

**Belhaven Town Council
Regular Session – December 11, 2006**

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Call to Order/Invocation/Pledge of Allegiance

The Town Council of the Town of Belhaven met in regular session on Monday, December 11, 2006 at 7:00 P.M. at the Boyette Civic Center at 257 West Pungo Street. Mayor Adam W. O'Neal, Mayor 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. Mayor O'Neal introduced Pastor Alan Harmon with First Assembly of God Church who gave the invocation and led the Pledge of Allegiance.

Approval of Minutes – November 13, 2006 Regular Session

Mayor O'Neal announced that the minutes of the November 13, 2006 meeting were open for review and approval. There being no corrections to the minutes, Councilman Baker made the motion to approve the November 13, 2006 Regular Session minutes. Councilman Boyette seconded the motion which carried unanimously.

Budget Amendment #6 Fiscal Year 2006/2007 Controlled Substance Tax Distributions

Mayor O'Neal stated that the Council needed to adopt the budget amendment to include revenues which were received for the Town's portion of drug taxes resulting from undercover drug operations in Belhaven. There being no questions, Councilman Ebron made the motion approving the following budget amendment:

Increase revenue account 10-348-006 (Controlled Substance Tax Distribution) by \$656 from \$0 to \$656; and increase expenditure account 10-510-046 (Drugs and Informant Information) by \$656 from \$2,500 to \$3,156; Councilman Boyette seconded the motion which carried unanimously.

Resolution of Support of PCS Mining Permit

Mayor O'Neal stated that he had been contacted concerning the following resolution which shows support of PCS in their endeavor to acquire another mine permit in order to ensure their continued operation. Mayor O'Neal read the following resolution:

**Resolution
In Support of the PCS Phosphate
Mine Continuation Permit Preferred Alternative**

WHEREAS, Phosphorus is an essential element for sustaining plant and animal growth; and the phosphate products produced by PCS Phosphate are important in sustaining our quality of life and creating the fertilizers necessary to feed the world; and

WHEREAS, PCS Phosphate is one of the largest employers in the region and employs over 1,000 permanent employees; and

WHEREAS, PCS Phosphate is a significant contributor to state and local taxes; and

WHEREAS, PCS Phosphate purchases substantial goods and services in the State of North Carolina; and

WHEREAS, PCS is responsive to the concerns and needs of the surrounding communities and contributes over \$250,000 annually to local charities and schools in the region; and

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WHEREAS, PCS Phosphate maintains safety and environmental stewardship as top priorities; and

WHEREAS, PCS Phosphate has demonstrated the ability to restore wetlands a evidence by numerous awards and recognitions for their restoration accomplishments and efforts to rebuild wildlife habitats for a variety of species; and

WHEREAS, PCS has replaced over one and a half acres for every acre of wetland impacted in its current mine permit and plans to replace approximately two acres for every acre impacted under the new mine permit, therefore providing a net gain of wetlands; and

WHEREAS, if the U. S. Army Corps of Engineers does not award the Mine Continuation Permit for PCS Phosphates' preferred alternative it will potentially impede the company's ability to operate profitably and provide the current level of social and economic benefits.

NOW, THEREFORE, BE IT RESOLVED, that the Town of Belhaven, through the adoption of this resolution, fully supports the issuance of a mine continuation permit for the PCS Phosphate preferred alternative so it may continue to operate profitably, be good environmental stewards and also provide socioeconomic benefits to its employees, the local communities and the region.

Adopted this the 11th day of December, 2006.

ATEST:

Adam W. O'Neal, Mayor

Marie J. Adams, CMC
Town Clerk

Councilman Carawan made the motion to adopt the resolution as presented in support of PCS requesting a mine continuation permit. Councilman Boyette seconded the motion which carried unanimously.

Resolution of Support for League of Municipalities Vision Survey

Mayor O'Neal stated that the North Carolina League of Municipalities (NCLM) had requested that the Town adopt the following resolution in support of the NCLM Vision Survey. Councilman Boyette stated that he felt that the resolution was appropriate, therefore, made the motion to adopt the resolution. Councilwoman Heath seconded the motion which carried unanimously. Councilwoman Heath asked that Town Manager Johnson complete the survey as requested per the adoption of the resolution.

Resolution NCLM Vision Survey

WHEREAS, the North Carolina League of Municipalities has undertaken a strategic visioning process to determine how to continue to meet the needs of its members as the League approaches its second century of operation;

WHEREAS, the Strategic Directions Initiative Steering Committee studied the history of the organization, the forces that shaped the League and the trends that are likely to occur;

WHEREAS, the NCLM Strategic Directions Initiative Steering Committee has examined the strengths, weaknesses, opportunities and threats that face the League in the years ahead;

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WHEREAS, the committee has talked with municipal elected and appointed officials, as well as NCLM staff members, to determine what member's value about the league;

WHEREAS, the committee has proposed to strengthen the League by developing a mission statement that makes explicit why the League exists:

WHEREAS, the Committee is proposing core values that define how the League lives its mission, with these being: ethical; fair and equitable; financially sound; good government and public service are valuable; inclusive, collaborative, engage partners, stakeholders and external actors; innovative and forward-thinking; municipalities matter; nonpartisan; open and transparent; and unity;

WHEREAS, the committee is proposing that the League focus on strengthening member communication, participation and engagement; strengthening the League's governance capacity; and strengthening policy development and representation of municipal interests in an increasingly regional, global and intergovernmental world; and

WHEREAS, the governing board of the Town of Belhaven has reviewed the proposed mission statement, core values and strategic directions developed by the Strategic Directions Initiative Steering Committee:

NOW, THEREFORE BE IT RESOLVED that the governing board of the Town of Belhaven hereby endorses the findings of the committee, encourages the NCLM Board of Directors to adopt the recommendations and move the League forward to its preferred future.

Adopted this the 11th day of December, 2006.

Adam W. O'Neal, Mayor

ATTEST:

Marie J. Adams, CMC
Town Clerk

Electric Rate Decrease

Mayor O'Neal stated that at the last Council meeting, it was reported that the Town of Belhaven would be receiving a reduction of 1.48% in the rates that are paid to NCEMPA for the town's power purchases. Mayor O'Neal stated that rate reduction would be realized with the February billing. Town Manager Johnson stated that the realization of the decrease would be in the January billing which goes to the customers on February 1. Councilman Baker made the motion to reduce electric rates by 1% across the board (in all classifications) effective with the January billing cycle. Councilman Ebron seconded the motion. Mayor O'Neal stated that he wanted to inform the public that the General Fund budget for Fiscal Year 2006/2007 that was passed by the Council, had an increase of 28.75% and normally increases are 2 – 3%. Mayor O'Neal stated that the General Fund budget last year totaled \$1,498,107 and this year 2006/2007 the General Fund budget totaled \$1,928,708. Mayor O'Neal stated that more of a reduction was needed. Councilman Carawan stated that the budget should be cut at least 5% and restructured. Councilman Boyette asked for a call of vote on the motion which was made and seconded and on the floor. The motion carried unanimously.

Councilwoman Heath asked that Town Manager Johnson bring back a revised rate schedule and budget amendment at the next Council meeting. Councilman Ebron stated

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that the decrease in utilities would be effective with the January billing. Mayor O’Neal stated that no, it would be effective with the February billing and he had understood with his conversation with ElectriCities. Town Manager Johnson further explained that the reduction of 1% to customer would be effective with the January billing which is realized in February.

Former Belhaven Fish & Oyster Site Plan Approval

Mayor O’Neal stated that the former Belhaven Fish & Oyster Site Plan was presented to the Belhaven Planning Board and was approved by them at their November 15, 2006 meeting. Mayor O’Neal asked that the Council consider adopting the site plan pending necessary erosion control and storm water management permits from the State. Mayor O’Neal stated that the planning board was recommending that an additional hydrant be included at the hammerhead turn around and a dry hydrant be included at the marina. Councilman Boyette made the motion to approve the site plan of the former Belhaven Fish & Oyster property with additional hydrants as recommended by the Planning Board and contingent upon all state permits being secured. Councilwoman Heath seconded the motion which carried unanimously.

Planning Board Extraterritorial Jurisdiction Vacancy

Mayor O’Neal stated that Mr. Wesley Bowman had submitted his resignation as an Extraterritorial Jurisdiction (ETJ) regular member which leaves a vacancy for the remainder of the term (March 2007). Mayor O’Neal thanked Mr. Bowman for his many years of service. Councilman Carawan asked for nominations. Councilman Boyette made the motion that Mrs. Kellie Harris Hopkins, who is currently an alternate member of the ETJ, fill the unexpired term of Mr. Bowman and that Mrs. Mildred Bowman be appointed to fill the unexpired term of Mrs. Kellie Hopkins as an alternate member of the ETJ until March 2007 also. Councilman Baker seconded the motion. The motion carried unanimously.

Tidal Flooding Committee Report

Mayor O’Neal recognized Mr. Mac Pigott, president of the Belhaven Tidal Flooding Committee. First, Mr. Pigott, congratulated “Coach” Councilman Albert Baker on his recent induction in the Elizabeth City State University Hall of Fame for his accomplishments as a former student athlete (football player).

Mr. Pigott suggested that the Town Council consider applying for a grant which would fund the cleaning of ditches and other tributaries such as Wynne’s Gut, etc. Mr. Pigott asked that the Council review the grant application and that Town Manager Johnson and Public Works Director, Mr. Carroll Herring research to apply for a 70/30 or 80/20 grant split. Mr. Pigott explained that the Town’s portion of the grant would be the 30% or 20% and could be utilized with equipment man hours, etc.; not just monetarily. Mr. Pigott stated that the work proposed for the grant would not need major permits as no dredging would be proposed. Mr. Pigott stated that the deadline for the grant application was January 7, 2007. Mr. Pigott did state that second funding would be given possibly in July and stated that this may be the grant that the Town may apply for considering the time frame, etc. Mr. Pigott further stated that he received a portion of a letter from the

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legislature which stated that the town could receive \$100,000 toward the plan to move water from the streets. Mr. Pigott stated that the plan for moving water off of the streets went “hand in hand” with the plan submitted by Allison Platt with no burms or walkways with the biggest problem being around Wynne’s Gut.

Mayor O’Neal stated that the Town did not receive money to clean ditches as ditch maintenance is performed. Mayor O’Neal questioned the town’s match on the grant application. Mr. Pigott stated that the Town could utilize labor from the Department of Corrections. Mr. Pigott stated that he could ask Mr. Danny Taylor, District Engineer with the Department of Transportation to bring a flood gate for the Council and public to view.

Following some additional discussion, Councilman Boyette made the motion to accept the Tidal Flood Committee’s ditch cleaning program and for Town Manager Johnson and Public Works Director Herring to review and bring back to the Council. Councilman Carawan seconded the motion which carried unanimously.

Beaufort County Wastewater Agreement: Pantego Township Low Pressure Sewer System

Town Manager Johnson stated that Mr. Paul Spruill had not yet arrived at the meeting. Mayor O’Neal asked that discussion on this issue begin. Mayor O’Neal questioned how many miles of sewer line were to be installed. Town Manager Johnson stated he was not sure of the number of miles of sewer lines because they are usually measured in linear feet. Councilman Carawan asked that Town Manager Johnson explain this project. Town Manager Johnson stated that the previous Council had agreed to provide sewer to an area in Pantego (a \$2.85 million dollar project; grant applied for by Beaufort County) and that the project (sewer lines, pumping stations, etc.) would be turned over to the Town. Town Manager Johnson explained that impact fees, 68,637 gallons of sewer and 183 new paying customers would be part of the Town’s sewer system. Town Manager Johnson stated that the force main from the Pantego area would be close to capacity and that a line would be added which could then increase the customer base in that area if they desire. Councilman Carawan expressed his concern that the Town would use all of the capacity in the sewer system for those outside of the area of possible annexation.

Town Manager Johnson explained that the Town of Belhaven was in a win-win situation that the fees collected as impact fees could be used to repair the inflow and infiltration of the sewer lines which is essence would gain capacity.

Councilman Boyette gave some background information on the sewer plant stating the following information; in 1996 the sewer plant was expanded with a \$2.3 million dollar project which increased the capacity to 1 million gallons per day (mpd) which allowed the Town to expand lines and join with Beaufort County on this project and the inclusion of Northeast Elementary and Northside High School on our sewer system.

Councilman Boyette made the motion to approve the following Wastewater Agreement with Beaufort County. Councilwoman Heath seconded the motion.

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(Insert Agreement)

The following discussion continued after the motion. Mayor O'Neal questioned 3. under Section I. of the Agreement "3. The County shall provide for reading and recording the individual water meter readings for each sewer customer and provide the meter reading date to the Town for the purpose of billing for sewerage usage. Town Manager Johnson stated that the potential sewer customers would have to be on County Water in order to connect to the sewer and that the bill is based on the water consumption. Town Manager Johnson stated that town employees read the meters and bill for the usage. Mayor O'Neal questioned if the rates could be increased. Town Manager Johnson stated, yes. Mayor O'Neal questioned why the town did not charge more for the sewer rates for those customers out of the town limits. Town Manager Johnson stated that the fee is computed in the impact fees. Councilman Carawan stated that to be sure it is a higher cost to maintain 11 miles of sewer line out of town. Town Manager Johnson stated that it would be a new system with hardly any problems because of the age of the system. Beaufort County Manager Mr. Paul Spruill joined the meeting during the miscellaneous discussion. Town Manager Johnson stated that under Section I. 7. "7. The County will provide a cash sum equivalent to 10 percent of individual pump replacement parts to the Town on or before the date of substantial completion of the Project." Town Manager Johnson stated that these funds would be earmarked for future repairs to keep from having to pre-purchase and store 30-40 pumps at one time. Town Manager Johnson also stated that Terra Ceia Christian School is in the process of getting funding to connect to the Town's sewer system also. County Manager Spruill stated that he felt that the Town was treating the out of town sewer customers fairly. Mayor O'Neal questioned the Town increasing the impact fee to those new customers. County Manager Spruill stated that the grant to supply the sewer was based on the current impact fees and should those fees be increased then the grant would have to reduce the number that could connect through the grant due to the increased impact fees. Councilman Carawan questioned if there were any downfalls for the Town. Town Manager Johnson stated, no. County Manager Spruill stated that he had concerns with the town's existing lines moving the sewer through town. Town Manager Johnson stated that the town would eventually install another force main sewer line which would reduce the number of pump stations needed to get the sewer to the sewer treatment facilities. Town Manager Johnson stated that wind tides affect the sewer system more than rain.

Mayor O'Neal called for a vote on the motion. Councilman Carawan voted against the motion, the motion carried 4 to 1.

Town Manager's Report

Town Manager Johnson reported briefly on the following issues: 1) the \$5,000 loan to Wynne View has been paid back; 2) Hardees's utility bills brought up at the last meeting – has met with local and regional managers, at no time did they have a \$9,000 utility bill; their highest bill was about \$4,200, found that load management was not being properly conducted and stated that Utilities Director Toby Woolard would conduct energy audit for Hardee's; 3) stated that the budget increased but water and sewer and taxes did not

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increase, there was no money out of pocket to the citizens. Councilman Carawan asked for cuts (reduction in the budget); Town Manager Johnson stated a balanced budget was adopted; 4) Community Development Block Grant – Community Revitalization (CDBG-CR) grant that the town had applied for in the amount of \$800,000 was not funded. Town Manager Johnson stated that he felt that this grant was not funded due to the telephone calls made to the Division of Community Assistance (DCA), by the Mayor, with complaints and questions on the current grants which were funding from DCA .

Mayor's Comments

Mayor O'Neal stated that he had nothing to do with the Town not being funded the grant as his calls and concerns to Raleigh had been concerning the electric rates. Mayor O'Neal stated that the loan had been paid off by Wynne's View and stated that Town Manager Johnson or Councilman Boyette should give full disclosure on the Wynne View loan, etc.

Mayor O'Neal further stated that Wynne View was for-profit and that Town Manager Johnson was one of the first board members in 1995; ownership was in question and that Councilman Boyette was the President. Mayor O'Neal stated that Councilman Boyette had stated at the last meeting that ownership of the Wynne View building was 51% Town and 49% Community Developers of Beaufort Hyde (CDBH). Mayor O'Neal stated that he had researched the deed for Wynne View and Belhaven was not listed on the deed as an owner; ownership was listed as 51% Northeastern Beaufort County Economic Development (NEBCED) and 49% CDBG. Mayor O'Neal stated that NEBCED did not own and that the Town did not own, and that Town Manager Johnson had stated that the town had equity in Wynne View. Mayor O'Neal stated that how could the town have equity without ownership. Mayor O'Neal stated that he would like to see some agreement that shows that the Town owns NEBCED. Mayor O'Neal continued to question ownership of Wynne View and stated that \$485,000 grant was received for repair and that another \$100,000 had been borrowed. Mayor O'Neal also stated that he would like to see the receipt where the attorney was paid the \$5,000 before the loan was received. Mayor O'Neal continued to question Wynne View by stating that the building was at 100% occupancy; had \$90,000 in revenue; questioned "where does the money go" and stated that the Town does not own.

Town Manager Johnson stated that NEBCED was a 501C(3) Non Profit, owned by people as a non-profit (Wynne View); Town Manager Johnson stated that the Mayor had accused stock holders of wrong doings, had called the Division of Community Assistance concerning the \$350,000 Urgent Needs Grant, to be paid back following conclusion of the lawsuit concerning the settling of the building. Town Manager Johnson stated that Mayor O'Neal directly contacted the attorney concerning Wynne View. Councilwoman Heath questioned if Wynne View had audits. Town Manager Johnson stated that audits are not required but sometimes there are audits and sometimes a compilation. Councilman Boyette stated that Mayor O'Neal was making a road of thorns and stressed that NEBCED is the economic development arm of the Town of Belhaven and through them received the grant to build the mini-park, parking lot (owned by the Town).

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Councilman Boyette stated overall, the Town was better off financially without the faulty construction of Wynne View and that it was fortunate that the building was saved. Councilman Boyette concluded by stating that accomplishments were made with the Wynne View building: more businesses and additional housing. Councilman Boyette stated that now may be the time to turn Wynne View over to the private sector and reinvest monies into the Ebron Industrial Park which will house Beaufort Hyde Construction (BHC). Councilman Boyette stressed that no one was making illegal or crooked deals or misuse of funds for Wynne View as had been alluded to by Mayor O’Neal. Councilman Boyette asked that the Mayor refocus his mind that his attitude was detrimental to all and a unified effort was needed to improve economics and quality of life in Belhaven.

Mayor O’Neal stated that Councilman Boyette comments did not match his cover and he questioned the article of incorporation for NEBCED and that NEBCED was not Belhaven. Mayor O’Neal stated that the wanted a copy of the receipt from the attorney. Councilman Carawan questioned the selling of Wynne’s View. Councilman Ebron dismissed himself from the meeting at 8:40 P.M. with no comments.

Councilman Heath made the motion to table the NEBCED/Wynne View discussion. Councilman Baker seconded the motion which carried unanimously, 5 to 0. Note: Due to Councilman Ebron leaving the meeting without being approved by the Council all issues voted on, get an affirmative vote for Councilman Ebron.

Councilwoman Heath referenced the “Grinch Stealing Christmas” and stated that this type of meeting climate had to stop as children were using public meetings in this county as a basis for skit productions recently at a local school. Councilwoman Heath further stated that the behavior is offensive, immature and juvenile and that the same information is brought up at meetings over and over and now was the time to move on and lead the Council positively. Councilwoman Heath stated that this type of public atmosphere was not positive as there was no growth.

Mr. Mac Pigott was recognized by Mayor O’Neal. Mr. Pigott stated that he did not feel that development had been affected as he (a realtor) had prospective clients coming to view properties. Mr. Pigott also stated that he agreed with Councilwoman Heath on some of her statements but felt that some questions in government were healthy.

Councilman Carawan stated that he had not been invited to the employees Christmas Party. Town Manager Johnson stated that no elected officials were invited to the party. Councilman Carawan stated that he was an employee; he received a check and paid taxes.

Adjournment

There being no further business, Mayor O’Neal declared the meeting adjourned. The meeting adjourned at 8:50 P.M.

Respectfully submitted,
Marie J. Adams, Town Clerk

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