

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

**Tuesday, June 7, 2011, at 5:30 p.m.
Special Meeting/FY2011/2012 Public Hearing**

The Honorable Council of the Town of Morehead City met in Special Session on Tuesday, June 7, 2011 at 5:30 p.m., in the Municipal Building Auditorium at 202 South 8th Street, Morehead City, North Carolina. The purpose of the Special Meeting was to conduct the required public hearing on the proposed FY2011/2012 Budget. 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, Bill Taylor, Dawn Gaskill, Charles Tate, Nancy Tate, Mike Shutak, Reporter, THE CARTERET NEWS TIMES

Mayor Jones opened the public hearing on the FY2011/2012 Budget at 5:30 p.m.

Manager Martin gave a brief summary of the proposed FY2011/2012 Operating Budget. The total proposed operating budget from July 1, 2011 to June 30, 2012 is \$20,177,754.00 which is \$67,140 or 3/10's of one percent more than the FY2010/2011 Budget. The proposed budget takes into consideration the impact of the property revaluation. The City is required by the General Assembly to advertise the revenue neutral rate which is 28.36 cents per one hundred dollars [\$100] of property value. The proposed budget establishes the tax rate of 28.5 cents per one hundred dollars [\$100] of assessed valuation which is 14/100's of a cent higher than revenue neutral.

The proposed budget includes changes in the utility system rates in the form of a 10 percent increase effective January 1, 2012. This would generate six [6] months of additional revenues for next year's operations and needs. The water/sewer utility system is currently running at a deficit and the need to meet future debt service will necessitate higher utility rates to meet operating needs. The City's consulting engineer will be doing an analysis of the current financials to determine what will meet the City's obligations over the next five [5] years.

The Solid Waste Fund proposes a \$1 per month increase to \$19 per household per month. City staff has advised that \$1.75 would be necessary to have the fund run in the black and to save for future equipment needs. These fees have not increased in many years.

Spending on capital items will include improving streets and sidewalks which will be funded by the Powell Bill. This item has been on hold for the past few years while funds were accumulated.

Mayor Jones emphasized that the proposed tax rate is 28.5 cents per \$100 of property valuation, just slightly over the revenue neutral rate.

Mayor Jones opened the public hearing.

Dawn Gaskill of 1208 ½ Evans Street in Morehead City wanted to know if the City had made progress with the contract for the use of Big Rock Stadium at O'Neal Baseball Field.

Mayor Jones replied that the Council had directed the City Manager to finalize a contract as soon as possible.

Ms. Gaskill continued that she was concerned that the tax payers were not receiving enough revenue from the ballfield and was concerned about future plans for expansion.

Mayor Jones explained there is no capital budget for expanding the baseball field facilities in the proposed FY2011/2012 budget, it is just for operating costs with a proposed budget recommendation of \$178,800 for all City parks.

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There being no further public comment or questions, Mayor Jones closed the public hearing.

Councilman Cordova MOVED, seconded by Councilman Nelson, and carried unanimously, to adjourn at 5:55 p.m.

Gerald A. Jones, Jr., Mayor

Attest:

Jeanne M. Giblin, City Clerk