

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

Tuesday, November 12, 2013

The Honorable Council of the Town of Morehead City met in Regular Session on Tuesday, November 12, 2013, at 5:30 p.m., in the Municipal Chambers located at 202 South 8th Street, Morehead City, North Carolina. Those in attendance were:

MAYOR: Gerald A. Jones, Jr.
 MAYOR PRO-TEM: Harvey N. Walker, Jr.
 COUNCIL: George W. Ballou
 Bill Taylor
 Demus L. Thompson
 Diane C. Warrender

CITY MANAGER: David S. Whitlow

DEPUTY CITY CLERK: Janet Hill

CITY ATTORNEY'S OFFICE: Nelson W. Taylor, III; Derek Taylor; Mike Thomas

OTHERS: Marion Kulisan; Ken Wood; Sid Horton; Katrina Smith;

Gerry Garner; Ann Garner; Miquel Garner; Mark Hibbs, Reporter, THE CARTERET NEWS TIMES; Tom Kies; Gunnar Stumpe; Brad Teer; Chuck Sewell; Joseph W. Smith; Tom Wadsworth; Ray Hopper; Ted Beszterczi; Nancy Beszterczi; Holly Fletcher; Ricardo Gomez; Jane Capps; Rob Chesire; Scott Ensign and several others

I. Regular Meeting Call to Order, Invocation and Pledge of Allegiance

Mayor Jones opened the meeting at 5:30 p.m. Councilman Thompson gave the invocation and all joined in The Pledge of Allegiance.

II. Special Presentation: The Salvation Army Kettle Campaign for 2013 -- Jane Capps and Captain Kati Chase

Jane Capps and Captain Kati Chase, Representatives from the Salvation Army, an international organization known for its evangelical, social and charitable work made an appeal for the Council and others to participate in the Christmas Kettle Program. The Kettle Program involves volunteers standing outside businesses, and playing or singing Christmas carols, or ringing bells to inspire passersby to place donations inside the trademark red kettles during the Holiday Season.

III. Adoption of the CONSENT AGENDA:

**III.A. Approval of Minutes: Tuesday, October 8, 2013, Regular Meeting
Tuesday, October 22, 2013, Special Meeting/Work Session**

Approved the minutes of Tuesday, October 8, 2013, Regular Meeting and Tuesday, October 22, 2013, Special Meeting/Work Session and dispensed with the reading.

III.B. Approve Requests for Release of Overpayment of Ad Valorem Taxes for October 2013, in the Amount of \$4,421.19; and Accept the Finance Director and Tax Collector Reports for October 2013

Approved the requests for release of overpayment of ad valorem taxes for October 2013, in the amount of \$4,421.19 and accept the Finance Director and Tax Collector Reports for October 2013. [The financial reports are attached to and made a part of these minutes by reference.]

III.C. Re-Appoint Mayor Gerald A. Jones, Jr. to the Beaufort/Morehead City Airport Authority

Mayor Jones has been a member of the Beaufort/Morehead City Airport Authority for many years. He has been requested and has agreed to continue to serve in this capacity. Council action would be to appoint him for another two [2] year term.

Appointed Mayor Gerald A. Jones, Jr., to the Beaufort/Morehead City Airport Authority for a term of two [2] years from 8/31/2013 to 8/31/2015.

III.D. Adoption of the 2014 Town Council Regular Meeting Schedule

As per G.S. 143.318.12, the proposed 2014 Town Council Schedule of Regular Meetings is presented for Council approval. The only conflict this year is that the second Tuesday of November 2014 falls on Veterans Day. The schedule as presented sets the November meeting date on Wednesday, November 12, 2014.

Adopted the 2014 Council Schedule of Regular Meetings as presented. [The 2014 Council Schedule of Regular Meeting is attached to and made a part of these minutes by reference.]

III.E. Adopt Resolution 2013-34 Endorsing the Third Annual Crystal Coast Countdown Celebration and Authorizing Action Necessary for Events to be held December 31, 2013, on the Morehead City Waterfront

The 3rd Annual Crystal Coast Countdown is a series of special events held across the various towns on the Crystal Coast and culminates in a “Crab Pot Drop” and fireworks display on the Morehead City Waterfront on December 31st. The “Crab Pot Drop” will take place in Katherine Davis Park from 9:00 p.m. to just after midnight. The Crystal Coast Countdown Committee is requesting various street and sidewalk closures and ancillary services in order to make this event a success.

Adopted Resolution 2012-47 Endorsing the 3rd Annual Crystal Coast Countdown Celebration and Authorizing Action Necessary for Events to be held December 31, 2013 on the Morehead City Waterfront. [Resolution 2012-47 is attached to and made a part of these minutes by reference.]

III.F. Voluntary Contiguous Annexation Request for Raymond and Kristi Mroch for Property located at 403 Friendly Road, PIN #6376-1314-0665-000, 0.74 acre, zoned R-20 [Single Family Residential] District – Adopt Resolution 2013-32 Directing the Clerk to Investigate the Petition and Resolution 2013-33 Setting the Date of the Public Hearing for Tuesday, January 14, 2014, at 5:30 p.m.

The property under consideration for annexation (6376-1314-0665-000) is contiguous to the present City limits. The parcel contains approximately 0.74 acre and is zoned R20 (Single-Family Residential District). The site is part of the Friendly Subdivision, the remainder of which is located within Morehead City’s extraterritorial jurisdiction (ETJ). The current tax value of the property is estimated to be \$250,788. Based on a 28.5-cent tax rate, \$714.75 in tax revenues would be generated. Water and sewer will be accessed from Friendly Road. All costs associated with extending the water/sewer service to the newly annexed property will be the responsibility of the owner.

Adopted Resolution 2013-32 Directing the Clerk to Investigate the Petition and Resolution 2013-33 Setting the Date of the Public Hearing for Tuesday, January 14, 2014, at 5:30 p.m. for voluntary contiguous annexation for Raymond and Kristi Mroch for property located at 403 Friendly Road, Morehead City. [Resolutions 2013-32 and 2013-33 are attached to and made a part of these minutes by reference.]

III.G. Release and Spread Upon the Record Closed Session Minutes

The adoption of Resolution 2004-48 on October 12, 2004, implemented a policy whereby the approved and sealed minutes of closed sessions were to be periodically reviewed by the City Manager and City Clerk as to their content and the ability to be released and spread upon the record. The open meetings law permits a public body to withhold the minutes or general account of a closed session from public inspection for “so long as the public inspection would frustrate the purpose of a closed session”. Consistent with Council policy, the following closed session minutes have been deemed to be appropriate for release at this time:

- Tuesday, January 11, 2005 Congressman Walter Jones Inquiry regarding Army Reserve Unit on 4th Street
- Monday, March 26, 2007 Sound Water Landing Development Potential Litigation

3. Morehead City Council Meeting Minutes – Tuesday, November 12, 2013
- Wednesday, November 7, 2007 Property Acquisition – Municipal Building Parking Lot at 202 South 8th Street
Progress Energy Easement on Tootle Road to Mayberry Loop Road
- Thursday, July 31, 2008 Property Acquisition – Municipal Building at 202 South 8th Street – Potential Uses
Personnel – Merit Pay System
- Tuesday, September 9, 2008 Wallace Property Next to Municipal Building at 202 South 8th Street – Potential Acquisition
- Wednesday, April 29, 2009 United States Army Reserve Building on 4th Street - Potential Land Swap
Municipal Building at 202 South 8th Street – Potential Uses
- Tuesday, June 2, 2009 Personnel – Retirements of Recreation Director Louise Hughes and Building Inspector Rick Schulz
- Tuesday, May 11, 2010 Property Acquisition: Hamilton Building at 704 Arendell Street; Wallace Property adjacent to 202 South 8th Street
Municipal Building;
Available lots near the wastewater treatment plant
Personnel – Budget funding, retirement and leaving of key personnel
- Tuesday, November 9, 2010 National Guard Armory on 35th and Bridges Streets
Carteret County Use of the Municipal Building at 202 South 8th Street
Donation of Money for the Webb Memorial Library Elevator
Acquisition of Property on Calamander Court
Personnel – Appointment of Public Utilities Director
Personnel – Reorganization of the Public Works Department
Request for Evaluation of City Manager
- Tuesday, July 12, 2011 Proposed POTASHCorp Sulfur Melting Plant at State Port
- Thursday, July 21, 2011 Proposed POTASHCorp Sulfur Melting Plant at State Port
- Thursday, July 28, 2011 Proposed POTASHCorp Sulfur Melting Plant at State Port
Potential Litigation – Jimmy Walker, 1503 Avery Street
- Tuesday, August 9, 2011 Potential Litigation – Jimmy Walker, 1503 Avery Street
Proposed POTASHCorp Sulfur Melting Plant at State Port
- Tuesday, December 13, 2011 Personnel – Retirement of City Manager R. Randy Martin
- Tuesday, January 10, 2012 Personnel – Options for Morehead City upon City Manager Retirement
- Tuesday, January 17, 2012 Personnel – Options for hiring Interim City Manager Pete Connet
- Tuesday, January 30, 2012 Personnel – Interim City Manager Candidate Pete Connet
Use of a Consulting Firm for City Manager Search
- Tuesday, February 14, 2012 Closed Session Minutes for Release – POTASHCorp

Released the Approved Closed Session Minutes of Tuesday, January 11, 2005; Monday, March 26, 2007; Thursday, July 31, 2008; Tuesday, September 9, 2008; Wednesday, April 29, 2009; Tuesday, June 2, 2009; Tuesday, June 9, 2009; Tuesday, May 11, 2010; Tuesday, November 9, 2010; Tuesday, July 12, 2011; Thursday, July 21, 2011; Thursday, July 28, 2011; Tuesday, August 9, 2011; Tuesday, December 13, 2011; Tuesday, January 10, 2012; Tuesday, January 17, 2012; Tuesday, January 30, 2012; and Tuesday, February 14, 2012.

III.H. Approve the Next Phase of the Jib Plaza Engraved Pavers Project

During the last Public Works Committee meeting the members were briefed on the next step for the engraved paver project on the Jib Plaza. A proposed budget and revenue sharing scenario was presented which was developed with the assistance of Finance Director Ellen Sewell. The proposed budget provides for the creation of the engraved paver area, purchase of blank pavers and the engraving and installation of the engraved pavers sold to date.

There are funds available within the current capital improvement project to assist with the cost, however, it will be necessary to increase the budget almost \$8,000 to cover the total cost of the engraved paver project. This expense can be covered by revenues from the sale of engraved pavers by Downtown Morehead City Revitalization Association [DMCRA]. More detail is provided in the budget amendment developed for the Finance Committee.

The Public Works Committee agreed the project needed to move forward and recognized that a budget amendment recommendation would be necessary from the Finance & Administration Committee.

Approved the next phase of the Jib Plaza Engraved Pavers Project.

III.I. Adopt Budget Ordinance Amendment 2013-37 Jib Property Waterfront Access Grant Project Fund

The purpose of this amendment is to increase the budget of the Jib Property Waterfront Access Grant Project Fund by \$65,550 as follows: Increase revenue by the projected amount of Jib paver donations/sales through June 30, 2014, and increase expenditures related to the cost of the Jib paver program by the same.

The Finance & Administration Committee reviewed the proposed budget amendment and recommended adoption.

Adopted Budget Ordinance Amendment 2013-37 to increase the Jib Property Waterfront Access Grant Project Fund in the amount of \$65,550 to account for the increased revenue by the projected amount of Jib paver donations/sales through June 30, 2014, and increase expenditures related to the cost of the Jib paver program by the same amount. [Budget Ordinance Amendment 2013-37 is attached to Ordinance Book #7 in the vault.]

III.J. Approve Revised Lease Agreement with Coastal Academy for Technology and Science [former Cape Lookout Charter School] for Use of the Charles Wallace Building at 1108 Bridges Street

Councilman Taylor requested to remove this item from the Consent Agenda to V.C as New Business.

III.K. Approve the Extension of the Contract with McGladrey LLP to Audit the Town of Morehead City for the FYE 6/30/2013 Through January 31, 2014

The Local Government Commission [LGC] has specifically asked for the date of approval/extension on the audit contract that the City currently has with McGladrey LLP. Representatives of McGladrey LLP and City staff have determined that with the holidays it would be safest to request an extension until January 31, 2014. The need for the extension was discussed with the Finance & Administration Committee at the last meeting and the Committee recommended approval. The LGC requires approval of the Council by motion to affect the extension.

Approved the Extension of the Contract with McGladrey LLP to Audit the Town of Morehead City for the FYE 6/30/2013 through January 31, 2014.

Councilman Walker MOVED, seconded by Councilman Taylor and carried unanimously, [Councilman Ballou absent], to adopt the CONSENT AGENDA in one [1] motion with the exception of Item III.J which was moved to New Business.

IV. Unfinished Business: South 11th Street Beach Access

In response to adjoining property owners' concerns about the impact of boat storage and use of the South 11th Street beach access, the Council has reviewed the situation at the September 10, 2013, October 8, 2013 and October 22, 2013 Council Meetings. The initial use of the access was for hand launch of kayaks and canoes. The problems on the site include vessels extending over onto private property, unsightliness of the stored boats some of which are not seaworthy and the inability to maintain mowing of both the municipal and private properties due to boats not being removed. South 11th Street is the only street end in Morehead City that has traditionally been used for storage of small boats which are launched by hand.

Staff developed draft rules and registration examples for both Committee and Council review which were considered.

City Manager Whitlow submitted a memo of choices to the Council Members to assist with the decision process of rules and regulations to allow long-term storage for vessels at 11th Street Beach Access. The major decision point was whether the Council wished to allow any storage of vessels on-site.

Councilwoman Diane Warrender was in favor of allowing long term storage of vessels.

Councilman Demus Thompson was in favor of allowing long term storage of vessels.

Councilman Bill Taylor was in favor of allowing long term storage of vessels, but to only include anything that could be hand launched and was non-motorized at the 11th Street Boat Launch.

Councilman Harvey Walker stated storage was never part of the consideration for South 11th Street and the City needs to think about regulations and ordinances.

City Manager Whitlow asked the Council Members if they would want to allow storage on the ground or limit storage to the racks.

Councilman Demus Thompson stated most boat launchers have stored their boats there since the 80's. He was in favor of temporarily allowing a self-regulating approach for at least one year. After a year, the City could develop guidelines, rules and regulations for the boat launchers to follow.

Councilwoman Diane Warrender indicated that building additional racks would be too costly and suggested that fencing would eliminate infringing on private properties. She suggested the City allow long term storage of vessels on the ground.

Councilman Bill Taylor also agreed that the town should allow storage of boat vessels on the ground.

Mayor Jerry Jones stated no definite decisions would be made at this time regarding allowing storage on the ground and limiting storage of boats on the racks.

Mr. Whitlow suggested that Council Members consider a self-regulated approach, not assigning permits and stickers, allowing all users to follow whatever rules were posted, in lieu of a quasi-unregulated approach with specific rules and a registration process and fees.

Councilman Bill Taylor was in favor of self-regulating approach for at least a year.

Councilwoman Diane Warrender was in favor of a self-regulated approach.

City Manager Whitlow suggested boats should be removed during a certain time of the year from perhaps January 1 to March 1st or another specific timeframe. If not removed within the timeframe, the boats would be considered abandoned and will be removed by the City.

Councilwoman Diane Warrender stated there should be time limit of removing stored boats at the site.

Councilman Bill Taylor also suggested a time limit of boat storage and suggested January 1st to Easter, or the first day of Spring.

Councilman Harvey Walker stated he was in favor of self-regulating process and personal responsibilities for removal of vessels.

Councilman Demus Thompson stated New Year's Day was the best sailing day, however, the removal of vessels would allow the ground to heal.

City Manager Whitlow asked the Council Members if they would want certain hours of operation such as dawn to dusk on the property.

Councilwoman Diane Warrender stated she did not want to place a time frame for boaters and did not want to make regulations or time limits.

Councilman Harvey Walker suggested not to place a time frame and let all boaters be responsible for themselves.

Councilman Bill Taylor stated the majority of sailboat owners are currently responsible sailing at dawn to dusk.

Councilman Demus Thompson also suggested from sunrise to sunset.

City Manager Whitlow indicated that the issue was not one of regulating sailing; rather it was a concern about the site not becoming a nighttime congregating spot creating noise and a nuisance.

City Manager Whitlow summarized comments from Council Members for the 11th Street Beach Access as:

- Allow storage with a limit of vessels only at 11th Street Access;
- Allow racks as well as storage; treat as a self-regulating rules; removal of vessels from January 1st to March 1st;
- Allow use of the site from sunrise to sunset; place markers on the site;
- To have substantial fencing on the property and post regulations signs as you enter the paved parking area for the site.

City Manager Whitlow also stated staff had met with the State Division of Coastal Management representatives to ensure compliance with all CAMA Regulations.

Councilwoman Diane Warrender stated Gunner Stumpe, adjacent property owner near 11th Street Beach Access, should be allowed to be a source or point of contact to share information to boaters in emergencies, or other issues.

V.A. New Business: Award Contract with MMM Design of Norfolk, Virginia for Space Needs Analysis for Morehead City Properties in the amount of \$34,388

At the October 8, 2013, Council Meeting, the Council approved authorization for contract negotiations with MMM Design of Norfolk, Virginia for a Space Needs Analysis for Morehead City Properties. These negotiations were reviewed with the Public Works Committee of the Council at their last meeting. Included in the discussion was the scope of services and professional fees. The proposal approach by MMM Design Group consists of (1) Compiling building data (2) Conduct interviews with key personnel (3) Survey building and property conditions and (4) Develop a space and staff needs program. More specific information is included in the attached information.

As directed, a fee has been negotiated and is within the range felt necessary for the work. The total fee is \$34,388 and includes all reimbursable items, travel and per diem costs. A review of our current budget shows \$14,000+ available specifically for this work and additional funds are available within other line items in the Charles Wallace Building Budget to cover the remaining fee.

After discussion the Committee agreed to recommend to Council approval of a contract with MMM Design Group for the Space Needs Analysis in the amount of \$34,388.

Councilman Taylor MOVED, seconded by Councilman Thompson and carried unanimously [Councilman Ballou absent] to Award Contract with MMM Design of Norfolk,

Virginia for a Space Needs Analysis for Morehead City Properties in the amount of \$34,388.

V.B. New Business: Award Contract to Diamond Industrial Corporation in the amount of \$74,300 for the Bryan Street Pond Project and Adopt Budget Ordinance Amendment 2013-38 to Recognize Powell Bill Revenue and to Increase the Parks Budget for the Bryan Street Pond Project

At the last Public Works Committee of the Council meeting bids recently received for work on the Bryan Street Pond outfall structure as well as the replacement of the drain under Bryan St. from the pond to Spooner's Creek were as follows:

Cieszko Construction Company	\$118,300
Diamond Industrial Corporation	\$ 74,300
Hardy Construction, Inc.	\$ 82,990
Sunland Builders, Inc.	\$ 97,500

The proposed work includes the replacement of the existing outfall structure due to it not providing for overflow capabilities if the existing grate gets covered with debris. Parts of the structure are also corroded through. The new proposed design incorporates a method by which the pond levels can be adjusted as a method to assist with controlling the vegetation within the pond. It is also necessary to replace the existing corrugated metal drain under Bryan St. which also has areas where the pipe is corroded and leaking.

The low bid from Diamond Industrial Corporation was \$74,300. This amount is \$40,000 over the budget for the project. In reviewing this with Finance Director Ellen Sewell, staff has determined that almost \$13,000 of work occurring within the Bryan St. right of way would be Powell Bill eligible. It will be requested to utilize this as an additional funding source for the project. This would leave a shortfall of \$27,000 that could only be made up from the General Fund Contingency.

The Public Works Committee recommended moving forward with the project contingent upon a recommendation from the Finance Committee for the budget amendment.

In Conjunction with the Contract Award, the Finance Committee recommended a Budget Amendment.

The purpose of the amendment is to adjust the budget as follows:

- To recognize Powell Bill Revenue of \$16,350 in excess of the initial amount budgeted and appropriate the same.
- To increase the Parks Budget by \$27,025 for work at the Bryan Street Pond Project. Contingency is reduced the same amount.

The Finance & Administration Committee of the Council reviewed the proposed budget ordinance amendment and recommended adoption.

Councilman Thompson MOVED, seconded by Councilman Walker and carried unanimously [Councilman Ballou absent], to award the contract to Diamond Industrial Corporation in the amount of \$74,300 for the Bryan Street Pond Project and to adopt Budget Ordinance Amendment 2013-38 to recognize Powell Bill Revenue and to increase the Parks Budget for the Bryan Street Project. [Budget Ordinance Amendment 2013-38 is attached to Ordinance Book #7 in the vault.]

V.C Approve Revised Lease Agreement with Coastal Academy for Technology And Science [former Cape Lookout Charter School] for Use of the Charles Wallace Building at 1108 Bridges Street.

In the past the Coastal Academy for Technology and Science has leased a portion of the Charles Wallace School building from the Town of Morehead City for their charter school. The School has again requested that the building be allowed to lease the premises for the 2013-

2014 school year. The lease is much the same as was agreed to in the past. The Finance Committee of the Council reviewed the lease.

Councilman Bill Taylor requested inclusion of a paragraph in the contract agreement to require landlord approval before undertaking any major repairs or improvements.

Councilman Taylor MOVED TO APPROVE the contract as AMENDED to include phrasing which would stipulate how and when to report repairs of the building as well as capital improvements, seconded by Councilman Thompson and carried unanimously [Councilman Ballou absent]. [The lease agreement is attached to and made a part of these minutes by reference.]

VI. Citizen Requests/Comments

Mr. Ken Wood of 910 Harrell Drive, Morehead City had some concerns and stated the storage of boats at South 11th Street Beach Access site was an improper term rather than parking and beaching a boat. He also wanted to ask the City to rebuild the boat head and make repairs near the wetland area with proper drainage.

Mr. Phil Lewis who lives adjacent to South 11th Street Beach Access stated users are parking on his property and the biggest problems is the halyard slapping noise which goes on all night long. The boats are approximately 20 feet from his house.

Mr. Gunner Stumpe who lives at 1108 Shepard Street agreed there is halyard slapping on the mast and boaters should be more responsible of the noise bothering adjacent property owners. He is willing to work with the City to help find a solution and move forward to allow traditional sailing at South 11th Street Beach Access.

Jeff Michael of Cape Carteret also apologized to Mr. Phil Lewis for the halyard slapping on the mast and stated users of the South 11th Street Access are willing to also keep the site clean by placing their vessels on racks and boaters should communicate with one another.

VII. City Manager's Report

City Manager Whitlow wanted to thank everyone for their support during the recent election of Councilman Demus Thompson, Councilman George Ballou and Mayor Jerry Jones.

VIII. Council Requests/Comments: None

IX. CLOSED SESSION per G.S. 143.318.11[a][3][6] to Approve the CLOSED SESSION Minutes of Tuesday, October 8, 2013; to Receive an Update on the Martin vs. Town of Morehead City Litigation; and to Discuss Personnel Issues

Councilwoman Warrender MOVED, seconded by Councilman Taylor and carried unanimously [Councilman Ballou absent], to ENTER into CLOSED SESSION.

Councilman Walker MOVED, seconded by Councilwoman Warrender, and carried unanimously, [Councilman Ballou absent], to return to OPEN SESSION.

Councilman Thompson MOVED, seconded by Councilman Walker and carried unanimously [Councilman Ballou absent], to approve and seal the CLOSED SESSION Minutes of Tuesday, October 8, 2013.

X. Adjournment

There being no further business, the meeting adjourned at 7:40 p.m.

Gerald A. Jones, Jr., Mayor

Attest:

Janet L. Hill, Admin. Assistant/Deputy Clerk

