



# TOWN COUNCIL MINUTES

## REGULAR MEETING

**December 16, 2014 @ 6:30 p.m., or soon thereafter**

The Kure Beach Town Council held their regular meeting on Tuesday, December 16, 2014 at 6:30 p.m. The Town Attorney was present and there was a quorum of Council present.

### COUNCIL MEMBERS PRESENT

Mayor	Dean Lambeth
Mayor Pro Tem	Craig Bloszinsky
Commissioner	Emilie Swearingen
Commissioner	Steve Pagley

### COUNCIL MEMBERS ABSENT

Commissioner David Heglar

### STAFF PRESENT

Finance Officer – Arlen Copenhaver  
Event Marketing Coordinator – Nikki Keely  
Town Clerk – Nancy Avery  
Deputy Town Clerk – Nancy Hewitt

### CALL TO ORDER AND WELCOME

Mayor Lambeth called the meeting to order at 6:30 p.m., delivered the invocation and led everyone in the pledge of allegiance.

MOTION – Commissioner Swearingen made the motion to excuse Commissioner Heglar from the Council meeting.

SECOND – Commissioner Pagley

VOTE – Unanimous

### APPROVAL OF CONSENT AGENDA ITEMS

1. Building Inspections Report – October 2014
2. Fire Chief's Report – November 2014
3. YTD Finance Report
4. Approve Meeting Minutes:
  - November 18, 2014, regular
  - November 18, 2014, closed
  - December 3, 2014, special
  - December 3, 2014, closed

MOTION – Commissioner Swearingen made the motion to approve the Consent Agenda Items, as presented.

SECOND – Commissioner Pagley

VOTE – Unanimous



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### ADOPTION OF THE AGENDA

MOTION – Commissioner Swearingen made the motion to approve the agenda, as presented.

SECOND – Mayor Pro Tem Bloszinsky

VOTE – Unanimous

### DISCUSSION AND CONSIDERATION OF PERSONS TO ADDRESS COUNCIL

1. Alonso Suazo, NC Department of Agriculture, 216 West Jones Street, Raleigh, NC

Mr. Suazo gave a presentation on the Sweet Potato Weevil Program and made the following points:

- Beginning February 1, 2015, about 400 traps mounted on poles will be installed in Kure Beach on Town-owned, business and residential properties, for a period of two years in order to map where the weevils are located before doing targeted control. He included a map in the information he gave to Council.
- The traps will be baited with a female specific sex pheromone and insecticide strip to kill the trapped weevils, and there will be a state employee responsible for checking the traps and keeping track of activity.
- He needs the Town's cooperation in educating visitors, residents and business owners about the program so they know not to tamper with the traps.
- He will provide contact information to the Town, a link to the program's website for the Town's website, and a press release about the program will be issued in January.
- He asked for contact information for Kure Beach business owners, Homeowners Associations and Town officials and staff.

Commissioner Swearingen told Mr. Suazo that the Deputy Town Clerk would provide the contact information he needed.

2. Gilbert Alphin, Owner of Blue Marlin Beach Lodging, 309 N Ft Fisher Blvd.

Mr. Alphin said that credit card usage fees, online booking company fees and the 13% Room Occupancy Tax (actually ROT is 6% and NC tax is 7%) means he has to lower his room charges to help his patrons meet their budgets. He asked Council if they would schedule a workshop with him and the other Kure Beach accommodation owners to talk further about this issue.

### DISCUSSION AND CONSIDERATION OF COMMITTEE BUSINESS

1. Marketing Committee

a. Recommendation for Rollover Money

Robin Nalepa, Chairperson, summarized the Marketing Committee's recommendation on how to use the \$41,100 rollover money from the County that was received through Room Occupancy Tax (ROT) and asked for Council's approval on their recommendation.



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MOTION – Commissioner Swearingen made the motion to approve the budget for the rollover amount of \$41,100.

SECOND – Commissioner Pagley

VOTE – FAILED in a tie vote, as follows: Commissioners Swearingen and Pagley FOR; Mayor Lambeth and Mayor Pro Tem Bloszinsky AGAINST. Commissioner Heglar was excused from the meeting.

Marketing Committee member, Anne Brodsky, stated that the Marketing Committee worked very hard at Council's request to come up with a plan to use this money which is not the Town's money to spend. She asked Council if they wanted vacationers or not. She pointed out that the money must be used for tourist-related activities and the Town would not be able to use it for anything else.

Commissioner Pagley pointed out that Council cut Marketing's regular budget this year, but the rollover money is a bonus from last year's budget and said that Marketing should be able to put it in their budget.

Commissioner Swearingen said there was a greater increase this year in ROT than in the past, which she attributed to the increase in social media exposure and the hard work done by the Marketing Committee. She said Council either wants to continue to have a good tourist increase for Kure Beach or they don't; it's black and white.

Mayor Lambeth said that his intent on cutting Marketing's regular budget this year was to see how tourism plays out next season without as much advertising; whether tourism will increase, stay the same or decrease.

Mayor Pro Tem Bloszinsky said that he would like to get a better picture of how the cash is flowing and asked Marketing to provide Council with what last year's budget, rollover and expenditures were, compared to this year's budget, rollover and planned expenditures. He said that Council wants to be good stewards of the ROT, which is actually spent for the shoulder season.

Mayor Lambeth said that he would like the Marketing Committee to present to Council, again, how they're specifically going to spend the rollover money, during the shoulder season, along with all of the information Mayor Pro Tem Bloszinsky requested.

Mayor Pro Tem Bloszinsky asked if they would take a look at the budget as it is today, and list what items they took out and what items they added.

Ms. Brodsky said that they will gather all of the requested information to give to Council, including this year's and last year's information, as well as information from the year before that.



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Commissioner Swearingen said all of the information requested would take at least 30 minutes to present and they will have someone from the TDA give the presentation.

MOTION – Commissioner Swearingen made the motion to table Marketing’s request for approval of the Rollover budget until the January Council Retreat on Tuesday, January 27, 2014. The Town Clerk and Finance Officer are to determine the best time on the retreat agenda for the budget presentation and vote.

SECOND – Commissioner Pagley

VOTE – Unanimous

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

#### a. Update on P&Z findings on parking issue along Route 421

Craig Galbraith, Chairperson, stated that Council had asked the board to review the legalities of parking along Route 421, since there was concern about parking problems in front of Ocean Dunes.

Joseph Whitley, Vice-Chair, said that the DOT told them that Council can restrict parking along all or portions of Route 421, however they see fit; but the DOT needs the written ordinance for it to be legal. He explained that CAMA doesn’t want pedestrian traffic to be prohibited from using the beach accesses, but they don’t mind prohibiting parking. He said that the state will put up No Parking signs, but the Town will have to enforce it.

Tony Gonsalves, Chairperson of the Shoreline Access, Beach Protection and Parking (SLABP&P) Committee, said that you can’t prohibit the area where people use the CAMA public access to get to the beach; that includes driving, parking and going in to those entrances.

Vice-Chair Whitley said that the way the DOT defined a CAMA access was that you cannot inhibit the pedestrian traffic, but you can keep people from parking there.

Chairperson Galbraith said that P&Z needs to know what Council wants to do at this point; have P&Z continue to work on it or give it to another committee. He said that the matter isn’t a zoning issue, it’s a parking issue.

Mayor Pro Tem Bloszinsky said that the reason Council wanted P&Z to look at the issue is that there are problems with overflow parking from the rental units where P&Z has the right to set the standards. He said Council now knows what can be done on Route 421, but now they need to know how to handle the rentals, how to handle Route 421 and how to handle the residential streets behind it.

MOTION – Mayor Pro Tem Bloszinsky made the motion to have the Planning and Zoning Commission lead a group of people, including the SLABP&P Committee and the Citizens



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Advisory Group, to look at all the implications of traffic relative to business rentals, residential rentals, Route 421 and potential traffic into the neighborhood streets.

SECOND – Mayor Lambeth

VOTE – Unanimous

Commissioner Swearingen said that it would be good if the group talked with the HOA's that run along Route 421, and there should also be public hearings on the subject before finalizing a recommendation to Council.

## DISCUSSION AND CONSIDERATION OF DEPARTMENT HEAD BUSINESS

### 1. Administration and Finance

#### a. Ocean Front Park and Recreation overview

Ms. Keely reviewed the current responsibilities that fall under Recreation and presented the expenses and revenues for activities, special events and facilities in comparison to past years and plans for the future. She presented the educational and entertainment programming for the Ocean Front Park, including the budget for each, the work that goes into each and plans for the future. She reviewed the recreational classes that are currently offered by the Town, including their revenue and expenses, and the work that goes into each. She reviewed the marketing work handled by her, as well as the Town committee meetings that she attends. She talked about the Bluefish Fundraiser and also presented a list of her miscellaneous responsibilities. She said she would also look for possible grants for the Town.

#### b. Recreation budget projections

Finance Officer Copenhagen gave a brief summary of the Parks and Recreation Operating and Capital Expenses from FY11-FY15. He said that, overall, the revenue has been running at an average of about one and one-half percent of the General Fund revenue. He said the revenue is coming about because the Town has staff to do things to bring it in, and he expects any personnel costs would be offset by revenue.

It was suggested that any future benches and swings with bluefish should be offered for a limited-time sponsorship in order to make on-going revenue. Someone asked how the Town would handle it if a hurricane destroyed the structures that had bluefish.

Town Clerk Avery said that, if a hurricane destroyed structures that had bluefish, the Town would offer to replace them “at cost” to those who wanted to do so.

#### c. 2015 Holiday Schedule

Town Clerk Avery explained that Carolina Beach and New Hanover County follow the state's holiday schedule and asked Council to approve use by the Town, as well. She asked Council to allow her to remove a requirement from the personnel policy that an employee must work the day before and the day after a holiday to receive compensation for the holiday.



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MOTION – Mayor Pro Tem Bloszinsky made the motion to amend Article VII, Section 2 of the Personnel Policy to observe the NC State Holiday Schedule and to delete the requirement that an employee must work the day before and the day after a holiday to receive compensation for the holiday.

SECOND – Commissioner Swearingen

VOTE – PASSED, three to one, as follows: Mayor Pro Tem Bloszinsky and Commissioners Swearingen and Pagley FOR; Mayor Lambeth AGAINST.

### 2. Public Works Department

Mayor Lambeth said appreciation goes out to Public Works and the Police Department for all of the hard work done for the Kure Beach Fantasy Christmas show; everything looked great and ran smoothly.

## DISCUSSION AND CONSIDERATION OF OLD BUSINESS

### 1. Town Hall reorganization

- a. Authorization to hire full time employee for the Admin/Finance/Rec Dept. effective January 2015 at a cost not to exceed \$25,000 to be transferred from the contingency fund.
- b. Separate Finance Department
- c. Separate Recreation Department

Mayor Pro Tem Bloszinsky said he and Commissioner Heglar met with Town Clerk Avery to review the particulars of the staffing needs at Town Hall. He said it is their opinion that one new staff member, with the primary function of finance, is necessary to accomplish the tasks listed by the Town Clerk; the compensation for the position is not to exceed \$25,000 for the first six months. He said they also recommend that the subject of having separate Finance and Recreation departments be discussed at the Council retreat.

MOTION – Commissioner Swearingen made the motion to transfer \$25,000 from the Contingency Fund to hire a full-time employee for Finance, and to discuss and consider, at the Council Retreat, making Finance and Recreation into departments.

SECOND – Mayor Pro Tem Bloszinsky

VOTE – PASSED, three to one, as follows: Mayor Pro Tem Bloszinsky and Commissioners Swearingen and Pagley FOR; Mayor Lambeth AGAINST.

## DISCUSSION AND CONSIDERATION OF NEW BUSINESS

### 1. Land Acquisition

Mayor Lambeth said that, at a special meeting in December during closed session, Council authorized an offer for lots located at 402 and 406 H Avenue of \$140,000 each; the offer was accepted and it now needs a motion in open session to proceed. He said that the Town also agreed to purchase a piece of property at 334 S. 4<sup>th</sup> Avenue for \$113,500. He said the staff



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recommends financing these purchases for 10 years for a total not to exceed \$425,000. He explained that financing requires an application to the Local Government Commission (LGC), which includes a fee of \$1,250, and estimated a closing date of March 2015.

Mayor Pro Tem Bloszinsky explained that the Town currently has property on Sandman Drive which isn't necessarily conducive to Town Government activity and isn't near any existing Town property; whereas, the set of lots being discussed for purchase are contiguous to the Public Works property located on H Avenue between 3<sup>rd</sup> and 4<sup>th</sup> Avenues. He said the lots are the last land Council can identify that are near a Town facility. He said Council would like to resolve any issues relative to selling the Sandman Drive property in order to use that revenue to pay for the lots near Public Works.

MOTION – Commissioner Pagley made the motion to approve an offer of purchase of \$140,000, each, for lots located at 402 and 406 H Avenues; to approve Resolution 14-12, authorizing the filing of an application for approval of a financing agreement authorized by N.C. General Statute 160A-20 to finance costs associated with the purchase of 402 and 406 H Avenues and 334 S. 4<sup>th</sup> Avenue for 10 years at three percent interest; and to schedule a public hearing as the first item of business on the January 20, 2015 agenda. SECOND – Mayor Pro Tem Bloszinsky VOTE – PASSED, three to one, as follows: Mayor Lambeth, Mayor Pro Tem Bloszinsky and Commissioner Pagley FOR; Commissioner Swearingen AGAINST.

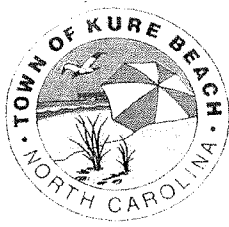
Said resolution is herein incorporated as part of these minutes.

Commissioner Swearingen said that she still doesn't feel there is a justification to purchase these lots and spend taxpayer dollars, and this purchase has never been discussed in any long-range plan. She said it was discussed that there is a need to build a Fire Department and expand Town Hall, but there hasn't been any previous discussion about buying additional lots to expand Public Works.

When asked by the Mayor about this, Mayor Pro Tem Bloszinsky said that Council discussed the possibility of this property at the last Council Retreat and Commissioner Pagley concurred that Council discussed buying the property.

Commissioner Swearingen said if they looked back at the minutes from the Council Retreat, the Building Inspector brought to the attention of Council that these lots may be going up for sale, but the only discussion that took place was the possibility of selling the Sandman Drive property. She said no Council member or Town staff was directed to investigate the possibility of purchasing these lots near Public Works, and Council never discussed what the lots could be used for or what Council's vision is for the future.

Mayor Pro Tem Bloszinsky said that the Town has an important opportunity to obtain these lots, which will be more important than the Sandman Drive property, particularly if the property can



TOWN COUNCIL  
TOWN OF KURE BEACH, NC

**R**ESOLUTION R14-12

AUTHORIZING THE FILING OF AN APPLICATION FOR APPROVAL OF A  
FINANCING AGREEMENT NOT TO EXCEED \$425,000.00 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 \$425,000.00 for the purchase of real property legally described as 334 South Fourth Avenue, Kure Beach, NC (Parcel id R09217-016-015-000), 402 H Avenue, Kure Beach, NC (Parcel id R09217-016-014-000) and 406 H Avenue, Kure Beach, NC (Parcel id R09217-016-013-000) for the purpose of future expansion of Town facilities/operations to better serve the needs of the Town's population; and

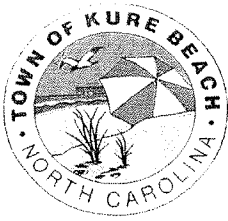
**WHEREAS**, The Town of Kure Beach desires to finance the capital project by the use of an installment contract authorized under North Carolina General Statute 160A, Article 3, Section 20; and

**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 Kure Beach Town Council for the Town of Kure Beach, North Carolina, meeting in regular session on the 16th day of December, 2014, makes the following findings of fact:

1. The project is necessary to provide for future expansion of Town facilities/operations in an area that is in close proximity of existing facilities of the Town.
2. The proposed contract is preferable to a bond issue for the same purpose because the cost of the proposed undertaking exceeds the amount that can be prudently raised from currently available appropriations, thereby providing a cost savings to the citizens, while not depleting existing reserve funds allocated for emergency use. Additionally, the timetable works better with financing rather than bond issuance.
3. The cost of financing under the capital projects 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 a minimum fund balance policy which instructs management to conduct business of the Town in such a manner that an unrestricted fund balance of no less than 32% of total projected expenditures be maintained.





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TOWN OF KURE BEACH, NC

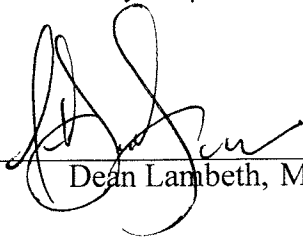
**R**ESOLUTION R14-12

- 6. The probable net revenues of taxes will be sufficient to meet the sums to fall due under the proposed contract.
- 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.

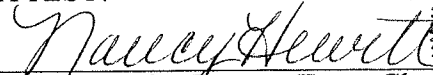
**ALSO, BE IT FURTHER RESOLVED THAT** the Mayor of the Town of Kure Beach is hereby authorized to act on behalf of the Town of Kure Beach in filing an application with the North Carolina Local Government Commission for approval of the Project and the proposed financing contract and other actions not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

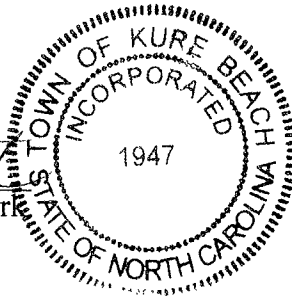
This resolution is effective upon its adoption this 16th day of December, 2014.

The motion to adopt this resolution was made by Commissioner Steve Pagley ,  
seconded by Mayor Pro Tem Craig Blossinsky and passed by a vote of 3 to 1 .

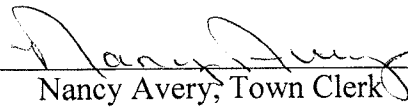
  
\_\_\_\_\_  
Dean Lambeth, Mayor

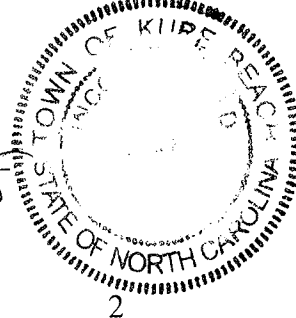
ATTEST:

  
\_\_\_\_\_  
Nancy Hewitt, Deputy Town Clerk



This is to certify that this is a true and accurate copy of Resolution R14-12, adopted by the Kure Beach Town Council of the Town of Kure Beach, North Carolina on the 16<sup>th</sup> day of December, 2014.

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





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be turned into residences which will bring in tax revenue for the Town and its populace. He said that the revenue from the sale of the Sandman Drive property should more than cover the cost of the lots being discussed.

### 2. Meeting with Homeowners Associations (HOAs) regarding Town-owned land on Sandman Drive

Mayor Lambeth said that, since Commissioner Heglar isn't at the meeting, they will set up a meeting with the Kure Dunes and Beachwalk HOA representatives to discuss the issues concerning the Sandman Drive property.

Tom Moffatt, speaking on behalf of Beachwalk's HOA president, said that they are concerned about what impact the sale of the Sandman Drive property would have on their storm water system. He stated that they also want to talk to Kure Dunes and the Town about assistance with their retention ponds since more than half of the water that ends up in their system doesn't come from their properties but from Kure Dunes and the Town.

CONSENSUS – Mayor Lambeth and Commissioner Heglar will meet at Town Hall on Thursday, January 8, 2015 at 6:30 p.m., with representatives of Kure Dunes and Beachwalk HOAs regarding the Town-owned land on Sandman Drive.

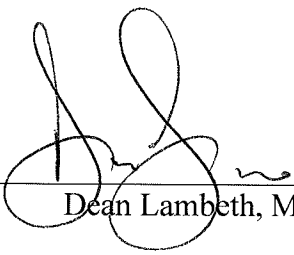


## ADJOURNMENT

MOTION – Commissioner Swearingen made the motion to adjourn.

SECOND – Mayor Pro Tem Bloszinsky

VOTE – Unanimous

The meeting adjourned at 8:37 p.m.

Dean Lambeth, Mayor      Nancy Hewitt, Deputy Town Clerk

NOTE: These are action minutes reflecting items considered and actions taken by Council. These minutes are not a transcript of the meeting. Persons wishing to have the recording of this meeting may request to do so by contacting the Town Clerk.