Town of Beaufort, NC

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Town of Beaufort Board of Commissioners Work Session Meeting Held Electronically Due to COVID-19
4:00 PM Tuesday, May 26, 2020 - Town Hall Conference Room, 701 Front Street, Beaufort, NC
Minutes

Call To Order

Mayor Newton called the meeting to order. The meeting was held electronically through Zoom due to COVID-19.

Roll Call

Mayor Newton called roll and declared a quorum present for the meeting.

Agenda Approval

A motion was made to approve the agenda as presented.

Motion made by Commissioner Hagle.
Voting Yea: Commissioner Harker, Commissioner McDonald, Commissioner Carter, Commissioner Hollinshed, Commissioner Hagle

Public Comment

Susan Sanders, President of the BDA, thanked the commissioners for the eating area established in the parking lot on Front Street.

Dick DeButts, Chairman of the Beaufort Housing Authority (BHA), thanked the town and business owners for helping the Housing Authority gain access to masks for all residents. He also thanked the town staff for helping to set up the Zoom meeting platform for BHA.

Presentations

1. Repetitive Loss Area Analysis – 2020 Update

   Town Planner Kate Allen gave a presentation on the Repetitive Loss Area Analysis. This presentation is required for the Community Rating System (CRS) re-certification. Ms. Allen reported most of the repetitive loss areas for the Town of Beaufort are located in the Extraterritorial Jurisdiction (ETJ) and there was not much the town could do to help fix the issues.

She did indicate she would contact the Carteret County Planning Department to discuss any options they have available for the residents in those areas.

Commissioner Carter asked if the issues in the ETJ impacted the Town of Beaufort flood insurance rating. Ms. Allen confirmed unfortunately those issues did impact the flood rating.

Commissioner Harker asked if the land owners were completing routine maintenance to help with the flooding issues. Ms. Allen indicated she knew the town was not doing any maintenance because we were not allowed onto private property. In reply to an additional question from Commissioner Harker, Ms. Allen reported the town does a yearly survey and documents the findings of whether maintenance has been performed.

Commissioner McDonald asked about the option of buying out the repetitive loss properties. Ms. Allen stated she would not recommend that for properties in the ETJ but it would be an option for properties located within the town limits. If that approach is taken, then the improvements must be removed from the property and it would forever need to remain as open space.

Commissioner Hagle asked about NC Department of Transportation (NCDOT) maintaining the ditches. Ms. Allen indicated she would reach out to them also about maintenance. She also informed the board members once a property is listed on the Repetitive Loss Report it remains there forever even if the situation has been remedied. Commissioner Hagle asked about public outreach opportunities. Ms. Allen reported she had been speaking with state representatives about holding seminars for residents and provide ideas for mitigation.

This item was placed on the agenda for Item of Consent.

Items for Discussion and Consideration

1. Adoption of Pamlico Sound Regional Hazard Mitigation Plan

   Ms. Allen reported the current Pamlico Hazard Mitigation Plan expired June 2020. The revised plan was currently in review at the state level and federal level (FEMA). She indicated state and federal representatives have recommended the approval of the plan by the commissioners even though it was still in the review stages. One reason to do so was because of the impending hurricane season and the need to have an adopted Hazard Mitigation Plan (HMG) in order to receive FEMA funding.

   This item was placed on the agenda under Items for Discussion and Consideration.

2. Preliminary Plat for Beau Coast Subdivision Phase V

   This item was moved to the June work session for consideration at the July regular board meeting.

3. Modify/Revise the Existing Planned Unit Development (PUD) for Beau Coast Subdivision

   This item was moved to the June work session for consideration during the July regular meeting.

4. **511 & 513 Turner Street** - Site Plan/Preliminary Plat

   Planning Director, Kyle Garner presented the information for the multi-family tri-plex proposal for Turner Street. He reported the site plan and preliminary plat had been presented during the most recent Planning Board meeting with a 4 to 3 split vote for recommendation to the board members.

   Commissioner Carter expressed concern over the adjacency to the water and the potential of flooding in the area. In response, Mr. Garner indicated the developer had received a CAMA permit for the project.

   Commissioner Harker asked if this project was a stand alone or part of the other buildings in the same area. Mr. Garner confirmed it was a stand alone. Commissioner Harker also expressed concern over the traffic flow and the stormwater system and design. Mr. Garner reported the stormwater system and design came up during the Planning Board meeting and Town Engineer, Greg Meshaw reported to the board members the plan met all required criteria.

Commissioner McDonald asked if the project had all required permits and if any negative votes came from the Planning Board because of permits. Mr. Garner reported the project had been permitted by CAMA and the no votes were not a result of permitting. Commissioner McDonald indicated when he was growing up the land had been fill land; Commissioner Cater indicated she remembered it being fill land and there was some question at one time of who owned the property. Planning Director Garner indicated the property had been zoned multi-family for 10 to 15 years and the current owner was Doug Smith..

Commissioner Hollinshed and Commissioner Hagle each expressed concerns over the traffic flow and the stormwater runoff. Commissioner Hagle indicated he would like to know how the stormwater system will work in the long run and more about the soils in the area.

This item was placed on the agenda under Items for Discussion and Consideration.

5. Final Plat – Gallants Point Subdivision (Aqua 10)

Planning Director Kyle Garner reported the request for final plat was coming to the board at the same time the request for annexation would be considered. He informed the board members of the bond that would be issued for the incomplete infrastructure. The developer of the property will also be required to pay the Parks and Recreation fee to the town. Mr. Garner reminded the board members this property had been approved in 2018 for a low flow grinder/pump system. He also reported the developer will be required to provide two additional pumps and 2 additional control panels for any future maintenance that will be required on the system.

Commissioner Harker asked if the pumps and control panels could be used any where in town. Mr. Garner indicated they could only be used for this project since there was not another system such as this one in the town.

Mayor Newton indicated he understood the reason for using this system was due to the water level on 18 inches on the property. Mr. Garner agreed. Commissioner Hollinshed indicated she was glad the developer was taking care of the backup parts for the system.

This item was placed on the agenda under Items for Discussion and Consideration.

6. Capital Project Ordinances

Finance Director Christi Wood provided the following information for the Capital Project Ordinances. She indicated a Capital Project Ordinance is set up for when projects will take more than one fiscal year to complete and the budget will continue for the entire project.

The first project is the Cedar Street Rehabilitation/Replacement which is $98,864 and being funded from a transfer in from the Capital Reserve Fund which was set up last May.

In reference to a question from Commissioner Carter, Ms. Wood indicated the allocation was for the engineering and design costs for the project. Town Manager Day indicated the design was funded in the current fiscal year of FY20.

Ms. Wood reported the second project was for the USDA Funded Utility Improvements. She indicated the allocation was for $87,000 being transferred in from Capital Reserve Fund. This money is for the costs of the USDA application being completed by Rivers & Associates, Inc.

In respone to a question from Commissioner Cater, Town Manager Day and Town Engineer Meshaw indicated the anticipated submittal date would be in June.

The third project is for the Street Rehabilitation/Pedestrian Improvements being funded by loan proceeds of 3.675 million. Town Manager Day indicated this is the project recently approved by the Local Government Commission (LGC) for financing.

Ms. Wood indicated the money will be received from the loan proceeds through a reimbursement process.

Commissioner Harker asked about the $87K and whether or not the town would be able to be reimbursed. Town Manager Day indicated he was not exactly sure if the funds could be reimbursed.

Commissioner McDonald asked about the $90K being spent for the Cedar Street Rehabilitation project. Town Manager Day indicated the $90K was for design and the total cost of the project would be approximately $1M. Mr. Day reminded the board members this was being done prior to when NCDOT replaces the stormwater lines and completes the paving of the project.

In response to a question from Commissioner Hagle, Town Manager Day indicated the water and sewer line repairs will all be completed at the same time. He further indicated he suspected the stormwater lines would be completed at a later time. Town Engineer Meshaw also confirmed the completion of the stormwater lines by NCDOT was unknown at this time. Mr. Meshaw reported the design is being done so as not to conflict with the NCDOT replacement of lines.

This item was placed on the agenda under Items for Discussion and Consideration.

7. Capital Reserve Fund #3

Finance Director Wood reported this amendment reverses prior amendments as listed below.

Transfers were made between the Capital Reserve Fund and the Utility Fund for projects that are now part of a Capital Project Fund. Capital Project Funds have been created for Cedar Street Rehab/Replacement and Utilities, Stormwater and Streets Improvements. Budgets for these projects will be in the Capital Project Fund:

- Reverse CRF Amendment #2, appropriating capital reserve funds for the USDA application work, $87,000.
- Transfer funds from the General Fund to the CPF, for a debt service interest payment that was budgeted in FY20, prior to the final schedule $68,566. First payment is due May 2021.
- Fund Balance for Cedar Street Rehab/ Replacement Engineer/Design work $98,864.
- Reduce CRF Amendment #1, for Capital Reserve funds for the sewer main repair to the actual cost. Cost was $22,504, appropriated amount $30,000, decreasing the appropriation by the difference $7,496.
- Receive funds budgeted in FY 20 General Fund Budget Transfer to Capital Reserve $460,433
- Receive funds budgeted in the FY 20 Utility Fund Budget Transfer to Capital Reserve $333,930

Commissioner Cater asked about the reimbursement of the damage to our lines from the utility lines. Town Manager Day reported the reimbursement had not be received at this time. In response to a question from Commissioner Carter, Town Manager Day indicated the funds available can only be transferred or dispersed through a budget amendment such as is being discussed.

Commissioner McDonald indicated he believed it would be costly for the town since having to wait on the NCDOT to complete their portion of the project. Mr. Day indicated the town could wait on the NCDOT and then coordinate with them, but believed it would be better for the town to move forward. Town Engineer Meshaw also supported moving forward with the town portion of the repairs. Additionally, Mr. Day reported the utility lines and the stormwater lines were not int he same area. Town Manager Day indicated there was a good deal of time separation between the different phases of the original plan.

This item was placed on the agenda under Items for Discussion and Consideration.

8. FY 20 Budget Amendment #13

Ms. Wood indicated this budget amendment was for the annual budget.

This item was placed on the agenda under Items for Discussion and Consideration.

9. April Financial Report

Ms. Wood reported the tax collections continue to increase on previous and current year balances. She indicated it was too early to tell the impact of the COVID19 on the sales tax collections. Town Manager Day indicated his concern was the impact of the Sales Tax revenues to come in. He indicated the State Treasurer's office usually provides a forecast for the next year around this time of the year.

In response to a question from Commissioner Carter regarding the Z Smith Reynolds $183 item. Finance Director Wood indicated that item had already been cleared. Commissioner Carter also asked about the $109,648. Finance Director Wood indicated that was a reimbursement from NCDOT for payment to a contractor for work on Hwy 101. Commissioner Hagle asked about the Utility Franchise tax. Ms. Wood indicated there were still two quarters for which the town would collect.

10. Asset Inventory Assessment Wastewater

Ms. Wood reported the town applied for an assessment grant and was awarded in the amount of $150,000 with the town matching $15,000 and a fee of $2250.

Commissioner McDonald asked for more information. Town Engineer Meshaw informed the board members the grant was to do an inventory of infrastructure for the remaining life and development of a Captial Improvement Plan for repairs. He reported the sewer lines would be televisioned to identify condition and repairs that need to be made. The final report will identify the most pressing to the least pressing needs. Additionally, it will help to pull together the five year plan.

This item was placed on the agenda under Items of Consent.

11. Case 19-12 Text Amendment - Lower Live Oak Overlay District

Mayor Newton indicated the item had been presented during a Public Hearing during the May 11, 2020 meeting with a decision to be made this evening.

Commissioner Hagle asked about the signage and whether or not it would be 3 years or 5 years as well as the consideration of what the Planning Board also recommended. Mr. Garner presented three possibilities for consideration. Commissioner Hagle recommended a combination of years as well as amortization.

A motion was made to approve the text amendment to the Lower Live Oak Overlay district and to set the signage requirements for five years amortization.

Motion made by Commissioner Hagle.
Voting Yea: Commissioner Harker, Commissioner McDonald, Commissioner Carter, Commissioner Hollinshed, Commissioner Hagle

12. Case 19-13 Lower Live Oak Corridor Overlay District

Town Planning Director Garner indicated the purpose for this is to identify the area for which the text amendment will apply.

A motion was made to approve the Lower Live Oak Overlya District.

Motion made by Commissioner Carter.
Voting Yea: Commissioner Harker, Commissioner McDonald, Commissioner Carter, Commissioner Hollinshed, Commissioner Hagle

13. Voluntary Annexation Request for 165 Lena Perry Lane

Town Clerk Michele Davis gave a report on the requested voluntary annexation for 164 Lena Perry Lane currently zoned R-20 with acreage in the amount of 1.55. She reported the property owner was anticipating selling of the property.

Ms. Davis indicated as a result of a question from Commissioner Carter the board did not have to accept the request for voluntary annexation at this time and not move forward with process.

Concern was expressed by staff members and commissioners to allow the property owner to tap into the existing line. Through discussions, it was discovered there are other properties on the same road that are tapped into the system for sewer service but do not have an agreement with the Town of Beaufort. Additionally, the finance department indicated there are issues with getting the bill paid.

The board members decided not to move forward with the annexation request at this time.

14. Meeting Street Flooding

Town Engineer Meshaw indicated the storm water flows across the 70 bypass through a 72 inch pipe and two 52 inch pipes. The eastern side of Meeting Street flows to the two 52 inch pipes and the western side of meeting street flows to the 72 inch pipe. There are at least three storm water ponds that go to the same point on the other side of the Hwy 70 bypass. Eventually it all flows into the tributary at the Newport River. There is a fall of about 8.5 feet from Meeting Street over a 7200 ft area.

An important part of this drainage infrastructure is a ditch of which the town has no control for maintenance. Mr. Meshaw indicated many of the ditches needed to be cleaned and maintained. There was a problem with the Meeting Street drainage when it was built. There was an agreement between the town and the developer for a consultant to develop a plan. The plan was agreed upon with the key factor being the maintenance in order to keep the flow.

Commissioner Hagle indicted he was under the impression the HOAs were responsible for helping to maintain the drainage system. Commissioner Carter indicated that Meeting Street did not have an HOA. Additionally, she indicated the engineer who designed Meeting Street at a later date when the flooding issue began informed the board a calculation error had been made during the design.

Town Engineer Meshaw indicated his experience with HOAs is that the most you can expect is the maintenance of the storm water pond. When the developer is finished, the state must approve the storm water retention pond and sign off as acceptable and then the HOA becomes responsible for the maintenance of the drainage system. In this particular case Mr. Meshaw indicated he was not sure if this pond was approved. Further, he indicated this development was low density where there is not a technical requirement for a storm water pond.

Commissioner Carter indicated if she remembered correctly it was a state permitted pond but not sure it was all supposed to drain to the same areas. Mr. Meshaw indicated this pond was an after the fact effort to mitigate the flooding in the area.

Mayor Newton indicated this situation is not sustainable. He further indicated the only water rescue that occurred during Hurricane Florence was on Meeting Street. He also stated the town would need to make some incremental steps to fix.

Town Manager Day indicated the town did need to look into developing a policy and could also consider being the entity that issued the permit and then we could have some authority.

Commissioner Harker indicated it was great to have an engineer on staff to work on this issue. She indicated it would be nice to develop a policy for future plans.

Commissioner McDonald indicated this area has flooded since the beginning. He stated the town needed to start at the root of the problem whether it be the developer or the homeowners. He also stated there were too many buddy-buddy relationships going on and nothing is getting done.

Commissioner Hollinshed stated she was very concerned about the flooding since it was at waist level during Hurricane Florence. She also stated she believed there would be some participation by homeowners. She asked if there was a stop gap band-aid that could be applied since we are heading into hurricane season.

Commissioner Hagle also stated he believed a short-term fix would help. He further indicated he believed the town needed to address the entire drainage system in the area to help lessen the flooding. Additionally, he indicated there needed to be some acceptance of responsibility for maintenance of the ponds and drainage ditches.

Commissioner Hollinshed state she was not in favor of pumping flooding from one street over to another area to create additional issues. Commissioner Harker indicated the pond was the band-aid since it was after the fact so a long-term fix need to be developed.

Town Manager Day indicated Mr. Meshaw did speculate there was a stoppage somewhere offsite making the situation worse.

15. Paid Parking 2020 Season

Town Manager Day indicated that on May 18, 2020 the board decided to delay paid parking for the 2020 season. He reported the Beaufort Development Association (BDA) surveyed the business owners with the majority wanting paid parking suspended for the season. The implications of suspending the paid parking are the $6300 a month of fixed costs incurred regardless of what is decided as well as debt service.There is also a full-time parking manager position. He indicated some of these costs could be overcome by Fund Balance appropriations.

Commissioner Carter indicated her recommendation was to delay it until possibly July 1st allowing the merchants time to get back on their feet. She indicated if the town tried to implement paid parking at this time the negative publicity would be too great. She stated she would like to delay but not eliminate.

Commissioner Harker recognized the business owners would like to have no paid parking which would result in the business owners having the responsibility of policing the employee parking. She also asked to see additional numbers to overcome the shortfall between May 18, 2020 to June 30, 2020.

Town Manager Day indicated the proposed budget had the information on the impact. He indicated the short fall will only be in the current fiscal year.

Commissioner Harker asked if the program was suspended for the remainder of the season then the impact would not be seen until the next fiscal year. Town Manager Day confirmed. He continued by saying the cost of $6300 per month until the season starts again until May 2021. The annual impact is $76,000. In response to this statement, Commissioner Harker asked if any of the shortfall would be made up in 2021. Town Manager Day indicated it would not. He stated the town may recoup about a third of the shortfall based on last year collections.

Commissioner McDonald indicated a survey had been taken and he thinks a public hearing should be held to help made the decision. He recommended the suspension of paid parking until next season. He asked about the funds remaining from this season. Town Manager Day indicated the board had $6000 from parking funds and the gave that amount plus $1400 to the BDA for marketing. He also stated the grants that have already been awarded have generally come from the parking funds. Commissioner McDonald indicated he recommended doing away with it completely this year.

Commissioner Hollished stated we have a mechanism that we could recoup next year if we start the season earlier, raise the rate, extended the season or the time frame. She indicated she was not in favor of moving forward with paid parking. She indicated the business owners do not have any enforcement authority. Additionally, she indicated two blocks could be designated as paid parking while the remainder is free.

Commissioner Hagle indicated since Susan Sanders was present for the meeting he would like to hear her thoughts on the issue.

Susan Sanders indicated she was concerned about the restaurants and the businesses since the beginning of the COVID19. She indicated the out of town people are already looking for the pay stations. She also stated she would be glad for the Morehead City, Down East and Newport citizens to support us during this time. She continued by saying the visitor did not have a problem with paying but the local citizens needs to be more supportive.

Commissioner Hagle indicated the town did not know what was going to happen and this was another expense to help protect the businesses. He supported paid parking to help businesses be sustainable but if the paid parking is started on July 1st then that would also hurt the businesses. Commissioner Hagle expressed concern over starting paid parking at this time.

Commissioner Harker indicated she was not married to the July 1st date. She indicated she did want to consider the part of the survey indicating paid parking would help business owners be successful.

Commissioner Carter indicated she wants the merchants to succeed. Commissioner Hollinshed indicated the timing is horrible. She continued by saying schools start back in August, if it starts, that will take a large part of the traffic out of town.

Mayor Newton indicated the consensus was not to have paid parking for the 2020 season.

16.

Town Manager John Day indicated the proposed budget would be presented in its entirely during the June 8, 2020 Board of Commissioner Meeting.

Mayor/Commission Comments

Commissioner Carter indicated a lot had been discussed without a lot of problems being solved. Social distancing is not good since being left in the dark about some issues.

Commissioner Harker congratulated all 2020 graduates. She wished the businesses in the community much success for the remainder of the year. She also stated she was glad to see how well organized everyone has been. She also thanked Greg Meshaw for his work on the Meeting Street issue.

Commissioner Hollinshed urged for the flooding situation to have a temporary fix.She asked for early information on the budget prior to next meeting. She also asked about the extension of the grace period for utility payments.

Town Manager Day indicated as long as there is a level of State of Emergency then we would continue with the extension of the grace period.

Commissioner Hagle indicated the town should support the local businesses. He thanked Greg for all of his hard work on addressing problems around town especially the Meeting Street issue.

Mayor Newton gave a special thanks to the county for helping with the picnic tables. He stated the past two weekends had been busy with visitors but did express concern over the lack of social distancing.

Adjourn

A motion was made to adjourn the meeting. The meeting adjourned at 6:30 pm.

Motion made by Commissioner Hagle.
Voting Yea: Commissioner Harker, Commissioner McDonald, Commissioner Carter, Commissioner Hollinshed, Commissioner Hagle

Mayor Everette S. (Rett) Newton

Michele Davis, Town Clerk