

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

**Monday, June 11, 2012, at 3:00 p.m.
Special Meeting/Budget Work Session**

The Honorable Council of the Town of Morehead City met in Special Session on Tuesday, June 11, 2012, at 3:00 p.m., in the Training Room, Morehead City Police Department, 300 North 12th Street, Morehead City, North Carolina. The purpose of the meeting was a FY2012-2013 Budget Work Session. 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
	Diane C. Warrender
INTERIM CITY MANAGER:	Pete T. Connet
CITY CLERK:	Jeanne M. Giblin
OTHERS:	Fire/EMS Chief Jamie Fulk; Public Works Director
	David McCabe; Finance Director Ellen Sewell; Public Utilities Director Daniel Williams;
	Library Director Sandy Bell; Police Chief Wrenn Johnson; Recreation Director Craig Lands;
	Human Resources Officer Susan Nixon; Planning Director Linda Staab; Police Captain
	Garland Terry

Mayor Jones reconvened the meeting initially held on Monday, June 4, 2012, at 3:00 p.m.

Police Fund

Interim City Manager Connet commented that the budget review will continue on Page 57 of the Budget Work Session booklet and distributed a schedule of police department positions.

Chief Johnson reported that currently there are 37 full-time police positions, two [2] of these positions are approved, however, not funded. The Department is in the final round of being awarded funding of those two [2] positions through a COPS grant, however, this is not definite at the present time. The City already has the equipment for the two [2] officers.

Councilman Walker expressed concern that if the COPS funding is not granted that the two [2] positions would remain vacant.

Interim City Manager Connet explained that the positions could be appropriated from the Fund Balance as there are some monies in the contingency. It would cost approximately \$40,000 per police officer.

Chief Johnson reported that through an approved 100 percent funded grant the Police Department will secure a bomb sniffing dog, as Cherry Point MCAS no longer responds to bomb threats. The message board has been also approved through grant funding. A number of cars need to be replaced.

Planning & Inspections Fund

Interim City Manager Connet discussed unfreezing the Chief Building Inspector position which is currently vacant. There are currently three [3] Building Inspectors. It is anticipated that Robert Davis will move into the Chief Building Inspector position once he has completed all the requirements.

The Council discussed the current part-time Building Inspector and future plans.

Councilman Taylor questioned the City being repaid for demolition services on condemned properties whereupon Interim City Manager Connet stated a lien is placed on the property for the services rendered.

Streets & Highways Fund

Interim City Manager Connet reported that there is a slight increase from the previous budget. A 14 year old backhoe will be replaced and a compactor will also be acquired.

The Council discussed the resurfacing and drainage improvements project which will be undertaken from funding saved during prior years.

Library Fund

Interim City Manager Connet reported that there is no funding in the proposed budget for requested replacement of the western seven [7] windows facing 9th Street at the Webb Memorial Library. The cost is estimated at \$5,000 and if money is found during the year, this project could be revisited.

Councilman Thompson stated he would like to see the elevator in the Webb Memorial Library being funded.

Library Director Bell reported that the City has a 99 year lease for the Webb Memorial Library building and there is a need to have ADA [American Disabilities Act] access to the second floor for meeting and library purposes and the ability to get grant funding for specific programs. She reported that the Glasgow Family had made a commitment of \$25,000 for the installation of an elevator at the Library.

Councilman Ballou expressed his willingness to take money from the Fund Balance to commit to the elevator project. He further stated that the Council was not comfortable with the bid amounts received for this project.

Recreation Fund

Interim City Manager Connet recommended that the Master Plan be updated as the last one was completed in 1999.

Public Works Director McCabe reported that the City requested a “No Wake Zone” in front of the Newport River boat ramps and that the City will need to install the signs in the water at some cost.

Mayor Jones spoke about the need and possibility for more parking at the boat ramp.

Recreation Director Lands stated the necessity to improve the integrity of the drainage and grading on the soccer fields at Rotary Park.

Public Works Director McCabe commented that the real issue is that the fields were not undercut when originally constructed because of the clay underground.

Finance Director Sewell reported that the security access improvements at O’Neal Baseball Field and Rotary Park will be funded.

Recreation Director Lands commented that typically the City has set aside \$10,000 each year for playground equipment, however, that this line item had been cut this year.

Fire/EMS Fund

Interim City Manager Connet reported that the City has requested 24.5 percent of the \$2,883,000 from Carteret County for funding of the service district. The City has also requested release of the \$468,000 which the county has in escrow for three [3] to four [4] years past services. The Fire Commission has recommended its release.

Finance Director Sewell commented that the \$468,000 would not be listed as revenue, but would be available for appropriation. She explained the procedure of accounting for receivables according to the North Carolina General Statutes.

Interim City Manager Connet reported that the budget funded the recommended part-time clerical help and the full-time fire marshal positions.

Fire/EMS Chief Fulk explained that the current fire marshal situation cannot meet the needs with the growth of the City as the State Fire Code has an inspection schedule which must be followed.

Water/Sewer Fund

Interim City Manager Connet stated that the City will go forward with the recommended 8 percent increase in the water/sewer accounts beginning January 1, 2013. He recommended that City Engineer Tyndall Lewis monitor the rate changes. The entry level position in the Water/Sewer Department will be funded.

Mayor Jones explained that these recommended increases will allow the City to build out the new projects for the water/sewer system.

Public Utilities Director Williams reported that the Department would like to install a dump station which would be subsidized by waste haulers.

Councilman Ballou commented that it is imperative to cover the lift station generators which are sitting out in the weather.

Public Utilities Director Williams reported that one [1] service truck needs to be replaced and he explained the proposed cover on the tertiary system at the Wastewater Treatment Plant.

Sanitation Fund

A 50 cents increase has been proposed raising the sanitation rate from \$19.00 per month to \$19.50.

Finance Director Sewell reported that this proprietary fund is fully funded through user fees. Funds are being accumulated for future equipment purchases. The City’s costs have increased through the hauler’s increased tipping fees and fuel charges.

Water/Sewer Capital Fund

Public Utilities Director Williams reported that the City is moving ahead with the hauler’s station project for off-system septic. The Water/Sewer Capital Reserve Fund has \$202,000 which is consistent with previous years.

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Personnel

Interim City Manager Connet reported that there were no monies set aside for probationary raises dating back to FY2007/2008 and that there are some employees who are still on the probationary salary scale which is causing problems with new hires as the City cannot hire a new employee for more than what some three [3] or four [4] year employees earn. This is especially prevalent in the EMS, Police, and Water/Sewer Department positions. He recommended that these probationary raises be awarded. He commented that the costs would be:

General	\$16,362	Fire	\$7,614
Water/Sewer	\$ 7,434	Sanitation	\$591
TOTAL		\$32,001	

The Council consented and these funds will be included in the last pay check in this fiscal year with the funds coming from the Contingency Fund.

Councilman Taylor MOVED, seconded by Councilwoman Warrender, and carried unanimously, to grant the employees’ probationary raises.

Fund Balance:

The Unassigned Fund Balance was \$2,750,000 last year. The projected Fund Balance is \$3.2 million for June 30, 2012; the overall Fund Balance is \$5.2 million for June 30, 2012.

Councilman Taylor commented that the City needs to do a pay and class study. The last one was done in 2008.

Mr. Connet replied that under contractual services this study was budgeted for FY2012-2013.

Discussion ensued about cutting expenses and not raising taxes.

Councilman Ballou expressed the opinion that he would prefer to use some of the Fund Balance without raising the tax rate.

It was explained that the Fund Balance is ideally used for non-recurring expenses, not operating costs.

Councilman Ballou commented that he was in favor of funding the positions in the Police Department even if the COPS grant is not awarded and would like to assure the Police Department of this.

Councilman Taylor was in agreement that he would like to reduce crime

Finance Director Sewell advised not to hire for these positions until the grant award is known so as not to jeopardize the possible receiving of the grant funding.

Councilman Taylor spoke about the necessity for a part-time clerk in the Police Department to help with the regulation of the new Taxi Ordinance. He expressed concern that the ordinance was too costly of a program.

Councilwoman Warrender concurred that the part-time person was needed for administrative work to relieve a police officer from office duties.

The Council concurred to try to fund the two [2] police officer positions if they are not funded by a grant and to fund the part-time clerical position.

Community Funding

Councilman Taylor stated he would like the City to fund \$8,000 more to the Downtown Morehead City Revitalization Association [DMCRA] increasing their City funding from \$35,000 to \$43,000. He further commented that there is difficulty in retaining directors because the DMCRA does not provide mileage or benefits. He offered that the funding should go to increase the director's salary by \$5,000 or \$8,000.

Mayor Jones stated he was against donating more funding to the DMCRA as the Department Heads have been fighting for raises for the City employees for a long time and the proposed budget provides for a three [3] percent COLA increase.

After discussion the Council concurred to raise the Main Street [DMCRA] budget line Item by \$4,000 increasing the City's contribution to \$39,000; contribute \$1,000 to the Soccer League; and \$1,000 to West Carteret High School for band uniforms.

There being no further business, the meeting adjourned at 5:56 p.m.

Gerald A. Jones, Jr., Mayor

Attest:

Jeanne M. Giblin, City Clerk