

**Town Council Minutes
Morehead City, North Carolina**

Tuesday, May 12, 2015

The Honorable Council of the Town of Morehead City met in Regular Session on Tuesday, May 12, 2015, at 5:30 p.m., in the Municipal Chambers located at 202 South 8th Street, Morehead City, North Carolina. Those in attendance were:

MAYOR:	Gerald A. Jones, Jr.
MAYOR PRO-TEM:	George W. Ballou
COUNCIL:	William F. Taylor
	Demus L. Thompson
	Harvey N. Walker, Jr.
	Diane C. Warrender
CITY MANAGER:	David S. Whitlow
CITY CLERK:	Jeanne M. Giblin
CITY ATTORNEY'S OFFICE:	Nelson W. Taylor, III; Derek Taylor, Mike Thomas
OTHERS:	Holly Fletcher; Mark Hibbs, Reporter, THE

CARTERET NEWS TIMES; Crystal Hesmer; John Wade; Donald L. Gray; Savannah Myers; Jody Merritt; Norma Wagaman; Kam Gwynn; Chris Taylor; Mitch Gray; Dale Gillikin; Mindy Fitzpatrick; Carolyn Giles; Corinne Geer; Kitty Brawley Kate Murphy, Stephannie McIntyre; Sally Lumpkin; Carol Campbell; and several others

I. Regular Meeting Call to Order, Invocation and Pledge of Allegiance

Mayor Jones called the meeting to order at 5:30 p.m. Councilman Thompson gave the invocation and all joined in The Pledge of Allegiance.

II. Special Presentations:

II.A. Mayor's Proclamation – May is Mental Health Month in the Town of Morehead City – Kate Murphy

CoastalCare is the local government agency that provides access and oversight of services for Mental Health, Intellectual/Developmental Disabilities and Substance Abuse in the five [5] counties of Brunswick, Carteret, New Hanover, Onslow and Pender. Mayor Jones read the proclamation proclaiming May as Mental Health Month in the Town of Morehead City. Kate Murphy, Member Communication Specialist, accepted the proclamation on behalf of CoastalCare and stated that last year CoastalCare received 26,000 phone calls for help.

II.B. Resolution of Retirement in Appreciation to Sandra W. "Sandy" Bell upon her Retirement with the Webb Memorial Library on February 10, 2015

Sandra W. "Sandy" Bell began working at the Webb Memorial Library in October 2005. Under her tenure the Library blossomed while still remaining true to the tenets of the original "unique flavor" since its inception. Sandy became the Library Director in 2013, a position which she held until her retirement on February 10, 2015. Ms. Bell was unable to attend the meeting, however, Mayor Jones made a statement and thanked her for all her work for the City throughout the years.

II.C. Military Appreciation Day [MAD] Plaque Presented to the Town of Morehead City in Gratitude for Morehead City's Support -- Don Gray

This is the eighth year that Military Appreciation Day is being held in Morehead City on Saturday, May 30th. Morehead City provides the organization with the use of Jaycee Park, dock space and City Park in addition to ancillary services so that the event can be held. Don Gray, Director of MAD in Morehead City thanked the Council and City for its services and presented a plaque to Mayor Jones and the Council.

II.D. Big Rock/Blue Marlin Fishing Tournament

Crystal Hesmer, Director of the Big Rock thanked the Council and City for everything they do for the events held in Morehead City for the Big Rock Fishing Tournament. The Big Rock greatly appreciates all the help and especially the completion of the Jib project. She stated that Swansboro Rotary is moving their whole fishing tournament to Tournament Central in Morehead City. With the completion of their new facilities, the Big Rock has moved

into a new era and Morehead City and the downtown area will continue to grow. Over the years the organization has donated over \$3.3 million to charities.

She stated the Big Rock was aware of the necessity for ingress and egress to City streets and assured that the barricades on Evans Street will be monitored to allow for vehicular access.

Mayor Jones thanked the Big Rock for their continued investment in Downtown Morehead City.

II.E. North Carolina Seafood Festival

Mindy Fitzpatrick, Chairman of the North Carolina Seafood Festival [NCSF], stated that one of its greatest assets was the ability to work with such a great Board of Directors. She continued that she is amazed at how the NCSF Board is involved with the community and how involved the community is with the Festival itself. She appreciated the Festival being held in Downtown Morehead City and stated that the goal of their organization was to make the festival better every year and to maintain the event at the highest levels. The NCSF has been named one of the Top 20 Free Festivals by National Geographic.

Mayor Jones thanked the members of the NCSF Board and all the volunteers for doing a fantastic job year after year.

III. Adoption of the CONSENT AGENDA:

III.A. Approval of Minutes: Tuesday, April 14, 2015 -- Regular Meeting

Approved the Council Minutes of Tuesday, April 14, 2015, Regular Meeting and dispensed with the reading.

III.B. Approve the Requests for Release of Overpayment of Ad Valorem Taxes for April 2015, in the amount of \$86.61; and Accept the Tax Collector and Finance Director Reports for April 2015

Approved the requests for release of overpayment of ad valorem taxes for April 2015, in the amount of \$86.61; and accepted the Tax Collector and Finance Director Reports for April 2015. [The Financial Reports are attached to and made a part of the minutes herein by reference.]

III.C. Adopt Resolution 2015-23 Endorsing the Big Rock/Blue Marlin [Crystal Coast Tournaments, Inc.] Fishing Tournament and Authorizing Action Necessary for the Event to be held June 5 through June 13, 2015, on the Morehead City Waterfront

This is the 57th year for this sportsfishing tournament which promotes conservation and raises money for charities and worthwhile community projects. Since 1988, the tournament has donated over \$3.3 million to charities. This is the first year that the Big Rock will hold this tournament in their new quarters, Tournament Central, located at 710 Evans Street and on the Jib Plaza. The proposed resolution, therefore, has necessarily changed their needs and requests. The Public Works Committee of the Council reviewed the request at their last meeting and recommended adoption.

Councilwoman Warrender questioned the intended street closings, especially Evans Street.

City Manager Whitlow explained that the closed off area on Shepard Street will be at the entrance to the parking lot at Red Fish Grill for the duration of the festival. No parking places will be lost except for those that Red Fish Grill uses on the Jib site, however, the proprietor did not have a problem with the loss. Evans Street will be monitored by the Big Rock organization with cars being allowed on an as-need basis.

The Big Rock/Blue Marlin Concert will be held on the Jib site on Saturday, May 30th, with the area being closed for the concert happenings.

Adopted Resolution 2015-23 Endorsing the Big Rock/Blue Marlin [Crystal Coast Tournaments, Inc.] Fishing Tournament and authorizing action necessary for the event to be held June 5 through June 13, 2015, on the Morehead City Waterfront. [Resolution 2015-23 is attached to and made a part of these minutes herein by reference.]

III.D. Resolution 2015-24 Endorsing the North Carolina Seafood Festival [NCSF] and Authorizing Action Necessary for the Event to be Held October 2-4, 2015, on the Morehead City Waterfront

This is the 29th year for the festival which promotes seafood and the fishing industry in North Carolina. The festival has great economic impact to Morehead City and the Crystal Coast and also fosters monetary support for the various charities that participate. The Public Works Committee of the Council reviewed the request at their last meeting and recommended approval.

Adopted Resolution 2015-24 Endorsing the North Carolina Seafood Festival and Authorizing Action Necessary for the Event to be Held October 2-4, 2015, in Downtown Morehead City. [Resolution 2015-24 is attached to and made a part of these minutes herein by reference.]

III.E. Contiguous Annexation Request from APATB Group, LLC, for property located at 3203 Old Gate Road, Tax PIN 6376-1165-7664-000, approximately .73 acres, zoned R-20 [Single Family Residential] District -- Adopt Resolution 2015-25 Directing the Clerk to Investigate the Petition and Resolution 2015-26 Setting the date of the Public Hearing for Tuesday, June 9, 2015 at 5:30 p.m.

The property under consideration for annexation (6376-1165-7664-000) is contiguous to the present City limits. The parcel contains approximately 0.73 acres and is zoned R20 (Single-Family Residential). The site is part of the Mandy Farms subdivision, the majority of which is located outside of the corporate limits. Therefore, the proposal will fragment a subdivision. The current tax value of the property is estimated to be \$162,939. Based on a 33-cent tax rate, \$537.70 in tax revenues would be generated. Water and sewer will be accessed from Old Gate Road. All costs associated with extending the water/sewer service to the newly annexed property will be the responsibility of the owner.

Adopted Resolution 2015-25 Directing the Clerk to Investigate the Petition and Resolution 2015-26 Setting the date of the Public Hearing for Tuesday, June 9, 2015 at 5:30 p.m. [Resolutions 2015-25 and 2015-26 are attached to and made a part of these minutes herein by reference.]

III.F. Award of Contract No. 91 – Pump Station 11 Renovation to the low bidder, KBS Construction in the Adjusted Amount of \$131,205.00

The following bids were received on March 24, 2015, for the above contract:

1.	KBS Construction Company	\$136,705.00
2.	Thomas Simpson Construction	\$158,050.00
3.	T and H Construction	\$199,050.00

City staff recommended the award to KBS Construction Company in the adjusted amount of \$131,205.00 after deducting the \$5,000.00 allowance in the bid form via Change Order No. 1. The Public Utilities Committee of the Council recommended awarding the bid to the low bidder.

Awarded Contract No. 91 – Pump Station 11 Renovation to the low bidder, KBS Construction in the adjusted amount of \$131,205.00.

III.G. Adopt Budget Ordinance Amendment 2015-15 to Recognize a Donation from Big Rock in the amount of \$15,000 and Increase Transfer to Jib Waterfront Access Capital Project Fund in the amount of \$105,000; Adopt Budget Ordinance Amendment 2015-16 to Recognize Donation of \$15,000, Transfer of \$105,000 and Expenditure of \$4,850 of Original Budgeted amount of \$10,000 due to Interfund Loan Quicker Payoff

The purpose of Budget Ordinance Amendment 2015-15 is to adjust the budget as follows:

- To increase transfers to other funds-Jib Waterfront Access Capital Project Fund in the amount of \$105,000 for additional improvements and decrease Contingency the same amount. There is no change in the total amount of the budget.

The purpose of Budget Ordinance Amendment 2015-16 is to amend the budget as follows:

- Increase revenue to recognize an additional donation from Big Rock in the amount of \$15,000 and increase expenditures the same amount related to improvements at the Tournament Central weigh station area.
- Increase Transfers from General Fund-Acquisition/Improvements in the amount of \$105,000 and increase expenditures the same amount related to additional project improvements.
- Decrease Transfers from General Fund-Loan/Interest Payments in the amount of \$5,150 and decrease expenditures the same amount. This item reduces transfers \$5,150 to recognize the difference between the original budget of \$10,000 for interest on the interfund loan for property acquisition and the actual expenditure of \$4,850 (rounded) because the interfund loan was paid off faster than anticipated.

The Finance and Administration Committee of the Council reviewed the proposed budget ordinance amendments and recommended adoption.

Adopted Budget Ordinance Amendment 2015-15 to recognize a donation from Big Rock in the amount of \$15,000 and increase transfer to Jib Waterfront Access Capital Project Fund in the amount of \$105,000; and adopted Budget Ordinance Amendment 2015-16 to recognize donation of \$15,000, transfer of \$105,000 and expenditure of \$4,850 of original budgeted amount of \$10,000 due to interfund loan quicker payoff. [Budget Ordinance Amendments 2015-15 and 2015-16 are attached to Ordinance Book #7 in the vault.]

III.H. Adopt Resolution of Retirement 2015-27 in Appreciation to Sandra W. “Sandy” Bell upon her Retirement with the Webb Memorial Library on February 10, 2015

Adopted Resolution of Retirement 2015-27 in appreciation to Sandra W. “Sandy” Bell upon her retirement with the Webb Memorial Library on February 10, 2015.

Councilman Ballou MOVED, seconded by Councilman Walker, and carried unanimously, to adopt the CONSENT AGENDA in one [1] motion.

IV. Public Hearing: Contiguous Annexation Request from Ridge Care, LLC, on behalf of 35th Street Professional Center, LLC, for property located at 221 Friendly Road, Tax PIN 636616949402000, approximately 7.0 acres, zoned RMF [Residential Multifamily] and R20 [Single Family Residential] District -- Adopt Ordinance 2015-11

Planning Director Linda Staab explained that the Parcel Identification Number under consideration for annexation (636616949402000) is contiguous to the present City limits, contains approximately 7.00 acres and is zoned RMF (Residential Multifamily) and R20 (Single-Family Residential) District. The site in question is not part of a subdivision, and therefore will not fragment a subdivision. The current tax value of the property is estimated to be \$202,080. Based on a 33-cent tax rate, \$666.86 in tax revenues would be generated. Water and sewer will be accessed from Friendly Road. All costs associated with extending the water/sewer service to the newly annexed property will be the responsibility of the owner. The Planning Committee of the Council recommended approval of the annexation.

Mayor Jones opened the public hearing.

Sam Hooker, co-owner of Ridge Care, LLC, the applicant, introduced himself and stated he would be happy to entertain any questions. He continued that his organization, which is based in Kernersville, N.C., is excited to have a presence in eastern North Carolina.

Mayor Jones closed the public hearing.

Councilman Thompson MOVED, seconded by Councilman Taylor, and carried unanimously, to adopt Ordinance 2015-11 granting the contiguous annexation request

from Ridge Care, LLC, on behalf of 35th Street Professional Center, LLC, for property located at 221 Friendly Road, Tax PIN 636616949402000, approximately 7.0 acres, zoned RMF [Residential Multifamily] and R20 [Single Family Residential] District. [Ordinance 2015-11 is attached to Ordinance Book #7 in the vault.]

V. New Business: Authorize a Fire/EMS Department “Piggyback” Bid Waiver of Competitive Bidding, as per G.S. 143-129[g], for the Purchase of One [1] New All-Poly PT 2 2000 Tanker Apparatus

City Manager Whitlow reported that G.S. 143-129[g] allows a governmental unit to waive the competitive bidding requirement and “piggyback” the contract of another unit that has already received competitive bids at the same or a more favorable terms as long as the other unit has purchased the desired apparatus, materials and/or equipment after having completed a public, formal bid process within the last 12 months. After research, Fire/EMS Chief Jamie Fulk recommended the City piggyback the purchase of a new All-Poly PT 2 2000 Tanker that was acquired by the City of Ashby, Minnesota. The Fire/EMS Department would like to waive the formal bidding process and piggyback with Ashby, Minnesota.

The funding source for the tanker is from monies from the Fire District of Mitchell Village and Crab Point. At the January 13, 2015 Council Meeting, Fire/EMS Chief Jamie Fulk reported that he had attended the Carteret County Board of Commissioners Meeting in which \$208,000 from the county was approved for Morehead City to purchase a new tanker. The City has already received the check from the County. The Public Safety Committee of the Council recommended the authorization and waiver of the bid process for the new tanker.

Councilman Walker MOVED, seconded by Councilman Ballou, and carried unanimously, to authorize a Fire/EMS Department “Piggyback” bid waiver of competitive bidding, as per G.S. 143-129[g], for the purchase of one new All-Poly PT 2 2000 Tanker Apparatus.

VI. Citizens Requests/Comments:

Holly Fletcher of 209 North 20th Street, Morehead City, thanked the Council for allowing the Reelin’ for Research Fishing Tournament to be held in Morehead City on the first weekend in May. The organization raised \$410,000 for the North Carolina Children’s Promise.

VII. City Manager’s Report:

VII.A. FY 2015/2016 Budget Introduction and Setting Dates for Work Sessions

City Manager David Whitlow distributed a copy of a portion of the FY 2015/2016 Proposed Budget stating that it will be a challenging year. He made a recommendation of a tax increase of 6.5 cents. He continued that in the county-wide revaluation this year the real estate values have decreased mandating a revenue neutral rate of a tax increase of 1.4 cents just to produce the same revenue as FY2014/2015. The loss of the Privilege License fees equates to a loss of \$65,000, or a 0.035 cent increase. The debt service on the acquisition of Katherine Davis Park equates to 0.95 cents; and the debt service on the Jib Plaza Project equates to 0.44 cents.

City Manager Whitlow continued that this is the final year for the implementation of the Employee Compensation Plan which equates to 3 cents. He continued that looking at the history from the past years, the implementation of this plan indicated 3 cents per year for 3 [three] years. In Year #1 of the Compensation Plan the Council did fund the 3 cents, last year the tax increase was 1.5 cents with the additional funding coming from Capital Reserve. The Unrestricted Fund Balance has been reduced by \$804,000. Departmental requests were \$13.9 million which has been further reduced by \$2 million. The proposed budget recommends no additional positions, the only expenditures are two [2] pickup trucks and one [1] dump truck for the Public Works Department, and two [2] SUV’s for the Police Department.

The Council set the dates of Tuesday, May 26, 2015, at 3:00 p.m., and Tuesday, June 2, 2015, at 3:00 p.m., in the Municipal Chambers at 202 South 8th Street, Morehead City, for Special Meetings/Budget Work Sessions.

VII.B. Continued City Manager's Report:

City Manager Whitlow reported that the weigh station and deck are in place on the Jib and he encouraged the Council to visit the site.

He continued that an e-mail was received from "Nerd Wallet" which stated that Morehead City was selected as the fifth best place to start a business in North Carolina from a pool of 115 towns.

Mayor Jones commented that the above speaks highly of Morehead City and he thanked all who contribute to this great city.

VIII. Council Requests/Comments:

Councilwoman Warrender questioned the logistics of the Big Rock Concert on Jib Plaza on May 30th.

City Manager Whitlow explained that the City has been coordinating with the Big Rock and the Downtown Morehead City Revitalization Association [DMCRA] in addition to working with the vendor doing the staging. The Morehead City Police are well aware of all the events that day and weekend. The Big Rock and the DMCRA have been granted a thirty minute waiver on the noise ordinance for the concert event and Evans Street will not be closed, but monitored by the event organizations.

Upon a questioned of seeking bids from an architectural firm for the structural evaluation of the Webb Memorial Library it was ascertained that money was placed in the budget for this evaluation.

Councilman Taylor commented he was pleased with the potential for the fishing tournament moving from Swansboro to Morehead City as he felt this provided more opportunity for our businesses downtown. He further commented that the FY 2015/2016 Budget will be challenging and avoiding an increase may not be possible.

Councilman Walker commented in looking at the budget, the Council should remember what was promised and to do what was necessary to keep the City running in a positive form.

Councilman Thompson stated he was very disappointed with the proposed budget. He admonished the Department Heads that they and the Council owed the people in the community to review every line item. He continued that he was sorry the governor saw fit to take out the privilege license tax. He felt that the proposed Morehead City tax increase hurts everyone.

IX. Approve CLOSED SESSION Minutes of Tuesday, March 10, 2015

There was no CLOSED SESSION.

X. Adjournment

There being no further business, the meeting was adjourned at 6:30 p.m.

Gerald A. Jones, Jr., Mayor

Attest:

Jeanne M. Giblin, City Clerk

