



Town of Beaufort, NC

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Town of Beaufort Board of Commissioners Budget Work Session 4:00 PM Thursday, May 20, 2021 - Virtual Minutes Draft

Call to Order

Mayor Newton called the meeting to order

Roll Call

Allen Coleman called roll and declared a quorum present for the meeting.

PRESENT

Mayor Everette Newton

Commissioner Sharon Harker

Commissioner Ann Carter

Commissioner Marianna Hollinshed

Commissioner John Hagle

Agenda Approval

Commissioner Hagle made motion to approve agenda, motion carried unanimously.

Items for Discussion and Consideration

1. Discussion of FY 2021-22 Manager's Recommended Budget

John Day: Summary of ideas for the American Recovery Plan money: Sewer pump station one or seven and 1410 Front Street culvert replacement. In combination this exceeds ARP money by about \$400,000. It was mentioned to delay the water plant work to do this. There are some significant things in the water plant work that we mentioned the last time like securing some wells, especially because we don't have any spare. Using the ARP money for these items would also then free up town money that would have been spent on this. Another idea was cleaning and maintaining stormwater ditches and then also

obtaining easements. Another idea is to use the money on Cedar Street Park, which isn't eligible to be used with ARP money. Another idea was to continue sidewalks to Food Lion. Another is adding WiFi hotspots. Also suggested was giving a utility bill credit to every account.

Questions:

Commissioner McDonald: Recommend letting the community do a presentation regarding the budget and present it to the manager for discussion.

John Day: We can post that information on the website.

Mayor Newton: Recommend doing this during the public hearing.

John Day: Yes, that's correct. That's held during the course of our regular agenda work session meeting in June.

Commissioner Hagle: Of the recommended items are the last four ineligible? Also, I like the first two options, being the pump stations and the culverts.

John Day: Yes, that is correct, they are ineligible.

Commissioner Hollinshed: So how does the sewer pump station, something that hasn't even started out show a loss to the town?

John Day: It has to have been something that you would do on a pay as you go basis, and you didn't receive the revenue in order to do it.

Commissioner Hollinshed: So how does that throw the sidewalks by Food Lion out?

John Day: Sidewalks don't qualify under the one category of infrastructure which only includes water, sewer, and stormwater.

Commissioner Hollinshed: Can that be finagled to be stormwater because you're going to have to do those ditches over there. If I put my Department of Treasury hat on, I think it qualifies myself. I do like the other ideas.

Commissioner Harker: The pump stations one and seven, I thought would be a good idea and throwing in the culvert for Front Street. If it would free up some money, definitely than the sidewalk in front of Food Lion and some of these other things could probably be addressed.

Commissioner Carter: Can we get a NPDS permit for the water plant?

John Day: I can get you the specific breakdown of the expense and that is in there.

Commissioner Carter: It might not be a bad idea to get that land and secure it so that we would have it when we need it. How long is it going to take to make sure the land that we had anticipated, or you're thinking about purchasing is going to work?

John Day: Preliminarily, it looks fine. The budget year would allow for us to take a closer look. Since there's already lines going into the existing plant it avoids the cost of buying additional right of way, and building new lines that would feed it. So, there are some real cost savings in this particular site.

Commissioner Carter: What kind of money are we looking at for land and preparation for wells? How much of that ARP money is it going to be taken to do that?

John Day: Total amount of money from the ARP is 1.3 million, and the total cost of these items all together is 1.27 million.

Mayor Newton: What do we need from this meeting?

John Day: Is there interest in trying to make a determination on these funds? Is the board ready to do that? The implications for the budget are that one of the CIP items, the water plant is relying on this. So, if the board doesn't want to do that, then that's going to require some changes that we need to make to the CIP and the five-year plan.

Commissioner Carter: I would really like to see a breakdown.

John Day: This is from Greg Churchill who is with Rivers and Associates. This is a breakdown and I can email this to you.

Commissioner Carter: We have time on this, until 2024 and I would recommend not making a decision on it right now.

Commissioner Hagle: I would like more discussion about the water plant.

John Day: This was added in in 22 and 23 because at the retreat the board requested having the preliminary work done on the water plant just in case there happened to be an infrastructure bill that ended up being approved in Congress. So, that there would be this project available to take advantage of that and so that's the only reason I moved it up. It was in response to the board's request. The ARP money was how I found the way to pay for it.

Mayor Newton: Let's get a consensus for if the water treatment plant is something that you're interested in, and then any other items that you want to discuss this evening.

Commissioner McDonald: I would like to see us wait on it and see if we want to move forward.

Commissioner Hagle: I support the first two items on the list.

Commissioner Hollinshed: I think it's okay. Do you have to put that requisition for property out for bid, even though it's what we need and where we need it?

John Day: It's just a negotiation with the owner.

Commissioner Harker: I don't want to offer a yay or nay on either one of them currently. I need to review information.

Commissioner Carter: I'm not adverse to that but I would like to review some of the figures.

Mayor Newton: Looking at some of the details on Beaufort Housing Authority and their utility rates. If we worked towards helping provide a subsidy for that, where would that come from?

John Day: That's required to come from the general fund. So statutorily you're prohibited from either developing discount rates or providing any kind of subsidy using enterprise fund money.

Mayor Newton: But we're still in kind of the analysis phase with the attorneys working through the details right now. And, John, if the board does vote to provide that relief, is that something that you need to budget? Or do you feel comfortable that we have some caveats that would support that?

John Day: If the extent of the relief was the payment in lieu of taxes, then that's all taken care of that's available to you. If there were going to be another sort of grant program established then depending on how much it is that can come out later of fund balance.

Commissioner Hagle: Are you saying that the in lieu taxes, it's not in the budget as it normally would have been?

John Day: Right. I zeroed out that revenue to provide a way for you to easily address the idea of providing some sort of a grant.

Commissioner Harker: Are we talking about the garbage forgiveness as well?

John Day: We have the opportunity to do that as well.

Commissioner McDonald: How often would we have to go to to our general funds in order to subsidize this?

John Day: It would be an annual event.

Commissioner Carter: Do they plan to depend on the town for the subsidy for an indefinite period? Which it sounds like.

Commissioner Harker: Based on the original agreement that was committed to back in 2013, from what I've been hearing, even that was a temporary measure that it was at the discretion of the town to stop it. And I think we should probably all discuss this when we get a little bit more information from the attorney and how to proceed and things of that nature, because it's a very complicated situation.

Commissioner Hollinshed: I think we need to talk about the parking situation. Who is in charge? Where will the money go? And how is it to be isolated so that so that the board can decide the use of that money.

John Day: That's in the budget, as it usually is, although it's not a separate area. We can send you those numbers and what we anticipate as being the difference in revenues over expenses. We had suggested previously waiting until the end of the year, and seeing what that actual difference is, and then the board can appropriate that and spend it however they wish to do it.

Commissioner Hollinshed: Who do you call when we are walking around a week accosted by somebody? Who do we refer them to? How does it get handled? Who is the contact?

John Day: So the new parking manager, her name is Jennifer Rossi, and the contact information is on the website.

Commissioner Hagle: Will this person be part of the Police Department?

John Day: That's correct.

Commissioner Carter: It's in the budget as a full time position?

John Day: It was budgeted as a full-time position, but not hired it as a full-time position.

Commissioner Harker: I'm just going to think about the two things that are for the ARP Plan and we'll get back with you on that one. It seems like the water planet might be a good place to get started and get that project going and funded. And I have no further questions or comments.

Commissioner Carter: Where in the other budgets do we have a charge for admin like you do with the utility fund? We also never did come to a decision on HR?

John Day: All the other ones are already in the general fund. HR has not been decided on as of yet.

Mayor/Commissioner Comments

Commissioner Hagle: Budgets are difficult. I'm concerned about the cost rise from one year to the next, and I know costs go up. But it's something we got to keep struggling with and, try to see ways that we can reduce costs as well as secure revenue. How can we be efficient, still serve our citizens, our customers, and do it in a more efficient way?

Commissioner Hollinshed: Yes, maybe some of our citizens will have some good questions on gaps that we haven't covered on Monday.

Commissioner Harker: We do have a lot of projects that have been done and things that are moving forward and the town is growing in that aspect. So it's something that we also need to continue to realize that this budget reflects a lot of those things that are going to be occurring.

Commissioner Carter: This has been a very difficult budget, there were items that just simply were not clear if it was difficult to understand, difficult to find out what's going on.

Mayor Newton: Absent some form of large infrastructure bill that would be allocated for the water treatment plant, you would not anticipate that we would build that until after the debt servicing or the wastewater treatment plant is complete. Is that accurate?

John Day: Yes, that is absolutely correct.

Mayor Newton: Thank you. And I will tell you that despite the pandemic, despite the storms, the tough decisions that have been made, the professional work of the town staff has laid the foundation for our community, and you can see that people want to be here.

Adjourn

Commissioner Harker made a motion to adjourn. Motion approved unanimously.

Mayor

Deputy Clerk