



**Town of Beaufort, NC**

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**Board of Commissioners**

**Work Session Meeting**

**4:00 PM Monday, August 28, 2023**

**Train Depot, 614 Broad Street**

**Beaufort, NC 28516**

**Call To Order**

Mayor Harker called the meeting to order at 4:00 p.m.

**Roll Call**

Elizabeth Lewis, Town Clerk, called the roll.

**PRESENT:**

Mayor Harker  
Mayor Pro Tem Hagle  
Commissioner Oliver  
Commissioner Cooper  
Commissioner Terwilliger  
Commissioner Hollinshed

**Agenda Approval**

Commissioner Hagle made a motion to approve the agenda.

The motion carried unanimously.

**Items for Discussion and Consideration**

1. Review of Grant Writing Services- Margaret Shields

Todd Clark, Town Manager, explained during the budget process, the Board expressed an interest in hiring a grant writer and authorized \$25,000 for those services. He introduced Margaret Shields and shared several key areas where grant funding would be most useful for the Town. Those areas were noted as replacement of water treatment plant; parks and recreation projects; signal lights and audible crosswalk improvements; street/sidewalk construction; stormwater controls; historic property improvements; and construction of municipal facilities.

Ms. Shields provided a summary related to her grant writing services, experiences, and past achievements as President and Principal Grant Writer at Fund Development, LLC. She shared her company is based out of New Bern, North Carolina; they are a small team that provides grant writing services for municipalities, museums, colleges, health care and

human service organizations. She discussed her services and what she intends to accomplish for the Town, noting she has a good feel for the Beaufort community and the Crystal Coast.

Mr. Clark noted his intention was to finalize the draft contract with Margaret Shields.

The Board had no objections to the Town Manager moving forward to securing Ms. Shields' grant writing services.

## 2. National Park Service (NPS)

Mr. Clark shared the National Park Service (NPS) entered into a lease agreement with the Town of Beaufort in 2013. The lease agreement specifically allocates space inside the Beaufort Town Hall as a visitor's center, provides dock space to operate a ferry service, and creates space at Grayden Paul Park for interpretive displays. In accordance with the lease agreement, the Town has provided these spaces free of charge. Additionally, the Town has provided in-kind services for all associated utilities. He noted that while the initial lease is set to expire January 1, 2024, the NPS has a non-revocable option to extend the lease an additional three years with the term expiring on January 1, 2027. The NPS has indicated, however, that they intend to close the Visitor's Center at the end of December 2023 if a 10-year lease extension cannot be negotiated. The Park Service has indicated that the extension is necessary to continue operating the visitors center concurrently with the lease agreement the NPS has for concessionaire services associated with the ferry service to Cape Lookout and Shackleford Banks. He also made note that the Town of Beaufort is uniquely poised to undertake significant rehabilitation investments to the waterfront area. While designs and plans have yet to be determined, the rehabilitation efforts may include the reconfiguration of the east end of the boardwalk and dock facilities. This could have an impact on the ferry service and is something to be considered by the Board.

The Mayor provided Jeff West, Cape Lookout National Seashore Superintendent, the opportunity to address the Board.

Mr. West discussed the current lease agreement between the Town and the NPS, noting the excellent provisions within the agreement and the positive relationship with the Town. He shared over the years, there had been sizeable growth in the number of visitors in the area. He suggested the economic benefits the Town has received from the partnership with the NPS, out weights the cost factor. Mr. West explained he would love to extend the lease agreement with the Town of Beaufort. He noted the NPS will be facing budget cuts in the upcoming year and there would not be funds to rent the space that is currently being utilized for free. He explained the space being used by the NPS at Town Hall could be turned back over to the Town, and suggested the bigger issue was a contract crunch. He explained if the NPS did not have an agreement in place requiring the ferry concessionaire operate out of Beaufort, whoever is selected as the concessionaire for the next ten years could move their services to another location.

Commissioner Hagle asked if the NPS did not have an agreement for usage of the Town facilities, would the ferry concessionaire be required to operate out of Beaufort.

Mr. West said if the Town needed the space at Town Hall, the NPS would walk away from it, as long as they could keep the ferry service agreement.

Commissioner Hollinshed noted when the original contract was put into place in 2013, Beaufort needed an economic boost. She discussed the pros and cons of the relationship with the NPS over the years and pointed out the space needs at Town Hall. She expressed her concern with the ferry concessionaire interfering with the waterfront rehabilitation project.

Commissioner Oliver suggested the real issue was the Town owned docks, not the Town Hall building. He shared he believed the Town should receive payment of some sort for

usage, whether that be a fair market rate based off an appraisal, or another negotiated price. He suggested the next step would be determining the value of the areas in question, noting the NPS would not find free space anywhere else.

Commissioner Cooper commented on the jobs that would be affected if the ferry concessionaire was not in Beaufort and the visitors the service brings to Town.

Commissioner Terwilliger pointed out there were three parties involved in the agreement, the NPS, the Town of Beaufort, and the ferry concessionaire. He noted the Town was the only party that was not receiving any financial gain. He suggested they needed to find a way that all three parties would be financially compensated. He recommended the concessionaire pay the Town for the use of the docks. He noted the Town is responsible for the maintenance of the docks and discussed the money spent reconditioning the docks in the past few years.

### 3. Paid Parking

Mr. Clark explained the Board has expressed a desire to discuss the Paid Parking Program. He shared there had been several ideas regarding the modification of the program. These ideas include transitioning to a 12-month program, upgrading parking kiosks, utilizing new wireless technologies for payments, increasing hourly parking rates, and evaluation of tiered hourly parking rates based on location. He suggested another option the staff discussed would be to evaluate the services of a private parking company to manage the program. He also shared the Beaufort Business Association (BBA) is currently working to complete a parking survey.

Lieutenant David Halsey, Beaufort Police Department, shared the challenges faced during the current parking season. He expressed the need to replace outdated kiosks if the Board desired to continue using those in the future. He shared the machines were frequently out of service and it caused frustration and complaints from residents and visitors.

Commissioner Hagle suggested the Town request input from merchants on the advantages and disadvantages of paid parking, as well as the time period they believe to be most appropriate. He questioned if the Beaufort Businesses could manage the parking, versus the Town.

Commissioner Hollinshed agreed input from the merchants would be key to any decisions made regarding the future. She also suggested the purpose of the funds collected might need to be reevaluated.

Commissioner Oliver suggested the Board and staff find a way to process the different areas associated with paid parking. He agreed that input from the BBA was important, as well as other paid parking operations in Town, such as the church lot. He noted that speaking with a representative from the BBA and the church lot to gain their input on paid parking would be essential. He recommended forming a committee that would discuss and make specific recommendations to improve the paid parking program.

Commissioner Terwilliger noted a key revenue source for the Town was paid parking. He recommended because the kiosks were not functioning well, an alternative should be discussed regarding collection of the parking fees. He said there was no reason not to go to year-round parking, especially in certain areas.

Commissioner Hagle made a motion to form a Paid Parking Committee that would include Commissioner Oliver, Commissioner Cooper, Todd Clark, a representative from the BBA, Lieutenant David Halsey, and Parking Manager Cherelle Sharpe.

The motion carried unanimously.

#### 4. Short Term Rentals

Mr. Clark explained the issue of short-term residential rentals was a topic of discussion for the Board of Commissioners beginning in 2016, with the last conversation taking place in September of 2020. Although the issue of regulating short-term rentals continues to be a topic of discussion across the State of North Carolina, the Town chose not to pursue any form of regulation in prior years for a couple of reasons. First, the Board recognized there were legal uncertainties which could lead to possible litigation if an ordinance were to be enacted. Additionally, the process of determining what and how to regulate such uses created great uncertainty. He explained the Board expressed an interest in revisiting this discussion and requested that this item be placed on the work session agenda. He shared that attached in the agenda packet was data specific to rentals in Beaufort. The data was collected from AirDNA, a company who tracks the performance of Airbnb and Vrbo vacation rentals across the United States.

Mr. Clark shared information on a case that involved short term rentals, Schroder vs. the City of Wilmington. He made note of proposed legislation regarding the regulation of short term rentals, outlined in Senate Bill 667. He suggested if the Board wanted to consider any policies related to the regulation of short term rentals, they would need to strongly consider what is outlined in Senate Bill 667. He also recommended the Board have a conversation with the Town Attorney regarding the legalities of adopting an ordinance that would regulate short term rentals.

Commissioner Hagle commented on the proposed legislation, Senate Bill 667, covers many aspects of the debated topic. He suggested it would be beneficial to wait for the outcome of the proposed legislation, rather than acting now. He shared in past years, there were many complaints about short term rentals, but that did not seem to be the case at this point. He also noted the rentals seem to be scattered throughout Town, not specific to one area.

Commissioner Hollinshed added that she had not received any complaints about short term rentals. She commented on the potential zoning issues that could arise. She discussed the need for property managers to be in Town to manage the rental and resolve any problems. She questioned who would oversee regulations on short term rentals if the Town put restrictions in place. She noted the need for legal direction.

Commissioner Oliver agreed, it was largely a matter of legal limitations. He noted one of the responsibilities of the Board was to consider the health, safety, and welfare of others. He suggested the Board direct the Town Attorney to provide a list of specific recommendations that could be put in place through a Town Ordinance, noting his legal opinion on the matter was essential.

Commissioner Cooper discussed the importance of residents and occupants' health, safety, and welfare. He questioned inspections on short term rentals, as well as garbage pickup.

Commissioner Terwilliger said the Board needs to find a way to regulate short term rentals but noted it would not fix the affordable housing issues in the area. He suggested tracking complaints on short term rentals. He recommended ways to inventory the properties would be helpful, such as having them register their short term rental with the Town.

The Mayor deemed a Board consensus to direct the Town Attorney to provide further guidance on the topic, per Commissioner Oliver's recommendations above.

#### 5. ARPA Grant Funding Acceptance Resolution Professional Park Drive Area Stormwater Inventory & Flood Study

Greg Meshaw, Town Engineer, shared the Town received a letter from the Division of Water Infrastructure dated August 10, 2023, requesting that the Board of Commissioners adopt a resolution that accepts the funding and commits the Town to adhere to the

conditions of the “Funding Offer and Acceptance,” a copy of which is provided in the meeting packet. He explained staff was requesting that the Board of Commissioners consider adopting the attached resolution, which accepts the \$394,815 grant funding and commits the Town to adhere to the conditions of the Funding Offer and Acceptance.

Commissioner Terwilliger made a motion to approve the Resolution Accepting American Rescue Plan Funding for the Professional Park Drive Area Stormwater Inventory and Flood Study.

The motion carried unanimously.

6. Unified Development Ordinance (UDO)- NCGS 160D Update

Kyle Garner, Planning and Inspections Director, shared the status of the NCGS 160D updates. He reported staff had finished the last draft review with the Town Attorneys. He noted it will be an item for the Planning Board to review at their September meeting, with a public hearing to follow in October. He shared the goal to have it in front of the Board of Commissioners at their November Regular Meeting. He also provided some information on the CAMA Plan, sharing it is conceivable that formal adoption of the plan could take place in October, which will also require a public hearing.

7. USDA Project Update

Mr. Meshaw provided an update on the USDA-Funded Utilities Project; a copy of the presentation is located on the Town's website. He discussed the water and waste disposal loan and grant program, funding specific to Beaufort, loan terms and offers, and shared a map of the streets that would be affected during the project. He also discussed the involvement of the Local Government Commission (LGC), and next steps in the process.

Commissioner Hollinshed asked about the interest rate market.

Mr. Meshaw said he believed they would receive proposals but could not predict interest rates.

Commissioner Oliver asked who could better answer the question regarding future interest rates.

Mr. Meshaw suggested the LGC would have a better idea.

Commissioner Oliver requested Mr. Meshaw reach out to the LGC for those numbers. He noted in his opinion, stormwater fees would probably need to be increased.

Commissioner Terwilliger asked if they would be waiting to start paving the streets until after all the work was completed.

Mr. Meshaw explained it was best to pave the streets after the project is accepted, which could possibly be done in phases. He noted there would be patch work in the streets, with ABC stone and asphalt, a substantial structure being put back down until the final paving was complete.

Commissioner Terwilliger expressed the need to make residents aware of the upcoming project sooner rather than later.

8. FY 2024 Budget Amendment #3

Christi Wood, Finance Director, explained the amendment requests the appropriation of Fund Balance for purchases and professional services budgeted in FY 23 but not completed prior to June 30, 2023. She noted the purchases and services include:

**General Fund: \$339,334**

- Finance- Budget Software; \$4,350
- Police- Vehicles, Uniforms, and Equipment; \$186,440

- Fire- Safety Equipment and Radio Repairs; \$33,854
- Planning- Permitting Software; \$20,000
- Public Works- Vehicle; \$53,317
- Non-Departmental- Site Work; \$41,373

**Utility Fund \$321,977**

- Sewer- SCADA, HRIB permitting, and Engineer Work for Pump Station Improvements; \$246,479
- Water- Water Meters, Water Softener Maintenance and Valve Replacement; \$75,498

Commissioner Hagle made a motion to approve FY 2024 Budget Amendment #3

The motion carried unanimously.

9. FY 2024 Budget Amendment #4

Ms. Wood explained the amendment requests the appropriation of additional revenue from Carteret County. The revenue is a distribution from the Town's Fire Tax reserve account held by the County. The funds, \$25,000, will be used to purchase a generator for station #2.

Commissioner Terwilliger made a motion to approve FY 2024 Budget Amendment #4.

The motion carried unanimously.

10. July Financial Report

Ms. Wood provided a financial report for July 2023. She discussed property tax settlements for Ad Valorem Taxes, distributions from the county, the general fund unrestricted fund balance, the utility fund unrestricted net position, and current capital reserve balances.

**Adjourn**

Commissioner Hagle made a motion to adjourn the meeting at 6:15 p.m.

The motion carried unanimously.

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Mayor, Sharon E. Harker

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Town Clerk, Elizabeth Lewis