CITY OF SOUTHPORT
BOARD OF ALDERMEN – REGULAR MEETING
COMMUNITY BUILDING
223 E BAY ST, SOUTHPORT NC 28461
October 6, 2025 | 9:00 AM

Present Members: Mayor Rich Alt, Rebecca Kelley, Marc Spencer, Frank Lai, Lowe Davis, Robert Carroll Karen Mosteller

Absent Members:

Staff Present: City Manager Noah Saldo, City Clerk Tori Deviney, Public Information Officer ChyAnn Ketchum, Chief Todd Coring, Fire Chief Charles Drew, Planning Director Maureen Meehan, Public Works Director Tom Stanley, Enigeer Tom Zilinik

Others Present:
City Attorney Brady Herman

A. Call to Order

Mayor Alt called the meeting to order at 9:00 am.

B. Invocation

The invocation was delivered by Alderman Reverend Davis.

C. Pledge of Allegiance

Mayor Alt led everyone in the Pledge of Allegiance.

The Ethics Statement was read into the record. No conflicts of interest were declared. The Mayor noted that should a conflict arise during the meeting, members were asked to raise their hand so it could be addressed at that time.

D. Public Comment

Larry Ashley - 637 Wild Rose Way

Mr. Ashley opened by acknowledging the tragic events of the prior weekend and expressing gratitude for the community's response, praising the leadership of the Board, police, fire, and emergency medical services. He then turned to the agenda item concerning the Old City Hall/Courthouse architectural services contract, noting that the design cost was approaching $900,000 and that construction costs would likely reach into the millions, potentially borne solely by Southport taxpayers. He dismissed campaign-trail statements suggesting the building would not be used as a government facility as untrue and politically motivated. Ashley acknowledged that the board's decision had been made approximately one year prior and urged the community to move on. He expressed support for the project but asked the Board to consider creating a Courthouse Design Building Committee that would include members of the police department, Board of Aldermen, Planning Board, and the public—particularly those with a historical interest in the building—to ensure the design process was not conducted in a vacuum. He cited the city's ordinance requiring the Planning Board to review public structures and referenced the comprehensive plan process as a successful model for broad community input.

Bonnie Bray - 515 Quartermaster Dr.
Ms. Bray addressed the Board regarding the wisdom of approving the $866,000 architectural services contract. She provided historical context on the building, pushing back against campaign-trail narratives she characterized as false—specifically, claims that nonprofit groups Up Your Arts and the Center for the Arts had intended to take the building from taxpayers or cause excessive spending. She noted the first MOU for use of the building was signed in November 2019, that a Moseley Architects study had not recommended converting the building to a police station, and that a February 2025 estimate placed construction costs alone at $4,900,000. She expressed concern that the building would only serve the police department for approximately seven years given the department's projected growth, and argued that the city was in no financial position to commit to this expenditure. She referenced the recent budget season during which the city had faced a $1,400,000 deficit and questioned whether drawing down the fund balance for this purpose was fiscally responsible. She urged the Board to table the item pending a public hearing, and called for the police department to be given a purpose-built facility designed to last more than seven years.

E. Approval of Agenda

Prior to approval of the agenda, Alderman Mosteller moved to remove Item F.1 (Old City Hall/Courthouse) from the agenda, citing a desire for greater transparency and the view that a budget amendment of nearly $900,000 ought to be presented at a Thursday evening meeting before a broader public audience. She clarified that he supported both the staff's work and the selection of HDR as the architectural firm, but wanted the Board to first understand the full financing picture before starting the clock on the contract. She specifically noted the contract's 21-month timeline, the clause triggering additional service billing after 24 months, and the likelihood that the full project commitment would reach $5–6 million. She asked that loan financing options be presented alongside the item.

Alderman Davis seconded the motion, agreeing the expenditure warranted further deliberation and a larger audience. She proposed, if not Thursday, that the item be held to the November meeting so that more citizens could hear a presentation from City Engineer Tom Zilinek on how the costs were structured.

Mayor Alt expressed some skepticism at the motion, noting that Mr. Zilinek was present and ready to give his presentation, and that the purpose of Monday meetings is precisely to hear such presentations ahead of a potential Thursday vote. City Manager saldo offered context that the Local Government Commission (LGC) requires architectural drawings before it will entertain loan applications or provide hard financing numbers, meaning the design phase must proceed regardless of financing decisions. He indicated his office had already been in contact with LGC attorneys and financial advisers and could offer general estimates of loan structure—roughly $780,000 per year in combined principal and interest for the first four fiscal years, dropping to $400,000–$605,000 annually thereafter.

Mayor Alt further noted that state legislators had communicated their continued commitment to providing appropriations for the project, but that the stalled North Carolina legislative budget had prevented those funds from being formally earmarked. He recommended the Board hear from City Engineer Zilinek before making any decision.

Alderman Spencer and Alderman Kelley both expressed a preference to hear the presentation without voting that day. Alderman Kelley noted the original purpose of Monday meetings had been agenda review prior to Thursday votes, and that allowing the presentation to proceed would give the media an opportunity to inform the public before Thursday's meeting. Alderman Mosteller, satisfied with this approach, withdrew her motion.

A motion to approve the agenda as presented was then made and seconded.

A motion to approve the agenda as presented was made by Alderman Carroll and seconded Alderman Kelley. The motion carried unanimously.

F. Agenda

1. Old City Hall/Courthouse

City Engineer Tom Zilinek provided an overview of the process to date. He explained that following the Board's direction to designate the Old City Hall/Courthouse as a police station, staff issued a Request for Qualifications and received approximately ten responses. The field was narrowed to three firms for interviews and a building walk-through, though only two—HDR and Moseley—chose to participate. The Board then directed staff to negotiate with HDR, per North Carolina's quality-based selection requirements, which prohibit price-based selection of architectural and engineering services.

HDR's initial proposal came in significantly higher than the current figure—approximately $1,300,000—and through negotiations, staff reduced it to $866,111. City Engineer Zilinek noted that architectural and engineering fees typically represent 10–15% of total construction cost, and that the current construction cost estimate ranges between $5,000,000 and $8,000,000, making the negotiated fee consistent with expectations. He broke down that approximately $350,000 of the fee covers design and construction documents, while roughly $210,000 covers construction administration, with the remainder covering ancillary services. He emphasized that having a completed set of plans is a prerequisite for any loan, bond, or grant funding, drawing a parallel to the stormwater mapping project which required a 60% design set before grant eligibility.

City Engineer Zilinek also noted that the scope of services includes research and application for up to two grants, with full administration through closeout, and that HDR has an in-house grant specialist with a documented track record—including securing several million dollars in grants for the Cape Fear Bridge project. He noted the contract before the Board is labeled as a draft AIA contract and remains open to negotiation prior to approval.

Board members raised several questions. Alderman Mosteller asked about the distinction between "finishes" included in the scope and "furniture, fixtures, and equipment" that were excluded; City Engineer Zilinek clarified that finishes refer to paint, molding, and similar elements, while the approximately $75,000 furniture and fixture design line item had been deliberately removed to reduce cost, as the police department could select furnishings through a catalog. He confirmed that this exclusion does not affect the spatial design. Alderman Mosteller also asked whether the telecommunications and AV design included meeting-chamber technology; City Engineer Zilinek confirmed it does, noting the plan includes a dedicated clerk's control station with built-in cameras, and that wiring would be routed through structural elements to preserve the building's historic aesthetic. Alderman Davis asked about HDR's grant track record; City Engineer Zilinek affirmed his confidence in them.

Alderman Kelley raised the point that state funding, while unavailable this budget cycle, may still materialize in a future legislative session, and that having design documents in hand would strengthen the city's case with state legislators. City Manager Saldo noted that the $900,000 budget amendment would move funds from the general fund balance to a capital fund, where they would continue to earn interest, and that the full amount would not be expended at once but drawn down as HDR invoices for completed work phases.

Alderman Mosteller asked whether it would be possible to contractually phase the engagement—approving the design portion first and reserving the option on construction administration—so as not to commit the full timeline prematurely. City Manager Saldo indicated this was technically feasible, as HDR would not move to bidding and construction administration phases until design documents were complete and funding was secured.

Following the presentation, the Board agreed that no vote would be taken at this meeting, and that the item would be placed on the Thursday, October 9 agenda for potential action.

> A motion to add the Old City Hall/Courthouse architectural services contract to the Thursday, October 9 agenda for public comment and a potential vote was made by Alderman Kelley and seconded by Alderman Lai. The motion carried unanimously.

2. Public Hearing- Osprey Landing Phase 4 Annexation (City Clerk Tori Deviney Pgs.

City Clerk Tori Deviney presented annexation petition ANX 25-01, submitted by Bill Clark Homes of Wilmington, LLC, the owner and developer of Osprey Landing subdivision, requesting voluntary annexation of Phase 4 under NCGS 160A-31.

The subject parcel (Brunswick County Parcel 221000028) comprises approximately 433,785 square feet (9.96 acres), is currently zoned as a Planned Unit Development (PUD), and is contiguous with the existing Southport corporate limits, satisfying statutory requirements. A certificate of sufficiency was prepared confirming compliance with NCGS 160A-31, and the annexation plat was certified by a licensed surveyor per NCGS 47-30. The plat includes 43 proposed lots. Utilities will be served by Brunswick County's utility system. Roads within the development will remain private. Staff noted the annexation is consistent with the city's growth patterns and service capabilities, and that it will contribute to the city's ad valorem tax base as homes are built and occupied.

Mayor Alt asked a clarifying question about whether the private roads would remain so permanently; City Clerk Deviney confirmed that to her knowledge, they would. The Mayor indicated he would follow up separately on the matter.

Mayor Alt opened the public hearing.

No members of the public appeared to speak on the annexation petition.

The Mayor closed the public hearing.

Alderman Carroll noted the Board's prior practice of not voting on the same day as a public hearing, which Alderman Davis confirmed. Alderman Davis stated that while she has opposed various aspects of the Osprey Landing development over the years, she recognized that annexation at least returns a financial benefit to the city and indicated her readiness to support it.

A motion to approve Annexation Ordinance ANX 25-01 for Osprey Landing Phase 4 as presented was made by Alderman Spencer and seconded by Alderman Lai. The motion carried unanimously.

G. Manager's Report

City Manager Saldo addressed the Board regarding the tragic shooting incident that occurred at the American Fish Company on the waterfront the prior Saturday. He expressed condolences to the victims and their families and offered particular thanks to the city's police, fire, and EMS first responders who were first on scene, as well as to regional partners—especially the Oak Island Police Department, which assisted in apprehending the suspect. He also recognized civilians at the American Fish Company who, without wearing a uniform, stepped forward to assist victims. The City Manager expressed hope that the community's response to the tragedy would continue to bring residents together, and asked the Board and public to continue uplifting the families and first responders as they recover.

H. Mayor's Comments

Mayor Alt echoed City Manager Saldo's remarks and commented on the community events that followed the shooting. He estimated that approximately 1,000 people attended a Sunday night prayer vigil, with others unable to enter due to capacity, and noted a similarly well-attended remembrance gathering on Monday. He praised the critical incident support team deployed by the city, noting they were present near the American Fish Company for several days and engaged community members with sensitivity and professionalism. Mayor Alt also addressed concerns raised by some about businesses reopening quickly after the tragedy, stating his view that returning to daily life is an important part of community recovery, while acknowledging that additional mental health resources remain available for those who continue to struggle.

I. Board Comments

Alderman Mosteller expressed heartfelt sympathy for the victims and their families, and for all those in the community affected by the trauma. She proposed that the Board consider passing a resolution to be sent to state legislators and the Governor calling for honest, meaningful conversations about expanded mental health resources—particularly for veterans and others in crisis. She asked that people check on their neighbors and reach out for help if struggling.

Alderman Davis shared that prayers for Southport had already been incorporated into Sunday services at two churches—one local, and one a Zoom congregation in St. Thomas, U.S. Virgin Islands—remarking that "what we can't see can still lift us up." She then addressed persistent public criticism regarding the Board's decision-making process on the Old City Hall. She provided a detailed chronological account of the Board's engagements with representatives of the Center for the Arts, clarifying that the Board met with the group's spokesman, Mark Bates, on at least four public occasions between late 2023 and spring 2024. She noted that an initial request for a private meeting was declined as legally impermissible, and that staff had provided a sample lease template. She recounted that a key non-negotiable emerged from those discussions—that the arts group could not make the arrangement work without exclusive use of the upstairs of the building—and that an alternative scheduling proposal offered by Alderman Carroll was taken under advisement but never responded to. Following the absence of further communication, the Board voted to reserve the building for city use only. Alderman Davis stated the characterization that the Board acted without engaging the arts group was "categorically untrue" and encouraged citizens to review the recorded meetings.

Alderman Carroll thanked the Board, city staff, and first responders for their actions and community presence during and after the shooting. He called on the community broadly to stop undermining decisions already made by the Board, noting that while disagreement is healthy, continued opposition after a decision has been reached is harmful to staff and to forward progress. He asked that the incoming board and community work together more constructively going forward.

Alderman Kelley echoed Alderman Carroll's remarks, noting that the Board frequently disagrees at the table but reaches decisions that all members then have a responsibility to support. She added praise for the multi-jurisdictional response to the shooting, including officers from New Hanover County who stopped traffic to expedite ambulances without being asked. She announced that on October 18th, a full-day community healing event—"A Day of Healing and Hope"—will be held at the Yacht Basin, featuring seven bands, food from local restaurants, a basket raffle, and a wine pull, with all proceeds going to the victims. She expressed appreciation for the business owners who are leading the effort to restore normalcy to the waterfront.

Alderman Spencer spoke from prepared remarks, describing the shooting as a defining moment for Southport that would test the community's character. He called for meaningful action, including the passage of red flag laws in North Carolina allowing authorities to remove firearms from individuals in mental health crisis, and the promotion of halfway houses and rehabilitation services locally. He reflected on the failure of systems that had received multiple warnings about the individual responsible, and called on the city to build stronger social infrastructure to care for its most vulnerable residents. He concluded: "Southport will rise again—not through fear, but through compassion, vigilance, and unity."

Alderman Lay thanked Chief Drew, Chief Coring, and all responding personnel. He noted that the rapid on-site response made possible by having local first responders stationed within minutes of the waterfront had proven its value in an unmistakable way. He spoke to the broader mental health crisis in the state, noting that two of his relatives who are psychiatrists working with veterans are overwhelmed, and lamenting the closure of North Carolina's historic psychiatric facilities—Dix Hill in Raleigh and Cherry Hospital in Goldsboro—which he attributed to a policy shift toward mainstreaming that he argued left too many people without necessary intervention.

Mayor Alt asked Alderman Mosteller to follow up with the City Manager on drafting the proposed resolution regarding mental health resources for future consideration.

J. Closed Session NCGS 143-318.11

1. Motion to go into closed session pursuant to NCGS 143-318.11 (3) To consult with an attorney employed or retained by the public body in order to preserve the attorney-client privilege between the attorney and the public body, which privilege is hereby acknowledged.

   Prior to the motion, Alderman Davis provided public context for the closed session topic, explaining that the Board had recently received public comment from two citizens regarding contested alleyways in the historic district—one a property owner on North Atlantic Street who stated he could not construct a garage due to the alleyway having been claimed as private property, and another, the owner of a sourdough bakery on North Howe Street, who submitted a letter describing an incident involving a delivery truck and an alleyway running between Owens Street and 8th Street.

Alderman Davis explained that the documents at issue involve a Declaration of Withdrawal filed by former Mayor Hatem and his wife claiming a portion of the alleyway at 109 East Owen Street, and that the Board wished to consult legal counsel to fully understand the situation.

Alderman Carroll offered a clarification, noting that the document in question was a declaration of withdrawal, not a deed as Alderman Davis had characterized it, and further noted that neither city staff nor the city attorney had contacted Mr. and Mrs. Hatem prior to retaining outside counsel to review the matter.

A motion to go into closed session was made by Alderman Kelley and seconded by Alderman Spencer. The motion passed unanimously.

The Board entered closed session at 10:36 am.

A motion to come out of closed session was made by Alderman Kelley and seconded by Alderman Spencer. The motion passed unanimously.

The Board came out of closed session at 11:55 am.

Alderman Davis made a motion based on the legal advice received.

A motion to direct the city attorney to file a notice of withdrawal letter regarding the Declaration of Withdrawal filed for 109 East Owen Street, in order to ensure the city retains ownership of the alley, was made by Alderman Davis and seconded by Alderman Lai. The motion carried unanimously.

K. Adjourn

A motion to adjourn was made by Alderman Kelley and seconded by Alderman Lai. The motion passed unanimously.

The meeting adjourned at 11:58 am.

Joseph P Hatem MD

Dr. Joseph P Hatem, Mayor

Attest:

Tori Deviney

Tori Deviney, City Clerk

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CORPORATE
SEAL
1792
NORTH CAROLINA