

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

Tuesday, March 9, 2010

The Honorable Council of the Town of Morehead City met in regular session on Tuesday, March 9, 2010 at 5:30 p.m., in the Municipal Building Auditorium at 202 South 8th Street, Morehead City, North Carolina. Those in attendance were:

MAYOR:	Gerald A. Jones, Jr.
MAYOR PRO TEM:	George W. Ballou
COUNCILMEN:	Paul W. Cordova
	David Horton
	John F. Nelson
	Demus L. Thompson
CITY MANAGER:	R. Randy Martin
CITY CLERK:	Jeanne M. Giblin
CITY ATTORNEY'S OFFICE:	Nelson W. Taylor, III, Derek Taylor, Mike Thomas
OTHERS:	Steve Hamilton, Public Utilities Director; Steve Miller; Stephanie Slocum; Daniel Styron; Edward W. Causey, USDA; Ken Wood; Mike Shutak, Reporter, THE CARTERET NEWS TIMES; Gary Goldstein; Lennie Griffin; Ed Fulcher; Lennie Freeman; Dawn Gaskill; Tyndall Lewis, City Consulting Engineer; Bill Taylor 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 Presentation: Third Annual Morehead City Family Boating and In-Water Boat Show to be held May 14, 15 and 16, 2010 in Downtown Morehead City – Stephanie Slocum, Director, Downtown Morehead City Revitalization Association [DMCRA]

Stephanie Slocum, Director of the Downtown Morehead City Revitalization Association presented a brief overview of this year's events for the Third Annual Morehead City Family Boating and In-Water Boat Show on the Morehead City Waterfront. She introduced Captain Steve Miller, Chairman of the Committee. She commented that the proposed resolution is requesting the same as was done in previous years. She reported that new and used boats will be on display, there will be presentations, business information will be made available and it is planned to have the Friday Night Gala and the Saturday Wine and Cheese Party. They hope that they will be able to expand the boat show with more partnerships with local businesses and non-profit organizations. An Art Show in cooperation with the Carteret County Arts Council is proposed in addition to a pirate treasure hunt on Sugarloaf Island.

She thanked the Council for their cooperation in allowing this important annual event.

III. Adoption of the CONSENT AGENDA

**III.A. Approval of Minutes: Friday, January 29, 2010, Special Meeting
Tuesday, February 9, 2010, Regular Meeting**

Councilman Horton requested to remove the approval of the minutes from the CONSENT AGENDA for discussion under Item V.B. New Business.

III.B. Approve the Requests for Release of Overpayment of Ad Valorem Taxes for February 2010, in the amount of \$727.16 ; and Accept the Tax Collector and Finance Director Reports for February 2010

Approved the requests for release of overpayment of ad valorem taxes for February 2010, in the amount of \$727.16; and accepted the Tax Collector and Finance Director reports for February 2010.

III.C. Adopt Resolution 2010-07 Endorsing the Third Annual Morehead City Family Boating and In-Water Boat Show to be held May 14, 15 and 16, 2010 on the Morehead City Waterfront

The Downtown Morehead City Revitalization Association [DMCRA] requested the use of Jaycee Park and the adjacent riparian area and docks, Katherine Davis Park, the 6th Street riparian area docks, the Train Depot, Sugarloaf Island and other ancillary areas and services to hold the Third Annual Morehead City Family Boating and In-Water Boat Show. The event includes an in-water and land boat and yacht show, family oriented educational programs and associated gala events. The Public Works Committee of the Council reviewed and recommended approval of the request. The event promotes Morehead City and raises money in support of downtown revitalization efforts and worthwhile community projects within the township.

Adopted Resolution 2010-07 Endorsing the Third Annual Morehead City Family Boating and In-Water Boat Show to be held May 14, 15 and 16, 2010 on the Morehead City Waterfront. [Attached to and made a part of these minutes is Resolution 2010-07.]

III.D. Adopt Ordinance 2010-08 Amending the Code of Ordinances of the Town of Morehead City, Chapter 8, Licenses, Permits and Business Regulations, Article VIII, Tow Services, Section 8-269 Selection of tow services during police investigations

The Police Department requested a slight change in City's ordinance regulating the selection of towing services during police investigations. The current ordinance states that if the next tow service on the list could not answer the request within a reasonable time, the officer would call the towing service that would be on call during the following calendar week. To best serve the needs of the public and those of the Police Department, it was proposed to delete that underlined section and replace with is next in rotation. The Public Safety Committee of the Council discussed the change and recommended approval.

Adopted Ordinance 2010-08 Amending the Code of Ordinances of the Town of Morehead City, Chapter 8, Licenses, Permits and Business Regulations, Article VIII, Tow Services, Section 8-269 Selection of tow services during police investigations. [Ordinance 2010-08 is attached to Ordinance Book #6 in the vault.]

III.E. Adopt FY2010-2011 Preliminary Budget Calendar

The preliminary FY2010-2011 Budget Calendar was presented for Council consideration. Municipalities in North Carolina are governed by the Local Government Budget and Fiscal Control Act which provides a uniform system of budget adoption, administration and monetary control. The adoption of this preliminary calendar sets a timetable for ultimate consideration of budget ordinance adoption at the regular Town Council Meeting on June 8, 2010. Work session dates will be scheduled to minimize conflicts with individual schedules.

Adopted the FY2010-2011 Preliminary Budget Calendar as presented. [Attached to and made a part of these minutes is the FY2010-2011 Preliminary Budget Calendar.]

III.F. Adopt Ordinance 2010-11 Amending the Code of Ordinances of the Town of Morehead City, Chapter 16, Water and Sewers, Article III. Waterworks System Regulations, Section 16-51 Meter Reading; billing; collecting

Morehead City recently installed an Automatic Meter Reading System for the electronic reading of water/sewer meters by use of radio transmission from City Hall. This allows the City to read, bill and collect water/sewer fees on a monthly basis without having to add additional personnel. The system provides very detailed information on each account usage several times a day. The system allows the City to realize less waste in precious water resources and to garner revenues which would have gone uncollected from faulty meters. The adoption of Ordinance 2010-11 amends the current Code of Ordinances to reflect that water and sewer billing now occurs on a monthly basis.

Adopted Ordinance 2010-11 Amending the Code of Ordinances of the Town of Morehead City, Chapter 16, Water and Sewers, Article III., Waterworks System Regulations, Section 16-51 Meter Reading; billing; collecting. [Ordinance 2010-11 is attached to Ordinance Book #6 in the vault.]

Councilman Horton questioned when the meetings for the FY2010/2011 budget will begin.

Manager replied possibly at the end of March and he will be in contact with the Council regarding scheduling dates.

Councilman Cordova MOVED, second by Councilman Thompson and carried unanimously to adopt the CONSENT AGENDA in one [1] motion with the exception of Item III.A. Approval of the Minutes which was moved to Item V.B. New Business.

IV.A. Public Hearing: United States Department of Agriculture [USDA] Water Treatment Utility System Funding – Ed Causey [USDA] & Tyndall Lewis, City Consulting Engineer

Manager Martin offered the following information to explain the project:

Background

A major priority for the City for several years has been to improve the City utility system's ability to treat its public water supply to provide the best quality of water possible to customers while remaining in compliance with ever-changing and more stringent federal and state regulations. Recent changes to these regulatory standards have made it imperative that the City upgrade its water treatment capabilities as soon as possible to avoid compliance issues. Last fiscal year, the City Council committed to the development of a series of interconnected smaller water plants to accomplish treatment goals. The City was initially approved for a state loan to construct the necessary improvements to accomplish system wide water treatment which would improve water quality and meet new regulatory standards. To address these needs the engineer estimated the cost to be approximately \$8 million for development of a minimum of three [3] water treatment facilities. The state loan available to the City at the time to accomplish the task would have generated up to an estimated \$500,000 per year in debt service payments with a maximum term of 20 years to repay the debt.

Before the City further proceeded with the project, a federal stimulus funding opportunity was offered through the state which could be tapped for a portion of the cost of the treatment project. A maximum limit of \$3.0 million per city was placed on the funding opportunity with half of the amount approved as loan forgiveness or the equivalent of a grant and the other half in the form of a 0 percent interest loan. Morehead City was fortunate to be one of the first communities approved for this funding and the City Council accepted the funding which was sufficient to construct the first phase or one of the necessary treatment facilities.

This phase, however, could only make possible treatment of a portion of the City's water supply and not fully achieve the desired results. The City goal, of course, was to have city-wide improved water quality necessitating the pursuit of other funding for the balance of the improvements. Later in 2009, the City initiated an effort to pursue federal funding through the United States Department of Agriculture [USDA] to accomplish the task. With guidance from USDA officials and the assistance of City Consulting Engineer Tyndall Lewis of McDavid and Associates, the City was encouraged to leverage the maximum amount of potential grant funding by pursuing sufficient funds from the American Federal Recovery Act [ARRA] funding to meet the City's long-term water system needs in like manner to the long-term project the City recently completed to meet wastewater plant and treatment needs. For that project, the only funding assistance available was a low interest state loan of \$15.0 million. For several years the City's goals have included the future requirement to meet system needs with the construction of another well and elevated tank and the water treatment system could be optimized or enhanced to meet long-term needs with a fourth treatment plant, if funds were available.

The total price tag for meeting the City's long-term [approximately 20 years] water system capacity infrastructure and treatment needs was estimated to cost an additional \$5 million. This plan will provide the City over 2.3 million gallons per day average pumping capacity, 2.0 million gallons of elevated storage capacity and strengthen the efficiency and capability of the proposed water treatment system city-wide. Simply put, borrowing less funds than originally planned and approved, the USDA funding will allow the City the opportunity to immediately meet all these water infrastructure needs while incurring less debt and of course less cost for the debt service necessary to repay the debt.

Project Funding Breakdown

USDA representative, Mr. Ed Causey, was present at the Council meeting to represent the agency and reported on the status of the City's request for a water system improvement project comprised of one [1] elevated tank, one [1] new well and four [4] treatment plants. The funding formula proposed is as follows:

	Amount	Annual Debt Service
<u>Phase 1 Water Treatment Plant</u>		
State approved grant/loan forgiveness	\$1,500,000	\$0
State approved 0% interest loan	\$1,500,000	\$75,000
<u>Phase 2 Water Treatment Plants, Tank, Well</u>		
USDA grant	\$4,869,000	\$0
USDA loan	\$4,932,000	\$227,880
City funding match	\$ 100,000	\$0
City funding of sales tax rebates [reimbursed]	<u>\$ 199,000</u>	<u>\$0</u>
Project Total	\$13,100,000	\$302,880

Conclusion

Instead of the City borrowing \$8.0 million to fund the water treatment system upgrade, the City will borrow \$1.5 million at a 0 percent interest rate and \$4.932 million at a 3.25 percent fixed interest rate for a total debt of \$6.432 million. By agreeing to accept these funds, the City receives \$6.369 million in grants to complete funding for the entire water treatment system upgrade and planned fourth elevated tank, well and treatment plant to meet long-term system needs. This allows the City to avoid the future additional debt necessary to construct the tank, well and additional treatment plant. In terms of impact on the annual operating budget, the City will pay almost \$200,000 less in annual debt service. In the Manager's professional opinion, this project will be one of the greatest accomplishments of the City. He credited the City Engineer and Utility Director Steve Hamilton for their efforts to put us in a position to qualify for this opportunity and offered his thanks to Mr. Causey for his support and advice throughout the process. He also thanked the Council for their patience and support of the staff's efforts toward meeting this important need. Finally, the real winners will be the City's customers who will receive enhanced water quality which will meet standards and give them the opportunity to reduce current costs incurred to privately treat water in their homes and businesses.

The Public Utilities Committee of the Council reviewed the proposed funding and recommended it be presented to the Council for further discussion and approval.

City Consulting Engineer Tyndall Lewis with McDavid & Associates, Inc. of Goldsboro explained that four [4] separate water plants will be built to treat groundwater from the towns wells. These plants will soften and remove color and background organics from the water. The project also calls for adding one [1] additional well and one [1] additional water storage tank. These upgrades will produce superior drinking water for the town over the next 20 years. Morehead City was in a position and had the unique opportunity to take advantage of stimulus funding.

Councilman Ballou questioned why the upgrades are necessary for compliance issues and regulatory standards.

City Consulting Engineer Lewis stated that the current method of treating water with chlorine yields a byproduct which violates the regulatory standards. These upgrades will change the manner in which water is disinfected which will bring Morehead City into compliance and in the process the water will be softened. He continued that there is nothing wrong with hard water, but softer water is a "more friendly" water.

Councilman Ballou question that he was advised not to use soft water for irrigation purposes.

City Consulting Engineer Lewis replied that he knew of no adverse inferences, the water will be an ideal hardness range and he knew of no drawbacks with using the treated water for irrigation purposes.

Councilman Thompson stated that the quality of water will not be much different than what one does currently in homes to soften water with individual water treatments.

City Consulting Engineer Lewis stated that users of the Morehead City system will be much more satisfied with the water. He continued that the only reason many customers bypass the water softening process in their homes for irrigation purposes is mainly because of the cost of the water softening agents.

Councilman Horton commented on the quality of water with a typical in-home water softener.

City Consulting Engineer Lewis said this new process could eliminate the need for home water softeners.

On a question from Councilman Ballou regarding capacity of the water system, Manager Martin explained that design capacity and permitted flow capacity are two different actions.

City Consulting Engineer Lewis explained that one would like to be able to pump more water than what would be used each day. As per state standards, water wells cannot be pumped more than 12 hours per day. Design overcapacity is important in case certain wells are out of service or any event of that type. Design capacity is usually twice more than what the average demands would be.

Steve Hamilton, Public Utilities Director, commented that when the City adds this additional well the pumping capacity will be over 4 million gpd [gallons per day]. The City's average use by regulation will be limited to around 2.3 million gpd, but in an emergency the City could pump 4 million gpd. The difference is between pumping capacity and what the state wants an entity to pump throughout the year.

Ed Causey, Area Director for United States Department of Agriculture Rural Development, whose office is located in Kinston, N.C., stated that the City's loan package is excellent. The interest rate is 3.25 percent. This is lowest interest rate in this particular kind of funding. The money is guaranteed to be available to Morehead City and the interest rate will not rise. When the loan closes, if the interest rate is lower, the lower interest rate would apply. There is no penalty for prepayment.

Councilman Thompson questioned being locked into the low stated interest rate if the rates rise.

Ed Causey explained that the expectation is that the loan will still be at 3.25 percent interest once the loan is guaranteed. He congratulated the Morehead City staff in being able to secure the funding.

Mayor Jones stated that on behalf of the Council and Morehead City he appreciated all the hard work that Mr. Causey did for Morehead City in securing these funds.

Mayor Jones opened the public hearing. No one spoke for or against the loan.

Mayor Jones closed the public hearing.

Manager Martin explained that the bottom line is for \$13.1 million Morehead City will meet the 20 year need in major water infrastructure. In agreeing to accept the loans the City will do the \$13+ million project with \$6 million in grants. The City will encumber \$300,000 in new debt service which is less than what was originally proposed. He again applauded the efforts of the Utility Director & City Consulting Engineer for garnering this grant and loan opportunity on this important project.

Councilman Horton commented that for many years Morehead City attempted to start this project and he was in favor of the grant and loan funding. He continued that it is expensive to maintain a home water softener and good drinking water is important.

Councilman Horton MOVED, second by Councilman Ballou, and carried unanimously, to authorize acceptance of the proposed USDA grant and loan funding as presented for the Water Treatment System.

IV.B. Public Hearing: Request for Clerical Amendments to Articles 2, 9, 10, 11, 13, 14, 15, 18, 20, 22 and 23 of the Unified Development Ordinance – Adopt Ordinance 2010-07

Planning Director Linda Staab explained that the adoption of Ordinance 2010-07 was an effort to provide consistency within the Unified Development Ordinance [UDO] and to correct typographical errors. The Planning Board unanimously recommended approval of the ordinance amendments with a motion set by Gordon Thayer and seconded by Corinne Geer. The Planning Committee of the Council reviewed the changes and recommended Council consideration of Ordinance 2010-07.

Councilman Ballou questioned Art. 14-14.4 which stated “manufactured homes shall be connected to a community water system and to a community sewage disposal system approved by the Carteret County Health Department”, did this amendment infer a manufactured home could not be connected to an individual sewage disposal system?

Planning Director Staab stated that the ordinance could be amended to read that a “manufactured home could be connected to an individual sewage disposal system”. The staff will have to review this amendment further. She recommended that the Council approve this ordinance amendment as written. The stated adjustments can be made to another ordinance amendment after the proper advertising and public hearing.

Mayor Jones opened the public hearing. No one spoke for or against the proposed amendments

Mayor Jones closed the public hearing.

Councilman Thompson MOVED, second by Councilman Horton and carried unanimously to approve request for clerical amendments to Articles 2, 9, 10, 11, 13, 14, 15, 18, 20, 22 and 23 of the Unified Development Ordinance by adopting Ordinance 2010-07. [Ordinance 2010-07 is attached to Ordinance Book #6 in the vault.]

IV.C. Public Hearing: Proposal to obtain Financing from the United States Department of Agriculture [USDA] Rural Development for the Renovation of Fire/EMS Station No. #2 at 4032 Arendell Street and the Construction of Police Station/E-911 Center at 12th & Fisher Streets

Manager Martin reported that on October 13, 2009, the Council formally adopted an ordinance which authorized up to \$2 million for the capital project to acquire property located at 4032 Arendell Street and for expenditures for improvements to the property for Fire/EMS Station No. #2. The City anticipates borrowing an interim loan of up to \$2 million through an installment financing contract which was approved by the Council at the February 9, 2010 Council Meeting. The City has applied for long-term financing for the project from the United States Department of Agriculture [USDA] which routinely funds public safety facilities. The long-term financing will be used to pay off the interim financing upon project completion.

At the August 11, 2009 Council meeting, the Council authorized a contract with D. H. Griffin Construction Company for up to \$5,105,550 for the proposed Morehead City Police Station/County E-911 Center to be located on a portion of the Charles Wallace School property site on 12th Street. The county is the City’s partner in funding the E-911 Center portion of the project. Morehead City anticipates borrowing an interim loan of \$5 million for the financing of the City’s share of funding for the project through an installment financing contract for interim financing which was approved by the Council at the February 9, 2010 Council Meeting. The City has also applied for long-term financing for this project from the USDA. The long-term financing will be used to pay off the interim financing upon project completion. The Finance Committee of the Council has reviewed and recommended the proposed financing plans for both projects. The Public Safety Committee of the Council has authorized and recommended the financing plans.

In order to proceed with the City’s applications for USDA funding, an essential component of the process is a public hearing at which time the general public can express views on the issue of borrowing the funds for the projects from the USDA.

Mayor Jones opened the public hearing. No one spoke for or against the financing options for the Fire/EMS Station No. #2 and the Morehead City Police/E-911 Center buildings.

Mayor Jones closed the public hearing.

Councilman Ballou MOVED, second by Councilman Thompson, and carried unanimously, to approve the proposal to obtain financing from the United States Department of Agriculture [USDA] Rural Development for the renovation of Fire/EMS Station No. #2 at 4032 Arendell Street and the construction of the Police Station/E-911 Center at 12th & Fisher Streets.

IV.D. Public Hearing: Proposed Use of an Installment Financing Contract for the purpose of providing funding for the acquisition and other costs related to its use for the Pharr Yarns property located at 1001 Shepard Street – Adopt Ordinance 2010-09 and Resolutions 2010-08 and 2010-09

Manager Martin explained that Morehead City has for several years pursued acquiring the property located at 1001 Shepard Street which is the site of the former small boat ramp and public beach access that the City leased for many years from the Pharr Yarns Company. In the past few years the public has not been allowed access to the site which still contains the small boat launching ramp previously constructed by the City and parking. The City has recently agreed to terms with the owners to acquire the property at well below the appraised value of the property. The property has been appraised at in excess of \$1.6 million and will allow the City to further enhance its public water access goals and priorities through this opportunity. The anticipated cost for the project is \$1,050,000 which consists of the purchase price of \$1 million and \$50,000 for other costs related to the purchase and use of the property. The City anticipates that the boat launch could be used again by the public with the acquisition of this property as soon as possible.

The adoption of Ordinance 2010-09 formally authorizes the funding for the acquisition of the property and sets the expenditures such as legal fees, appraisals and environmental reviews, maintenance and other costs related to the use of the property for the intended purpose. The adoption of Resolution 2010-08 which authorizes the filing of an application for an installment financing contract related to the purchase and other fees incidental to acquiring the property is the required procedure for approval of the financing for the project by the North Carolina Local Government Commission [LGC]. The public hearing is a requirement for the financing of the project. The adoption of Resolution 2010-09 is a routine procedure whereby the City declares its official intent to reimburse itself with the proceeds of the borrowing for any of the expenditures incurred by it prior to the issuance of the borrowing.

Councilman Horton questioned the length of time to have the financing approved by the LGC.

Manager Martin stated that the hearing is scheduled for the LGC Meeting in May.

Councilman Ballou questioned how soon the City could remove the fence around the property and use the facility.

Manager Martin replied that as soon as the paperwork is finalized the City will have a memorandum of agreement for use of the property in the interim.

City Attorney Derek Taylor stated that the adoption of the proposed resolutions and ordinance could be a final factor.

Councilman Nelson said various things must be done before the property will be viable, so the minutes should reflect that the public can use it as soon as possible.

Councilman Cordova stated the use of the facilities needs to be as soon as possible.

For the public's interest, Mayor Jones explained the physical site of the property on South 10th Street and the City's efforts to acquire the property.

Mayor Jones opened the public hearing.

Ken Wood of 910 Harrell Drive, Morehead City endorsed the proposal. It has become a hassle getting boats into the water and this is a really welcomed project. He personally appreciates the effort the Council is doing in this area. He too was concerned with how soon the facility would be available. He was also of the opinion that dredging would be necessary.

Manager Martin explained that dredging was completed this year by the current owners.

Dawn Gaskill of 1208 Evans Street questioned the appraisal.

Manager Martin reported that the appraisal was \$1.6 million. The City will need the additional requested funding for the acquisition paperwork and other expenditures and work necessary for the project to become fully operational.

Mayor Jones closed the public hearing.

Councilman Thompson MOVED, seconded by Councilman Ballou, and carried unanimously, to adopt Ordinance 2010-09 approving a Capital Project Fund Ordinance in the amount of \$1,050,000 for the acquisition and other expenditures related to the purchase of the Pharr Yarns property located at 1001 Shepard Street; to adopt Resolution 2010-08 authorizing the filing of an application for approval of a financing agreement authorized by NCGS 160A-20 for the Shepard Street Boat Ramp/Public Water Access; and to adopt Resolution 2010-09 for the official declaration of intent to reimburse for the purchase and expenditures related to the property located at 1001 Shepard Street, Morehead City. [Ordinance 2010-09 is attached to Ordinance Book #6 in the vault, Resolutions 2010-08 and 2010-09 are attached to and made a part of these minutes.]

V. New Business: Adopt Budget Ordinance Amendment 2010-10 Water and Sewer Extensions/Improvements Capital Project Fund and Authorize Contract for project to Low Bidder, Sunland Builders, Inc., Contingent upon Receipt of funds from Developers

Manager Martin reported that the purpose of this amendment was to update the budget related to water and sewer improvements on Morgan Street located on Radio Island. The \$140,000 attributed to the Morgan Street water/sewer improvements are proposed to be constructed utilizing the developer's funds which will be paid to the City in advance for this project. The amendment also recognizes additional revenue from interest earnings projected to date and increases the amount available for future appropriation by the same.

Bids received January 28, 2010 for subject Contract No. 70 – Morgan Street Water & Sewer Improvements were as follows:

Sunland Builders, Inc.	\$103,140.00
T. A. Loving Company	\$115,825.00
James L. Cayton Utilities	\$122,227.00
Hendrix-Barnhill Company	\$161,560.00
Thomas Simpson Construction Co., Inc.	\$165,126.80

The Public Utilities Committee of the Council recommended approval of the contract award to the low bidder and the Capital Project Ordinance Amendment contingent upon receipt of the developer's funds.

Councilman Horton stated that the Public Utilities Committee of the Council had discussions about individual developers and how much should be attributed to paying back for the water/sewer lines which go under the Newport River. He continued that he felt that this project should also contribute to those funds.

Manager Martin commented that the policy that was adopted at the time the original system and the lift station were constructed, and consistent with City policy, it was agreed that these five [5] lots were to be served off the new lift station which these developers contributed and paid for, therefore, they would not have to go back and pay for the

Councilman Ballou stated that he received a phone call from a resident who asked him if the baseball property was zoned correctly as this individual did not hear the answer from the City Attorney.

Councilman Thompson took issue with the implication that the Council has a conspiracy against the people of this community. He continued he was very upset with the way the Council meetings have been proceeding for the past three [3] months. He said he asked the question regarding the zoning of the property of the City Attorney and received an answer before he voted at the last meeting.

VI. Citizen Requests/Comments

Gary Goldstein of 1220 Creek Road, stated that the neighborhood residents made an inquiry to the North Carolina Department of Transportation [NCDOT] regarding the use of the baseball park for the Morehead Marlins. He produced a letter dated March 5, 2010 from Reed Smith, District Engineer to City Manager Randy Martin regarding the access permit for Mayberry Loop Road [SR 1178]. [Attached to and made a part of these minutes is the letter to City Manager R. Randy Martin dated 3/5/2010.] The letter cited NCDOT concerns about the use of the baseball park. Mr. Goldstein questioned how the City intended to fulfill their commitment to the Morehead Marlins if the NCDOT rescinded the access permits. He also stated that he had concerns with the amount of parking provided within the park and that no parking should be allowed on Mayberry Loop Road. He was also concerned with the costs to taxpayers for construction of a new road for access to the park.

Charles Collier of 1505 Chip Shot Drive presented a letter which he requested to go into minutes. [A copy of the letter dated March 9, 2010, is on file with the City Clerk in the manner which all other correspondence is maintained for citizens.]

Dawn Gaskill of 1208 Evans Street stated that she attended the Council meeting last month and knew of the controversy about the ballfield. She stated that her real interest is the tax dollars being spent on the baseball field. She was concerned with the amount of funding for what the citizens would be receiving.

Mayor Jones replied that the Council had been planning the park for many years and requested her to request scheduling of a meeting with either himself or the City Manager to review the figures for the entire project.

VII. City Manager's Report: Minutes Correction of the Town Council Special Meeting held on July 31, 2008

Manager Martin explained that in reviewing documentation related to the ballfield project, he discovered that the minutes of the July 31, 2008, Council Special Session omitted language including the awarding of the alternate bid for sodding of the baseball field as part of the Nolan Thomas contract. It was recommended that the Council authorize the correction to the minutes so that the record accurately reflects the approved action taken by the Council. The underlined sections are the corrections.

Councilman Cordova MOVED, second by Councilman Thompson, and carried unanimously, to amend the minutes of the Special Meeting of the Town Council held on July 31, 2008, to accurately reflect the approval of the alternate bid for sodding of the baseball field as part of the Nolan Thomas contract.

VIII. Council Requests/Comments

Councilman Horton stated his personal home water/sewer bill dated 2/28/10 with the date of the water/sewer usage from December 10, 2009 to February 10, 2010, was still being billed on the two [2] month cycle and that his December water billing was billed at the new increased rate. He continued that he was told that the City's computer system could not give two separate prices for the individual months and that customers were billed in December for the new rate. It was his opinion that if the City could not separate the two months billing that the City should err in favor of the customer and not have them billed for the increased rates in December.

Manager Martin advised that when the water/sewer increase was approved the Council approved it "for all billings after January 1, 2010." This is consistent with the way it

has been done in previous years. This increase was approved in June 2009. As the City has now returned to monthly billing with the new Automatic Meter Reading System, this will not be an issue in the future.

Councilman Ballou stated he made a statement at the last Council meeting to slow down the process on the baseball park and a letter has surfaced this evening from the NCDOT regarding the access to the site. He continued that he has taken hits from people regarding this and has been accused of being against the baseball park. Maybe the Council needs to look at things before we move with the resolution we adopted last meeting.

Councilman Thompson stated that he owed the people in the audience an apology for his outburst when discussing the baseball park project. He stated he has served for 12 years and it was the first time he stood up and took inference. It will not happen again. He continued that the baseball park is not a one sided issue, there were just as many people hitting on him as regards his vote on the Morehead Marlins. His concern was with alcoholic beverages being served. However, he thought that issue had been rectified. He knows that many are not satisfied with the outcome of the vote, however, this is a democracy and if you were outvoted, you were outvoted.

Mayor Jones stated that a lot of good things have happened with the Council and although we may not see eye to eye at least we could look back on the good things the Council has accomplished.

IX. CLOSED SESSION AS PER G.S. 143.318.11 TO APPROVE THE CLOSED SESSION MINUTES OF MONDAY, JANUARY 25, 2010; FRIDAY, JANUARY 29, 2010; AND TUESDAY, FEBRUARY 9, 2010

There was no CLOSED SESSION.

There being no further business, the meeting was adjourned at 7:30 p.m.

Gerald A. Jones, Jr., Mayor

Attest:

Jeanne M. Giblin, City Clerk