



# TOWN COUNCIL MINUTES

## SPECIAL MEETING

November 17, 2016

The Kure Beach Town Council held a special meeting on Thursday, November 17, 2016 at 5:30 p.m., and continued it until Monday, November 28, 2016 at 6:00 p.m. The purpose of the meeting was to receive proposed plans and cost estimates for the expansion of the Town Hall complex and construction of a new fire station. The Town Attorney was present at the November 17<sup>th</sup> meeting. There was a quorum of council members.

### COUNCIL MEMBERS PRESENT

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

### STAFF PRESENT

Fire Chief – Harold Heglar (11/28 only)  
Assistant Fire Chief – Ed Kennedy (11/17 only)  
Building Inspector – John Batson (11/17 only)  
Finance Officer – Arlen Copenhaver  
Police Chief – Mike Bowden (11/28 only)  
Police Officer – Joe Miljenovic  
Public Works Director – Sonny Beeker (11/17 only)  
Town Clerk – Nancy Avery  
Deputy Clerk – Nancy Hewitt

### CALL TO ORDER

Mayor Swearingen called the meeting to order at 5:30 p.m. and asked Tim Oakley and Anne Collier from Oakley Collier Architects, to come forward and give their presentation.

Mr. Oakley gave council a schematic of the current site overlaid onto the proposed site plan, along with detailed schematics of the Town Hall complex and the proposed new fire station. He shared the following information:

- In the preliminary concept they tried to formulate a reasonable way to meet the town's needs.
- They proposed 7,782 square feet (sf) be added to Town Hall, utilizing the vacant land around the building.
- The fire station is situated on the available land in such a way as to allow for the firetrucks to back into the bays from K Avenue.
- They tried to maintain the flow of the Police Department while providing better security.
- They expanded the parking spaces from 31 to 77.
- Highlights of Town Hall's areas include a larger council chamber with adjoining conference room, additional storage, a multi-purpose workroom, new office space for the



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HR and Recreation divisions with exterior entrances, a room close by for the golf cart and offices for the building inspections group.

- Highlights of the Police Department include moving the public entrance to the southeast corner of the current area and adding a bigger lobby and public bathrooms.
- The current fire station bays would be used for Police and Public Works vehicles, with the northwest corner of that building removed to allow road access from the north side of Town Hall to the bays and a Public Works laydown area.
- Highlights of the new fire station include four truck bays, a training tower/staircase, an elevator and another staircase, a day room with kitchen, four sleeping areas with two bathrooms/showers, a training room and a workout room. The two story building has 8,325 sf on the ground level with 2,880 of it for the truck bays; and there is 3,698 sf on the second floor, making the total measurement of the fire station 12,023 sf.

Mr. Oakley presented council with the project costs of each building which included not only sticks and mortar, but also incidental items that need to be purchased like beds, audio-visual equipment, etc. He said the cost could go up or down, depending on the quality of those items.

The total project cost for all buildings came to \$5,670,743.90, broken down as follows:

- Town Hall Complex \$1,907,252.05
- Fire Station \$3,179,195.00

Mr. Oakley said that the cost of the fire station comes to roughly \$240 per sf, with the second floor adding \$20-\$35 per sf to the cost. He said it would be a masonry building with steel framing; the elevator, alone, costs about \$85,000 and the stairs cost about \$50,000.

Commissioner Heglar said that the space problem for the fire station is the town's property lines and the DOT access onto K Avenue.

Mr. Oakley said he thinks the town can get a DOT right-of-way, or the town could go to the state and ask for permission to take over K Avenue all the way to the bend onto Dow Road.

Town Clerk Avery said there is an easement that the DOT said they would let the town use if AT&T would give a permit to the town, but AT&T won't issue the permit.

Discussion ensued about the storm water pipes located underground along the south side of the Town Hall building. Mr. Oakley said there is a chance that, when they get into the storm water design, that they will have to look at an underground storage and piping system, since the runoff can't be any bigger than it already is.

Director Beeker said that is going to be a problem with the water level that is currently there with Commissioner Heglar adding that the area is a swamp and doesn't drain well.



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Mr. Oakley said that the location is at Elevation 24 and is falling away from the site, but he didn't realize it didn't drain well. He said that the next step is for council to tell them if this is what they want to aim for or if they want to cut costs by choosing things to eliminate. He said after it is worked out, the six-week bid process can get started after which construction can begin. He added that there needs to be an area for equipment laydown and the construction process could take as long as two years.

Commissioner Dugan said that each department head needs to look at the current plans and see what they actually need, what they really want, and what they can do without.

Mr. Oakley said there are certain regulatory requirements but, as for the number of sleeping spaces and amenities, that is entirely up to the department head and council to decide. He stressed the need to keep in mind what the needs of the department may be in the future. He said for the type of community and the seasonal population that Kure Beach has, the plan isn't out of the realm of what other towns have.

MPT Bloszinsky asked the finance officer what the cost per million in debt service would be and the number of years the town would be looking at repaying the loan.

Finance Officer Copenhaver said he contacted two banks and the USDA for options. He said that the banks would charge 2.75 percent for 15 to 25 year loans, and the USDA currently charges 2.375 percent for up to 40 years, although that rate will probably go up on January 1<sup>st</sup>.

Mr. Oakley said the good thing about a USDA loan is they offer 40 year financing and they may have grant money that they will kick into the deal, although not more than \$50,000, typically.

Commissioner Swearingen said she would like the architects to look at a laydown area for Public Works since there's not enough space where they are now.

Mr. Oakley shared a schematic of a building that could be erected on the three town-owned lots across from Public Works. The schematic showed a building measuring 8,400 sf and costing \$100 per sf. He said, if it was used strictly for storage, it would measure 16-feet tall to the eave line with a pitched metal roof, but it would still need plumbing for restrooms.

Finance Officer Copenhaver gave council a loan worksheet, showing what the town would pay over the life of the loan which would need to be a fixed principal amount which is required by the LGC. He said the town has some small loans that are getting ready to be paid off but there is still about \$3 million in outstanding debt from all the funds. He said that, to pay for the project as it is quoted now, council would need to increase property tax by 4.5 cents which, for a \$400,000 home, would cost an extra \$200 per year.



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Discussion among council members continued in regards to cost for the entire project, the added square footage to Town Hall, and the requirements, needs for efficiency and desires of the department heads for their spaces.

A member of the public stated it is better to do large projects all at once rather than piece them out. Mr. Oakley agreed and added that doing projects in small pieces at a time usually increases the cost of the overall project because of equipment mobilization and possible increases in labor costs.

Commissioner Heglar said council should look at what the town can afford in a payment over 20 years and feels that the project should be done in two phases with the fire station being the first phase. He said he supports a 15 percent increase for capital investment with an overall budget of \$5 million for the project.

Mr. Oakley agreed that council needs to figure out what level of money can be sustained and then his firm can find a solution to work within that budget.

Commissioner Dugan said that council needs to consider what the town will need in 15 years from all of the departments' standpoints.

Mr. Oakley said he will go back and identify economic factors within the design and said Commissioner Heglar's \$5 million budget wasn't out of the ballpark.

Commissioner Whitley said that council needs to agree to do what is best for the town looking from now to the next 20 years. He said he supports Commissioner Heglar's number but asked to be able think it over for the next few days before making a definite decision.

Commissioner Heglar said that council needs to remember that they are building these structures for the citizens. He pointed out that there are multiple million dollar homes being built in Kure Beach, and this project would be like building five of those houses for the benefit of the entire town to last for many years to come. He proposed giving the department heads time to decide how much space they need, what items they need and what items are optional; then they should bring their information to council.

Mayor Swearingen said she finds Commissioner Heglar's suggestion acceptable.

## VOTE TO CONTINUE MEETING

MOTION – At 7:52 p.m., Commissioner Heglar moved to continue the Special Meeting at Town Hall on Monday, November 28, 2016 at 6:00 p.m.

SECOND – Commissioner Dugan

VOTE – Unanimous



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## **MEETING RECONVENED ON NOVEMBER 28, 2016**

At 6:00 p.m., on Monday, November 28<sup>th</sup>, the mayor called the continued meeting to order.

Town Clerk Avery said that Mr. Oakley and Ms. Collier weren't able to attend the meeting, but that they were available by phone, if needed.

Mayor Swearingen asked if any departments were willing to decrease their proposed space.

Commissioner Dugan said the Fire Department looked at the possibility of going from two floors to one by taking out the training tower stairwell, the second stairwell and the elevator. He said the workout room could go in the area of the training tower stairwell, and the current workout room area could be a decreased training room space. He said the northeast corner of the fire station could be squared off and added to the second stairwell area to see how many beds could fit in that space. He said the Fire Department could do things on their own to make a training tower outside. He said he texted Mr. Oakley their ideas.

Commissioner Heglar said council and the department heads shouldn't be solving problems that should be left to the professional architects. He said council needs to figure out how much money they want to spend and then let the architects do their job. He said the department heads can tell council what they absolutely need and what they would like to have, but the architects need to figure out how to make it work.

MPT Bloszinsky said the department heads' intent for sharing their information is to maintain some degree of the integrity of the requirement. He said the Fire Department's proposal would eliminate almost 4,000 sf and, with that much space removed at \$240 per sf, it would save about \$950,000.

Commissioner Dugan said that, as far as changes, he can't see getting any large amount of savings from anywhere other than the fire station.

Commissioner Heglar said that is where the biggest opportunity is, but another issue is the big council room that takes a large chunk of the space.

Mayor Swearingen said she agreed that council shouldn't be doing the architects' work for them, but each department should tell council, in priority order, what they can do without. She asked if a workout room in the Fire Department and an exercise room in the Police Department were both necessary since each department is within walking distance of the other.

MPT Bloszinsky said that Commissioner Dugan came up with a unique perspective that essentially takes \$1 million out of the cost while still giving them space to have almost everything they want, but on one floor instead of two.





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Commissioner Heglar noted the percent of space that was increased for some departments, as follows:

- Fire Department – 300 percent increase
- Police Department - 150 percent increase
- Mayor/Council – 230 percent increase
- Building Inspections – 100 percent increase
- Parks & Recreation – 300 percent increase

He stated that, when the architects start looking at what space needs to be cut, they need to look at those areas especially, although, looking at 20 to 25 years out, the percentage increases make sense.

MPT Bloszinsky suggested setting a tax increase limit and figuring the budget for the proposed project from that standpoint. He asked the finance officer to share any financial information he had on the subject.

Finance Officer Copenhaver gave council financing comparisons with loan terms and interest rates from the USDA, First Bank and BB&T. He compared financing for \$6 million compared to \$5 million with a loan interest rate of 2.375 percent through the USDA for 25, 30 and 40 years. He showed the same information with a loan interest rate of 2.75 percent through First Bank or BB&T for 20 and 25 years. Both comparisons included the amount of additional property tax increase. He gave council property tax rate increase scenarios including the additional revenue that would be generated by those increases.

MPT Bloszinsky said the town shouldn't finance something for more than its life expectancy, which would be 20 to 25 years for this project.

The finance officer said that is why he would prefer not to get a USDA loan for 40 years.

Fire Chief Heglar said the KB Community Center was built in 1957, which was the original fire station, and the existing fire station building is about 27 years old.

MPT Bloszinsky said that now is the best time to get a loan since rates are only going to go up from here. He said the town's property tax would go up by a little less than 4 cents for a \$5 million loan.

**MOTION** – Commissioner Heglar moved to set the upper limit for design purposes at \$5 million for the Town Hall Complex and Fire Station expansion project.

**SECOND** – Commissioner Whitley

**VOTE** – Unanimous



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Mayor Swearingen said that the contingencies and other items within the proposed cost will decrease as the cost of the project is decreased. She said there are two conference rooms in the Town Hall plan as well as an enlarged council chamber, making council's portion 200 percent more than what there is now, and council could sacrifice the expansion of the council room as its offering to help bring down the cost of the project.

Commissioner Heglar reiterated that it's not council's job to decide which items are eliminated and added. He said he'd like to see what the architects design on a \$5 million budget.

Finance Officer Copenhaver said that, with a 3.875 cent tax increase, a \$400,000 house in Kure Beach will be assessed an extra \$120-\$160 per year in taxes.

Mayor Swearingen said she would like the architects to not take the second floor away from the fire station.

MPT Bloszinsky said Commissioner Dugan's idea cuts quite a big amount of square footage out of the space while giving the Fire Department what they need, without impacting the other areas. He said the idea would still give them almost 2-1/2 times the space they have now.

Discussion ensued about the contractual obligations of the town and the architectural firm.

Town Clerk Avery asked council if they didn't think it would make it more difficult for the architects to have to talk with the department heads instead of council talking with the department heads.

Commissioner Heglar said council set the boundary of \$5 million, and now the architects should work with the department heads to see what needs to come out, based on what council cut. He said if the architects and the department heads can't agree, then council will get back involved to arbitrate. He said that the department heads should be able to get everything they need and just about everything they want with \$5 million, adding that it will be the single biggest amount ever spent by the town.

MPT Bloszinsky asked what it means for Public Works.

Commissioner Heglar said there is some space in the plans and, right now, Director Beeker doesn't need a building. He said he's looking at getting a laydown area and two bays for his trucks. He said that Director Beeker is also looking at expanding the area where the garbage trucks are kept by fencing off an area near there.


MPT asked what capacity the town has for growth on its infrastructure for in-season items like water and sewer.



## TOWN OF KURE BEACH NOTICE OF SPECIAL MEETING

A special meeting has been called by the Mayor for the purpose of receiving proposed plans and cost estimates for the expansion of the Town Hall complex and construction of a new Fire Station. The special meeting will be held at Town Hall on Thursday, November 17<sup>th</sup> at 5:30 p.m. This meeting is open to the public and all interested persons are encouraged to attend.

Signed

  
Emilie Swearingen, Mayor

ATTEST

  
Nancy Hewitt, Deputy Clerk



DATE: November 8, 2016





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Commissioner Heglar said that sewer went up with the cross connect and Carolina Beach will have to expand their plant before Kure Beach will, even if we have to build everything out.

Commissioner Whitley said the town is 93 percent built-out on the lots.

MPT Bloszinsky said that he was just concerned because that's the only other thing that could come up as an immediate need, which council would have to deal with.

Discussion ensued about the possibility of aquifers and wells turning salty, eventually.

Town Clerk Avery was asked about the contract the town has with the architects. She said it was for \$28,500, and the town has paid all but \$1,425 of it.

Mayor Swearingen said the architects also said they wanted to do soil borings and asked if they could proceed with that.

Commissioner Heglar said the architects will tell council what the right time is for that but there may be a problem with soggy soil on the property. He said it could mean that one story will be the way to go for the fire station.

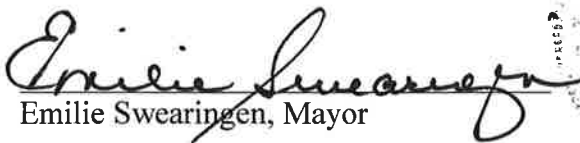
## ADJOURNMENT

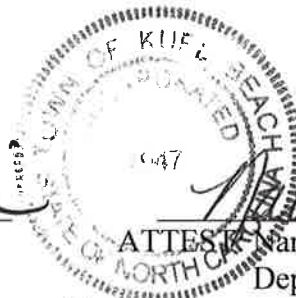
MOTION – Commissioner Heglar moved to adjourn.

SECOND – Commissioner Dugan

VOTE – Unanimous

The meeting adjourned at 6:50 p.m.

  
Emilie Swearingen, Mayor



  
ATTEST: Nancy Hewitt, CMC, NCCMC  
Deputy Clerk

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