

Belhaven Town Council
Minutes – July 10, 2006 Regular Session

Call to Order/Invocation/Pledge of Allegiance

The Town Council of the Town of Belhaven met in regular session on Monday, July 10, 2006 at 7:00 P.M. at the Boyette Civic Center at 257 W. Pungo Street. Mayor Adam W. O’Neal called the meeting to order with the following Council members present: Albert Baker, Dr. Charles O. Boyette, Steve W. Carawan, George R. Ebron, Jr., Mayor Pro-Tem; and Cynthia M. Heath. Town Manager Tim M. Johnson and Town Clerk Marie J. Adams were also present. Mayor O’Neal introduced Mr. Allen Harmon, Minister of the First Assembly of God and asked him to give the invocation. Mayor O’Neal asked Mr. Richard Pike to lead the audience in the Pledge of Allegiance.

Approval of Minutes – June 12, 2006 Public Hearing/Regular Session and the May 1, 2006 Budget Workshop

Mayor O’Neal stated that the minutes of the June 12, Public Hearing/Regular Session and the May 1, Budget Workshop were open for review and approval. There being no corrections to the minutes, Councilman Boyette made the motion to approve both sets of minutes as written. Councilwoman Heath seconded the motion which carried unanimously.

Crabs on the Move – Arts Presentation – Mrs. Paige Allen Harris

Mayor O’Neal introduced and welcomed Mrs. Paige Allen Harris a representative from the Pine Needles Garden Club. Mrs. Harris showed a power point presentation which explained the purpose of the “Crabs on the Move” project by being a tax deduction donation to sponsor a create identity of Belhaven and Beaufort County. Mrs. Harris explained that the crab can be sponsored for \$1,500 and is then painted/decorated by the sponsor’s chosen artist at the sponsor’s expense. The monies made from the sponsorship of the crabs will benefit the sponsor’s favorite charity. The Mayor thanked Mrs. Harris for the presentation.

U. S. Highway 17 Presentation – Mr. Zoph Potts

Mayor O’Neal recognized Mr. Zoph Potts representing the U.S. Highway Association of North Carolina. Mr. Potts showed a slide presentation which depicted the areas of Highway 17 which were considered a part of the TIP (Transportation Improvement Plan) which is the state’s plan to show which highways are scheduled for improvement. Mr. Potts noted that a large area of Highway 17 was not included on the TIP and therefore no plans were being made to upgrade to a four lane. Mr. Potts stated that there was a need to hire a full-time director to lead the efforts in obtaining the necessary funding to complete the Highway 17 project. Mr. Potts stated that the total budget for this position would be \$200,000 per year for a period of three years with Beaufort County’s portion at \$50,000. Mr. Potts stated that with the monies allocated from Beaufort County, City of Washington and the Town of Chocowinity - \$1,500 was needed to complete the allocation needed from Beaufort County. Councilman Boyette stated that he felt that the completion of 4-laning U.S. Highway 17 was important for the development of Beaufort County and stated that the town should support this effort. Councilman Boyette made the motion to appropriate \$1,500 to the U.S. Highway 17 Association of North Carolina. Councilwoman Heath seconded the motion which carried unanimously.

Belhaven Town Council
Minutes – July 10, 2006 Regular Session

Former Belhaven Fish & Oyster Property Development Plan Presentation – Mr. Skip Dixon

Mayor O'Neal recognized Mr. Skip Dixon with Dixon & Hoyle, proposed developers of the former Belhaven Fish & Oyster property, presented owned by the Town of Belhaven. Mr. Dixon gave background information on the offer of the Belhaven Fish & Oyster property for development at the December 8, 2003 Council meeting. Mr. Dixon explained that that Beaufort County Committee of 100 accepted the offer to develop the property and then passed the option to Dixon & Hoyle as an incentive for their development of the former Sea Safari property with Day Beacon #9. Mr. Dixon stated that at the June 12, 2006 public hearing concerning the sale of the former Belhaven Fish & Oyster property there was some public concern of public access from this property. Mr. Dixon stated that the following concerns were addressed: 1) there would be a 15' town easement around the Wynne's Gut for the dinghy docks and their usage; 2) donate /deed back to the town street side property for use as a possible farmers market, etc.; 3) Mr. Dixon showing pictures/drawing of the proposed development's views of the building from the street side, water side and hospital side ; 4) building height from the ground to the 3rd floor deck is 31'; and 5) usability with mixed use residential/marina and commercial should someone want to have a home/business. Mr. Dixon asked that the Council offer a motion to approve the context of this development so that he could proceed with site plans, etc.

Mayor O'Neal recognized the following citizens who had questions or comments for Mr. Dixon and the proposed development of the former Belhaven Fish & Oyster property.

Mr. Bob Holz – stated that the drawings were impressive and asked if parking would be included for the residents under the building. Mr. Dixon stated yes, parking would be available under the building for the residents. Mr. Holz questioned the height limit of 31' to the floor of the 3rd floor deck and stated that the town's limit was 45' and asked if the area would be elevated before building. Mr. Dixon explained the storm water retention area and stated that the plans would be reviewed by the planning board and would be built per town zoning code. Mr. Holz also questioned the dimension of the property that would be deeded back to the town. Mr. Dixon stated approximately 81' street frontage and an estimated 80' deep.

Mr. Walt Allen questioned the ownership of the bulkhead. Mr. Dixon stated the town would have the 15' easement.

Mr. Dixon commented that he would not propose a restaurant for this area as he felt there was not enough business in this area to support another restaurant.

Mr. Bill Gwinn stated that competition was important (as with restaurants). Mr. Gwinn stated that a public park on the waterfront was needed and stated that 15' easement was not enough property; it would have no benefit to the general public. Mr. Gwinn also spoke negatively about the language used in the option to purchase this property as adjacent (referring to "adjacent" to the Sea Safari site). Mr. Gwinn stated that it was not adjacent. Mr. Gwinn also stated that he had petitions against the sale of this property and

Belhaven Town Council
Minutes – July 10, 2006 Regular Session

that he was “ashamed” to be a resident of Belhaven as when citizens were approached to sign the petition they stated that they feared they would have no place to live, should they sign the petition.

Mr. Dixon stated that a conceptual plan was in place and that he would do his part by building, landscaping and selling the proposed condominiums at the former Belhaven Fish & Oyster property site. Mr. Dixon also stated that the offer of the property was made with the commitment and building of the Day Beacon #9 in which \$10 million was invested and because of that development it made an impact on the development for the town. Mr. Gwinn read a portion of the option to purchase

Mrs. Ellen Allen stated that she was sorry that Mr. Gwinn was ashamed to be from Belhaven. Mrs. Allen also stated that “Mr. Dixon was honoring his option and that the town made the obligation and it would be a shame for the town to go back on their word”.

Councilman Boyette stated that the plan presented by Mr. Dixon surpassed the Council’s expectations and he would like to commend Dixon and Hoyle for the proposed condominium plan at the former Belhaven Fish & Oyster site.

Councilman Boyette made the motion to establish a community development plan and to approve the property plan for the former Belhaven Fish & Oyster Property in concept and forward to the Planning Board for their review. Councilman Baker seconded the motion which carried unanimously.

Councilman Carawan stated that the option to purchase had a lot of ambiguities and referenced the absence of the Town Attorney. Town Manager Johnson stated that he had met with the Town Attorney concerning the legalities with the sale of the former Belhaven Fish & Oyster property earlier.

Town Manager Johnson stated that the second of the two required public hearings was needed and asked the Council to set that public hearing for August 14 at 7:00 P.M. at the Boyette Civic Center. Councilman Ebron made the motion to set the public hearing for the sale of the former Belhaven Fish & Oyster Property for Monday, August 14 at 7:00 P.M. at the Boyette Civic Center. Councilman Baker seconded the motion which carried unanimously.

Budget Amendment #13 Fiscal Year 2005/2006

Mayor O’Neal stated that another budget amendment was needed for Fiscal Year 2005/2006. Town Manager Johnson explained that the budget amendment was for the electric fund and covered additional costs incurred due to new employee hired mid-year and capital outlay expenses for the waterfront development. Councilman Baker made the motion to increase revenue account 31-399-000 (Fund Balance Appropriated) by \$60,000 from \$0 to \$60,000 and increase expenditure account 31-832-002 (Salaries and Wages) by \$20,000 from \$102,727 to \$122,727 and increase expenditure account 31-832-005 (FICA Tax Expense) by \$1,000 from \$8,204 to \$9,204 and increase expenditure account

Belhaven Town Council
Minutes – July 10, 2006 Regular Session

31-832-006 (Group Insurance Expense) by \$4,000 from \$14,052 to \$18,052 and increase expenditure account 31-832-074 (Capital Outlay-Equipment) by \$35,000 from \$23,500 to \$58,500. Councilwoman Heath seconded the motion which carried unanimously.

Battalina Creek Subdivision Approval

Mayor O’Neal stated that the preliminary plat for the Battalina Creek Subdivision was submitted for Council approval. Town Manager Johnson stated that the Planning Board had reviewed the subdivision and had approved. Councilman Boyette made the motion approving the preliminary plat of the Battalina Creek Subdivision as recommended by the Planning Board. Councilman Baker seconded the motion. Mayor O’Neal questioned the cost of annexation of this subdivision. Town Manager Johnson stated at this point he did not know but they would be charged taxes, we would provide water, sewer and electric and would have to extend sewer. Councilman Carawan asked would the town pave their roads. Town Manager Johnson stated that the road would be paved and then he would convey ownership to the town. The motion carried unanimously.

Zoning Change Request – E. Water Street

Mayor O’Neal stated that the planning board had previously voted on the rezoning of two lots adjacent to Bud O’Neal’s home at 442 E. Water Street and also adjacent to the former Robb’s Marina which will now be the Belle Port condominium project. The property is currently zoned residential 5,000 square feet (R5) and Mr. O’Neal was requesting that the zoning be changed to Marine Business. The Planning Board declined the request to rezone. Following some discussion, Councilman Boyette made the motion to deny the request to rezone the property between 442 E. Water Street and the former Robb’s Marina, which is the proposed site of Belle Port condominiums. Councilman Carawan seconded the motion which carried unanimously.

Planning Board Appointments

Mayor O’Neal stated that the Town had three vacancies on the planning board and had letters of interest from the following: Mrs. Phyllis Brimmage, Mr. Richard Montgomery, Mr. Phillip Reynolds, Mr. Kelvin Baker and Mr. Jeffrey Windley. Councilman Carawan stated that he would like to nominate Mr. Phil Reynolds. There was no second.

Councilman Ebron stated that he would like to nominate Mr. Jeffrey Windley as an alternate member and to move the alternate member Mr. Bud Scrase to the regular member position. Councilwoman Heath seconded the motion which carried 4 to 1 with Councilman Carawan voting against the motion, as he stated “because I do not know Mr. Windley”. Mr. Scrase’s term will expire 3 – 2009 and Mr. Windley’s alternate position will expire 3 – 2007.

Councilman Ebron stated that Mr. Jay Wilkins had expressed an interest to serve on the board but had not submitted a letter of interest. Councilman Ebron made the motion to disregard the requirement to submit a letter of intent. There was no second. Town Manager Johnson stated that the Town Council can appoint whoever they desire to the planning board without a letter but that they would be contradicting the policy that was adopted, but with no legal effect. Councilman Boyette stated that the Council needed to

Belhaven Town Council
Minutes – July 10, 2006 Regular Session

follow the criteria which the Town Council set for appointing members to the planning board.

Councilman Ebron made the motion to appoint Mr. Jay Wilkins to the planning board. There was no second.

Mayor O'Neal suggested that Mr. Reynolds be appointed. Councilman Carawan stated that Mr. Reynolds had the background and integrity to serve the town in this capacity. Councilman Carawan made the motion to appoint Mr. Reynolds to the planning board. There was no second. Mayor O'Neal asked that Mrs. Phyllis Brimmage be considered to serve on the planning board. Councilman Carawan made the motion to appoint Mrs. Phyllis Brimmage to the Planning Board. There was no second. Councilman Boyette stated that the issue of appointing Planning Board members needed to be resolved. Councilman Boyette made the motion to appoint Mr. Phil Reynolds as a regular member to the Planning Board with a term expiring March 2007. Councilman Carawan seconded the motion which carried unanimously.

Councilman Ebron made the motion to appoint Mr. Richard Montgomery as an in-town alternate member with a term expiring March 2007. Councilman Boyette seconded the motion which carried unanimously.

Potential Donation of the Former Health Department Building

Mayor O'Neal stated that the Town needed to discuss the possible donation of the former Beaufort County Health Department Building (now a Boy Scout Hut) on Haslin Street beside the Fire Department. Town Manager Johnson stated that when surveying for the new Emergency Services Center it was discovered that the property line was running through the middle of the Boy Scout Hut. Town Manager Johnson further explained that County Manager Spruill had stated that the County was willing to donate the building (which had a nine year lease with the Scouts) to the town or trade off with property on the backside of the property. Town Manager Johnson stated that County Manager Spruill had stated that the Scouts wished to renovate the building.

Following some discussion, Councilman Carawan made a motion that the Town of Belhaven exchange the property which the Boy Scout Hut is located (and the town owns) with property to the rear of the building that the County owns. Councilman Ebron seconded the motion which carried unanimously. Councilman Boyette suggested that the Code Enforcement Officer review the structural integrity. Town Manager Johnson stated that the renovating of the structure would have to have engineered plans with an engineers' seal.

Fire Department Remediation Site

Mayor O'Neal stated that Mr. Seth Latham had sent a request to the Town to have the remediation site on Fire Department property removed. Town Manager Johnson explained that the remediation equipment had not been run in several years but the state would need to be contacted to ascertain direction on the remediation equipment. Councilman Baker made the motion to table this issue until the land agreement is cleared

Belhaven Town Council
Minutes – July 10, 2006 Regular Session

between the Town and County. Councilwoman Heath seconded the motion which carried unanimously.

Mayor's Agenda Items and Comments

Mayor O'Neal stated that he did not appreciate items which he suggested be put on the agenda combined together at the end of each agenda. The items listed under the Mayor's agenda were: 1) Hurricane Emergency Procedures Review – Mayor O'Neal stated that he would like all departments heads present to review this procedure so that he would be informed, Councilman Carawan made the motion to have all town department heads attend the meetings, there was no second; 2) Chief Hayden report concerning Community Watch, Town Manager Johnson stated that Chief Hayden had talked with the Council previously concerning the Community Watch Program; 3) Update of House Raising and why some house have been pushed off the list to be raised; Town Manager Johnson distributed a letter from the grant administrator, Mr. Reed Whitesell with Holland Consulting Planners concerning the criteria for elevation of homes.

Memorandum

To: Belhaven Town Council

From: J. Reed Whitesell, AICP
Community Development Manager
Holland Consulting Planners, Inc.

Re: Selection of HMGP/PDM Elevation Units

Date: July 7, 2006

The Town Manager has advised me that some members of the Town Council still have apparent concerns about the application and rating process for the Hazard Mitigation Grant (HMGP) and Pre-Disaster Mitigation (PDM) elevation programs managed by the Town of Belhaven. As you know, I presented a detailed outline of this process to the council several months ago; however, I believe the Mayor and one other council member were absent at that time.

The Town of Belhaven conducted an extensive public outreach process for HMGP elevation assistance following Hurricane Isabel in September 2003, utilizing a database of applicants on file in our Washington office as well as names compiled by the Town Building Inspector following his assessments during the fall of 2003. All of these applicants had documented storm damage during Hurricane Isabel. The town submitted 97 applications to the North Carolina Division of Emergency Management (NCDEM) in June, 2004. This spring, the town received notice that 27 units have been approved for assistance. We have advised all of these individuals that they are eligible for assistance, and are currently performing field assessments and preliminary interviews with the owners of these 27 dwellings. We have also advised the owners of the 70 ineligible units in writing that they did not meet the eligibility criteria.

Belhaven Town Council
Minutes – July 10, 2006 Regular Session

The town also submitted 23 applications for PDM assistance to NCDEM in January 2006. This program is not related to a specific storm, but is based on mitigating future damage by elevating structures with significant repetitive storm damage. The program is more competitive than the HMGP program because it focuses on high-risk structures. None of these 23 applications were funded.

Basically, the homeowners who were denied assistance following the Isabel HMGP and the PDM application process did not meet a “Benefit Cost Ratio” of 1.0. In other words, the projected benefit to the federal government and the homeowner accruing from the proposed elevation did not exceed the projected cost of elevating the home. The major reasons for homeowners not meeting this necessary threshold are 1) the repetitive damage has been relatively minor, and 2) the difference between the Base Flood Elevation (BFE) and the existing Finished Floor Elevation (FFE) is less than 3 feet, meaning that the projected vulnerability to flooding is not as great as the vulnerability of the units elevated following Hurricane Fran.

The “selection” process for these programs is not at all subjective and it is not a process managed by the Town of Belhaven staff or our firm. The selection process is completely objective and cost-dependent, and the entire rating process is managed by NCDEM and FEMA. We continue to work with both agencies to review the status of higher-risk structures that were denied assistance during the HMGP and PDM review processes, and to attempt to obtain funding for additional homeowners through manipulation of the benefit/cost factors and providing NCDEM with more damage information, etc. This process will be ongoing this fall and winter.

One final thing: Some of the 27 homeowners who were approved for Isabel HMGP assistance may not ultimately receive elevation assistance. Some of these homeowners have received assistance through other town-managed grant programs, some units were not occupied as primary residences during Isabel, and some units are not structurally suitable for elevation. The town building inspector and my staff make these determinations, but every homeowner has the right to appeal our decisions to the Town Council and to the supervisory state agency.

I believe the outline above provides a much better summary of this issue than I might present in a public presentation, and I hope it puts the issue to rest. I suggest that if the council has additional concerns about the management of these application processes that they arrange for a representative of NCDEM to discuss this issue with you at a future council meeting.

4) Crime Stoppers Presentation, Mayor O’Neal stated that a spokesperson for this organization was scheduled to attend and that someone made contact and told them not to attend the meeting, Town Manager Johnson stated that he nor his staff made no such contact and 5) Hwy 17 Transportation Association which was included on the agenda earlier in the meeting.

Belhaven Town Council
Minutes – July 10, 2006 Regular Session

There was much discussion and arguing between the Mayor and Town Manager Johnson. There were heated comments concerning the Town Manager's actions during the meeting by Councilman Carawan.

Ms. Tammica Winfield was recognized by the Mayor and stated that her child was in attendance and that she did not appreciate the confrontations taking place in her child's presence. Ms. Winfield also spoke of plan she had written up and submitted to the Town for inclusion in the agenda but the item was not on the agenda. Town Manager Johnson stated that each Council member and the Mayor received a copy of her presentation.

Budget Comments for Fiscal Year 2006/2007

Mayor O'Neal recognized Councilman Boyette who requested that this item be placed on the agenda. Councilman Boyette stated that he felt compelled to make the comments concerning the budget due to the negative comments that have been made. Councilman Boyette stated that he would like to commend the Council members for their support of a \$6.4 million budget that was a concise and conservative budget with no increase in taxes, electric rates, etc.

Councilman Carawan stated that he and Mayor O'Neal had met with the Treasury Board and that board had some real concerns with the town's budget. Councilman Carawan also stated that the town council could be held liable by voting in support of the budget.

Town Manager Johnson stated that that the Local Government Commission had received the budget and the audits for the Town of Belhaven which had been prepared in the same manner for the past twenty-four years. Town Manager Johnson also stated that the auditors had certified the audits for the past twenty-four years.

Mr. Larry Pleasant (Planning Board Chairman) thanked the Council for the appointments made to the Planning Board.

Adjournment

There being no further business, Mayor O'Neal declared the meeting adjourned. The meeting adjourned at 9:13 P.M.

Respectfully submitted,

Marie J. Adams, CMC
Town Clerk