



**Town of Southern Shores  
Council Meeting / Budget Work Session  
March 21, 2017**

The Town of Southern Shores Council met in the Pitts Center located at 5375 N. Virginia Dare Trail at 9:00 a.m. on Tuesday, March 21, 2017.

**COUNCIL PRESENT:** Mayor Tom Bennett, Mayor Pro Tem Fred Newberry, Council Members Leo Holland and Gary McDonald.

**COUNCIL ABSENT:** Council Member Chris Nason

**STAFF PRESENT:** Town Manager Peter Rascoe and Town Clerk Sheila Kane. Other Town staff present were Finance Officer Bonnie Swain, Police Chief David Kole, and Public Works Supervisor

**CALL TO ORDER / PLEDGE OF ALLEGIANCE / MOMENT OF SILENCE**

Mayor Bennett called the meeting to order at 9:00 a.m., led the Pledge of Allegiance, and held a Moment of Silence.

**ADFOPTION OF AGENDA**

**MOTION:** Council Member Holland moved to adopt the agenda as presented. The motion was seconded by Council Member McDonald. The motion passed unanimously (4-0).

**PUBLIC COMMENT**

Mayor Bennett called on public comment and no citizens offered comment:

**PNC BANK FINANCING OPTIONS FOR A NEW FIRE STATION**

Casey Turner and Kenneth Marshall of PNC Bank gave a briefing to the Southern Shores Town Council on current and preferred financing tools for a potential loan to either the Town of Southern Shores or the separate non-profit Southern Shores Volunteer Fire Department, Inc. for a possible new fire station. They provided financing options and explained the procedure of implementing each option.

[Clerk's Note: A copy of PNC financing options is hereby attached as Exhibit A]

**REVIEW OF DRAFT PROJECTED GENERAL FUND EXPENSES FOR FY 17-18**

The Town Manager presented a draft of his projected general fund expenses to be subsequently included in his upcoming proposed annual operating budget. He stated revenues will be reviewed at the next budget work session in April.

In response to Council discussion and inquiry at the previous regular Council meeting, the Town Manager and Finance Director covered the unassigned fund balance. They stated the fund had a balance of \$3,761,481.00 as of June 30, 2016. The Town Manager and Finance Director went over all the actions Council has taken during the current fiscal year to utilize the unassigned fund balance. They also explained the transfers from unassigned fund balance for which reimbursement is being sought. The Town Manager reminded Council of a standing Council policy for use of the unassigned fund balance. And he also stated that despite the policy, for a Town this size he would never recommend to the Council that it utilize the fund for non-emergencies which might cause it to go below \$3,000,000.

The Town Manager, as Budget Officer, reviewed the summary of projected expenditures for each Departmental budget, line by line, for the General Fund, the Cemetery Fund, and the Capital Reserve Fund. Accompanying him were each of the Town's Department Heads (Finance Officer, Police Chief, Public Works Director) who supported their Departmental budget requests with specific line-item explanations and answers to Council questions.

Following discussion on the proposed budget expenditures, Council directed the Town Manager to implement the following changes:

**MOTION:** Council Member McDonald moved to direct the Budget Officer to increase the Administration Department misc. line from \$4000 to \$10,000. The motion was seconded by Mayor pro tem Newberry. The motion passed unanimously. (Clerk's Note: This action was taken to fund any Council-directed mailings to all property owners and residents for public notice of a significant event or meeting.)

**MOTION:** Council Member McDonald moved to direct the Budget Officer to increase the Capital Street Improvement Project line to \$650,000 from where it is right now. The motion was seconded by Mayor pro tem Newberry. The motion passed 3-1 with Mayor pro tem Newberry, Mayor Bennett, Council Member McDonald voting YES; Council Member Holland voting NO. (Clerk's Note: The Budget Officer's projected amount for this expenditure was \$516,000, in accordance with current Council policy for annual funding of capital street improvements.)

The Town Manager stated he plans to present the proposed revenues at the April work session and then file the proposed FY 2017-2018 Budget and Budget Message on Tuesday, May 2<sup>nd</sup>. He will then also recommend to the Mayor a Public Hearing be set for the June 6<sup>th</sup> Council meeting.

#### **PUBLIC COMMENT**

Mayor Bennett called on public comment and the following citizens offered comment:

Geri Sullivan: The undesignated fund balance is now officially under 3 million. Glad to hear we are planning expenses rather than dipping into the fund. The Dogwood Task Force has done a lot of work and she hopes Council does not just put it on a shelf. Walking paths need to be maintained. Need to make sure the Fire Department has a firm cost.

#### **CONSIDERATION OF A RESOLUTION IN OPPOSITION TO REPRESENTATIVE BEVERLY BOSWELL'S AND OTHERS' HOUSE BILL 271, "AN ACT TO REPEAL THE BAN ON PLASTIC BAGS IN CERTAIN COASTAL AREAS"**

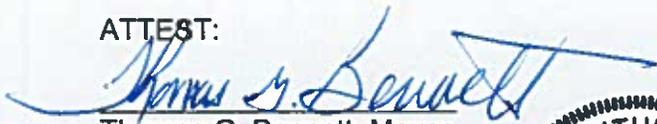
**MOTION:** Council Member McDonald moved to adopt Resolution 2017-03-02 A Resolution In Favor of Maintaining the Current Ban on Retailers Providing Customers with Plastic Bags And of The Defeat of House Bill 271. The motion was seconded by Council Member Holland. The motion passed unanimously (4-0).

[Clerk's Note: A copy of Resolution 2017-03-02 is hereby attached as Exhibit B]

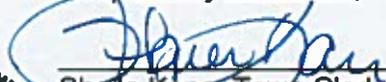
**ADJOURN**

**MOTION:** Council Member Holland moved to adjourn. The motion was seconded by Council Member McDonald. The motion passed unanimously (4-0). The time was 12:08 p.m.

ATTEST:

  
Thomas G. Bennett, Mayor

Respectfully submitted,

  
Sheila Kane, Town Clerk





## FIRE STATION FINANCING OPTIONS PRESENTATION

Casey Turner

Public Finance

[casey.turner@pnc.com](mailto:casey.turner@pnc.com)

919-788-5763

Kenny Marshall

Commercial Banking

[kenneth.marshalljr@pnc.com](mailto:kenneth.marshalljr@pnc.com)

252-473-9381

## Comparison

	Borrower: Town of Southern Shores	Borrower: Southern Shores VFD
<b>Type</b>	Installment Financing Contract (NC G.S. 160A-20)	Term Note
<b>Term</b>	10 years	10 years
<b>Amortization</b>	10 years	20 years
<b>Interest Rate*</b>	4.00% Tax-exempt, Bank Qualified	4.00% Tax-exempt, Bank Qualified
<b>Payments</b>	Annual, straight-line principal (LGC required)	Annual, mortgage-style
<b>Prepayment Penalty</b>	Yield protection	Yield protection
<b>Security</b>	Deed of trust on Town asset	Assignment of contract** revenue
<b>Due Diligence Requirements</b>	Title Insurance, Hazard Insurance, Flood Insurance (if applicable)	Title Insurance, Hazard Insurance, Flood Insurance (if applicable)
<b>Expenses</b>	Bank legal counsel, max of \$10,000	Bank legal counsel, max of \$10,000
<b>Other</b>	LGC approval	**New contract between the Town and the VFD incorporating debt service for full term, Town must have option to purchase property in event of default for outstanding balance of the loan

\*Interest Rates are indicative and subject to change based on market conditions

## Comparison

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	<b>Borrower: Town of Southern Shores</b>	<b>Borrower: Southern Shores VFD</b>
<b><u>\$4,283,830</u></b>		
<b>Annual Debt Service:</b>	\$598,336, declines each year	\$236,667
<b>Lifetime Interest:</b>	\$940,243	\$1,479,778
<b><u>\$5,050,890</u></b>		
<b>Annual Debt Service:</b>	\$707,125, declines each year	\$279,697
<b>Lifetime Interest:</b>	\$1,111,196	\$1,748,828



# Town of Southern Shores

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[www.southernshores-nc.gov](http://www.southernshores-nc.gov)

## A RESOLUTION IN FAVOR OF MAINTAINING THE CURRENT BAN ON RETAILERS PROVIDING CUSTOMERS WITH PLASTIC BAGS AND OF THE DEFEAT OF HOUSE BILL 271

### RESOLUTION #2017-03-02

Whereas, on March 25, 2009, Senate Bill 1018, entitled " *A BILL TO BE ENTITLED AN ACT TO REDUCE PLASTIC BAG USE IN NORTH CAROLINA*", was introduced in the North Carolina General Assembly; and

Whereas Senate Bill 1018 was ratified on June 23, 2009 having passed both houses of the General Assembly as " *AN ACT TO REDUCE PLASTIC NONRECYCLED PAPER BAG USE ON NORTH CAROLINA'S OUTER BANKS*", and was signed by the Governor on June 24, 2009 as Session Law 2009-163 adding Part 2G. " *Plastic Bag Management*" to Article 9 of Chapter 130A of the North Carolina General Statutes; and

Whereas the North Carolina General Assembly made the following findings in enacting Session Law 2009-163:

- (1) Distribution of plastic bags by retailers to consumers for use in carrying, transporting, or storing purchased goods has a detrimental effect on the environment of the State.
- (2) Discarded plastic bags contribute to overburdened landfills, threaten wildlife and marine life, degrade the beaches and other natural landscapes of North Carolina's coast, and, in many cases, require consumption of oil and natural gas during the manufacturing process.
- (3) It is in the best interest of the citizens of this State to gradually reduce the distribution and use of plastic bags.
- (4) Environmental degradation is especially burdensome in counties with barrier islands where soundside and ocean pollution are more significant, where removing refuse from such isolated places is more difficult and expensive, where such refuse deters tourism, and where the presence of a National Wildlife Refuge or National Seashore shows that the federal government places special value on protecting the natural environment in that vicinity.
- (5) The barrier islands are most relevant in that they are where sea turtles come to nest. North Carolina has some of the most important sea turtle nesting areas on the East Coast, due to the proximity of the islands to the Gulf

Stream. Plastic bag debris can be harmful to sea turtles and other land and marine life. The waters adjacent to the barrier islands, because they serve as habitat for the turtles, are particularly sensitive to waterborne debris pollution.

(6) Inhabited barrier islands are visited by a high volume of tourists and therefore experience a high consumption of bags relative to their permanent population due to large numbers of purchases from restaurants, groceries, beach shops, and other retailers by the itinerant tourist population.

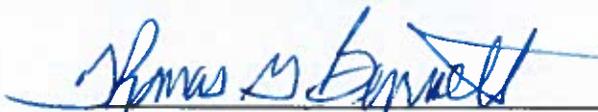
(7) Barrier islands are small and narrow, and therefore the comparative impact of plastic bags on the barrier islands is high. ; and

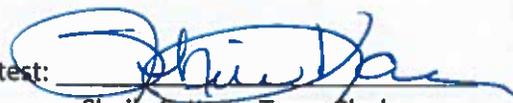
Whereas on March 7, 2017 North Carolina House Representatives Beverly J. Boswell (Dare, Beaufort, Hyde, and Washington Counties), John R. Bell, IV (Craven, Greene, Lenoir, and Wayne Counties), and John R. Bradford, III (Mecklenburg County), as Primary Sponsors, filed House Bill 271 in the North Carolina General Assembly, entitled "A BILL TO BE ENTITLED AN ACT TO REPEAL THE BAN ON PLASTIC BAGS IN CERTAIN COASTAL AREAS", calling for the repeal of the plastic bag ban cited in Part 2G of Article 9 of Chapter 130A of the North Carolina General Statutes; and

Whereas plastic bag debris continues to be harmful to the overall environment and beauty of North Carolina's coastal barrier islands, and negatively affects the overall quality of life for full time residents and returning seasonal visitors as well as wildlife.

Now Therefore, the Town Council of the Town of Southern Shores, a municipality located on one of North Carolina's coastal barrier islands in Dare County, and benefitting from the pristine beauty of the area by its residents and returning seasonal visitors enjoying an enhanced quality of life, does RESOLVE that the findings of the General Assembly in Session Law 2009-163 are hereby adopted as findings of this governing body, that Part 2G. "Plastic Bag Management" of Article 9 of Chapter 130A of the North Carolina General Statutes should not be repealed, that Representatives Boswell, Bell, and Bradford should now seek to withdraw House Bill 271 or seek to have it postponed indefinitely, and alternatively that the reviewing legislative committees and both houses of the North Carolina General Assembly should defeat Representative Boswell's, Bell's, and Bradford's House Bill 271 and thereby not repeal the current statutory ban on plastic bags.

This the 21<sup>st</sup> day of March, 2017.

  
Thomas G. Bennett, Mayor

Attest:   
Sheila S. Kane, Town Clerk

