



Town of Beaufort, NC

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Board of Commissioners

Regular Meeting

6:00 PM Monday, November 13, 2023

Train Depot, 614 Broad Street, Beaufort, NC 2851

Call to Order/Pledge of Allegiance

Mayor Sharon Harker called the meeting to order at 6:00 p.m. Mayor Harker advised everyone that there were audio issues and that the livestream was not working nor the microphones.

Mayor Harker led the Board and audience in reciting the Pledge of Allegiance.

Roll Call

Town Clerk, Elizabeth Lewis performed roll call.

Mayor Harker and Commissioners Marianna Hollinshed, John Hagle, Melvin Cooper and Bucky Oliver were present. Commissioner Bob Terwilliger was absent.

Mayor Harker asked for a motion to excuse Commissioner Terwilliger from the meeting.

Commissioner Hagle made a motion to excuse Commissioner Terwilliger from the meeting.

The motion carried unanimously.

Town Manager Todd Clark, Town Attorney Arey Grady, Town Clerk Elizabeth Lewis and Deputy Clerk Rachel Johnson were also present.

Public Comment

Daphne Littiken, 136 Charles Street, spoke about her concerns with the recently concluded election. She showed a postcard that had been mailed to Beaufort residents and two campaign signs that had small holes in the middle. She admonished negative behaviors associated with the election.

Marji Rawson, 900 Cedar Street, spoke about the election and expressed frustration and disdain about the treatment of commissioner candidate Logan Louis in the community.

John LoPiccolo, 1113 Hammock Lane, spoke about an agenda item, the sale of the property at the Inlet Inn. He cautioned the Board to pause and look at all aspects and urged the Town to look into a bidding process.

Presentations

1. FY 2023 Audit Presentation

KoTang Cha Moses of Martin Starnes & Associates made the FY 2023 Audit Presentation. The Town of Beaufort Audit is on file in the Town Clerk's office and available online under the finance tab at www.beaufortnc.org.

Ms. Moses highlighted the varying aspects of the audit and noted that no major issues or areas of concern were found.

The Board thanked her for the presentation and hard work. Moses was asked to send information showing comparisons with other small coastal towns via the Town's Finance Director, Christi Wood, in time for the scheduled Board Retreat on January 30 and 31, 2024.

Items of Consent

Mayor Harker asked for a motion to approve the agenda with the removal of item number 3, under Items of Consent.

The agenda was approved unanimously with the change to Items of Consent.

A motion was made to approve the Items of Consent with the removal of item number three, *Local Government Revenue Bond Application Resolutions*. The item was removed under advisement from staff to wait and allow USDA to review bids as the resolutions were specific. Town Manager, Todd Clark stated that additional information on the item was to be provided during the Manager's Report.

Items of Consent were approved unanimously.

1. Meeting Minutes- October 9th & 23rd
Approved
2. Capital Project Budget Ordinance for Professional Park Drive Area Stormwater Project
Approved
3. ~~*Local Government Revenue Bond Application Resolutions (USDA-Funded Utilities Contracts)*~~

Items for Discussion and Consideration

1. Consideration of Offer to Purchase- 601 Front Street

Mr. Clark introduced a Consideration of Offer to Purchase- 601 Front Street. He explained the Town of Beaufort currently owned a certain parcel of land located at 601 Front Street, known as part of Lot 3 and all of Lots 5 and 6, Olde Town Beaufort. The property is further identified as Carteret County Parcel Identification Number 730505291706000 and is a portion of the property described in those deeds recorded in Book 483, Page 361, Book 395, Page 324 and Book 393, Page 294 of the Carteret County Registry.

Mr. Clark stated, the property is currently leased to the Inlet Inn as set forth in the terms and provisions of an Amended and Restated Ground Lease Agreement having an effective date of August 1, 2018. As a point of clarification, the Board is advised that the ground lease is for the parcel of land and does not include the building which is owned by the Tervo's.

The lessee has submitted an offer to purchase the property from the Town for the sum of \$1,520,000. The offer also includes an adjoining strip of land that runs parallel to Queen Street and is located between the Town sidewalk and the western boundary of the property. A survey of this strip of land will be required to complete the purchase and will be at the sole expense of the buyer.

As set forth in the Offer to Purchase, the sale will be completed with a cash offering with a closing date on or before 75 calendar days for the Contract Date. The buyer, however, may extend the Closing Date by a period of ninety (90) days upon providing the Town with a written notice of the extension at least two (2) days prior to the original closing date.

The Town Attorney, Arey Grady, and Town Manager, Todd Clark, received questions from the Board of Commissioners.

Commissioner Hollinshed clarified that no waterfront property is involved in the transaction.

Commissioner Hagle reiterated the property is not waterfront. He stated the offer appeared to be fair.

Commissioner Oliver discussed the history of the property and how it came into existence between a public-private partnership in the mid-1980s, with forward thinking by the then Town of Beaufort Commissioners. He discussed the terms of the lease and the revenue to the Town. He stated he also found the offer to be fair.

Commissioner Hagle made a motion to approve the offer as presented.

The motion carried unanimously.

Public Hearing

1. Case #21-13 (160-D Ordinance Revisions)

A motion was made by Commissioner Hollinshed to open the public hearing for Case #21-13 (160-D Ordinance Revisions).

The motion passed unanimously.

Planning Director, Kyle Garner explained that the document and proposed changes had been reviewed in depth by the Planning Board.

Mr. Grady reviewed the proposed changes needed to the Town's Land Development and Subdivision Ordinance. He went section by section and outlined necessary updates to be in compliance with NC General Statute 160-D. Changes include procedural items, definitions, wording and organizational procedures.

Mr. Grady stated that overall, Beaufort was ahead of the requirements and was already doing a lot of the things that are now required. He explained it is more just aligning the Town's words with the General Assembly's words. The 160-D update includes procedures for quasi-judicial proceedings, administrative warrants, and conflicts of interest.

Mr. Grady noted the Town has been operating in a way that has been consistent with 160-D throughout the years, even before 160-D was adopted.

There was discussion about changes to mobile home zoning, short-term rentals, and affordable housing. Mr. Grady directed that these issues are addressed in the ordinance update as well as in Town policies.

Commissioner Cooper raised some questions about enforcement and noted he wants to see the Board put some teeth into code enforcement.

Commissioners Hollinshed and Hagle both expressed thanks for the level of detail the update undertook.

Commissioner Oliver asked Mr. Grady where he thought the Town was in the risk of the state exerting different or opposing zoning requirements that might be divergent from what we have as a town.

Mr. Grady explained he could not predict what the General Assembly may do in the future.

Mayor Harker asked for clarification on conflict of interest regarding a member of the Board of Commissioners serving on a board that the Board of Commissioners gives money to.

Mr. Grady explained that there are now penalties for Board members acting in a way that is a conflict of interest. He advised Board members should recuse themselves from voting on such items and if the Commissioner does not excuse themselves, then it is the responsibility of the Board to vote to have the member refrain from voting.

Commissioner Hagle made a motion to open the floor for public comment.

There were no comments from the public.

Commissioner Hagle made a motion to approve the 160-D ordinance revisions as presented in Case #21-13.

The motion passed unanimously.

Manager's Report

Mr. Clark gave a Manager's Report for the month. *Manager's Reports may be found online at www.beaufortnc.org under the Mayor's Corner.*

Mr. Clark discussed the USDA resolutions which were removed from the consent agenda. He went over the bids the Town received for the projects. He noted the below information:

Contract one was for wastewater improvements. This was a combination of grants and loans that we had an offer funding for USDA. The only and lowest bid received for wastewater or sewer was \$14,460,750. The engineers estimate in January of this year was \$9,841,442. This demonstrates that there's been great volatility in the market and materials and labor. The USDA funded amount, which was for construction and contingency that did not include engineering and permitting; but the amount allocated for wastewater from USDA was \$9,449,847.

For contract two, this was water distribution system improvements. This was the only we had no offer of grant funding. The lowest of two bids was \$6,928,934. The engineer's estimate in January was \$8,689,544 and the USDA funded amount was \$6,437,765. So clearly, we knew that the amount of funding was scheduled to be short of the engineer's estimate.

Contract three was stormwater collection system improvements. We had one bid, that was \$4,695,901. The engineer's estimate in January was \$3,685,717. USDA funded portion of construction was \$2,742,060.

Mr. Clark noted Town staff plans to bring this back to the board at a future meeting, as they continue to work with USDA.

Mr. Clark shared the Comprehensive CAMA Land Use Plan public comment period is open until December 7, 2023 and explained the plan can be reviewed at www.beaufortnc.org/future, while comments can be emailed to the Division of Coastal Management District Planner.

Other highlights from the Manager's Report included the Mayor's Conservation Plan, upcoming holiday events, dredging, bids for the George Street and Fairview drive project, ongoing items of business.

Mr. Clark advised the Board there were not any items for the November 27th Work Session.

Mayor Harker deemed Board consensus to cancel the November 27, 2023 meeting.

Commissioner Hagle commended Town staff for all the work they have been doing on repairing infrastructure.

Commissioner Oliver discussed the audit, talked about the liquidity of the Town's funds and advised the current Board to leave the incoming board with funding to make decisions. He also stated he would like to see the Town spend money on the audio equipment at the Train Depot and allocate \$50,000 for the upgrades.

Mayor Harker asked Commissioner Oliver if he would like to make that a motion.

Commissioner Oliver made a motion to set aside \$50,000 to get a fully qualified audio/visual system, pending a proposal which will be developed by the Town staff, with a budget amendment to follow.

The motion was approved unanimously.

Commissioner Oliver discussed the postcard referenced in public comment and stated that there should be no question that the Board was not upset by the action, noting that they do not support it.

Mayor/Commissioner Comments

Commissioner Cooper expressed disdain for the postcard distributed during the election. He also talked about a whale that had been found recently that died due to a balloon in its stomach stating that highlights the Mayor's Conservation Program and the need to keep plastic out of the water. He congratulated Mount Zion Church on their 158th Anniversary in Beaufort. He talked about Thanksgiving and wished travelers safety. He also congratulated Rett Newton on his dissertation. He noted Carteret County Board of Education was doing an excellent job.

Commissioner Hollinshed expressed happiness at the completion of paving on Cedar Street. She congratulated the candidates saying it is not easy putting yourself out there. She said it is nice to see all the campaign signs come down. She expressed thanks to the staff for the 160-D updates.

Commissioner Hagle commends all the time and effort put into Cedar Street. He discussed plastics from the perspective of someone who worked in the plastics industry for a long time, suggesting not all plastics are bad, but noted we do want to keep it out of our storm drains and waterways. His safety message was about cooking fires; be careful around the kitchen, do not leave the stove unattended.

Commissioner Oliver did not have any additional comments.

Mayor Harker stated Beaufort is special to her. She is celebrating the paving of Cedar Street that has been a long time coming. She noted the Town was better than the derogatory postcards, pointing out there have been others. She expressed thanks to all who participated in the Loaves and Fishes 5K and all veterans. She congratulated the commissioner elects and thanked everyone who put their name into the hat. She expressed congratulations to former Mayor Rett Newton, noting he has always been devoted to Beaufort; she wished him well on his endeavors. She also commended the 160-D updates and wished everyone a Happy Thanksgiving.

Closed Session

1. Pursuant to NCGS 143-318.11 (a) (3)

Mayor Harker noted the need to go into closed session Pursuant to NCGS 143-318.11 (a) (3) to consult with the attorney regarding the O'Neal vs. Town of Beaufort case.

Commissioner Hagle made the motion to go into closed session.

The motion was approved unanimously.

Adjourn

Commissioner Hagle made a motion to adjourn the meeting at 8:30 p.m.

The motion was approved unanimously.

Minutes prepared by Deputy Clerk Rachel Johnson.

Mayor, Sharon E. Harker

Town Clerk, Elizabeth Lewis