



TOWN COUNCIL AGENDA

REGULAR/ORGANIZATIONAL MEETING

December 10, 2015 @ 6:30 p.m.

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

Call to Order – Mayor Dean Lambeth

Invocation – Pastor Cathy Chester, Coastal Carolina Vineyard Church

Pledge of Allegiance – Mayor Dean Lambeth

APPROVAL OF CONSENT AGENDA ITEMS

1. *Appoint Elaine Hall as a regular member of the Community Center Committee
2. *Authorize the creation of a separate website for the purpose of promoting the Adopt -A- Beach program sponsored by the Shoreline Access, Beach Protection and Parking Committee with the associated domain cost to be paid from the committee budget (estimated cost \$60 - \$75 annually)
3. *Approve contract and engagement letter with the auditing firm of Bernard Robinson and Company, LLP in the amount of \$17,100 for FY15-16
4. *YTD Finance Report Meeting
5. Minutes:
 - *November 17, 2015, regular meeting

ADOPTION OF THE AGENDA

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
4. Parks & Recreation Advisory Board
5. Planning & Zoning Commission
6. Shoreline Access, Beach Protection and Parking Committee

DISCUSSION AND CONSIDERATION OF DEPARTMENT HEAD BUSINESS

1. Administration and Recreation
2. Finance Department
3. Building Department
4. Fire Department
5. Police Department
6. Public Works Department



TOWN COUNCIL AGENDA

REGULAR/ORGANIZATIONAL MEETING

December 10, 2015 @ 6:30 p.m.

DISCUSSION AND CONSIDERATION OF OLD BUSINESS

1. Beach Nourishment project staff and council contacts (Swearingen)
2. *Letters of interest for council vacancy (Swearingen)
 - Deadline to submit is 4:00 p.m. on December 30, 2015
 - Mail, email or drop at Town Hall to attention of Town Clerk
 - Interviews to be conducted at January 19th council meeting that begins at 6:30 p.m.
 - Council is requiring responses to eight questions as part of application process

Information to be submitted along with questions to be answered is attached to tonight's agenda

DISCUSSION AND CONSIDERATION OF NEW BUSINESS

1. Administration of Oaths of Office by New Hanover County District Court Judge Robin Wicks Robinson and seating of new council
 - Emilie Swearingen, Mayor (2-year term)
 - David Heglar, Commissioner (4-year term)
 - Joseph Whitley, Commissioner (4-year term)
2. Appointment of Mayor Pro Tem (Council)
Per Chapter 3 of Code of Ordinances, council elects one member to serve a 2-year term as Mayor Pro Tem
3. Appointment of Building Commissioner as liaison to Building Inspections Dept. - Council
Per Section 5-26 of the Code of Ordinances, council elects a member to serve a 2-year term as Building Commissioner.
4. Appointment of 2 Council members to serve on KB/CB Sewer Authority - Council
Currently Mayor and Commissioner Heglar
5. Assignment of Department liaisons - Mayor
Per Section 2-16 (b) of the Code of Ordinances
 - Administration & Recreation
 - Finance
 - Fire
 - Police
 - Public Works
6. Assignment of Committee liaisons - Mayor
Per Section 2-16 (b) of the Code of Ordinances
 - Shoreline Access, Parking & Beach Protection
 - Community Center
 - Joint Committee Chairpersons
 - Marketing



TOWN COUNCIL AGENDA

REGULAR/ORGANIZATIONAL MEETING

December 10, 2015 @ 6:30 p.m.

- Parks & Recreation
 - Planning & Zoning Commission
7. Review of non-Town committee appointments - Council
- Council of Governments (COG) - must be elected official (was Pagley)
 - Cape Fear Disability Commission - Deborah McKenna appointed 2/17/15
 - Dennis Moore, alternate, appointed 2/17/15
 - FF State Recreational Area Advisory - Craig Bloszinsky appointed 12/17/13
 - MPO Citizens Advisory - John Ellen appointed 7/16/13
 - MPO Technical Coordinating (TCC) - must be employee, currently N. Avery
 - MPO Technical Advisory (TAC) - must be elected official
 - Tourism Development Authority (TDA) - must be mayor and one business owner
 - Anne Brodsky appointed 12/14/10
 - Ports, Waterway and Beach Commission - usually elected official, but not required
 - Craig Bloszinsky appointed 12/17/13
8. 2016 Annual Council Retreat (Heglar)

COMMISSIONER ITEMS (no action required)

CLOSED SESSION, if needed

ADJOURNMENT

There will be a reception at the Beachwalk Clubhouse (located next to Town Hall) after the meeting.



TOWN OF KURE BEACH
REQUEST FOR APPOINTMENT
 Board/Commission/Committees

Rec'd 12/2/15
 TC Avery
 CC: Harriet Owsley
 ORIG → Book

MUST BE A FULL-TIME RESIDENT TO SERVE ON TOWN COMMITTEES

Request for Appointment to: Community Center Committee

Name ELAINE B. HALL

Address 427 South 5th Ave Kure Beach 28449

Telephone (910) 707-1245 Cell (704) 783-6890

Email ebhall1943@gmail.com (You will receive the majority of correspondence via email)

Length of permanent residence in Kure Beach 11 months

Employment Retired

Job Title was nurse for NC Dept of Collections before Retiring

Professional Activities none AT present

Volunteer Activities none AT present

Other committee work, past or present Cabarrus County Master Gardener Volunteer

What is your understanding of the purpose of this committee?
To promote the use of the center for public enjoyment

Why are you interested in serving on this committee?
To share ideas and help make decisions to keep the Community Center a productive and active part of Kure Beach

What specific concerns or areas are you interested in?
No specific concerns. Meeting new people and finding out what Kure Beach is all about

Are there any time blocks from 8am-8pm, Monday through Friday, when you cannot attend meetings?
no

Any misrepresentation of fact on this application will subject the applicant to legal proceedings as prescribed by law.

Signature Elaine Hall Date 11.30.2015

Thank you for your interest in serving the Town of Kure Beach

Please return ORIGINAL to: Town Clerk - Town of Kure Beach 117 Settlers Lane, Kure Beach, NC 28449

		Town Use Only	
Date Received	<u>12/3/15</u>	Initials	<u>EBH</u>
Interview Date	_____ (If applicable)	Utilities Current	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO
Term Length	_____	Appointment Date	_____
		Term Expiration	_____



MEMO

TO: Town Council
FROM: Nancy Avery, Town Clerk
RE: Consent agenda item
DATE: 11/30/15

Background

At the October 2015 meeting, Council approved the Adopt-A-Beach Program guidelines and Annual Partnership Agreement Form, submitted by the Shoreline Access, Beach Protection and Parking Committee.

As part of this program, the committee wants to have a separate website for the Adopt -A- Beach form and information. This will require purchase of a separate domain name. They believe they have more capability on a separate website to manage the applications and assignment of accesses along with an interactive map.

Nancy Hewitt and I met with 4 members of the committee to discuss the guidelines for this separate website and linking it to the town's website. I am okay with the separate website and have given them these requirements:

- Domain name and access must be provided to town staff in the event the group stops maintaining it or the program fades away. This allows us to cancel the domain and remove the website.
- All information on the site must be reviewed and approved by town staff before posting.
- Website must look professional and not represent the town in a negative way.
- All forms, email correspondence, data, etc. on the website or resulting from the website is public record and committee members running the program must provide these documents in the event of a public records request.
- Use of the town logo on the website will be allowed, since this is a committee function.

Action requested by staff

Authorize the creation of a separate website for the purpose of promoting the Adopt -A-Beach program sponsored by the Shoreline Access, Beach Protection and Parking Committee with the associated domain cost to be paid from the committee budget. (estimated cost \$60 - \$75 annually)

Funding required

Part of the existing committee budget

Comments for consideration

CONTRACT TO AUDIT ACCOUNTS

Of Town of Kure Beach, North Carolina
Primary Governmental Unit

N/A

Discretely Presented Component Unit (DPCU) if applicable

On this 24th day of November, 2015,

Auditor: Bernard Robinson & Company, LLP Auditor Mailing Address: 1501 Highwoods Blvd., Suite 300
Greensboro, North Carolina 27410 Hereinafter referred to as The Auditor

and Town Council (Governing Board(s)) of Town of Kure Beach, North Carolina
(Primary Government)

and N/A: hereinafter referred to as the Governmental Unit(s), agree as follows:
(Discretely Presented Component Unit)

1. The Auditor shall audit all statements and disclosures required by generally accepted accounting principles (GAAP) and additional required legal statements and disclosures of all funds and/or divisions of the Governmental Unit (s) for the period beginning July 1, 2015, and ending June 30, 2016. The non-major combining, and individual fund statements and schedules shall be subjected to the auditing procedures applied in the audit of the basic financial statements and an opinion will be rendered in relation to (as applicable) the governmental activities, the business-type activities, the aggregate DPCUs, each major governmental and enterprise fund, and the aggregate remaining fund information (non-major government and enterprise funds, the internal service fund type, and the fiduciary fund types).
2. At a minimum, the Auditor shall conduct his/her audit and render his/her report in accordance with generally accepted auditing standards. The Auditor shall perform the audit in accordance with *Government Auditing Standards* if required by the State Single Audit Implementation Act, as codified in G.S. 159-34. If required by OMB Circular A-133 Audits of States, Local Governments, and Non-Profit Organizations and the State Single Audit Implementation Act, the Auditor shall perform a Single Audit. This audit and all associated workpapers may be subject to review by Federal and State agencies in accordance with Federal and State laws, including the staffs of the Office of State Auditor (OSA) and the Local Government Commission (LGC). If the audit and/or workpapers are found in this review to be substandard, the results of the review may be forwarded to the North Carolina State Board of CPA Examiners (NC CPA Board).

County and Multi-County Health Departments: The Office of State Auditor will designate certain programs that have eligibility requirements to be considered major programs in accordance with OMB Circular A-133 for the State of North Carolina. The LGC will notify the auditor and the County and Multi-Health Department of these programs. A County or a Multi-County Health Department may be selected to audit any of these programs as major.
3. If an entity is determined to be a component of another government as defined by the group audit standards - the entity's auditor will make a good faith effort to comply in a timely manner with the requests of the group auditor in accordance with AU-6 §600.41 - §600.42.
4. This contract contemplates an unqualified opinion being rendered. The audit shall include such tests of the accounting records and such other auditing procedures as are considered by the Auditor to be necessary in the circumstances. Any limitations or restrictions in scope which would lead to a qualification should be fully explained in an attachment to this contract.
5. If this audit engagement is subject to the standards for audit as defined in *Government Auditing Standards*, 2011 revisions, issued by the Comptroller General of the United States, then by accepting this engagement, the Auditor warrants that he has met the requirements for a peer review and continuing education as specified in *Government*

Discretely Presented Component Units (DPCU) if applicable

Auditing Standards. The Auditor agrees to provide a copy of their most recent peer review report regardless of the date of the prior peer review report to the Governmental Unit and the Secretary of the LGC prior to the execution of the audit contract (See Item 22). **If the audit firm received a peer review rating other than pass**, the Auditor shall not contract with the Governmental Unit without first contacting the Secretary of the LGC for a peer review analysis that may result in additional contractual requirements.

If the audit engagement is not subject to Government Accounting Standards or if financial statements are not prepared in accordance with GAAP and fail to include all disclosures required by GAAP, the Auditor shall provide an explanation as to why in an attachment..

6. It is agreed that time is of the essence in this contract. All audits are to be performed and the report of audit submitted to the State and Local Government Finance Division (SLGFD) within four months of fiscal year end. Audit report is due on: October 31, 2016. If it becomes necessary to amend this due date or the audit fee, an amended contract along with a written explanation of the delay must be submitted to the secretary of the LGC for approval.
7. It is agreed that generally accepted auditing standards include a review of the Governmental Unit's systems of internal control and accounting as same relate to accountability of funds and adherence to budget and law requirements applicable thereto; that the Auditor will make a written report, which may or may not be a part of the written report of audit, to the Governing Board setting forth his findings, together with his recommendations for improvement. That written report must include all matters defined as "significant deficiencies and material weaknesses" in AU-C 265 of the *AICPA Professional Standards (Clarified)*. The Auditor shall file a copy of that report with the Secretary of the LGC.
8. All local government and public authority contracts for audit or audit-related work require the approval of the Secretary of the LGC. This includes annual or special audits, agreed upon procedures related to internal controls, bookkeeping or other assistance necessary to prepare the Governmental Unit's records for audit, financial statement preparation, any finance-related investigations, or any other audit-related work in the State of North Carolina. **Invoices for services rendered under these contracts shall not be paid by the Governmental Unit until the invoice has been approved by the Secretary of the LGC.** (This also includes any progress billings.) [G.S. 159-34 and 115C-447] All invoices for Audit work must be submitted by email in PDF format to the Secretary of the LGC for approval. The invoices must be sent via upload through the current portal address: <http://nctreasurer.slgfd.leapfile.net> Subject line should read "Invoice – [Unit Name]. The PDF invoice marked 'approved' with approval date will be returned by email to the Auditor to present to the Governmental Unit for payment. Approval is not required on contracts and invoices for system improvements and similar services of a non-auditing nature.
9. In consideration of the satisfactory performance of the provisions of this contract, the Primary Governmental Unit shall pay to the Auditor, upon approval by the Secretary of the LGC, the fee, which includes any cost the Auditor may incur from work paper or peer reviews or any other quality assurance program required by third parties (Federal and State grantor and oversight agencies or other organizations) as required under the Federal and State Single Audit Acts. (Note: **Fees listed on signature pages.**)
10. If the Governmental Unit has outstanding revenue bonds, the Auditor shall include documentation either in the notes to the audited financial statements or as a separate report submitted to the SLGFD along with the audit report, a calculation demonstrating compliance with the revenue bond rate covenant. Additionally, the Auditor should be aware that any other bond compliance statements or additional reports required in the authorizing bond documents need to be submitted to the SLGFD simultaneously with the Governmental Unit's audited financial statements unless otherwise specified in the bond documents.

11. After completing the audit, the Auditor shall submit to the Governing Board a written report of audit. This report shall include, but not be limited to, the following information: (a) Management's Discussion and Analysis, (b) the financial statements and notes of the Governmental Unit and all of its component units prepared in accordance with GAAP, (c) supplementary information requested by the client or required for full disclosure under the law, and (d) the Auditor's opinion on the material presented. The Auditor shall furnish the required number of copies of the report of audit to the Governing Board as soon as practical after the close of the accounting period.
12. If the audit firm is required by the NC CPA Board or the Secretary of the LGC to have a pre-issuance review of their audit work, there must be a statement added to the engagement letter specifying the pre-issuance review including a statement that the Governmental Unit will not be billed for the pre-issuance review. The pre-issuance review must be performed **prior** to the completed audit being submitted to the LGC. The pre-issuance report must accompany the audit report upon submission to the LGC.
13. The Auditor shall electronically submit the report of audit to the LGC as a text-based PDF file when (or prior to) submitting the invoice for services rendered. The report of audit, as filed with the Secretary of the LGC, becomes a matter of public record for inspection, review and copy in the offices of the SLGFD by any interested parties. Any subsequent revisions to these reports must be sent to the Secretary of the LGC. These audited financial statements, excluding the Auditors' opinion, may be used in the preparation of official statements for debt offerings, by municipal bond rating services to fulfill secondary market disclosure requirements of the Securities and Exchange Commission and other lawful purposes of the Governmental Unit without subsequent consent of the Auditor. If it is determined by the LGC that corrections need to be made to the Governmental Unit's financial statements, they should be provided within three days of notification unless another time frame is agreed to by the LGC.

If the OSA designates certain programs to be audited as major programs, as discussed in item #2, agreed-upon procedures report, a turnaround document and a representation letter addressed to the OSA shall be submitted to the LGC.

The LGC's process for submitting contracts, audit reports and invoices is subject to change. Auditors should use the submission process in effect at the time of submission. The most current instructions will be found on our website: <https://www.nctreasurer.com/slg/Pages/Audit-Forms-and-Resources.aspx>

14. Should circumstances disclosed by the audit call for a more detailed investigation by the Auditor than necessary under ordinary circumstances, the Auditor shall inform the Governing Board in writing of the need for such additional investigation and the additional compensation required therefore. Upon approval by the Secretary of the LGC, this contract may be varied or changed to include the increased time and/or compensation as may be agreed upon by the Governing Board and the Auditor
15. If an approved contract needs to be varied or changed for any reason, the change must be made in writing, on the Amended LGC-205 contract form and pre-audited if the change includes a change in audit fee. This amended contract needs to be completed in full, including a written explanation of the change, signed and dated by all original parties to the contract, and then must be submitted through the audit contract portal to the Secretary of the LGC for approval. The portal address to upload your amended contract is <http://nctreasurer.slgfd.leapfile.net>. No change shall be effective unless approved by the Secretary of the LGC, the Governing Board, and the Auditor.
16. Whenever the Auditor uses an engagement letter with the Governmental Unit, Item #17 is to be completed by referencing the engagement letter and attaching a copy of the engagement letter to the contract to incorporate the engagement letter into the contract. In case of conflict between the terms of the engagement letter and the terms of

Discretely Presented Component Units (DPCU) if applicable

this contract, the terms of this contract will control. Engagement letter terms are deemed to be void unless the conflicting terms of this contract are specifically deleted in Item #22 of this contract. Engagement letters containing indemnification clauses will not be approved by the LGC.

17. Special provisions should be limited. Please list any special provisions in an attachment.

Refer to engagement letter

18. A separate contract should not be made for each division to be audited or report to be submitted. If a DPCU is subject to the audit requirements detailed in the Local Government Budget and Fiscal Control Act and a separate audit report is issued, a separate audit contract is required. If a separate report is not to be issued and the DPCU is included in the primary government audit, the DPCU must be named along with the parent government on this audit contract. Signatures from the DPCU Board chairman and finance officer also must be included on this contract.
19. The contract must be executed, pre-audited, physically signed by all parties including Governmental Unit and Auditor signatures and submitted in PDF format to the Secretary of the LGC. The current portal address to upload your contractual documents is <http://nctreasurer.slgfd.leapfile.net> Electronic signatures are not accepted at this time. Included with this contract are instructions to submit contracts and invoices for approval as of October 2015. These instructions are subject to change. Please check the NC Treasurer's web site at www.nctreasurer.com for the most recent instructions.
20. The contract is not valid until it is approved by the LGC Secretary. The staff of the LGC shall notify the Governmental Unit and Auditor of contract approval by email. **The audit should not be started before the contract is approved.**
21. There are no other agreements between the parties hereto and no other agreements relative hereto that shall be enforceable unless entered into in accordance with the procedure set out herein and approved by the Secretary of the LGC.
22. **E-Verify.** Auditor **shall comply** with the requirements of NCGS Chapter 64 Article 2. Further, if Auditor utilizes any subcontractor(s), Auditor **shall require** such subcontractor(s) to comply with the requirements of NCGS Chapter 64, Article 2.
23. All of the above paragraphs are understood and shall apply to this contract, except the following numbered paragraphs shall be deleted: (See Item 16 for clarification).

N/A

SIGNATURE PAGES FOLLOW

Contract to Audit Accounts (cont.) Town of Kure Beach, North Carolina
Governmental Unit
N/A
Discretely Presented Component Units (DPCU) if applicable

Town of Kure Beach, North Carolina - FEES
Year-end bookkeeping assistance – [For audits subject to Government Auditing Standards, this is limited to bookkeeping services permitted by revised Independence Standards] N/A
Audit \$13,400

Preparation of the annual financial Statements \$3,700
Prior to submission of the completed audited financial report, applicable compliance reports and amended contract (if required) the Auditor may submit invoices for approval for services rendered, not to exceed 75% of the total of the stated fees above. If the current contracted fee is not fixed in total, invoices for services rendered may be approved for up to 75% of the prior year audit fee.
The 75% cap for interim invoice approval for this audit contract is \$ 12,825
** NA if there is to be no interim billing

Communication regarding audit contract requests for modification or official approvals will be sent to the email addresses provided in the spaces below.

Audit Firm Signature:
Bernard Robinson & Company, LLP

Name of Audit Firm

By Victor Blackburn
Authorized Audit firm representative name: Type or print

Signature of authorized audit firm representative

Date November 24, 2015

vblackburn@brccpa.com

Email Address of Audit Firm

Governmental Unit Signatures:
Town of Kure Beach, North Carolina

Name of Primary Government

By Emilie Swearingen, Mayor
Mayor / Chairperson: Type or print name and title

Signature of Mayor/Chairperson of governing board

Date December 10, 2015

By N/A
Chair of Audit Committee - Type or print name

Signature of Audit Committee Chairperson

Date N/A

** If Governmental Unit has no audit committee, mark this section "N/A"

Town of Kure Beach, North Carolina

PRE-AUDIT CERTIFICATE: Required by G.S. 159-28

(a)
This instrument has been pre-audited in the manner required by The Local Government Budget and Fiscal Control Act or by the School Budget and Fiscal Control Act. Additionally, the following date is the date this audit contract was approved by the governing body.

By Arlen Copenhaver

Primary Governmental Unit Finance Officer:
Type or print name

Primary Government Finance Officer Signature

Date December 10, 2015

(Pre-audit Certificate **must be dated.**)

acopenhaver@townofkurebeach.org

Email Address of Finance Officer

Date Primary Government Governing Body Approved Audit Contract - G.S. 159-34(a)

December 10, 2015



Greensboro, NC | Raleigh, NC | Winston-Salem, NC

Certified Public Accountants and Advisors Since 1947

November 25, 2015

Town of Kure Beach, North Carolina
117 Settlers Lane
Kure Beach, North Carolina 28449

We are pleased to confirm our understanding of the services we are to provide the Town of Kure Beach, North Carolina for the year ending June 30, 2016. We will audit the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information, including the related notes to the financial statements, which collectively comprise the basic financial statements of the Town of Kure Beach, North Carolina as of and for the year ending June 30, 2016. Accounting standards generally accepted in the United States of America ("GAAP") provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement the Town of Kure Beach, North Carolina's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the Town of Kure Beach, North Carolina's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

- Management's Discussion and Analysis.
- Law Enforcement Officers' Special Separation Allowance – Schedule of Funding Progress
- Law Enforcement Officers' Special Separation Allowance – Schedule of Employer Contributions
- Other Postemployment Benefits – Schedule of Finding Progress.
- Other Postemployment Benefits – Schedule of Employer Contributions.

We have also been engaged to report on supplementary information other than RSI that accompanies the Town of Kure Beach, North Carolina's financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves and other additional procedures in accordance with auditing standards generally accepted in the United States of America, and will provide an opinion on it in relation to the financial statements as a whole, in a report combined with our auditor's report on the financial statements:

- Budgetary comparison of the general fund.
- Individual major and nonmajor fund financial statements and schedules.
- Schedule of Ad Valorem Taxes Receivable
- Analysis of Current Year Levy

Audit Objective

The objective of our audit is the expression of opinions as to whether your financial statements are fairly presented, in all material respects, in conformity with generally accepted accounting principles and to report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America and will include tests of accounting records and other procedures we consider necessary to enable us to express such opinions. We will issue a written report upon completion of our audit of the Town of Candor, North Carolina's financial statements. Our report will be addressed to the Honorable Mayor and Members of the Town Council of the Town of Kure Beach, North Carolina. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs. If our opinions on the financial statements are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or may withdraw from this engagement.

Audit Procedures—General

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the Town or to acts by management or employees acting on behalf of the Town.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us, even though the audit is properly planned and performed in accordance with auditing standards generally accepted in the United States of America. In addition, an audit is not designed to detect immaterial misstatements, or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, any fraudulent financial reporting, or misappropriation of assets that come to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about the financial statements and related matters.

Audit Procedures—Internal Controls

Our audit will include obtaining an understanding of the Town and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. An audit is not designed to provide assurance on internal control or to identify deficiencies in internal control. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards.

Audit Procedures—Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the Town of Kure Beach, North Carolina's compliance with the provisions of applicable laws, regulations, contracts, and agreements. However, the objective of our audit will not be to provide an opinion on overall compliance, and we will not express such an opinion.

Management Responsibilities

Management is responsible for establishing and maintaining effective internal controls, including monitoring ongoing activities, for the selection and application of accounting principles; and for the preparation and fair presentation in the financial statements in conformity with accounting principles generally accepted in the United States of America.

Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) additional information that we may request for the purpose of the audit, and (3) unrestricted access to persons within the Town from whom we determine it necessary to obtain audit evidence.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the Town involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements.

Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the Town received in communications from employees, former employees, regulators, or others. In addition, you are responsible for identifying and ensuring that the Town complies with applicable laws and regulations.

You are responsible for the preparation of the supplementary information in conformity with accounting principles generally accepted in the United States of America. You agree to include our report on the supplementary information in any document that contains and indicates that we have reported on the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon.

Your responsibilities include acknowledging to us in the representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Management is responsible for the basic financial statements and all accompanying information as well as all representations contained therein. As part of the audit, we will assist with preparation of your financial statements and related notes. You agree to assume all management responsibilities relating to the financial statements, related notes, supplementary information, and any other nonattest services we provide. You will be required to acknowledge in the management representation letter our assistance with preparation of the financial statements and related notes, supplementary information, and that you have reviewed and approved the financial statements and related notes, and supplementary information prior to their issuance and have accepted responsibility for them. Further, you agree to oversee the nonaudit services by designating an individual, preferably from senior management who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

Other Services

We will also assist in preparing the financial statements, related notes, and supplementary information of Town of Kure Beach, North Carolina in conformity with accounting principles generally accepted in the United States of America based on information provided by you. AICPA ethical standards for independence will not allow us to perform any procedure or take any action that could be construed as assuming management responsibilities. If we encounter any such situation during the engagement, we will inform you that we are not able to perform the procedure or assume the responsibility.

Engagement Administration, Fees, and Other

We understand that your employees will prepare all cash, accounts receivable, or other confirmations we request and will locate any documents selected by us for testing.

The audit documentation for this engagement is the property of Bernard Robinson & Company, L.L.P. and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to the North Carolina Local Government Commission or its designee. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Bernard Robinson & Company, L.L.P. personnel.

Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies. The audit documentation for this engagement will be retained for a minimum of five years after the report release or for any additional period requested by the Town.

Victor Blackburn is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them. We expect to begin our audit in September 2016 and to issue our reports no later than October 31, 2016.

To ensure that Bernard Robinson & Company, L.L.P.'s independence is not impaired under the AICPA *Code of Professional Conduct*, you agree to inform the engagement partner before entering into any substantive employment discussions with any of our personnel.

Our fee for these services will be at our standard hourly rates plus out-of-pocket costs (such as report reproduction, word processing, postage, travel, copies, telephone, etc.) except that we agree that our gross fee, including expenses, will not exceed \$17,100 for the year ending June 30, 2016. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our reports.

The Town of Kure Beach, North Carolina will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

We appreciate the opportunity to be of service to Town of Kure Beach, North Carolina and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know.

Town of Kure Beach, North Carolina

November 25, 2015

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If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Very truly yours,

Bernard Robinson & Company, L.L.P.

BERNARD ROBINSON & COMPANY, L.L.P.

RESPONSE:

This letter correctly sets forth the understanding of the management of The Town of Kure Beach, North Carolina.

By: _____

Title: _____

Date: _____

TOWN OF KURE BEACH
REVENUE AND EXPENDITURE SUMMARY
JULY 1, 2015 TO DECEMBER 3, 2015

REVENUES

EXPENDITURES

	2016	2016	Actual	%	2016	2016	Actual	%
	Initial Bud.	Amend. Bud.	12/03/2015	Collected	Initial Bud.	Amend. Bud.	12/03/2015	Spent
GENERAL FUND								
Property Taxes (Cur. & PY)	\$ 2,121,250	\$ 2,121,250	\$ 1,085,863	51.2%	\$ 40,467	\$ 40,467	\$ 23,690	58.5%
Local Option Sales Tax	\$ 785,200	\$ 785,200	\$ 342,777	43.7%	\$ 7,500	\$ 7,500	\$ 2,188	29.2%
Franchise & Utility Tax	\$ 201,500	\$ 201,500	\$ 53,234	26.4%	\$ 146,033	\$ 148,027	\$ 83,476	56.4%
TDA Funds	\$ 203,057	\$ 203,057	\$ -	0.0%	\$ 385,448	\$ 390,638	\$ 180,877	46.3%
Garbage & Recycling	\$ 341,400	\$ 341,400	\$ 149,560	43.8%	\$ 17,750	\$ 17,750	\$ 9,145	51.5%
ABC Revenue	\$ 10,725	\$ 10,725	\$ 7,541	70.3%	\$ 3,200	\$ 3,200	\$ 3	0.1%
Bldg. Permit & Fire Inspect. Fees	\$ 54,400	\$ 54,400	\$ 46,700	85.8%	\$ 25,000	\$ 25,000	\$ 2,889	11.6%
Communication Tower Rent	\$ 86,702	\$ 86,702	\$ 33,481	38.6%	\$ 28,900	\$ 28,900	\$ 9,818	34.0%
Motor Vehicle Tags	\$ 7,000	\$ 7,000	\$ 995	14.2%	\$ 1,208,819	\$ 1,213,819	\$ 573,757	47.3%
Com Ctr/Parks & Rec/St Festival	\$ 28,150	\$ 28,150	\$ 10,934	38.8%	\$ 484,760	\$ 479,760	\$ 191,255	39.9%
Town Facility Rentals	\$ 10,500	\$ 10,500	\$ 4,655	44.3%	\$ 190,957	\$ 190,957	\$ 100,209	52.5%
Beer & Wine Tax	\$ 9,500	\$ 9,500	\$ -	0.0%	\$ 138,748	\$ 138,748	\$ 52,587	37.9%
OFP - Bluefish Purchases	\$ 8,800	\$ 8,800	\$ 5,280	60.0%	\$ 126,565	\$ 126,565	\$ 44,354	35.0%
Sales Tax Refund	\$ 30,000	\$ 30,000	\$ 35,693	119.0%	\$ 740,797	\$ 740,797	\$ 308,806	41.7%
CAMA & Impact Fees	\$ 2,800	\$ 2,800	\$ 1,735	62.0%	\$ 294,205	\$ 294,205	\$ 177,673	60.4%
All Other Revenues	\$ 7,845	\$ 7,845	\$ 19,523	248.9%	\$ 50,000	\$ 50,000	\$ 50,000	100.0%
Other Financing Sources	\$ 111,000	\$ 111,000	\$ 39,193	35.3%	\$ 130,680	\$ 123,496	\$ -	0.0%
Total Revenues	\$ 4,019,829	\$ 4,019,829	\$ 1,837,164	45.7%	\$ 4,019,829	\$ 4,019,829	\$ 1,810,727	45.0%
WATER & SEWER FUND								
Water Charges	\$ 710,710	\$ 710,710	\$ 396,447	55.8%	\$ 16,767	\$ 16,767	\$ 6,015	35.9%
Sewer Charges	\$ 1,011,270	\$ 1,011,270	\$ 493,759	48.8%	\$ 28,900	\$ 28,900	\$ 9,818	34.0%
Tap, Connect & Reconnect Fees	\$ 27,840	\$ 27,840	\$ 44,740	160.7%	\$ 171,402	\$ 171,402	\$ 76,408	44.6%
All Other Revenues	\$ 6,035	\$ 6,035	\$ 2,943	48.8%	\$ 251,919	\$ 251,919	\$ 132,909	52.8%
Other Financing Sources	\$ 130,750	\$ 130,750	\$ 51,455	39.4%	\$ 1,417,617	\$ 1,417,617	\$ 579,486	40.9%
Total Revenues	\$ 1,886,605	\$ 1,886,605	\$ 989,344	52.4%	\$ 1,886,605	\$ 1,886,605	\$ 804,636	42.6%
STORM WATER FUND								
Total Revenues	\$ 523,330	\$ 523,330	\$ 180,763	34.5%	\$ 523,330	\$ 523,330	\$ 124,987	23.9%
POWELL BILL FUND								
Total Revenues	\$ 64,030	\$ 64,030	\$ 32,716	51.1%	\$ 64,030	\$ 64,030	\$ 3,762	5.9%
SEWER EXPANSION RESERVE FUND (SERF)								
Total Revenues	\$ 22,635	\$ 22,635	\$ 37,560	165.9%	\$ 22,635	\$ 22,635	\$ -	0.0%
BEACH PROTECTION FUND								
Total Revenues	\$ 50,000	\$ 50,000	\$ 50,024	100.0%	\$ 50,000	\$ 50,000	\$ -	0.0%
FEDERAL ASSET FORFEITURE FUND								
Total Revenues	\$ 50,000	\$ 50,000	\$ -	0.0%	\$ 50,000	\$ 50,000	\$ 47,888	95.8%

**TOWN OF KURE BEACH
CASH AND INVESTMENTS
AS OF NOVEMBER 30, 2015**

<u>FUND</u>	<u>CASH IN BANK</u>	<u>INVESTMENTS</u>	<u>TOTAL CASH & INVESTMENTS</u>
General	\$2,093,328	\$341,249	\$2,434,577
Water/Sewer	\$1,329,938	\$583,861	\$1,913,799
Storm Water	\$744,406	\$239,905	\$984,311
SERF	\$282,886	\$91,103	\$373,989
Federal Asset Forfeiture	\$104,524	\$0	\$104,524
Powell Bill	\$226,786	\$19,892	\$246,678
Beach Protection	\$61,640	\$175,024	\$236,664
TOTAL	<u>\$4,843,508</u>	<u>\$1,451,034</u>	<u>\$6,294,542</u>
<u>INSTITUTION</u>			
BB&T	\$4,843,508	\$0	
First Bank - Certificates of Deposit	\$0	\$961,453	
Bank of America - Certificate of Deposit	\$0	\$258,461	
NCCMT Term Portfolio	\$0	\$225,302	
NCCMT Cash Portfolio	\$0	\$5,818	
TOTAL	<u>\$4,843,508</u>	<u>\$1,451,034</u>	

**TOWN OF KURE BEACH
SUMMARY OF CONTINGENCY FUND AND COMMITTEE
EXPENDITURE ACTIVITY
07/01/2015 - 12/03/2015**

CONTINGENCY FUND

Fiscal Year 2016 Budget	\$130,680.00
Less:	
Budget Amendments - Transfer funds to Administration & Finance Departments - Resolution R15-12	<u>\$7,184.00</u>
Remaining Budget as of 12/03/2015	<u><u>\$123,496.00</u></u>

COMMITTEE (Shoreline Access, Beach Protection & Parking) EXPENDITURES

Fiscal Year 2016 Budget	\$7,500.00
Less Expenditures:	
Grant Writer Fees	\$825.00
Parking signs	\$104.95
Engineer deposit - II Ave. beach access	\$500.00
Parking lot stone/hauling	\$653.41
Parking signs	<u>\$105.00</u>
Total Expenditures	\$2,188.36
Projects Approved By Council But Not Yet Expended:	
Engineer - H Ave. beach access	<u>\$2,000.00</u>
Total Approved, Not Expended	<u><u>\$2,000.00</u></u>
Remaining Budget as of 12/03/2015	<u><u>\$3,311.64</u></u>

**TOWN OF KURE BEACH
DEBT LISTING
DECEMBER 10, 2015**

LOAN PURPOSE/DESCRIPTION	FUND	LENDER	DATE OF LOAN	AMOUNT FINANCED	INTEREST RATE	LOAN TERM (YRS)	DATE PAID OFF	BALANCE AT 12/10/15	PAYMENT FREQUENCY	PAYMENT AMOUNT	NEXT PAY DATE	INT. EXPENSE LIFE OF LOAN
Sewer Rehabilitation Project (a)	W/S	Fed Gov	05/01/2010	\$432,660	0.00%	20	05/01/2030	\$158,335.75	Annual	\$10,555.72	05/01/2016	\$0.00
Ocean Front Park (development)	G	BB&T	07/12/2011	\$347,000	4.39%	17	07/12/2028	\$265,352.96	Annual	\$32,060.75	07/12/2016	\$137,099.64
Ocean Front Park (acquisition)	G	BB&T	12/19/2007	\$3,600,000	4.28%	20	12/19/2027	\$778,846.27	Annual	\$98,238.48	12/19/2016	\$690,135.16
334 S. 4th, 402 H & 406 H Ave.	G	BB&T	03/12/2015	\$409,471	2.49%	10	03/12/2025	\$409,471.15	Annual	\$51,142.95	03/12/2016	\$56,077.07
Water Tower & Well House & Town Hall Expansion (b)	G, W/S	BB&T	04/11/2007	\$1,187,187	3.92%	15	05/07/2022	\$599,829.16	Semi-annual	\$52,716.71	05/07/2016	\$394,314.33
O'Brien 7065 Hydroletter (c)	W/S, SW	1st Bank	08/13/2015	\$81,485	1.70%	5	08/13/2020	\$81,484.95	Annual	\$17,149.28	08/13/2016	\$4,202.44
Cutter Court Drainage Project	SW	B of A	07/23/2005	\$875,000	4.40%	15	06/23/2020	\$331,590.75	Monthly	\$6,677.76	12/23/2015	\$326,995.49
FY 2016 Equipment & Vehicles (d)	G, W/S	BB&T	09/14/2015	\$186,000	2.01%	4	09/14/2019	\$186,000.00	Annual	\$48,859.87	09/14/2016	\$9,439.48
(2) 2015 Police Cars	G	BB&T	03/27/2015	\$48,359	2.19%	4	03/27/2019	\$48,359.00	Annual	\$12,758.83	03/27/2016	\$2,676.33
2015 Ford F-250 Utility Truck	W/S	BB&T	10/24/2014	\$32,216	2.19%	4	10/24/2018	\$24,421.80	Annual	\$8,499.73	10/24/2016	\$1,782.92
Downtown Improvement Project	G	BB&T	01/17/2014	\$117,000	1.93%	4.5	06/17/2018	\$94,539.10	Annual	\$24,719.00	01/17/2016	\$6,595.00
2013 Ford F-150 Police Truck	G	BB&T	01/15/2014	\$32,000	2.18%	4	01/15/2018	\$24,256.90	Annual	\$8,440.70	01/15/2016	\$1,762.80
2013 Ford Police Utility	G	BB&T	06/28/2013	\$29,836	2.17%	4	06/28/2017	\$15,238.21	Annual	\$7,867.99	06/28/2016	\$1,635.96
2011 International Garbage Truck	G	BB&T	09/16/2011	\$152,152	1.81%	5	09/16/2016	\$31,531.79	Annual	\$32,102.53	09/16/2016	\$8,360.65

FUND CODES

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

TOTAL OUTSTANDING DEBT AT 12/10/2015:

General Fund	\$ 1,895,533.80
Water/Sewer Fund	\$ 781,390.77
Storm Water Fund	\$ 372,333.23
Total	\$ 3,049,257.79

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) - 52% of loan is General Fund and 48% is Water/Sewer Fund.

LOAN PAYMENTS DUE (Next 12 Months):

12/11/2015 - 03/31/2016	\$ 123,772.52
04/01/2016 - 06/30/2016	\$ 91,173.70
07/01/2016 - 09/30/2016	\$ 150,205.71
10/01/2016 - 12/10/2016	\$ 172,810.44
Total	\$ 537,962.37



TOWN COUNCIL MINUTES

REGULAR MEETING

November 17, 2015

The Kure Beach Town Council held their regular meeting on Tuesday, November 17, 2015 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 (MPT) Craig Bloszinsky
Commissioner Emilie Swearingen
Commissioner David Heglar
Commissioner VACANT

STAFF PRESENT

Building Inspector – John Batson
Finance Officer – Arlen Copenhaver
Public Works Director – Sonny Beeker
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. Reverend Thomas Williams delivered the invocation. The mayor led everyone in the Pledge of Allegiance.

APPROVAL OF CONSENT AGENDA ITEMS

1. Accept Joseph Whitley's resignation from the Planning and Zoning Commission.
2. Approve Essentials in Municipal Government training for Mayor-elect Swearingen and Commissioner-elect Whitley for a total registration cost of \$850, which includes the required Ethics in Government training for elected, re-elected and appointed officials.
3. Building Inspections Report – October 2015
4. Fire Department Report – October 2015
5. YTD Finance Report Meeting
6. Minutes:
 - October 20, 2015, regular meeting

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

SECOND – Commissioner Swearingen

VOTE – Unanimous



TOWN COUNCIL MINUTES

REGULAR MEETING

November 17, 2015

ADOPTION OF THE AGENDA

MOTION – Commissioner Heglar moved to approve that meeting agenda, as presented.

SECOND – Commissioner Swearingen

VOTE – Unanimous

DISCUSSION AND CONSIDERATION OF PERSONS TO ADDRESS COUNCIL

1. John Ellen, 181 Sea Watch Way

Mr. Ellen congratulated Mayor-elect Swearingen on her win and congratulated Mayor Lambeth for his dedicated service to the town. He said he was looking through the Land Use Plan for the town and all of the key issues have been solved under the mayor's leadership of the town. He added that he attended the NC Beach, Inlet and Waterway Association conference yesterday and will submit a report about it to council before the next meeting.

2. Eric Vann, 733 Sailor Court

Mr. Vann thanked the mayor on behalf of all the town's citizens for providing hard, dedicated work to the town as mayor. He said hopes the mayor will now be able to get a little relaxation.

DISCUSSION AND CONSIDERATION OF COMMITTEE BUSINESS

None

DISCUSSION AND CONSIDERATION OF DEPARTMENT HEAD BUSINESS

1. Administration and Recreation

a. Inter-local agreement (ILA) about beach nourishment update

Town Clerk Avery made the following points:

- In 2011, the county asked the towns to enter into an ILA for funding beach nourishment in case there was no Federal or state funding. The agreement was supposed to expire in 2015.
- In 2015, Carolina Beach (CB) and Kure Beach (KB) asked the county why they expected the beach towns to fund beach nourishment without county funding.
- As a result, the county created a subcommittee to make recommendations on short- and long-term solutions for beach nourishment funding.
- Per the county's finance projections, the ROT will run out of money as early as 2026, if something isn't done to secure the fund, creating an even higher financial burden on the beach towns.
- The subcommittee presented three short term options, all dependent on finding a long term revenue source, to the county commissioners at their council meeting held 11/16/15:
 - Option A - The ROT will fund 100% of one maintenance event per beach community



TOWN COUNCIL MINUTES

REGULAR MEETING

November 17, 2015

- Option B - The 17.5 percent local cost share is split 50/50 between the recipient beach and the county
- Option C- The 17.5 percent local cost share is distributed using the Ad Valorem or Per Capita percentages for each beach community and the county
- The Town Clerk presented long term options that the subcommittee created.

MPT Bloszinsky asked the clerk if the county commissioners discussed any of the long-term options that the beach town council members discussed previously with them in the three meetings they had together.

Town Clerk Avery said that, after the subcommittee presented their information to the county commissioners, the commissioners only discussed the short term options. She said the subcommittee recommended to the county commissioners that they hold a work session with all three beach town councils to continue the conversation.

MPT Bloszinsky urged the public to communicate with the county commissioners that it's not acceptable to not have a long-term solution for beach nourishment. He said that, if the county commissioners don't solve the funding issue, an increase of 17.5 percent of the town's approximate \$4 million budget would require an extra \$100 tax per every man, woman and child in Kure Beach.

Mayor Lambeth said he signed the ILA as an emergency because KB funding got left out of one of the beach nourishments. He said that CB gave KB their part of the 17.5 percent so that the town wouldn't have to pay for it. He added the following points:

- When the county presents their proposal to add another percent to the Room Occupancy Tax (ROT), the motel owners are going to have a fit.
- NHC Chairman Barfield makes it clear that he doesn't think the beaches are diverse enough to be worth county funding.
- When he, MPT Bloszinsky and CB Mayor Wilcox met with the county manager on about five different occasions, the manager made it clear that the county would never pay to take care of the beaches; he was adamant about that.
- The county's bookkeeper for the ROT said she could never find any numbers that could be computed for the food and beverage tax, so CB Mayor Wilcox went out on his own and found those numbers.
- The county has about \$15 million to spend as they wish but, if they don't approve a long-term plan, the citizens of the beach towns will have to pay to keep sand on the beach.



TOWN COUNCIL MINUTES

REGULAR MEETING

November 17, 2015

Commissioner Swearingen asked if the county commissioners indicated which one of the short term options they were going to support and if they indicated that they weren't interested in a long-term solution.

Town Clerk Avery said they didn't say which short term solution they were interested in, although there was a lot of discussion about Option A. She said that she didn't get the impression that the commissioners weren't interested in a long-term solution. She said that they asked questions and seemed interested.

MPT Bloszinsky said the beach towns agreed with the county to extend the agreement until the end of December, so the issue will come up again in January.

Commissioner Heglar said that it doesn't matter right now since there is funding for this year's beach nourishment, but council needs to keep pushing them because the county will postpone it for three years and then we'll be in the same mess.

Presentation given by town clerk is herein incorporated as part of these minutes.

2. Building Department

- a. Ordinance giving building inspector authority to waive storm water fee in lieu of homeowner installing engineered storm water system on flood-prone property

Inspector Batson said that he and the town attorney decided that, rather than write an ordinance regarding the waiver of the storm water fee, they would like council to approve putting an explanation in the fee schedule stating that the storm water fee will be waived if the property owner in a flood-prone area installs an engineered storm water system, with approval of the building inspector and public works director.

MOTION – Commissioner Heglar moved to approve a revision to the 2015-2016 Fee Schedule, to state that the \$4,000 Storm Water Fee may be waived with the installation of an engineered storm water system and approval of the building inspector and public works director.

SECOND – MPT Bloszinsky

VOTE – Unanimous

The revised fee schedule is herein incorporated as part of these minutes.

3. Public Works Department

- a. Cost to install and operate lighting in the corral parking area and cost to install and operate decorative lighting on Atlantic Avenue between L and N Avenues

Director Beeker said that it will cost about \$100 per month to light the corral parking lot, but he still needs to talk to Ms. Pollard from Duke Energy about installing LED lights in



TOWN COUNCIL MINUTES

REGULAR MEETING

November 17, 2015

the town hall parking lot and using the same lights for the corral parking area. He will also find out more about turtle-friendly LED lights to be installed on the ocean side of the boardwalk extension on Atlantic Avenue. As soon as he meets with Ms. Pollard and gets pricing, he'll bring it back to council.

Director Beeker said that Kure Beach Village had some sinkholes after the big rains, and a couple of them let sand get into their retention pond through the intake and discharge area. He asked council for approval for his department to use a backhoe for about five hours to clean it up.

MOTION – Commissioner Heglar moved to approve public works using public resources to clean out the Kure Beach Village retention pond that the town impacted.

SECOND – Commissioner Swearingen

VOTE – Unanimous

Director Beeker said there are some private properties sitting in low areas that are prone to drainage problems during rains, and his department has been setting up their pumps to help drain them which is taxing on his department. He asked council to give him permission to talk to the property owners to see if they would be willing to allow public works to run a hard pipe to their properties. The property owners could then attach a drainage pump to the town's pipe whenever their properties flood. He said it shouldn't cost a lot to install two-inch piping to those properties.

MOTION – Commissioner Heglar moved to give permission to Director Beeker to contact individual property owners regarding storm water issues on private property.

SECOND – Commissioner Swearingen

VOTE – Unanimous

Director Beeker said his crew did some drainage work on Sealane Way, but more needs to be done. He said that the recent series of heavy rains created knee-deep water at Fort Fisher Boulevard and Sealane Way. He explained that some of the drainage pipes weren't laid correctly when the driveways were poured, so he will need to shoot some grades to see what needs to be done.

John Ellen said that, during one of the presentations at yesterday's meeting, Kure Beach was singled out as the model community for the way the town handles storm water and the aggressive nature with which the town addresses it after heavy rains.

DISCUSSION AND CONSIDERATION OF OLD BUSINESS

1. Resolution to oppose the issuance of wind energy leases within a certain amount of nautical miles off of North Carolina's shoreline



TOWN COUNCIL MINUTES

REGULAR MEETING

November 17, 2015

Commissioner Heglar said that he reviewed the issue and found that the U.S. Bureau of Ocean Energy Management (BOEM) has dealt differently with different towns which is a bigger issue that needs to be addressed; that every community should be treated the same. The resolution that he worked on with the town clerk highlights that issue and recommends that BOEM treat everyone the same.

MOTION – Commissioner Heglar moved to adopt Resolution R15-13: a recommendation to BOEM to use consistency in issuance of commercial wind energy leases for North Carolina’s shores.

SECOND – MPT Bloszinsky

VOTE – Unanimous

Mayor Lambeth thanked Commissioner Heglar and Town Clerk Avery for their work on creating the resolution.

Said resolution is herein incorporated as part of these minutes.

DISCUSSION AND CONSIDERATION OF NEW BUSINESS

1. Motion to accept resignation from Commissioner Steve Pagley

MOTION – Commissioner Heglar moved to accept Commissioner Steve Pagley’s resignation from Kure Beach Town Council.

SECOND – MPT Bloszinsky

VOTE – Unanimous

2. Discussion regarding appointment for council vacancy through 2017

Commissioner Heglar said the vacancy left by Mr. Pagley should be filled using the same process that was used last time to fill a council vacancy. He said council should be given all of the resumes about two weeks before the January regular council meeting to review.

MPT Bloszinsky said that the process that Commissioner Heglar recommended is the best solution to find a person to appoint to the vacancy and ensures that all of the people in the community who would like to be considered have a chance.

Commissioner Swearingen said she has heard from eight people who would like to apply and recommended that council should ask applicants to list their top two or three concerns in Kure Beach.

MOTION – Commissioner Heglar moved to fill the council member vacancy as follows: by next week, town council members are to submit two or three questions to the town clerk that they would like the applicants to answer. At the beginning of December, the town clerk will advertise the vacancy, requesting that applicants submit their resumes and



TOWN COUNCIL MINUTES

REGULAR MEETING

November 17, 2015

answers by the end of December. Applicants will then be asked to attend the regular council meeting on January 19, 2016, to be interviewed.

SECOND – MPT Bloszinsky

VOTE – Unanimous

3. Set date and time for organizational meeting to administer oaths of office to newly-elected council members

MOTION – Commissioner Heglar moved to hold the regular/organizational meeting of the Kure Beach Town Council on Thursday, December 10, 2015, at 6:30 p.m.

SECOND – Commissioner Swearingen

VOTE – Unanimous

4. Request from Barbara Boal, resident at 418 Settlers Lane, to donate a palm tree planted in her yard if town staff digs it up and transports it out of her yard
MPT Bloszinsky said that Ms. Boal has asked him if the town would be interested in accepting her donation of a palm tree that is located in her yard, if the town would remove it.

Commissioner Swearingen said if council does this for one resident, they will have to do it for everybody. She said she knows of someone who wants a pine tree removed at the town's expense and that person may follow right behind in asking this from council if they approve Ms. Boal's offer.

MOTION – Commissioner Heglar moved to thank Ms. Boal for her offer, but to not accept it.

SECOND – Commissioner Swearingen

VOTE – Unanimous

COMMISSIONER ITEMS

MPT Bloszinsky thanked the mayor for giving ten years of service to the town at an extremely low cost. He said that the mayor actually started his involvement with the town by suing it, but he went on to improve the town in ways that will last for decades. He said that Carolina Beach officials say they depended on the mayor for his contacts at the state level. He said the mayor was hard working and got results, adding that his "tough guy" and stubborn image are all a part of who he is.

Commissioner Heglar thanked the mayor for being a great advocate for the town. He said that, although he didn't always agree with the mayor's style, he can't argue with his heart. He said the mayor has fulfilled his role in Raleigh, Washington D.C. and Kure Beach, fighting for the town wherever he goes. He listed some of the mayor's achievements including a new streetscape in the downtown area and leading the charge



TOWN COUNCIL MINUTES

REGULAR MEETING

November 17, 2015

for repaving Dow Road and Fort Fisher Boulevard. He said the public should take time to thank Mayor Lambeth for his service, because it wasn't about the money and he probably only made about 20 cents an hour for all the time he put in.

Council presented the mayor with an appreciation plaque and invited the public to stay after the meeting for a reception in honor of the mayor.

ADJOURNMENT

MOTION – Commissioner Heglar made the motion to adjourn

SECOND – MPT Bloszinsky

VOTE – Unanimous

The meeting adjourned at 7:30 p.m.

Dean Lambeth, Mayor

ATTEST: 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.



OFFICIAL NOTICE
KURE BEACH TOWN COUNCIL
ACCEPTING LETTERS OF INTEREST
TO FILL VACANCY ON COUNCIL

A vacancy currently exists on the Kure Beach Town Council. If you are interested in serving on Council through December 2017, please submit a letter of interest. Include with the letter your resume and the following information:

Name, mailing address, phone number, email address, and responses to the questions below:

1. How long have you resided in Kure Beach and what is the address of your residence?
2. What do you believe are the most critical issues facing the town council in the next five years?
3. How have you served the town or county in the past five years?
4. How many town council meetings have you attended in the past two years (estimate)?
5. What brought you to attend the council meetings?
6. Why did you not run in the most recent election when you had the opportunity to be selected by the citizens?
7. What do you see as the job of the Town Council?
8. What experience, education or abilities do you bring to the role that will help the Council accomplish its job?
9. How should Kure Beach balance the needs of its residents with the needs of visitors?
10. If not selected for Town Council, are you willing to serve in other areas on town and county committees?

Deadline for submission is 4 p.m., December 30, 2015. Submissions may be mailed, emailed or dropped off at Town Hall, to the attention of the Town Clerk, 117 Settlers Lane, or townclerk@tokb.org.

Council may interview applicants at the January 19, 2016 meeting which begins at 6:30 p.m. in the council room at Town Hall.