

APPROVED 2/8/2021



Town of Beaufort, NC

701 Front St. - P.O. Box 390 - Beaufort, N.C. 28516
252-728-2141 - 252-728-3982 fax - www.beaufortnc.org

**Town of Beaufort Board of Commissioners Regular Meeting
6:00 PM Monday, January 11, 2021 - Zoom due to COVID-19
Minutes**

Call to Order

John Day, Town Manager, read a statement providing instruction to those wishing to speak during the Public Comment period.

Mayor Newton called the meeting to order at 6:03 p.m.

Roll Call

Mayor Newton conducted roll call and declared a quorum present.

Members Present: Commissioner Hagle, Commissioner Hollinshed, Commissioner McDonald, Commissioner Harker, Commissioner Carter

Agenda Approval

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

Voting Yea: Commissioner Hagle, Commissioner Hollinshed, Commissioner McDonald, Commissioner Harker, Commissioner Carter

Calendar

Mayor Newton asked Rachel Johnson, Deputy Clerk, to go over the calendar. Ms. Johnson said that there is nothing scheduled outside of the regularly scheduled monthly meetings.

Public Comment

There were none.

Manager Report

John Day, Town Manager shared that the Cedar Street Utility Rehabilitation Project began today in the Moore Street area and is expected to take about four months to complete. Cedar Street will be closed in one block sections during construction. He said that NCDOT expects to begin replacing stormwater lines in Cedar Street in March.

Mr. Day shared that work is scheduled to begin on the Turner Street Pedestrian Improvements today, but the contractors did not show up. He added that staff is not satisfied with the contractor progress on the 100 block of Orange Street and that staff is working to get the contractor back on schedule. He said that Town Engineer, Greg Meshaw will provide additional information on these projects at an upcoming work session.

Mayor Newton asked the Board for any questions or comments regarding the Manager Report.

Commissioner Hollinshed said that she was going to bring up the Orange Street progress and noted that it is an inconvenience to residents.

Commissioner McDonald asked if there is a time limit for the project to be completed. Mr. Meshaw said that it is a part of a larger street project.

Commissioner Harker asked Mr. Meshaw why the contractors failed to start work on the Turner Street project. Mr. Meshaw said that he did not have an explanation at this time but said that it may be weather related given rain in the forecast. Commissioner Harker said that communication is key in a situation like this.

Commissioner Carter asked if this has been an issue before. Mr. Meshaw said that he could only recall one project that was in progress before he started with the Town. Commissioner Carter asked if there are any penalties for delays. Mr. Meshaw confirmed that there are liquidated damages if the project is not completed by a certain date, which he believes is in the amount of \$250 per day.

Items of Consent

1. Draft Minutes for the Nov. 23 and Dec. 14, 16 and 21, 2020 BOC meetings

Mayor Newton asked for a motion to approve the minutes and noted written public comments that were submitted after the meeting have been added to the minutes.

Commissioner Hagle made a motion to approve the minutes as presented. The motion passed unanimously.

Voting Yea: Commissioner Hagle, Commissioner Hollinshed, Commissioner McDonald, Commissioner Harker, Commissioner Carter

Items for Discussion and Consideration

1. Financing for Public Utilities Dump Truck

Christi Wood, Finance Director, said that the item tonight is for consideration of financing a dump truck for Public Utilities. She said that she did receive quotes for financing, and the terms are 1.79% for 5 years with a total amount of \$79,533.10. Mrs. Wood added that there was discussion at the last meeting about potentially paying cash for the vehicle, in which case a budget amendment is attached if the Board would like to go that route.

John Day, Town Manager, explained the reasoning for financing the vehicle is to conserve as much cash as possible in the Enterprise Fund given expenses that will be coming up soon with future USDA funded projects.

Commissioner Hollinshed said that she agrees with Commissioner Hagle and would like to pay cash for the vehicle, rather than making it a line item with payments.

Commissioner McDonald clarified that the vehicle in question is a dump truck and asked what it will be used for. Mr. Meshaw said that Donovan Willis, Public Utilities Director, would be able to provide an answer to that question. Mr. Meshaw said that operationally, the dump truck is typically used when doing repairs, particularly moving materials back and forth.

Donovan Willis explained that this is a replacement for an existing 1992 dump truck. Mr. Day added that he believes that is the vehicle that has some safety concerns. Mr. Willis confirmed, noting issues with brakes and other safety features.

Commissioner McDonald said that the Town needs to do a better job justifying these purchases. He added that every commissioner on the Board has the responsibility of explaining why the Town needs something.

Commissioner Harker said that the idea of paying for the truck with cash does sound appealing. She added that the manager may have a good point, noting that if there is the potential for issues with financing the USDA projects, financing would make sense. She said that she does not believe paying cash for the dump truck would interfere with the USDA projects. Commissioner Harker asked if the Town would get anything for the existing truck. Mr. Day explained that the Town tries to auction off anything that can be auctioned.

Commissioner Carter asked if the bed of the truck is a part of the purchase, or if it will be moved from the existing truck. Mr. Day said that this is a new truck, purchased and fully assembled.

Mayor Newton asked the Board how it would like to proceed.

Commissioner Hollinshed made a motion to pay cash for the truck with the budget amendment included in the packet. The motion passed unanimously.

Voting Yea:

Commissioner Hagle, Commissioner Hollinshed, Commissioner McDonald, Commissioner Harker, Commissioner Harker

2. Preservation North Carolina Request

Mayor asked if Commissioner McDonald wanted to recuse himself. Commissioner McDonald confirmed. Mayor Newton asked for a motion to recuse Commissioner McDonald from the discussion.

Commissioner Hagle made a motion to recuse Commissioner McDonald from the discussion. The motion passed unanimously.

Voting Yea: Commissioner Hagle, Commissioner Hollinshed, Commissioner McDonald, Commissioner Harker, Commissioner Carter

John Day, Town Manager, said that this is a request from Preservation North Carolina to extend the deadline for reimbursing the Town for asbestos abatement on the 400 Pollock Street structure from December 31 to June 30, 2021 or when the property sells, whichever comes first. He added that Mr. Howard, President, Preservation North Carolina, is available to answer any questions.

Commissioner Hollinshed said that she cannot support the request as PNC has not furnished the Board with timely updates on the showing or customer interest on this property which was part of the agreement for the first extension which technically ended December 31, 2020. She said that a sheet of paper showing the number of inquiries and showings would suffice. She said that a bit of feedback would be nice and noted one report since the closing in September. She said that her other concern is that loaning unsecured money by the town is not good practice, and added that to her knowledge, the town's only recourse is to start over with the activation of the demolition order, which would cause additional fees and spending by the town as it puts a lien against the property. Finally, she said that there are other historic structures in the town that may require similar actions, at which point, the Board will be requested to offer the same deal to those property owners. She said that the letter states that PNC is in negotiations to acquire additional property. While she believes this is a good business plan, it is not a good plan to use town money. The property is no longer contributing to the tax base and will not until it is sold. She said that if PNC were to offer additional earnest money, she might reconsider her no vote. Discussion ensued.

Myrick Howard, Executive Director, only able to close on the property in November and were only allowed to start showing the property in the middle of December. Noted serious title issues that needed to be corrected, additional errors have been identified recently. He added that the issues are through no fault of Preservation NC. Noted that they were not allowed to begin showings without approval from the Town. The whole thing has been a challenge, and they are trying to do the right thing, hoping that at the end of the day, we have a major rehab project. He said that he would be glad to answer additional questions. He explained that when you run into title issues and wills that were not probated decades ago, the process becomes more challenging.

Commissioner Hollinshed said that the Carteret County Property Data said the sale was completed October 2, 2020. She said that the adjoining property is not a part of the deal with the town. Mr. Howard explained that the neighboring property is necessary because the hotel is on the property line, work cannot be done without purchasing the neighboring property. Mr. Howard said that both properties were a part of the plan from day 1.

Commissioner Harker said that the request today is to extend the cost for abatement until June or until the house sells. She asked how that would help them sell the property. Mr. Howard explained that the work was done before the property was purchased. He said that he received the invoice from the Town in December. Commissioner Carter said that it was part of the original agreement. Mr. Howard said that the invoice was received in December after requesting it from the Town.

Commissioner Carter said that she is inclined to agree with Commissioner Hollinshed, however, she said that the Town has some negligence here as the invoice was not provided in a timely manner. She added that the biggest issue she sees here is with communication and that her concern is that town money is tied up.

Commissioner Hagle made a motion to approve as presented. The motion failed with one vote in favor and three against.

Voting Yea: Commissioner Hagle

Voting Nay: Commissioner Hollinshed, Commissioner Harker, Commissioner Carter

Commissioner Carter said that she might reconsider if there was an interest rate attached to the invoice. Mr. Day said that the question goes to whether the demolition order is enforced if payment is not received. Mr. Day asked Arey Grady, Town Attorney, to speak on the matter.

Arey Grady said that is correct and noted that the motion that was originally adopted included two conditions: remediation of all violations of the exterior and reimbursement of the out of pocket costs for asbestos remediation, both of which were to occur prior to December 31, 2020. The question is whether the Town is going to execute the demolition which was recorded that the Town can act on if it is so inclined.

Mr. Howard said that the invoice was dated December 17 with a due date of December 31. Mr. Day said that he was aware of the due date with the original agreement and noted an email the previous month reminding PNC of the fees.

Commissioner Hagle said that he would extend the time. He said that he feels it is a reasonable request and not a significant amount of money. He said that he recognizes that these are taxpayer dollars, but believes that the money will be repaid and he feels it is worth extending a few more months. He said that he does not want to go back to consider demolition.

Commissioner Hollinshed asked if they would consider offering some earnest money or something to offset the outstanding balance and asked if that was permissible.

Arey Grady said that the Board could adjust the action taken last year on the extension if it wanted to request a small advance payment, or shorten the extension, whatever the Board wants to do. Commissioner Hollinshed asked if it could be split into payments over the next six months. Discussion ensued.

Commissioner Hagle made a motion to grant an extension of three months starting February 1, 2021. The motion passed with 4 in favor and none opposed.

Voting Yea: Commissioner Hagle, Commissioner Hollinshed, Commissioner Harker, Commissioner Carter

Commissioner Hagle made a motion to bring Commissioner McDonald back into the meeting. The motion passed unanimously.

Voting Yea: Commissioner Hagle, Commissioner Hollinshed, Commissioner Harker, Commissioner Carter

3. Sewer Allocation Policy

Greg Meshaw, Town Engineer/Director of Public Services, reminded the Board that the third draft was presented at the December 21st Work Session.

Page 4 –Commissioner Hagle requested that staff clarify that priority 2 projects.

Page 5 – Staff can only approve in-town projects up to 10,000 gpd in response to Commissioner Carter’s concerns about Deerfield subdivision.

He said that he would be happy to answer any questions.

Commissioner Hagle said that he is still confused about Priority 2. He said that there are force mains that go along 101 to Deerfield, and out towards East Carteret High School. He asked if anything along those lines would be or would not be considered. Mr. Meshaw said that if they propose annexation to the town and provide plans to get the project approved, it would become a priority 3 request. If they say they would like some allocation and are planning a project, but not quite that far, would apply as a priority 4 request with a sketch plan, and would have to pay a reservation fee. Commissioner Hagle reiterated that he was asking about priority 2. Mr. Meshaw said anything served by a collection system outside of town, they would be a priority 2 request. Commissioner Hagle asked if Deerfield would fall in that category, Mr. Meshaw confirmed.

Commissioner Hollinshed thanked Mr. Meshaw for all his hard work on this.

Commissioner McDonald said that with projects on the horizon, what kind of impact would the sewer allocation policy have on it? Mr. Meshaw said that the Town is able to take on more. He said that the facility is running at 69-71% capacity. He said the policy sets forth the amount that can be allocated in bites, so the Town does not over commit, as well as provides the Board with flexibility in allocation in the form of discretionary allocations.

Commissioner Carter said that anyone out of the city limits that requests sewer must also request annexation. She said that there is no language indicating that the request for annexation remains valid until such time the Board wishes to act on it.

Commissioner Hagle made a motion to approve with the added language of Commissioner Carter. The motion passed unanimously.

Voting Yea: Commissioner Hagle, Commissioner Hollinshed, Commissioner McDonald, Commissioner Harker, Commissioner Carter

John Day added that state annexation laws have a controlling factor over the discretion that the Board has in regard to timing. He said there could be some indication in the policy but understand that it would still be subject to statutory requirements.

4. NC League of Municipalities Legislative Goals - 2021-2022 Legislative Biennium

John Day, Town Manager, presented the item and explained that the NCLM Legislative Policy Committee has compiled and refined goals submitted by members. There was a list of 17 goals provided, and each municipality has been asked to provide ten from that list.

Mr. Day said that Commissioners were asked to provide their input on each of the 17 items. He said there were four respondents which agreed on four items, another three respondents agreed on another four items. He said that at this point there are eight that the majority agreed on, with five remaining to choose from for the remaining two:

9. Grant local governments the authority to build broadband infrastructure in order to partner with private providers and provide additional funding to help close the digital divide.

- a. The COVID-19 pandemic has demonstrated the need for additional steps to improve broadband access.
- b. Slow and unreliable internet service threatens educational and professional opportunities, and the economic future of entire communities.
- c. Failure to utilize local government assistance and assets will continue to create digital gaps that have real-world consequences for North Carolinians.

10. Secure federal and state aid directly to municipalities to offset all lost revenues due to the Covid-19 pandemic.

- a. Municipalities saw large drops in sales and occupancy taxes and utility revenues last spring; the current surge in the virus is likely to produce more economic disruption and further erosion in revenues.
- b. Earlier federal assistance to state and local governments was neither direct nor flexible, preventing revenue holes from being filled.
- c. NC municipalities received only a fraction of the federal CARES Act state and local dollars allocated to North Carolina in March.

11. Revitalize vacant and abandoned properties with enhanced legal tools and funding.

- a. Many towns and cities do not have the funding to address abandoned properties.
- b. These properties affect surrounding home and business property values, economic development opportunities and crime rates.
- c. With funding and additional legal tools, such as those allowing for properties to be more easily condemned and to address multiple heirs, these properties could serve to addressing local housing needs.

12. Extend notification timeline for any changes to sales tax revenue disbursement.

- a. Under current law, counties are able to shift the method of local sales tax disbursement in April, providing notice to municipalities just two months ahead of the new fiscal year.
- b. These shifts, from per-capita to ad valorem distribution methods, or vice versa, can mean significant losses of sales tax revenue for municipalities, with little time to consider the budget implications.
- c. County governments enjoy this power even though a majority of sales tax revenues are generated within municipal borders.

13. Improve processes and payments for moving utility lines located in the right-of-way during transportation projects.

- a. NCDOT charges to cities to move utility lines for road projects can be costly.
 - b. Due to uncertain construction timelines, these charges often come with little notice or ability to budget.
 - c. Increased transparency and communication would allow cities to better plan for these projects.

Commissioner Hagle said he prefers 9 and 10. Commissioner Carter said she prefers 13. Commissioner Harker said she prefers 9 and 10 or 12. Commissioner Hollinshed said 9 and 13. Commissioner McDonald said he prefers 9. Commissioner Hagle recommended 9 and 13.

Mayor Newton said that two are in favor of item 10, Carter is in favor of 13 as well as Hollinshed.

Mr. Day said an example of option 9 would be if there is an area of town that does not have service, but needs it, the Town could pay to run fiber to that area. Commissioner Carter asked if there was an estimate of the cost associated. Mr. Day said that it depends on the distance and noted that he does not have a cost per linear foot readily available.

Commissioner Hagle made a motion to select item 9 and 13. The motion passed unanimously.

Voting Yea: Commissioner Hagle, Commissioner Hollinshed, Commissioner McDonald, Commissioner Harker, Commissioner Carter

Mayor/Commissioner Comments

Commissioner Hagle thanked Greg Meshaw and Rachel Johnson for the information that has been going out regarding Turner Street. He said that there will be delays and detours that people will have to deal with for a while, but the end result is going to be great. He also thanked all the staff for the good things they are doing – the fire department and police department for keeping us safe, public works for keeping everything in order and taking care of parks. He also thanked Mr. Oliver for providing information regarding electric vehicle charging stations. He said that he feels this is something the town should not be involved in. His safety message encouraged everyone to be patient and pay attention when driving and wished a great new year to everyone

Hollinshed thanked Vic and Lora Fasolino for their Christmas light show. Extended condolences to David Wheatley's family

McDonald asked the board to start this year out on a good foot and asked how the board spends so much time discussing a \$10,000 project or less (Godette hotel) but spent almost a half million dollars it should not have, and noted that the topic has not been discussed at all. He said that the Board spent all this time talking about \$10,000 dollars but took part of a donation that shouldn't have been spent and spent that. He said there is something wrong with that picture and it needs to be straightened out.

Commissioner Harker encouraged everyone who is eligible to get the COVID-19 vaccine but added that there is still a need to wear masks until most of the population has been vaccinated. She congratulated Mr. and Mrs. Barnes who recently celebrated 64 years of marriage. She also extended condolences to the Wheatley family for the recent loss of Mr. David Wheatley. She thanked staff for all of their hard work and thanked the Board for the in-depth discussions regarding the Godette hotel.

Commissioner Carter extended her condolences to the family of David Wheatley and said that he was a great help to her in her early years with the Town. She also asked if there is a date set for opening Town Hall. Mr. Day said that work is nearing completion.

Adjourn

Commissioner Hagle made a motion to adjourn. The motion passed unanimously.

Voting Yea: Commissioner Hagle, Commissioner Hollinshed, Commissioner McDonald, Commissioner Harker, Commissioner Carter

Chair

Board Secretary