

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

Tuesday, July 12, 2011

The Honorable Council of the Town of Morehead City met in regular session on Tuesday, July 12, 2011, 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:	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
CITY ATTORNEY'S OFFICE:	Nelson Taylor, III, Derek Taylor, Michael Thomas
OTHERS:	Mason & Catherine Williams, Molly & Evelyn Wood, Pam Richmond, Joan Carris, Robert Johns, George Mitchell, Edith Mitchell, Robert E. Coles, Mark Taylor, Thomas & Pam Bowers, T. J. Davis, Jr., Joseph W. Griffin, Claire Brothers-Thorne, Victor Hatcher Snead, Anna deBitts, Dick deBitts, Rick Kimball, Gary Goolishian, Neal Littman, Andrew Kiluk, Corinne Webb Geer, Bill Newbern, Peter Crumley, Karma Rodholm, Pat Castagna, Ann Odell, Ted Odell, Edwina Eubanks, Ann Davis, A. Darryl Davis, F. J. Hurst, Mary M. Hurst, Ken Wood, Ed Fulcher, Lennie Griffin, David G. & Elizabeth Gray, Tom Kies, Bill Taylor, Harvey Walker, Ruth Yearick-Jones, Joyce Veltman, Bonnie Lassit, Frank Tursi, Larry Land, Jet Matthews, Daphne Littiken, Dick Bierly, Judie Orbach, Carol Roop, Todd Walton, Mark Blake, Len Gibbs, Bob Genovese, James S. Hajjar, James Fitts, David DuBusson, Carol Stone, Betty Skulsted, Dr. Susan Schmidt, Lenore Meadows, Leigh Johnson, Debra Jones, G. M. Currier, Craig Weber, John Merriner, Planning Director Linda Staab, Reporter Mike Shutak, THE CARTERET NEWS TIMES, 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.

Mayor Jones reported that Councilman David Horton and Paul Cordova have filed for re-election to the City Council. He also reported that Harvey Walker, Bill Taylor, Lennie Griffin and Craig Weber have also filed for Council seats.

II. Special Presentation: Resolution of Retirement 2011-26 Honoring Police Canine "Hosko" upon his Retirement from the Morehead City Police Department

The Morehead City Police Department retired police canine "Hosko" last year after a distinguished career with the department. Hosko was trained in tracking, evidence search and narcotics and during his career he found drugs during search warrants, vehicle stops and evidence searches. He had visited almost every school in Carteret County, participated in the D.A.R.E. program and was a goodwill ambassador for the Town of Morehead City. Mayor Jones presented Hosko with a Resolution of Retirement.

III. Adoption of the CONSENT AGENDA

**A. Approval of Minutes: Tuesday, June 2, 2011, Special Meeting
Tuesday, June 7, 2011, Special Meeting
Tuesday, June 7, 2011, Budget Public Hearing
Tuesday, June 14, 2011, Regular Meeting
Tuesday, June 28, 2011, Special Meeting**

Approved the minutes of Tuesday, June 2, 2011, Special Meeting; Tuesday, June 7, 2011, Special Meeting; Tuesday, June 7, 2011, Budget Public Hearing; Tuesday, June 14, 2011, Regular Meeting; and Tuesday, June 28, 2011, Special Meeting and dispensed with the readings.

B. Approve the Requests for Release of Overpayment of Ad Valorem Taxes for June 2011, in the amount of \$93.56; and Accept the Tax Collector and Finance Director Reports for June 2011

Approved the requests for release of overpayment of ad valorem taxes for June 2011, in the amount of \$93.56; and accepted the Tax Collector and Finance Director reports for June 2011. [All reports are attached to and made a part of these minutes.]

C. Receipt of Tax Collector’s Settlement for FY2010/2011; Distribution of Tax Records/Receipts; Tax Collections for FY2010/2011; Outstanding Taxes FY2010/2011; Real Estate Delinquent Report for Tax Year 2010; Barred Tax List Effective September 1, 2011; and Insolvents List

The Tax Collector’s Settlement for FY2010/2011 taxes as of June 30, 2011, and the Insolvent Report were presented. The total disposition of tax records and receipts for the 2010 tax year was \$5,050,293.62 with the percentage of collection at 99.35 percent as of June 30, 2011. The tax collections including discounts for 2009 were \$4,982,950.48. Morehead City’s outstanding taxes as of June 30, 2011, were \$48,985.81 and the real estate delinquent report for tax year 2010 was \$31,785.35. The barred tax list effective September 1, 2011, is \$235.54. The insolvents list, which is a list of taxpayers who listed no real estate taxes and who have not paid their personal taxes by the time the report was filed was in the amount of \$879.07. Collection efforts on these accounts will continue.

Acknowledged receipt of Tax Collector’s Settlement for FY2010/2011; Distribution of Tax Records/Receipts of Tax Collections for FY2010/2011; Outstanding Taxes FY2010/2011; Real Estate Delinquent Report for Tax Year 2010; Barred Tax List Effective September 1, 2011; and Insolvents List. [All reports are attached to and made a part of these minutes.]

D. Authorize Collection of FY2011/2012 Ad Valorem Taxes

As per G.S. 205.321, the Council must adopt and enter into the minutes [after July 1st and prior to September 1st] an order charging the Tax Collector with the duty of collecting FY2011/2012 Ad Valorem Tax. By the adoption of this directive, the governing body is hereby authorizing the Tax Collector to comply. The tax bills are projected to be mailed in late July if the county provides the necessary values timely.

Authorized the Collection of FY2011/2012 Ad Valorem Taxes. [The authorization to collect FY2011/2012 ad valorem taxes is attached to and made a part of these minutes.]

E. Adopt Resolution 2011-26 Honoring Police Canine “Hosko” upon his Retirement from the Morehead City Police Department

Adopted Resolution 2011-26 Honoring Police Canine “Hosko” upon his Retirement from the Morehead City Police Department. [Resolution 2011-26 is attached to and made a part of these minutes.]

F. Adopt Resolution 2011-27 Requesting Authorization to Extend the Extraterritorial Jurisdiction of the Town of Morehead City, North Carolina

Morehead City has been working in conjunction with the Town of Beaufort in establishing extraterritorial jurisdiction areas along the Morehead City/Beaufort Causeway and Radio Island. Session Law 2011-179 establishing the requested boundaries has been adopted by the state legislature. The adoption of Resolution 2011-27 formally requests that the Carteret County Board of Commissioners authorize Morehead City to extend its extraterritorial jurisdiction in accordance with the attached map. The affected properties are highlighted on the map. If the county approves the request, the City will need to formally act to finalize the new boundaries and adopt City zoning classifications which will replace the county zoning classifications. This action will be considered at a subsequent Council Meeting.

Adopted Resolution 2011-27 requesting authorization to extend the extraterritorial jurisdiction of the Town of Morehead City, North Carolina. [Resolution 2011-27 is attached to and made a part of these minutes.]

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

IV.A. Public Hearing: Voluntary Contiguous Annexation Request from Harrell Acquisitions, LLC, for PIN #6356-1167-1478-000, located at 5273 Highway #70, 0.64 acres, zoned CH [Highway Commercial] District – Adopt Ordinance 2011-13

Planning Director Staab reported that the property under consideration for annexation is contiguous to the present City limits, contains approximately 0.64 acres and is currently zoned CH [Highway Commercial] 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 \$216,945. Based on a 28.5-cent tax rate, \$618.29 in tax revenues would be generated. Water and sewer will be accessed from Highway 70. 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 reviewed the request.

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

Mayor Jones closed the public hearing.

Councilman Thompson MOVED, seconded by Councilman Horton, and carried unanimously, to adopt Ordinance 2011-13 granting voluntary contiguous annexation to Harrell Acquisitions, LLC, for PIN #6356-1167-1478-000, located 5273 Highway #70, 0.64 acres, zoned CH [Highway Commercial] District. [Ordinance 2011-13 is attached to Ordinance Book #6 in the vault.]

IV.B. Public Hearing: City-Initiated Request to Amend Articles 2-2 and 11-1 of the Unified Development Ordinance to Establish a Definition for “Marketplace” and to Add the Use as a Special Use in the DB [Downtown Business] District – Adopt Ordinance 2011-20

Planning Director Staab reported that the Saturday Market was originally scheduled to open at Katherine Davis Park in downtown Morehead City with Jaycee Park as an alternate when Katherine Davis Park was unavailable. No zoning changes were required because the use of the land was for recreational purposes. However, Katherine Davis Park is leased by Morehead City from the North Carolina Railroad who had concerns about the weekly use as they are actively marketing the property for development. Various other locations and dates were offered, however, the Board of the Saturday Market wanted to maintain continuity of location and decided to seek another location.

The Saturday Market found a new location on private property in the downtown area, however, an open-air/farmer’s market is not an allowed use in the Downtown Business [DB] District and an ordinance amendment is required. If approved as a permitted use in the DB District, the amendment would allow any property owner in the DB district the opportunity to locate a “marketplace” on their property. The other option would be to allow “marketplace” as a special use in the DB District. This would mean that a private property owner would need approval from the Board of Adjustment prior to locating a “marketplace” on their property.

At the Planning Board Meeting on June 21, 2011, John Creech made the motion, seconded by Curtis Fleshman, and carried unanimously, to recommend the addition of “Marketplace” as a Special Use in the Downtown Business [DB] District.

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

Mayor Jones closed the public hearing.

Councilman Horton questioned if the public community market had to be non-profit.

Planning Director Staab explained that the use is just a public market, it has not been designated either non or for profit. The City Attorney reviewed the proposed amendment as well as the Downtown Morehead City Revitalization Association [DMCRA]. If it were an

inside retail market, the use would be fine according to the present ordinance, however, indoor retail is different than this type of market.

Councilman Thompson MOVED, seconded by Councilman Horton, and carried unanimously, to adopt Ordinance 2011-20 granting the City-Initiated request to amend Articles 2-2 and 11-1 of the Unified Development Ordinance to establish a definition for “Marketplace” and to add the use as a Permitted Use in the DB [Downtown Business] District. [Ordinance 2011-20 is attached to Ordinance Book #6 in the vault.]

IV.C. Public Hearing: City-Initiated Request for Amendment to Articles 4-29, 12-1.7, 13-2 and 24-3 of the Unified Development Ordinance to Allow Late Submittals Subject to the Length of the Agenda and Complexity of the Application and with the Approval of the Land Use Administrator – Adopt Ordinance 2011-21

Planning Director Staab reported that during its April 2011 Meeting, the Planning Board directed the staff to draft an amendment to better accommodate potential applicants by providing the staff the flexibility to extend Planning Board submittal deadlines. As proposed, items could be added to the agenda past a deadline based upon staff’s review or the number and type of requests scheduled for the upcoming meeting. The following sections of the Unified Development Ordinance were found to contain application deadlines:

- Major Subdivisions: Sketch, Preliminary, Final
- Site Development [Master Plan] Approval
- Multifamily Dwellings
- Ordinance Amendments

If adopted, the wording “Subject to the length of the agenda and complexity of the application, late submittals may be placed on the meeting agenda with the approval of the Land Use Administrator” will be added to the procedures for the above applications. At the Planning Board Meeting on June 21, 2011, Curtis Fleshman made the motion, seconded by Gordy Patrick, and carried unanimously, to recommend approval of the amendments.

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

Mayor Jones closed the public hearing.

Councilman Ballou MOVED, seconded by Councilman Cordova, and carried unanimously, to adopt Ordinance 2011-21 granting the City-Initiated request for amendment to Articles 4-29, 12-1.7, 13-2 and 24-3 of the Unified Development Ordinance to allow late submittals subject to the length of the agenda and complexity of the application and with the approval of the Land Use Administrator. [Ordinance 2011-21 is attached to Ordinance Book #6 in the vault.]

V.A. New Business: Appointment to the Morehead City/Beaufort Airport Authority

Manager Martin reported that last year Mayor Jones was appointed to fill the unexpired term of David Radford as the representative for Morehead City on the Morehead City/Beaufort Airport Authority due to Mr. Radford’s moving from Morehead City. Mayor Jones has indicated a willingness to continue on this board. The new term of office would be from August 31, 2011 to August 31, 2013.

Councilman Ballou MOVED, seconded by Councilman Thompson, and carried unanimously to re-appoint Mayor Gerald A. Jones, Jr., as the Morehead City representative to the Morehead City/Beaufort Airport Authority.

V.B. New Business: Appointments to the Morehead City Board of Adjustment

Planning Director Staab reported that currently there are three [3] seats for which appointments need to be made to the Board of Adjustment:

- In-City Unexpired Term [expires 8/27/2013]
- In-City Regular Seat [8/27/2011 to 8/27/2014]

Extraterritorial Jurisdiction [ETJ] Alternate Seat [8/27/2011 to 8/27/2014]

Both Holly Briggs [In-City Regular Member] and Tripp Mudge [ETJ Alternate Member] have expressed a desire to continue to serve. The Planning Committee recommended moving one of the In-City Alternate members to fill Laura Drewyor's unexpired term. This would leave an In-City Alternate seat open for appointment. Terry Senich and Clark Jenkins, both In-City residents, have expressed interest in being appointed to the Board.

Councilman Nelson nominated Terry Senich for the alternate vacancy on the Board of Adjustment and to move the other members Dick Gambil or Dave Robinson to In-City Members. Upon further discussion, Councilman Nelson withdrew his motion.

Councilman Horton MOVED, seconded by Councilman Ballou, and carried unanimously, to reappoint Holly Briggs to serve as In-City Regular Member; to appoint Dave Robinson to serve as In-City Regular Member and to recommend to the Carteret County Commissioners to reappoint Tripp Mudge to serve as an Extraterritorial Jurisdiction [ETJ] Alternate Member.

Councilman Nelson MOVED, seconded by Councilman Thompson, and carried unanimously to nominate Terrance "Terry" Senich to serve as an In-City Alternate Member.

Manager Martin reminded the Council that ETJ appointments are only a recommendation to the Carteret County Commissioners who will make the appointment.

VI. Citizen Requests/Comments: Proposed POTASHCorp [PCS Phosphate] Sulfur Melting Plant at the State Port in Morehead City

Mayor Jones read a speech into the minutes on the proposed sulfur plant at the Morehead City Port. [Attached to and made a part of these minutes is the speech presented by Mayor Jones.]

Councilman Horton requested the City Manager bring the public up to date and give an overall prospective on everything the City knows regarding this issue.

Manager Martin reported that in late 2010, the Port Authority filed a request through the North Carolina State Government Clearinghouse for an environmental assessment review. Months after this process was initiated, the Planning Director was asked to review the City's Unified Development Ordinance [UDO] and issue a zoning determination. This determination is all that was requested of Morehead City's involvement in the permitting process. In May 2011, the City received a follow up request asking for the zoning consistency evaluation. The other contact involvement the City Staff had with this process is that the Port Authority had an informational meeting which the City's Public Utilities Director was requested to attend in order for him to answer questions about amounts of water available from the City and whether it could be provided in the amount necessary for the project. The port owns their own water lines on site, however, the port buys City water and uses the City wastewater facilities. The Manager indicated the impact on water and sewer use was minor for the proposed project.

Planning Director Staab presented information from a report she did regarding the proposed project. [Attached to and made a part of these minutes is Planning Director Staab's report.]

Manager Martin stated that he has attempted to contact various agencies to make them aware of the Council meeting and to have them represent their agency. Tom Eagar Executive Director of the Ports Authority has released a letter today to the Carteret County News Times. Manager Martin read the letter. [Attached to and made a part of these minutes is the letter dated July 12, 2011 from Tom Eagar to Walter Phillips.] He stated that Mark and Todd were representatives of the Ports Authority attending the meeting. An invitation was issued to POTASHCorp to attend. Michelle Vaught, Director of Public Affairs for the company, stated that POTASHCorp could not make any additional statements and could not attend a public forum at this time.

Councilman Horton questioned the statements that Morehead City knew about the proposed sulfur project in January.

Manager Martin reported that the City had received a notice sometime in January 2011, related to the operation including summary information about the sulfur handling aspects.

Councilman Horton stated that he did not receive the information.

Manager Martin replied that it was related to the state's environmental assessment process and that it was a summary form that was distributed by the Council of Governments to Morehead City, Beaufort and Carteret County with limited information. City staff was informed that PCS was upgrading their facilities and their current operations.

Councilman Horton questioned the economic benefit to the community.

Manager Martin reported that what is in the letter to the editor from State Port Director Tom Eagar is all that is known by City officials. Morehead City officials have not received any official release of that information or had any contact concerning this project with PCS officials until they were invited to this meeting.

Mayor Jones opened the meeting to public comments.

Corinne Webb-Geer, of Morehead City stated that the citizens depend on the elected officials to take care of them. She cares about Morehead City and its future. She challenged all officials to use all of their influence to see that this smelly facility is not built at the port. The citizens are angry and afraid and are entitled to answers and a favorable solution. Our economy depends on clear air and water. The health, safety and welfare of Morehead City's citizens was a primary responsibility.

James S. Hajjar, of 1703 Bay Street, Morehead City said he didn't trust the Port Authority to look out for the citizens. He spoke about the chemical incident at the port two [2] years ago. He continued that the port parks explosive chemicals on trains right next to an occupied building.

James Fitts, 211 Arendell Street/Leeward Harbor, Morehead City said he lives at ground zero to the port. The Environmental Protection Agency will require drastic changes between now and 2013. The air quality permit that is current to this proposed plant is not stringent enough and he has sent the list of the toxics which this facility will emit to a doctor for analysis.

Peter Crumley, 3602 Justin Court, Morehead City stated he was strongly against the facility. The port allows oil refineries, explosives, LNG [liquefied natural gas], etc. Now they propose a chemical processing manufacturing facility. Tourism is the soul of this county. Property values will be significantly decreased. Morehead City revitalization will be finished. The Port Authority does not have our best interests at heart. We need to stop this. None of the environmental issues have been answered and all has been done behind closed doors.

David Du Buisson, 116 King Street, Beaufort, stated he owns a Bed & Breakfast establishment. Because of the smoke from the wild fires burning in adjacent counties guests have cancelled reservations. Tourism is the backbone of our community. We have clean water and air and do not need sulfur dioxide in our air.

Carol Stone , #49 Haystacks, Morehead City, stated that the bottom line is that this is a cheap shot by PCS Phosphate. Everyone needs a job, but to do so at the risk of our environment is unforgiveable. Tourism and fishing is vital to our county. A sulfur leak, spill or explosion would be detrimental. To propose a plant like this at the edge of the Atlantic Ocean is terrible. We can find another way to bring money and jobs to our county.

Frank Tursi, representing the North Carolina Coastal Federation, said he respectfully disagrees with the zoning consistency determination that the proposal meets Morehead City's zoning ordinance. There is no mention of sulfur in the ordinance. Industrial classification code group 32 is stone, clay, glass and stone products, minerals and earth, ground and

otherwise treated. The only place the element fits is a mining classification. He advised getting the City Attorney to investigate whether this project meets the zoning code.

Upon a question from Councilman Horton that because the chemical it is not listed, did Mr. Tursi infer that it is not allowed? Mr. Tursi replied affirmatively.

Susan Schmidt, Ann Street, Beaufort, stated she objected to the project. The project did not have a publicly advertised public hearing. The public was not allowed to speak about this project. The environmental assessment did not address the whole range of problems. She was concerned about farmers. She commented that she did not hear anything about this proposal in the last six [6] months. It was a secret process.

Lenore Meadows, representing the Beaufort Tourism Advisory Board, stated she appreciated working with Morehead City to get it figured out. It is a huge issue on both sides of the river. The Town of Beaufort is also very concerned. It is a potential disaster in the making. It is not just in this area, its effect would be far reaching.

Larry Land, Morehead City, said the situation is bizarre and the whole incident smells bad. The headlines should read "Town fathers stand by while big corporation" The citizens should have known about this comment period which was posted on some obscure website. Either officials all knew about it or knew about it and did not tell anyone.

Councilman Thompson stated that as a City official he did not know. He continued that he has not dropped the ball, but was willing to pick it up. We all have been blind-sided. The Council did not withhold any information. This Council did not know about it.

Leigh Johnson, 704 Lands Point Road, Morehead City, stated the plant would produce noxious chemicals. She questioned why anyone would allow PCS Phosphate to move forward with this project. Tom Eagar, the Director of the Port stated that the Morehead City Port is in competition with two other states; PCS Phosphate should take their \$90 million investment and go. Elected officials are supposed to protect their citizens.

Judi Orbach, 103 Leonard Drive, Beaufort, and a member of the League of WOMEN voters stated her organization takes strong stands on environmental protection and open governments. She questioned those involved in this project if they thought it was in the public's best interests. She questioned whether the state sunshine laws were respected.

Gary M. Currier, 115 Board Street, Beaufort, stated he was a chemist for over 42 years in the industry. He had concern with pelletized sulfur which was going to be melted in this facility. The production will produce dust which will enter into the stormwater system. The industry must have a system not to allow this. He was concerned with the results of the stormwater runoff.

Craig Weber, 121 Noyes Avenue, Morehead City, stated it was an issue of air quality and health. It was an issue for our children's sake. He said he had seen this all before and this is the time to stop it. The whole proposal does not smell right here and he would find out how this came about.

John Merriner, Down East, Vice President of Carteret County Crossroads, was concerned with the absence of information to date about this project. A public hearing has not been done about this project. He urged all to try to get the information. Morehead City PCS Phosphate, the Port Authority and possibly government officials have done a disservice to the public. PCS Aurora and the Port Authority needs to win the favor and public support. It is our leading import and has been in our port for years. He wanted to know why the proposal was so secret. The Port Authority and PCS Phosphate have not been good neighbors.

Darryl Davis, 707 Comet Drive, Beaufort stated he was a proponent for good jobs, but he has been disappointed by what has gone on in North Carolina in recent years. He questioned how one can get a chemical processing plant done so fast. He felt he got good government help here in Morehead City and was confident that officials are going to do the right thing.

Greg Goolishian, 119 Chelcie Circle, Beaufort, stated he works with the Merchant Marines and does a lot of cargo shipping. He wanted to know if there was hazardous material training to combat any spills on a container ship or tank. There is a lot of hazardous material going through the port. He wanted to know now who is going to clean up the spill or stop the explosion if anything happened.

Eric Broyles, Morehead City stated he was shocked to read the article. If there is a spill or disaster this will be the last breath one will have; as to all the other speakers, ditto.

Rena [Clerk's note: could not get last name or address] from Morehead City stated she was grateful that the Council was not in favor of the project. She requested the preparation of a document of the timeline so the public could understand what has happened. Someone got the clearinghouse document and did not understand the implications of it.

Carol Stone stated it was easy to point fingers; it is about what do we now do. What do government officials need from the public to make it possible to have the best outcome.

Mayor Jones stated that everyone has heard all the comments and the Morehead City Council is in support with the public. Thank you all for speaking.

VII. City Manager's Report: Nothing at this time.

VIII. Council Requests/Comments:

Councilman Horton explained he found out last Thursday about the project. The City Manager told the Council about it and the newspaper article. He continued that he did know POTASHCorp was talking about expansion plans, however, nothing was said about sulfur. He was extremely concerned and distressed about it, and was trying to stop it. A question is how far along is the project? He continued that he has a letter from North State Steel stating they submitted a quote for the structural steel with very site specific drawings. He continued that POTASHCorp says that the benefit will be over \$90 million, however, POTASHCorp is not paying any taxes whatsoever. There are very few employees needed with this project. The City Attorney says that Morehead City has already approved the zoning consistency. The City cannot do much more in terms of stopping the process, maybe an injunction. The City is not in a position to get an injunction, but the public could. The entire Council agrees this project is not a good idea.

Councilman Horton MOVED, seconded by Councilman Thompson, and carried unanimously, that the Town of Morehead City prepare a resolution in opposition to this project and that the City Council goes on record opposing the proposed sulfur plant completely. The Council further goes on record that POTASHCorp should start the permitting process over with complete openness and public hearings.

Councilman Thompson reported that the Town of Beaufort did also go on record in opposition to the proposed plant.

From the audience it was suggested that everyone should write a letter to the governor, senators, representatives and various divisions and agencies that handle clean air and water.

Councilman Horton commented that the Town of Morehead City would like to lose the competition for this site.

Councilman Nelson commented that he heard about expansion at the port. He is opposed to the sulfur plant and the City and the public needs to act on it. There was a necessity for a plan of attack to try to prevent the building of the plant in Morehead City.

Councilman Ballou stated he believes in transparency and openness in government. He is a member of the Carteret County Local Emergency Planning Committee [LEPC] and heard about this project at their meeting on January 14, 2011. He reported that Mr. Barnett who is the Carteret County Fire Marshal reported that PCS Phosphate has proposed a project where they want to expand their sulfur project at the port. They want to do two [2] things: They want to expand a 400 foot section of berthing down by the waterway leading to the yacht club for berthing barges to accept and transport sulfur up to their plant. Also in the

long-term they want to build another facility on Radio Island to melt the sulfur coming into the port that they receive by ship. There are no plans and it has not gone through review yet. Also Councilman Ballou stated he is the Public Safety Chairman for the Town of Morehead City and he is sure the port project will come through his Committee. He will report back to the LEPC.

Mayor Jones commented that the Council took action to oppose this proposal and all need to move forward together. He stated he was aware of discussion about PCS expanding, but was under the impression it was for bulk storage.

Councilman Horton advised the need for one group to come together to form a committee to share resources.

City Attorney Nelson Taylor advised that the Council cannot pursue a temporary injunction. Experts would be needed to testify in order to prove that the sulfur melting facility needed to be stopped. The costs of the proceedings would be long and expensive.

Mayor Jones stated that he hoped to hear from PCS Phosphate soon.

Councilman Thompson advised the public to spread the word and each and every person contact our representatives, senators and governor. That would be the quickest way to do anything.

It was announced that the Clean County Coalition website will contain information.

Bill Taylor representing the Downtown Morehead City Revitalization Association offered the use of the Train Depot as a meeting place. The DMCRA will publish information on their website. The DMCRA represents downtown business leaders who will be requested to draft a resolution. Everyone should plan by no later than next Wednesday to have the next organizational meeting.

IX. CLOSED SESSION AS PER G.S. 143.318.11[A][3][5][i] TO DISCUSS POSSIBLE PROPERTY ACQUISITION AND POTENTIAL LITIGATION WITH THE CITY ATTORNEY

Councilman Ballou MOVED, seconded by Councilman Thompson, and carried unanimously, to enter into CLOSED SESSION.

Councilman Ballou MOVED, seconded by Councilman Thompson, and carried unanimously, to return to OPEN SESSION.

Councilman Ballou MOVED, seconded by Councilman Thompson, and carried unanimously, to excuse Councilman Cordova.

There being no further business the meeting was adjourned at 9:05 p.m.

Gerald A. Jones, Jr., Mayor

Attest:

Jeanne M. Giblin, City Clerk