



TOWN COUNCIL MINUTES

SPECIAL MEETING

MAY 30, 2017

The Kure Beach Town Council held a special meeting on Tuesday, May 30, 2017, to approve the transfer of funds to cover expenses related to the town's project to expand town facilities and construct a new fire station.

The town attorney was present and there was a quorum of council members.

COUNCIL MEMBERS PRESENT

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

COUNCIL MEMBERS ABSENT

Commissioner David Heglar

STAFF PRESENT

Finance & Budget Officer – Arlen Copenhaver
Town Clerk – Nancy Avery

CALL TO ORDER

Mayor Swearingen called the meeting to order at 6:30 p.m.

MOTION - Commissioner Dugan made the motion to excuse Commissioner Heglar

SECOND – Commissioner Whitley

VOTE - Unanimous

TRANSFER OF FUNDS AND REVISION OF CAPITAL PROJECT ORDINANCE BUDGET

Mayor Swearingen stated the purpose of the meeting is to discuss and consider revision to the Capital Project Ordinance Budget established in August of 2016 for the expansion and renovation of the town hall complex and construction of a new fire station (facility improvement project).

Finance Officer Copenhaver stated:

- Last August, we set up a preliminary budget for a design study by an architect and a topographic survey;
- Since then we have spent \$11,000 in legal fees and only have \$650 left;
- Now that the town has signed a contract with the architect and the project is progressing, we need to update the budget because bills are coming in;
- There will be additional legal fees for other contracts and possibly some associated with the loan for a bond attorney and closing attorney;
- The proposed budget does not include costs associated with hiring a 3rd party project manager;
- There is only \$182,062 in contingency funds in the project budget;



TOWN COUNCIL MINUTES

SPECIAL MEETING

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- He is requesting approval to transfer an additional \$200,000 from the General Fund for this project.

Finance Officer Copenhaver reviewed:

- Revised Capital Project Ordinance Budget
- Budget Amendment 17-09 transferring \$200,000
- Resolution R17-11 Notice of Intent to Reimburse which allows the town to reimburse expenditures paid prior to receiving the loan

All of the above documents are incorporated as part of these minutes.

MOTION – Commissioner Whitley made the motion to adopt the revised Capital Project Ordinance Budget for the facility improvement project with a total project cost of \$5 million, as presented.

SECOND – Commissioner Dugan

VOTE – Unanimous

MOTION – Mayor Pro Tem Bloszinsky made the motion to adopt Budget Amendment 17-09 transferring \$200,000 from the General Fund to the revised Capital Project Ordinance Budget for the facility improvement project.

SECOND – Commissioner Whitley

VOTE – Unanimous

MOTION – Commissioner Dugan made the motion to approve Resolution 17-11 Notice of Intent to Reimburse

SECOND – Mayor Pro Tem Bloszinsky

VOTE – Unanimous

DISCUSSION AND CONSIDERATION OF DESIGNATING A STAFF MEMBER TO APPROVE INVOICES FOR THIS PROJECT, IN THE INTERIM, AS THE COUNCIL CONSIDERS HIRING A PROJECT MANAGER

MOTION – Mayor Pro Tem Bloszinsky made the motion for the administrative department head to approve invoices for this project, in the interim, in conjunction with the financial department head.

SECOND - Commissioner Whitley

VOTE – Unanimous



REVISED CAPITAL PROJECT ORDINANCE
TOWN HALL EXPANSION AND NEW FIRE STATION

Be it ordained by the Town Council of Kure Beach, North Carolina, that, pursuant to Section 13.2 of Chapter 159 of the General Statutes of North Carolina, the following capital project ordinance is hereby adopted:

Section 1. The project authorized is the expansion of Town Hall and construction of a new fire station to be financed by a transfer from the General Fund and installment financing.

Section 2. The officers of this unit are hereby directed to proceed with the capital project within the terms of the installment financing agreements and the budget contained herein.

Section 3. The following amounts are appropriated for the project:

Feasibility Study	\$ 28,500
Architectural Services	386,757
Miscellaneous Project Costs	30,000
Construction – Town Hall	1,656,597
Construction – Fire Station	2,716,084
Project Contingency & Third-Party Project Management	<u>182,062</u>
Total Project Costs	<u>\$5,000,000</u>

Section 4. The following revenue sources are anticipated to be available to complete this project:

Transfer from the General Fund	\$ 250,000
Installment Financing	<u>4,750,000</u>
Total Revenue Sources	<u>\$5,000,000</u>

Section 5. The Finance Officer is hereby directed to maintain within the Capital Project Fund sufficient detailed accounting records to satisfy the requirements of any installment financing agreements and State and Federal regulations.

Section 6. Funds may be advanced from the General Fund for the purpose of making payments as due.

Section 7. The Finance Officer is directed to report, on a quarterly basis, on the financial status of each project element in Section 3 and on the total revenues received.

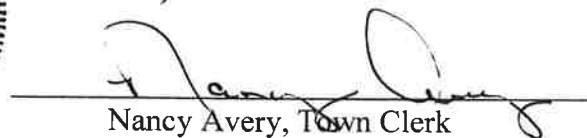
Section 8. The Budget Officer is directed to include a detailed analysis of past and future costs and revenues related to this capital project in every budget submission made to this Board.

Section 9. Copies of this capital project ordinance shall be furnished to the Town Clerk, the Budget Officer and the Finance Officer for direction in carrying out this project.

This ordinance being duly passed and adopted this 30th day of May, 2017.




Emilie Swearingen, Mayor


Nancy Avery, Town Clerk

Kure Beach Town HallOCA Project #16026
January 24, 2017

OCA

HARD COSTS:

1 Development and Construction:		Cost per unit		Costs
Site Development				
General Sitework	1	LS	228,675	\$228,675.00
New Construction				
Building	6,413	SF	\$190	\$1,218,470.00
Renovation	1,369	SF	\$90	\$123,210.00
Demolition	1	LS	\$12,800	\$12,800.00
SUBTOTAL - CONSTRUCTION COSTS				\$1,583,155.00

SOFT COSTS:

2 Land and Rights		N/A		\$0.00
SUBTOTAL				\$0.00
3 Legal Fees		1 LS		\$0.00
SUBTOTAL				\$0.00
4 Other Costs:				
Permits & Application Fees	1	LS		\$1,000.00
Bid Advertising	1	LS		\$1,200.00
SUBTOTAL				\$2,200.00
5 Design Fees:				
Basic Services	9%	LS		\$149,608.15
Programming-(reflects credit)	1	LS		\$14,000.00
SUBTOTAL				\$163,608.15
6 Equipment				
Technology Wiring & Equipment	1.5%	LS		\$23,747.33
Furnishings	3%	LS		\$47,494.65
SUBTOTAL				\$71,241.98
7 Contingencies				
Construction Contingency	1	5%		\$79,157.75
SUBTOTAL				\$79,157.75
TOTAL PROJECT BUDGET:				\$1,899,362.87

In providing this opinion of probable cost, it must be understood that we have no control over costs or the price of labor, equipment or materials, contractors' methods of determining bid prices, competitive bidding, market or negotiating conditions. Accordingly, we cannot and do not warrant that bids or negotiated prices will not vary from our opinion. We make no warranty, express, or implied, as to the accuracy of any opinion we may give as compared to bid or actual cost.

Kure Beach Fire DepartmentOCA Project #16026
January 24, 2017

OCA

HARD COSTS:

1	Development and Construction:			Cost per unit	Costs
	Site Development				
	General Sitework	1	LS	228,675	\$228,675.00
	New Construction				
	Building	9,038	SF	\$250	\$2,259,500.00
	Generator	1	LS	\$65,000	\$65,000.00
	SUBTOTAL - CONSTRUCTION COSTS				\$2,553,175.00

SOFT COSTS:

2	Land and Rights			N/A	\$0.00
	SUBTOTAL				\$0.00
3	Legal Fees	1	LS		\$0.00
	SUBTOTAL				\$0.00
4	Other Costs:				
	Site Survey	1	LS		\$9,500.00
	Geotechnical Testing	1	LS		\$4,800.00
	Permits & Application Fees	1	LS		\$1,000.00
	Bid Advertising	1	LS		\$1,200.00
	Special Inspections	1	LS		\$18,750.00
	SUBTOTAL				\$35,250.00
5	Design Fees:				
	Basic Services	9%	LS		\$236,679.32
	SUBTOTAL				\$236,679.32
6	Equipment				
	Technology Wiring & Equipment	1.5%	LS		\$38,297.63
	Furnishings	3.5%	LS		\$89,361.13
	SUBTOTAL				\$127,658.75
7	Contingencies				
	Construction Contingency	1	3%		\$76,595.25
	SUBTOTAL				\$76,595.25
	TOTAL PROJECT BUDGET:				\$3,029,358.32

In providing this opinion of probable cost, it must be understood that we have no control over costs or the price of labor, equipment or materials, contractors' methods of determining bid prices, competitive bidding, market or negotiating conditions. Accordingly, we cannot and do not warrant that bids or negotiated prices will not vary from our opinion. We make no warranty, express, or implied, as to the accuracy of any opinion we may give as compared to bid or actual cost.

BUDGET AMENDMENT
 FISCAL YEAR ENDING JUNE 30, 2017
 AMENDMENT DATE: 05/30/2017

Budget Amendment No.: 17-09

DESCRIPTION/PURPOSE OF AMENDMENT

At a special meeting of Town Council on 5/30/2017, Council adopted a Revised Capital Project Ordinance for expansion of Town Hall and construction of a new fire station. The revised ordinance reflects the estimated costs for project planning, design and construction. The project will be funded by a transfer from the General Fund and installment financing. This amendment appropriates General Fund balance for the amount of the transfer and updates the Capital Project Fund budget.

ACCOUNTS AFFECTED

<u>Account No.</u>	<u>Account Name</u>	<u>Debit</u>	<u>Credit</u>
10-310-00-00	Appropriate General Fund Balance		\$200,000
10-580-99-99	Transfer to Capital Project Fund	\$200,000	
42-315-00-00	Transfer In From General Fund		\$200,000
42-320-00-00	Loan Proceeds		\$4,750,000
42-580-00-00	Architectural Services & Planning	\$395,257	
42-580-02-00	Construction Expenses	\$4,554,743	

NOTE: (a) Budget Officer may transfer between line item expenditures without limitation and without a report being required up to \$10,000 at any one time. (b) The Budget Officer may transfer amounts within departments and of the same fund and reported as part of the financial statements. He/She shall make an official report immediately to Council on such transfers. (c) The Budget Officer may not transfer amounts between funds without prior Council action.

Requested By: Arlen Copenhaver, Finance/Budget Officer Date: 05/30/17

Approved By: Arlen Copenhaver, Finance/Budget Officer Date: 05/30/17

(Copies of actions/directives from Council Meeting to be attached, if required as per NOTE)



Approved by Council 05/30/17 Emilie Swearingen Emilie Swearingen, Mayor
 ATTEST: Nancy Avery Nancy Avery, Town Clerk



TOWN COUNCIL
TOWN OF KURE BEACH, NC

RESOLUTION R17-11

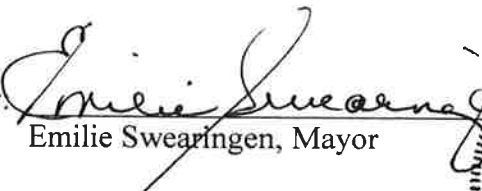
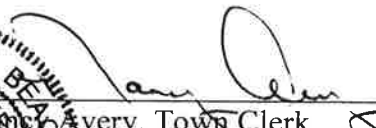
DECLARATION OF OFFICIAL INTENT TO REIMBURSE

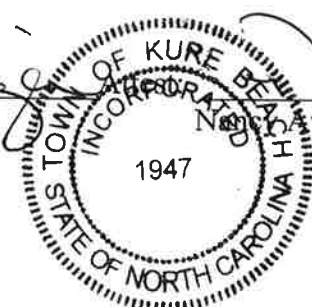
This declaration (the "Declaration") is made pursuant to the requirements of the United States Treasury Regulations Section 1.150-2 and is intended to constitute a Declaration of Official Intent to Reimburse under such Treasury Regulations Section.

The undersigned is authorized to declare the official intent of Town of Kure Beach, North Carolina (the "Issuer") with respect to the matters contained herein.

1. **Expenditures to be Incurred.** The Issuer anticipates incurring expenditures (the "Expenditures") for renovating the Town Hall complex and constructing a new Fire Station (the "Project").
2. **Plan of Finance.** The Issuer intends to finance the costs of the Project with the proceeds of debt to be issued by the Issuer (the "Borrowing"), the interest on which is to be excluded from gross income for Federal income tax purposes.
3. **Maximum Principal Amount of Debt to be Issued.** The maximum principal amount of the Borrowing to be incurred by the Issuer to finance the Project is \$5,000,000.
4. **Declaration of Official Intent to Reimburse.** The Issuer hereby declares its official intent to reimburse itself with the proceeds of the Borrowing for any of the Expenditures incurred by it prior to the issuance of the Borrowing.

Adopted this 30th day of May, 2017.

By:  Emilie Swearingen, Mayor
 Nancy Avery, Town Clerk





CAPITAL PROJECT ORDINANCE

TOWN HALL EXPANSION AND NEW FIRE STATION

Be it ordained by the Town Council of Kure Beach, North Carolina, that, pursuant to Section 13.2 of Chapter 159 of the General Statutes of North Carolina, the following capital project ordinance is hereby adopted:

Section 1. The project authorized is the expansion of Town Hall and construction of a new fire station to be financed by a transfer from the General Fund and installment financing. The initial phase of the project is for architectural and related service fees.

Section 2. The officers of this unit are hereby directed to proceed with the capital project within the terms of the installment financing agreements and the budget contained herein. This budget will be amended subsequent to the completion of the initial phase when an estimate of construction costs can be determined.

Section 3. The following amounts are appropriated for the initial phase of the project:

Architectural Services	\$28,500
Topographical Survey & Other Planning Costs	<u>21,500</u>
Total Initial Project Costs	<u>\$50,000</u>

Section 4. The following revenue sources are anticipated to be available to complete the initial phase of this project:

Transfer from the General Fund	<u>\$50,000</u>
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Section 5. The Finance Officer is hereby directed to maintain within the Capital Project Fund sufficient detailed accounting records to satisfy the requirements of any installment financing agreements and State and Federal regulations.

Section 6. Funds may be advanced from the General Fund for the purpose of making payments as due.

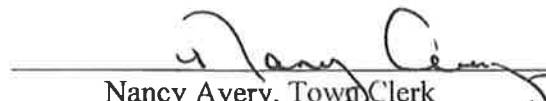
Section 7. The Finance Officer is directed to report, on a quarterly basis, on the financial status of each project element in Section 3 and on the total revenues received.

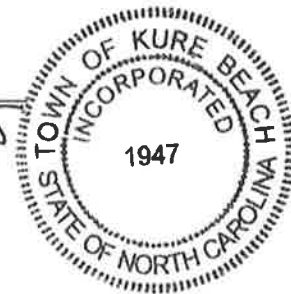
Section 8. The Budget Officer is directed to include a detailed analysis of past and future costs and revenues related to this capital project in every budget submission made to this Board.

Section 9. Copies of this capital project ordinance shall be furnished to the Town Clerk, the Budget Officer and the Finance Officer for direction in carrying out this project.

This ordinance being duly passed and adopted this 16th day of August, 2016.


Emilie Swearingen, Mayor



Nancy Avery, Town Clerk






**TOWN OF KURE BEACH
DECLARATION OF SPECIAL MEETING**

I, Mayor Emilie Swearingen, do hereby call the Kure Beach Town Council together to hold a Special Meeting on Tuesday, May 30th at 6:30 p.m. for the purpose of approving the transfer of funds to cover expenses related to the town's project to expand town facilities and construct a new fire station.

 5-24-17
Mayor Emilie Swearingen Date

ATTEST: 
Nancy Hewitt, CMC, NCCMC
Deputy Clerk



TOWN OF KURE BEACH NOTICE OF SPECIAL MEETING

Notice is hereby given that the Kure Beach Town Council will hold a Special Meeting on Tuesday, May 30th at 6:30 p.m. for the purpose of approving the transfer of funds to cover expenses related to the town's project to expand town facilities and construct a new fire station.

Nancy Hewitt, Deputy Town Clerk
Posted 5/24/17



TOWN COUNCIL MINUTES

SPECIAL MEETING

MAY 30, 2017

DISCUSSION AND CONSIDERATION OF DESIGNATING AN INTERIM COUNCIL LIAISON FOR THIS PROJECT, AS THE COUNCIL CONSIDERS HIRING A PROJECT MANAGER

MOTION – Mayor Pro Tem Bloszinsky made the motion to assign an interim individual from Council to act as liaison for the project until such time as the election will define the new Council and someone can be permanently assigned during the construction period.

SECOND – Commissioner Whitley

VOTE - Unanimous

MOTION – Commissioner Whitley made the motion to nominate Commissioner Dugan as the interim Council liaison for this project.

SECOND – Mayor Pro Tem Bloszinsky


VOTE - Unanimous

ADJOURNMENT

MOTION - Commissioner Dugan made the motion to adjourn at 7:09 p.m.

SECOND - Commissioner Whitley seconded

VOTE –Unanimous


Emilie Swearingen, Mayor




Nancy Avery, Town Clerk

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