



TOWN COUNCIL AGENDA

REGULAR MEETING

September 18, 2017 @ 6:30 p.m.

Call to Order – Mayor Swearingen

Invocation & Pledge of Allegiance – Mayor Swearingen

APPROVAL OF CONSENT AGENDA ITEMS

1. Events:

- Close K Avenue east of FFB and Atlantic Avenue between K and L Avenue all day on 9/24 for Island Day
- Approve pony rides on the beach on 9/24 as part of Island Day
- Close Atlantic Avenue between K and L Avenue on 10/6 from early morning hours until 10 p.m. for the Town's Jazz Funeral for end of summer
- Close Atlantic Avenue between K and L Avenue on 11/18 and 11/25 from early morning until 5 p.m. for the Holiday Market
- Allow food truck vendors for events on 10/7; 11/19 & 11/26

2. Surplus equipment report from January to June 2017

3. Building Inspections Report – August 2017

4. Finance Report July – September 12, 2017

5. Minutes:

- August 25, 2017 Special Meeting
- August 25, 2017 Closed session
- September 5, 2017 Special Meeting
- September 5, 2017 Closed session

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

PUBLIC HEARING

Amendment to Section 80 (town buildings and facilities) of Chapter 19 on Zoning of the Code or Ordinances to exempt the town from setback requirements.

Motion to reschedule this public hearing as first item of business on October agenda. The required newspaper notice was not published as needed.

If anyone attended this meeting to speak on this matter, Council will hear statements.



TOWN COUNCIL AGENDA

REGULAR MEETING

September 18, 2017 @ 6:30 p.m.

DISCUSSION AND CONSIDERATION OF PRESENTATIONS TO COUNCIL

DISCUSSION AND CONSIDERATION OF PERSONS TO ADDRESS COUNCIL

Sign up at podium (3-minute limit)

DISCUSSION AND CONSIDERATION OF COMMITTEE BUSINESS

1. Board of Adjustment
2. Community Center Committee
3. Marketing Committee
 - Visitor Volume Study
 - Program of Work
 - Sand Fund
4. Planning and Zoning Commission
5. Shoreline Access and Beach Protection Committee
6. Non-town Committee Reports

DISCUSSION AND CONSIDERATION OF DEPARTMENT HEAD BUSINESS

1. Administration and Recreation
 - a) Motion to approve closing K Avenue between Fourth Avenue and Dow Road on Sunday, October 8 from 7 a.m. to 12 p.m. for the Carolina Beach Marathon

 - b) Motion to adopt Resolution R17 -16 approving first amendment to US Cellular lease of space on the Settlers Lane water tower for an additional 25 year term beginning August 2020 with a per annum increase of 3 percent rather than CPI. Current monthly rent is \$2,111.02

2. Finance Department
 - a) Motion to adopt Resolution R17-19 filing of an application for approval of a financing Agreement not to exceed \$5,500,000 authorized by N.C. General Statute 160A-20 for Construction of a new fire station and expansion and renovation of the Town Hall facility

 - b) Motion to schedule a public hearing on application for approval of financing, as per Resolution R17-19 for October 9, 10 or 11 and set the time

 - c) Motion to authorize the Finance Officer to solicit Request for Proposals from financial institutions for financing construction of a new fire station and expansion and renovation of the Town Hall facility

3. Building Department
4. Fire Department
5. Police Department
6. Public Works Department



TOWN COUNCIL AGENDA

REGULAR MEETING

September 18, 2017 @ 6:30 p.m.

DISCUSSION AND CONSIDERATION OF OLD BUSINESS

1. Follow up discussion from August meeting regarding billing for recycling for the Ocean Dunes complex (Whitley)
2. Paid parking and Ad Hoc parking committee (tabled from August meeting)

DISCUSSION AND CONSIDERATION OF NEW BUSINESS

1. Motion to amend Section 5.06 Travel, Training and Business, Subsection B Authority and Approvals by deleting the requirement that Town Council approves all training and travel requests for Council members and the Mayor (Swearingen)
2. Reschedule October Council meeting (Swearingen)
3. Reschedule November 21 Council meeting?
Thanksgiving holiday is November 23 and 24
4. Reschedule December 19 Council meeting?
Generally, in an election year, Council holds the December meeting earlier in the month to seat the new council.

MAYOR UPDATES (no action required)

COMMISSIONER ITEMS (no action required)

CLOSED SESSION, if needed

ADJOURNMENT



MEMO

TO: Town Council
FROM: Nikki Keely, Recreation Manager
RE: Fall Events
DATE: 9/8/17

Kure Beach is scheduled to host Island Day this year on Sunday, September 24th. The event is open to the public from 1-5 p.m., but affects the downtown area the entire day when accounting for setup and breakdown. Island Day requires the closure of K Avenue east of Fort Fisher Boulevard and Atlantic Avenue between K and L Avenues. The event also utilizes Ocean Front Park and the beach strand between K and L Avenues. Council approval of the road closures is needed to host the event.

No vending takes place during Island Day, as everything is free to the public. One of the children's entertainment options is pony rides on the beach, near the L Avenue beach access. The company has been conscientious in keeping the beach clean during the activity in previous years. Permission from Council is needed to allow pony rides on the beach strand from 2-4 p.m. during this year's event.

Preparations are also underway for Kure Beach's signature fall events: the Farewell Summer Jazz Funeral and the Kure Beach Holiday Market. The past 2 years we have closed Atlantic Avenue between K and L Avenue and allowed for food trucks at each event. The purpose was to increase the overall appeal and size of each event, increase revenue with the collection of additional vendor fees, and to increase public safety by eliminating vehicle traffic on Atlantic Avenue during each event.

The changes have been well received by those participating in and attending each event. To this date, we have not received any negative feedback regarding the road closures and/or food trucks. With Council permission, we would like to continue in the same manner for 2017.

Council action is required on the following items regarding Town sponsored fall events:

- Close K Avenue east of Fort Fisher Boulevard and Atlantic Avenue between K and L Avenue on Sunday, September 24th from prior to sunrise through the completion of event cleanup for Island Day
- Allow pony rides on the beach strand between 2-4 p.m. on Sunday, September 24th for Island Day
- Close Atlantic Avenue between K and L Avenues from the early morning hours through 10 p.m. on Friday, October 6, 2017 for the Kure Beach Jazz Funeral
- Close Atlantic Avenue between K and L Avenues from the early morning hours through 5 p.m. on Saturday, November 18, 2017 and Saturday, November 25, 2017 for the Kure Beach Holiday Market
- Allow participation by food truck vendors during event hours on Friday, October 7th, Saturday, November 19th, and Saturday, November 26th.

nk

REPORT OF SURPLUS ITEMS JAN TO JUNE 2017

Item Description	Department	Make	Model#	VIN #	Serial#	Working Yes/No	Market Value	Condition	Declared Surplus	Comments
2012 Honda ATV	FD/OR	Honda	420 Rancher	No VIN-Rusted off	N/A	Yes	\$1,800.00	Running, but worn out	1/13/17	Sold to Scott Sink 01/30/2017
2014 Honda ATV	FD/OR	Honda	420 Rancher	1HFTE3904E4000124	N/A	Yes	\$2,000.00	Running, but worn out	1/13/17	Sold to Scott Sink 01/30/2017
2015 Honda side by side	FD/OR	Honda	SXS700M2	1HFVE0222F4100971	N/A	Yes	\$4,292.00	Running, but worn out	1/13/17	Sold to Scott Sink 01/30/2017

As per Ordinance 2-164, the Town Clerk is to provide a report to Council on or before the first day of February for items declared surplus from July to December of the previous year and on the first day of August for items declared surplus from January through June. Per the same ordinance, the Town Clerk is authorized to declare surplus property with a market value of less than \$5,000

Submitted to Town Council on

 Nancy Avery, Town Clerk

Kure Beach Inspections Dept.-All Permits Issue Date: 8/1/2017 - 8/31/2017

Permit Type / Occupancy - Use Group		Est Cos	Fee
Building			
R-3			
	Total R-3 8	\$814,760	\$19,795.00
	Total Building 8	\$814,760	\$19,795.00
CAMA			
	Total 1	\$0	\$100.00
	Total CAMA 1	\$0	\$100.00
Fence			
R-3			
	Total R-3 2	\$0	\$50.00
	Total Fence 2	\$0	\$50.00
Total Permits: 11		\$814,760	\$19,945.00

Kure Beach Inspections Dept.-All Permits Issue Date: 8/1/2017 - 8/31/2017

PermitNo	Issue Date	Applicant	Owner	Project Addr	Est Cost	Fee	Description	Final
Building								
R-3								
170067	8/1/2017	CARROL, JANET W KEITH L	CARROL, JANET W KEITH L	302 S FOURTH AVE	\$1,500	\$50.00	Deck Additions	
170068	8/1/2017	BRIGANCE, RONNIE L KOLLEEN M	BRIGANCE, RONNIE L KOLLEEN M	1714 BONITO LN	\$246,000	\$8,590.00	New SFD	
170069	8/8/2017	WESTENBERGER, BRIAN R ETAL	WESTENBERGER, BRIAN R ETAL	762 SETTLERS LN	\$6,000	\$150.00	Replace doors and add h	
170070	8/17/2017	PARKER, RICHARD C LINDA S	PARKER, RICHARD C LINDA S	806 KURE VILLAGE WAY	\$13,160	\$200.00	New screen porch etc.	
170071	8/17/2017	DWULET, DONALD W JR BRENDA	DWULET, DONALD W JR BRENDA	707 GULF STREAM DR	\$22,104	\$200.00	bathroom addition	
170072	8/17/2017	WILLIAMS, RICHARD NORA	WILLIAMS, RICHARD NORA	425 LARGO WAY	\$488,996	\$10,205.00	New SFD	
170074	8/29/2017	RANKIN, DJANE V ETAL	RANKIN, DJANE V ETAL	235 FOURTH AVE N	\$29,000	\$250.00	renovation	
170075	8/31/2017	EVANS, ANN SASSER JOHN T III	EVANS, ANN SASSER JOHN T III	422 SANDMAN DR	\$8,000	\$150.00	Deck Additions	
				Total R-3 8	\$814,760	\$19,795.00		
				Total Building 8	\$814,760	\$19,795.00		
CAMA								
KB 17-08	8/24/2017	SEYMOUR, THOMAS E ROBIN J	SEYMOUR, THOMAS E ROBIN J	531 FORT FISHER BLV S	\$0	\$100.00		
				Total 1	\$0	\$100.00		
				Total CAMA 1	\$0	\$100.00		
Fence								
R-3								
170011	8/23/2017	ASHBRIDGE, BYRON L JR JEANNE E	ASHBRIDGE, BYRON L JR JEANNE E	302 KURE VILLAGE WAY	\$0	\$25.00	New 4' fence	
170012	8/23/2017	CARAWAY, ROBERT S AMY H	CARAWAY, ROBERT S AMY H	230 N FOURTH AVE	\$0	\$25.00	New 4' fence	
				Total R-3 2	\$0	\$50.00		
				Total Fence 2	\$0	\$50.00		
				Total Permits: 11	\$814,760	\$19,945.00		

**REVENUE AND EXPENDITURE SUMMARY
JULY 1, 2017 TO SEPTEMBER 12, 2017**

REVENUES

	2018 Budget	Actual 9/12/2017	% Collected
GENERAL FUND			
Property Taxes (Cur. & PY)	\$ 2,491,300	\$ 136,630	5.5%
Local Option Sales Tax	\$ 850,075	\$ 144,000	16.9%
Garbage & Recycling	\$ 382,350	\$ 70,572	18.5%
Franchise & Utility Tax	\$ 234,500	\$ -	0.0%
TDA Funds	\$ 205,650	\$ 26,917	13.1%
CAMA Grants - Beach Access Paving	\$ 89,332	\$ -	0.0%
Communication Tower Rent	\$ 79,125	\$ 19,670	24.9%
Bldg. Permit & Fire Inspect. Fees	\$ 59,300	\$ 17,100	28.8%
Sales Tax Refund	\$ 54,000	\$ -	0.0%
Com Ctr/Parks & Rec/St Festival	\$ 20,500	\$ 4,619	22.5%
Motor Vehicle License Tax/Decals	\$ 15,000	\$ 8,160	54.4%
Town Facility Rentals	\$ 15,000	\$ 6,542	43.6%
ABC Revenue	\$ 14,600	\$ 5,884	40.3%
OFF - Bluefish Purchases	\$ 11,000	\$ 1,980	18.0%
Beer & Wine Tax	\$ 9,500	\$ -	0.0%
All Other Revenues	\$ 6,185	\$ 15,799	255.4%
Other Financing Sources	\$ 70,000	\$ -	0.0%
Total Revenues	\$ 4,607,417	\$ 457,873	9.9%

EXPENDITURES

	2018 Budget	Actual 9/12/2017	% Spent
GENERAL FUND			
Governing Body	\$ 38,505	\$ 20,956	54.4%
Committees	\$ 120,010	\$ 719	0.6%
Finance	\$ 150,786	\$ 33,206	22.0%
Administration	\$ 407,848	\$ 108,209	26.5%
Community Center	\$ 23,300	\$ 3,491	15.0%
Emergency Mgmt./Elections	\$ 3,100	\$ 1	0.0%
Tax Collections	\$ 27,000	\$ 213	0.8%
Legal	\$ 28,950	\$ 7,480	25.8%
Police Department	\$ 1,308,960	\$ 213,094	16.3%
Fire Department	\$ 701,867	\$ 102,290	14.6%
Lifeguards	\$ 196,850	\$ 72,882	37.0%
Parks & Recreation	\$ 146,027	\$ 26,253	18.0%
Bldg Inspection/Code Enforcement	\$ 135,201	\$ 20,046	14.8%
Streets & Sanitation	\$ 863,848	\$ 117,118	13.6%
Debt Service	\$ 360,615	\$ 106,179	29.4%
Transfer to Other Funds	\$ 46,450	\$ 46,450	100.0%
Contingency	\$ 48,100	\$ -	0.0%
Total Expenses	\$ 4,607,417	\$ 878,587	19.1%

WATER & SEWER FUND

Water Charges	\$ 805,000	\$ 185,936	23.1%
Sewer Charges	\$ 1,155,000	\$ 248,454	21.5%
Tap, Connect & Reconnect Fees	\$ 37,200	\$ 17,240	46.3%
All Other Revenues	\$ 8,455	\$ 1,474	17.4%
Other Financing Sources	\$ 145,000	\$ 31,958	22.0%
Total Revenues	\$ 2,150,655	\$ 485,062	22.6%

WATER & SEWER FUND

Governing Body	\$ 17,505	\$ 4,456	25.5%
Legal	\$ 28,950	\$ 7,480	25.8%
Finance	\$ 186,200	\$ 34,377	18.5%
Administration	\$ 260,170	\$ 93,330	35.9%
Operations	\$ 1,657,830	\$ 302,166	18.2%
Total Expenses	\$ 2,150,655	\$ 441,809	20.5%

STORM WATER FUND

Total Revenues	\$ 630,094	\$ 81,988	13.0%
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STORM WATER FUND

Total Expenses	\$ 630,094	\$ 110,961	17.6%
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POWELL BILL FUND

Total Revenues	\$ 65,070	\$ 21	0.0%
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POWELL BILL FUND

Total Expenses	\$ 65,070	\$ 518	0.8%
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SEWER EXPANSION RESERVE FUND (SERF)

Total Revenues	\$ 30,330	\$ 96	0.3%
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SEWER EXPANSION RESERVE FUND (SERF)

Total Expenses	\$ 30,330	\$ -	0.0%
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BEACH PROTECTION FUND

Total Revenues	\$ 47,090	\$ 46,634	99.0%
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BEACH PROTECTION FUND

Total Expenses	\$ 47,090	\$ -	0.0%
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FEDERAL ASSET FORFEITURE FUND

Total Revenues	\$ 50,000	\$ -	0.0%
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FEDERAL ASSET FORFEITURE FUND

Total Expenses	\$ 50,000	\$ 8,595	17.2%
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**TOWN OF KURE BEACH
CASH AND INVESTMENTS
AS OF AUGUST 31, 2017**

<u>FUND</u>	<u>CASH IN BANK</u>	<u>INVESTMENTS</u>	<u>TOTAL CASH & INVESTMENTS</u>
General	\$1,906,710	\$343,500	\$2,250,210
Water/Sewer	\$1,318,289	\$587,711	\$1,906,000
Storm Water	\$185,552	\$241,486	\$427,038
SERF	\$55,386	\$91,704	\$147,090
Powell Bill	\$269,536	\$20,023	\$289,559
Beach Protection	\$158,090	\$176,178	\$334,268
Federal Asset Forfeiture	\$64,884	\$0	\$64,884
Capital Project Funds	\$433,203	\$0	\$433,203
TOTAL	<u>\$4,391,650</u>	<u>\$1,460,602</u>	<u>\$5,852,252</u>
<u>INSTITUTION</u>			
BB&T	\$4,391,650	\$0	
First Bank - Certificates of Deposit	\$0	\$911,519	
NCCMT Term Portfolio	\$0	\$539,697	
NCCMT Cash Portfolio	\$0	\$9,386	
TOTAL	<u>\$4,391,650</u>	<u>\$1,460,602</u>	

TOWN OF KURE BEACH
SUMMARY OF CONTINGENCY FUND AND COMMITTEE
EXPENDITURE ACTIVITY
07/01/2017 - 09/12/2017

CONTINGENCY FUND

Fiscal Year 2018 Budget	\$48,100.00
Less:	
No activity	<u>\$0.00</u>
Remaining Budget as of 09/12/2017	<u><u>\$48,100.00</u></u>

COMMITTEE (Shoreline Access and Beach Protection) EXPENDITURES

Fiscal Year 2018 Budget	\$120,010.00
Less Expenditures:	
Dune Signage	<u>\$718.60</u>
Total Expenditures	\$718.60
Projects Approved By Council But Not Yet Expended:	
No activity	<u> </u>
Total Approved, Not Expended	<u>\$0.00</u>
Remaining Budget as of 09/12/2017	<u><u>\$119,291.40</u></u>

**TOWN OF KURE BEACH
DEBT LISTING
SEPTEMBER 18, 2017**

<u>LOAN PURPOSE/DESCRIPTION</u>	<u>FUND</u>	<u>LENDER</u>	<u>DATE OF LOAN</u>	<u>AMOUNT FINANCED</u>	<u>INTEREST RATE</u>	<u>LOAN TERM (YRS)</u>	<u>DATE PAID OFF</u>	<u>BALANCE AT 09/18/17</u>	<u>PAYMENT FREQUENCY</u>	<u>PAYMENT AMOUNT</u>	<u>NEXT PAY DATE</u>	<u>INT. EXPENSE LIFE OF LOAN</u>
Sewer Rehabilitation Project (a)	W/S	Fed Gov	5/1/2010	\$432,660	0.00%	20	5/1/2030	\$137,224.32	Annual	\$10,555.72	5/1/2018	\$0.00
Ocean Front Park (development)	G	BB&T	7/12/2011	\$347,000	4.39%	17	7/12/2028	\$224,529.44	Annual	\$30,268.60	7/12/2018	\$137,099.64
Ocean Front Park (acquisition)	G	BB&T	12/19/2007	\$3,600,000	4.28%	20	12/19/2027	\$713,942.41	Annual	\$95,460.60	12/19/2017	\$690,135.16
Kure Beach Pump Station #1	W/S	1st Bank	6/28/2017	\$475,000	2.11%	10	6/28/2027	\$475,000.00	Semi-annual	\$26,507.64	12/28/2017	\$55,152.80
334 S. 4th, 402 H & 406 H Ave. Water Tower & Well House & Town Hall Expansion (b)	G	BB&T	3/12/2015	\$409,471	2.49%	10	3/12/2025	\$327,576.91	Annual	\$49,103.79	3/12/2018	\$56,077.07
2016 John Deere Backhoe (c)	W/S, SW	BB&T	4/11/2007	\$1,187,187	3.92%	15	5/7/2022	\$474,524.79	Semi-annual	\$52,716.71	11/7/2017	\$394,314.33
2017 Freightliner Garbage Truck	G	1st Bank	11/9/2016	\$105,273	1.87%	5	11/9/2021	\$105,273.00	Annual	\$22,250.35	11/9/2017	\$5,978.75
Compact Excavator (c)	W/S, SW	1st Bank	8/23/2016	\$179,756	1.70%	5	8/23/2021	\$145,006.54	Annual	\$37,805.31	8/23/2018	\$9,270.57
(2) 2016 Police Dodge Chargers	G	1st Bank	7/28/2017	\$63,915	1.80%	4	7/28/2021	\$63,915.00	Annual	\$16,704.21	7/28/2018	\$2,901.83
O'Brien 7065 Hydroletter. (c)	W/S, SW	1st Bank	11/9/2016	\$63,500	1.60%	4	11/9/2020	\$63,500.00	Annual	\$16,515.04	11/9/2017	\$2,560.16
2016 Chevrolet Silverado	G	1st Bank	8/13/2015	\$81,485	1.70%	5	8/13/2020	\$49,712.69	Annual	\$17,149.28	8/13/2018	\$4,202.44
Cutter Court Drainage Project	SW	B of A	7/26/2016	\$36,867	1.60%	4	7/26/2020	\$27,868.52	Annual	\$9,593.55	7/26/2018	\$1,486.39
FY 2016 Equipment & Vehicles (d)	G, W/S	BB&T	7/23/2005	\$875,000	4.40%	15	6/23/2020	\$207,030.67	Monthly	\$6,677.76	10/23/2017	\$326,995.49
(2) 2015 Police Cars	G	BB&T	9/14/2015	\$186,000	2.01%	4	9/14/2019	\$94,850.52	Annual	\$48,859.87	9/14/2018	\$9,439.48
2015 Ford F-250 Utility Truck	W/S	BB&T	3/27/2015	\$48,359	2.19%	4	3/27/2019	\$24,703.23	Annual	\$12,758.83	3/27/2018	\$2,676.33
Downtown Improvement Project	G	BB&T	10/24/2014	\$32,216	2.19%	4	10/24/2018	\$16,456.90	Annual	\$8,499.73	10/24/2017	\$1,782.92
2013 Ford F-150 Police Truck	G	BB&T	1/17/2014	\$117,000	1.93%	4.5	6/17/2018	\$48,308.45	Annual	\$24,719.00	1/17/2018	\$6,595.00
	G	BB&T	1/15/2014	\$32,000	2.18%	4	1/15/2018	\$8,260.62	Annual	\$8,440.70	1/15/2018	\$1,762.80

FUND CODES

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

TOTAL OUTSTANDING DEBT AT 09/18/2017:

General Fund \$ 1,740,733.61
Water/Sewer Fund \$ 1,150,469.38
Storm Water Fund \$ 316,481.02
Total \$ 3,207,684.01

NOTES

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

LOAN PAYMENTS DUE (Next 12 Months):

09/19/2017 - 12/31/2017 \$ 241,983.35
01/01/2018 - 03/31/2018 \$ 115,055.60
04/01/2018 - 06/30/2018 \$ 134,532.35
07/01/2018 - 09/18/2018 \$ 180,414.10
Total \$ 671,985.40

**TOWN OF KURE BEACH
KURE BEACH PUMP STATION #1
CAPITAL PROJECT FUND SUMMARY
AS OF 09/12/2017**

	<u>APPROVED BUDGET</u>	<u>ACTUAL AS OF 09/12/17</u>
<u>EXPENDITURES</u>		
<u>ENGINEERING SERVICES, PA</u>		
Land Surveying Fees	\$4,000	\$4,000.00
Engineering Planning	\$5,000	\$0.00
Engineering Design	\$47,000	\$47,000.00
Bidding Assistance	\$6,500	\$6,500.00
Construction Administration	\$25,000	\$8,750.00
Construction Inspection	<u>\$28,500</u>	<u>\$9,975.00</u>
Total Engineering Services, PA	<u>\$116,000</u>	<u>\$76,225.00</u>
<u>OTHER PROJECT COSTS</u>		
Legal Fees	\$4,750	\$0.00
LGC Loan Application Fee	<u>\$1,250</u>	<u>\$1,250.00</u>
Total Other Costs	<u>\$6,000</u>	<u>\$1,250.00</u>
<u>T&H CONSTRUCTION OF HAMPSTEAD, NC</u>		
Construction	<u>\$689,731</u>	<u>\$236,300.18</u>
<u>GRAND TOTAL EXPENDITURES</u>	<u><u>\$811,731</u></u>	<u><u>\$313,775.18</u></u>
 <u>PROJECT REVENUE SOURCES</u>		
Transfer From Water/Sewer Fund to Pump Station #1 Capital Project Fund	\$186,731	\$186,731.00
Transfer From Sewer Expansion Reserve Fund (SERF) to Pump Station #1 Capital Project Fund	\$150,000	\$150,000.00
Installment Financing	<u>\$475,000</u>	<u>\$475,000.00</u>
<u>GRAND TOTAL PROJECT REVENUE SOURCES</u>	<u><u>\$811,731</u></u>	<u><u>\$811,731.00</u></u>

**TOWN OF KURE BEACH
TOWN HALL RENOVATION AND NEW FIRE STATION
CAPITAL PROJECT FUND SUMMARY
AS OF 09/12/2017**

	<u>APPROVED BUDGET</u>	<u>ACTUAL AS OF 09/12/17</u>
<u>EXPENDITURES</u>		
<u>OAKLEY COLLIER ARCHITECTS</u>		
Feasibility Study	\$28,500	\$28,500.00
Schematic Design	\$74,407	\$74,407.40
Design Development	\$55,806	\$55,805.55
Construction Documents	\$148,815	\$119,051.84
Bidding & Negotiation	\$18,602	\$0.00
Contract Administration	\$74,407	\$0.00
Reimbursable Expenses	\$14,720	\$9,039.47
Retainer	\$0	\$7,000.00
Total Oakley Collier Architects	<u>\$415,257</u>	<u>\$293,804.26</u>
<u>OTHER PROJECT COSTS</u>		
Preliminary Survey	\$3,250	\$3,250.00
Legal Fees	\$25,000	\$12,698.65
LGC Loan Application Fee	\$1,250	\$0.00
Other	\$500	\$0.00
Total Other Project Costs	<u>\$30,000</u>	<u>\$15,948.65</u>
<u>PROJECT MANAGEMENT COSTS</u>		
Constructive Building Solutions	\$0	\$5,000.00
<u>CONSTRUCTION</u>		
Construction	<u>\$4,554,743</u>	<u>\$0.00</u>
<u>GRAND TOTAL EXPENDITURES</u>	<u><u>\$5,000,000</u></u>	<u><u>\$314,752.91</u></u>
 <u>PROJECT REVENUE SOURCES</u>		
Transfer From General Fund	\$250,000	\$250,000.00
Installment Financing	<u>\$4,750,000</u>	<u>\$0.00</u>
<u>GRAND TOTAL PROJECT REVENUE SOURCES</u>	<u><u>\$5,000,000</u></u>	<u><u>\$250,000.00</u></u>



TOWN COUNCIL MINUTES

SPECIAL MEETING

August 25, 2017 @ 5:30 p.m.

The Kure Beach Town Council held a special meeting on Friday, August 25, 2017 at 5:30 p.m. The town attorney was present and there was a quorum of council members.

COUNCIL MEMBERS PRESENT

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

STAFF PRESENT

Town Clerk, Nancy Avery

CALL TO ORDER

Mayor Swearingen called the meeting to order at 5:30 p.m., stating the purpose of the meeting is to:

1. Approve minutes from the 8/17/17 council meeting for use by the Coastal Resource Commission regarding the request by the town to approve a Development Line
2. Receive an update on staff relocation for the Facility Improvement Project
3. Hold a closed session for a personnel matter

Notice of the Special Meeting was posted at Town Hall and on the town website on August 22, 2017 thus meeting the 48 hour notice requirement.

1. Approve minutes

MOTION: Commissioner Dugan moved to approve the minutes from 8/17/17

SECOND: Commissioner Whitley

VOTE: Unanimous

2. Update on staff relocation

Town Clerk Avery presented a comparison of four locations for placement of construction trailers to relocate staff for a 10-12 month period while town facilities are expanded, renovated and constructed. She recommended use of a ballfield located near the Fort Fisher National Guard Training Facility because of paved access, paved parking, adequate space and connection to fiber optics, electric and water and sewer. The Police Chief is in negotiations for use of a brick and mortar building close by that contains a secure vault. She stated she had met with Captain Litaker, site director and also Katie Powell, site director for the recreation area located there. A formal request for use of the land has been submitted.

CONSENSUS of Council – continue on with the request to utilize the National Guard Training Facility as the best location.

Town Clerk Avery also stated that six pre-qualification proposals were received from contractors for the project and that the bidding process would begin September 14th. Bids will be received by October 14th. She gave Council a heads up that at the September meeting, the Finance Officer will present a resolution for Notice of Intent to Finance at an amount not to exceed \$6 million. The clerk said this is a legal process



TOWN COUNCIL MINUTES

SPECIAL MEETING

August 25, 2017 @ 5:30 p.m.

that the town has to go through to receive approval from the Local Government Commission to borrow the funds and this does not mean the town will actually borrow the full \$6 million. This process takes about two months and needs to begin before the bids are received. The construction budget is \$4.9 million. To date the town has spent approximately \$350,000. At the beginning of the project, Council approved a resolution of intent to reimburse funds spent before financing is secured. In addition, there will be an expenditure of \$85,500 for the Project Manager and approximately \$80 - \$100,000 in relocation costs. It is expected that relocating staff will save \$100,000 on the total construction budget, but the town still has to pay the costs up front. The not to exceed amount of \$6 million is to cover any unexpected increase in bids so the approval process with the Local Government Commission won't be stopped because estimates weren't high enough.

Discussion points among Council were that the total project was to only cost \$5 million and now staff is saying \$6 million. When did it get so high and why? Isn't twelve percent of costs to come from the Water and Sewer Fund? This doesn't mean the architect should be told there is \$6 million to spend. There needs to be a statement of true costs to give real impact to the taxpayers.

Commissioner Dugan stated nothing had come from the town to the architects that the construction budget is more than \$5 million. Mayor Swearingen suggested each Council member speak with the Finance Officer to get a better understanding and express his concerns.

3. Closed session

MOTION - Mayor Pro Tem Bloszinsky made the motion to go into closed session per NCGS 143-318.11(6) to discuss a personnel matter at 6:30 p.m.

SECOND - Commissioner Whitley

VOTE - Unanimous

MOTION - Commissioner Dugan made the motion to return to open session at 6:11 p.m.

SECOND - Mayor Pro Tem Bloszinsky

VOTE - Unanimous

Mayor Swearingen stated Council directed the Town Clerk to pursue the personnel matter administratively.

Mayor Swearingen stated she emailed a letter to the editor for the Island Gazette regarding the facility improvement project and requested Council's input and approval to send the letter.

CONSENSUS of Council was that the letter was okay to send as is.

Mayor Swearingen asked Council to approve approximately \$900 for registration, mileage and hotel expenses for her to attend the annual North Carolina League of Municipalities conference in Greenville, NC.

CONSENSUS of Council was to approve the expenditure.



TOWN COUNCIL MINUTES

SPECIAL MEETING

August 25, 2017 @ 5:30 p.m.

ADJOURNMENT

MOTION – Commissioner Whitley made the motion to adjourn at 6:13 p.m.

SECOND – Commissioner Dugan

VOTE – Unanimous

Emilie Swearingen, Mayor

ATTEST: Nancy Avery, Town Clerk

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



TOWN COUNCIL MINUTES

SPECIAL MEETING

September 5, 2017 @ 6:30 p.m.

The Kure Beach Town Council held a special meeting on Tuesday September 5, 2017 at 6:30 p.m. The town attorney was present and there was a quorum of council members.

COUNCIL MEMBERS PRESENT

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

COUNCIL MEMBERS ABSENT

All present

STAFF PRESENT

Finance Officer, Arlen Copenhaver
Police Chief, Mike Bowden
Personnel and Facilities Manager, Mandy Sanders
Town Clerk, Nancy Avery
Administrative Assistant, Kathleen Zielinski

CALL TO ORDER

Mayor Swearingen called the meeting to order at 6:30 p.m., stating the purpose of the meeting is for consideration and discussion of:

1. Budget and estimated costs; timeline; and the notice of intent to finance process associated with the facility improvement project (expansion, renovation and new construction)
2. Any other topics necessary

Notice of the meeting was posted at Town Hall and on the website on August 31, 2017, thus meeting the 48-hour notice requirement.

Commissioner Dugan began the discussion by explaining that the purpose of the meeting was to gather the principals involved with the project to go through all information prior to the next regular Council meeting when the vote on funding will occur. By going through the details at this meeting, the subsequent regular meeting should go smoothly. He then invited Finance Officer Copenhaver to present a financial overview.

FO Copenhaver provided a detailed synopsis of the current project costs and how they compare to the estimates established when the budget ordinance passed in May. He explained that new costs such as vital electrical upgrades, temporary relocation of staff and third-party management



TOWN COUNCIL MINUTES

SPECIAL MEETING

September 5, 2017 @ 6:30 p.m.

services have been added into the overall cost and suggested council also factor in a contingency fee amount that may not be necessary, but would prudently protect the Town's finances in the event of an unforeseen expense.

FO Copenhaver then presented a proposed timeline outlining steps required for securing financing. Included in the timeline were the date for a Public Hearing, advertisement of RFP for financial institutions, publication of Public Hearing in the Island Gazette, estimated date of contractor bid opening and the Local Government Commission (LGC) meeting for approval of financing. The first required step is the Resolution of Intent to Finance and needs a "not to exceed" amount which Council should determine at this meeting in preparation to vote at the next regular meeting.

Several factors arose during the ensuing discussion with the architectural and project management teams:

- Bid package will include a list of options such as shingle versus metal roof to permit flexibility when considering final costs.
- Potential bidders may be lured away due to hurricane damage repairs in Texas.
- The current age and condition of the building is a concern. Safety for staff and the public must come first.
- Various options were discussed but final discussions will be dependent on the construction bids.
- Project team must be open to what fits into the budget.
- Setting the maximum amount to include contingencies does not determine the budget, but is necessary for moving forward to obtain funding. That amount can be decreased, but not increased.

MOTION – Commissioner Dugan moved to set the maximum amount to finance at \$5.5 million

SECOND – MPT Bloszinsky

VOTE – Unanimous

Town Clerk Avery requested guidance from Council regarding relocating staff. She shared her concern about spending funds without the certainty of knowing if the project will move forward. Commissioner Dugan expressed his willingness to move forward with the relocation while waiting for bid submissions. He feels it will be most cost effective to go ahead right away since personnel will be moving out anyway. MPT Bloszinsky concurred.



TOWN COUNCIL MINUTES

SPECIAL MEETING

September 5, 2017 @ 6:30 p.m.

Mayor Swearingen had other items of interest to share:

1. Towns and counties in proximity to Sunny Point will be required to enter into an 18-month project to develop a land use plan for the Department of Defense and their respective properties. The principal committee meeting on the project will be the planning staff from each government entity. She suggested Building Inspector John Batson attend each meeting, with someone from the Planning & Zoning Commission as an alternate. The Council of Government is heading this effort and will select a consultant to work with each entity. Once complete, an elected official will need to approve the plan, and she requested that Commissioner Whitley take on that role. He agreed to attend the first elected officials meeting and will report back to Council on what happens there.
2. The State has a program to fund beach nourishment. While the measure to approve the program has passed both the house and the senate, not one single penny has been appropriated. It could be 2019 before they start tackling the issue of how much money is needed. Towns up and down the coast desperately need help.
3. A reporter from WWAY was in town earlier in the day asking about the sand ledge that has formed on the beachfront at Ocean Dunes. In a subsequent article printed online, he reported inaccurately that the Town of Kure Beach is working with the Army Corps of Engineers on the issue.

Planning & Zoning Chairman John Ellen inquired about the upcoming ordinance modification for setbacks. He wanted to know if Council would consider changing the setback requirement for the Fire Station only rather than all town buildings. Commissioner Heglar stated that, in his opinion, P&Z should treat all town buildings the same. He went on to say that they can bring any recommendations they think are appropriate, but Council is authorized to overrule those recommendations.

At this point, Mayor Swearingen requested a motion to enter closed session for the purpose of discussing a personnel matter.

MOTION – Commissioner Whitley made the motion to go into a closed session to discuss a personnel matter as per N.C.G.S. 143 – 318-11(a) (6).

SECOND – Commissioner Dugan

VOTE – Unanimous

MOTION – MPT Bloszinsky moved to return to open session at 9:11 p.m.

SECOND – Commissioner Dugan

VOTE – Unanimous



TOWN COUNCIL MINUTES

SPECIAL MEETING

September 5, 2017 @ 6:30 p.m.

ADJOURNMENT

MOTION – Mayor Swearingen moved to adjourn at 9:12 p.m.

SECOND – Commissioner Dugan

VOTE – Unanimous

Emilie Swearingen, Mayor

ATTEST: Nancy Avery, Town Clerk

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



KURE BEACH
PLANNING & ZONING COMMISSION

P&Z Meeting Date: 09/06/2017

P&Z Agenda Item# 6.a.

DRAFT

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

- This recommendation is CONSISTENT WITH the objectives/policies of the Town of Kure Beach Land Use Plan adopted by Council 9/27/06 & Coastal Resources Commission 11/17/06
- This recommendation is NOT CONSISTENT WITH the objectives/policies of the Town of Kure Beach Land Use Plan
- This recommendation is consistent with Section _____ Part _____ of the Town of Kure Beach Land Use Plan (if not consistent, leave blank)
- Consideration of recommended text amendment to The Town of Kure Beach Code, Chapter 19 Zoning, Art. III, Div. I, Sect. 80, Town buildings and facilities

The Planning and Zoning Commission reviewed the attached proposed amendment and voted to report unfavorably on the same based on being unable to address plan consistency or determine whether the amendment is reasonable and in the public interest without additional information, including a detailed site plan showing the setbacks and driveway location for the proposed new fire station,.

Kure Beach Planning and Zoning Commission:

_____, Chairman



KURE BEACH PLANNING & ZONING COMMISSION REGULAR MEETING

The Kure Beach Planning and Zoning Commission held their regular meeting on **Wednesday, September 6, 2017**. A quorum of commission members was present.

P&Z MEMBERS PRESENT

Chairman John Ellen
Vice Chairman Alan Votta
Member Bill Moore
Member Kenneth Richardson
Member Craig Galbraith
Alternate Member John Cawthorne

P&Z MEMBERS ABSENT

All present

STAFF PRESENT

John Batson – Building Inspections
Kathleen Zielinski – Secretary

~~~~~  
Councilman Joseph Whitley, Liaison  
Attorney James E. Eldridge

### **1. CALL TO ORDER**

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

### **2. APPROVAL OF AGENDA**

**MOTION** – Member Moore moved to approve the meeting agenda

**SECOND** – Member Galbraith

**VOTE** – Unanimous

### **3. APPROVAL OF MEETING MINUTES**

**MOTION** – Member Moore moved to approve the minutes of August 2, 2017

**SECOND** – Member Richardson

**VOTE** – Unanimous

#### 4. PUBLIC COMMENTS

David Garceau of 1038 Ft. Fisher Blvd. S. rose to express his concern about the impending code change to exempt town buildings from setback requirements. He said he was not objecting to the construction of a new fire station, but suggested that a wording change must be considered carefully. Allowing setbacks for all town buildings could affect future building where other town-owned property is involved. Rather than permitting an exception on the setback ordinance for all town buildings, he would prefer the exception be given to just the fire station.

#### 5. OLD BUSINESS

##### a. Setbacks and structures

Attorney Eldridge distributed a draft of proposed ordinance changes for discussion, explaining that staff went through the ordinances and identified areas that require clarification. As a result, his focus was on keeping setbacks unimpeded, clarifying ambiguities when identifying yards and setbacks, considering elements that might be permitted or excluded in a setback and, finally, parking. During his review of the draft with the Commission members, several items were addressed including:

- Residential use of off-street parking
- Parking for businesses in mixed-use areas
- Identifying other structures
- Ground level decks and walkways
- Pervious materials for driveways
- "Granny" houses

Attorney Eldridge then invited members to review his draft prior to the October meeting. Without feedback to the contrary, the proposed changes can be put on the October agenda with associated consistency statements for submission to Town Council for their consideration.

#### 6. NEW BUSINESS

- a. An amendment to Chapter 19, Sec 80 of the Code of Ordinances to exempt the Town from setback requirements was considered. The amendment is necessary before moving forward with the project to expand Town Hall and Police Station, and construct a new Fire Station. The ensuing discussion included varying viewpoints on the plausibility of approving the change without first reviewing a site plan. Further comments were offered to suggest including only the fire station rather than all town buildings.

Attorney Eldridge suggested members vote to deny or approve the change, or to table the discussion to a later date, keeping in mind that a consistency statement will be required either way.

**MOTION** – Member Votta moved to report unfavorably on the proposed amendment as presented without more information, such as a site plan showing setbacks and driveway location on K Avenue, due to potential issues with public safety.

**SECOND** – Member Richardson

**VOTE** – Motion carried 3-2 with Members Votta, Richardson and Moore in favor, and Chairman Ellen and Member Galbraith dissenting

Attorney Eldridge will prepare a consistency statement for submission to Town Council at their next regular meeting.

## **7. MEMBER ITEMS**

- a. Chairman Ellen suggested changing the date of the next meeting to allow attendance at the Political Forum of Kure Beach Town Council candidates scheduled for October 4, 2017. The timing of the forum is in conflict with the P&Z regular meeting schedule.

**MOTION** – Member Galbraith moved to change the date of the October Planning & Zoning meeting to October 11, 2017

**SECOND** – Member Richardson

**VOTE** – Unanimous

## **8. ADJOURNMENT**

**MOTION** – Member Galbraith moved to adjourn the meeting.

**SECOND** – Member Richardson

**VOTE** – Unanimous

The meeting was adjourned at 8:18 p.m.

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John Ellen, Chairman  
Planning and Zoning Commission

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Kathleen Zielinski, Secretary

NOTE: These are minutes reflecting items considered and actions taken by the Planning & Zoning Committee should not be considered a transcript of the meeting.





# MEMO

**TO:** Town Council  
**FROM:** Nikki Keely, Recreation Manager  
**RE:** Road Closure for Carolina Beach Marathon – Sunday, October 8, 2017  
**DATE:** 9/8/17

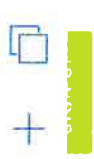
Town Hall has received a Special Event Application for the Carolina Beach Marathon on Sunday, October 8, 2017. The race will begin and end in Carolina Beach, only passing through Kure Beach. BTR Management is requesting the closure of Dow Road (from the intersection of K and 4<sup>th</sup> Avenues west) from 7 a.m. through 12 p.m. All other streets involved with the race route will remain open to vehicle traffic, with Police and Event Volunteers stationed throughout to assist runners. Please see the attached map to view the entire race route through Kure Beach.

BTR Management has requested assistance from the Police Department in implementing the road closures. Upon approval from Council, we will create a plan that meets the needs of our Police in ensuring safe execution of the event for participants and residents. BTR Management has provided a Certificate of Insurance for the event. They also have a plan in place to inform residents along the race route of the road closures and place signage along the route prior to the event.

Action required by Town Council at this time is a decision regarding the closure of K Avenue between 4<sup>th</sup> Avenue and Dow Road from 7 a.m. through 12 p.m. on Sunday, October 8, 2017.

nk

Attachment  
2017 Kure Beach Race Route Map



Try Route Genius for fresh local routes of your target distance!

SEARCH

COPY CLOSE

Import

- 12.94 mi ▶ Turn right onto Mackerel Ln
- 12.94 mi ⓘ Head south on Mackerel Ln toward Settlers Ln
- 13.09 mi ▶ Turn right onto Settlers Ln
- 13.12 mi ↔ Head west on Settlers Ln toward Sloop Pointe Ln
- 13.69 mi ⓘ Head south on Settlers Ln toward Largo Way
- 14.2 mi ⓘ Head southwest on Settlers Ln toward K Avenue
- 14.2 mi ◀ Turn left onto K Avenue
- 14.31 mi ◀ Turn left onto S 4th Ave
- 14.31 mi ⓘ Head north on S 4th Ave toward Sandman Ct
- 14.65 mi ⓘ Head north on N 4th Ave toward Sandman Ct
- 14.66 mi ▶ Turn right onto Sandman Dr
- 14.8 mi ◀ Turn left onto Kure Dunes Ln Destination will be on the left
- 14.82 mi ⓘ Head west on Kure Dunes Ln toward Anchor Way
- 14.96 mi ◀ Turn left onto Anchor Way
- 15.01 mi ⓘ Head south on Anchor Way toward Sandman Ct





KURE BEACH TOWN COUNCIL  
TOWN OF KURE BEACH, NC

**R**ESOLUTION R17-16

**A RESOLUTION TO AMEND A LEASE WITH US CELLULAR FOR SPACE ON  
WATER TOWER**

**WHEREAS**, on August 15, 2000; the Town entered into a lease with US Cellular for use of an area 75' x 40' with the right to attach cable and antenna to the top of the water tower located at the corner of Settlers Lane and Sloop Pointe; and,

**WHEREAS**, in July 2017, US Cellular requested an amendment to renew the lease that expires in August 2020 for another term of 5 consecutive 5 year terms for a total of 25 years; and,

**WHEREAS**, N.C. General Statute 160A-272 requires a 30 day public notice which was published in the Island Gazette on August 9, 2017 and adoption of a resolution before an amendment may be approved.

**NOW, THEREFORE BE IT RESOLVED** by the Kure Beach Town Council that the amendment renewing this lease with US Cellular for another 25 years upon its expiration in August 2020 is hereby adopted this 18th day of September, 2017.

\_\_\_\_\_  
Emilie Swearingen

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

## Nancy Avery

---

**From:** Sonny Beeker  
**Sent:** Friday, July 7, 2017 9:31 AM  
**To:** Nancy Avery  
**Subject:** Re: renewal of water tower lease

We have not had any problems with them.

Sent from my iPhone

On Jul 6, 2017, at 12:35 PM, Nancy Avery <[n.avery@townofkurebeach.org](mailto:n.avery@townofkurebeach.org)> wrote:

Hi Sonny – I have a request from US Cellular to renew the existing lease they have on the Settlers Lane water tower for 5 more 5 year time periods. Current lease expires in August of 2020. Renewal would begin in 2020 and could be consecutively renewed until 2045.

Have you had any issues with this company's use of the water tower or any concerns about renewing for this length of time?

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

## Nancy Avery

---

**From:** Nancy Avery  
**Sent:** Thursday, July 27, 2017 2:19 PM  
**To:** Arlen Copenhaver  
**Subject:** US cell lease on Settlers Lane water tower

Arlen – I have a request from US Cellular to renew the lease on the Settlers Lane water tower.

Current lease expires in 2020 and bases increases on CPI. The renewal bases increase at 3% per annum.

Please tell me what current monthly income is on this lease and your opinion on whether we should stick with CPI or a 3% annum increase.

Renewal will be on the September Council agenda.

Thanks!

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

Verbally per Arlen - 3% increase better than CPI

Worksheet attached

Avery  
7/28/17

**US CELLULAR  
TOWER LEASE DATA**

| <u>FISCAL YEAR</u>            | <u>MONTHLY LEASE<br/>PAYMENT</u> | <u>% INCREASE FROM<br/>PRIOR YEAR</u> |
|-------------------------------|----------------------------------|---------------------------------------|
| 2011                          | \$1,892.10                       |                                       |
| 2012                          | \$1,959.37                       | 3.56%                                 |
| 2013                          | \$1,992.01                       | 1.67%                                 |
| 2014                          | \$2,026.91                       | 1.75%                                 |
| 2015                          | \$2,068.92                       | 2.07%                                 |
| 2016                          | \$2,071.53                       | 0.13%                                 |
| 2017                          | \$2,092.36                       | 1.01%                                 |
| 2018                          | \$2,111.02                       | 0.89%                                 |
| Average Annual Lease Increase |                                  | 1.58%                                 |

CONSUMER PRICE INDEX (a):

| <u>YEAR</u>                 | <u>% INCREASE</u> |
|-----------------------------|-------------------|
| 1/2011 - 12/2011            | 3.0%              |
| 1/2012 - 12/2012            | 1.7%              |
| 1/2013 - 12/2013            | 1.5%              |
| 1/2014 - 12/2014            | 0.8%              |
| 1/2015 - 12/2015            | 0.7%              |
| 1/2016 - 12/2016            | 2.1%              |
| Average Annual CPI Increase | 1.6%              |

(a) - All Items Consumer Price Index for All Urban Consumers (CPI-U) for the U.S. City Average, 1982-84 = 100

**FIRST AMENDMENT TO GROUND LEASE**

This First Amendment to Ground Lease (“First Amendment”), is made the \_\_\_\_ day of \_\_\_\_\_, 2017, modifies that Ground Lease (the “Lease”), by and between **Town of Kure Beach a North Carolina municipal corporation** (“Landlord”) and **Wilmington Cellular Telephone Company, a North Carolina corporation**, Attention: Real Estate Lease Administration, 8410 West Bryn Mawr Avenue, Chicago, Illinois, 60631 (“Tenant”).

WHEREAS, Landlord and Tenant, or their predecessors-in-interest, have entered into that certain Ground Lease dated August 15, 2000 (the “Lease”) whereby Landlord leased to Tenant certain Premises located at the Intersection of Sloop Pointe and Settlers Lane, Kure Beach, New Hanover County, State of North Carolina; and

WHEREAS, Landlord and Tenant desire to amend the Lease to provide for additional renewal terms; and

WHEREAS, Landlord and Tenant desire to further amend the Lease to provide for a Right of First Refusal; and

WHEREAS, Landlord and Tenant desire to further amend the Lease to change the CPI rent adjustment to a fixed rate.

NOW THEREFORE, in consideration of these presents, the parties hereby agree that the Lease is now modified as follows:

I. Section 6, Option to Renew. is hereby amended as follows:

The current term now in effect shall expire on August 31, 2020. On September 1, 2020, the Lease shall automatically renew for up to five (5) separate consecutive additional periods of five (5) years each (each being defined as an "Extension Term") upon the same terms and conditions of the Lease, unless Tenant notifies Landlord in writing of Tenant’s intention not to renew the Lease at least sixty (60) days prior to the expiration of the current term, or the then existing Extension Term.

II Section 9 “Adjusted Rent” is here by deleted in its entirety and replaced with:

“9. Adjustment Rent. Commencing on August 15, 2017, and on every anniversary of the Commencement Date (August 15<sup>th</sup>) throughout the duration of the Lease as renewed and extended, the Rent shall be increased by Three Percent (3.0%) over the previous year’s Rent. The Base Rent shall continue to be paid in monthly installments.”

III. The Lease is hereby amended to include a new section 30 as follows:



“Section 26. Right of First Refusal. Tenant (or its successor in interest, assignee or designee) shall have a right of first refusal (“Right of First Refusal”) to purchase (a) all or any part of the fee ownership of the Premises; (b) any easement rights in or over all or any part of the Premises; (c) all or any part of Landlord’s interest in or rights under this Lease, including, without limitation, the right to collect rents, or (d) any other legally recognizable interest in the Premises that Landlord may seek to transfer (each, “Landlord’s Interest”) whenever Landlord receives a bona fide offer from an unrelated third party to purchase, directly or indirectly, all or any part of Landlord’s Interest that Landlord desires to accept (“Offer”). If the Offer is part of a larger transaction, including, without limitation, involving Landlord’s Parcel, equity of Landlord or a larger package of assets which includes the Landlord’s Interest, Landlord shall make a good faith estimate of the portion of such larger offer price attributable to the Landlord’s Interest and provide that price to Tenant. Prior to accepting such Offer, Landlord shall give Tenant a copy of the Offer and other relevant documents, including the price and the terms and conditions upon which Landlord proposes to transfer Landlord’s Interest (collectively, the “Right of First Refusal Notice”). Tenant shall have forty-five (45) days from the receipt of such notice to agree to purchase Landlord’s Interest for the price and upon the terms and conditions specified in the Offer (“Tenant Approval Period”).

If Tenant elects to so purchase Landlord’s Interest, Tenant shall give to Landlord written notice thereof within said Tenant Approval Period (“Acceptance Notice”). If Tenant delivers an Acceptance Notice as provided herein, then Landlord and Tenant shall enter into a mutually acceptable purchase and sale agreement pertaining to such Landlord’s Interest (the “Purchase and Sale Agreement”), reflecting the terms of the Offer, as well as other customary covenants, representations and warranties contained in purchase and sale agreements for similar acquisitions in the metropolitan area in which the Premises is located. The parties agree to act reasonably and cooperatively in negotiating, executing and delivering the Purchase and Sale Agreement. Except as otherwise specified in the Offer, at the closing for the sale of all or any part of the Premises, Landlord shall deliver to Tenant a special warranty deed (or local equivalent), sufficient to convey to Tenant fee simple title. In the case of an assignment of the Lease or the grant of an easement, Landlord shall instead deliver to Tenant a customary assignment of the Lease or a customary easement.

If Tenant does not exercise the Right of First Refusal during the Tenant Approval Period, then Landlord may proceed to transfer Landlord’s Interest upon the same terms and conditions set forth in the Offer; provided such transfer occurs within three (3) months following the end of the Tenant Approval Period, the transfer is made in accordance with all the other terms and conditions of this Lease, and such purchaser assumes the obligations of Landlord under this Lease including, without limitation, this Right of First Refusal which shall be an ongoing Right of First Refusal during the lease term. If Landlord has not transferred Landlord’s Interest within such three (3) month period, or in the event any terms or conditions of the



proposed deal change from the terms and conditions provided in the initial Right of First Refusal Notice, then Landlord shall not thereafter transfer Landlord's Interest to an unrelated third party without first renewing the Right of First Refusal Notice to Tenant in the manner provided above. Tenant's failure to exercise its Right of First Refusal or its express waiver of its Right of First Refusal in any instance shall not be deemed a waiver of Tenant's Right of First Refusal for subsequent instances when Landlord proposes to transfer Landlord's Interest to an unrelated third party during the lease term. Notwithstanding the foregoing, Landlord's right to sell all or any part of the Premises to a third party shall not be encumbered or restricted, except to the extent set forth in this Section."

IV. In the event of any inconsistencies between the Lease and this First Amendment, the terms of this First Amendment shall control.

V. Except as expressly set forth in this First amendment, the Lease otherwise is unmodified, remains in full force and effect and is incorporated and restated herein as if fully set forth at length. Each reference in the Lease to itself shall be deemed also to refer to this First Amendment.

[END OF AMENDMENT - SIGNATURE PAGE FOLLOWS]

**Signature Page**

IN WITNESS WHEREOF, the parties hereto bind themselves to this Amendment as of the date of full execution.

LANDLORD:

TENANT:

**Town of Kure Beach a North Carolina municipal corporation**

**Wilmington Cellular Telephone Company, a North Carolina corporation**

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

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

Printed: \_\_\_\_\_

Printed: \_\_\_\_\_

Title: Vice President

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

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

DRAFT

STATE OF NORTH CAROLINA

COUNTY OF NEW HANOVER

I, the undersigned, a notary public in and for the State and County aforesaid, do hereby certify that \_\_\_\_\_, \_\_\_\_\_, known to me to be the same person whose name is subscribed to the foregoing First Amendment to Ground Lease, appeared before me this day in person and acknowledged that he signed the said Amendment as his free and voluntary act for the uses and purposes therein stated.

Given under my hand and seal this \_\_\_\_ day of \_\_\_\_\_, 2017.

\_\_\_\_\_

Notary Public

My commission expires \_\_\_\_\_

STATE OF ILLINOIS

COUNTY OF COOK

I, the undersigned, a notary public in and for the State and County aforesaid, do hereby certify that \_\_\_\_\_, Vice President, of **Wilmington Cellular Telephone Company, a North Carolina corporation**, known to me to be the same person whose name is subscribed to the foregoing First Amendment to Ground Lease, appeared before me this day in person and acknowledged that, pursuant to his authority, he signed the said Amendment as his free and voluntary act on behalf of the named Tenant corporation, for the uses and purposes therein stated.

Given under my hand and seal this \_\_\_\_ day of \_\_\_\_\_, 2017.

\_\_\_\_\_

Notary Public

My commission expires \_\_\_\_\_

## Nancy Avery

---

**From:** James Eldridge <jee@ec.rr.com>  
**Sent:** Thursday, July 27, 2017 2:40 PM  
**To:** Nancy Avery  
**Subject:** US Cellular

07/27/2017

Nancy:

I have read through the original lease one time only and while I may have additional recommended changes upon further review, I do note at least three changes which I would recommend to US Cellular should be included in the First Amendment:

1. Amend Paragraph 15 of the Original Lease by requiring US Cellular to provide the Town with a certificate of insurance confirming the existence of the required coverage but also, more importantly, naming the Town as an additional insured thereon.
2. I would also add my standard provision requiring, in the event of a dispute, the following:
  - a. That the parties engage in good faith negotiations in an attempt to resolve the dispute;
  - b. That if negotiations do not resolve the dispute, that the parties mediate the dispute before commencing litigation; and
  - c. Providing for the application of NC law with venue being in state, and not federal court, in New Hanover County.
3. Would also add my standard notice provision setting forth what constitutes notice and providing the addresses to be used when providing notice.

Please let me know if you want me to insert those provisions into the First Amendment so you can communicate them back to US Cellular. Following our telephone call, I understand that the Town will determine whether to request payment from US Cellular in exchange for granting the right of first refusal (probably not relevant since I cannot see the town ever selling the tower). Finally, please let me know if you disagree with my reading of 160A-272 and what I see are the Town's procedural requirements.

One other question: does the Town own the underlying parcel where the tower is sited? Another way of asking that question, with Paragraph 12 of the Original Lease in mind, is whether the Town pays property taxes on the underlying parcel. Although Paragraph 12 is poorly worded, it looks like US Cellular is obligated, upon demand by the Town, to contribute or reimburse the Town for its fair share of any such taxes. Of course, this is not relevant if the Town owns the underlying parcel.

So, let me know, pursuant to the above, if there is anything else you want me to do on this particular assignment.

Thanks, James E. Eldridge

Eldridge Law Firm, PC  
Post Office Box 1380  
Wilmington, NC 28402  
910.815.0107



TOWN COUNCIL  
TOWN OF KURE BEACH, NC

**R**ESOLUTION R17-19

**AUTHORIZING THE FILING OF AN APPLICATION FOR APPROVAL OF A FINANCING AGREEMENT NOT TO EXCEED \$5,500,000 AUTHORIZED BY NORTH CAROLINA GENERAL STATUTE 160A-20**

**WHEREAS**, the Town of Kure Beach, North Carolina desires to finance a capital project not to exceed \$5,500,000 for construction of a new fire station and expansion and renovation of the Town Hall facility to better serve the needs of the Town's population; and

**WHEREAS**, The Town of Kure Beach desires to finance the capital project by the use of an installment contract authorized under North Carolina General Statute 160A, Article 3, Section 20; and

**WHEREAS**, findings of fact by the Kure Beach Town Council must be presented to enable the North Carolina Local Government Commission to make its findings of fact set forth in North Carolina General Statute 159, Article 8, Section 151, prior to approval of the proposed contract;

**NOW, THEREFORE, BE IT RESOLVED THAT** the Town Council for the Town of Kure Beach, North Carolina, meeting in regular session on the 18th day of September, 2017, makes the following findings of fact:

1. The proposed contract is necessary to provide for continued efficient and effective operation of the Town's public safety functions and other Town services resulting from continued demands from population growth and increased tourism.
2. The proposed contract is preferable to a bond issue for the same purpose because installment loan financing is much less expensive than a bond issuance. There is no need for a bond attorney and other bond issuance expenses. Additionally, the timetable works better with financing rather than bond issuance.
3. The cost of financing under the proposed contract is less than the cost of issuing general obligation bonds.
4. The sums to fall due under the contract are adequate and not excessive for the proposed purpose. The Town determined estimated costs by soliciting costs from various vendors/contractors and all fell within a close range of each other.
5. The Town of Kure Beach's debt management procedures and policies are good because the Town has managed and paid debt in the past in a sound manner and plans to continue this practice.
6. The increase in taxes necessary to meet the sums to fall due under the proposed contract is estimated to be 4.85 cents per \$100 valuation and is not deemed to be excessive.



TOWN COUNCIL  
TOWN OF KURE BEACH, NC

7. The Town of Kure Beach is not in default in any of its debt service obligations.
8. The attorney for the Town of Kure Beach has rendered an opinion that the proposed Project is authorized by law and is a purpose for which public funds may be expended pursuant to the Constitution and laws of North Carolina.
9. The probable net revenues of the project to be financed will be sufficient to meet the sums to fall due under the proposed contract.

***ALSO, BE IT FURTHER RESOLVED THAT*** the Mayor of the Town of Kure Beach is hereby authorized to act on behalf of the Town of Kure Beach in filing an application with the North Carolina Local Government Commission for approval of the Project and the proposed financing contract and other actions not inconsistent with this resolution.

This resolution is effective upon its adoption this 18th day of September, 2017.

The motion to adopt this resolution was made by

seconded by \_\_\_\_\_, and passed by a vote of \_\_\_\_\_ to \_\_\_\_\_.

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

ATTEST:


\_\_\_\_\_  
Nancy Avery, Town Clerk

This is to certify that this is a true and accurate copy of Resolution R17-19, adopted by the Kure Beach Town Council of the Town of Kure Beach, North Carolina on the 18th day of September, 2017.

\_\_\_\_\_  
Nancy Avery, Town Clerk

# Memo



**To:** Town Council  
**From:** Nancy Avery, Town Clerk   
**Date:** September 12, 2017  
**Re:** Recycling charges Ocean Dunes

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At the August 2017 Town Council meeting, Ocean Dunes HOA member Bill Moore stated he felt it was unfair that although the residents in the 197 units each paid \$4.88 per month for recycling pick up they had only 110 carts on site.

I stated that per the Code, billing is per premise, not cart. In 2012 when the town switched from the small bins to the carts, the Ocean Dunes HOA management firm requested only 75 carts, not 197. They stated they didn't have the space to keep the carts or the staff to roll the carts to and from the street. The Clerk stated she informed the management company then that billing would continue to be per premise, not per cart. Since then the HOA has added another 35 for a total of 110 carts.

The Riggings complex has the same scenario. There are 48 units and 12 recycling carts.

All residents of both complexes have access to the recycling pick up service.

DIVISION 4. - CHARGES AND BILLING<sup>[3]</sup>

Footnotes:

--- (3) ---

**Cross reference**— Town treasurer, § 2-121 et seq.

Sec. 7-66. - Charges.

For the service of collecting and disposing of garbage and rubbish, the owner or occupant of each premises from which garbage, rubbish and recycling, which is mandatory throughout the town, the owner or occupant of each premises from which garbage, rubbish and recycling is collected by the town shall be charged such rates as established by the town council which are on file in the town clerk's office. Such charges shall be considered a debt owing to the town from the owner or occupant of the premises and other persons using the disposal area. No owner or occupant of a premise within the town shall be exempt from the collection and disposal service provided by the town or by individual collectors and licensees except by special permission of the town council. All owners or occupants of premises within the town shall be subject to the service charges prescribed by the town council, and an adjustment for such charges shall be made at the discretion of the town council.

(Code 1973, § 11-2.2; Ord. of 7-17-07)

Sec. 7-67. - Special pick-ups.

Any person desiring collection of materials specified in [section 7-51](#) shall apply to the town for a special pick-up by the town truck for the purpose of disposing of the material by paying a fee which is on file in the town clerk's office per load for the use of the equipment and town employee.

(Code 1973, § 11-12.1)



## CURRENT POLICY

### **AMEND BY DELETING WORDING IN RED IN SUBSECTION B BELOW.**

*Amending this policy means no one approves Council travel. Prior to this policy being amended in 2009 to require Council approve all Council and Mayor travel expenses, the Finance Officer and Town Clerk monitored and approved the expenses based on policy and availability of funds. N. Avery, Town Clerk*

## **Section 5.06 Travel, Training and Business Expenses P&P**

Adopted 2/17/2009

Revised 1/17/2012

### A. PURPOSE

The Town's Travel, Training and Business Expenses Policy provides for reimbursement to Town employees/elected officials for approved expenses that are incurred as part of their responsibilities as Town employees/elected officials. It is the intent of the Town to pay for reasonable expenses for Town employees/elected officials attending training sessions, conferences and other authorized meetings which will, through knowledge gained by those attending, benefit the Town. It is also the intent of the Town to reimburse Town employees/elected officials for any required travel when using their private vehicle.

### B. AUTHORITY AND APPROVALS

The department head shall approve, in advance, all requests for training and travel expenses made by Town employees under his or her supervision assuming there are sufficient funds available within the department's approved budget. The applicable Town Council department liaison shall approve all requests for training and travel by department heads. **and Town Council shall approve all training and travel requests for elected officials. In both instances.** There must be sufficient funds available within the applicable department's approved budget.

The respective department head will review Travel Expense Reports (Exhibit 1) for reasonableness of expenses and compliance with this policy. Travel Expense Reports must be approved in writing by the department head prior to submission to the Finance Department.

The Finance Department will also review all travel related transactions, including the Travel Expense Report and supporting documentation, and advise the department head of any apparent deviations from this policy.