

# CAROLINA BEACH

Town Council Workshop

Tuesday, July 28, 2020 – 4:00 PM

Council Chambers, 1121 N. Lake Park Boulevard, Carolina Beach, NC



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## AGENDA

### CALL TO ORDER

### DISCUSSION ITEMS

- [1.](#) Employee Recognition
- [2.](#) Approval of Financing Terms for Purchase of a Knuckle Boom & Can Machine
- [3.](#) Stormwater Update by Brian Stanberry
- [4.](#) Review the Minimum Housing and Abandon Structure Process.

### NON-AGENDA ITEMS

### CLOSED SESSION

### ADJOURNMENT



## AGENDA ITEM COVERSHEET

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**PREPARED BY:** Kim Ward, Town Clerk

**DEPARTMENT:** Clerk

**MEETING:** Town Council – 07/28/2020 Workshop

**SUBJECT:** Employee Recognition

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**BACKGROUND:**

The following employees will be recognized for their years of service:

Debbie Hall, Finance - 10 years of service

Ed Parvin, Executive - 15 years of service

Chris Spivey, Police Department - 20 years of service

**ACTION REQUESTED:**

Bruce Oakley will present the certificates. Council is welcome to join him or add comments.



## AGENDA ITEM COVERSHEET

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**PREPARED BY:** Debbie Hall, Finance Director

**DEPARTMENT:** Finance

**MEETING:** Town Council – 07/14/2020

**SUBJECT:** Approval of Financing Terms for Purchase of a Knuckle Boom & Can Machine

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**BACKGROUND:**

The Finance Director requested bid proposals from five banks for financing of a new Broyhill Can Machine at \$205,000 and a new Brush Hawg Kuckleboom at \$135,000 for five annual payments. The following proposal was received:

\$ 340,000 from BB&T at 1.56% Interest for 5 years

**BUDGET IMPACT:**

No impact. The debt service payment was included in the approved annual budget.

**ACTION REQUESTED:**

Recommend approval of Resolution #20-2230 to accept the terms of the proposal.

**Resolution #20-2230**

**Resolution Approving Financing Terms**

**WHEREAS:** The Town of Carolina Beach, NC (“Borrower”) has previously determined to undertake a project for the financing of vehicles and heavy equipment (the “Project”), and the Finance Officer has now presented a proposal for the financing of such Project.

**BE IT THEREFORE RESOLVED, as follows:**

1. The Borrower hereby determines to finance the Project through Truist Bank (“Lender”) in accordance with the proposal dated July 16, 2020. The amount financed shall not exceed \$340,000.00, the annual interest rate (in the absence of default or change in tax status) shall not exceed 1.56%, and the financing term shall not exceed five (5) years from closing.

2. All financing contracts and all related documents for the closing of the financing (the “Financing Documents”) shall be consistent with the foregoing terms. All officers and employees of the Borrower are hereby authorized and directed to execute and deliver any Financing Documents, and to take all such further action as they may consider necessary or desirable, to carry out the financing of the Project as contemplated by the proposal and this resolution.

3. The Finance Officer is hereby authorized and directed to hold executed copies of the Financing Documents until the conditions for the delivery of the Financing Documents have been completed to such officer's satisfaction. The Finance Officer is authorized to approve changes to any Financing Documents previously signed by Borrower officers or employees, provided that such changes shall not substantially alter the intent of such documents or certificates from the intent expressed in the forms executed by such officers. The Financing Documents shall be in such final forms as the Finance Officer shall approve, with the Finance Officer’s release of any Financing Document for delivery constituting conclusive evidence of such officer's final approval of the Document’s final form.

4. The Borrower shall not take or omit to take any action the taking or omission of which shall cause its interest payments on this financing to be includable in the gross income for federal income tax purposes of the registered owners of the interest payment obligations. The Borrower hereby designates its obligations to make principal and interest payments under the Financing Documents as "qualified tax-exempt obligations" for the purpose of Internal Revenue Code Section 265(b)(3).

5. The Borrower intends that the adoption of this resolution will be a declaration of the Borrower’s official intent to reimburse expenditures for the Project that are to be financed from the proceeds of the Lender financing described above. The Borrower intends that funds that have been advanced, or that may be advanced, from the Borrower’s general fund or any other Borrower fund related to the Project, for project costs may be reimbursed from the financing proceeds.

6. All prior actions of Borrower officers in furtherance of the purposes of this resolution are hereby ratified, approved and confirmed. All other resolutions (or parts thereof) in conflict with this resolution are hereby repealed, to the extent of the conflict. This resolution shall take effect immediately.

Approved this \_\_\_\_\_ day of \_\_\_\_\_, 2020

By: \_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

SEAL

## Governmental Finance

5130 Parkway Plaza Boulevard  
Charlotte, North Carolina 28217  
Phone (704) 954-1700  
Fax (704) 954-1799

July 16, 2020

Ms. Debbie Hall  
Town of Carolina Beach, NC  
1121 N. Lake Park Blvd  
Carolina Beach, NC 28428

Dear Ms. Hall:

Truist Bank ("Lender") is pleased to offer this proposal for the financing requested by the Town of Carolina Beach, NC ("Borrower").

**PROJECT:** Vehicles & Heavy Equipment

**AMOUNT:** \$340,000.00

**TERM:** 5 years

**INTEREST RATE:** 1.56%

**TAX STATUS:** Tax Exempt – Bank Qualified

**PAYMENTS:** Interest: Annual  
Principal: Annual

**INTEREST RATE CALCULATION:** 30/360

**SECURITY:** Vehicles and Equipment

**PREPAYMENT TERMS:** Prepayable in whole at any time without penalty

**RATE EXPIRATION:** August 31, 2020

**DOCUMENTATION/ LEGAL REVIEW FEE:** N/A

**FUNDING:** Proceeds will be deposited into an account held at Lender pending disbursement unless equipment is delivered prior to closing.

**DOCUMENTATION:** Lender proposes to use its standard form financing contracts and related documents for this installment financing. We shall provide a sample of those documents to you should Lender be the successful proposer.

The financing documents shall include provisions that will outline appropriate changes to be implemented in the event that this transaction is determined to be taxable or non-bank qualified in accordance with the Internal Revenue Service Code. All documentation must be deemed appropriate by Lender before closing.

**REPORTING  
REQUIREMENTS:**

Lender will require financial statements to be delivered within 270 days after the conclusion of each fiscal year-end throughout the term of the financing.

Should we become the successful proposer, we have attached the form of a resolution that your governing board can use to award the financing to Lender. If your board adopts this resolution, then Lender shall not require any further board action prior to closing the transaction.

Lender shall have the right to cancel this offer by notifying the Borrower of its election to do so (whether this offer has previously been accepted by the Borrower) if at any time prior to the closing there is a material adverse change in the Borrower's financial condition, if we discover adverse circumstances of which we are currently unaware, if we are unable to agree on acceptable documentation with the Borrower or if there is a change in law (or proposed change in law) that changes the economic effect of this financing to Lender.

Costs of counsel for the Borrower and any other costs will be the responsibility of the Borrower.

The stated interest rate assumes that the Borrower expects to borrow no more than \$10,000,000 in the current calendar year and that the financing will qualify as qualified tax-exempt financing under the Internal Revenue Code. Lender reserves the right to terminate this bid or to negotiate a mutually acceptable interest rate if the financing is not qualified tax-exempt financing.

We appreciate the opportunity to offer this financing proposal. Please call me at (803) 251-1328 with your questions and comments. We look forward to hearing from you.

Sincerely,

*Truist Bank*



Andrew G. Smith  
Senior Vice President

07/16/2020 5:09 PM

Carolina Beach DRAFT Payment Schedule

Compounding Period: Annual  
 Nominal Annual Rate: 1.560%

Cash Flow Data - Loans and Payments

Event	Date	Amount	Number	Period	End Date
1 Loan	07/16/2020	340,000.00	1		
2 Payment	07/16/2021	Fixed Principal	5	Annual	07/16/2025
	Principal payment amount	68,000.00			

TValue Amortization Schedule - Normal, 360 Day Year

Date	Payment	Interest	Principal	Balance
Loan 07/16/2020				340,000.00
<b>2021 Totals</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	
1 07/16/2021	73,304.00	5,304.00	68,000.00	272,000.00
<b>2022 Totals</b>	<b>73,304.00</b>	<b>5,304.00</b>	<b>68,000.00</b>	
2 07/16/2022	72,243.20	4,243.20	68,000.00	204,000.00
<b>2023 Totals</b>	<b>72,243.20</b>	<b>4,243.20</b>	<b>68,000.00</b>	
3 07/16/2023	71,182.40	3,182.40	68,000.00	136,000.00
<b>2024 Totals</b>	<b>71,182.40</b>	<b>3,182.40</b>	<b>68,000.00</b>	
4 07/16/2024	70,121.60	2,121.60	68,000.00	68,000.00
<b>2025 Totals</b>	<b>70,121.60</b>	<b>2,121.60</b>	<b>68,000.00</b>	
5 07/16/2025	69,060.80	1,060.80	68,000.00	0.00
<b>2026 Totals</b>	<b>69,060.80</b>	<b>1,060.80</b>	<b>68,000.00</b>	
<b>Grand Totals</b>	<b>355,912.00</b>	<b>15,912.00</b>	<b>340,000.00</b>	

ANNUAL PERCENTAGE RATE	FINANCE CHARGE	Amount Financed	Total of Payments
The cost of your credit as a yearly rate.	The dollar amount the credit will cost you.	The amount of credit provided to you or on your behalf.	The amount you will have paid after you have made all payments as scheduled.
1.560%	\$15,912.00	\$340,000.00	\$355,912.00



## AGENDA ITEM COVERSHEET

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**PREPARED BY:** Brian Stanberry, Public Works Director    **DEPARTMENT:** Public Works

**MEETING:** Town Council – 07/28/2020

**SUBJECT:** Stormwater Update by Brian Stanberry

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**BACKGROUND:**

Brian Stanberry will give an update on current and future stormwater projects.

**ACTION REQUESTED:**

No Action Needed





## AGENDA ITEM COVERSHEET

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**PREPARED BY:** Jeremy Hardison, Planning & Development Director

**DEPARTMENT:** Planning & Development

**MEETING:** Town Council – 7/28/2020

**SUBJECT:** Review the Minimum Housing and Abandon Structure Process.

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### **BACKGROUND:**

At the June Town Council workshop Council requested staff to give an overview of the abandon structures located in the downtown area. Town Council gave staff direction to start the enforcement process. Staff has notified the property owners and started the inspection process. Below is an outline of the enforcement process.

- A petition is filed with the Inspector
- Inspector serves the complaint and starts to investigate (2 weeks)
- Inspector schedules a hearing to review findings (within 30 days)
- Inspector issues order of findings to repair or remove structure (Within a week)
- The order will give owner specific time to comply with order. (30-90) days.
- Owner has option to appeal Inspectors order to the BOA (10 days)
- Owner has option to appeal BOA decision to Superior Court (30 days)
- If owner fails to comply with the order the Inspector request council to adopt an ordinance to proceed with repair or removal of the structure. (within 90 days).
- File a lien on the property for the cost of removal or repair.



# Abandon Structures & Minimum Housing

COUNCIL WORKSHOP, JULY 28, 2020

# Minimum Housing



# Abandon Structures

Item 4.



# Minimum Housing

Dwelling unit - used for Human Habitation  
Minimum standards are required

Item 4.

## Minimum standards for structural condition.

- (a) Walls or partitions or supporting members,
- (b) Floors or roofs.
- (c) Foundation.
- (d) Steps, stairs, landings, porches, chimneys shall not be rotted, deteriorated or damaged
- (e) Adequate facilities for egress in case for fire.
- (f) Interior shall be maintained and promote sanitation and cleanliness
- (g) The roof, walls, floors, doors and windows to be weathertight and watertight.
- (h) There shall be no use of the ground for floors, or wood floors on the ground.



# Minimum Housing

## Minimum standards for basic equipment and facilities.

- Plumbing system.
- Heating system
- Electrical systems
- Ventilation
- Proper ceiling heights
- Minimum sq. ft. of floor area per occupant

## Minimum standards for control of insects, rodents and infestations.

- Rodent control.
- Infestation.
- Rubbish & Garbage storage and disposal.
- Public areas shall be clean & Sanitary condition



# Abandon Structure

## Findings:

- Deterioration of; foundation, Floors, Walls, Ceilings, Roof
- Violations of State Building Code Requires, Fire Code Violations -
- Collection of debris, garbage, rubbish or other combustible materials -
- Conditions that may attract or become breeding places for rodents and insects -
- The grounds or facilities by children as play area or other use that Is health and safety is threaten or endangered -
- Use of structure by transients, vagrants, or other similar persons in the absence of sanitary facilities-



# Process

- Petition is filed by Police or Fire or by at least 5 residents, or by the Inspector
- Inspection
- Schedule a hearing of Inspectors findings, less then 30 days
- Deliver his findings in writing
  - Reasonable cost repair the dwelling in a timely manner
  - Not a reasonable cost, remove or demolish dwelling in a timely manner
- Appeal
  - Inspector determination, BOA
  - 30 days to appeal the BOA decision to Superior Court.
- Failure to comply with order
  - Council shall adopt an ordinance to have the building demolished
  - Lien filled on the property for cost

