

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

**Tuesday, June 22, 2010 at 9:00 a.m.  
Special Meeting**

The Honorable Council of the Town of Morehead City met in a Special Meeting on Tuesday, June 22, 2010, at 9:00 a.m., in the Municipal Building Auditorium at 202 South 8<sup>th</sup> Street, Morehead City, North Carolina. Those in attendance were:

MAYOR:	Gerald A. Jones, Jr.
MAYOR PRO TEM:	Demus L. Thompson
COUNCILMEN:	George W. Ballou Paul W. Cordova David Horton John F. Nelson
CITY MANAGER:	R. Randy Martin
CITY CLERK:	Jeanne M. Giblin
OTHERS:	Finance Director Ellen Sewell

Mayor Jones opened the meeting at 9:00 a.m.

**Waiver of Competitive Bidding for Purchase of an Ambulance**

Manager Martin reported that the meeting is being held to receive public comment regarding the waiver of competitive bidding [piggybacking] for the purchase of one [1] Class 1, Type III Ambulance, the seller having agreed to extend to Morehead City the same or more favorable prices and terms set forth in its contract with Lenoir County, N.C. bid on December 28, 2009. The approximate cost of the ambulance is \$125,000. This procedure meets the statutory requirements for the waiver of competitive bidding. The approximate turn-around time for delivery of the ambulance is 90 days. There was no public comment on the waiver of competitive bidding for the purchase of the ambulance.

***Councilman Ballou MOVED, seconded by Councilman Nelson, and carried unanimously, to approve the waiver of competitive bidding for the purchase of one [1] Class 1, Type III Ambulance and piggyback the bidding process with Lenoir County, N.C. set on December 28, 2009.***

**FY2009/2010 Budget Ordinance Amendments**

Manager Martin reported that the Finance Committee of the Council met on Monday, June 21, 2010, and reviewed the budget ordinance amendments for FY2009/2010 and specific capital project budget ordinances.

Finance Director Ellen Sewell reported that the adoption of the presented budget ordinance amendments brings the 2009/2010 fiscal year into alignment with all that was discussed at the budget hearings and updates several of the individual capital projects funds. In the General Fund, the most significant items reflecting the need for adjustment were in the restrictive intergovernmental revenues mainly attributed to the North Carolina Department of Transportation [NCDOT] Little Nine Road grant project, the Mitchell Village Park grant project and the Police Department operating fund personnel related grant not being received during the year.

Finance Director Sewell also explained that the budget ordinance amendments also recognize that the City will not realize all the revenues that were anticipated from fees and permits nor from investment earnings which reduces income. On the expenditure side of the budget, the biggest items being adjusted are the grant positions which were not funded in the Police Department, the Barbour Road sidewalk grant project and the Little Nine Road street extension project. The shoreline improvements will be done this year. The Building & Grounds Fund is not increasing costs associated with the mid-year purchase of the Jib property.

Finance Director Sewell explained the contingency line item and how it was used throughout the 2009/2010 fiscal year.

Mayor Jones advised that all excess funds unexpended in the operating budget for FY 2009/2010 roll over into fund balance as of June 30, 2010.

Finance Director Sewell continued with the changes in the Fire/EMS Fund. She reported \$500,000 had been set aside in FY2009/2010 for the acquisition of property for a new Fire/EMS Station No. #2, however, the City has acquired the former NEWS TIMES Building therefore increasing this fund balance by \$500,000 and authorizing the transfer of same to the Fire/EMS Station #2 replacement. The fund balance was also increased by \$125,000 for the purchase of the ambulance.

In the Water/Sewer Fund there is no change in the total amount of the operating budget, but the fund recognizes a transfer of \$41,000 that is anticipated being left over from the Automatic Meter Reading [AMR] project and it will be transferred to the Water/Sewer Operating Fund which will close out the AMR Project Fund at the end of this fiscal year. The Solid Waste Fund recognizes additional revenue of \$70,000 and expenditures of \$70,000. Of that \$70,000, \$45,000 is reserved for future appropriations and \$25,000 is for realized expenses.

Upon a question, Finance Director Sewell explained the budget ordinance amendments. In the Recreation Center Grant Project Fund, \$25,700 in earned interest income was transferred to the General Fund. In the Fire/EMS Station #2 Replacement Capital Project Fund, the amendment was to recognize a \$500,000 transfer from the Fire/EMS Fund to this fund. The amendment did not change the total project budget amount of \$2 million. The Water and Sewer Extensions/Improvements Capital Project Fund updated the budget related to The Vinings project and to account for the developer's share of the costs.

Manager Martin reported that there are funds left over from the Radio Island Water/Sewer Improvements project which can be assigned to provide the City share to upgrade utilities related to the Vinings project to serve expanded areas in the Wildwood vicinity. This transfer will require concurrence approval by the bank providing the financing.

Finance Director Sewell stated that there is \$11,000 of interest earned in the Automatic Meter Reading System Capital Project Fund which is including in the funds being transferred back into the Water/Sewer Operating Fund. This capital project fund account as noted will be closed at the end of the fiscal year now that the capital project is complete.

***Councilman Cordova MOVED, seconded by Councilman Thompson, and carried unanimously, to adopt Budget Ordinance Amendments 2010-31, 2010-32, 2010-33, 2010-34, 2010-35 and 2010-36.*** [Budget Ordinance Amendments 2010-31, 2010-32, 2010-33, 2010-34, 2010-35 and 2010-36 are attached to Ordinance Book #6 in the vault.]

Councilman Horton asked that it be recorded in the minutes that even though he did not support the FY2010/2011 budget, he did vote to approve these budget ordinance amendments.

There being no further business, the meeting was adjourned at 9:40 a.m.

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Gerald A. Jones, Jr., Mayor

Attest:

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Jeanne M. Giblin, City Clerk