

## TOWN OF SEAGROVE

### MINUTES

#### REGULAR MEETING MARCH 3<sup>RD</sup>, 2020

The meeting was called to order at 6:00 p.m. by Mayor Fernandez. Those present were, Mayor Pro Tem Cindy Neef, Commissioner Homer Beheler, Commissioner Kathy Fernandez, Commissioner Carol Kim and Commissioner Ed Walker.

**A. Approval of Minutes**

The approval of the regular minutes for February 2020 was motioned by Commissioner Carol Kim.

2<sup>nd</sup> by Commissioner Homer Beheler

The motion passed.

**B. Approval of the Financial Report & Budget Amendment**

The approval of the Financial Report for February 2020 was motioned by Commissioner Carol Kim.

2<sup>nd</sup> by Commissioner Ed Walker

The motion passed.

The approval of Budget Amendment (Attached) to increase - Street (Powell Funds) by \$195, Street (Lights) by \$50, Public Safety by \$6,400 and decrease - General Gov't by \$5,220 and Sanitation by \$1,425 was motioned by Commissioner Kathy Fernandez. 2<sup>nd</sup> by Mayor Pro Tem Cindy Neef. The motion passed.

**C. Audit Presentation – Steve Hackett**

Steve Hackett with William Huneycutt accountants presented Seagrove's audited financials for fiscal year 2018-2019.

**D. Police Report**

Attached.

**E. New Lease for Luck's Cannery**

The approval of Eastern Steel Works newly composed lease (5 year term, \$75,000 estimated renovation investment) with the Town effective March 15<sup>th</sup>, 2020 was motioned by Commissioner Homer Beheler. 2<sup>nd</sup> by Commissioner Kathy Fernandez. Commissioner Ed Walker recused himself. The motion passed.

**F. Tobacco Free Policy**

Mayor Fernandez has been in several meetings with the health department and the county has passed a tobacco free policy. Since we are town planning to host activities with the public, we need to begin discussion about what the Town's tobacco policy needs to be. Allison Johnson and Kendall Phillips with Public Health Department gave a short presentation along with a draft ordinance for review regarding implementing a Tobacco Free Policy in the Town of Seagrove. The health department would also provide any signage needed and offer tobacco cessation resources/classes. We plan to revisit this topic at our next regular meeting to establish the Town's Policy.

**G. GroundLion Update**

Samuel Brown with GroundLion gave an update on the construction progress so far. At the moment, they are approx.... 90% complete with the tap room and have just a few more construction items to go.

Also, GroundLion, along with Carolina Bronze, provided the Mayor and Commissioners with a memorandum stating their objection to Luck's Advisory Board recommendation regarding lease terms offered to Eastern Steel Works. See memorandum attached.

**H. Luck's Cannery Advisory Committee Update & Purchase Approvals**

We have received a \$25,000 donation from Thompson Roofing that helped us on renovation of lower level. We have signed contract for plumbing, concrete cutting & French drain, storefronts, and construction of walls for lower section. Mayor Fernandez met with Glass Shop last week and the glass for storefronts has been measured and they are on order.

-The approval to spend \$49,000 to Cesaro Electric for electrical work in the Luck's Cannery was motioned by Mayor Pro Tem Cindy Neef. 2<sup>nd</sup> by Commissioner Homer Beheler. The motion passed.

-The approval to spend \$45,984 to Thompson Roofing for replacing roof (includes repair & replace skylights) was motioned by Commissioner Ed Walker. 2<sup>nd</sup> by Mayor Pro Tem Cindy Neef. The motion passed.

-The approval to spend \$3,000 out of total \$5,200 from David Baker (Carpenter) to add new doors to match architects plan in the Town Hall along with handicap ramp installation was motioned by Commissioner Homer Beheler. 2<sup>nd</sup> by Commissioner Carol Kim. The motion passed.

**I. National Scenic Byway Designation**

Right now, with North Carolina, Highway 705 is designated as a scenic byway. Mary Joan Pugh with Randolph County Trail division is working to see if Highway 705 can be designated as a National Scenic Byway. Mayor Fernandez is working with Tourism & Development to put together a proposal to present to Federal Government to get Hwy 705 as a National scenic byway. The Town needs to come up with a maintenance plan and work with other municipalities to achieve this designation. Meetings will commence next week to begin work on the proposal.

**J. Trash on NC 705**

Mayor Fernandez is concerned about the amount of trash along NC 705 especially on Seagrove/Robbins exit ramp and the surrounding area. The Mayor, along with Council members are planning to have a trash pickup day this month to clean up the area along the highway and hopes to continue to have regular pickups scheduled in the future.

**K. Committee Reports**

**Commissioner Kathy Fernandez – Events**

More research has been done on the 4<sup>th</sup> of July event. In the past, 7 churches coordinated to put the event together. 2,000 hot dogs and fireworks for approx. \$3,500 were ordered. Plan to check with various churches to see if they are interested in participating in some capacity in hosting this event.

**Commissioner Homer Beheler – Zoning & Events Assist**

The approval for Special Event Permit for the Seagrove Fiddler's Convention on March 21<sup>st</sup>, 2020 at the Seagrove Elementary School Gym was motioned by Mayor Pro Tem Cindy Neef. 2<sup>nd</sup> by Commissioner Carol Kim. The motion passed.

**Commissioner Cindy Neef – Beautification**

Brainstorming about landscaping or art display out front of the Town Hall.

**Commissioner Ed Walker – Streets**

Contacted Steve Williamson to do some paving repair around town. Went to various areas and marked with spray paint and took photos to send to Steve. There are about 20 locations that would need some repair.

**Commissioner Carol Kim – Finance**

Planning to work with Kathryn to start planning for budget for the next fiscal year 2020-2021. Plan to approve next year's budget at the Regular Meeting in May 2020.

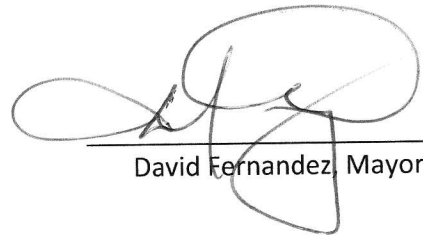
A local girl scout would like to place a library box at the park. She would keep it stocked with books and it would be free for any child to take a book. Commissioner Carol Kim motioned to approve the library box placed in the park. 2<sup>nd</sup> by Commissioner Ed Walker. The motion passed.

**L. Public Discussion**


Nothing at this time.

Commissioner Carol Kim made the motion to adjourn the meeting and Commissioner Kathy Fernandez 2<sup>nd</sup> the motion. The motion carried.

TOWN OF SEAGROVE

  
\_\_\_\_\_  
David Fernandez, Mayor

ATTEST:

  
\_\_\_\_\_  
Kathryn Baker, Town Clerk

**Budget Amendment for FY 2019-2020 - Regular Meeting March 3rd, 2020**

Item	Budget Adjustment	
	Increase	Decrease
Street (Powell Funds)	\$ 195.00	
Street (Lights)	\$ 50.00	
Public Safety	\$ 6,400.00	
General Government		\$ 5,220.00
Sanitation		\$ 1,425.00
	<b>6,645.00</b>	<b>6,645.00</b>

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**MEMORANDUM**

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**TO:** TOWN COUNCIL, TOWN OF SEAGROVE

**FROM:** GROUNDLION BREWING CO. & CAROLINA BRONZE

**SUBJECT:** OBJECTION TO LUCKS ADVISORY BOARD RECOMMENDATION  
REGARDING EASTERN STEEL WORKS LEASE

**DATE:** MARCH 2, 2020

**CC:** LUCKS ADVISORY BOARD, EASTERN STEEL WORKS, GROUNDLION  
BREWING CO., CAROLINA BRONZE

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As current, and initial lessees, GroundLion Brewing Co. and Carolina Bronze **object strongly** to the lease terms recommended for offer to Eastern Steel Works (ESW) by the Lucks Advisory Board. We believe that the lease terms offered to ESW are not in the long-term fiscal interest of the town, and set an unfair precedent in regard to existing tenants.

Objection based on the long-term fiscal interests of Seagrove:

Both GroundLion Brewing Co. and Carolina Bronze received and accepted lease offers at a rate of \$0.11 per square foot per month. The terms of both leases specify that improvements or repairs to the leased space will be done by the tenant's, at their expense, and that the lessor (Town of Seagrove) will provide rent abatement for such improvements or repairs. These lease terms put the burden of expense for repairs, improvements, and the subsequent maintenance onto the tenant. At the end of the current lease term the town can negotiate changes in the lease rate to ensure that they (the town) can afford to maintain the premises in their improved state for future tenants. Both initial lessees agreed to these terms because it served the common interests of both parties.

The Lucks Advisory Board met on February 13, 2020 to discuss the lease offer that would be recommended to this Council for a new lessee, ESW. The terms of such offer had been determined and shared with ESW prior to the meeting and are substantially the same as the terms in the current leases with GroundLion Brewing Co. and Carolina Bronze; that is \$0.11 per square foot per month. As previously noted, the \$0.11 rate assumes that the tenant will bare the costs of repair or improvement. In the case of ESW, however, they are leasing space that has been previously improved significantly, and at the town's expense. Though the offered rate was adjusted up to \$0.118/square foot/month, it in no way prepares the town to maintain those improvements in the future, nor does it obligate ESW to compensate the town for such improvements during the term of the lease.

It is fiscally irresponsible for the town to lease improved space at the same rate as unimproved space. Improved space has a different value than unimproved space, even within the same building footprint. The town spent multiple thousands of dollars to replace the roof over the space ESW is interested in leasing and those improvements are

Town of Seagrove

3/3/2020 4:10 PM

Register: First Bank Gen Fund

From 02/01/2020 through 02/29/2020

Sorted by: Date, Type, Number/Ref

Date	Number	Payee	Account	Memo	Payment	C	Deposit	Balance
02/03/2020	3635	Rex Auman	Park Expenses:Mainten...		1,492.50	X		134,435.62
02/03/2020	3636	Randolph Communic...	Police Dept Expenses:...		61.51	X		134,374.11
02/03/2020	3637	Randolph Communic...	Administrative Expens...		191.56	X		134,182.55
02/04/2020		NC Treasurer Retire...	Police Dept Expenses:...		454.72	X		133,727.83
02/05/2020	3638	AAA Portable Toilets	Park Expenses:Park Ut...		139.10	X		133,588.73
02/05/2020	3639	United Fuels, LLC	Police Dept Expenses:...		331.64	X		133,257.09
02/05/2020	3640	Republic Services	Administrative Expens...		150.40	X		133,106.69
02/05/2020	3641	Republic Services	Administrative Expens...		2,242.73	X		130,863.96
02/11/2020		Randolph County Fi...	Property Tax	Deposit		X	80,170.65	211,034.61
02/12/2020	3642	Seagrove Ulah Metro...	Park Expenses:Park Ut...		22.40	X		211,012.21
02/12/2020	3643	CenturyLink	Administrative Expens...		15.68	X		210,996.53
02/12/2020	3644	Duke Energy Progress	-split-		800.56	X		210,195.97
02/12/2020	3645	First Bank	-split-		122.55	X		210,073.42
02/12/2020	2142020	N.C. Dept. of Revenue	Payroll Liabilities	076004260	249.00	X		209,824.42
02/12/2020	2142021	United States Treasury	-split-	56-6146371	1,284.42	X		208,540.00
02/14/2020	3646	Billy J Maness	-split-		499.69	X		208,040.31
02/14/2020	3647	Jason R. Auman	-split-		1,062.10	X		206,978.21
02/14/2020	3648	Kathryn S Baker	-split-		424.75	X		206,553.46
02/18/2020		NCOSC	State Sales Tax	Deposit		X	43.19	206,596.65
02/18/2020		NCOSC	State Sales Tax	Deposit		X	4,829.33	211,425.98
02/18/2020		Intuit/QuickBooks	Administrative Expens...		423.72	X		211,002.26
02/19/2020		Randolph County Fi...	DMV Vehicle Tax Coll...	Deposit		X	1,251.96	212,254.22
02/19/2020	3649	Verizon Wireless	Police Dept Expenses:...		271.90	X		211,982.32
02/19/2020	3650	Seagrove Fire Depart...	-split-		22,203.95			189,778.37
02/26/2020	3651	USPS	Police Dept Expenses:...		76.00			189,702.37
02/26/2020	3652	REMC	-split-		200.26			189,502.11
02/26/2020	3653	Duke Energy Progress	Utilities:Streetlights		512.63			188,989.48
02/26/2020	3657	Randolph County Pu...	Administrative Expens...		15,000.00			173,989.48
02/28/2020		Randolph County - C...	Officer Fees	Deposit		X	4.50	173,993.98
02/28/2020	3654	Billy J Maness	-split-		499.67			173,494.31
02/28/2020	3655	Jason R. Auman	-split-		1,062.11			172,432.20
02/28/2020	3656	Kathryn S Baker	-split-		424.75			172,007.45

# Town of Seagrove

3/3/2020 4:08 PM

Register: Powell Funds First Bank

From 02/01/2020 through 02/29/2020

Sorted by: Date, Type, Number/Ref

Date	Number	Payee	Account	Memo	Payment	C	Deposit	Balance
02/06/2020	1126	Rex Auman	Park Expenses:Mainten...		382.50	X		21,223.43
02/28/2020			Interest Income	Deposit		X	1.69	21,225.12

# Town of Seagrove

3/3/2020 4:07 PM

Register: Bank of the Ozarks

From 02/01/2020 through 02/29/2020

Sorted by: Date, Type, Number/Ref

Date	Number	Payee	Account	Memo	Payment	C	Deposit	Balance
02/06/2020	2040	Jeff Hill	Lucks Cannery Project	Masonry - Fina...	6,250.00	X		200,267.66
02/10/2020	2041	JBDJ, LLC	Lucks Cannery Project	Inv #	9,523.11	X		190,744.55
02/18/2020	2042	Jeff Hill	Lucks Cannery Project	Masonry -	1,800.00	X		188,944.55
02/19/2020		Raymond James	Donations-New Town ...	Stan Beck Don...		X	5,011.07	193,955.62
02/28/2020		Thompson Roofing S...	Donations-New Town ...	Deposit		X	25,000.00	218,955.62



# MARCH 2020

Seagrove Police Department: Officer \_\_\_\_\_ Unit Number # \_\_\_\_\_ Patrol Log

Week Date Start: \_\_\_\_ / \_\_\_\_ / \_\_\_\_ Week Date End: \_\_\_\_ / \_\_\_\_ / \_\_\_\_

Day	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday	Total
Miles	1212							
Training								
Hours	236.5							
Court								
Interviews	40							
Warrants Served								
Warrants Drawn	1							
On View Arrest	1							
Criminal Citation								
DWI								
Traffic Citation	5							
Traffic Warning Citation	14							
Traffic Assist								
Domestic	2							
Alarm	1							
Armed Person								
Suspicious Person	18							
Citizen Assist	9							
Larceny	6							
B & E	2							
Trespass								
Business Check	90							
Seagrove School	14							
Code # 1	6							
Arrest Report	2							
Found Property	1							
Misc Report	31							
Misc Call	10							
Drugs Seized	6.10 grams Meth							
Welfare Check	7							
911 Hang Up	1							
Assault	1							

Additional Notes: \_\_\_\_\_

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Signed by: \_\_\_\_\_

Date: \_\_\_\_ / \_\_\_\_ / \_\_\_\_