

**MINUTES OF THE SPECIAL MEETING  
OF SEPTEMBER 15, 2009 OF THE TOWN COUNCIL  
TOWN OF CAROLINA BEACH**

*September 15, 2009*

The Town Council of the Town of Carolina Beach met in a special session on September 15, 2009 at 7:30 p.m. in the Council Chambers at the Municipal Administration Building, 1121 N. Lake Park Blvd., Carolina Beach, North Carolina. The following were present: Mayor Joel Macon; MPT Dan Wilcox; Councilman Alan Gilbert; Councilwoman Pat Efird and Councilman Jerry Johnson. Also present were Town Manager Tim Owens and Town Clerk Lynn Prusa.

Mayor Macon called the meeting to order.

***PUBLIC HEARING REGARDING THE TOWN'S REPAIR AND REPLACEMENT OF SEWER LIFT STATION #1, TRANSACTIONS AND ANY FINANCE CONTRACTS IN CONNECTION WITH THE SAME, PURSUANT TO THE TOWN'S AUTHORITY PROVIDED BY NCGS 160A-4, -11, -12 AND -20; ARTICLE I OF THE TOWN CHARTER, TOWN CODE SECTION 16; AND ANY OTHER APPLICABLE PROVISION OF LAW***

Mr. Owens said we received bids for lift station #1 on September 10<sup>th</sup> and the lowest lump sum bid was \$1,780,000 and there were 3 alternate bids: #1 Odor Control \$38,000, #2 Pump Station & Sewer Repair \$52,000, and #3 Sanitary Sewer Rehab 42,000. Some of the other items that are part of the construction cost are the contingency \$100,000, engineering and permitting \$147,778, and construction oversight \$68,028 for a total price of \$2,227,806.

The public hearing tonight will be for the financing part of this and we anticipate the total project to be \$1,486,000, the term of the loan 15 years and 4.78% which leaves debt service payment of about \$140,000.

MPT Wilcox arrived at about 7:45 p.m.

The total projection for the project was \$1,485,406 and total construction cost estimated at \$1.2 million with a contingency of 10% and engineering permitting and construction oversight. Mr. Owens said that all the bids came in higher than we estimated.

The manager said we have budgeted \$514,000 of debt service to do multiple projects such as lift station #1, the EQ Basin, several wells, \$3 million ground storage tank, and some other improvements. If these bids keep coming in this bad that figure may have to go up. We can make up the difference out of the enterprise fund because we

took in \$514,000 that did not go to debt service so that cash is available, but it would obviously lower the fund balance. We anticipated \$100,000 in debt service for lift station #1 and it is going up \$140,000 so we'll have to figure the rest of it out. We'll take in another \$514,000 this year so you'll take the debt service out of that.

The Mayor said basically our bids came in about \$700,000 more than anticipated. The manager said we could rebid the same building, and then we could do a bid alternate that would be a smaller building with less space and eliminate some of the aesthetics, the external general and fuel storage, some of the masonry walls and the trash facilities would become a nice wooden fence. At best the contractor said they could cut off \$150,000-200,000 but we could never get down to the original bid.

The manager said his opinion is that we need to rebid it and go over it again with our engineers. Although it is a gamble he is uncomfortable with the number of bids. According to Brian there were 10-12 bid packets picked-up but only 3 bidders. The need isn't as urgent as it once was.

The options are that we can proceed forward, we can see if we can get them to cut some of the price out but it will cut out some of the design elements. Then we could pay cash for the remainder out of pocket and not get reimbursed for our engineering costs that we've already spent from the loan itself.

The manager said we can take care of 2 and 3 with cash if we want to do that now, and also do informal bids now. Councilman Gilbert said if you can get that done this season then it will be out of the way. The manager said that needs to be done regardless because they are leaking.

MPT Wilcox said that it needs to be redesigned in a way that it can be added on to later.

There was discussion about where to locate the generator. The manager said if it's located outside it can be screened with just about anything.

**A motion was made by Councilman Gilbert to go forward with the rehab now and then rebid it and take care of other 2 items with the money already collected to include the alternative version. MOTION CARRIED UNANIMOUSLY.**

***PUBLIC HEARING REGARDING THE PURCHASE BY THE TOWN OF PROPERTY IDENTIFIED AS NEW HANOVER COUNTY PARCEL ID #408818-016-011-000 OR KNOWN MORE COMMONLY AS 309 CAROLINA BEACH AVENUE NORTH AND TRANSACTIONS AND ANY FINANCE CONTRACTS IN CONNECTION WITH THE SAME, PURSUANT TO THE TOWN'S AUTHORITY PROVIDED BY NCGS 143-318.11 and 160A-4, -11, 12, & -20; ARTICLE I OF THE TOWN CHARTER; AND ANY OTHER APPLICABLE PROVISION OF LAW***

Mr. Owens said this is a public hearing on a resolution regarding installment purchase financing on 4 lots in the amount of \$475,000 for 59 months from closing. He said the financing was bid out to several banks and the best bid was with BB&T at 3.24% at 59 months.

Also a resolution is needed approving the project for the purchase of 309 Carolina Beach Avenue North stating that the town is considering the 25,000 square foot property with its likely use being a parking facility and other customary uses of a parking facility; and giving approval to proceed forward with the purchase given these conditions and proceed with execution of all documents related to the purchase. Also adoption of the resolution will authorize the finance officer to set up a budget of \$525,000 to cover all expenses that may occur with the purchase of the property and secure the \$475,000 loan and the remaining balance of the expense that is above the loan amount be taken from the Tourism Fund Undesignated Reserve Fund.

Mr. Owens said the reason it was originally scheduled to hear this tonight was because it was time sensitive, but now the closing is not going to happen until September 28<sup>th</sup>. MPT Wilcox said since it is no longer time sensitive he feels we should hold the public hearing at a regular meeting.

Mr. Owens said the lot will provide good parking with 50+ spaces and it is near the marina area.

**MPT Wilcox made a motion to table this item to the regular October agenda for public hearing.**

Mr. Owens said the only thing that may be affected by delaying the public hearing is the terms of the loan could change; however, he would prefer to hold the public hearing tonight to make sure this is in place and go ahead and put it on the October 13<sup>th</sup> agenda. He just needs the ability to go forward with some of the paperwork.

**MPT Wilcox withdrew his motion.**

**A motion was made by Mayor Macon to open the public hearing. MOTION CARRIED UNANIMOUSLY.**

**There being no public comment, Councilwoman Efird made a motion to close the public hearing. MOTION CARRIED UNANIMOUSLY.**

**MPT Wilcox made a motion to approve Resolution No. 09-990 (Exhibit 1) and Resolution No. 09-991 (Exhibit 2). MOTION CARRIED UNANIMOUSLY.**

***ADJOURNMENT***

**Councilman Johnson made a motion to adjourn. MOTION CARRIED UNANIMOUSLY.**

Respectfully submitted,

Lynn N. Prusa  
Town Clerk

Approved: \_\_\_\_\_