



Town of Southern Shores

5375 N. Virginia Dare Trail, Southern Shores, NC 27949

Phone 252-261-2394 / Fax 252-255-0876

www.southernshores-nc.gov

Council Meeting
March 19, 2013
9:00 a.m.-Pitts Center

Mayor Pro tem Hess called the meeting to order at 9:00 a.m. with the following Council Members present: Council Members George Kowalski, David Sanders and Larry Lawhon. Mayor Hal Denny absent. Also present: Town Manager Peter Rascoe, Town Clerk Carrie Gordin.

Mayor Pro tem Hess led the Pledge of Allegiance and held a Moment of Silence.

APPROVAL OF AGENDA

Council Member Lawhon moved to approve the agenda as presented. Council Member Sanders seconded. The motion passed unanimously.

CONSENT AGENDA

Approval of Minutes-March 5, 2013

Government Education Access Channels Committee (GAC) 2013 -2014 Proposed Budget

Council Member Sanders moved to approve the Consent Agenda as presented. Council Member Lawhon seconded. The motion passed unanimously.

[Clerk's Note: A copy of the GAC Committee 2013-2014 proposed budget is hereby attached as Exhibit A].

GENERAL PUBLIC COMMENT-None

PUBLIC HEARING

Proposed Use of an Installment Debt Contract Authorized Under N.C.G.S. §160A, Article 3, Section 20, to Finance the Cost of the Town's Proposed Phase II Canal Maintenance Dredging Project

The Town Manager stated this public hearing is required by the NC Local Government Commission as part of the loan application process for an installment debt contract to finance the cost of the proposed Phase 2 of the canal maintenance dredging project. He stated the Town's loan request is for up to three million dollars encompassing seven years of debt service. He stated the annual cost to pay for the debt service would be generated by four-cents of tax rate on the new property tax value effective January 1, 2013.

He reviewed a letter from PNC Bank showing the commitment for the loan.

The Town Manager opened the public hearing, hearing no public comments he closed the public hearing.

CONSIDERATION OF RESOLUTION 2013-03-02

(To finance the cost of the Town's proposed Phase II Canal Maintenance Dredging Project)

Mayor Pro tem Hess stated as part of the loan process a resolution is required.

Mayor Pro tem Hess addressed a minor correction to the resolution and then moved to approve Resolution 2013-03-02 as amended. Council Member Sanders seconded.

Following Council discussion Mayor Pro tem Hess called for the vote. The motion passed unanimously.

[Clerk's Note: A copy of Resolution 2013-03-02 is hereby attached as Exhibit C with noted correction].

OLD BUSINESS

Costs for CIP Street Repairs (FY2013-14 Budget)

The Town Manager presented a list of proposed street repairs with an estimated cost for each street as prepared by the Town Engineer to be considered by Council for the FY 2013-2014 budget. The total cost of all the reported repairs is estimated at 1.6 million dollars. The Town Manager recommends Council consider directing him to budget \$516,000 in the Capital Reserve Fund for street repairs in the upcoming year's budget. This would allow Council to prioritize and authorize individual street repairs after the budget is adopted. (\$516,000.00 represents revenue generated from 3.0 cents of tax rate on the Town's property value existing prior to January 1, 2013. The revenue neutral rate for the previous rate of 3.0 cents on the previous value will now be 4.3 cents on the new value.)

The Town Engineer explained why certain designated streets should have high priority.

The Town Manager recommends a prioritization be presented by the Town Engineer at the June workshop.

Following discussion, Mayor Pro tem Hess moved to direct the Town Manager to budget \$516,000.00 specifically for use for street repairs in the Town's Capital Reserve Fund for the proposed FY13-14 budget, and to further discuss the prioritization of street repairs for next fiscal year at the June workshop. Council Member Sanders seconded. The motion passed unanimously.

NEW BUSINESS-None

OTHER ITEMS

Town Manager

The Town Manager reported the following:

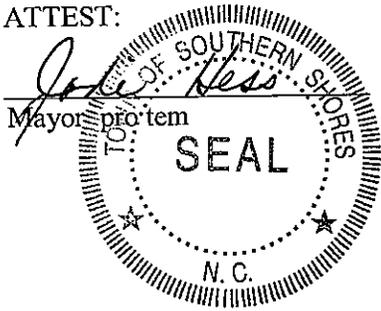
- March 28 the bid opening for the canal maintenance dredging project Phase 2 will be held. A recommendation for a contractor will hopefully be presented at the April 2 Council meeting. He will submit the Local Government Commission (LGC) loan application on April 3 in Raleigh for review.
- A draft FY 2013-2014 budget will be presented at the April 16 Council workshop.
- Surveying for the new Tall Pine Bridge project has begun. The project is projected to be in two phases over a two-year period.

Mayor-None

Council-None

Hearing no other business Council Member Kowalski moved to adjourn at 9:40 a.m. Council Member Sanders seconded. The motion passed unanimously.

ATTEST:



Respectfully submitted:

Carrie Gordon
Town Clerk

Exhibit A

Government Education Access Channels Committee

2013-2014 Proposed Budget

Item Summary:

The following is the proposed 2013-2014 budget for operation of the Government and Education Channels, prepared and approved by the Government Education Access Channels (GEAC) Committee. The proposed budget, which would take effect July 1, 2013, must be approved by every participating member entity of the Channels, which includes the towns of Duck, Southern Shores, Kitty Hawk, Kill Devil Hills, Nags Head, Manteo, and Dare County, Dare County Schools, College of The Albemarle, and UNC Coastal Studies Institute.

The budget as proposed requires no additional funding from the participating entities above the current annual \$1000 membership fee. Our budget is funded mainly from the North Carolina Video Distribution proceeds, which are disbursed quarterly by the State to certified members of the GEAC. These funds must be used for the operations of the two channels and no other purpose. Additionally, the legislation that originally established the Video Distribution funding required that the proceeds not supplant current funding. Accordingly, the annual \$1000 membership fee that was in place when the program began must remain, or the Channels would lose all Video Distribution funding from the State.

The GEAC committee recommends the budget, which includes, in part, the following: funding of online streaming video for the two channels and a Local Programming Development Initiative to assist members in the development of programming for the Government and Education Channels. In addition, the funding includes the continued funding of a regular news magazine show that highlights the each of the participating members of the GEAC on the Education Channel and the Government Channel.

Specific Action Requested:The Government Education Access Channels Committee requests approval by the Southern Shores Town Council of the proposed 2013-2014 Budget for the Government and Education Channels.

2013-2014 Proposed Budget

INCOME

Member Fees	\$10,000.00
NC Video Disbursement	\$304,062.99
Interest Income	\$1,700.00
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TOTAL INCOME	\$315,762.99
APPROPRIATED FUND BALANCE	\$204,775.21

EXPENDITURES

Employee	(\$62,225.67)
Emergency Management Contingency	(\$2,500.00)
Travel	(\$2,040.00)
Training	(\$1,000.00)
Gov-Ed Producer Position(s)	(\$120,000.00)
PT Salary (Internships)	(\$2,000.00)
Professional membership	(\$55.00)
Supplies	(\$4,500.00)
Miscellaneous	(\$500.00)
Office Computer Lease	(\$500.00)
MSG Customer Service	(\$5,000.00)
GAC Suppl. Budget Contingency	(\$20,000.00)
Streaming Video	(\$5,500.00)
Equipment - Repair, Replacement, Purchase	(\$4,000.00)
Fiber Service	(\$8,400.00)
Videography Training Program	(\$82,317.53)
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EXPENDITURES	(\$320,538.20)

LPDI 1 - Coastal Studies Institute	(\$20,000.00)
LPDI 2 - College of The Albemarle	(\$20,000.00)
LPDI 3 - Dare County Government	(\$20,000.00)
LPDI 4 - Dare County Schools	(\$20,000.00)
LPDI 5 - Duck	(\$20,000.00)
LPDI 6 - Kill Devil Hills	(\$20,000.00)
LPDI 7 - Kitty Hawk	(\$20,000.00)
LPDI 8 - Manteo	(\$20,000.00)
LPDI 9 - Nags Head	(\$20,000.00)
LPDI 10 - Southern Shores	(\$20,000.00)
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TOTAL LPDI	(\$200,000.00)
TOTAL EXPENDITURES	(\$520,538.20)

Exhibit B



Public Finance
301 Fayetteville Street
Suite 1100
Raleigh, NC 27601
(919) 788-5763 phone
(919) 755-0692 fax

January 31, 2013

Peter Rascoe
Town Manager
Town of Southern Shores
5375 N. Virginia Dare Trail
Southern Shores, NC 27949

RE: Town Hall and Canal Improvements

Dear Peter:

PNC Bank is pleased to respond to the Town of Southern Shores' request for financing. We are excited about the prospects of developing a stronger partnership with the Town.

If there are any questions related to the enclosed term sheet, please do not hesitate to call me at (919) 788- 5763. We look forward to hearing from you and working with you on this transaction.

Thank you in advance for your consideration.

Sincerely,

A handwritten signature in cursive script that reads "Casey L. Turner".

Casey L. Turner
Vice President
Public Finance

cc: Tom McGuire

RESOLUTION AUTHORIZING THE FILING OF AN APPLICATION FOR APPROVAL OF A FINANCING AGREEMENT AUTHORIZED BY NORTH CAROLINA GENERAL STATUTE § 160A-20

WHEREAS, the Town of Southern Shores, North Carolina desires to engage in the maintenance dredging of existing Town-owned canals in the Town of Southern Shores and to make certain capital improvements to its Town Hall (collectively, the "Project"), to better serve all the citizens of Southern Shores ; and

WHEREAS, the Town of Southern Shores desires to finance the 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 this governing body must be presented to enable the North Carolina Local Government Commission to make its findings of fact set forth in North Carolina General Statute 159, Article 8, Section 151 prior to approval of the proposed contract;

NOW, THEREFORE, BE IT RESOLVED that the Town Council of the Town of Southern Shores, meeting in regular session on the 19th day of March, 2013, makes the following findings of fact:

1. The proposed contract is necessary or expedient because of the need to dredge the existing canals that are essential to the functioning and economy of the Town, and to make necessary improvements to Town Hall necessary for its security and general upkeep.
2. The proposed contract is preferable to a bond issue for the same purpose because:
 - a. Amount to be financed, \$3,000,000, is not sufficient to warrant the expense of a general obligation bond issue. Furthermore, the dredging project is time sensitive, and the time involved in scheduling a general obligation bond election would effectively lose the opportunity to do that project. The canals and Town Hall do not produce revenues; therefore, a revenue bond for the same purpose is not an alternative.
 - b. As the Town's current annual general operation budget is approximately \$4,800,000, and the Town's unappropriated fund balance is approximately \$3,500,000, and the Town has no "two thirds" authorization available; therefore, the cost of the proposed undertaking, \$3,000,000 exceeds the amount that can be prudently raised from currently available appropriations, unappropriated fund balances, and non-voted bonds that could be issued by the contracting unit in the current fiscal year pursuant to Article V, Section 4, of the North Carolina Constitution (the "two-thirds limitation");
3. The sums to fall due under the contract are adequate and not excessive for the proposed purpose because the Town anticipates including the amortized annual payment in its General Fund, which will be funded in part by ad valorem taxes paid by all property owners in the Town.

4. The Town of Southern Shores' debt management procedures and policies are good because each annual audit for at least the last ten years (and more) indicate that all finance and management practices have been carried out in strict compliance with law, or provide assurances that debt management will henceforth be so carried out.

5. The increase in taxes necessary to meet the sums to fall due under the proposed contract will be 2.5 cents per \$100 valuation under pre-January 1, 2013 values (3.6 cents under January 1, 2013 values) and is not deemed to be excessive.

6. The Town of Southern Shores, NC is not in default in any of its debt obligations.

7. The attorney for the Town of Southern shores, NC 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.

NOW, THEREFORE, BE IT FURTHER RESOLVED that the Mayor, Town Manager and Town Finance Officer are hereby authorized to act on behalf of the Town of Southern Shores 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 19th day of March, 2013.

The motion to adopt this resolution was made by Mayor pro tem Hess, seconded by Council Member Sanders and passed by a vote of 4 to 0.

Mayor pro tem

ATTEST:

Clerk

This is to certify that this is a true and accurate copy of Resolution No.2013-03-02 Adopted by the Town Council of the Town of Southern Shores on the 19th day of March, 2013.

Clerk

Date March 19, 2013