



Town of Beaufort, NC

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Board of Commissioners

Work Session Meeting

4:00 PM Monday, February 28, 2022

Train Depot- 614 Broad Street, Beaufort, NC 28516

Minutes

Call To Order

Mayor Harker called the meeting to order at 4:00 PM

Roll Call

Elizabeth Lewis, Town Clerk, called the roll.

PRESENT:

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

Mayor Harker announced Commissioner Hollinshed could not be there due to personal reasons and asked for a motion to excuse her from the meeting.

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

The motion carried unanimously.

Agenda Approval

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

The motion carried unanimously.

Public Comment

There was none.

Items for Discussion and Consideration

1. FY 2021 Audit Presentation

KoTang Cha-Moses of Martin Starnes and Associates presented the FY 2021 Audit, which is referenced in the agenda packet.

Commissioner Oliver asked several questions regarding who the firm answered to and who was ultimately responsible for the financial condition of Beaufort.

Ms. Cha-Moses said the Board of Commissioners were responsible.

Commissioner Oliver asked if the soul responsibility of the auditor was to ensure the Town's bookkeeping system met GAP.

Ms. Cha-Moses explained the role of her firm, and said they issued their opinion, which indicates if the Town is in compliance with GAP.

Commissioner Oliver asked if there were any written or verbal comments other than those that accompany the handout.

Ms. Cha-Moses she explained there were some verbal recommendations with the Town Finance Director, but nothing she felt was significant to be in writing.

Commissioner Oliver asked specific questions regarding several pages of the Audit Book.

Ms. Cha-Moses explained her report and the recommendations in relation to the Local Government Commission (LGC), she elaborated on other Statewide procedures.

Commissioner Oliver asked Ms. Cha-Moses opinion on the \$312,000 she reported as doubtful account, whether it was reasonable or not.

Ms. Cha-Moses explained after an audit, they reviewed Management's assessment of allowances; she said in the Town's situation most of these were accounts that were 90 plus days overdue. She said that is typically what she recommends to her clients when she is considering their allowances; the number was reported for awareness.

Commissioner Oliver noted the report mentions 42.6 million dollars of capital assets several times and asked which of those assets were inventoried.

Ms. Cha-Moses explained they typically do not do any observation for the Town of Beaufort, but if they do any type of inventory observation, it sits in the inventory line rather than the capital assets line. She also explained there was a schedule of capital assets, provided by the Town, and they review those annually.

Commissioner Oliver pointed out there was a fair amount of debt, primarily to NC DEQ and asked if those loans and loan covenants had been reviewed by Ms. Cha-Moses.

Ms. Cha-Moses explained it depended on the type of loan, if there were covenants associated with the loan, they were reviewed. She added they reviewed the debt documents whenever an account picks up a new loan, and the debt agreement was reviewed at that time.

Commissioner Oliver said he would like Town staff to review the loan documents associated with the current loans, particularly the Town Manager, to ensure those covenants are being met.

2. Case #22-01 Special Use Permit for an Accessory Dwelling Unit at 308 Ann Street.

Kyle Garner, Planning Director, said this was a follow-up request, required by the new 160D law. He explained this item was part of a Quasi Judicial Hearing at the last Board of Commissioners Regular Meeting, and the board needed to review and render a decision based on the order that will be given to the applicant.

Commissioner Hagle made a motion to approve the order granting a Special Use Permit for an Accessory Dwelling Unit at 308 Ann Street.

The motion carried unanimously with a (4-0) vote.

3. Rezone 1113 Live Oak Street totaling 0.258 acres from R-8 to RS-5

Mr. Garner explained at the recommendation of the Planning Board, staff was requesting the Board of Commissioners conduct a public hearing at the March 14th Regular Meeting.

Mayor Harker confirmed a consensus to place the item on the upcoming agenda as a public hearing.

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

Mr. Garner explained at the recommendation of the Planning Board, staff was requesting the Board of Commissioners conduct a public hearing at the March 14th Regular Meeting. He also noted, at the recommendation of the Planning Board, there were some additional conditions placed on the PUD.

Commissioner Hagle had a question about the Type 2 Buffer.

Mr. Garner explained it is commonly referred to as a Type B buffer, consisting of a 10-foot buffer that suggests for every 100 or so feet, a certain number of median sized trees and shrubs are required as a buffer. He said the recommendation of the Planning Board was for this to be applied in certain areas.

Mayor Harker confirmed a consensus to place the item on the upcoming agenda as a public hearing.

5. Case #22-06 Special Use Permit for a Mini-Storage facility at 2150 & 2176 Live Oak Street

Mr. Garner explained the request was for the Board of Commissioners to conduct a Quasi Judicial Evidentiary Hearing for the Special Use Permit for a Mini-Storage facility at 2150 & 2176 Live Oak Street.

Mayor Harker confirmed a consensus to set the item as a Quasi Judicial Hearing at the upcoming meeting.

6. Voluntary Annexation Request

Ms. Lewis explained the Town received an application for voluntary annexation from Beaufort Agrihood Development, LLC and it was attached for review. She explained the first step in the annexation process is for the board to adopt a resolution directing the clerk to investigate the sufficiency of the petition requesting annexation. Ms. Lewis suggested this be an item for discussion and consideration at the March 14th Regular Meeting.

Mayor Harker confirmed a consensus to place this as an item for discussion and consideration on the upcoming agenda.

7. Past Minutes

Mayor Harker confirmed a consensus to place this under items of consent for the upcoming agenda.

8. Minutes- January 24, 2022 Work Session Meeting

Mayor Harker confirmed a consensus to place this under items of consent for the upcoming agenda.

9. Sewer Allocation Request-Proposed Trestle Walk Subdivision

Greg Meshaw, Town Engineer, explained staff was recommending placing the sewer request on the agenda for the upcoming regular meeting. He provided the following background regarding the request:

Beach Moss Development & Consulting, LLC is requesting that 3,360 gallons per day (gpd) of sewer capacity be reserved for a proposed 7-lot subdivision. The firm is planning to subdivide two parcels to create the subdivision. The two parcels have access to Live Oak Street and are located between the former Beaufort Elementary School property and the Hancock Park subdivision. Granting of the request must be by the Board of Commissioners even though the request is for less than 10,000 gpd. Action by the Board is required because the request is for reservation of sewer capacity. A request for reservation of sewer capacity for future use is deemed by the Town's Wastewater Allocation Policy to be a Level 4 priority when considering allocation requests. If approved, a nonrefundable reservation fee equivalent to twenty percent of the applicable sewer system development fee must be paid. Additionally, Priority Level 4 projects have twenty-four months to receive all approvals, certifications, and/or permits to begin construction. Otherwise, the allocation reverts to the Town, provided that the Board of Commissioners does not grant an extension.

Mayor Harker confirmed a consensus to place this as an item for discussion and consideration on the upcoming agenda.

10. 2021 Year End Parking Program Report

Jennifer Rossi, Parking Manager, gave a presentation on the 2021 end of year parking program, referencing materials included in the agenda packet. She noted a list of goals recommendations, and regulations for the upcoming parking season. A highlight of those recommendations are listed as follows: Citation fees go up to \$ 50 per Town Ordinance; The 5 spaces on Pollock Street in front of Town Hall will be made All Day Parking and parking signage will be added in front of them; Adding a 15-minute space on Craven St. to accommodate customers picking up orders on Front St; Staff suggestion of getting a Town golf cart for daily use of reading meters and collections.

Commissioner Cooper made a comment about several business owners on the waterfront who were not happy with the parking program, specifically customers who could not find a parking space. He also asked who would monitor the newly recommended 15-minute space.

Ms. Rossi said parking staff would monitor the space and explained where all day parking was located and how that was regulated.

Commissioner Cooper asked about Big Rock and how parking was affected during that time, noting there was a church parking lot area utilized in the past.

Rachel Johnson, Parks and Events Coordinator/Public Information Officer, spoke to this question, as there is a system in place. She explained in the past, it has fallen through the events application which required Big Rock to come through that specific avenue to pre-purchase weekly parking passes.

Commissioner Oliver spoke regarding the visibility of the parking machines, he asked if any of the updates addressed those issues.

Ms. Rossi said she had investigated the visibility issue last year and noted there is a real issue with the machines being on the waterfront. She suggested as of right now, there were not any alternatives.

Commissioner Oliver suggested new machines as a capital item, in hopes they would be less dependent on visual skills.

Ms. Rossi said the parking ambassadors do a good job assisting customers.

Commissioner Oliver asked who usually purchased the season passes, noting there were 129 from the presentation, and that represented almost a third of the total parking.

Ms. Rossi said business, residents, and employees, noting employees park in the Craven and Queen Street lots in attempt to keep employees off Front Street spots.

Commissioner Oliver suggested this be focused on in the upcoming season.

Commissioner Hagle agreed the parking meters are difficult to use, echoing Commissioner Oliver's suggested to research newer, more user-friendly meters. He explained the intent of paid parking as it was established, and the hopes for businesses to be successful from both a customer and employee aspect.

Commissioner Terwilliger followed up with some discussion regarding parking passes, noting the parking program was a resource of revenue for the Town. He suggested as more parking passes are sold, it could be taking away from the overall revenue. He

encouraged the Parking Manager to be cognizant of these areas going into 2023, so it could be better understood and addressed in the future. He gave examples such as: should passes be limited; should the Town be more tactical in how they are issued; is the Town charging enough for the passes. He noted the app that connected to customer phones was an easy and user-friendly platform.

Commissioner Hagle added that when paid parking began, it wasn't necessary created to generate revenue, rather than promoting businesses and visitors downtown.

Mayor Harker asked about the parking passes for employees, and how they were notified where to park once they obtained the pass.

Ms. Rossi explained that everyone who purchased a parking pass was provided a list of regulations, specifically regarding where they should park.

Mayor Harker pointed out that just because you have a pass, it does not guarantee a parking spot; there may be a lot of passes issued but there might not be an available space for everyone who has a pass. She suggested the golf cart suggestion was not a bad idea, noting parking staff had a large vicinity to cover and it could be used to help people as well as regulate the area.

Ms. Rossi suggested it would also be beneficial if a parking machine went down across Town, noting in the past there were only 5 parking ambassadors during the season.

Mayor Harker noted the savings in Town staff doing the upgrades in house and thanked Ms. Rossi for her presentation.

11. Consideration of Resolution # 22-002

Mayor Harker asked for a motion to excuse Commissioner Oliver from participating in the discussion considering Resolution # 22-002

Commissioner Hagle made a motion to excuse Commissioner Oliver.

The motion passed unanimously.

Todd Clark, Town Manager, explained he had tentatively set the Annual Board Retreat for March 10-11, 2022, with hopes to finalize those plans after the meeting. He reported the suggested venue is the Beaufort Hotel and said in consideration of Commissioner Oliver's financial interest in the venue, staff have conferred with the Town Attorney to ensure compliance with North Carolina General Statute 14- 234, titled "Public officers or employees benefiting from public contracts, exceptions".

Mr. Clark explained it was the desire of the staff to use the Beaufort Hotel as the meeting venue and recommended the Board of Commissioners adopt the below Resolution exempting the Town of Beaufort from North Carolina General Statute § 14-234, should they agree to use that location.

See proposed Resolution No. 22-002:

**A RESOLUTION EXEMPTING THE TOWN OF BEAUFORT FROM NORTH CAROLINA
GENERAL STATUTE § 14-234 RESOLUTION NO. 22-002**

WHEREAS, North Carolina General Statute § 14-234 (a) (1) sets forth that no public officer or employee who is involved in making or administering a contract on behalf of a public agency may derive a direct benefit from the contract except as provided in NCGS § 14-234, or otherwise allowed by law; and

WHEREAS, North Carolina General Statute § 14-234 (a1) (1) defines a “public officer” as an individual who is elected or appointed to serve or represent a public agency, other than an employee or independent contractor of a public agency; and

WHEREAS, Towns having a population of no more than 20,000 according to the most recent official federal census may be exempted in accordance with (d1) Subdivision (a) (1) of NCGS § 14-234 if the following actions are taken:

- 1) The proposed contract(s) between the town and one of its officials must be approved by a specific resolution of the governing body adopted in an open and public meeting and the action must be recorded in the town’s board minutes;
- 2) The amount does not exceed sixty thousand (\$60,000) for goods and services within a 12-month period;
- 3) The official entering into the contract with the unit or agency cannot participate in any way or vote;
- 4) The total amount of the contract(s) with each official is specifically noted in the audited annual financial statement of the town; and
- 5) The town must post in a conspicuous place in Town Hall a list of officials with whom contracts have been made, briefly describes the subject matter of the contracts, and shows the total contract amounts within the preceding 12 months; all of which must be updated on a quarterly basis.

WHEREAS, the Town of Beaufort proposes to rent a facility from a Town of Beaufort Board of Commissioner for a public purpose.

NOW THEREFORE, BE IT RESOLVED, that the Town of Beaufort Board of Commissioners adopt this resolution with the intent of renting the Beaufort Hotel, partly owned and operated by Town of Beaufort Commissioner Charles Oliver II, for the purpose of hosting a two-day board retreat on the dates of March 10-11, 2022.

Adopted this the 28th day of February 2022

Sharon Harker, Mayor

Elizabeth Lewis, Town Clerk

Commissioner Hagle made a motion to approve Resolution No. 22-002

The motion carried unanimously.

Commissioner Terwilliger made a motion to allow Commissioner Oliver to return to the meeting.

The motion carried unanimously.

12. Ground Lease- Inlet Inn Beaufort, LLC

Arey Grady, Town Attorney, explained the background regarding the Inlet Inn ownership and associated leases, notifying the board that the current owner has requested an amendment to the subject Ground Lease Agreement between the Town of Beaufort and Inlet Inn Beaufort, LLC.

Mayor Harker deemed a consensus to move the item to the upcoming Regular Meeting, under items of discussion and consideration, as several Commissioners had questions about the lease.

Mr. Grady added that a possible closed session may be needed to discuss the item, depending on what the questions were.

13. NCBIWA Member Appointment

Mr. Clark explained the North Carolina Beach, Inlet & Waterway Association (NCBIWA) is dedicated to preserving, protecting and enhancing the North Carolina Coast by merging science and public policy in order to create a sustainable and resilient coast. Former Town Manager, John Day was a member on the board. The NCBIWA Board is composed of local, state and federal elected officials as well as attorneys, engineers and government staff who work together for the common goal of protecting the North Carolina Coast. Mr. Clark said the requested action was to appoint a new member to that board, and it was his understanding it was to be either a staff member or a member of the board.

Mayor Harker confirmed a consensus to place the requested appointment under items of discussion and consideration for the upcoming Regular Meeting.

14. FY 2022 Budget Amendment 6

Christi Wood, Finance Director, explained Budget Amendment 6 consisted of the following:

General Fund- This amendment requests the appropriation of fund balance for replacement of ferry docks (\$76,000) – this cost is for aluminum floating docks. There is an increase in the BCBS health insurance premiums for employees (\$50,611)- the town was made of aware of these increases in late December. The increase is \$126 per employee/per month for January- June, 67 employees in the General Fund. This amendment also requests the appropriation of other revenue from the sale of surplus fire equipment to purchase automated external defibrillators (AEDs) (\$10,000).

Utility Fund- This amendment requests the appropriation of fund balance for the increase in the BCBS health insurance premiums for employees (\$9,065)- the town was made of aware of these increases in late December. The increase is \$126 per employee/per month for January- June, 12 employees in the Utility Fund.

Commissioner Oliver had questions about the portion of the budget amendment that pertained to the ferry docks replacement. He questioned who the owner of the referenced docks was and who was responsible for the maintenance on the docks.

Mr. Clark said it was his understanding these were the docks across from Town Hall, and the former Town Manager confirmed with Mr. Grady that the Town was responsible for the maintenance of the docks and the owner was the National Park Service, per the current lease.

Mr. Grady said he believed it was the Town's responsibility to maintain or replace the docks as needed, but he did not have the lease in front of him to confirm that. He suggested it would be wise if he revisited the item, answer these questions, and report back to the Board and Town Manager.

Commissioner Hagle suggested the Board be provided a copy of the lease.

Mark Eakes, Public Works Director, informed the Commissioners the quote he received was good for 30 days, but it subject to change after due to the rising material cost.

Ms. Wood explained it was the pleasure of the board but suggested if they wished to wait until the additional information was provided, she could separate that portion of the budget amendment out for a future meeting.

Commissioner Hagle suggested making the ferry dock replacement a separate budget amendment.

Mayor Harker asked Ms. Wood if the budget amendments could be separate in the future, in the event something like this might happen again.

Ms. Wood said she would separate them moving forward.

Commissioner Hagle made a motion to approve Budget Amendment 6, under the conditions of removing the portion regarding the replacement of the ferry docks.

The motion passed unanimously.

15. Financial Notes

Ms. Wood presented the January Financial Report, discussing the tax balances for December and January, the sales and use tax distributions for February was reported as \$191,362; that was for November sales.

Mayor/Commissioner Comments

Commissioner Cooper spoke on the fantastic turn out for Mardi Gras event.

Commissioner Oliver commended the Town Manager on listening to concerns and suggestions, and for his leadership. He specifically spoke on the financial success of the Town and thanked the staff for their hard work.

Commissioner Terwilliger brought up the topic of volunteer boards in the Town. He recommended there be some type of educational training for all members on these boards, as there have been some situations that were not always handled appropriately. He suggested the Town provide the tools for the people on these boards to help ensure they are making the right decisions, as ultimately, they are serving the Town.

Commissioner Hagle pointed out the Board had a chance to visit all of the Town Facilities recently and expressed how well the Town is being managed, commending the quality of employees the Town has from top to bottom.

Mayor Harker spoke on how great it was to be back in-person. She thanked the staff who worked on the technology piece to make that possible. She also thanked the Town Manager for his hard work as well as the Board and commended them all for their visibility around Town. She ended by speaking about several newly opened businesses around Town and encouraged everyone to support local establishments when possible.

Adjourn

Commissioner Hagle made a motion to adjourn the meeting at 5:40 PM.

The motion carried unanimously.

Sharon Harker, Mayor

Elizabeth Lewis, Town Clerk