

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

**Saturday, February 23, 2013, at 8:00 a.m.
Special Meeting/Council-Staff Retreat**

The Honorable Council of the Town of Morehead City met in Special Session on Saturday, February 23, 2013, at 8:00 a.m., in the Webb Memorial Library, 812 Evans Street, Morehead City, North Carolina. The purpose of the Special Meeting was a Council-Staff Retreat. Those in attendance were:

MAYOR: Gerald A. Jones, Jr.
MAYOR PRO TEM: Harvey N. Walker, Jr.
COUNCIL: George W. Ballou
William F. Taylor
Demus L. Thompson [Absent]
Diane C. Warrender

CITY MANAGER: David Whitlow

CITY CLERK: Jeanne M. Giblin

OTHERS: David McCabe, Public Works Director; Linda Staab, Planning Director; Daniel Williams, Public Utilities Director; Karen Lutz, Webb Memorial Library Representative; Jamie Fulk, Fire/EMS Chief; Craig Lands, Recreation Director; Janet Hill, Deputy City Clerk; Ellen Sewell, Finance Director; Wrenn Johnson, Police Chief

I. Hot Topics – Issues Facing Morehead City in the Coming 2-3 Years

David McCabe, Public Works:

- Renovation of the Charles Wallace Building.
- The Public Works Garage site is on top of a former dumping area.
- Stormwater issues.
- North Carolina Department of Transportation [NCDOT] placing roads under local communities' maintenance.
- Need for increase in staff.

Linda Staab, Inspections and Planning:

- Median Project along Highway 70.
- Gallants Channel Bridge Project and the implications for Morehead City traffic.
- NCDOT Complete Street Program [requiring sidewalks, bikeways, etc. for roadways].
- State Port Entrance changes.
- CCATS deviated route [work with businesses to use the buses when CCATS is not having regular runs].
- Little Nine Drive Project.
- Port expansion with the wood pellets project.
- More train traffic through City.
- Insurance Change – FEMA flood insurance rates will rise.
- Downtown Development.
- North Carolina Railroad having to sell their property.
- Expansion of Jack's Waterfront Bar.
- Decision on the legality of the boat mooring fields between downtown Morehead City and Sugarloaf Island.
- Outside dining and mobile vendors.
- Audubon Society offer to donate property off Blair Farm Parkway to Morehead City for passive recreational use.
- Updated fee schedule.

Daniel Williams, Public Utilities:

- Commencement of two [2] water plants, water tower and well project.
- Cross Connection program.
- Fat and grease enforcement program.
- Need to make adjustments with personnel to manage these new activities.
- Need for more staff.
- Lift Station at Emmeline Street Improvement.
- Other necessary Lift Station improvements.

- Lift Station #12 has reached its maximum for pipe size. Sewer lines are not adequate.
- Rerouting of some sewer lines for the delivery of sewer back to the sewer plant.
- Addition of five [5] miles of 16 inch force main to a regional lift station on Arthur Farm Road at an estimated cost of \$6 million.

Karen Lutz, Webb Memorial Library:

- Need to hire a full-time accredited librarian.
- In order to move the Library forward with grants, the necessity for legitimacy.
- Need to be recognized as a member of the regional library system.
- Use of Webb building once vacated by Library.
- Need for transportation improvements to help increase Library usage by the youth and elderly.
- Need to increase youth & children's programs.
- Changing roles of libraries and its services in order to meet the public demand.

Wrenn Johnson, Police Department:

- Increased personnel. Department has two [2] people fewer than allocated five [5] years ago.
- Downtown Morehead City and its bar patrons having a huge impact on the need for law enforcement.
- Homeless individuals.
- Crime happening at all times, not just at night.
- The developments of Blair Farms and The Vinings have expanded the need for services at opposite ends of the City.
- The need for police services is a "life or death situation".
- Constant change in personnel due to the inadequate [low] salary situation.
- Retirement of key personnel.
- Requests for armed custodians in schools.
- There are eight [8] schools in Morehead City with only one [1] Resource Officer.
- Growth of the City and the need for "round the clock" patrol.
- Overdoses are on the increase. Unattended deaths are treated as homicides and must be investigated by the police.
- Radios are not sufficient for communication.
- E-911 System problems.
- Influx of beggars.

Susan Nixon, Human Resources:

- Ongoing change in health care due to Affordable Care Act.
- Upcoming changes necessitated in employee health insurance.
- Roller coaster trend in insurance renewal rates.
- Difficulty of retention due to low employee salaries.
- Loss of employees due to the recovering economy and the ability to seek higher paying employment elsewhere.
- Recruitment challenges because of low wages.
- Upper management and tenured employees retiring in the next few years.

Jeanne Giblin, Administration:

- Legal Review and Update of the Code of Ordinances which has not been done since 1989.
- Necessity for an exchange server or some cloud based service to meet the records retention law.

Jamie Fulk, Fire/EMS Department:

- Loss of employees due to low wages.
- Morehead City being a training ground for employees who later move on for better opportunities.
- Staffing level is too low to adequately service citizens.

- High call volume rate.
- More businesses bring more people into the area and a higher call volume.
- Aging City population significantly increases the call volume.
- Majority of calls come from the vicinity around Arendell Street.
- The City is at a crossroads with a decision of do we want to provide EMS service.
- There are 3,000 Fire/EMS calls per year with 75 percent of those EMS calls.
- Department has the highest employee injury rate.
- Equipment level is being attained with the new fire stations and accompanying new vehicles and equipment.
- Possible merger with Wildwood Fire Department.
- Morehead City has 24 percent of the call volume for the entire county.

Craig Lands, Recreation Department:

- Fifteen [15] years ago the City had 10 to 14 acres of park property. This has expanded to over 70 acres of park and park facilities.
- Fortunate to be able to construct grant projects at O'Neal Field, Rotary Park, Sugarloaf Island and the Recreation Building.
- Future will focus on the areas the City has and how to make them better.
- Implementation of recreation software program.
- Renovated cardio rooms are appreciated by patrons.
- Continue to expand the uses of the current facilities.
- Need for a Special Events at Park Facilities Policy.
- Security issues at park facilities. Vandalism and drug issues.
- Future expansion of walking, biking and greenway trails.
- The need to reconfigure the staff situation with the early retirement of an employee.
- Difficulty of hiring trusted and reliable employees.
- Need for adequate salary.
- Equipment replacement and need for possible expansion at Shevans Park.

Ellen Sewell, Finance:

- Billing and Collections is currently adequately staffed.
- Implementing a phone-tree service for customers has greatly improved customer services.
- In the Finance Department there is currently a vacant new position and one person is out on extended medical leave. The Finance Department is down to a staff of three [3] individuals.
- The implementation of the compensation study will impact the budget.
- As of June 30, 2012, Morehead City was well maintained fiscally.
- Need for Council choices for the City to determine service levels.
- Needed projects and the compensation study will impact taxes, fees and charges.
- Question of what type of community does the Council want and realistically will the public support the ability to make Morehead City that community.
- Decline in the public support of traditional services.
- Revenue reductions from the state level.
- City maintained county fire district does not cover expenses.
- Increases in employment insurance.
- Grant funds are no longer available.
- Weakening of authority on the local level.
- Impacts of decisions regarding growth.
- State and federal mandates for services with no accompanying funding.

II. Department Leaders One-on-One with Council Members

Council Members and staff met and discussed the individual departmental issues on a one-on-one basis.

III. Goal Setting

Councilman Walker stated that in the past City employees have been overlooked and there is a need to bring more attention to their welfare. There are insurance coverage issues

for City employee families. Some of our employees' families are on welfare. Morehead City needs to be taken to the next level and it will depend on the employees. A goal would be to make the Police and Fire/EMS Departments more equitable with other localities in terms of salary, retention and recruitment. The City needs to adjust staffing levels to suit the service demands of the citizens.

Public Works Director David McCabe cited the necessity for a space needs analysis City-wide. There are maintenance issues such as new flooring at the Train Depot, new roofing at the Webb Memorial Library and the Municipal Building. The drainage system at Bryant Street needs attention, at the Recreation Center there is a need to remodel some of the bathrooms, kitchen and the gym floor. Big Rock Stadium and Rotary Park need a security system and the improvements and maintenance of the City playgrounds needs to be put back into the budget. The tennis courts at Shevans Park need to be resurfaced and lights should be added. In the area of personnel, there is the need for a crew leader in the Street Department, a Building and Grounds worker and an Assistant Director of Public Works. In the Recreation Department there is the need for a full-time replacement of the employee who recently retired. The Compensation Study Plan needs to be implemented. Construction jobs are on the increase and will take staff away from employment with the City.

Planning Director Linda Staab offered the following:

1. Finalization of the ETJ [extraterritorial jurisdiction] area on Radio Island.
2. Multiple use assessments and finalization for public access areas.
3. Privatization of water access.
4. Revise downtown parking requirements, require dumpster placement on private property.
5. Customer service improvements.
6. Decision on the boat mooring field between the waterfront and Sugarloaf Island.
7. Establishing a City-wide business organization encompassing downtown, midtown and uptown.
8. Continue the Audubon Society property donation discussions.
9. Rehire a part-time Zoning Enforcement Officer.

Karen Lutz of the Webb Memorial Library cited the increase in library patrons and request for meeting space. Currently there is no charge for meeting space, however, a fee schedule needs to be established. There is a need for a contingency fund for building repairs. She discussed the need for a membership fee for the use of the library as a means of registering the service needs and the patron usage. She continued that the library is becoming a place of refuge for the homeless.

Councilman Bill Taylor reporting for Administration explained the necessity for a legal review of the current Code of Ordinances and the placement of an exchange server or type of cloud service to become compliant with the open meetings/records law.

Councilman Bill Taylor continued for the Public Utilities Department there is the necessity of a cloud service for documentation of backflow prevention and maintenance of grease traps. The City currently does not have the manpower to keep up with the documentation. There is a need to implement a preliminary study of a wastewater district sewer plan. Lift Station #8 at Emmeline Street needs to be raised and it is necessary to renovate the Banks Street Lift Station. Flow control meters need to be installed at the older lift stations. The Water Treatment Plant median needs to be changed every ten [10] years and there is the need to set aside funding for this eventuality. If the City continues to progress along the adopted five [5] year water fee implementation plan, the fees collected will be adequate funding to do the maintenance on the water treatment system. There is the need for a small pickup truck and a one [1] ton pickup truck in the Water department and a pickup truck for the Wastewater Department. Continued cooperation with the Public Works Department for garage and shop needs. In the future, relocate the Public Utilities Department to the Business Park. There is a need for a fourth well site at Business Drive and a new position for a lift station mechanic. Evaluate the use of a limited re-use water system and replace the water pipes on the Calico Creek [20th Street] Bridge. A third digester or settlement tank needs to be required.

Councilwoman Diane Warrender cited the need for each Department to have a five [5] year plan.

Councilwoman Warrender continued for the Finance and Administration needs. She stated that there is a necessity to concentrate on employee needs. Funding just 12 employees for the Fire/EMS Department would equate to \$500,000 for one [1] year. A 1 cent tax increase generates \$180,000. The Compensation Study Plan should not “fall to the wayside”. Budgeting \$300,000 to \$400,000 per year to add employees to different departments would be a goal. Phasing in three [3] or four [4] employees to the Fire/EMS Department each year should be a goal. The two [2] positions in the Police Department, which have been authorized, need to be filled. The Public Works Department should hire one [1] position for Assistant Public Works Director and unfreeze the two [2] seasonal positions. One [1] employee should be hired for the Public Utilities Department and one [1] for the Finance Department. A part-time position should be added to the Planning Department. A COLA [cost of living adjustment] of 1.5 percent should be given to all employees. There is a necessity to use an insurance advisor for present and future insurance needs.

She continued that the Charles Wallace Building project would cost approximately \$6 - \$7 million and that using other parts of the building for other entities should be explored. All City property needs to be analyzed for uses and needs. The Jib project funding is in jeopardy as Big Rock has backed off on their commitment.

City Manager Whitlow reported for Human Resources Officer Susan Nixon saying that the personnel policy and handbook needs to be overhauled and that the Compensation Plan needs to be implemented.

IV. Preliminary Discussion on Budget Implications

Finance Director Sewell commented that one of the Council's financial objectives would be to set a fund balance goal and a policy for its uses. There also needs to be a policy for utility debt, utility rates, capital and maintenance projects. A five [5] year capital plan and a space utility plan is needed.

City Manager Whitlow spoke about the future of Morehead City and the decision the Council will have to make in terms of capital improvements and human improvements. The City cannot do all without a tax increase. Other revenue sources will not provide the funding. Discussion ensued on a possible tax increase.

Mayor Jones commented that in the preparation of a budget he expected that all Departments “shoot for the moon” in terms of needs.

City Manager Whitlow stated that if the Council were serious about implementing the Compensation Study Plan it would mean \$400,000 to \$500,000 a year to phase it in.

Councilman Taylor commented that the Council's first priority would be to help the people the City employs. The second would be to hire new people. He asked that the Directors look within their budget for money savings to help fund those needs.

Councilman Ballou commented that the Council will have to defend the budget to the public.

Public Works Director McCabe commented that the Directors look for savings in each budget year and that during the past years his department has been down to the “bare bones”.

Councilman Taylor suggested that the City should examine life cycle costs.

Finance Director Sewell spoke about a defensible tax increase and asked for direction from the Council of where did the City Departments need to step down their budget requests? It was ascertained that it needed to be a collaborative effort on the part of each department.

The Council and staff participated in a team building exercise.

V. Policy Discussions

The Council and staff discussed the ETJ [extraterritorial jurisdiction] area and the possibility of extending public utilities. The only current work on the Charles Wallace School project is a site plan. A proposed lease with the Cape Lookout School is in progress. The

structure is being reviewed for tax credit financing as use of an historic structure. The county is not presently interested in any of the building space.

There are no future significant waterfront development proposals at this time. Katherine Davis Park is one of the sites which the railroad may have to dispose as the result of legislation. The property would revert back to the state. The park is a significant area as well as the accompanying rights to the water access in which the City would like to continue an interest. With regard to the Jib project, it was a surprise that the Big Rock did not say yes to the financing of the fountain in conjunction with the placement of their sculpture on the site. The total estimated costs for Phase I of the project is \$647,000 with \$300,000 of that being the fountain. The Council concurred to move forward with the deck/platform work on the project.

City staff met with NCDOT officials with regard to the Highway 70 Median Project. The plan still includes a median, however, there has been a reduction in some of the medians initially proposed. NCDOT will continue to work with the consultant firm to review potential accident reduction. The project still qualifies under the federal guidelines. The project will be presented to the Public Works and Public Safety Committees of the Council.

The Council discussed the present Committee system of the Council. Councilman Ballou and Councilwoman Warrender discussed the necessity for reviewing issues when they are first focused and not when they are ready to be come before the Council.

VI. Adjournment

With no further business, the Special Meeting/Council-Staff Retreat Session adjourned at 5:00 p.m.

Gerald A. Jones, Jr., Mayor

Attest:

Jeanne M. Giblin, City Clerk