



Town of Beaufort NC

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**Town Of Beaufort Board of Commissioners Regular Meeting
MINUTES**

6:00 PM Monday, May 13, 2019 - 614 Broad Street, Beaufort, NC 28516 Train Depot

1. Call to Order/Roll Call

DRAFT MINUTES

Mayor Newton called the meeting to order. Town Clerk Davis called roll and declared a quorum present for the meeting.

Mayor Newton asked Town Manager Day to please introduce the Interim Fire Chief.

Town Manager Day introduced Tony Ray. Mr. Day reported he anticipated Mr. Ray to be with the town for approximately six months during the search for the next Fire Chief.

2. Agenda Approval

Mayor Newton indicated two changes needed to be made to the agenda. First was the removal of Item 9C Farmers Market on Middle Lane and second was the addition of a Closed Session for the permitted purpose of Attorney Client Privilege. Commissioner Hollinshed made a motion to approve the agenda as amended. The vote was 5 to 0 in favor.

3. Resolution to Support Carteret County Litter Prevention Initiative

A. Resolution to Support Carteret County Litter Prevention Initiative

Mayor Newton read the resolution and the commissioners adopted it with a unanimous vote.

4. Calendar

Town Clerk Davis reviewed the calendars for May and June.

5. Public Comment

Brian O'Haver introduced himself and told the board members he believed he was a good candidate for the Parks and Recreation Advisory Board.

Mike Murdoch of Newport thanked the Mayor and Commissioners for supporting the Carteret County Litter Prevention program.

6. Manager Report

Town Manager Day indicated he would hold comments until he got to the budget document.

7. Items of Consent

Commissioner Hagle made a motion to approve the Items of Consent as presented. The vote was unanimous.

- A. NCDOT Water Line Relocation NC Highway 101 Project
- B. Draft Minutes for the March 11, 2019 Regular Meeting, March 25, 2019 Work Session, April 8, 2019 Regular Meeting and April 22, 2019 Work Session
- C. Resolution Endorsing the Drainage Improvements along Cedar Street
- D. Beaufort Ole Towne Rotary Road Race
- E. FY 19 Budget Amendment 7

8. Public Hearing

- A. Beaufort Cart Tours Permit Request

Rich Huffman, owner of the Beaufort Cart Tours, presented his business plan for the permit request. He indicated his tours had already been beneficial for those with mobility issues. He indicated his route was primarily in the downtown historic district with a short ride down to the end of Front Street near Lennoxville Road and then back down Front.

In response to questions from the commissioners, Mr. Huffman indicated he did not use any amplified speakers during his tours, his first tour generally did not begin until 11 am on Sunday, and that he would be willing to adjust his tour times so they would correspond with the times allowed in the Town of Beaufort Code of Ordinances as well as traversing only on the streets allowed in the golf cart ordinance.

Mayor Newton called for a motion to open the Public Hearing. Commissioner Harker made a motion to open the public hearing. The vote was unanimous.

Pat Wesson of Front Street spoke in favor of the permit request. She indicated she helped Mr. Huffman with the tour business. She spoke about being able to help with camp tours for autistic children as well as tours for residents of assisted living facilities.

Being no further comments, Commissioner Hollinshed made a motion to close the public hearing. The vote was unanimous.

Commissioner Hagle made a motion to approve the permit for the Beaufort Cart Tours with the requirement to formalize the tour hours as those listed in the town code of ordinances and to also formalize the routes in accordance with those in the golf cart ordinance. All members were in favor of the motion.

9. Items for Discussion and Consideration

A. Consideration of Appointments to the Historic Preservation Commission, Planning Board and Parks and Recreation Advisory Board

Town Clerk Davis indicated there was one vacancy on the Historic Preservation Commission for a three year term ending in January 2022. There was one vacancy on the Planning Board for a three year term ending in January 2022. There was one vacancy on the Parks and Recreation to fill an unexpired term ending September 2020.

Mayor Newton called for a motion to open nominations for the Historic Preservation Commission. Commissioner Hollinshed made a motion to open the nominations. The vote was unanimous. Commissioner Carter made a motion to nominate Joyce McCune. Being no further nominations, Commissioner Hagle made a motion to close the nomination period. The vote was unanimous. Ms. McCune was appointed to a three year term.

Commissioner Hollinshed made a motion to open nominations for the Planning Board. The vote was 5 to 0 in favor. Commissioner Harker nominated Diane Meelhiem. Commissioner Hagle nominated John LoPiccolo. Being no further nominations, Commissioner Harker made a motion to close the nomination period. All members were in favor. Ms. Meelheim received three votes (Carter, Harker, Hollinshed) and Mr. LoPiccolo received two votes (Hagle, McDonald). Ms. Meelheim was appointed to a three year term.

Commissioner Hagle made a motion to open the nominations for the Parks and Recreation Advisory Board. The vote was 5 to 0 in favor. Commissioner Carter nominated Brian O'Haver. Being no further nominations, Commissioner Hagle made a motion to close the nomination period. All members were in favor. Mr. O'Haver was appointed to fill an unexpired term ending in September 2020.

B. Cedar Street Improvement Project

Town Manager Day reported the Cedar Street Improvement Project had three components involving NCDOT: 1) Replacement of the storm water lines and boxes; 2) Installation of the bumpouts and storm water devices; and 3) street resurfacing. A forth component is utility line rehabilitation and replacement, which will be performed by the town.

NCDOT's original schedule was to begin Component 1 last fall, then follow up with Components 2 and 3 in the winter, and complete the project by Memorial Day. That schedule was delayed by Florence, and the longer than expected design phase of Component 2.

Then the schedule was modified and the plan was to begin Component 1 in February, followed by Component 2 after Labor Day and Component 3 completed by Memorial

Day, 2020. However, contractor availability issues for Component 1 prevented that from happening.

Consequently, NCDOT is offering two new scheduling options designed to avoid peak visitor season:

Option 1:

Component 1 begins in 30 to 45 days, and takes two to three months to complete (assuming the construction crew can find housing).

Component 2 begins after Labor Day, 2019, followed as soon as possible by utility line rehab and replacement (we don't expect the engineering to be completed in time to begin before Q3, 2019)

Component 3 is completed by Memorial Day, 2020.

Option 2:

Component 1 begins after Labor Day, 2019, followed by utility line rehab and replacement by the Town (which is expected to cost around \$1 million).

Component 2 begins after Labor Day, 2020, and Component 3 is completed by Memorial Day, 2021.

Commissioner Harker made a motion to approve Option 2. The vote was 5 to 0 in favor.

C. Beaufort Pirate Invasion

Ms. Johnson informed the board members the Beaufort Pirate Invasion was requesting to close the West Front Street parking lot from Aug. 9-12. This was a modification from the original approved application. Working with Town Staff the organizers had been working to find an alternate location for the placement of a 40' x 100' tent originally proposed to be placed along Front Street near Town Hall.

This new proposal will affect spaces 146-170 in addition to the already approved closure of spaces along Front Street between Town Hall and Queen Street.

In addition, they requested permission from Town to serve beer and wine in the main tent during the Beaufort Pirate Invasion. Our plan was to have a few of our local breweries participate with their products. Times included Friday evening, 6 pm to 10 pm ; Saturday 11am to 9 pm; Sunday 1 pm till 6 pm.

Commissioners expressed concern over the need to include the sale of alcohol during a family oriented event. Event planner Carl Cannon indicated there was a need to help with the funding for the event and the sale of alcohol was the best way. He indicated the group was willing to work with the board and their suggestions.

Commissioner Hagle made a motion to approve the closure of the west parking lot for the tent and the sale of alcohol during the dinner hours only where are Friday and Saturday evenings from 6 pm to 10 pm. The vote was 5 to 0 in favor of the motion.

D. BDA Music In the Park

Ms. Johnson informed the board members the Beaufort Development Association had submitted an application to use John Newton Park on Thursday evenings for Music in the Park concerts. During the concerts, they sell alcohol and requested a waiver of the

Town's alcohol ordinance in John Newton Park.

The requested dates & times are as follows:

May 30

June 6, 13, 20 & 27

July 4, 11, 18 & 25

Aug. 1 & 8

There is a conflict on July 18 as the Billfish Classic has already reserved the park for their event.

Commissioner Hagle made a motion to approve the request as presented and to approve the request for a waiver for alcohol on town property during the dates and times in John Newton Park. The board vote was unanimous.

E. Boat Building Challenge 2020

A stipulation of the event grant program is that events have received prior approval from the BOC. This event is scheduled for May 2-3, 2020. It is designed the same as the 2019 edition with events from 10 a.m.-7 p.m. on Saturday and a cardboard boat building challenge on Sunday from 12-4 p.m. The organizers request the following: Alcohol waiver for the West parking lot during the dinner hours (6-8 p.m.). Closure of the West parking lot starting at 6 a.m. on Friday, May 1 and ending at 12 p.m. on Monday, May 4, 2020.

Commissioner Hagle made a motion to approve the request as presented and to approve the waiver of alcohol on town property during the event. The vote was unanimous.

F. Mardi Gras 2020

The BDA has submitted an event request for Mardi Gras 2020 - The exact date is TBD to ensure it is not on the same date as a conflicting event. They requested the closure of Middle Lane from 2 a.m. the Friday before until about 7 p.m. the Saturday of the event, brief road closures of Middle Lane to Craven to Front to Turner for a parade and a waiver of alcohol ordinance for Middle Lane.

Commissioner Hollinshed made a motion to approve the request as presented and to approve the waiver for alcohol on town property. The vote was 5 to 0 in favor.

G. Event Grant Submissions

Event Grant applications were due at Town Hall by April 1, 2019 for all events occurring in the 2019/20 fiscal year (July 1, 2019-June 30, 2020). All of the event grant requestors have also submitted event applications for the respective events.

The last page of each attached event grant application is a bill from the Town based on the Town services requested in the event applications; these are the items eligible for event grant funding. The police/fire portions are subject to change if additional security/medical needs arise.

The total amount requested is \$8,047.50

Breakdown of Requests by Event:

Pirate Invasion: \$5,000
Billfish Classic: \$1,235
Boat Building Challenge: \$200
Music in the Park: \$275
Mardi Gras 2020: \$420
Resolution Run: \$10
Rotary Club 10K Run: \$420
Lions Club Bridge Run: \$487.50

Commissioner Hagle made a motion to approve all of the event grant applications and the amounts requested.

H. Establishment of Infrastructure Capital Reserve Fund

The ordinance and budget amendment establishes a capital reserve fund to account for the money being accumulated in fund balances for various infrastructure projects. The capital reserve fund allows for more clarity and transparency than keeping the money in the fund balances, as is the current practice.

The capital reserve fund ordinance establishes three distinct reserve items:

1) **Boardwalk/Bulkhead Repair and Reconstruction.** In FY19 the Town accumulated \$315,000 to use toward the necessary repairs and reconstruction of the Front Street boardwalk and bulkhead. In FY19, \$285,000 will be raised for that same purpose.

2) **Street Improvements.** There is a total of \$164,102 available from FY18 and FY19. There will be another appropriation made after financing is secured and the debt service requirements are known for the street rehabilitation projects in FY20.

3) **Utility Line Rehabilitation and Replacement.** Funds from accumulated utility capacity fees (and now utility system development fees), plus the budgeted contributions to capital reserve in the Utility Fund, will be accounted for here. The initial contribution to the reserve is \$2,946,516, and will be followed by annual contributions.

Commissioners indicated they believed this was a better way to account for funds for projects.

Commissioner Hagle made a motion to approve the capital reserve fund ordinance and the budget amendment. The vote was 5 to 0 in favor.

I. Presentation of Fiscal Year 2020 Budget

The FY 2020 budget for the Town of Beaufort, less transfers, is \$12,428,810. The General Fund is balanced using the current 41.35-cent property tax rate and cash reserves of \$260,000. The Utility Fund is balanced using current water and sewer rates.

However, the following critical issues arise when looking at future year financial projections:

1. Shortfall in General Fund Requires Tax Increases in FY 2021 and FY 2023
2. Funding for Utility Line & Street Combined Improvements Runs Out

- 3.No Funding Available for Employee Compensation Market Adjustment
- 4.Five Year Financial Plan Excludes or Delays Many Important Items

Strategic Budget Items for 2019-2020

- 1.Boardwalk / Bulkhead Improvements Finalize engineering and construction documents and reapply for grant funding
- 2.Cedar Street Park Receive property from NC DOT, prepare construction documents, and build
- 3.Cedar Street Utility Line Improvements Replace utility lines in conjunction with NC DOT stormwater project
- 4.Pedestrian Improvements Improve safe access to Randolph Johnson Park, Beaufort Middle School, Carteret County Library, and on west 100 block Turner Street
- 5.Stormwater Improvements Program Prioritize projects, develop program and budget, and prepare revised fee schedule.
- 6.Street Improvements Resurface nearly 6 miles of streets for which underlying utilities are in good condition
- 7.Utility Line & Street Improvements Combined Program Engineer 3-block section of combined utility and street improvements, bid out project, and award construction contract

Factors Influencing the Budget

- 1.County Property Revaluation Delayed
- 2.Dedicated Funding for Infrastructure
- 3.Infrastructure Inventory and Analysis
- 4.Retirement System Contribution
- 5.Employee Compensation Market Analysis

Financial Policy Considerations

- 1.Keep cash reserves in General and Utility Funds at defined levels.
- 2.Keep water and sewer rates at proper levels for Utility Fund to be self-supporting.
- 3.Ensure debt service does not exceed debt limits as defined for each fund.

10. Mayor and Commissioner Comments

Commissioner Hagle thanked all citizens who had completed applications to serve on the volunteer boards. He also commented on how he thought the triathlon was a good event. His safety message was about distracted driving and putting the phone down—it can wait.

Commissioner Hollinshed recognized the Police Department for National Police Week, spoke about Hurricane Preparedness and asked Bucky Olive to briefly speak about the opening of the Beaufort Hotel. Mr. Oliver indicated it was a very busy weekend; things were learned and some things were needing to be changed.

Commissioner Harker spoke about volunteering for the triathlon, thanked the town safety staff for their hard work and thanked the staff for their work on the budget.

Commissioner McDonald expressed concern on the budget and asked Town Manager Day if the town was on track presently with what was presented last year for the budget. Mr. Day indicated yes and more so than last year.

Commissioner Carter thanked the PD and the volunteers for working the triathlon. She addressed the concern of people in the community being persistent about the town being in collusion with the new hotel which is not true. She indicated the town is being open and honest and we do not need citizens undermining the town. In closing, she also stated the town has a great staff and the citizens need to realize how hard they work.

Mayor Newton indicated graduation was coming up and the school system has worked hard bouncing back from the Hurricane Florence. He indicated the town provides a stable platform so great things can happen in our community. He thanked the town staff for their dedication and also thanked the commissioners for doing their homework.

A. Closed Session Pursuant to NCGS 143-318.11(a)(3) For the Permitted Purpose of Attorney Client Privilege

Commissioner Hagle made a motion to enter into Closed Session. The vote was 5 to 0 in favor.

Being no further business to discuss, Commissioner Hagle made a motion to return to Open Session. The vote was unanimous.

11. Adjourn

Being no further business for discussion, Commissioner Hagle made a motion to adjourn. The vote was 5 to 0 in favor. The meeting adjourned at 8:20 pm.

Mayor Everette S. (Rett) Newton

Michele Davis, Town Clerk