. The healthy mortality rates also contain a provision to reflect future mortality improvements.

The actuarial assumptions used in the December 31, 2016 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through December 31, 2014.

TOWN OF KURE BEACH, NORTH CAROLINA
Notes to Financial Statements

NOTE 2 - DETAIL NOTES ON ALL FUNDS (Continued)

Total Expense, Liabilities, and Deferred Outflows and Inflows of Resources of Related to Pensions

Following is information related to the proportionate share and pension expense for all pension plans:

	LGERS	LEOSSA	Total
Pension Expense	\$ 198,114	\$ 28,734	\$ 226,848
Pension Liability	549,216	286,452	835,668
Proportionate share of the net pension liability	0.03595%	n/a	
Deferred Outflows of Resources			
Differences between expected and actual experience	31,640	12,464	44,104
Changes of assumptions	78,436	16,090	94,526
Net difference between projected and actual earnings on plan investments	133,350	-	133,350
Changes in proportion and differences between contributions and proportionate share of contributions	24,801	-	24,801
Benefit payments and administrative costs paid subsequent to the measurement date	167,389	11,124	178,513
Deferred Inflows of Resources			
Differences between expected and actual experience	15,547	-	15,547
Changes of assumptions	-	3,546	3,546

Supplemental Retirement Income Plan for Law Enforcement Officers and Other Employees

Plan Description: The Town contributes to the Supplemental Retirement Income Plan (“Plan”), a defined contribution pension plan administered by the Department of State Treasurer and a Board of Trustees. The Plan provides retirement benefits to law enforcement officers and other employees employed by the Town. Article 5 of G.S. Chapter 135 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Supplemental Retirement Income Plan for Law Enforcement Officers is included in the CAFR for the State of North Carolina. The State's CAFR includes pension trust fund financial statements for the Internal Revenue Code Section 401(k) plan that includes the Supplemental Retirement Income Plan for Law Enforcement Officers. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454.

Funding Policy: Article 12E of G.S. Chapter 143 requires the Town to contribute each month an amount equal to 5.00% of each officer's salary, and all amounts contributed are vested immediately. Also, the law enforcement officers and other employees may make voluntary contributions to the plan. Contributions for the year ended June 30, 2018 were \$140,719, which consisted of \$109,043 from the Town and \$31,676 from the law enforcement officers and other employees.

TOWN OF KURE BEACH, NORTH CAROLINA
Notes to Financial Statements

NOTE 2 - DETAIL NOTES ON ALL FUNDS (Continued)

Other Postemployment Benefits (OPEB)

Healthcare Benefits

Plan Description: Under the terms of a Town resolution, the Town administers a single employer defined benefit healthcare plan ("the Retiree Health Plan"). The plan provides postemployment healthcare benefits to retirees of the Town, provided they participate in the North Carolina Local Governmental Employees' Retirement System ("System") and have at least fifteen years of creditable service with the Town. The Town pays a percentage of the cost of coverage based upon the number of years of service for these benefits through private insurers. The Town Council may amend the benefit provisions. A separate report was not issued for the plan.

Membership of the Retiree Health Plan consisted of the following at June 30, 2017, the date of the latest actuarial valuation:

Retirees receiving benefits	11
Active plan members	45
	<u>56</u>

Total OPEB Liability

The Town's total OPEB liability of \$1,953,469 was measured as of June 30, 2017 and was determined by an actuarial valuation as of that date.

Actuarial assumptions and other inputs. The total OPEB liability in the June 30, 2017 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement unless otherwise specified:

Inflation	2.5%
Salary increases, including wage inflation	
General employees	3.5 to 7.75%
Law enforcement officers	3.5 to 7.35%
Discount rate	3.56%
Healthcare cost trend rates	
Pre-medicare	7.5% for 2017 decreasing to ultimate rate of 5.0% by 2023
Medicare	5.5% for 2017 decreasing to ultimate rate of 5.0% by 2020

The discount rate is based on the yield of the June average of the Bond Buyer General Obligation 20 year Municipal Bond Index published weekly by The Bond Buyer

TOWN OF KURE BEACH, NORTH CAROLINA
Notes to Financial Statements

NOTE 2 - DETAIL NOTES ON ALL FUNDS (Continued)

Changes in the Total OPEB Liability

Changes for the year	
Service cost	\$ 136,734
Interest	60,160
Differences between expected and actual experience	(15,156)
Changes in assumptions or other inputs	(205,793)
Benefit payments	(41,960)
Net changes	<u>(66,015)</u>
Balance, beginning	<u>2,019,484</u>
Balance, ending	<u>\$ 1,953,469</u>

Changes in assumptions and other inputs reflect a change in the discount rate from 3.01% to 3.56%.

Mortality rates were based on the RP-2014 mortality tables, with adjustments for LGERS experience and generational mortality improvements using scale MP-2015.

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of an actuarial experience study for the period January 2010 through December 2014.

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the total OPEB liability of the Town, as well as what the Town's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.56 percent) or 1-percentage-point higher (4.56 percent) than the current discount rate:

	<u>1 % Decrease</u>	<u>Discount Rate (3.56%)</u>	<u>1% Increase</u>
Total OPEB liability	\$ 2,352,154	\$ 1,953,469	\$ 1,647,506

Sensitivity to the total OPEB liability to changes in the healthcare cost trend rates. The following presents the total OPEB liability of the Town, as well as what the Town's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	Discount Rate		
	<u>(Pre-medicare - 6.5%, Medicare - 4.5%)</u>	<u>(Pre-medicare - 7.5%, Medicare - 5.5%)</u>	<u>(Pre-medicare - 8.5%, Medicare - 6.5%)</u>
Total OPEB liability	\$ 1,612,282	\$ 1,953,469	\$ 2,414,363

TOWN OF KURE BEACH, NORTH CAROLINA**Notes to Financial Statements**

NOTE 2 - DETAIL NOTES ON ALL FUNDS (Continued)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2018, the Town recognized OPEB expense of \$168,855. At June 30, 2018, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 13,233
Changes of assumptions	-	179,677
Benefit payments and administrative costs made subsequent to the measurement date	41,800	-
Total	<u>\$ 41,800</u>	<u>\$ 192,910</u>

\$41,800 reported as deferred outflows of resources related to pensions resulting from benefit payments made and administrative expenses incurred subsequent to the measurement date will be recognized as a decrease of the total pension liability in the year ending June 30, 2019. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ended June 30:</u>	
2019	\$ (28,039)
2020	(28,039)
2021	(28,039)
2022	(28,039)
2023	(28,039)
Thereafter	(52,715)
	<u>\$ (192,910)</u>

Other Employment Benefits

The Town has elected to provide death benefits to employees through the Death Benefit Plan for members of the Local Governmental Employees' Retirement System (Death Benefit Plan), a multiple-employer, State-administered, cost-sharing plan funded on a one-year term cost basis. The beneficiaries of those employees who die in active service after one year of contributing membership in the System, or who die within 180 days after retirement or termination of service and have at least one year of contributing membership service in the System at the time of death are eligible for death benefits. Lump sum death benefit payments to beneficiaries are equal to the employee's 12 highest months' salary in a row during the 24 months prior to the employee's death, but the benefit may not exceed \$50,000 or be less than \$25,000. Because all death benefit payments are made from the Death Benefit Plan and not by the Town, the Town does not determine the number of eligible participants. The Town has no liability beyond the payment of monthly contributions. The contributions to the Death Benefit Plan cannot be separated between the post-employment benefit amount and the other benefit amount. Contributions are

TOWN OF KURE BEACH, NORTH CAROLINA
Notes to Financial Statements

NOTE 2 - DETAIL NOTES ON ALL FUNDS (Continued)

determined as a percentage of monthly payroll based upon rates established annually by the State. Separate rates are set for employees not engaged in law enforcement and for law enforcement officers. The Town considers these contributions to be immaterial.

The Town also provides all active full-time employees with group term life insurance. The death benefit associated with this coverage is \$10,000.

Long-Term Obligations

Installment Purchases

The Town has entered into the following installment purchase contracts:

Serviced by the General Fund:

\$3,600,000 loan to acquire the land for Ocean Front Park due in annual installments ranging from \$112,128 to \$67,682 including interest through December 19, 2027; interest at 4.28 percent	\$ 649,039
\$875,000 loan to finance the Cutter Court Drainage Project due in monthly installments of \$6,678 including interest through June 23, 2020; interest at 4.40 percent	153,043
\$261,181 of a \$1,187,187 loan to construct a water tower and finance town hall renovations due in semi-annual installments of \$11,598 including interest through May 7, 2022; interest at 3.92 percent	85,105
\$347,000 loan to finance development of Ocean Front Park due in annual installments ranging from \$35,645 to \$21,308 including interest through July 12, 2028; interest at 4.39 percent	224,529
\$63,500 loan to finance two police cars due in annual installments of \$16,515 including interest through November 9, 2020; interest at 1.60 percent	48,001
\$179,756 loan to finance a garbage truck due in annual installments of \$37,805 including interest through August 23, 2021; interest at 1.70 percent	146,236
\$409,471 loan to acquire land on 4th Street and H Avenue due in annual installments ranging from \$51,143 to \$41,967 including interest through March 12, 2025; interest at 2.49 percent	286,630
\$36,867 loan to finance a service truck due in annual installments of \$9,594 including interest through July 26, 2020; interest at 1.60 percent	27,869
\$48,359 loan to finance two police cars due in annual installments of \$12,759 including interest through March 27, 2019; interest at 2.19 percent	12,485
\$52,637 of a \$105,273 loan to finance a backhoe due in annual installments of \$11,125 including interest through November 9, 2021; interest at 1.87 percent	42,496

TOWN OF KURE BEACH, NORTH CAROLINA
Notes to Financial Statements

NOTE 2 - DETAIL NOTES ON ALL FUNDS (Continued)

\$40,743 loan to finance a HydroJetter due in annual installments of \$8,575 including interest through August 13, 2020; interest at 1.70 percent	\$ 24,856
\$103,230 loan to finance equipment and vehicles due in annual installments of \$27,117 including interest through September 14, 2019; interest at 2.01 percent	52,642
\$4,400,000 of a \$5,000,000 loan to finance renovations of fire station and town hall due in semi-annual installments ranging from \$203,427 to \$148,559 including interest through December 11, 2032; interest at 2.58 percent	4,252,103
\$31,958 of a \$63,915 loan to finance a compact excavator due in annual installments of \$8,357 including interest through July 28, 2021; interest at 1.80 percent	31,958
\$31,668 loan to finance a vehicle due in annual installments of \$8,312 including interest through October 19, 2021; interest at 1.95 percent	31,668
	<u>\$ 6,068,660</u>
<u>Serviced by the Water and Sewer Fund:</u>	
\$432,660 loan to finance the Sewer Rehabilitation Project with 50% principal forgiveness due in annual installments of \$10,556 including interest through May 1, 2030; interest at 0.00 percent	\$ 126,669
\$926,006 of a \$1,187,187 loan to construct a water tower and finance town hall renovations due in semi-annual installments of \$41,119 including interest through May 7, 2022; interest at 3.92 percent	301,815
\$32,216 loan to finance a utility truck due in annual installments of \$8,500 including interest through October 24, 2018; interest at 2.19 percent	8,318
\$40,743 loan to finance a HydroJetter due in annual installments of \$8,575 including interest through August 13, 2020; interest at 1.70 percent	24,856
\$82,770 loan to finance equipment and vehicles due in annual installments of \$21,743 including interest through September 14, 2019; interest at 2.01 percent	42,208
\$52,637 of a \$105,273 loan to finance a backhoe due in annual installments of \$11,125 including interest through November 9, 2021; interest at 1.87 percent	42,496
\$475,000 loan to construct a pump station due in semi-annual installments of \$26,508 including interest through June 28, 2027; interest at 2.11 percent	431,918
\$600,000 of a \$5,000,000 loan to finance renovations of fire station and town hall due in semi-annual installments ranging from \$27,740 to \$20,258 including interest through December 11, 2032; interest at 2.58 percent	580,000
\$31,958 of a \$63,915 loan to finance a compact excavator due in annual installments of \$8,357 including interest through July 28, 2021; interest at 1.80 percent	31,958
	<u>\$ 1,590,238</u>

TOWN OF KURE BEACH, NORTH CAROLINA
Notes to Financial Statements

NOTE 2 - DETAIL NOTES ON ALL FUNDS (Continued)

The future minimum payments of the installment purchases:

<u>Year Ending June 30</u>	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2019	\$ 647,192	\$ 169,291	\$ 221,130	\$ 36,884
2020	640,044	150,221	217,466	31,209
2021	538,696	132,845	200,525	25,573
2022	506,571	117,845	196,470	20,221
2023	419,596	103,571	98,474	15,675
2024-2028	1,975,139	336,989	454,983	47,267
2029-2033	1,341,422	86,036	201,190	11,610
Total	<u>\$ 6,068,660</u>	<u>\$ 1,096,798</u>	<u>\$ 1,590,238</u>	<u>\$ 188,439</u>

Changes in Long-Term Liabilities

The following changes occurred in liabilities reported in long-term liabilities:

	<u>Balances, as restated</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>	<u>Current Portion</u>
Governmental Activities:					
Installment purchases	\$ 2,140,437	\$ 4,464,141	\$ 535,918	\$ 6,068,660	\$ 647,192
Total OPEB liability	1,550,379	-	18,860	1,531,519	-
Total pension liability (LEO)	251,424	35,028	-	286,452	-
Net pension liability (LGERS)	551,699	-	121,336	430,363	-
Compensated absences	138,385	104,098	102,526	139,957	70,000
Total governmental activity long-term liabilities	<u>\$ 4,632,324</u>	<u>\$ 4,603,267</u>	<u>\$ 778,640</u>	<u>\$ 8,456,951</u>	<u>\$ 717,192</u>
Business-Type Activities:					
Installment purchases	\$ 1,146,955	\$ 631,958	\$ 188,675	\$ 1,590,238	\$ 221,130
Total OPEB liability	427,145	-	5,195	421,950	-
Net pension liability (LGERS)	152,281	-	33,360	118,921	-
Compensated absences	36,921	25,901	30,693	32,129	25,000
Total business-type long-term liabilities	<u>\$ 1,763,302</u>	<u>\$ 657,859</u>	<u>\$ 257,923</u>	<u>\$ 2,163,238</u>	<u>\$ 246,130</u>

At June 30, 2018, the Town of Kure Beach, North Carolina had a legal debt margin of \$64,632,735.

TOWN OF KURE BEACH, NORTH CAROLINA
Notes to Financial Statements

NOTE 2 - DETAIL NOTES ON ALL FUNDS (Continued)

Deferred Outflows and Inflows of Resources

The Town has several deferred outflows of resources, which is comprised of the following at year end:

	<u>Statement of Net Position</u>
Benefit payments and administrative expenses for plans made subsequent to measurement date	\$ 220,313
Changes in assumptions	94,526
Differences between expected and actual experience	177,454
Changes in proportion and difference between employer contributions and proportionate share of contributions	24,801
	<u>\$ 517,094</u>

Deferred inflows of resources are comprised of the following at year end:

	<u>Statement of Net Position</u>	<u>General Fund Balance Sheet</u>
Tax Receivables	\$ -	\$ 16,404
Changes in assumptions	183,223	-
Differences between expected and actual experience	28,780	-
Total	<u>\$ 212,003</u>	<u>\$ 16,404</u>

C. Fund Balance

The following schedule provides management and citizens with information on the portion of General Fund that is available for appropriation:

Total fund balance - General Fund	\$ 4,227,281
Less:	
Stabilization by State Statute	345,154
Streets- Powell Bill	337,653
Federal Asset Forfeiture	170,433
Assigned	699,098
Fund Balance Policy	1,474,373
Remaining Fund Balance	<u>\$ 1,200,570</u>

The Town's entire amount of unassigned general fund balance is available for appropriation. The Town has adopted a minimum fund balance policy for the General Fund which instructs management to conduct the business of the Town in such a manner that unrestricted fund balance in the Governmental Funds is at least 32% of total projected expenditures.

TOWN OF KURE BEACH, NORTH CAROLINA
Notes to Financial Statements

NOTE 2 - DETAIL NOTES ON ALL FUNDS (Continued)

D. Risk Management

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town participates in 2 self-funded risk financing pools administered by the NC League of Municipalities. Through these pools, the Town obtains general liability and auto liability coverage of \$2 million per occurrence, property coverage up to the total insurance values of the property policy, and workers' compensation coverage up to the statutory limits. The liability and property exposures are reinsured through commercial carriers for claims in excess of retentions as selected by the Board of Trustees each year. Specific information on the limits of the reinsurance, excess and stop loss policies purchased by the Board of Trustees can be obtained by contacting the Risk Management Services Department of the NC League of Municipalities. The pools are audited annually by certified public accountants, and the audited financial statements are available to the Town upon request.

In accordance with G.S. 159-29, Town's employees that have access to \$100 or more at any given time of the Town's funds are performance bonded through a commercial surety bond. The finance officer is individually bonded for \$50,000. The remaining employees that have access to funds are under a blanket bond for \$25,000.

The Town carries flood insurance through NCLM-Interlocal Risk Financing Fund of NC. The Town carries commercial coverage for all other risks of loss. There have been no significant reductions in insurance coverage in the prior year, and settled claims have not exceeded coverage in any of the past three fiscal years.

NOTE 3 – CHANGE IN ACCOUNTING PRINCIPLES/RESTATEMENT

The Town implemented Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, in the fiscal year ending June 30, 2018. The implementation of the statement required the Town to record beginning total OPEB liability and the effects on net position of benefit payments and administrative expenses paid by the Town related to OPEB during the measurement period (fiscal year ending December 31, 2017). Beginning deferred outflows and inflows of resources associated with the implementation were excluded from the restatement. As a result, net position for the governmental activities decreased \$958,936, and \$213,474 for the business-type activities.

REQUIRED SUPPLEMENTARY FINANCIAL DATA

TOWN OF KURE BEACH, NORTH CAROLINA
Proportionate Share of Net Pension Liability
Local Government Employees' Retirement System
Required Supplementary Information
Last Five Fiscal Years

Exhibit 11

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Proportion of the net pension liability (asset) (%)	0.03595%	0.03317%	0.03276%	0.03123%	0.02790%
Proportion of the net pension liability (asset) (\$)	\$ 549,216	\$ 703,980	\$ 147,026	\$ (184,179)	\$ 336,302
Covered-employee payroll	2,246,227	2,127,634	2,001,604	1,825,227	1,688,555
Proportionate share of net pension liability (asset) as a percentage of its covered-employee payroll	24.45%	33.09%	7.35%	-10.09%	19.92%
Plan fiduciary net position as a percentage of the total pension liability	94.18%	91.47%	98.09%	102.64%	94.35%
Contributions					
Contractually required contribution	\$ 167,389	\$ 156,792	\$ 136,436	\$ 130,407	\$ 119,670
Contributions in relation to the contractually required contribution	<u>167,389</u>	<u>156,792</u>	<u>136,436</u>	<u>130,407</u>	<u>119,670</u>
Contributions deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	\$ 2,246,227	\$ 2,127,634	\$ 2,001,604	\$ 1,825,227	\$ 1,688,555
Contributions as a percentage of covered-employee payroll	7.45%	7.37%	6.82%	7.14%	7.09%

TOWN OF KURE BEACH, NORTH CAROLINA
Law Enforcement Officers' Special Separation Allowance
Required Supplementary Information
Schedule of Changes in Total Pension Liability
Year Ended June 30, 2018

Exhibit 12

	<u>2018</u>	<u>2017</u>
Beginning balance	\$ 251,424	\$ 247,804
Service cost	13,363	13,639
Interest on the total pension liability	9,263	8,612
Differences between expected and actual experience in the measurement of the total pension liability	15,404	-
Changes of assumptions or other inputs	19,885	(5,484)
Benefit payments	<u>(22,887)</u>	<u>(13,147)</u>
Ending balance of the total pension liability	<u>\$ 286,452</u>	<u>\$ 251,424</u>

The amounts presented for each fiscal year were determined as of the prior fiscal year ending December 31.

TOWN OF KURE BEACH, NORTH CAROLINA
Law Enforcement Officers' Special Separation Allowance
Required Supplementary Information
Schedule of Total Pension Liability as a Percentage of Covered Payroll
Year Ended June 30, 2018

Exhibit 13

	<u>2018</u>	<u>2017</u>
Total pension liability	\$ 286,452	\$ 251,424
Covered payroll	659,186	667,133
Total pension liability as a percentage of covered payroll	43.46%	37.69%

Notes to the Schedules:

The Town of Kure Beach has no assets accumulated in a trust that meets the criteria in paragraph 4 of GASB 73 to pay related benefits.

Other-Post Employment Benefits

Required Supplementary Information

Schedule of Changes in the Total OPEB Liability and Related Ratios

Year Ended June 30, 2018

	<u>2018</u>
Total OPEB Liability	
Service cost	\$ 136,734
Interest	60,160
Changes of benefit terms	-
Differences between expected and actual experience	(15,156)
Changes of assumptions	(205,793)
Benefit payments	<u>(41,960)</u>
Net change in total OPEB liability	(66,015)
Total OPEB liability - beginning	<u>2,019,484</u>
Total OPEB liability - ending	<u>\$ 1,953,469</u>
Covered payroll	2,084,679
Total OPEB liability as a percentage of covered payroll	93.71%

Notes to Schedule

Changes of assumptions: Changes of assumptions and other inputs reflect the effects of changes in the discount rate of each period. The following are the discount rates used in each period:

<u>Fiscal year</u>	<u>Rate</u>
2018	3.56%

SUPPLEMENTAL STATEMENTS

TOWN OF KURE BEACH, NORTH CAROLINA
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
General Fund
For the Fiscal Year Ended June 30, 2018

Statement 1
Page 1 of 4

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Ad valorem taxes:			
Taxes	\$ 2,487,000	\$ 2,523,136	\$ 36,136
Penalties and interest	4,300	4,834	534
Total	<u>2,491,300</u>	<u>2,527,970</u>	<u>36,670</u>
Other taxes and licenses:			
Motor vehicle licenses	9,500	10,405	905
Vehicle re-entry decal sales	5,500	12,265	6,765
Licenses and fees	145	145	-
Total	<u>15,145</u>	<u>22,815</u>	<u>7,670</u>
Unrestricted intergovernmental:			
Local option sales taxes	745,075	765,806	20,731
ABC revenue	14,600	18,303	3,703
Hold harmless	105,000	108,885	3,885
Utility sales tax	185,000	183,869	(1,131)
Solid Waste Disposal	1,500	1,457	(43)
Beer and wine tax	9,500	9,498	(2)
Video programming	37,500	36,188	(1,312)
Telecommunications tax	12,000	11,615	(385)
Refunds	54,000	15,805	(38,195)
Governor's crime grant	4,092	4,093	1
Total	<u>1,168,267</u>	<u>1,155,519</u>	<u>(12,748)</u>
Restricted intergovernmental:			
Grants	89,632	46,660	(42,972)
Federal asset forfeitures	-	115,108	115,108
Powell Bill allocation	65,000	65,268	268
Total	<u>154,632</u>	<u>227,036</u>	<u>72,404</u>
Permits and fees:			
Garbage fees	380,850	400,486	19,636
Building permits	63,340	103,242	39,902
TDA funds	223,642	262,207	38,565
Miscellaneous	268,100	335,496	67,396
Police fees	1,600	2,327	727
Total	<u>937,532</u>	<u>1,103,758</u>	<u>166,226</u>

(Continued)

TOWN OF KURE BEACH, NORTH CAROLINA
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
General Fund (Continued)
For the Fiscal Year Ended June 30, 2018

Statement 1
Page 2 of 4

	Budget	Actual	Variance Positive (Negative)
Sales and services:			
Rents and concessions	\$ 105,325	\$ 113,704	\$ 8,379
Miscellaneous	32,450	44,195	11,745
Total	<u>137,775</u>	<u>157,899</u>	<u>20,124</u>
Investment earnings	<u>3,323</u>	<u>8,427</u>	<u>5,104</u>
Total Revenues	<u>4,907,974</u>	<u>5,203,424</u>	<u>295,450</u>
Expenditures:			
General government:			
Governing body:			
Salaries and benefits	7,494	7,445	49
Operating expense	31,011	29,686	1,325
Total	<u>38,505</u>	<u>37,131</u>	<u>1,374</u>
Administration:			
Salaries and benefits	120,431	109,495	10,936
Operating expense	612,557	512,307	100,250
Capital outlay	114,710	20,120	94,590
Total	<u>847,698</u>	<u>641,922</u>	<u>205,776</u>
Finance:			
Salaries and benefits	76,945	77,424	(479)
Operating expense	73,841	30,547	43,294
Total	<u>150,786</u>	<u>107,971</u>	<u>42,815</u>
Total general government	<u>1,036,989</u>	<u>787,024</u>	<u>249,965</u>
Public Safety:			
Police:			
Salaries and benefits	1,111,410	1,029,206	82,204
Operating expense	197,842	204,929	(7,087)
Capital outlay	60,000	31,769	28,231
Total	<u>1,369,252</u>	<u>1,265,904</u>	<u>103,348</u>
Fire:			
Salaries and benefits	595,867	573,459	22,408
Operating expense	76,000	99,534	(23,534)
Capital outlay	23,800	7,600	16,200
Total	<u>695,667</u>	<u>680,593</u>	<u>15,074</u>

(Continued)

TOWN OF KURE BEACH, NORTH CAROLINA

**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
General Fund (Continued)**

For the Fiscal Year Ended June 30, 2018

Statement 1

Page 3 of 4

	Budget	Actual	Variance Positive (Negative)
Life guards:			
Salaries and benefits	\$ 166,710	\$ 156,963	\$ 9,747
Operating expense	41,540	33,326	8,214
Total	<u>208,250</u>	<u>190,289</u>	<u>17,961</u>
Building Inspection:			
Salaries and benefits	111,451	109,742	1,709
Operating expense	23,750	20,887	2,863
Total	<u>135,201</u>	<u>130,629</u>	<u>4,572</u>
Total public safety	<u>2,408,370</u>	<u>2,267,415</u>	<u>140,955</u>
Transportation:			
Operating expense	65,070	18,127	46,943
Total transportation	<u>65,070</u>	<u>18,127</u>	<u>46,943</u>
Parks and recreation:			
Salaries and benefits	80,027	75,564	4,463
Operating expense	64,950	56,772	8,178
Total parks and recreation	<u>144,977</u>	<u>132,336</u>	<u>12,641</u>
Special projects:			
Community center	23,300	20,021	3,279
Other	5,400	4,888	512
Total special projects	<u>28,700</u>	<u>24,909</u>	<u>3,791</u>
Environmental protection:			
Salaries and benefits	586,752	549,039	37,713
Operating expense	406,392	409,366	(2,974)
Capital outlay	432,000	291,143	140,857
Total environmental protection	<u>1,425,144</u>	<u>1,249,548</u>	<u>175,596</u>

(Continued)

TOWN OF KURE BEACH, NORTH CAROLINA
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
General Fund (Continued)
For the Fiscal Year Ended June 30, 2018

Statement 1
Page 4 of 4

	Budget	Actual	Variance Positive (Negative)
Debt service:			
Principal	\$ 535,937	\$ 535,919	\$ 18
Interest	128,433	128,441	(8)
Total debt service	<u>664,370</u>	<u>664,360</u>	<u>10</u>
Total expenditures	<u>5,773,620</u>	<u>5,143,719</u>	<u>629,901</u>
Revenue over (under) expenditures	<u>(865,646)</u>	<u>59,705</u>	<u>925,351</u>
Other financing sources (uses):			
Proceeds from installment purchases	105,000	63,626	(41,374)
Transfers from other funds	(80,959)	(80,959)	-
Total other financing sources (uses)	<u>24,041</u>	<u>(17,333)</u>	<u>(41,374)</u>
Fund balance appropriated	<u>841,605</u>	<u>-</u>	<u>(841,605)</u>
Net change in fund balance	<u>\$ -</u>	<u>42,372</u>	<u>\$ 42,372</u>
Fund balances, beginning		<u>4,184,909</u>	
Fund balances, ending		<u>\$ 4,227,281</u>	

TOWN OF KURE BEACH, NORTH CAROLINA

Statement 2

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual

Capital Projects Fund - Fire Station and Town Hall Renovations

From Inception and for the Fiscal Year Ended June 30, 2018

	Project Authorization	Prior Years	Actual Current Year	Total to Date
Revenues:				
Restricted intergovernmental:				
Federal and State Grants	\$ -	\$ -	\$ -	\$ -
Interest earnings	-	-	239	239
Total revenues	-	-	239	239
Expenditures:				
Capital projects:				
Construction	4,026,652	-	1,158,957	1,158,957
Architectural services and planning	415,257	166,964	223,085	390,049
Furniture	136,900	-	-	-
Project management	100,000	-	49,512	49,512
Other project costs	52,150	15,422	25,130	40,552
Total expenditures	4,730,959	182,386	1,456,684	1,639,070
Revenues under expenditures	(4,730,959)	(182,386)	(1,456,445)	(1,638,831)
Other financing sources (uses):				
Installment sale proceeds	4,400,000	-	4,400,000	4,400,000
Transfers in	330,959	250,000	80,959	330,959
Total other financing sources	4,730,959	250,000	4,480,959	4,730,959
Net change in fund balance	\$ -	\$ 67,614	3,024,514	\$ 3,092,128
Fund balances, beginning			67,614	
Fund balances, ending			\$ 3,092,128	

TOWN OF KURE BEACH, NORTH CAROLINA
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual (Non-GAAP) - Water and Sewer Fund
For the Fiscal Year Ended June 30, 2018

Statement 3
Page 1 of 2

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Charges for services:			
Water sales and sewer charges:			
Residential and commercial	\$ 1,961,815	\$ 1,844,323	\$ (117,492)
Water and sewer tap fees	38,000	96,500	58,500
Other user fees	31,200	2,280	(28,920)
Other operating revenues	6,200	6,395	195
Total	<u>2,037,215</u>	<u>1,949,498</u>	<u>(87,717)</u>
Non-operating revenues			
Interest earnings	<u>5,770</u>	<u>6,685</u>	<u>915</u>
Total revenues	<u>2,042,985</u>	<u>1,956,183</u>	<u>(86,802)</u>
Expenditures:			
Water and sewer administration and operations:			
Salaries and benefits - admin	266,735	255,590	11,145
Salaries and benefits - OPS	385,731	436,061	(50,330)
Utilities	57,000	56,872	128
Supplies	97,000	112,855	(15,855)
Repairs and maintenance	172,000	245,005	(73,005)
Treatment facility charges	350,000	286,187	63,813
Operating expenditures	339,720	262,017	77,703
Capital outlay	296,300	1,336,576	(1,040,276)
Total	<u>1,964,486</u>	<u>2,991,163</u>	<u>(1,026,677)</u>
Debt service:			
Interest and fees	34,693	34,816	(123)
Principal retirement	188,806	188,675	131
Total	<u>223,499</u>	<u>223,491</u>	<u>8</u>
Total expenditures	<u>2,187,985</u>	<u>3,214,654</u>	<u>(1,026,669)</u>
Revenues under expenditures	<u>(145,000)</u>	<u>(1,258,471)</u>	<u>(1,113,471)</u>

(Continued)

TOWN OF KURE BEACH, NORTH CAROLINA
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual (Non-GAAP) - Water and Sewer Fund (Continued)
For the Fiscal Year Ended June 30, 2018

Statement 3
Page 2 of 2

	Budget	Actual	Variance Positive (Negative)
Other financing sources (uses):			
Installment purchase proceeds	\$ 145,000	\$ 631,958	\$ 486,958
Transfers to other funds	(336,731)	-	336,731
Total other financing sources	<u>(191,731)</u>	<u>631,958</u>	<u>823,689</u>
Revenues and other sources over (under) expenditures and other uses	<u>\$ (336,731)</u>	(626,513)	<u>\$ (289,782)</u>
Reconciliation from budgetary basis (modified accrual) to full accrual:			
Reconciling items:			
Capital outlay		1,336,576	
Depreciation		(204,344)	
Installment purchase proceeds		(631,958)	
Principal retirement		188,675	
Increase in deferred outflows of resources pensions		(74,152)	
Decrease in deferred inflows of resources pensions		(2,314)	
Increase in net pension liability		33,360	
Change in OPEB and compensated absences		9,987	
Total reconciling items		<u>655,830</u>	
Change in net position		<u>\$ 29,317</u>	

TOWN OF KURE BEACH, NORTH CAROLINA

Statement 4

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual

Capital Projects Fund - Pump Station

From Inception and for the Fiscal Year Ended June 30, 2018

	Project Authorization	Prior Years	Actual Current Year	Total to Date
Revenues:				
Restricted intergovernmental:				
Federal and State Grants	\$ -	\$ -	\$ -	\$ -
Interest earnings	-	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:				
Capital projects:				
Construction	689,731	82,782	616,388	699,170
Engineering/construction administration	116,000	62,850	48,150	111,000
Other project costs	6,000	1,250	-	1,250
Total expenditures	<u>811,731</u>	<u>146,882</u>	<u>664,538</u>	<u>811,420</u>
Revenues under expenditures	<u>(811,731)</u>	<u>(146,882)</u>	<u>(664,538)</u>	<u>(811,420)</u>
Other financing sources (uses):				
Installment sale proceeds	475,000	475,000	-	475,000
Transfers in (out)	336,731	336,731	(311)	336,420
Total other financing sources	<u>811,731</u>	<u>811,731</u>	<u>(311)</u>	<u>811,420</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 664,849</u>	<u>(664,849)</u>	<u>\$ -</u>
Fund balances, beginning			<u>664,849</u>	
Fund balances, ending			<u>\$ -</u>	

TOWN OF KURE BEACH, NORTH CAROLINA

Statement 5

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual

Capital Projects Fund - Utility Renovations

From Inception and for the Fiscal Year Ended June 30, 2018

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Actual Current Year</u>	<u>Total to Date</u>
Expenditures:				
Capital projects:				
Construction	\$ 600,000	\$ -	\$ 600,000	\$ 600,000
Total expenditures	<u>600,000</u>	<u>-</u>	<u>600,000</u>	<u>600,000</u>
Other financing sources (uses):				
Installment sale proceeds	600,000	-	600,000	600,000
Total other financing sources	<u>600,000</u>	<u>-</u>	<u>600,000</u>	<u>600,000</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
Fund balances, beginning			<u>-</u>	
Fund balances, ending			<u>\$ -</u>	

OTHER SCHEDULES

TOWN OF KURE BEACH, NORTH CAROLINA

Schedule 1

General Fund

Schedule of Ad Valorem Taxes Receivable

June 30, 2018

Fiscal Year	Uncollected Balance June 30, 2017	Additions	Collections, Credits and Adjustments	Uncollected Balance June 30, 2018
2017-2018	\$ -	\$ 2,519,306	\$ 2,515,568	\$ 3,738
2016-2017	13,186	-	9,873	3,313
2015-2016	3,422	-	492	2,930
2014-2015	1,825	-	184	1,641
2013-2014	1,660	-	-	1,660
2012-2013	1,022	-	5	1,017
2011-2012	569	-	16	553
2010-2011	547	-	-	547
2009-2010	438	-	28	410
2008-2009	614	-	19	595
2007-2008	785	-	785	-
Prior to 2007	-	-	-	-
Total	\$ 24,068	\$ 2,519,306	\$ 2,526,970	\$ 16,404

Ad valorem taxes receivable - net

\$ 16,404

Reconciliation with revenues:

Ad valorem taxes - general fund

\$ 2,527,970

Reconciling items:

Write offs, collection fees, and discounts

(6,557)

Miscellaneous adjustments

9,700

Interest collected

(4,143)

\$ 2,526,970

TOWN OF KURE BEACH, NORTH CAROLINA
Analysis of Current Year Tax Levy
Town - Wide Levy
For the Fiscal Year Ended June 30, 2018

Schedule 2

	Town-wide		Total Levy		
	Property Valuation (in Thousand)	Rate	Amount of Levy	Property Excluding Registered Motor Vehicles	Registered Motor Vehicles
Original levy:					
Property taxes at current year rate	\$ 859,770	0.2850	\$ 2,450,347	\$ 2,450,347	\$ -
Registered motor vehicles at prior year rates	6	0.2615	16	-	16
Motor vehicles	26,246	0.2850	74,803	-	74,803
Penalties and interest	-		661	661	-
Total	886,022		2,525,827	2,451,008	74,819
Abatements:					
Current year taxes	(2,288)	0.2850	(6,521)	(6,521)	-
Total property value	<u>\$ 883,734</u>				
Net levy			<u>2,519,306</u>	<u>2,444,487</u>	<u>74,819</u>
Uncollected taxes at June 30, 2018			<u>3,738</u>	<u>3,738</u>	<u>-</u>
Current year's taxes collected			<u>\$ 2,515,568</u>	<u>\$ 2,440,749</u>	<u>\$ 74,819</u>
Current levy collection percentage			<u>99.85%</u>	<u>99.85%</u>	<u>100.00%</u>

Nancy Avery

From: Andro Keck <androkeck19@gmail.com>
Sent: Sunday, October 14, 2018 12:26 PM
To: Nancy Avery
Cc: Mom
Subject: Request to be on the Town Council Agenda

Hi Ms. Avery,

My name is Andro Keck and I live in Kure Beach. I am a Special Olympics athlete and Global Messenger. I would like to be on the agenda for the town council meeting in November to thank the Town of Kure Beach for having the Polar Plunge in Kure Beach.

Please let me know if that will be okay.
Thank you. I look forward to hearing from you.
Andro Keck

910-443-0410 (cell)
n.avery@tokb.org
www.townofkurebeach.org

From: Diaz-Carrero, Arlene <Arlene.Diaz-Carrero@sba.gov>
Sent: Thursday, November 15, 2018 10:25 AM
To: Nancy Avery <n.avery@townofkurebeach.org>
Subject: REQUEST: Meeting Agenda for SBA Office of Disaster Assistance

Good morning Ms. Avery:

My name is Arlene Diaz; **Public Affairs Specialist with the (SBA) U. S. Small Business Administration, Office of Disaster Assistance**. I am assigned to perform community outreach regarding the SBA disaster assistance loan program for disaster survivors of Hurricane Florence.

I am requesting to discuss being **put on the agenda for the upcoming town meeting – Tuesday, November 20th, 2019** to provide information on the **DEADLINE EXTENSION** and answer any questions about the SBA disaster assistance loan program.

I will follow up with a phone call. I can also be reached at the phone and email below.

Kind Regards,

Arlene Diaz-Carrero
Public Affairs Specialist
Office of Disaster Assistance - FOCE
U.S. Small Business Administration
Cell (202) 945-7573
Email: Arlene.Diaz-Carrero@sba.gov



[Home Page](#) | [Twitter](#) | [Instagram](#) | [Facebook](#) | [YouTube](#) | [LinkedIn](#) | [Email Alerts](#)

From: Diaz-Carrero, Arlene
Sent: Friday, November 09, 2018 5:38 PM
To: 'a.oliver@townofkurebeach.org'; 'j.ellen@townofkurebeach.org'; 'j.whitley@townofkurebeach.org'; 'c.bloszinsky@townofkurebeach.org'; 'd.heglar@townofkurebeach.org'
Subject: REQUEST: Meeting Agenda for SBA Office of Disaster Assistance

Dear Mr. Craig:

**P&Z MINUTES
PROPOSED
AMENDMENTS TO
CODE OF
ORDINANCES**

Nancy Avery

From: Galbraith, Craig <galbraithc@uncw.edu>
Sent: Tuesday, November 13, 2018 6:43 PM
To: Nancy Avery; James Eldridge
Cc: John Batson; Kathleen Zielinski; Beth Chase
Subject: Re: proposed amendments to Chapter 19

I will be at the council meeting to present these items. Better to present in person than try to developed a write-up.

Craig

Craig S. Galbraith, MBA, MSc., Ph.D.
Director, Office of Innovation and Commercialization
Professor, Entrepreneurship and Technology Management
GlaxoSmithKline Faculty Fellow, Economic Development
Cameron School of Business, University of North Carolina Wilmington
& Doctorate Dissertation Supervisor, Edinburgh Business School
UNCW Contact: (910) 962-3775; (910) 962-2116 (fax)

From: Nancy Avery <n.avery@townofkurebeach.org>
Sent: Tuesday, November 13, 2018 4:40:48 PM
To: Galbraith, Craig; James Eldridge
Cc: John Batson; Kathleen Zielinski; Beth Chase
Subject: proposed amendments to Chapter 19

Craig – will you or Jim be providing me with a write up for Council's agenda packet as to why P&Z is requesting amendments to Chapter 19 Zoning relating to:

1. Prohibiting Habilitation/Rehabilitation Facility, Halfway Houses and Homeless Shelters
2. Religious institutions including parish houses, Sunday schools and religious annexes. A religious annex may be used for housing, on a temporary basis, only visiting groups from other religious institutions (hereinafter "visiting religious groups") and emergency relief workers providing services in conjunction with declared states of emergencies. A religious annex shall not be used for private benefit/inurement, lobbying, political campaign activity, or to generate unrelated business income. A religious institution shall not charge a fee for any temporary housing provided hereunder although it may receive donations to offset the cost of providing such housing. For the purposes of this sub-section, the temporary housing of a visiting religious group shall not exceed fourteen (14) days and the housing of emergency relief workers shall not exceed thirty (30) days.

The agenda packet will go to Council this Thursday.

Jim – am I correct in assuming these amendments require a public hearing?

Nancy Avery
Town Clerk
Town of Kure Beach
117 Settlers Lane
Kure Beach, NC 28449

Beth Chase

From: John Batson
Sent: Monday, August 13, 2018 8:37 AM
To: Galbraith, Craig
Cc: James Eldridge; Kathleen Zielinski
Subject: Text ammendment

Good Morning Craig,

I've been meeting with Kure Beach First Baptist about one of their accessory buildings in their rear yard. It was a donated building that was moved there about 12 years ago.

It's a fairly large building (40x60 or so) and they've been using as an additional meeting room. They have asked me about redesigning the bathrooms to add showers, and larger and ADA compliant toilet stalls. This is all permissible and will be happening.

In addition to the above, they asked about making bunkrooms also. The list of permissible uses clearly does not allow this in accessory buildings, and so we started talking about text amendments. They have taken the initiative and have added wording to the permissible uses, and plan to submit application for a text amendment.

Given the brevity of our agenda, I thought that I would reach out to see if you would like to just place this item on the agenda for discussion.

They are zoned RA-1. The language is below. Thanks Craig!

DIVISION 2.-RA- 1 Residential District

SEC. 19-92. - Permitted Uses

CURRENT LANGUAGE

(2) Churches and other places of worship, including parish houses and Sunday schools (8661);

PROPOSED LANGUAGE

(2) Churches and other places of worship, including parish houses, Sunday schools and Accessary buildings, provided Accessory buildings are only used on a temporary basis in connection with church group activities and /or to house emergency relief workers during and following a catastrophe situation such as a hurricane or flood. (8661);

5. OLD BUSINESS

a. Permissible uses for church accessory buildings in RA-1 District (Sec.19-92)

Chairman Galbraith recapped the several issues that were discussed at the previous meeting, which precipitated discussion about the proposed wording submitted by the applicant, Kure Beach First Baptist Church. A representative of the church reported that he had submitted a drawing to Inspector Batson illustrating changes they would like to make to the accessory building on church grounds that would accommodate visiting ministries, youth groups and short-term adult retreats. Another proposed use is housing relief workers in cases of emergency for which the Red Cross has designated the church a relief center. He reconfirmed that the building would not be used for homeless housing or alcohol rehabilitation programs.

During the ensuing discussion, it was determined that several issues must be clearly addressed, which the current proposed text does not do. These include:

- Not a hotel
- Maximum sleeping capacity
- Temporary basis
- Catastrophe situation is ambiguous
- Not revenue generating
- Prohibit rehab facility

Member Richardson remarked that the building in question is sizeable and structurally sound, not what he thinks of as an accessory building like a shed or storage unit. He also questioned if other places of worship might be a concern as some congregations use residences as their place of worship.

Chairman Galbraith requested that Inspector Batson and Attorney Eldridge work out wording that can address all the outstanding issues including:

- Charitable contribution to offset overhead costs
- Types of occupants
- Temporary component
- Replace catastrophe with emergency declaration
- Annex or other such word instead of accessory building
- Consider subcategory of accessory building
- Time limit exemption for relief workers

MOTION – Member Richardson moved that the attorney revise the proposed text amendment for Sec.19-92 and provide the revision at the next meeting

SECOND – Member Deaton

VOTE - Unanimous

Counsel inquired about the HOA sign text amendment and consistency statement that were submitted to Town Council for review and consent at their September meeting. Chairman Galbraith informed him that it received affirmative review and will be presented at a public hearing on October 22.

6. NEW BUSINESS

a. Definition of monument sign

Chairman Galbraith reported that he attended the August Town Council meeting to address the recommendation for changes to Sec. 19-339 that was sent back to P&Z for further clarification. He said that, after hearing varying opinions by council members on the merits of the proposal, he was hesitant to put forth effort into an amendment that does not have a good prospect of adoption. The chairman made it very specific that the commission would like to know that a majority of council members had favorable opinions before moving forward. Following some discussion, council voted 4-1 to remove the item from their calendar for any further consideration with Mr. Whitley being the dissenting vote.

- b. Text amendment to add an exception to Sec. 19-373 regarding signs used by homeowner associations

Inspector Batson presented a draft text amendment regarding the exceptions to Sec. 19-373, which regulates the use and size of signage. His draft included language that he thought was most fitting and provided options for descriptive parts. He was ready to take suggestions from commission members.

Discussion and consideration by members included:

- Sign height – 6' or 8'?
- Enumerate number of signs per HOA or number of signs per lot owned by HOA?
- Exceptions need to capture what appears to be currently non-conforming.
- Several districts restrict freestanding signs, but many of these have HOAs with signs.
- Maximum number should be indicated – entrances, pool, parking lots, etc.
- Non-changeable copy should be indicated to restrict large poster signs for events.
- Illumination?
- Monument signs should be addressed separately and need to be defined.

Attorney Eldridge read back proposed wording for a text amendment for Council consideration incorporating the suggestions put forth.


MOTION – Member Moore moved to recommend the new text amendment to Council
SECOND - Member Richardson
VOTE – Unanimous

Attorney Eldridge then presented a consistency statement that will accompany the text amendment upon approval of P&Z.

MOTION – Member Cawthorne moved to approve the consistency statement as presented
SECOND – Member Richardson
VOTE - Unanimous

Inspector Batson will send finalized wording to Attorney Eldridge who will type up a revised amendment and send to the secretary. Chairman Galbraith requested that the definition of monument sign be added to the October meeting agenda.

6. NEW BUSINESS

-  a. Consideration and discussion of additional wording to permissible uses for churches under Sec. 19-92

Inspector Batson reported that Kure Beach First Baptist Church has some outbuildings that are used for church events as permitted in Sec. 19-92. Pastor Howell came for a permit to update the accessory building bathrooms and install showers so that they may provide shelter for disaster relief workers. The ordinance does not allow for the occupation of accessory buildings in the RA-1 District, where the church is located.

Although their current uses meet the ordinance, what they are now proposing does not. Pastor Howell drafted some language for Mr. Batson to pass on to the commission for consideration, which he has done

Pastor Howell then presented ideas he has for potential uses of the accommodations that would be created with his proposed changes. He would like to provide shelter for disaster relief workers and house youth groups for a maximum of one week. Pastor Howell assured the commission that he does not intend to use the buildings for temporary housing for the homeless. He then distributed a draft proposed amendment and asked the commission to assist with wording if they are in agreement with his proposal.

While supporting Pastor Howell's intentions, the commission expressed several concerns, which include:

- Rehab facility and homeless shelter must be expressly prohibited.
- There should be no revenue generating activity and no rent charged.
- "Temporary" must be clearly defined to preclude permanent residence.
- Is there adequate parking? (Yes)
- Other churches should be considered.
- A maximum timeline is advisable.

MOTION - Chairman Galbraith moved to table the item to the next meeting
SECOND – Member Moore
VOTE - Unanimous

7. MEMBER ITEMS

Commissioner Whitley had wanted to begin formal discussion of language, ordinances or some way to preserve the downtown overlay district for the smaller hotels. Chairman Galbraith suggested the commission table this to the October meeting when Commissioner Whitley could be part of the discussion. In the meantime, he would like members to think about the language to preserve the small hotels in that district, given the pressure for other types of development there.

8. NEXT MEETING

October 3, 2018 at 7 p.m.

9. ADJOURNMENT

MOTION – Member Richardson moved to adjourn the meeting
SECOND – Member Moore
VOTE – Unanimous

Meeting was adjourned at 8:05

Craig Galbraith, Chairman
Planning and Zoning Commission

Kathleen Zielinski, Secretary

NOTE: These minutes reflect items considered and actions taken by the Planning & Zoning Committee and should not be considered a transcript of the meeting. An audio recording of the entire meeting can be found on the Town of Kure Beach website.

Recommend amending Code of Ordinances, Chapter 19 (Zoning), Article VI (Signs), Section 371 (Definitions) to add a new definition for 'Monument Sign'

**PROPOSED TEXT AMENDMENT
SEC. 19-371 OF THE KURE BEACH CODE**

Sec. 19-371. Definitions.

[Insert new definition]

Monument Sign shall mean a freestanding sign that is detached from a building and having a support structure that is a solid-appearing base constructed of concrete block, brick, or wood. All other freestanding sign types not meeting the definition of a monument sign shall be either a pole sign or a pylon sign.



TOWN OF KURE BEACH
PLANNING & ZONING COMMISSION

PZC Meeting Date: 11/07/2018

PZC Agenda Item No.: 5.c.

ZONING CONSISTENCY STATEMENT
N.C.G.S. 160A-383

X Consideration of proposed text amendment to The Town of Kure Beach Code:

1. Chapter 19 Zoning, Art. VI, Sec. 371, *Definitions*.

X The proposed text amendment is CONSISTENT WITH the objectives/policies of the Town of Kure Beach Land Use Plan ("LUP").

X The proposed text amendment is CONSISTENT WITH Part 3, Section 2.B. of the LUP.

_____ The proposed text amendment is NOT CONSISTENT WITH Part _____, Section _____ of the LUP.

The Planning and Zoning Commission ("Commission") requests Town Council's consideration and adoption of Staff's proposed text amendment to Sec. 19-371 attached hereto and incorporated herein by reference. The proposed amendment provides a definition of "monument sign" and the Commission finds that adopting the amendment will be reasonable and in the public interest inasmuch as the provisions of Article VI *Signs* includes references to monument signs and providing a definition of the same furthers the intent of the article "to promote and protect the public health, welfare and safety by regulating signs of all types." The Commission also finds that adopting the proposed amendment is consistent with the goal on land use compatibility as set forth in Part 3, Section 2.B. of the LUP which provides, again in pertinent part, as follows:

Kure Beach desires to ensure [consistency] with the historic small town nature of the community...and will work to...ensure that any uses of the land and water minimize negative environmental impacts and avoid risks to public health, safety and welfare....

Based on these findings, the Commission recommends that Town Council adopt the proposed text amendment to Sec. 19-371

TOWN OF KURE BEACH
PLANNING AND ZONING COMMISSION:



Craig Galbraith, Chairman

- Recommend amending Code of Ordinances, Chapter 19 (Zoning):
 - Article I (Definitions) to add new definitions for ‘Habilitation/Rehabilitation Facility’; ‘Halfway House’; ‘Homeless shelter’; ‘Religious institution’; and ‘Religious annex’
 - Article III (Administration):
 - Division 1 (Generally), Section 79.5 (Permitted uses) to add ‘Habilitation/Rehabilitation Facility’; ‘Halfway House’; and ‘Homeless Shelter’ as new prohibited uses
 - Division 2 (RA-1 Residential district), Section 92 (Permitted uses), Subsection (2) to delete ‘Churches and other places of worship including parish houses and Sunday schools (8661)’ and add new verbiage regarding ‘Religious institutions’
 - Division 4 (RA-2 Residential district), Section 152 (Permitted uses), Subsection (4) to delete ‘Churches and other places of worship including parish houses and Sunday schools (8661)’ and add new verbiage regarding ‘Religious institutions’
 - Division 6 (RA-2T Residential trailer), Section 177 (Permitted uses), Subsection (5) to delete ‘Churches and other places of worship including parish houses and Sunday schools (8661)’ and add new verbiage regarding ‘Religious institutions’
 - Division 7 (RA-3 Residential district), Section 187 (Permitted uses), Subsection (7) to delete ‘Churches and other places of worship including parish houses and Sunday schools (8661)’ and add new verbiage regarding ‘Religious institutions’
 - Division 10 (B-1 district), Section 243 (Permitted uses), Subsection (5) to delete ‘Churches and other places of worship including parish houses and Sunday schools (8661)’ and add new verbiage regarding ‘Religious institutions’
 - Division 12 (B-3 Business district), Section 282 (Permitted uses), Subsection (7) to delete ‘Churches and other places of worship including parish houses and Sunday schools (8661)’ and add new verbiage regarding ‘Religious institutions’

Above Code amendments require a public hearing.

Add definitions for Habilitation/Rehabilitation Facility, Halfway House, Homeless Shelter, Religious Institutions, and Religious annex

**PROPOSED TEXT AMENDMENTS
SEC. 19-1 OF THE KURE BEACH CODE**

Sec. 19-1. Definitions.

[Insert new definitions]

Habilitation/Rehabilitation Facility means a place providing care, treatment, habilitation, or rehabilitation of, or other services to the mentally ill, the developmentally disabled, or substance abusers.

Halfway House means a place for the housing, rehabilitation, and training of persons on probation, parole, or early release from correctional institutions, or other persons found guilty of criminal offenses.

Homeless shelter means temporary housing available to individuals and families experiencing homelessness.

Religious institution means a church, mosque, synagogue, temple or other place of religious worship.

Religious annex means a building associated with a religious facility that is maintained and used by a religious organization in accordance with its doctrines, practices, or regulations. A religious annex and its use shall not be considered nor construed to constitute an accessory building and use.

**Add uses that are prohibited for
Habilitations/Rehabilitation, Halfway House and
Homeless Shelter**

CURRENT PROVISIONS
SEC. 19-79.5 OF THE KURE BEACH CODE

Sec. 19-79.5. Uses that are prohibited.

[The following uses are prohibited:]

Adult book and video stores: SIC codes 5731, 5192, 5947, 5932, 5942 and 5961.

Internet gaming devices: SIC codes 7993 and 7999.

Adult oriented dancing: SIC code 7911.

The use of containers as buildings.

**PROPOSED TEXT AMENDMENTS
SEC. 19-79.5 OF THE KURE BEACH CODE**

Sec. 19-79.5. Uses that are prohibited.

[The following uses are prohibited:]

Adult book and video stores: SIC codes 5731, 5192, 5947, 5932, 5942 and 5961.

Internet gaming devices: SIC codes 7993 and 7999.

Adult oriented dancing: SIC code 7911.

The use of containers as buildings.

Habilitation/Rehabilitation Facility.

Halfway House.

Homeless Shelter.

TEXT AMENDMENTS
SEC. 19-79.5 OF THE KURE BEACH CODE

Sec. 19-79.5. Uses that are prohibited.

[The following uses are prohibited:]

Adult book and video stores: SIC codes 5731, 5192, 5947, 5932, 5942 and 5961.

Internet gaming devices: SIC codes 7993 and 7999.

Adult oriented dancing: SIC code 7911.

The use of containers as buildings.

Habilitation/Rehabilitation Facility.

Halfway House.

Homeless Shelter.

**Replace wording for churches and other places
of worship, with religious institutions**

CURRENT PROVISIONS
SEC. 19-92 OF THE KURE BEACH CODE

Sec. 19-92. Permitted uses.

The following are the permitted uses in the RA-1 residential district:

- (1) One-family dwellings;
- (2) Churches and other places of worship, including parish houses and Sunday schools (8661);
- (3) Colleges, schools, public libraries, public museums, art galleries, and other public buildings (8221, 8211, 8231, 8412); (S)
- (4) Accessory buildings to permitted uses, provided that no accessory building shall be rented or occupied. Provided, further, that accessory buildings shall be constructed at time or following construction of the main building;
- (5) Home occupations as defined in section 19-1.

**PROPOSED TEXT AMENDMENT
SEC. 19-92 OF THE KURE BEACH CODE**

Sec. 19-92. Permitted uses.

The following are the permitted uses in the RA-1 residential district:

- (1) One-family dwellings;
- (2) ~~Churches and other places of worship, including parish houses and Sunday schools~~
(8661) Religious institutions including parish houses, Sunday schools and religious annexes. A religious annex may be used for housing, on a temporary basis, only visiting groups from other religious institutions (hereinafter “visiting religious groups”) and emergency relief workers providing services in conjunction with declared states of emergencies. A religious annex shall not be used for private benefit/inurement, lobbying, political campaign activity, or to generate unrelated business income. A religious institution shall not charge a fee for any temporary housing provided hereunder although it may receive donations to offset the cost of providing such housing. For the purposes of this sub-section, the temporary housing of a visiting religious group shall not exceed fourteen (14) days and the housing of emergency relief workers shall not exceed thirty (30) days;
- (3) Colleges, schools, public libraries, public museums, art galleries, and other public buildings (8221, 8211, 8231, 8412); (S)
- (4) Accessory buildings to permitted uses, provided that no accessory building shall be rented or occupied. Provided, further, that accessory buildings shall be constructed at time or following construction of the main building;
- (5) Home occupations as defined in section 19-1.

TEXT AMENDMENT
SEC. 19-92 OF THE KURE BEACH CODE

Sec. 19-92. Permitted uses.

The following are the permitted uses in the RA-1 residential district:

- (1) One-family dwellings;
- (2) Religious institutions including parish houses, Sunday schools and religious annexes. A religious annex may be used for housing, on a temporary basis, only visiting groups from other religious institutions (hereinafter “visiting religious groups”) and emergency relief workers providing services in conjunction with declared states of emergencies. A religious annex shall not be used for private benefit/inurement, lobbying, political campaign activity, or to generate unrelated business income. A religious institution shall not charge a fee for any temporary housing provided hereunder although it may receive donations to offset the cost of providing such housing. For the purposes of this subsection, the temporary housing of a visiting religious group shall not exceed fourteen (14) days and the housing of emergency relief workers shall not exceed thirty (30) days;
- (3) Colleges, schools, public libraries, public museums, art galleries, and other public buildings (8221, 8211, 8231, 8412); (S)
- (4) Accessory buildings to permitted uses, provided that no accessory building shall be rented or occupied. Provided, further, that accessory buildings shall be constructed at time or following construction of the main building;
- (5) Home occupations as defined in section 19-1.

CURRENT PROVISIONS
SEC. 19-152 OF THE KURE BEACH CODE

Sec. 19-152. Permitted uses.

The following are the permitted uses in the RA-2 district:

- (1) One- and two-family dwellings;
- (2) Offices of resident members of recognized professions, such as doctors, dentists, engineers, lawyers, architects, where such professions are carried on in their respective residences (80-11, 21, 31, 41, 42, 43, 49; 8711, 12, 21; 8111);
- (3) Customary home occupations, such as dressmaking, music teaching, preserving, home cooking and laundering, but not including beauty parlors, provided that such occupation shall be engaged in only by residents on the premises, and not more than the equivalent of the area of one (1) floor shall be used for such occupations, that no display of products nor any advertising of any nature shall be visible from the street and that no accessory building shall be used for such home occupations;
- (4) Churches and other places of worship, including parish houses and Sunday schools (8661);
- (5) Colleges, schools, public libraries, public museums, art galleries, and other public buildings (8211, 8221, 8231, 8412); (S)
- (6) Accessory buildings to permitted uses, provided that no accessory building shall be rented or occupied. Provided further, that accessory buildings shall be constructed at time or following construction of the main building. Noncommercial recreational facilities, such as, clubhouse, swimming pools, and tennis court.

PROPOSED TEXT AMENDMENTS
SEC. 19-152 OF THE KURE BEACH CODE

Sec. 19-152. Permitted uses.

The following are the permitted uses in the RA-2 district:

- (1) One- and two-family dwellings;
- (2) Offices of resident members of recognized professions, such as doctors, dentists, engineers, lawyers, architects, where such professions are carried on in their respective residences (80-11, 21, 31, 41, 42, 43, 49; 8711, 12, 21; 8111);
- (3) Customary home occupations, such as dressmaking, music teaching, preserving, home cooking and laundering, but not including beauty parlors, provided that such occupation shall be engaged in only by residents on the premises, and not more than the equivalent of the area of one (1) floor shall be used for such occupations, that no display of products nor any advertising of any nature shall be visible from the street and that no accessory building shall be used for such home occupations;
- (4) ~~Churches and other places of worship, including parish houses and Sunday schools~~ (8661) Religious institutions including parish houses, Sunday schools and religious annexes. A religious annex may be used for housing, on a temporary basis, only visiting groups from other religious institutions (hereinafter “visiting religious groups”) and emergency relief workers providing services in conjunction with declared states of emergencies. A religious annex shall not be used for private benefit/inurement, lobbying, political campaign activity, or to generate unrelated business income. A religious institution shall not charge a fee for any temporary housing provided hereunder although it may receive donations to offset the cost of providing such housing. For the purposes of this sub-section, the temporary housing of a visiting religious group shall not exceed fourteen (14) days and the housing of emergency relief workers shall not exceed thirty (30) days;
- (5) Colleges, schools, public libraries, public museums, art galleries, and other public buildings (8211, 8221, 8231, 8412); (S)
- (6) Accessory buildings to permitted uses, provided that no accessory building shall be rented or occupied. Provided further, that accessory buildings shall be constructed at time or following construction of the main building. Noncommercial recreational facilities, such as, clubhouse, swimming pools, and tennis court.

TEXT AMENDMENT
SEC. 19-152 OF THE KURE BEACH CODE

Sec. 19-152. Permitted uses.

The following are the permitted uses in the RA-2 district:

- (1) One- and two-family dwellings;
- (2) Offices of resident members of recognized professions, such as doctors, dentists, engineers, lawyers, architects, where such professions are carried on in their respective residences (80-11, 21, 31, 41, 42, 43, 49; 8711, 12, 21; 8111);
- (3) Customary home occupations, such as dressmaking, music teaching, preserving, home cooking and laundering, but not including beauty parlors, provided that such occupation shall be engaged in only by residents on the premises, and not more than the equivalent of the area of one (1) floor shall be used for such occupations, that no display of products nor any advertising of any nature shall be visible from the street and that no accessory building shall be used for such home occupations;
- (4) Religious institutions including parish houses, Sunday schools and religious annexes. A religious annex may be used for housing, on a temporary basis, only visiting groups from other religious institutions (hereinafter "visiting religious groups") and emergency relief workers providing services in conjunction with declared states of emergencies. A religious annex shall not be used for private benefit/inurement, lobbying, political campaign activity, or to generate unrelated business income. A religious institution shall not charge a fee for any temporary housing provided hereunder although it may receive donations to offset the cost of providing such housing. For the purposes of this sub-section, the temporary housing of a visiting religious group shall not exceed fourteen (14) days and the housing of emergency relief workers shall not exceed thirty (30) days;
- (5) Colleges, schools, public libraries, public museums, art galleries, and other public buildings (8211, 8221, 8231, 8412); (S)
- (6) Accessory buildings to permitted uses, provided that no accessory building shall be rented or occupied. Provided further, that accessory buildings shall be constructed at time or following construction of the main building. Noncommercial recreational facilities, such as, clubhouse, swimming pools, and tennis court.

CURRENT PROVISIONS
SEC. 19-177 OF THE KURE BEACH CODE

Sec. 19-177. Permitted uses.

The following are the permitted uses in the RA-2T district:

- (1) One- and two-family dwellings;
- (2) Manufactured/mobile homes;
- (3) Offices of resident members of recognized professions, dentists, engineers, lawyers, architects, where such professions are carried on in their respective residences (80-11, 21, 31, 41, 42, 43, 49; 8711, 12, 21; 8111);
- (4) Customary home occupations, such as dressmaking, music teaching, preserving, home cooking and laundering, but not including beauty parlors, provided that such occupation shall be engaged in only by residents on the premises and not more than the equivalent of the area of one (1) floor shall be used for such occupation, that no products nor any advertising of any nature shall from the street and that no accessory building; used for such home occupation;
- (5) Churches and other places of worship, include houses and Sunday schools (8661);
- (6) Colleges, schools, public libraries, public museums, libraries, and other public buildings (8221, 8211, 8231, 8412); (S)
- (7) Accessory buildings to permitted uses, provided that no accessory building shall be rented or occupied. Provided, further, that accessory buildings shall be constructed at time or following construction of the main building.

**PROPOSED TEXT AMENDMENTS
SEC. 19-177 OF THE KURE BEACH CODE**

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- (3) Offices of resident members of recognized professions, dentists, engineers, lawyers, architects, where such professions are carried on in their respective residences (80-11, 21, 31, 41, 42, 43, 49; 8711, 12, 21; 8111);
- (4) Customary home occupations, such as dressmaking, music teaching, preserving, home cooking and laundering, but not including beauty parlors, provided that such occupation shall be engaged in only by residents on the premises and not more than the equivalent of the area of one (1) floor shall be used for such occupation, that no products nor any advertising of any nature shall from the street and that no accessory building; used for such home occupation;
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Religious institutions including parish houses, Sunday schools and religious annexes. A religious annex may be used for housing, on a temporary basis, only visiting groups from other religious institutions (hereinafter "visiting religious groups") and emergency relief workers providing services in conjunction with declared states of emergencies. A religious annex shall not be used for private benefit/inurement, lobbying, political campaign activity, or to generate unrelated business income. A religious institution shall not charge a fee for any temporary housing provided hereunder although it may receive donations to offset the cost of providing such housing. For the purposes of this subsection, the temporary housing of a visiting religious group shall not exceed fourteen (14) days and the housing of emergency relief workers shall not exceed thirty (30) days;
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- (7) Accessory buildings to permitted uses, provided that no accessory building shall be rented or occupied. Provided, further, that accessory buildings shall be constructed at time or following construction of the main building.

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CURRENT PROVISIONS
SEC. 19-187 OF THE KURE BEACH CODE

Sec. 19-187. Permitted uses.

The following are the permitted uses in the RA-3 district:

- (1) One-family dwellings, two-family dwellings, and multiple family dwellings;
- (2) Boardinghouses, guest houses, tourist homes, apartment houses not involving the conduct of any business other than for the sole convenience of the guests thereof (7021); (S)
- (3) Hotels and motels (7011);
- (4) Hotels and motels with restaurants, provided they have a minimum of twenty (20) rental units and twenty (20) complete baths;
- (5) Schools, institutions of an educational nature (8211); (S)
- (6) Public buildings and facilities;
- (7) Churches, convents and parish houses (8661);
- (8) Public museums, art galleries, libraries, parks, playgrounds (8221, 8211, 8231, 8412, 7999); (S)
- (9) Hospitals and clinics (8062); (S)
- (10) Accessory buildings to permitted uses, provided that no accessory building shall be constructed at time or following construction of the main building;
- (11) Home occupations as defined in section 19-1;
- (12) Real estate (6531).

**PROPOSED TEXT AMENDMENTS
SEC. 19-187 OF THE KURE BEACH CODE**

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- (6) Public buildings and facilities;
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- (10) Accessory buildings to permitted uses, provided that no accessory building shall be constructed at time or following construction of the main building;
- (11) Home occupations as defined in section 19-1;
- (12) Real estate (6531).

CURRENT PROVISIONS
SEC. 19-243 OF THE KURE BEACH CODE

Sec. 19-243. Permitted uses.

The following are the permitted uses and special uses (S) in the B-1 district:

- (1) Accessory uses clearly incidental to a permitted use and which will not create a nuisance or hazard;
- (3) Banks, finance and loan companies (6021, 6022);
- (4) Bus terminal (4173); (S)
- (5) Churches and other places of worship (8661);
- (8) Dwelling when constructed in conjunction with permitted use provided such dwellings are an integral part of the main building of such a permitted use; (S)
- (9) Eating and drinking establishments (5812, 5813);
- (10) Service stations (5541); (S)
- (11) Food stores (5411, 5431, 5441, 5451, 5461);
- (12) Hotels and motels (7011);
- (14) Parking lots (7521); (S)
- (15) Offices for professional business activities (80-11, 21, 31, 41, 42, 43, 49; 8711, 12, 21; 8111);
- (16) Personal service establishments such as barber and beauty shops (7231, 7241, 5611, 5651);
- (17) Public buildings and facilities;
- (18) Retail stores not otherwise listed: (5251, 5261, 5912, 5921, 5932, 5941, 5942, 5943, 5944, 5945, 5947, 5948, 5949, 5961, 5992, 5993, 5995, 5331, 5399, 5712, 5722, 5731);
- (19) Arcades (7993); (S)
- (20) Theaters when housed in a permanent structure (6512); (S)
- (21) Dance halls when at least five hundred (500) square feet of space is provided for dancing (7911);
- (23) Reserved;
- (24) Real estate offices (6531);
- (25) Home occupation as defined in section 19-1.

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CURRENT PROVISIONS
SEC. 19-282 OF THE KURE BEACH CODE

Sec. 19-282. Permitted uses.

The following are the permitted uses in the B-3 district:

- (1) Single-family dwellings;
- (2) Townhouses and condominiums;
- (3) Hotels and motels with or without restaurants (7011); (S)
- (4) Conference center, to be independent of and/or associated with hotel, motel; (S)
- (5) Schools, institutions of an educational nature (8211); (S)
- (6) Public buildings and facilities; (S)
- (7) Churches, convents and parish houses (8661); (S)
- (8) Museums, art galleries, libraries (8221, 8211, 8231, 8412); (S)
- (9) Hospital and clinics (8062); (S)
- (10) Banks, finance and loan companies (6021, 6022); (S)
- (11) Colleges, business colleges, trade schools, dancing schools, and similar organizations without students in residence; (S)
- (12) Food stores, personal service establishments such as barber and beauty shops and retail stores not otherwise listed (4451, 7231, 7241, 5611, 5651); (S)
- (13) Offices for professional business activities (80-11, 21, 31, 41, 42, 43, 49; 8711, 12, 21; 8111); (S)
- (14) Reserved;
- (15) Accessory uses clearly incidental to a permitted use and which will not create a nuisance or hazard;
- (16) Noncommercial recreational facilities, such as, clubhouse, swimming pool and tennis court.

PROPOSED TEXT AMENDMENTS
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**TOWN OF KURE BEACH
PLANNING & ZONING COMMISSION**

PZC Meeting Date: 11/07/2018

PZC Agenda Item No.: 5.b.

**ZONING CONSISTENCY STATEMENT
N.C.G.S. 160A-383**

X Consideration of proposed text amendments to The Town of Kure Beach Code:

1. Chapter 19 Zoning, Art. I, Sec. 1. *Definitions.*
2. Chapter 19 Zoning, Art. III, Div. 1, Sec. 79.5 *Uses that are prohibited.*
3. Chapter 19 Zoning, Art. III, Div. 2, Sec. 92 *Permitted uses.*
4. Chapter 19 Zoning, Art. III, Div. 4, Sec. 152 *Permitted uses.*
5. Chapter 19 Zoning, Art. III, Div. 6, Sec. 177 *Permitted uses.*
6. Chapter 19 Zoning, Art. III, Div. 7, Sec. 187 *Permitted uses.*
7. Chapter 19 Zoning, Art. III, Div. 10, Sec. 243 *Permitted uses.*
8. Chapter 19 Zoning, Art. III, Div. 12, Sec. 282 *Permitted uses.*

X The proposed text amendments are CONSISTENT WITH the objectives/policies of the Town of Kure Beach Land Use Plan ("LUP").

X The proposed text amendments are CONSISTENT WITH Part 3, Section 2.B. of the LUP.


_____ The proposed text amendment is NOT CONSISTENT WITH Part _____, Section _____ of the LUP.

The Planning and Zoning Commission ("Commission") requests Town Council's consideration and adoption of Staff's proposed text amendments to Chapter 19 of the Kure Beach Code which are attached hereto and incorporated herein by reference. The proposed amendments provide definitions for and regulations governing a religious institution's use of religious annex buildings. The proposed amendments also provide definitions for certain other prohibited uses. The Commission finds that adopting the amendments will be reasonable and in the public interest inasmuch as they are consistent with the goal on land use compatibility as set forth in Part 3, Section 2.B. of the LUP which provides, in pertinent part, as follows:

Kure Beach desires to ensure [consistency] with the historic small town nature of the community...and will work to...ensure that any uses of the land and water minimize negative environmental impacts and avoid risks to public health, safety and welfare....

Based on these findings, the Commission recommends that Town Council adopt the proposed text amendments.

**TOWN OF KURE BEACH
PLANNING AND ZONING COMMISSION:**



Craig Galbraith, Chairman

P&Z MINUTES OCTOBER 2018



**KURE BEACH PLANNING & ZONING COMMISSION
REGULAR MEETING MINUTES
OCTOBER 3, 2018**

The Kure Beach Planning & Zoning Commission held their regular meeting on Wednesday, October 3, 2018. A quorum of commission members was present.

P&Z MEMBERS PRESENT

Chair Craig Galbraith
Vice Chair Bill Moore
Member Kenneth Richardson
Member Retha Deaton
Alternate Member Robert Young

P&Z MEMBERS ABSENT

Member John Cawthorne

STAFF PRESENT

John Batson – Building Inspections
Kathleen Zielinski – Secretary

~~~~~

Commissioner Joseph Whitley, Council Liaison  
Attorney James E. Eldridge

**1. CALL TO ORDER**

Chairman Galbraith called the meeting to order at 7:00 p.m.

**2. APPROVAL OF AGENDA**

**MOTION** – Member Richardson moved to approve the agenda

**SECOND** –Member Deaton

**VOTE** – Unanimous

**3. APPROVAL OF MEETING MINUTES: September 5, 2018 Regular Meeting**

**MOTION** – Member Deaton moved to approve the minutes from the September 5, 2018 meeting as submitted

**SECOND** – Member Richardson

**VOTE** – Unanimous

**4. PUBLIC COMMENTS**

None

## 5. OLD BUSINESS

### a. Permissible uses for church accessory buildings in RA-1 District (Sec.19-92)

Chairman Galbraith recapped the several issues that were discussed at the previous meeting, which precipitated discussion about the proposed wording submitted by the applicant, Kure Beach First Baptist Church. A representative of the church reported that he had submitted a drawing to Inspector Batson illustrating changes they would like to make to the accessory building on church grounds that would accommodate visiting ministries, youth groups and short-term adult retreats. Another proposed use is housing relief workers in cases of emergency for which the Red Cross has designated the church a relief center. He reconfirmed that the building would not be used for homeless housing or alcohol rehabilitation programs.

During the ensuing discussion, it was determined that several issues must be clearly addressed, which the current proposed text does not do. These include:

- Not a hotel
- Maximum sleeping capacity
- Temporary basis
- Catastrophe situation is ambiguous
- Not revenue generating
- Prohibit rehab facility

Member Richardson remarked that the building in question is sizeable and structurally sound, not what he thinks of as an accessory building like a shed or storage unit. He also questioned if other places of worship might be a concern as some congregations use residences as their place of worship.

Chairman Galbraith requested that Inspector Batson and Attorney Eldridge work out wording that can address all the outstanding issues including:

- Charitable contribution to offset overhead costs
- Types of occupants
- Temporary component
- Replace catastrophe with emergency declaration
- Annex or other such word instead of accessory building
- Consider subcategory of accessory building
- Time limit exemption for relief workers

**MOTION** – Member Richardson moved that Counsel revise the proposed text amendment for Sec.19-92 and provide the revision at the next meeting

**SECOND** – Member Deaton

**VOTE** - Unanimous

Counsel inquired about the HOA sign text amendment and consistency statement that were submitted to Town Council for review and consent at their September meeting. Chairman Galbraith informed him that it received affirmative review and will be presented at a public hearing on October 22.

## 6. NEW BUSINESS

### a. Definition of monument sign

At the request of commission members during the September meeting, Attorney Eldridge drafted a definition of monument sign and presented said document to the commission for review.

Chairman Galbraith suggested that wood be included along with concrete, block and brick as an acceptable material of construction. He asked Mr. Eldridge to prepare a text amendment and consistency statement to add a definition for monument sign in Sec.19-371. The text amendment will then be submitted to Council for consideration, review and consent.

**MOTION** – Member Deaton moved to ask staff to revise the definition of monument sign and bring back to the next meeting

**SECOND** – Chairman Galbraith

**VOTE** - Unanimous

b. Preserving downtown mixed-use overlay district for the smaller hotels (Sec.19-84)

At the request of Council, the P&Z Commission will begin discussion on ways to maintain Kure Beach's small town, family atmosphere within the current business district by regulating future development through well-defined overlay district regulations.

Chairman Galbraith began the discussion with some history of the creation of the overlay district along K Avenue, which allows businesses on the first floor and residential quarters on the second and third floor. In answer to Member Richardson's request for more detail about the vision held by Council, Commissioner Whitley stated that members are concerned about pressure to tear down smaller homes and replace them with mega houses. Elements of the discussion included:

- Maintaining 35' building height
- Important to preserve family atmosphere
- Special use permits
- Conditional use permits
- Overlay district is a powerful tool
- Conditions in the overlay district can control who comes in
- A variety of uses can be incorporated
- Certain uses can be excluded
- There are many good examples of beach community overlay districts

Attorney Eldridge then read through Sec.19-84 to help the commission grasp a fuller understanding of what is already on the books. Many elements can be added to more specifically control the future development and use. Regulating such things as lighting, landscaping and architectural design can help them achieve their goal. Chairman Galbraith offered to take the lead by researching the topic and bringing ideas back to an upcoming meeting.

**MOTION** – Chairman Galbraith moved to table the item while he does some research

**SECOND** – Member Moore

**VOTE** - Unanimous

## 7. NEXT MEETING

November 7, 2018 at 7 p.m.

**8. ADJOURNMENT**

**MOTION** – Member Richardson moved to adjourn the meeting

**SECOND** – Member Moore

**VOTE** – Unanimous

Meeting was adjourned at 8:05



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Craig Galbraith, Chairman  
Planning and Zoning Commission



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Kathleen Zielinski, Secretary

NOTE: These minutes reflect items considered and actions taken by the Planning & Zoning Commission and should not be considered a transcript of the meeting. An audio recording of the entire meeting can be found on the Town of Kure Beach website.

**DEPARTMENT  
BUSINESS**



## MEMO

TO: Town Council  
FROM: Nikki Keely, Recreation Director  
RE: Proposed Dates for 2019 OFP Programs  
DATE: November 13, 2018

The Proposed Dates for 2019 Ocean Front Park Programs is presented for Town Council review. The proposed schedule follows the same outline we have been using since 2015. The Boogie in the Park concert series stretches into the shoulder seasons and as such, is beloved by locals and visitors alike. The other weekly programs are geared more towards tourists, although locals frequent these programs too. The programs run between the second week of June and the end of August – when our tourist crowds tend to be largest. Private rental of the Ocean Front Park and/or availability of our partner organizations can impact the overall weekly schedule of the programs, but the final schedule will not expand beyond the proposed dates.

The Proposed Dates for 2019 Ocean Front Park Programs await Town Council approval prior to confirmation and publication. We face a December deadline with some of the publications utilized for free marketing of these programs. Council has the option to either accept the 2019 schedule as written or make changes and/or recommendations as needed.

nk

Enclosure: Proposed Dates for 2019 Ocean Front Park Programs



## **Proposed Dates for 2019 Ocean Front Park Programs:**

### **Boogie in the Park Concert Series**

*1st & 3rd Sunday, May—October, 5-7 PM (12 dates)*

Free concert series at Kure Beach's Ocean Front Park. Bring your beach chair or blanket and enjoy the music!

5/5—

5/19—

6/2—

6/16— Father's Day

7/7—

7/21—

8/4—

8/18—

9/1— Labor Day Weekend

9/15—

10/6—

10/20—

### **Turtle Talk**

*Mondays, June 10<sup>th</sup> – August 26<sup>th</sup>, 7-8 PM (12 dates)*

Learn about local nesting sea turtles with the Pleasure Island Sea Turtle Project

### **Kure Beach Market**

*Tuesdays, June 11<sup>th</sup> – August 27<sup>th</sup>, 8 AM-1 PM (12 dates)*

Shop for locally grown produce and hand crafted goods while enjoying beautiful ocean views.

### **Story Time by the Sea**

*Wednesdays, June 12<sup>th</sup> – August 14<sup>th</sup>, 10-11:30 AM (10 dates)*

Join the Princess and her fairytale friends from Fairytales and Dreams by the Sea at Kure Beach's Ocean Front Park for stories, crafts and games. Fun activities for both boys and girls. Don't forget your camera to get a picture with the Princess!

### **Up and Active!**

*Thursdays, June 13<sup>th</sup> – August 15<sup>th</sup>, 6:30-7:30 PM, skips July 4<sup>th</sup> (9 dates)*

Move your body – move your mind. Join Lynne and the Wave for an hour of music, games, and fun for everyone in the Ocean Front Park lawn. Face painting provided by P3 Planning.

# OLD BUSINESS

# TOWN FACILITY CONSTRUCTION PROJECT STATUS UPDATE

**Freeman Landscape, Inc.**

93 Edgewater Lane  
Wilmington, NC 28403

Phone: 910.796.1166

Fax: 910.796.1090

Web Site: [www.freemanlandscape.com](http://www.freemanlandscape.com)

*Installation  
of  
landscaping*



**Estimate**

| Date      | Estimate # |
|-----------|------------|
| 11/6/2018 | 8408       |

**Proposal Prepared for:**  
Constructive Building Solutions  
4032 Masonboro Loop Rd.  
Ste.101  
Wilmington, N.C. 28409  
Fax: 910-799-9056 Phone: 910-799-9225

**Property**  
Kure Beach Fire Station  
6th Ave.

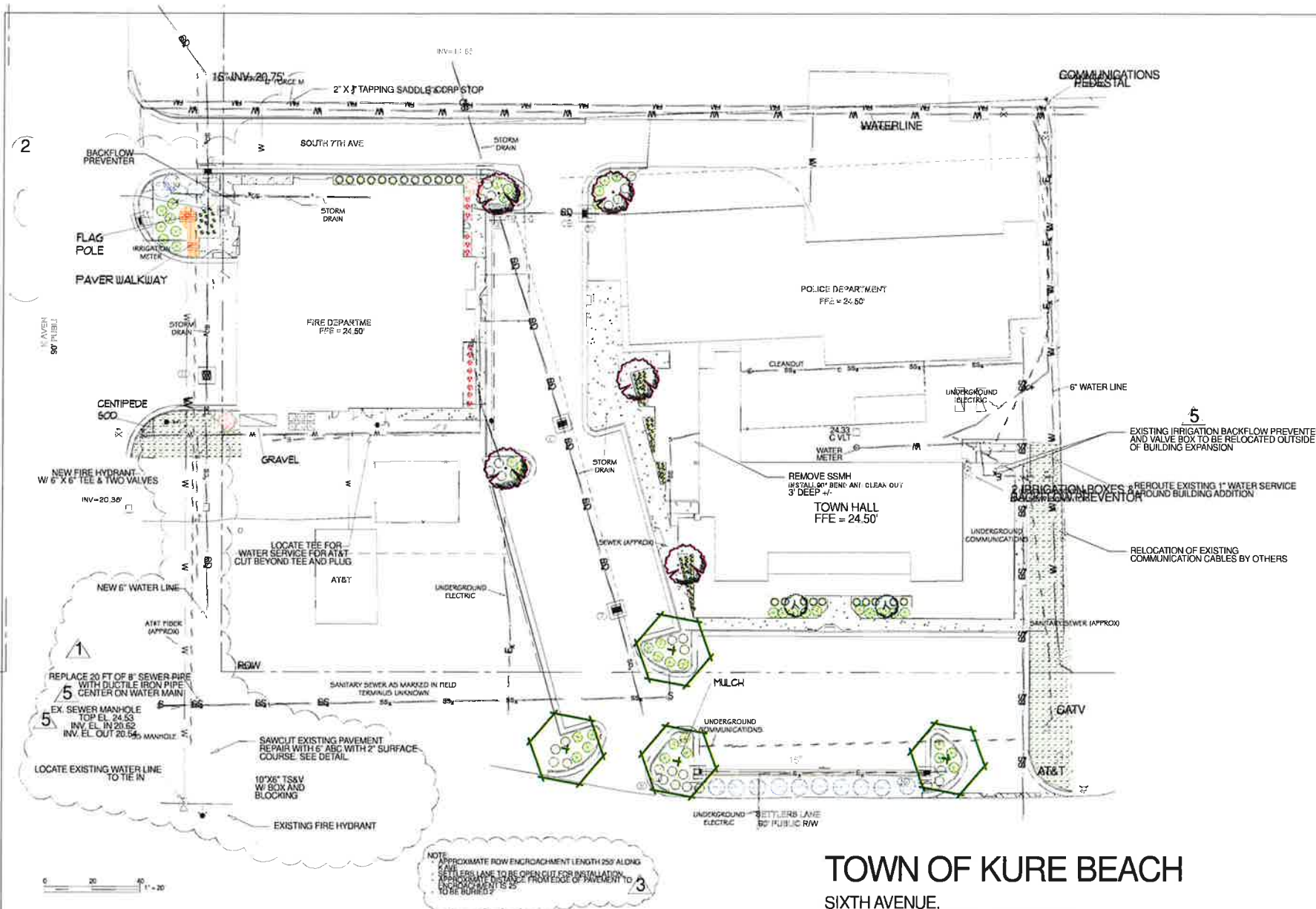
| Qty | Description                                                        | Cost     | Total     |
|-----|--------------------------------------------------------------------|----------|-----------|
| 2   | Eagleston Holly, 30 Gal. - Tree Form                               | 290.00   | 580.00    |
| 5   | Natchez Crape Myrtle, 30 Gal., 8' Ht. - Tree Form, Single Stem     | 280.00   | 1,400.00  |
| 4   | Trident Maple, 2" Cal.                                             | 315.00   | 1,260.00  |
| 27  | Dwarf Yaupon Holly, 3 Gal.                                         | 20.00    | 540.00    |
| 14  | Wintergreen Boxwood, 3 Gal.                                        | 23.00    | 322.00    |
| 2   | Pink Drift Rose, 3 Gal.                                            | 22.00    | 44.00     |
| 29  | Gulfstream Nandina, 3 Gal.                                         | 24.00    | 696.00    |
| 79  | Emerald Goddess Liriope, 1 Gal.                                    | 8.00     | 632.00    |
| 2   | Cleyera japonica, 7 Gal.                                           | 40.00    | 80.00     |
| 16  | Miscanthus sinensis, 3 Gal.                                        | 20.00    | 320.00    |
| 8   | #87 Slate, Ton                                                     | 95.00    | 760.00    |
| 700 | Landscape Fabric, SF - Under Slate                                 | 0.25     | 175.00    |
| 35  | Brown Mulch, CY                                                    | 50.00    | 1,750.00  |
| 350 | Centipede Sod, SY                                                  | 5.00     | 1,750.00  |
|     | Landscape Subtotal                                                 |          | 10,309.00 |
| 1   | Irrigation System                                                  | 5,200.00 | 5,200.00  |
|     | ***PLEASE NOTE***<br>- 5/8" Irrigation meter & backflow by others. |          |           |

We appreciate the opportunity to prepare this estimate. Please call with any questions. Thank you!

**Total** \$15,509.00

*All material is guaranteed to be as specified. All sod quantities are estimated and ACTUAL quantities will be invoiced at the unit prices provided. Ninety day Warranty on plant material, No warranty on Sod and Six month warranty on irrigation. Marginal varieties of plants such as Oleander, Lantana & Palms are not covered by warranty. All work to be completed in a workmanlike manner according to standard practices. Any alteration or deviation from above specifications involving extra costs will be executed only upon written orders, and will become an extra charge over and above the estimate. All agreements contingent upon strikes, accidents or delays beyond our control. Owner to carry fire, tornado and other necessary insurance. Employees are covered by Workman's Comp Insurance. NC Landscape Contractor #CL0056. NC Irrigation License #C-039.*

Proposal Accepted by: \_\_\_\_\_



### LEGEND

| COMMON NAME                       | QTY | SIZE    |
|-----------------------------------|-----|---------|
| <b>FLOWER, PERENNIAL</b>          |     |         |
| LIRIOPE, EMERALD GODDESEGAL       |     |         |
| <b>SHRUB, EVERGREEN BROADLEAF</b> |     |         |
| BOXWOOD, WINTERGREEN              | 3   | 3 GAL.  |
| MISCANTHUS SINENSIS               | 16  | 3 GAL.  |
| CLEYERA JAPONICA                  | 2   | 7 GAL.  |
| <b>TREE, DECIDUOUS</b>            |     |         |
| HOLLY, EAGLESTON, TREEFORM.       |     |         |
| HOLLY, YAUFON, DWARF              | 27  | 3 GAL.  |
| NANDINA GULFSTREAM                | 22  | 3 GAL.  |
| RED DRIFT ROSE                    | 45  | 3 GAL.  |
| <b>TREE, DECIDUOUS</b>            |     |         |
| CRAPE MYRTLE NATCHEZ, TREE FORM.  |     |         |
| TRIDENT MAPLE                     | 4   | 2" CAL. |

## TOWN OF KURE BEACH

SIXTH AVENUE,  
KURE BEACH, NORTH CAROLINA



JIM@FREEMANLANDSCAPE.COM 910-796-1166

Revision #: 1  
Date: 10/24/2018

Scale:  
1" = 20'

Landscape Plan:  
Kure Beach Fire & Town Hall

Landscape Design by: James Freeman - NCLC# 71  
Freeman Landscape, Inc.

Revisions  
1 - Amendment 1 - 10/25/2017  
2 - Amendment 2 - 10/25/2017  
3 - Amendment 3 - 10/25/2017  
4 - Amendment 4 - 10/31/17  
5 - Amendment 5 - 12/18/2017  
Permit Review

## Beth Chase

---

**From:** Allen Oliver  
**Sent:** Thursday, November 8, 2018 8:47 AM  
**To:** Beth Chase  
**Cc:** Nancy Avery  
**Subject:** Landscape Maintenance Contract  
**Attachments:** Kure Beach Fire Station and Town Hall 2nd revision 10.30.18.pdf

**Follow Up Flag:** Follow up  
**Flag Status:** Flagged

Beth,

Please add this to the agenda under old business for Maintenance of the new Fire Departement / Town Hall site.

I recommend adding this to the towns operational budget.

Allen

Allen Oliver, Commissioner  
Town of Kure Beach  
336-963-3533



## Landscape Maintenance Agreement

This contract provides for the maintenance of landscaped areas in which to promote and maintain a healthy and attractive landscape environment. All work shall be scheduled to assure those horticultural tasks are completed at the proper times. This agreement entered into between Freeman Landscape, Inc. hereinafter CONTRACTOR and Kure Beach Fire Station and Town Hall hereinafter OWNER/REPRESENTATIVE for services performed under this agreement at the following location: 6<sup>th</sup> Street, Kure Beach, NC 28449

### Turf

1. Remove all debris (limbs, trash, etc.) from all turf areas before mowing.
2. Turf will be mowed and maintained to its specific cultural requirements, depending upon current season and weather conditions.
3. Turf will be serviced weekly from April through November then a 14 day schedule during the non-growing season of December through March.
4. Six Herbicide treatments shall be applied for weed control in the turf areas as part of this contract.

### Edging

1. Edging along all sidewalks, flower beds, curbs, and other surfaces shall be performed every mowing or as needed.

### Planting Beds

1. Beds shall be kept clean of debris and weeds, excluding nutsedge.
2. Combination of chemical and hand pulling to control weeds will be utilized.

### Shrub and Groundcover Care

1. Plants will be pruned according to their cultural requirements. Pruning is performed up to 3 times yearly.
2. Plant material will be pruned to keep sidewalks, streets, and parking areas free from obstruction.
3. Pruning shall promote structural strength and accentuate the plant's natural forms and features within its location.
4. All trees up to 4" caliber shall be pruned annually if necessary.

### **Fertilization**

1. Turf shall be fertilized according to its individual needs to maintain good health, vigor, and color throughout the year.
2. Plant material shall be fertilized according to each plant's specific needs and to correct nutritional deficiencies.

### **Parking Lots and Sidewalks**

1. All paved areas shall be blown to remove any clippings caused by maintenance each visit and all minor trash removed.
2. Vacuum service prices can be provided upon request.

### **Irrigation**

1. Irrigation damage caused by maintenance will be repaired.
2. Irrigation damage due to other faults will be charged to the monthly account.
3. Irrigation inspections can be performed on a semi-annual basis for an additional fee.

### **Optional Services:**

**The following services can be offered for an additional cost. These services are not part of contract.** Estimated costs for these services have been provided below and prices are subject to change.

1. *Mulch*
  - (a) Pine straw mulch at \$8.00 per bale installed.
  - (b) Colored mulch at \$55.00 per cubic yard installed. **We estimate 18 cubic yards of mulch installed for a total cost of \$990.00.**
  - (c) Shredded Hardwood mulch at \$55.00 per cubic yard installed.
2. *Chemicals*
  - (a) Pesticides and Fungicides shall be applied to establish a well integrated turf and pest maintenance program.
3. *Seasonal Color*
  - (a) Flowers will be installed twice yearly. Annual flowers will be \$42 per flat installed.

### **Term of Agreement:**

1. The duration of this agreement is for a period of **1 year from January 1, 2019 thru December 31, 2019**. At the termination of such period, this agreement shall continue in effect on an annual basis.
2. OWNER/REPRESENTATIVE shall pay CONTRACTOR **\$3,810.00** for basic services under this agreement. If the OWNER/REPRESENTATIVE elects to pay the yearly price for the work in twelve installments of **\$317.50** then acknowledge by **initialing here \_\_\_\_\_** and invoices are payable as follows: **billing is on the 20<sup>th</sup> of each month and due no later than fifteen (15) days from the date of each such invoice.**
3. If the OWNER/REPRESENTATIVE fails to make any installment payment when due, the CONTRACTOR shall immediately cease the work and render an invoice adjusted in the manner hereinafter set out:
  - (a) The invoice amount shall be adjusted by reducing the price of the work under this agreement by the CONTRACTOR'S projected actual costs of labor and materials left to be supplied under this agreement as of the date the work is ceased.
  - (b) OWNER/REPRESENTATIVE acknowledges that the work to be performed by the CONTRACTOR under this agreement varies with the seasons of the year and the amount of each periodic installment bears no relationship to the amount of work actually performed by the CONTRACTOR during that specific period of time.
4. OWNER/REPRESENTATIVE agrees to pay the balance due on the invoice as adjusted within thirty (30) days of its being rendered by the CONTRACTOR. Thereafter the balance of the invoice as adjusted shall accrue interest at the rate of 1 ½ percent per month until paid.



5. OWNER/REPRESENTATIVE agrees to reimburse CONTRACTOR for the actual cost of any attorney fees that it incurs in the collection of any balance due under this agreement.
6. This agreement may be canceled by either party with a thirty (30) day written notice and is subject to the same conditions set forth in 3 (a) and 3 (b).
7. This agreement represents the entire contract between parties. No verbal agreements, condition or representations are valid unless appearing on all copies. Any modifications hereof must be in writing and acknowledged by the CONTRACTOR and the OWNER/REPRESENTATIVE.

This agreement is to be governed by the laws of the State of North Carolina and is binding upon the heirs, personal representatives, successors and assigns of the parties. This agreement is subject to revision or revocation if it is not accepted within thirty (30) days of submission by CONTRACTOR. Should the agreement be accepted after a period of time which would allow for excessive growth of turf, plants or weeds, CONTRACTOR shall have the right to adjust the price to reflect extra start-up costs. CONTRACTOR cannot be responsible for Acts of God (Severe Storms, High Winds, Hurricanes, Abnormal Weather Conditions, etc.)

Proposed By:

By: \_\_\_\_\_

Print: Jonathan Johnson

Title: Maintenance Division Manager

10/30/2018 4:19 PM

Accepted By:

By: \_\_\_\_\_

Print: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_



93 Edgewater Lane, Wilmington, NC 28403  
 Phone: (910) 796-1166 • Fax: (910) 796-1090  
 NCLC#CL0056  
[www.freemanlandscape.com](http://www.freemanlandscape.com)



## Customer Information Sheet

*Please fill out the information below for accurate billing and contact information. Thank you.*

Property Name: \_\_\_\_\_

Physical Property Address: \_\_\_\_\_

City: \_\_\_\_\_ zip: \_\_\_\_\_

Billing Name: \_\_\_\_\_

Billing Address: \_\_\_\_\_

Property Contact Person: \_\_\_\_\_

Email: \_\_\_\_\_ Mobile Number: \_\_\_\_\_

Office/Home: \_\_\_\_\_ Fax: \_\_\_\_\_

Billing Contact Person: \_\_\_\_\_

Email: \_\_\_\_\_ Mobile Number: \_\_\_\_\_

Office/Home: \_\_\_\_\_ Fax: \_\_\_\_\_

PO/Contract # required for invoices?  Yes or  No

*If so, please submit a written copy with signed contract.*

Separate/Individual PO# required for "Out of Scope" Operations?  Yes or  No

Preferred Contact Method:  Email  Phone  Mobile

Preferred Method for Invoices:  Email  Mail

Preferred Payment Method:  Check/Mail  Online (link provided on invoice)

Electronic Deposit

Emergency Contact Information: *(Only if you wish to be contacted after normal business hours)*

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

Mobile Number: \_\_\_\_\_

# **Request from P&Z**

## Nancy Avery

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**From:** Joseph Whitley  
**Sent:** Friday, November 2, 2018 1:50 PM  
**To:** Nancy Avery  
**Cc:** Craig Bloszinsky  
**Subject:** Re: Examples of Overlay Districts in North Carolina

I feel it should be at least mentioned so it will be on record that we are reviewing. Hopefully some dialogue will begin with the citizens once they know what's going on for next few months with P&Z.

Thoughts, Craig?

Joseph Whitley  
Commissioner, Town of Kure Beach  
910-620-4900

On Nov 2, 2018, at 10:45 AM, Nancy Avery <[n.avery@townofkurebeach.org](mailto:n.avery@townofkurebeach.org)> wrote:

Is this topic to be on Council's November agenda?

Nancy Avery  
Town Clerk  
Town of Kure Beach  
117 Settlers Lane  
Kure Beach, NC 28449  
910-458-8216 (office)  
910-458-7421 (fax)  
910-707-2016 (direct)  
910-443-0410 (cell)  
[n.avery@tokb.org](mailto:n.avery@tokb.org)  
[www.townofkurebeach.org](http://www.townofkurebeach.org)

**From:** Joseph Whitley  
**Sent:** Tuesday, October 30, 2018 12:04 PM  
**To:** Craig Bloszinsky <[c.bloszinsky@townofkurebeach.org](mailto:c.bloszinsky@townofkurebeach.org)>  
**Cc:** Galbraith, Craig <[galbraithc@uncw.edu](mailto:galbraithc@uncw.edu)>; David Heglar <[d.heglar@townofkurebeach.org](mailto:d.heglar@townofkurebeach.org)>; John Ellen <[j.ellen@townofkurebeach.org](mailto:j.ellen@townofkurebeach.org)>; Allen Oliver <[a.oliver@townofkurebeach.org](mailto:a.oliver@townofkurebeach.org)>; Bill Moore <[billmoore622@charter.net](mailto:billmoore622@charter.net)>; James Eldridge <[jee@ec.rr.com](mailto:jee@ec.rr.com)>; John Batson <[j.batson@townofkurebeach.org](mailto:j.batson@townofkurebeach.org)>; John Cawthorne <[johncawth@hotmail.com](mailto:johncawth@hotmail.com)>; Kathleen Zielinski <[k.zielinski@townofkurebeach.org](mailto:k.zielinski@townofkurebeach.org)>; Kenneth Richardson <[pzbrich@gmail.com](mailto:pzbrich@gmail.com)>; Nancy Avery <[n.avery@townofkurebeach.org](mailto:n.avery@townofkurebeach.org)>; Retha Deaton <[rdeaton1031@gmail.com](mailto:rdeaton1031@gmail.com)>; Robert Young <[imagine5943@msn.com](mailto:imagine5943@msn.com)>  
**Subject:** Re: Examples of Overlay Districts in North Carolina

Good examples, Craig. I am very open to this and have had some discussions with residents already to get a feel for their opinion. I agree we might need to open this to the public to get their feedback before moving forward. But I do strongly feel this is the best way forward for Kure Beach.

Joseph Whitley

Commissioner, Town of Kure Beach  
910-620-4900

On Oct 30, 2018, at 7:34 AM, Craig Bloszinsky <[c.bloszinsky@townofkurebeach.org](mailto:c.bloszinsky@townofkurebeach.org)> wrote:

Craig, thank you for the broad references attached for Overlay Districts. I would encourage the P&Z team and the Commissioners to read the Laguna document under Business Needs, the argument there outlines needs of residents and guests to a downtown. This is interesting but I don't view it as a panacea for our needs. I believe we need a discussion, perhaps a scheduled meeting, to discuss our town. For example We need to:

- recognize the importance of ROT dollars to the budget and contribution to guest services.
- recognize that filling the BD (business district) with homes would impact the interest of residents and visitors in the business area.
- recognize that the height limitation impacts the development of hotels, amount of guests and parking, but is a part of our character.
- recognize that future business if we stay in character and deter residential development will likely bring shops and restaurants.
- recognize that shops and restaurants need parking.
- recognize that mixed use would keep us in character but allow valuable development in the area for above business condos.

We could go on and on with this list. We do not need an immediate answer. What keeps me awake at night is the implications of any of the choices. The only thing that seems certain to me is that doing nothing as guidance will not generate what the town needs and wants to maintain a healthy family atmosphere for our residents and guests. I am not a fan of telling people what to do with their properties but general guidance in my view is a necessity to preserve what we have. Ultimately any direction Council would take needs the input of the business owners and residents.

Craig G. has put out some valuable ideas, anyone have others.

Craig Bloszinsky

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**From:** Galbraith, Craig <[galbraithc@uncw.edu](mailto:galbraithc@uncw.edu)>  
**Sent:** Monday, October 29, 2018 11:45 AM  
**To:** Joseph Whitley; David Heglar; Craig Bloszinsky; John Ellen; Allen Oliver  
**Cc:** Bill Moore; Galbraith, Craig; James Eldridge; John Batson; John Cawthorne; Kathleen Zielinski; Kenneth Richardson; Nancy Avery; Retha Deaton; Robert Young  
**Subject:** Examples of Overlay Districts in North Carolina

Dear Kure Beach Town Council.

Last KB council meeting I presented the idea of an "overlay district" for Kure Beach in order to preserve the village nature of the business district. As I mentioned, overlay districts have two important characteristics, a) they are put in place to achieve a specific purpose, such

as preserving a historical area, the look of a village area, an entry to a community, etc., and b) they overlay on top of the regular zoning map.

Overlay districts (sometimes called “special districts”) are extremely common for the above purposes. They can be very simple, such as a single regulation (like a height limit) or they can be very very complex.

The P&Z is recommending direction from the KB town council toward considering an overlay district for the KB downtown to preserve a “village” feel for the downtown area of KB.

As you can see, I have included below (just the language, not the detailed regulation) just a small sample of overlay districts in North Carolina Beach/Historic areas including Wilmington, Sunset Beach, Oak Island, Nags Head, Carolina Beach, and Hope Mills – all of these are relatively simple (like the current mixed use overlay district at Kure Beach, about 3 pages). There are many others.

I am also attaching an example of a complex overlay district (special district) for Laguna Beach in California – this is an excellent example of a much larger beach community that has a very large, beautiful and highly coveted and award winning village area (Mr. Whitley has visited Laguna Beach) that is maintained and enhanced through their overlay district – the regulations are complex and complete in this case (this is just an example to show the range of overlay district regulations).

Please note that I am not suggesting any particular approach right now (just giving examples as directed by town council), but rather the P&Z be directed to start investigating a possible overlay district for the purposes of preserving the village area of KB

Thanks

Craig

Craig S. Galbraith, MBA, MSc, Ph.D.  
Director, UNCW Office of Innovation and Commercialization  
Professor, Technology Management and Entrepreneurship  
GlaxoSmithKline Faculty Fellow, Economic Development  
910-962-3775 (Cameron School of Business)

## City of Wilmington - Sec. 18-214. - Historic District-Overlay (HD-O).

### [SHARE LINK TO SECTION](#)[PRINT SECTION](#)[DOWNLOAD \(DOCX\) OF SECTION](#)[EMAIL SECTION](#)

This Historic District-Overlay is hereby established pursuant to G.S. Ch. 160A, [Art. 19](#).

(a)

*Purpose.* A Historic District-Overlay is established for the purpose of protecting and preserving areas which, as a result of their architectural significance, historic importance, or their overall aesthetic qualities, are important elements of the character and heritage of the city, county, and state; safeguarding the qualities of a Historic District-Overlay as a whole and individual property therein which embodies important elements of the Historic District-Overlay's social, economic, cultural or architectural traditions; promoting the conservation of the city's neighborhood resources for the continued use, education, pleasure and enrichment of the residents of a Historic District-Overlay, and the city, county, and state as a whole; and stabilizing property values within a Historic District-Overlay as a whole, and thereby contributing to the improvement of the general welfare of the City of Wilmington.

(b)

*District provisions.* A Historic District-Overlay is established as a district which overlaps other zoning districts established by this chapter. The extent and boundaries of a Historic District-Overlay shall be indicated on the official zoning map for the City of Wilmington. While a Historic District-Overlay may overlap any zoning district classification or portion thereof established by this chapter, the existing land use provisions of the underlying district shall prevail in the development of any property within such district; provided, however, that before work is begun on any construction, alteration, demolition, relocation or any other activity commenced that would substantially alter the appearance or character of any appurtenant feature within a Historic District-Overlay, a certificate of appropriateness shall be issued by the historic preservation commission prior to the issuance of any building or other permit required by the City of Wilmington.

(c)

*Design exceptions in a Historic District-Overlay.* Only alterations, restorations, reconstructions, new constructions, relocations or demolitions that are visible from public rights-of-way, except that which is visible only from residentially zoned public alleys, shall be required to obtain a certificate of appropriateness. Any principal structure used as a residence shall not require a certificate of appropriateness for the color of paint.

## Sunset Beach - Overlay District Article 6-2

2. Overlay Zoning Districts. Overlay zoning is generally used when there is special public interest that does not coincide with the base zoning districts in a particular geographic area. It is a mapped area that may either impose additional restrictions or relax certain

provisions of the ARTICLE 6. ZONING DISTRICTS Adopted 12/3/12; Am. Ord. 06/02/14; Page 6-5 Article 6 Am. Ord. 06/29/15; Am. Ord. 02/01/16; Am. Ord. 10/03/16; Am. Ord. 12/05/16 underlying zoning district. For the purposes of this Ordinance, the Town of Sunset Beach, North Carolina has hereby established the following overlay zoning districts:

**A. Gateway Corridor Overlay District.** This district is intended to protect and preserve the visual appearance of gateways into the Town and to promote traffic safety in those areas of the Town that are especially prone to heavy traffic.

## **Nags Head -**

**13. CO Commercial-Outdoor Recreational Uses Overlay District.** The Commercial Outdoor Recreational Uses Overlay District is established to provide a set of comprehensive land use regulations for the operation of commercial-outdoor recreational uses while protecting the residentially zoned areas of the town. This shall be the only area within the town where these uses are allowed.

**15. SRO Soundside Residential Dwelling Overlay District.** The purpose of the Soundside Overlay District is to establish regulations that will preserve the unique character and historical significance of the residential enclave located in the vicinity of the unimproved portion of Soundside Road and Chowan Avenue.

## **Carolina Beach Sec. 40-70. - Zoning districts described.**

(p)

*P. Height Overlay District (HOD).* This district is established to preserve the character of the town's traditional single-family residential neighborhoods. This area can be described as having a high concentration of permanently occupied homes in comparison to seasonal units. The regulations of this district limit height to 45 feet.

## **Town of Hope Mills – North Carolina**

Sec. 102A-904. Historic overlay district (“HOD”). (a) Purpose and intent. The historic overlay district (“HOD”) is created for the purpose of promoting the general welfare, education, economic prosperity, and recreational pleasure of the public, through the identification, preservation, and enhancement of those buildings, structures, neighborhoods, landscapes, places and areas that have special historical significance and which have been officially designated by the Board of Commissioners. The regulations herein are intended to protect against destruction of or encroachment upon such areas, structures, and premises; to encourage uses which will lead to their continuance, conservation and improvement; and to promote the upkeep and rehabilitation of significant older structures and encourage appropriate land use planning and development that will enhance both the economic viability and historic character of the district.

## **Oak Island Sec. 18-115A. - Beach/private club overlay district**

(a)

*Purpose.* The purpose of this beach/private club overlay district is to provide reasonable regulation of beach/private clubs in the community in regard to the



health, safety and welfare of the community. All beach/private clubs seeking authorization to operate in this district require obtaining a conditional use permit in accordance with the standards of this article. Specific standards for beach/private club use are included in this article.

Craig S. Galbraith, MBA, MSc, Ph.D.  
Director, UNCW Office of Innovation and Commercialization  
Professor, Technology Management and Entrepreneurship  
GlaxoSmithKline Faculty Fellow, Economic Development  
910-962-3775 (Cameron School of Business)  
[galbraithc@uncw.edu](mailto:galbraithc@uncw.edu)

**OLD BUSINESS**  
**RE-ENTRY PROCESS FOR EMERGENCIES**

## RECOMMENDATION ON RE-ENTRY PROCESS FOR EMERGENCIES

Submitted by Commissioner Oliver, Finance Officer Copenhaver and Town Clerk Avery

Effective January 2019

- Town Hall staff will mail two re-entry stickers to each property owner to be included with the monthly utility bill
- Color of the re-entry sticker will change each year and will show the town logo
- Any resident/renter/property owner that wants more than two re-entry stickers may purchase them for \$20 each
- Any one that loses a re-entry sticker may purchase another one for \$20 each
- Town Hall will sell additional re-entry stickers until July 31 of each year
- New property owners will be given two re-entry stickers when they set up their new utility account
- The re-entry sticker is mandatory whenever bridge access is restricted. If bridge access is restricted due to an emergency, residents or property owners that do not have re-entry stickers may obtain them with appropriate proof of property ownership or residency at a location to be designated

# NEW BUSINESS

## Nancy Avery

---

**From:** David Heglar  
**Sent:** Wednesday, October 31, 2018 8:47 AM  
**To:** John Ellen; Joseph Whitley; Allen Oliver  
**Cc:** Craig Bloszinsky; AA Canoutas; Nancy Avery; Arlen Copenhaver  
**Subject:** Re: Council Meetings

I am fine with earlier start time as well - will work my schedule as much as I can - but if in town I can make 6

Get [Outlook for iOS](#)

---

**From:** John Ellen  
**Sent:** Tuesday, October 30, 2018 12:24:11 PM  
**To:** Joseph Whitley; Allen Oliver  
**Cc:** Craig Bloszinsky; David Heglar; AA Canoutas; Nancy Avery; Arlen Copenhaver  
**Subject:** Re: Council Meetings

I fully endorse the earlier start time.

John

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---

**From:** Joseph Whitley <j.whitley@townofkurebeach.org>  
**Sent:** Tuesday, October 30, 2018 10:40 AM  
**To:** Allen Oliver  
**Cc:** Craig Bloszinsky; David Heglar; John Ellen; AA Canoutas; Nancy Avery; Arlen Copenhaver  
**Subject:** Re: Council Meetings

I have no problem moving it, but think we should ask citizens first.

Joseph Whitley  
Commissioner, Town of Kure Beach  
910-620-4900

On Oct 30, 2018, at 7:35 AM, Allen Oliver <a.oliver@townofkurebeach.org> wrote:

I'm fine with moving the start time, are you suggesting we only do this in the fall and winter or will this be our start time year round. I really don't have an issue with either.

Allen

Allen Oliver, Commissioner  
Town of Kure Beach  
336-963-3533

---

**From:** Craig Bloszinsky <c.bloszinsky@townofkurebeach.org>

**Sent:** Tuesday, October 30, 2018 9:44 AM

**To:** David Heglar; Joseph Whitley; Allen Oliver; John Ellen; AA Canoutas; Nancy Avery; Arlen Copenhaver

**Subject:** Council Meetings

Commissioners, I have been thinking about moving the Council Meeting start time from 6:30 to 6:00. Some of the reasons for this are:

- Staff can get home earlier during these dark winter months, make the day a little more manageable for them.
- If meetings do extend longer than usual it would not be so late in the evening.
- No one seems to eat until after the meeting so it does allow an earlier meal.
- I believe it still provides the opportunity for the towns people to attend and potentially stay for the entire meeting since many leave early.

Let me know if your agree and then we can do it or not.

Craig

# Encroachment Request

**Nancy Avery**

---

**From:** Virginia Helms <vhelms@nedbarnes.com>  
**Sent:** Tuesday, November 13, 2018 11:43 AM  
**To:** John Batson; Nancy Avery  
**Subject:** Easement  
**Attachments:** 633 S. FF.pdf

Good morning. Attached is an ~~easement~~<sup>encroachment</sup> in connection with 633 S. Fort Fisher. Please review and let us know if acceptable. Please forward to the Town attorney as well.

Thank you.

Virginia Beury-Helms, NCCP  
Law Office of Ned M. Barnes  
A-3 Pleasure Island Plaza (USPS)  
1009 N. Lake Park Blvd., Suite C-2 (Overnight)  
Carolina Beach, NC 28428  
Telephone: 910-458-4466  
Facsimile: 910-458-8845

**EFFECTIVE NOVEMBER 15, 2018 OUR WIRING INSTRUCTIONS FOR THE TRUST ACCOUNT WILL BE CHANGING.**

**In an effort to manage the workflow as efficiently as possible, all Offers to Purchase, Title Requests, Closing Packages and Deed Preparation requests are to be emailed to [reception@nedbarnes.com](mailto:reception@nedbarnes.com). Emailing these documents to other members of the staff may result in delays.**



PREPARED BY: Ned M. Barnes, Attorney at Law  
A-3 Pleasure Island Plaza  
Carolina Beach, NC 28428

RETURN TO: Ned M. Barnes

Parcel ID: R09405-007-007-000

STATE OF NORTH CAROLINA

COUNTY OF NEW HANOVER

**ENCROACHMENT AGREEMENT**

This Agreement, entered into this \_\_\_\_ day of \_\_\_\_\_, 2018, by and between the TOWN OF KURE BEACH, NORTH CAROLINA, a North Carolina municipal corporation, having an address of 117 Settlers Lane, Kure Beach, NC 28449 (hereinafter "Grantor") and PENSICO TRUST COMPANY, LLC CUSTODIAN FBO EDDIE F. HYLER, JR. IRA and C&R LAV, LLC a North Carolina Limited Liability Company, hereinafter referred to as "Grantee".

**WITNESSETH**

WHEREAS, by virtue of that General Warranty Deed recorded in Book 6108 at Page 275 of the New Hanover County Registry, Grantee is the owner of that certain property known as Lots 5, 6, 27 and 28, Block 5, Kure Beach as shown on that map recorded in Map Book 4, Pages 90-91 of the New Hanover County Registry ("Subject Property"); and

WHEREAS, by virtue of an instrument entitled Perpetual Easement for Beach Renourishment recorded on February 7, 1996 in Book 1985 at Page 300 of the New Hanover County, Grantee's predecessor in title granted a beach renourishment easement ("Easement") over and across the eastern portion of the Subject Property ("Easement Area"), as more fully set forth in said instrument;

WHEREAS, Grantee desires to encroach upon the Easement Area and the utility area for the purposes of constructing a deck, said improvements being more particularly shown on the attached drawings marked Exhibit "A" (consisting of two pages) which drawings are incorporated herein by reference; and

WHEREAS, it is to the material advantage of Grantee to effect this encroachment and Grantees have represented that such use will not substantially impair or hinder Grantor's use or administration of the Easement within the Easement area nor the utility area; and

NOW, THEREFORE, IT IS AGREED, that Grantor hereby grants to Grantee the right and privilege to make this encroachment, subject to the following:

1. The permitted encroachment shall be, as follows:
  - a. Grantee shall be permitted to construct a deck that complies with the provisions of the ordinances of the Town of Kure Beach within the Easement Area on the location shown on Exhibit "A".
  - b. Grantee shall be permitted to maintain the deck at the location as shown on Exhibit "A";
  - c. In no event shall any portion of Grantee's deck to which this Agreement applies be expanded or enlarged without the express written permission from Grantor; and
  - d. In the event of damage or destruction of the deck within the Easement Area due to storm or other occurrence, the permitted encroachment may not be replaced or repaired without the express written permission from Grantor and any reconstruction of the deck must be in compliance with all applicable ordinances of the Town of Kure Beach; provided, however, that normal maintenance of the encroaching deck shall be permitted.
2. The design, construction and installation of the deck within the Easement Area shall not be undertaken without prior written approval from the Building Inspector for the Town of Kure Beach or his/her designated representatives.
3. Grantee shall design, construct, install, operate, maintain and use the encroaching facilities in a safe and proper manner and shall maintain the facilities in a safe and proper condition at all times.
4. Grantor may at any time and for any reason require the removal, repair, alteration or change in the location and/or design of deck the within the Easement Area and the elimination of the encroachment. In the event that Grantor requires the removal, repair, alteration or change in the location and/or design of the encroachment,

Grantee shall remove, repair, alter and/or replace the encroachment within thirty (30) days without any cost to the Grantor. In the event that Grantee fails to remove, repair, alter and/or replace the encroachment within thirty (30) days of Grantee's receipt of notice from the Grantor, then (a) Grantor shall have the right to immediately remove, repair, alter and/or replace the encroachment, and (b) Grantee shall reimburse Grantor for the full costs of removing, repairing, altering and/or replacing the encroachment. If Grantee fails to reimburse Grantor in full within thirty (30) days of Grantee's receipt of an invoice from Grantor for such work performed by Grantor as described above, then Grantor shall have the right to file a lien with the Office of the Clerk of Court of Superior Court for New Hanover County upon Grantee's Subject Property in favor of Grantor in an amount equal to the full costs of removing, repairing, altering and/or replacing the encroachment.

5. To the fullest extent permitted by law, Grantee shall release Grantor, its agents, officials and employees from any and all responsibility or liability for claims, damage or injury of any kind or nature to all officials or employees of Grantor, and to all property proximately caused by, incident to, resulting from, arising out of, or occurring in connection with, the design construction, installation, maintenance or use by Grantees of the encroaching facilities within the Easement Area described herein.

6. Grantee agrees to restore all areas disturbed by the construction, installation, operation, maintenance and use of this encroachment to a condition satisfactory to the Building Inspector for the Town of Kure Beach and to all property proximately caused by, incident to, resulting from, arising out of, or occurring in connection with, the design, construction, installation, maintenance or use by Grantee of the encroaching facilities within the Easement Area described herein.

7. Grantee agrees to obtain all necessary permits and pay any associated permit fees.

8. Grantee agrees to have available at the construction site, at all times during construction, copies of the required permits and a copy of this Agreement evidencing approval by Grantor.

9. In the case of noncompliance with any term of this Agreement by Grantee, Grantor reserves the right to stop all work until the facility has either been brought into compliance or been removed from the Easement Area.

10. This Agreement runs with the land and any obligation of Grantee under this Agreement shall be binding upon Grantee's heirs, successors, agents, officials, employees, independent contractors and subcontractors in the event of nonperformance, regardless of cause.

11. Grantee will comply with any applicable federal, state and local standards, regulations, laws, statutes, ordinances and zoning, subdivision or other land use regulations.

12. No paid employee of Grantor shall have a personal or financial interest, direct or indirect, as a contracting party or otherwise, in the performance of work for Grantee.

13. The Grantor's failure to insist upon strict performance of any provision of this Agreement, or to exercise any right based upon a breach thereof, or the acceptance of any performance during such breach, shall not constitute a waiver of any rights under this Agreement.

14. All of the terms and conditions contained herein shall be interpreted in accordance with the laws of the State of North Carolina. In the event of a conflict between the various terms and conditions contained herein or between these terms and other applicable provisions, then the more particular shall prevail over the general and the more stringent or higher standard shall prevail over the less stringent or lower standard.

15. This Agreement constitutes the entire understanding of the parties.

16. The parties will make and execute all further instruments and documents required to carry out the purposes and intent of this Agreement.

17. If any section, subsection, paragraph, sentence, clause, phrase or portion of this Agreement is for any reason held invalid, unlawful or unconstitutional by any court of competent jurisdiction, such portion shall be deemed severable and such holding shall not affect the validity of the remaining portions thereof.

18. This Agreement shall not be modified or otherwise amended except in writing signed by the parties.

19. The designation, Grantee and Grantor as used herein shall include the singular, plural, masculine, feminine or neuter as required by context.

20. This Agreement applies only to Grantee's construction of a deck within the Easement Area and does not in any way limit, impair, or impede Grantee's rights to construct, maintain and/or repair current or future buildings, structures, and other improvements on the Subject Property in accordance with all applicable ordinances of the Town of Kure Beach.

IN WITNESS WHEREOF, each of the parties to this Agreement has caused the same to be executed the day and year first above written.

GRANTOR:

TOWN OF KURE BEACH, NC

By: \_\_\_\_\_  
Craig Bloszinsky, Mayor

ATTEST:

\_\_\_\_\_  
Town Clerk

APPROVED AS TO FORM:

\_\_\_\_\_  
Town Attorney

C&R LAV, LLC

By: \_\_\_\_\_  
Robert J. Lavecchia, Member/Manager

PENSCO TRUST COMPANY, LLC  
CUSTODIAN FBO EDDIE F. HYLER, JR. IRA

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

STATE OF \_\_\_\_\_, COUNTY OF \_\_\_\_\_

I, the undersigned, a Notary Public for the State and County aforesaid, do hereby certify that \_\_\_\_\_ personally appeared before me and acknowledged that he/she is an authorized Member/Manager of PENSICO TRUST COMPANY, LLC CUSTODIAN FBO EDDIE F. HYLER, JR. IRA and that by authority duly given and as the act of such entity, he signed the foregoing instrument for the purposes therein expressed.

WITNESS my hand and notarial stamp or seal, this \_\_\_\_\_ day of \_\_\_\_\_, 2018.

\_\_\_\_\_  
NOTARY PUBLIC  
My Commission Expires: \_\_\_\_\_

STATE OF NORTH CAROLINA, COUNTY OF NEW HANOVER

I, the undersigned, a Notary Public for the State and County aforesaid, certify that that Nancy Avery, known to me, personally came before me this day and acknowledged that he/she is the Town Clerk of the Town of Kure Beach, North Carolina, and that by authority duly given and as an act of the municipal corporation, the foregoing Encroachment Agreement was signed in its name by Craig Bloszinsky, its Mayor, sealed with its corporate seal, and attested to by herself as its Town Clerk.

WITNESS my hand and notarial stamp or seal, this the \_\_\_\_\_ day of \_\_\_\_\_, 2018.

\_\_\_\_\_  
Notary Public  
My commission expires: \_\_\_\_\_

STATE OF NORTH CAROLINA, COUNTY OF NEW HANOVER

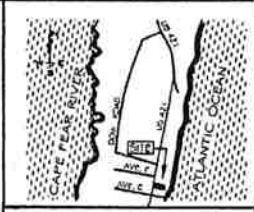
I, the undersigned, a Notary Public for the State and County aforesaid, certify that Robert J. Lavecchia, Member/Manager of C&R LAV, LLC, a North Carolina limited liability company, and acknowledged, on behalf of C&R LAV, LLC, the due and voluntary execution of the foregoing instrument for the purpose stated therein.

WITNESS my hand and notarial stamp or seal, this \_\_\_\_\_ day of \_\_\_\_\_, 2018.

\_\_\_\_\_  
Notary Public  
My commission expires: \_\_\_\_\_

EXHIBIT "A"

I, PATRICK C. BRISTOW, CERTIFY THAT THIS PROPERTY WAS SURVEYED AND MAP DRAWN UNDER MY SUPERVISION; DESCRIPTION AS SHOWN ON THE FACE OF THIS PLAT; RATIO OF PRECISION AS CALCULATED BY COMPUTER IS 1:10,000+; THAT THE BOUNDARIES NOT SURVEYED ARE SHOWN BY BROKEN LINES PLOTTED FROM INFORMATION REFERENCED; THAT THIS PLAT WAS PREPARED IN ACCORDANCE WITH THE STANDARDS OF PRACTICE FOR LAND SURVEYING IN NORTH CAROLINA\* (21 NCAC 56.1604); WITNESS MY ORIGINAL SIGNATURE, LICENSE NUMBER AND SEAL THIS 5TH DAY OF NOVEMBER A.D. 2018.



LOCATION MAP  
NOT TO SCALE

SURVEY REFERENCE  
MAP BOOK 4 PAGE 90 & 91  
MAP BOOK 35 PAGE 149  
DEED BOOK 5405 PAGE 1371

NOTE: THIS LOT IS LOCATED IN ZONES SHADED X & VE (EL. 16) AS PER MAP # 3720303800 K COMMUNITY ID # 370170 DATED: AUGUST 28, 2018

PRELIMINARY

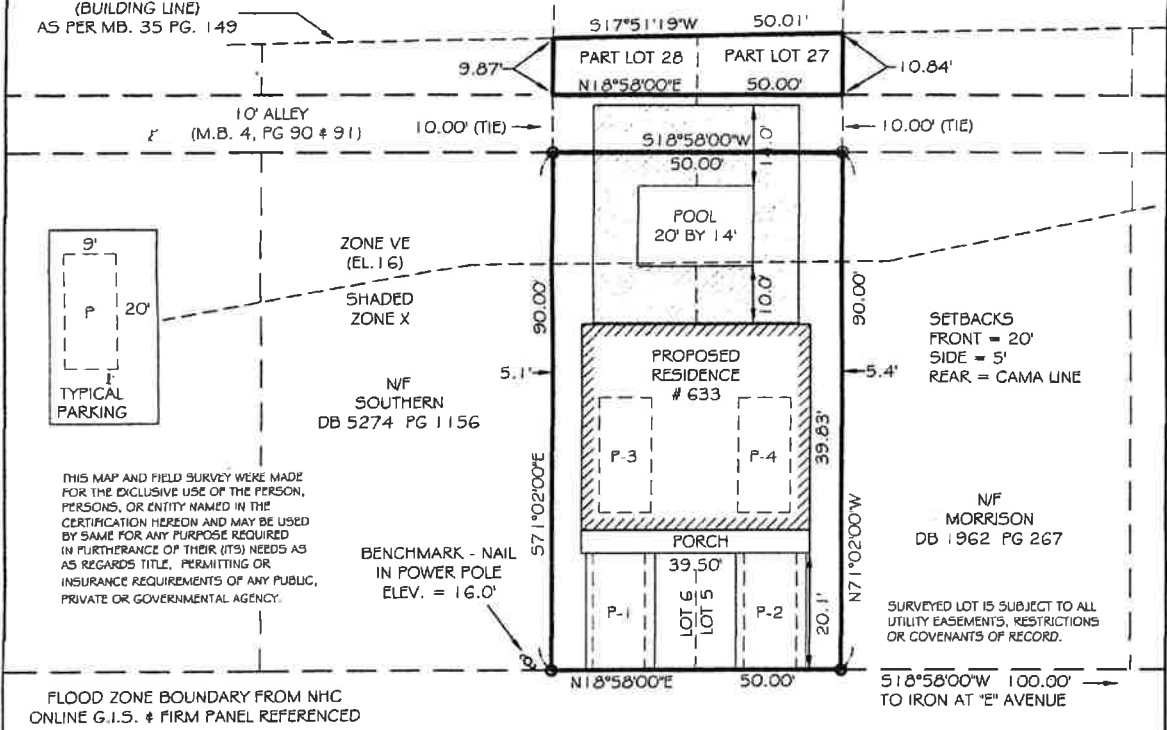
PATRICK C. BRISTOW  
N.C. PLS No. L-4148

THIS LINE REPRESENTS THE 60' SETBACK FROM THE FIRST LINE OF NATURAL STABLE VEGETATION APPROVED BY KURE BEACH LPO JOHN BATSON.

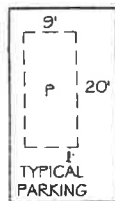
633

THIS LINE REPRESENTS THE 120' SETBACK FROM THE FIRST LINE OF NATURAL STABLE VEGETATION APPROVED BY KURE BEACH LPO JOHN BATSON.

EASEMENT ACQUISITION (BUILDING LINE) AS PER MB. 35 PG. 149



10' ALLEY (M.B. 4, PG 90 & 91) 10.00' (TIE)



ZONE VE (EL. 16)  
SHADED ZONE X  
N/F SOUTHERN DB 5274 PG 1156

SETBACKS  
FRONT = 20'  
SIDE = 5'  
REAR = CAMA LINE

THIS MAP AND FIELD SURVEY WERE MADE FOR THE EXCLUSIVE USE OF THE PERSON, PERSONS, OR ENTITY NAMED IN THE CERTIFICATION HEREON AND MAY BE USED BY SAME FOR ANY PURPOSE REQUIRED IN FURTHERANCE OF THEIR (ITS) NEEDS AS AS REGARDS TITLE, PERMITTING OR INSURANCE REQUIREMENTS OF ANY PUBLIC, PRIVATE OR GOVERNMENTAL AGENCY.

BENCHMARK - NAIL IN POWER POLE ELEV. = 16.0'

N/F MORRISON DB 1962 PG 267  
SURVEYED LOT IS SUBJECT TO ALL UTILITY EASEMENTS, RESTRICTIONS OR COVENANTS OF RECORD.

FLOOD ZONE BOUNDARY FROM NHC ONLINE G.I.S. & FIRM PANEL REFERENCED

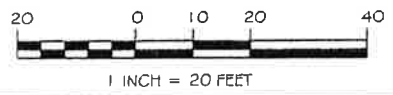
SOUTH FORT FISHER BOULEVARD

(50' PUBLIC RIGHT OF WAY)

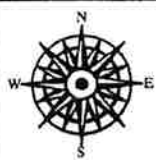
PLOT PLAN FOR  
ROB LaVECCHIA & EDDIE HYLER  
LOTS 5,6,27 & 28 BLOCK 5 KURE BEACH  
TOWN OF KURE BEACH NEW HANOVER COUNTY, N.C.

S:\LAND PROJECTS\KURE BEACH\5 LOTS 5-6 27-28\04\633 SOUTH FFB HYLER.dwg

NOVEMBER 5, 2018



- LEGEND
- = EXISTING IRON PIPE
  - ⊕ = CENTERLINE
  - = CONTROL MONUMENT
  - = EXISTING IRON ROD
  - △ = SURVEY NAIL
  - ⊙ = CAMA POINT



PATRICK C. BRISTOW  
LAND SURVEYING, PC  
4113-A OLEANDER DRIVE  
WILMINGTON, N.C. 28403  
(910) 791-1500 (PH) (910) 791-1504 (FAX)  
E-MAIL: pat@bristowsurveying.com  
FIRM LICENSE NO. C-3071

# MINUTES





# TOWN COUNCIL MINUTES

## PUBLIC HEARING

October 22, 2018 @ 5:00 p.m.

The Kure Beach Town Council held a special meeting on Monday, October 22, 2018 at 5 pm. The Town Attorney was present and there was a quorum of Council members present.

### COUNCIL MEMBERS PRESENT

Mayor Craig Bloszinsky  
Commissioner Joseph Whitley  
Commissioner John Ellen  
Commissioner Allen Oliver

### COUNCIL MEMBERS ABSENT

MPT David Heglar

### STAFF PRESENT

Town Clerk – Nancy Avery  
Building Inspector – John Batson  
Public Works Director – Jimmy Mesimer

Mayor Bloszinsky called the meeting to order at 5 pm stating the purpose of this public hearing is to receive public comments on the proposed amendment to Chapter 19 (Zoning), Article VI (Signs), Section 373 (Exceptions)

Official notice of this public hearing was posted on the Town's website and bulletin board on September 28, 2018 and was advertised in the Island Gazette on October 3rd and 10th, 2018, thus meeting notification requirements.

Proposed amendment will add a new subsection, (9), to read as follows:

“Freestanding or monument signs for existing homeowner associations of more than 4 lots noting only entrances, and/or common areas designated for owners use i.e. pool, parking lot, tennis court, clubhouse, etc. Signs shall be limited to 32 square feet and up to 8' tall, shall be illuminated from the exterior only, and shall be constructed of the same material to have a similar look of the homes located within the HOA. No sign shall contain any changeable copy system. When using this exception, no more than 2 signs per entrance and/or common areas are allowed. Permitting process of Section 19-374 applies”.

### PUBLIC COMMENTS

Mayor Bloszinsky opened the hearing for comments at 5:01 pm.

Since no one signed up to speak, the mayor waited a few minutes to see if anyone would arrive to speak. There were no comments from the public.

Mayor Bloszinsky closed the hearing at 5:06 pm.

Commissioner Ellen asked if any existing signs would need to be grandfathered if this amendment passes.

Building Inspector Batson replied no.

ADJOURNMENT

MOTION – Commissioner Oliver motioned to adjourn at 5:09 pm

SECOND – Commissioner Whitley

VOTE - Unanimous

---

Nancy Avery, Town Clerk

---

Craig Bloszinsky, Mayor

NOTE: These are action minutes reflecting items considered and actions taken by Council. These minutes are not a transcript of the meeting. A recording of the meeting is available on the town's website under government>council.



# TOWN COUNCIL MINUTES

## RESCHEDULED REGULAR MEETING

October 22, 2018 @ 6:00 p.m.

The Kure Beach Town Council held its regular meeting on Monday, October 22, 2018 beginning at 6 pm.

### COUNCIL MEMBERS PRESENT

Mayor Craig Bloszinsky  
(MPT) David Heglar (via telephone)  
Commissioner Joseph Whitley  
Commissioner Allen Oliver  
Commissioner John Ellen

### COUNCIL MEMBERS ABSENT

None

### STAFF PRESENT

Town Clerk – Nancy Avery  
Finance Officer – Arlen Copenhaver  
Deputy Town Clerk – Mandy Sanders  
Building Inspector – John Batson  
Fire Chief – Ed Kennedy  
Police Chief – Mike Bowden  
Recreation Director – Nikki Keely

### CALL TO ORDER

Mayor Bloszinsky called the meeting to order at 6 pm. Pastor Dan Keck, Kure Memorial Lutheran Church, gave the invocation and led in the Pledge of Allegiance.

### APPROVAL OF CONSENT AGENDA ITEMS

1. Resolution designating applicant's agent for FEMA reimbursement as Finance Officer Arlen Copenhaver and Karen Gilley, Finance Specialist
2. Allow TDA to use \$40,000 of rollover funds for marketing campaign to let people know the Town is open for business after the hurricane
3. Minutes:
  - September 24, 2018 regular
  - October 12, 2018 regular
  - October 12, 2018 closed

### ADOPTION OF THE CONSENT AGENDA

MOTION – Commissioner Oliver motioned to move item # 3, closing Town Hall at noon November 22 to New Business, item # 4

SECOND – Commissioner Ellen

VOTE - Unanimous



# TOWN COUNCIL MINUTES

**RESCHEDULED REGULAR MEETING**

**October 22, 2018 @ 6:00 p.m.**

## ADOPTION OF THE AGENDA

MOTION – Mayor Bloszinsky motioned to add item # 3, closing Town Hall at noon on November 22, from the Consent Agenda to New Business as item # 4

SECOND – Commissioner Oliver

VOTE - Unanimous

## AWARD PRESENTATION

Mayor Bloszinsky stated we are taking this time to honor someone who has given so much to the Town. He read the application to the Governor's office for Jim Dugan for the Old North State Award and presented the award to Mr. Dugan. Said application is herein included as part of these minutes.

Mr. Dugan said it has been a labor of love and a way to pay back how well the Town has treated him and his wife and since they have been here.

The mayor called for a break for a reception at 6:10 pm.

The mayor resumed the meeting at 6:25 pm.

## DISCUSSION AND CONSIDERATION OF PERSONS TO ADDRESS COUNCIL

Ken Badoian, St. Paul's Church in Carolina Beach, stated:

- Even though he lives across the bridge, he feels like a part of the Carolina and Kure Beach communities
- He came to give an update on the St. Paul Methodist Church's new community life center
- This is a 7,500 square foot building that seats 230 for dinner and 500 for concerts with bathrooms with showers
- It is an important building for the community and may be used for a shelter
- We could have used a building like this during the storm
- On November 10, 2018, there is food truck rodeo with entertainment to raise funds

Rebecca Blackmore, resident at 2302 A Surfrider Circle, said:

- Thank you to Town employees and Council
- She evacuated to Charlotte for two weeks and knew what was going on from email communications from the Town that were very much appreciated and informative
- Staff protected her property
- Our Police Department is responsive, comes quickly, and deals with the emergency in a professional manner



# TOWN COUNCIL MINUTES

**RESCHEDULED REGULAR MEETING**

**October 22, 2018 @ 6:00 p.m.**

## DISCUSSION AND CONSIDERATION OF COMMITTEE BUSINESS

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

Chair Galbraith said:

- It has been suggested that Council is interested in maintaining the village look of the current downtown
- P&Z has done research and hundreds of beach communities are struggling with the same issue
- It can be done with an overlay district and can be strict with defining architectural elements or less strict
- The Town has a current overlay up K Avenue for mixed use
- Doing an overlay district does take time and requires a lot of research
- He is asking for directive from Council before P&Z takes it on
- Where is Council on this?

Mayor Bloszinsky asked:

- What do they give up if they use an overlay district?
- What if someone wanted to do something not approved by an overlay?
- Could you use an overlay to prevent houses being built in the business district or do we need to change zoning?

Chair Galbraith replied:

- Nothing would be lost and you can control signage, landscaping, architectural elements
- New growth or buildings have to satisfy both zoning and overlay district requirements which would be controlled by special use permit
- If someone wanted to do something not approved by an overlay, they would have to request an exception
- Zoning is hard to change, but you could possibly do it through an overlay district

MPT Heglar asked if the business owners asked P&Z to do this because it might tell business owners what they can do with their property. Commissioner Whitley responded that it was from some of Council talks and he brought it up to P&Z.

Mayor Bloszinsky stated he is reluctant right now, but he will discuss it with Council members and business owners and asked Chair Galbraith to send examples to all of Council and for this to be on the November agenda.



# TOWN COUNCIL MINUTES

## RESCHEDULED REGULAR MEETING

October 22, 2018 @ 6:00 p.m.

### DISCUSSION AND CONSIDERATION OF DEPARTMENT HEAD BUSINESS

#### 1. Administration

- a. Resolution R18-10 Approval of Matching funds in the amount of \$2,508 for CWMTF grant
- b. Authorization to expend \$3,674 from the Storm Water Fund for CWMTF grant project management services by NC Coastal Federation

Town Clerk Avery explained:

- The Town received a grant from the Clean Water Management Trust Fund (CWMTF) earlier this year to study the feasibility of installing storm water infiltration systems in the dunes and or parking lot areas at beach accesses at E, F, G, H, I and J Avenues
- The Town currently has storm water infiltration systems in the dunes at M, L and K Avenues on Atlantic Avenue and one at the Ocean Front Park
- These storm water infiltration systems hold and treat for bacteria and pollutants, the first ½ inch of each rain event
- Monitoring in the first three years showed the systems to be very effective at not only treating, but holding the water so as not to pass through the outfall and did no damage to the dunes
- If results of the feasibility study are that systems may be used, the next step would be to apply for another grant or other funding to construct and install systems
- Resolution R18-10 needs to be approved by Council obligating the Town's cash match in the amount of \$2,508 from the Storm Water Fund
- Due to other obligations on her time, she needs assistance managing this grant to meet the deadline which is May 2019
- She is requesting Council approve an expenditure of \$3,674 from the Storm Water Fund to pay NC Coastal Federation to manage the grant. The Federation is well versed in this subject matter and can assist with finding additional funding and provide public education about the project

MOTION –Commissioner Oliver motioned two approve Resolution R18-10 as presented and to authorize expenditure of \$3,675 from the Storm Water Fund to pay NC Coastal Federation to manage the grant

SECOND – Commissioner Whitley

VOTE - Unanimous

### DISCUSSION AND CONSIDERATION OF OLD BUSINESS

#### 1. Re-entry process for emergencies

Commissioner Oliver said:

- On September 25, he had a brainstorming session with the Finance Officer and Town Clerk on the re-entry process during emergencies
- They talked about using decals versus hang tags, mailing two to property owners in January rather than folks having to come in to purchase them, selling additional ones up to August 31 only and giving two to new residents when they sign up for utility service



# TOWN COUNCIL MINUTES

**RESCHEDULED REGULAR MEETING**

**October 22, 2018 @ 6:00 p.m.**

MPT Heglar said:

- We encourage people to leave and want to make sure they are comfortable when they do leave that we will protect their property and limit access until they get back
- We need to understand what the sticker/tag is for
- His concern with hangtags is they will get lost and handed off to people that don't own property
- He prefers stickers
- It is important to communicate to residents the importance of the sticker

Audience comments:

1. Council should consider giving people the choice of a hang tag or sticker and how many they get at the beginning of the year. The replacement should cost a lot of money to emphasize importance, so don't make replacements cheap.
2. He evacuated and when he came back he had a truck that wasn't his. He can't transfer the sticker from his car but he can with a hang tag and that makes more sense.
3. She doesn't know how many folks will come back with the vehicle they left with. The alternative to hang tags would be to have ID to prove you live here.
4. When stickers were sold, our addresses were checked. Could you make it a two year sticker?

Mayor Bloszinsky asked if a hang tag being so mobile puts property at risk.

Commissioner Oliver said he thinks whatever we use should be mandatory to speed up the flow of traffic across the bridge

CONSENSUS- continue to use stickers/decals and order enough for two per address. Council will vote on a specific plan at the November Council meeting.

2. Storm post review with Department Heads

MPT Heglar reported:

- He and the Mayor met with Department Heads October 12 to review the storm process
- Some concerns were issues that we need to address to get done before the next hurricane season
- The biggest one was lodging for staff and enough generators. Having power was an issue
- Another issue was fuel needs, particularly for diesel which we use for lift stations and well houses. The Police Chief is working with Department Heads on a plan to recommend to Council.
- The 911 center went down and both Verizon and AT&T had issues during the storm
- We had to use handheld radios and need a better system to be added to the budgeting process



# TOWN COUNCIL MINUTES

## RESCHEDULED REGULAR MEETING

October 22, 2018 @ 6:00 p.m.

- We should look at using the Community Center as a possible back up place. It will need to be wired for a generator. It is a nice building that did well during the storm. Public Works will look into this.
- This was the first hurricane for the new department heads in Police, Fire and Public Works and they did a great job
- Some things we can fix and we will work on updating the emergency management plan

Mayor Bloszinsky said:

- We also looked at what worked during the storm
- There was great leadership from the emergency manager and new department heads
- Communication was great
- Council actually participated with work at the bridge and communicated with Carolina Beach, the county and Duke Energy

### 3. Town app versus Facebook page versus email blast for emergencies for notification

Commissioner Whitley said:

- The biggest thing during the storm was getting correct information out
- The Town email blast went to 1600+ emails
- Most people have smart phones and use Facebook
- He suggests using a town app, businesses said they would advertise to help with the cost
- Facebook could be used during a storm or emergency situations only and would not be up year round. Comments would not be allowed to keep accurate information posted only by town officials.
- He prefers a town app
- It and the email blasts could be advertised at events, etc.
- As positive as the feedback was during the storm, it may encourage people to sign up

Mayor Bloszinsky said we have 1600 email addresses that doesn't cost anything.

MPT Heglar stated one comment to him was that the news didn't say anything about Kure Beach. The Facebook photos posted after the storm were well received and valuable.

Audience comments

1. Emails were wonderful
2. Signed up for Carolina Beach Facebook to see their pictures and that was wonderful
3. Think Kure Beach Facebook should be limited to storms and geared to Kure Beach property owners
4. Don't live here year round, but do sign up for Town emails during storms. Information is valuable.
5. Facebook is best for photos





# TOWN COUNCIL MINUTES

## RESCHEDULED REGULAR MEETING

October 22, 2018 @ 6:00 p.m.

CONSENSUS – Commissioner Whitley is to work with the Administration staff for recommendations to Council for communication means to residents during emergencies to include a Town app, Facebook page and any other methods

4. Proposed text amendment to Chapter 19 (Zoning), Article VI (Signs), Section 373 (Exceptions) to add new subsection 9 on freestanding and monument signs

MOTION – Commissioner Ellen made the motion to adopt the amendment as presented

SECOND – Commissioner Whitley

VOTE – Unanimous

MOTION – Commissioner Whitley motioned to adopt the associated consistency statement as presented

SECOND – Commissioner Ellen

VOTE – unanimous

Said amendment language and consistency statements are herein incorporated as part of these minutes

## 5. Parking update

Commissioner Whitley reported:

- We will have two public information sessions; one on November 5 from 6:30 – 8 pm and one on November 10 from 9 – 11 am
- We will review new parking places that will have bumpers
- This is not a Council meeting
- The mayor and I will attend to answer questions

## 6. Town facility construction project update

Commissioner Oliver said:

- We adjusted date to January 4, 2019
- The storm added another month
- New bay doors are on the Fire Station
- Curb and gutters are being put in
- We had a delay with getting Duke Electric to come on site due to storm work
- There are two change orders for the facility project that Council needs to approve:
  - \$6,463.00 to change layout in one administration office requested by Town Clerk This takes out one partial wall to lose hallway and make office larger. Requires electric work to redo lighting. Results in closing off outside entrance which then allows space for required outside posting board. Saves about \$3,500 for special posting board which would have been in parking lot.
  - \$8,846.00 to add two ADA door operators at Town Hall/Police complex This is not required by code, but adds ADA access to Council room and PD



# TOWN COUNCIL MINUTES

**RESCHEDULED REGULAR MEETING**

**October 22, 2018 @ 6:00 p.m.**

The change order budget is healthy with a couple more change orders coming for storm drains, exterior siding and soundproofing in the Police Department which will leave \$140,000 left in the change order budget. The two change orders he is requesting approval of tonight are easily within the budget of project, so he recommends approval to say not to exceed the amounts given in the event money can be saved.

**MOTION** – MPT Heglar motioned to approve both change orders for layout in admin office at cost of \$6,463 and additional ADA door operators for Council room and Police building at cost of \$8,847, as presented

**SECOND** – Commissioner Whitley

**VOTE** - Unanimous

## DISCUSSION AND CONSIDERATION OF NEW BUSINESS

### 1. Storm Water Community Flooding

Commissioner Ellen said:

- Residents of a community came to the Town about flooding during the storm
- The Town has some drainage that goes into a ditch named (Hennicker's ditch) that feeds to the buffer zone area owned by Military Operations Terminal at Sunny Point (MOTSU)
- Cutter Court has a couple of drains in its cul-de-sac which runs into this ditch
- Around 2:30 am during the storm, residents noticed water had backed up with drains covered in debris
- The residents cleared out the drains which opened everything up and the water drained
- It kept raining and by 6 am the same morning, water started backing up and some water came in on the first floor
- The referenced ditch was re-dug and expanded in 2005
- Early in 2010 the ditch was cleaned out
- The ditch was originally built to drain the lake in Carolina Beach
- 2016, Carolina Beach added a bigger pump draining the lake and put in a larger pipe and ran additional piping to the ditch to drain the south part of the lake
- Kure Beach residents are concerned that the new piping put in by Carolina Beach overwhelmed our drainage and caused our water to backup

Options:

- Do nothing and hope we don't get a lot of rain again
- Assume three days of constant rain caused the backup and that this area will not continue to flood during these heavier rain events
- Address it with MOTSU during the Joint Land Use Plan, since it is on federal property
- Put in Kure Beach's own ditch to the river and bypass this ditch



# TOWN COUNCIL MINUTES

## RESCHEDULED REGULAR MEETING

October 22, 2018 @ 6:00 p.m.

MPT Heglar commented that:

- There were other areas in town with similar issues during the storm
- Need to look at all homes that had same issue, plot on maps and have an engineer look at locations to make recommendation
- Council has to make a decision on how much we will spend on storm water
- The current system is designed to handle 1 ½ inches of storm water and there was too much water during this storm
- We have spent a lot of money over the last five years on storm water
- This was the biggest storm of his life time and of his dad's
- We should work to fix the areas where homes had water inside the home

Audience comment:

1. Sloop Point Lane runs parallel to Cutter and Ashley with a small half block that connects these two roads. About three weeks before the storm, there was a heavy rain storm. When she turned off Mackerel onto Settlers to Sloop Point to go to Cutter, Sloop Point was so flooded she didn't drive through it and ended up going another way and Cutter was not flooded. Sloop Point floods every time there is a heavy rain and that should be looked at. Houses sit higher so you might not get complaints, and water stays on Sloop Point and doesn't come to Cutter. Some of my neighbors on Cutter have had water in the first floor of their homes.

CONSENSUS – have Public Works Director, Building Inspector and Engineering Services plot all areas that had flooding in homes, map them and identify how the storm water feeds and then make a recommendation to Council.

2. Update on the 2019 Coastal Storm Damage Reduction (CSDR) Project

Commissioner Oliver stated:

- The Corps of Engineers postponed bids for this year's beach nourishment project due to the storm
- The flew a drone after the storm and re-did bids to include sand lost during Hurricane Florence and there will be a sand event this winter

3. November Council meeting Tuesday the 20<sup>th</sup>

Consensus – No need to reschedule

4. Close Town Hall at noon for the day on Wednesday, November 21, 2018 to allow employees to attend annual appreciation luncheon



# TOWN COUNCIL MINUTES

**RESCHEDULED REGULAR MEETING**

**October 22, 2018 @ 6:00 p.m.**

5. Employee appreciation luncheon

Mayor Bloszinsky said:

- The annual employee appreciation lunch is scheduled for Wednesday, November 21 at noon
- He would like to start at 11 am instead of noon this year and also make it a celebration of work done during the hurricane
- He also wants to invite 11 business owners that supported us with housing, food, fuel, etc. during the storm to recognize and thank them for all the work done before, during and after the storm
- He wants to give each employee and business owner a jersey and showed Council two different designs

MOTION – Mayor Bloszinsky motioned to close Town Hall at 11 am to have a combined celebration and employee appreciation luncheon on Wednesday, November 21, invite business owners and provide the jersey with warrior on it to all

SECOND – Whitley

VOTE - Unanimous

COMMISSIONER ITEMS

Commissioner Ellen asked to have the Town Clerk add information and link about a survey for future transportation needs by the Wilmington Metropolitan Planning Organization to the website

MOTION – Commissioner Ellen to give Town Clerk Avery wording to add the link to our website

SECOND – Commissioner Whitley

VOTE – Unanimous

ADJOURNMENT

MOTION - Commissioner Ellen motioned to adjourn at 8:21 pm

SECOND – Commissioner Whitley

VOTE - Unanimous

ATTEST: \_\_\_\_\_

Nancy Avery, Town Clerk

\_\_\_\_\_

Craig Bloszinsky, Mayor

NOTE: These are action minutes reflecting items considered and actions taken by Council. These minutes are not a transcript of the meeting. A recording of the meeting is available on the town's website under government>council.

# REPORTS

# KURE BEACH FIRE DEPARTMENT

## FIRE CHIEF'S REPORT OCTOBER, 2018

| DATE     | PURPOSE           |
|----------|-------------------|
| 10/01/18 | MUTUAL AID CBFD   |
| 10/03/18 | 2 EMS             |
| 10/04.18 | EMS               |
| 10/04/18 | MUTUAL AID CBFD   |
| 10/06/18 | MUTUAL AID        |
| 10/08/18 | MUTUAL AID CBFD   |
| 10/08/18 | ASSIST PUBLIC     |
| 10/08/18 | DRILL             |
| 10/09/18 | 2 FLARE SIGHTINGS |
| 10/09/18 | WATERCRAFT RESCUE |
| 10/10/18 | MUTUAL AID CBFD   |
| 10/11/18 | ASSIST PUBLIC     |
| 10/11/18 | WIRE DOWN         |
| 10/11/18 | TRANSFORMER       |
| 10/11/18 | EMS               |
| 10/16/18 | 2 MUTUAL AID CBFD |
| 10/18/18 | ASSIST PUBLIC     |
| 10/19/18 | MUTUAL AID CBFD   |
| 10/19/18 | ASSIST PUBLIC     |
| 10/20/18 | EMS               |
| 10/21/18 | MUTUAL AID CBFD   |
| 10/21/18 | EMS               |
| 10/22/18 | MUTUAL AID CBFD   |
| 10/23/18 | MUTUAL AID CBFD   |
| 10/25/18 | FALSE ALARM       |
| 10/25/18 | 2 ASSIST PUBLIC   |
| 10/25/18 | MUTUAL AID CBFD   |
| 10/26/18 | ASSIST PUBLIC     |
| 10/28/18 | MUTUAL AID CBFD   |

# KURE BEACH FIRE DEPARTMENT

10/28/18

SMOKE IN AREA

10/29/18

DRILL

All equipment checked and found to be in working order

Ed Kennedy  
Chief

**Kure Beach Inspections Dept.-All Permits Issue Date: 10/1/2018 - 10/31/2018**

| PermitNo                        | Issue Date | Owner                                                       | Project Addr           | ParcelID           | Est Cost            | Fee                |
|---------------------------------|------------|-------------------------------------------------------------|------------------------|--------------------|---------------------|--------------------|
| <b>Building</b>                 |            |                                                             |                        |                    |                     |                    |
| <b>Deck</b>                     |            |                                                             |                        |                    |                     |                    |
| <b>Active</b>                   |            |                                                             |                        |                    |                     |                    |
| 180129                          | 10/16/2018 | RIGGINGS INC<br>Deck and railing repairs                    | 1437 FORT FISHER BLV S | R09320-001-002-000 | \$57,453.00         | \$435.00           |
| <b>Total Deck 1</b>             |            |                                                             |                        |                    | <b>\$57,453.00</b>  | <b>\$435.00</b>    |
| <b>New Construction</b>         |            |                                                             |                        |                    |                     |                    |
| <b>Active</b>                   |            |                                                             |                        |                    |                     |                    |
| 180131                          | 10/22/2018 | SWETZ PETER A JR ELIZABETH A<br>New SFD                     | 817 SETTLERS LN        | R09205-018-003-000 | \$351,000.00        | \$9,707.00         |
| 180133                          | 10/29/2018 | WALTON DAVID AND GOLDIE<br>New SFD                          | 613 THIRD AVE S        | R09405-008-004-000 | \$250,000.00        | \$9,202.00         |
| <b>Total New Construction 2</b> |            |                                                             |                        |                    | <b>\$601,000.00</b> | <b>\$18,909.00</b> |
| <b>Renovations</b>              |            |                                                             |                        |                    |                     |                    |
| <b>Active</b>                   |            |                                                             |                        |                    |                     |                    |
| 180125                          | 10/4/2018  | EDWARDS CHRISTOPHER D ETAL<br>Renovation and deck additions | 426 THIRD AVE S        | R09217-022-015-000 | \$38,500.00         | \$300.00           |
| 180134                          | 10/31/2018 | GEMMEL JANET L ETAL<br>General Renovations                  | 106 N FIFTH AVE        | R09213-011-015-000 | \$5,000.00          | \$110.00           |
| <b>Total Renovations 2</b>      |            |                                                             |                        |                    | <b>\$43,500.00</b>  | <b>\$410.00</b>    |
| <b>Rot Repair</b>               |            |                                                             |                        |                    |                     |                    |
| <b>Active</b>                   |            |                                                             |                        |                    |                     |                    |
| 180127                          | 10/12/2018 | ZECCA FRANK MARLENE REV LIV<br>Rot Repair                   | 406 FORT FISHER BLV N  | R09213-023-002-000 | \$3,000.00          | \$100.00           |
| <b>Total Rot Repair 1</b>       |            |                                                             |                        |                    | <b>\$3,000.00</b>   | <b>\$100.00</b>    |
| <b>Total Building 6</b>         |            |                                                             |                        |                    | <b>\$704,953.00</b> | <b>\$19,854.00</b> |
| <b>CAMA</b>                     |            |                                                             |                        |                    |                     |                    |
| <b>Residential</b>              |            |                                                             |                        |                    |                     |                    |
| <b>Active</b>                   |            |                                                             |                        |                    |                     |                    |
| KB18-13                         | 10/10/2018 | BAKER E RANDOLPH MARY H ETA<br>In ground swlm pool          | 1362 FORT FISHER BLV S | R09320-002-009-000 | \$0.00              | \$100.00           |
| <b>Total Residential 1</b>      |            |                                                             |                        |                    | <b>\$0.00</b>       | <b>\$100.00</b>    |
| <b>Total CAMA 1</b>             |            |                                                             |                        |                    | <b>\$0.00</b>       | <b>\$100.00</b>    |
| <b>Demolition</b>               |            |                                                             |                        |                    |                     |                    |
| <b>Commercial</b>               |            |                                                             |                        |                    |                     |                    |
| <b>Active</b>                   |            |                                                             |                        |                    |                     |                    |
| 180130                          | 10/16/2018 | CWAR Investments LLC<br>Demo Trading Post                   | 858 FORT FISHER BLV S  | R09409-001-004-000 | \$0.00              | \$200.00           |
| <b>Total Commercial 1</b>       |            |                                                             |                        |                    | <b>\$0.00</b>       | <b>\$200.00</b>    |
| <b>Residential</b>              |            |                                                             |                        |                    |                     |                    |
| <b>Active</b>                   |            |                                                             |                        |                    |                     |                    |
| 180124                          | 10/2/2018  | GRIER JASON<br>Demo home                                    | 1008 N FORT FISHER BLV | R09206-001-011-000 | \$0.00              | \$150.00           |
| 180126                          | 10/4/2018  | PENSCO TRUST COMPANY LLC ETAL<br>Residential demolitiojn    | 633 FORT FISHER BLV S  | R09405-007-007-000 | \$0.00              | \$150.00           |
| 180128                          | 10/16/2018 | RICHARD WALLACE BUILDER INC<br>Residential demolitiojn      | 125 HANBY AVE          | R09205-013-026-000 | \$0.00              | \$150.00           |
| 180132                          | 10/26/2018 | CWAR Investments LLC<br>Demo home                           | 858 FORT FISHER BLV S  | R09409-001-004-000 | \$0.00              | \$150.00           |
| <b>Total Residential 4</b>      |            |                                                             |                        |                    | <b>\$0.00</b>       | <b>\$600.00</b>    |



| PermitNo                        | Issue Date | Owner                                                | Project Addr          | ParcelID           | Est Cost            | Fee                |
|---------------------------------|------------|------------------------------------------------------|-----------------------|--------------------|---------------------|--------------------|
| <b>Demolition</b>               |            |                                                      |                       |                    |                     |                    |
| <b>Total Demolition 5</b>       |            |                                                      |                       |                    | <b>\$0.00</b>       | <b>\$800.00</b>    |
| <b>Fence</b>                    |            |                                                      |                       |                    |                     |                    |
| <b>Residential</b>              |            |                                                      |                       |                    |                     |                    |
| <b>Active</b>                   |            |                                                      |                       |                    |                     |                    |
| 180018                          | 10/9/2018  | RAGON HUGH B LIBBY L<br>New 4' fence                 | 710 SLOOP POINTE LN   | R09209-006-009-000 | \$0.00              | \$25.00            |
| 180019                          | 10/9/2018  | BRIGANCE RONNIE L KOLLEEN M<br>New 3' retaining wall | 1714 BONITO LN        | R09205-006-015-000 | \$0.00              | \$25.00            |
| 180020                          | 10/31/2018 | GREEN WILLIAM<br>New 5' fence                        | 817 FORT FISHER BLV N | R09205-021-002-000 | \$0.00              | \$25.00            |
| <b>Total Residential 3</b>      |            |                                                      |                       |                    | <b>\$0.00</b>       | <b>\$75.00</b>     |
| <b>Total Fence 3</b>            |            |                                                      |                       |                    | <b>\$0.00</b>       | <b>\$75.00</b>     |
| <b>Landscape</b>                |            |                                                      |                       |                    |                     |                    |
| <b>Residential</b>              |            |                                                      |                       |                    |                     |                    |
| <b>Active</b>                   |            |                                                      |                       |                    |                     |                    |
| 180024                          | 10/22/2018 | MARCINOWSKI KATHERINE<br>Lot clearing                | 218 FIFTH AVE S       | R09217-012-008-000 | \$0.00              | \$25.00            |
| <b>Total Residential 1</b>      |            |                                                      |                       |                    | <b>\$0.00</b>       | <b>\$25.00</b>     |
| <b>Total Landscape 1</b>        |            |                                                      |                       |                    | <b>\$0.00</b>       | <b>\$25.00</b>     |
| <b>Sign</b>                     |            |                                                      |                       |                    |                     |                    |
| <b>New Construction</b>         |            |                                                      |                       |                    |                     |                    |
| <b>Active</b>                   |            |                                                      |                       |                    |                     |                    |
| 180001                          | 10/26/2018 | CWAR Investments LLC<br>New sign                     | 858 FORT FISHER BLV S | R09409-001-004-000 | \$0.00              | \$25.00            |
| <b>Total New Construction 1</b> |            |                                                      |                       |                    | <b>\$0.00</b>       | <b>\$25.00</b>     |
| <b>Total Sign 1</b>             |            |                                                      |                       |                    | <b>\$0.00</b>       | <b>\$25.00</b>     |
| <b>Total Permits: 17</b>        |            |                                                      |                       |                    | <b>\$704,953.00</b> | <b>\$20,879.00</b> |

**TOWN OF KURE BEACH  
REVENUE AND EXPENDITURE SUMMARY  
JULY 1, 2018 TO NOVEMBER 13, 2018**

|                                            | <b>REVENUES</b>      |                     |                      |                | <b>EXPENDITURES</b>                        |                     |                      |                           |
|--------------------------------------------|----------------------|---------------------|----------------------|----------------|--------------------------------------------|---------------------|----------------------|---------------------------|
|                                            | 2019<br>Initial Bud. | 2019<br>Amend. Bud. | Actual<br>11/13/2018 | %<br>Collected | 2019<br>Initial Bud.                       | 2019<br>Amend. Bud. | Actual<br>11/13/2018 | %<br>Spent                |
| <b>GENERAL FUND</b>                        |                      |                     |                      |                | <b>GENERAL FUND</b>                        |                     |                      |                           |
| Property Taxes (Cur. & PY)                 | \$ 2,920,300         | \$ 2,920,300        | \$ 779,659           | 26.7%          | Governing Body                             | \$ 38,994           | \$ 38,994            | \$ 23,225 59.6%           |
| Local Option Sales Tax                     | \$ 886,000           | \$ 886,000          | \$ 316,137           | 35.7%          | Committees                                 | \$ 100,115          | \$ 100,115           | \$ 83,495 83.4%           |
| Garbage & Recycling                        | \$ 493,580           | \$ 493,580          | \$ 164,533           | 33.3%          | Finance                                    | \$ 157,937          | \$ 157,937           | \$ 63,788 40.4%           |
| TDA Funds                                  | \$ 235,000           | \$ 235,000          | \$ 22,343            | 9.5%           | Administration                             | \$ 629,908          | \$ 629,908           | \$ 213,549 33.9%          |
| Franchise & Utility Tax                    | \$ 225,000           | \$ 225,000          | \$ 48,287            | 21.5%          | Community Center                           | \$ 23,300           | \$ 23,300            | \$ 6,590 28.3%            |
| Communication Tower Rent                   | \$ 81,924            | \$ 81,924           | \$ 33,917            | 41.4%          | Emergency Mgmt./Elections                  | \$ 1,100            | \$ 1,100             | \$ 2 0.2%                 |
| CAMA Grants - Beach Access Paving          | \$ 78,523            | \$ 78,523           | \$ -                 | 0.0%           | Tax Collections                            | \$ 28,800           | \$ 28,800            | \$ 3,271 11.4%            |
| Bldg. Permit & Fire Inspect. Fees          | \$ 74,050            | \$ 74,050           | \$ 24,085            | 32.5%          | Legal                                      | \$ 29,850           | \$ 29,850            | \$ 8,166 27.4%            |
| Sales Tax Refund                           | \$ 59,000            | \$ 59,000           | \$ 71,533            | 121.2%         | Police Department                          | \$ 1,372,757        | \$ 1,372,757         | \$ 452,378 33.0%          |
| Com Ctr/Parks & Rec/St Festival            | \$ 20,700            | \$ 20,700           | \$ 7,412             | 35.8%          | Fire Department                            | \$ 740,482          | \$ 740,482           | \$ 239,222 32.3%          |
| Town Facility Rentals                      | \$ 18,000            | \$ 18,000           | \$ 9,208             | 51.2%          | Lifeguards                                 | \$ 200,088          | \$ 200,088           | \$ 88,599 44.3%           |
| ABC Revenue                                | \$ 15,900            | \$ 15,900           | \$ 15,511            | 97.6%          | Parks & Recreation                         | \$ 187,268          | \$ 187,268           | \$ 47,978 25.6%           |
| Motor Vehicle License Tax/Decals           | \$ 14,250            | \$ 14,250           | \$ 17,454            | 122.5%         | Bldg Inspection/Code Enforcement           | \$ 139,165          | \$ 139,165           | \$ 42,951 30.9%           |
| OFP - Bluefish Purchases                   | \$ 14,000            | \$ 14,000           | \$ 8,935             | 63.8%          | Streets & Sanitation                       | \$ 902,561          | \$ 982,561           | \$ 440,043 44.8%          |
| Beer & Wine Tax                            | \$ 9,300             | \$ 9,300            | \$ -                 | 0.0%           | Debt Service                               | \$ 708,050          | \$ 708,050           | \$ 141,717 20.0%          |
| All Other Revenues                         | \$ 19,505            | \$ 19,505           | \$ 6,733             | 34.5%          | Transfer to Other Funds                    | \$ 9,807            | \$ 9,807             | \$ 9,807 100.0%           |
| Other Financing Sources                    | \$ 115,000           | \$ 195,000          | \$ 154,084           | 79.0%          | Contingency                                | \$ 9,850            | \$ 9,850             | \$ - 0.0%                 |
| <b>Total Revenues</b>                      | <b>\$ 5,280,032</b>  | <b>\$ 5,360,032</b> | <b>\$ 1,679,831</b>  | <b>31.3%</b>   | <b>Total Expenses</b>                      | <b>\$ 5,280,032</b> | <b>\$ 5,360,032</b>  | <b>\$ 1,864,781 34.8%</b> |
| <b>WATER &amp; SEWER FUND</b>              |                      |                     |                      |                | <b>WATER &amp; SEWER FUND</b>              |                     |                      |                           |
| Water Charges                              | \$ 840,650           | \$ 840,650          | \$ 364,943           | 43.4%          | Governing Body                             | \$ 17,994           | \$ 17,994            | \$ 6,225 34.6%            |
| Sewer Charges                              | \$ 1,174,500         | \$ 1,174,500        | \$ 516,976           | 44.0%          | Legal                                      | \$ 29,850           | \$ 29,850            | \$ 8,166 27.4%            |
| Tap, Connect & Reconnect Fees              | \$ 67,500            | \$ 67,500           | \$ 24,900            | 36.9%          | Finance                                    | \$ 197,817          | \$ 197,817           | \$ 69,632 35.2%           |
| All Other Revenues                         | \$ 19,435            | \$ 19,435           | \$ 6,385             | 32.9%          | Administration                             | \$ 317,187          | \$ 317,187           | \$ 132,361 41.7%          |
| Other Financing Sources                    | \$ 100,000           | \$ 100,000          | \$ 39,571            | 39.6%          | Operations                                 | \$ 1,639,237        | \$ 1,639,237         | \$ 642,892 39.2%          |
| <b>Total Revenues</b>                      | <b>\$ 2,202,085</b>  | <b>\$ 2,202,085</b> | <b>\$ 952,775</b>    | <b>43.3%</b>   | <b>Total Expenses</b>                      | <b>\$ 2,202,085</b> | <b>\$ 2,202,085</b>  | <b>\$ 859,276 39.0%</b>   |
| <b>STORM WATER FUND</b>                    |                      |                     |                      |                | <b>STORM WATER FUND</b>                    |                     |                      |                           |
| <b>Total Revenues</b>                      | <b>\$ 358,380</b>    | <b>\$ 358,380</b>   | <b>\$ 189,477</b>    | <b>52.9%</b>   | <b>Total Expenses</b>                      | <b>\$ 358,380</b>   | <b>\$ 358,380</b>    | <b>\$ 188,632 52.6%</b>   |
| <b>POWELL BILL FUND</b>                    |                      |                     |                      |                | <b>POWELL BILL FUND</b>                    |                     |                      |                           |
| <b>Total Revenues</b>                      | <b>\$ 175,000</b>    | <b>\$ 175,000</b>   | <b>\$ 32,838</b>     | <b>18.8%</b>   | <b>Total Expenses</b>                      | <b>\$ 175,000</b>   | <b>\$ 175,000</b>    | <b>\$ 13,084 7.5%</b>     |
| <b>SEWER EXPANSION RESERVE FUND (SERF)</b> |                      |                     |                      |                | <b>SEWER EXPANSION RESERVE FUND (SERF)</b> |                     |                      |                           |
| <b>Total Revenues</b>                      | <b>\$ 16,250</b>     | <b>\$ 16,250</b>    | <b>\$ 5,363</b>      | <b>33.0%</b>   | <b>Total Expenses</b>                      | <b>\$ 16,250</b>    | <b>\$ 16,250</b>     | <b>\$ - 0.0%</b>          |
| <b>BEACH PROTECTION FUND</b>               |                      |                     |                      |                | <b>BEACH PROTECTION FUND</b>               |                     |                      |                           |
| <b>Total Revenues</b>                      | <b>\$ 13,397</b>     | <b>\$ 13,397</b>    | <b>\$ 11,358</b>     | <b>84.8%</b>   | <b>Total Expenses</b>                      | <b>\$ 13,397</b>    | <b>\$ 13,397</b>     | <b>\$ - 0.0%</b>          |
| <b>FEDERAL ASSET FORFEITURE FUND</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>Total Expenses</b>                      | <b>\$ 50,000</b>    | <b>\$ 50,000</b>     | <b>\$ 27,158 54.3%</b>    |

**TOWN OF KURE BEACH  
CASH AND INVESTMENTS  
AS OF OCTOBER 31, 2018**

| <u>FUND</u>              | <u>CASH IN BANK</u> | <u>INVESTMENTS</u> | <u>TOTAL CASH &amp;<br/>INVESTMENTS</u> |
|--------------------------|---------------------|--------------------|-----------------------------------------|
| General                  | \$1,837,665         | \$348,211          | \$2,185,876                             |
| Water/Sewer              | \$1,309,272         | \$595,773          | \$1,905,045                             |
| Storm Water              | \$109,613           | \$244,798          | \$354,411                               |
| SERF                     | \$40,778            | \$123,273          | \$164,051                               |
| Powell Bill              | \$298,956           | \$70,819           | \$369,775                               |
| Beach Protection         | \$42,897            | \$304,897          | \$347,794                               |
| Federal Asset Forfeiture | \$147,775           | \$0                | \$147,775                               |
| Capital Project Funds    | \$179,096           | \$0                | \$179,096                               |
| TOTAL                    | <u>\$3,966,052</u>  | <u>\$1,687,771</u> | <u>\$5,653,823</u>                      |

| <u>INSTITUTION</u>                   |                    |                    |
|--------------------------------------|--------------------|--------------------|
| BB&T                                 | \$3,966,052        | \$0                |
| First Bank - Certificates of Deposit | \$0                | \$920,137          |
| NCCMT Term Portfolio                 | \$0                | \$550,563          |
| NCCMT Governmental Portfolio         | \$0                | \$217,071          |
| TOTAL                                | <u>\$3,966,052</u> | <u>\$1,687,771</u> |

**TOWN OF KURE BEACH  
DEBT LISTING  
NOVEMBER 20, 2018**

| <b>LOAN PURPOSE/DESCRIPTION</b>                    | <b>FUND</b> | <b>LENDER</b> | <b>DATE OF LOAN</b> | <b>AMOUNT FINANCED</b> | <b>INTEREST RATE</b> | <b>LOAN TERM (YRS)</b> | <b>DATE PAID OFF</b> | <b>BALANCE AT 11/20/18</b> | <b>PAYMENT FREQUENCY</b> | <b>PAYMENT AMOUNT</b> | <b>NEXT PAY DATE</b> | <b>INT. EXPENSE LIFE OF LOAN</b> |
|----------------------------------------------------|-------------|---------------|---------------------|------------------------|----------------------|------------------------|----------------------|----------------------------|--------------------------|-----------------------|----------------------|----------------------------------|
| Fire Station/Town Hall Project (a)                 | G, W/S      | BB&T          | 12/11/2017          | \$5,000,000            | 2.58%                | 15                     | 12/11/2032           | \$4,833,333.33             | Semi-annual              | \$229,016.67          | 12/11/2018           | \$999,750.00                     |
| Sewer Rehabilitation Project (b)                   | W/S         | Fed Gov       | 5/1/2010            | \$432,660              | 0.00%                | 20                     | 5/1/2030             | \$126,668.60               | Annual                   | \$10,555.72           | 5/1/2019             | \$0.00                           |
| Ocean Front Park (development)                     | G           | BB&T          | 7/12/2011           | \$347,000              | 4.39%                | 17                     | 7/12/2028            | \$204,117.68               | Annual                   | \$29,372.53           | 7/12/2019            | \$137,099.64                     |
| Ocean Front Park (acquisition)                     | G           | BB&T          | 12/19/2007          | \$3,600,000            | 4.28%                | 20                     | 12/19/2027           | \$649,038.55               | Annual                   | \$92,682.71           | 12/19/2018           | \$690,135.16                     |
| Kure Beach Pump Station #1                         | W/S         | 1st Bank      | 6/28/2017           | \$475,000              | 2.11%                | 10                     | 6/28/2027            | \$431,918.00               | Semi-annual              | \$26,507.64           | 12/28/2018           | \$55,152.80                      |
| 334 S. 4th, 402 H & 406 H Ave.                     | G           | BB&T          | 3/12/2015           | \$409,471              | 2.49%                | 10                     | 3/12/2025            | \$286,629.79               | Annual                   | \$48,084.20           | 3/12/2019            | \$56,077.07                      |
| Street Sweeper & Dump Truck (c)                    | G, SW       | BB&T          | 10/30/2018          | \$233,412              | 3.26%                | 5                      | 10/30/2023           | \$233,412.00               | Annual                   | \$51,345.54           | 10/30/2019           | \$23,315.68                      |
| Water Tower & Well House & Town Hall Expansion (d) | G, W/S      | BB&T          | 4/11/2007           | \$1,187,187            | 3.92%                | 15                     | 5/7/2022             | \$341,707.18               | Semi-annual              | \$52,716.71           | 5/7/2019             | \$394,314.33                     |
| 2016 John Deere Backhoe (e)                        | W/S, SW     | BB&T          | 11/9/2016           | \$105,273              | 1.87%                | 5                      | 11/9/2021            | \$64,330.24                | Annual                   | \$22,250.35           | 11/9/2019            | \$5,978.75                       |
| 2018 Police Dodge Durango                          | G           | 1st Bank      | 10/19/2017          | \$31,668               | 1.95%                | 4                      | 10/19/2021           | \$23,978.85                | Annual                   | \$8,312.14            | 10/19/2019           | \$1,558.73                       |
| 2017 Freightliner Garbage Truck                    | G           | 1st Bank      | 8/23/2016           | \$179,756              | 1.70%                | 5                      | 8/23/2021            | \$109,666.34               | Annual                   | \$38,303.62           | 8/23/2019            | \$9,270.57                       |
| Compact Excavator (e)                              | W/S, SW     | 1st Bank      | 7/28/2017           | \$63,915               | 1.80%                | 4                      | 7/28/2021            | \$48,361.26                | Annual                   | \$16,714.37           | 7/28/2019            | \$2,901.83                       |
| (2) 2016 Police Dodge Chargers                     | G           | 1st Bank      | 11/9/2016           | \$63,500               | 1.60%                | 4                      | 11/9/2020            | \$32,253.94                | Annual                   | \$16,524.00           | 11/9/2019            | \$2,560.16                       |
| O'Brien 7065 HydroJetter (e)                       | W/S, SW     | 1st Bank      | 8/13/2015           | \$81,485               | 1.70%                | 5                      | 8/13/2020            | \$33,420.33                | Annual                   | \$17,149.28           | 8/13/2019            | \$4,202.44                       |
| 2016 Chevrolet Silverado                           | G           | 1st Bank      | 7/26/2016           | \$36,867               | 1.60%                | 4                      | 7/26/2020            | \$18,726.07                | Annual                   | \$9,593.55            | 7/26/2019            | \$1,486.39                       |
| Cutter Court Drainage Project                      | SW          | B of A        | 7/23/2005           | \$875,000              | 4.40%                | 15                     | 6/23/2020            | \$122,286.18               | Monthly                  | \$6,677.76            | 12/23/2018           | \$326,995.49                     |
| FY 2016 Equipment & Vehicles (f)                   | G, W/S      | BB&T          | 9/14/2015           | \$186,000              | 2.01%                | 4                      | 9/14/2019            | \$47,897.14                | Annual                   | \$48,859.87           | 9/14/2019            | \$9,439.48                       |
| (2) 2015 Police Cars                               | G           | BB&T          | 3/27/2015           | \$48,359               | 2.19%                | 4                      | 3/27/2019            | \$12,485.40                | Annual                   | \$12,758.83           | 3/27/2019            | \$2,676.33                       |

**FUND CODES**

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

**TOTAL OUTSTANDING DEBT AT 11/20/2018:**

|                  |                        |
|------------------|------------------------|
| General Fund     | \$ 5,846,040.36        |
| Water/Sewer Fund | \$ 1,499,488.34        |
| Storm Water Fund | \$ 274,702.18          |
| <b>Total</b>     | <b>\$ 7,620,230.88</b> |

**NOTES**

- (a) - 88% of loan is General Fund and 12% is Water/Sewer Fund.  
(b) - Total amount borrowed was \$432,660. As part of ARRA, the unpaid balance was immediately reduced by one-half of the loan amount.  
(c) - 66% of loan is General Fund and 34% is Storm Water Fund.  
(d) - 78% of loan is Water/Sewer Fund and 22% is General Fund.  
(e) - 50% of loan is Water/Sewer Fund and 50% is Storm Water Fund.  
(f) - 55.5% of loan is General Fund and 44.5% is Water/Sewer Fund.

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

|                         |                        |
|-------------------------|------------------------|
| 11/21/2018 - 12/31/2018 | \$ 354,884.78          |
| 01/01/2019 - 03/31/2019 | \$ 80,876.31           |
| 04/01/2019 - 06/30/2019 | \$ 336,680.02          |
| 07/01/2019 - 11/20/2019 | \$ 344,530.76          |
| <b>Total</b>            | <b>\$ 1,116,971.87</b> |

**TOWN HALL RENOVATION AND NEW FIRE STATION  
CAPITAL PROJECT FUND SUMMARY  
AS OF 11/13/2018**

|                                                   | <u>APPROVED<br/>BUDGET</u> | <u>ACTUAL AS<br/>OF 11/13/18</u> | <u>% OF<br/>BUDGET</u> |
|---------------------------------------------------|----------------------------|----------------------------------|------------------------|
| <b><u>EXPENDITURES</u></b>                        |                            |                                  |                        |
| <b><u>ARCHITECT</u></b>                           |                            |                                  |                        |
| Oakley Collier Architects                         | <u>\$415,257</u>           | <u>\$408,651.15</u>              | 98.4%                  |
| <b><u>OTHER PROJECT COSTS</u></b>                 |                            |                                  |                        |
| Surveys                                           | \$6,500                    | \$4,475.00                       | 68.8%                  |
| Legal Fees                                        | \$25,000                   | \$21,872.93                      | 87.5%                  |
| LGC Loan Application Fee                          | \$1,250                    | \$1,250.00                       | 100.0%                 |
| Bank Loan Fees                                    | \$2,900                    | \$2,900.00                       | 100.0%                 |
| Special Inspections                               | \$16,000                   | \$13,141.76                      | 82.1%                  |
| Other                                             | <u>\$500</u>               | <u>\$150.00</u>                  | 30.0%                  |
| Total Other Project Costs                         | <u>\$52,150</u>            | <u>\$43,789.69</u>               | 84.0%                  |
| <b><u>PROJECT MANAGEMENT COSTS</u></b>            |                            |                                  |                        |
| Constructive Building Solutions                   | <u>\$100,000</u>           | <u>\$65,919.94</u>               | 65.9%                  |
| <b><u>CONSTRUCTION</u></b>                        |                            |                                  |                        |
| Town Hall                                         | \$2,448,843                | \$1,478,350.44                   | 60.4%                  |
| Fire Station                                      | <u>\$2,177,809</u>         | <u>\$1,752,302.61</u>            | 80.5%                  |
| Total Construction Costs                          | <u>\$4,626,652</u>         | <u>\$3,230,653.05</u>            | 69.8%                  |
| <b><u>FURNITURE &amp; FIXTURES</u></b>            |                            |                                  |                        |
| Town Hall                                         | \$47,500                   | \$0.00                           | 0.0%                   |
| Fire Station                                      | <u>\$89,400</u>            | <u>\$15,918.00</u>               | 17.8%                  |
| Total Furniture & Fixtures                        | <u>\$136,900</u>           | <u>\$15,918.00</u>               | 11.6%                  |
| <b><u>GRAND TOTAL EXPENDITURES</u></b>            | <u><u>\$5,330,959</u></u>  | <u><u>\$3,764,931.83</u></u>     | 70.6%                  |
| <b><u>PROJECT REVENUE SOURCES</u></b>             |                            |                                  |                        |
| Transfer From General Fund                        | \$330,959                  | \$330,959.00                     | 100.0%                 |
| Installment Financing                             | \$5,000,000                | \$5,000,000.00                   | 100.0%                 |
| Interest on Project Fund Bank Account             | <u>\$0</u>                 | <u>\$305.85</u>                  |                        |
| <b><u>GRAND TOTAL PROJECT REVENUE SOURCES</u></b> | <u><u>\$5,330,959</u></u>  | <u><u>\$5,331,264.85</u></u>     | 100.0%                 |

**TOWN OF KURE BEACH**  
**SUMMARY OF CONTINGENCY FUND AND COMMITTEE**  
**EXPENDITURE ACTIVITY**  
**07/01/2018 - 11/13/2018**

**CONTINGENCY FUND**

|                                   |                          |
|-----------------------------------|--------------------------|
| Fiscal Year 2019 Budget           | \$9,850.00               |
| Less:                             |                          |
| No activity                       | <u>\$0.00</u>            |
| Remaining Budget as of 11/13/2018 | <u><u>\$9,850.00</u></u> |

**COMMITTEE (Shoreline Access and Beach Protection) EXPENDITURES**

|                                                              |                          |
|--------------------------------------------------------------|--------------------------|
| Fiscal Year 2019 Budget                                      | \$100,115.00             |
| Less Expenditures:                                           |                          |
| E & I Ave. Beach Access Parking Project -<br>Capital Project | <u>\$83,494.84</u>       |
| Total Expenditures                                           | \$83,494.84              |
| Projects Approved By Council But Not Yet<br>Expended:        |                          |
| E & I Ave. Beach Access Parking Project -<br>Capital Project | <u>\$8,955.16</u>        |
| Total Approved, Not Expended                                 | <u><u>\$8,955.16</u></u> |
| Remaining Budget as of 11/13/2018                            | <u><u>\$7,665.00</u></u> |