

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

Tuesday, May 8, 2012

The Honorable Council of the Town of Morehead City met in Regular Session on Tuesday, May 8, 2012, at 5:30 p.m., in the Morehead City Train Depot, 1001 Arendell 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
INTERIM CITY MANAGER:	Peter T. Connet
CITY CLERK:	Jeanne M. Giblin
CITY ATTORNEY'S OFFICE:	Nelson Taylor, III, Derek Taylor
OTHERS:	Keri McCann; Jeffrey McCann; Ken Link; Lennie Griffin; Jane Sewell; Chuck Sewell, Connie Caravan; Bob Sherwell; Greg Rice; Sammy Brooks; Dale Gillikin; Richard McKeon; Richard Abell; Finance Director Ellen Sewell; Recreation Director Craig Lands; Tom Kies; Public Works Director David McCabe; Police Captain Garland Terry; Kenny Matthews; Kelly Matthews; David Horton; Stephanie McIntyre; Carol Campbell; Mindy Ballou Fitzpatrick; Susan Andrews and several others.

I. Regular Meeting Call to Order

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

II.A Special Presentation: Mayor's Proclamation Declaring the Week of May 19-25, 2012, as National Safe Boating Week in the Waters of Morehead City

Each year 700 people die in boat-related accidents in the United States. Many would have been saved had they worn life jackets. The Mayor's Proclamation not only declares the week of May 19 to 25, 2012, as National Safe Boating Week in the waters around Morehead City, but also the necessity for wearing life jackets by the boating public. Mayor Jones presented a Mayor's Proclamation to Richard McKeon & "JB" Bagby of the Fort Macon Power Squadron. [Mayor's Proclamation is attached to and made a part of these minutes.]

II.B. North Carolina Seafood Festival [NCSF]

Mayor Jones spoke in support of the North Carolina Seafood Festival [NCSF]. Sammy Brooks, Chairperson of the NCSF, introduced the members of the Festival Board which were present. On behalf of the NCSF he thanked the City for its support of the Festival and for the street closings, facilities and other amenities necessary to make this event a success.

II.C. East Coast Extreme Sports Crystal Coast Super Boat Grand Prix

Keri McCann, the event organizer, spoke about the small changes between the events of last year and this year. She stated that everyone was looking forward to a great race and that the organization is trying to make it bigger and better. For the first time, the racing on Saturday & Sunday will be free and open to the public.

Councilman Ballou requested to remove Item III.K. Authorize Contract Negotiations with MK Chalk Architecture of Morehead City for Design Services for the Jib Property on the Morehead City Waterfront from the CONSENT AGENDA. This item will be placed under New Business.

III. Adoption of the CONSENT AGENDA

III.A. Approval of Minutes: Thursday, March 27, 2012, at 8:00 a.m., Special Meeting

**Tuesday, April 10, 2012, Regular Meeting
Wednesday, April 18, 2012, at 8:30 a.m.,
Special Meeting/Budget Work Session**

Approved the minutes of Thursday, March 27, 2012, Special Meeting; Tuesday, April 10, 2012, Regular Meeting; and Wednesday, April 18, 2012, Special Meeting/Budget Work Session and dispensed with the reading.

III.B. Approve the Requests for Release of Overpayment of Ad Valorem Taxes for April 2012, in the amount of \$0; and Accept the Tax Collector and Finance Director Reports for April 2012

There were no requests for release of overpayment of ad valorem taxes for the month of April 2012. Accepted the Tax Collector and Finance Director Reports for April 2012.

III.C. Adopt Resolution 2012-26 Endorsing the East Coast Extreme Sports Crystal Coast Super Boat Grand Prix and Authorizing Action Necessary for the Event to be held September 14, 15 & 16, 2012, on the Morehead City Waterfront

This is the seventh year for this super boat race on the Morehead City Waterfront and the State Port. Keri McCann, the event organizer, has requested the closing of specific City streets and the use of certain City parks and facilities for this popular sporting event. The Public Works Committee of the Council reviewed the request at their last meeting and recommended the approval of the resolution as presented.

Adopted Resolution 2012-26 Endorsing the East Coast Extreme Sports Crystal Coast Super Boat Grand Prix and Authorizing Action Necessary for the Event to be held September 14, 15 & 16, 2012, on the Morehead City Waterfront. [Resolution 2012-26 is attached to and made a part of these minutes.]

III.D. Adopt Resolution 2012-27 Endorsing the North Carolina Seafood Festival and Authorizing Action Necessary for the Event to be held October 5-7, 2012, on the Morehead City Waterfront

This is the 26th year for this festival which promotes seafood and the fishing industry in North Carolina. The festival has great economic impact to Morehead City and the Crystal Coast and also fosters monetary support for the various charities that participate. The Public Works Committee of the Council reviewed the request at their last meeting and recommended approval with minor changes to the proposed resolution. These changes have been incorporated into that resolution.

Adopted Resolution 2012-27 Endorsing the North Carolina Seafood Festival and Authorizing Action Necessary for the Event to be held October 5-7, 2012, on the Morehead City Waterfront. [Resolution 2012-27 is attached to and made a part of these minutes.]

III.E. Adopt Resolution 2012-28 Approving Terms of Refinancing with Branch Banking & Trust Company [BB&T] for the Installment Contracts regarding the 2005 Street Project, Installation of the Automatic Meter Reading System and Acquisition of the Shepard Street [Pharr Yarns] Property and Boat Ramp

Finance Director Sewell has been able to receive rate modifications [decrease in interest rates] for approximately \$2,750,000 of outstanding loans with Branch Banking & Trust Company [BB&T]. These installment contracts are for the 2005 Street Project, installation of the Automatic Meter Reading System and the acquisition of the Shepard Street [Pharr Yarns] property and boat ramp. The quoted interest rates are as follows:

Contract #	Maturity	Rate
00001	4/12/21	2.49%
00002	10/28/15	1.97%
00003	5/12/25	3.39%

The Finance/Administration Committee of the Council reviewed these rates at their last meeting and recommended approval.

Adopted Resolution 2012-28 Approving Terms of Refinancing with Branch Banking & Trust Company [BB&T] for the Installment Contracts regarding the 2005 Street Project, Installation of the Automatic Meter Reading System and Acquisition of the Shepard Street [Pharr Yarns] Property and Boat Ramp. [Resolution 2012-28 is attached to and made a part of these minutes.]

III.F. Adopt FY2011-2012 Budget Ordinance Amendment 2012-16 to Increase Parks Department Budget to Provide Safety Measures at O'Neal Baseball Field

The purpose of this amendment is to update the budget to increase the Parks Department budget by \$20,000 to provide safety and privacy measures for arriving patrons and adjoining property owners at O'Neal Baseball Field. This amendment does not change the total amount budgeted. The Finance/Administration Committee of the Council reviewed this proposed amendment at their last meeting and recommended adoption.

Adopted FY2011-2012 Budget Ordinance Amendment 2012-16 to Increase Parks Department Budget to Provide Safety Measures at O'Neal Baseball Field. [Ordinance 2012-16 is attached to Ordinance Book #6 in the vault.]

III.G. Adopt Budget Ordinance Amendment 2012-17 for Fire/EMS Station No. 2 Replacement Capital Projects Fund

The purpose of this amendment is to increase revenue to recognize and appropriate \$39,145 of remaining loan proceeds borrowed from the United States Department of Agriculture [USDA] for the acquisition and renovation of Fire/EMS Station No. 2. The amendment also will increase revenue to recognize and appropriate \$200,000 of USDA grant funds awarded for this project for a total difference of \$239,145. The Administration/Finance Committee of the Council reviewed this amendment at their last meeting and recommended adoption.

Adopted Budget Ordinance Amendment 2012-17 for Fire/EMS Station No. 2 Replacement Capital Projects Fund. [Ordinance 2012-17 is attached to Ordinance Book #6 in the vault.]

III.H. Approve Fire/EMS Station No. 2 Change Orders

At the Public Safety Committee meeting Public Works Director David McCabe updated the members on the status of the Fire/EMS Station No. 2 building project and issues encountered in the course of the work requiring additional effort by the contractor.

The first item was identified during the demolition phase in the equipment bays. The northern most equipment bay (Equipment Bay #3) was an addition to the newspaper operation previously located on the property. The floor elevation of the addition is approximately $\frac{3}{4}$ " – 1" lower than the original building slab. It is felt that this trip hazard will be a constant safety issue throughout the life of the station and should be eliminated. The recommendation is to saw cut and remove a 6' wide x 80' long section of the lower slab and reinstall 6" of concrete to the correct height. Work will also include disposal of the demolished concrete and compaction of the subgrade. The cost for this work is \$6,889.00.

City staff discussions with the contractor have identified a possible savings, yet to be determined. City Staff is requesting approval for this work in an amount not to exceed \$6,889.00 reserving the potential for additional savings for this item of work.

The second item was the discovery of an existing active 2" vent located in a block wall needing removal for a doorway that allows access from a central hallway into Equipment Bay #1. This hallway provides access to the equipment bay from the restrooms and training room area of the central building. Work will entail relocating the vent to an adjacent wall by saw cutting and removing portions of the floor and header area above the door. The cost for this work is \$1,266.00.

The Public Safety Committee recommended the City Council approve the additional work.

Approved and Authorized the Change Orders for Fire/EMS Station No. #2 to Equipment Bay #3 in an amount not to exceed \$6,889.00 and to Equipment Bay #1 in an amount not to exceed \$1,266.00.

III.I. Approve FYE 6/30/2012 Audit Contract with McGladrey & Pullen, LLP

The Finance/Administration Committee of the Council recommended approval of FYE 6/30/2012 audit contract with McGladrey & Pullen, LLP in an amount not to exceed \$46,000 plus \$3,000 for each additional grant program audited over two [2] programs.

Approved FYE 6/30/2012 Audit Contract with McGladrey & Pullen, LLP in an amount not to exceed \$46,000 plus \$3,000 for each additional grant program audited over two [2] programs. [Attached to and made a part of these minutes is the audit contract.]

III.J. Approve FYE 6/30/2013 to 6/30/2017 Audit Contract with McGladrey & Pullen, LLP

The Finance/Administration Committee of the Council reviewed a proposal from McGladrey & Pullen, LLP to extend the current audit arrangement through the period of FYE 6/30/2013 to 6/30/2017. The current audit arrangement ends with the FYE 6/30/2012 audit. If the extension is approved, McGladrey & Pullen has agreed to perform the audits for the following not to exceed* amounts which include preparation of the financial statements:

FYE 6/30/2013	\$43,500
FYE 6/30/2014	44,500
FYE 6/30/2015	45,500
FYE 6/30/2016	46,500
FYE 6/30/2017	47,500

Note: The audit for the fiscal year ending 6/30/2012 is the last year of the current audit arrangement.

*Excludes fraud and any other out of scope services.

Approved FYE 6/30/2013 to 6/30/2017 Audit Contract with McGladrey & Pullen, LLP at the amounts stated.

III.K. Authorize Contract Negotiations with MK Chalk Architecture of Morehead City For Design Services for the Jib Property on the Morehead City Waterfront

This Item was moved to V.A. NEW BUSINESS.

Councilman Taylor MOVED, seconded by Councilman Thompson, and carried unanimously, to Adopt the CONSENT AGENDA in one [1] motion with the exception of Item III.K. which was placed under New Business.

IV.A. Public Hearing: Request for Renewal of a Certificate of Convenience and Necessity [Taxi Franchise] for A-1 Yellow Cab Company, 4104 Azalea Drive, Morehead City, Kelly Matthews, Owner – Adopt Ordinance 2012-12

Interim City Manager Connet reported that the application is for a renewal of a taxi service in Morehead City. A1 Yellow Cab Company has been in business for many years and wishes to renew their franchise agreement. The City Code provides that a Certificate of Convenience and Necessity be granted for two [2] years. A taxi franchise must pass two [2] readings by the Council with the public hearing as the second of those readings. The Public Safety Committee of the Council reviewed the application and recommended approval.

Mayor Jones opened the public hearing.

No one spoke for or against the request for the renewal of a taxi franchise.

Mayor Jones closed the public hearing.

Councilman Thompson MOVED, seconded by Councilman Ballou, and carried unanimously, to adopt Ordinance 2012-12 Approving the Request for Renewal of a Certificate of Convenience and Necessity [Taxi Franchise] for A-1 Yellow Cab Company, 4104 Azalea Drive, Morehead City, Kelly Matthews, Owner. [Ordinance 2012-12 is attached to Ordinance Book #6 in the vault.]

IV.B. Public Hearing: Request for Renewal of a Certificate of Convenience and Necessity [Taxi Franchise] for Brown-Wil Enterprise, Inc., d/b/a Atlantic Beach Taxi, 1010 Fort Macon Road, Atlantic Beach, Wesley E. Brown, President, Ben Willis, Vice-President and William H. Willis, Secretary/Treasurer – Adopt Ordinance 2012-13

Interim City Manager Pete Connet reported that the application is for a renewal of a taxi service in Morehead City. Brown-Wil Enterprise, Inc., d/b/a Atlantic Beach Taxi has had a taxi service in Morehead City for four [4] years and wishes to renew their franchise agreement. The City Code provides that any approved Certificate of Convenience and Necessity be granted for two [2] years. A taxi franchise must pass two [2] readings by the Council with the public hearing the second of those readings. The Public Safety Committee of the Council reviewed the application and recommended approval.

Mayor Jones opened the public hearing.

No one spoke for or against the request for a renewal of a taxi franchise.

Mayor Jones closed the public hearing.

Councilwoman Warrender MOVED, seconded by Councilman Walker, and carried unanimously, to adopt Ordinance 2012-13 Approving the Request for Renewal of a Certificate of Convenience and Necessity [Taxi Franchise] for Brown-Wil Enterprise, Inc., d/b/a Atlantic Beach Taxi, 1010 Fort Macon Road, Atlantic Beach, Wesley E. Brown, President, Ben Willis, Vice-President and William H. Willis, Secretary/Treasurer. [Ordinance 2012-13 is attached to Ordinance Book #6 in the vault.]

IV.C. Public Hearing: Request for Renewal of a Certificate of Convenience and Necessity [Taxi Franchise] for Carteret Cab Company, 2401 Bridges Street, Morehead City, Lenzie Griffin, Owner – Adopt Ordinance 2012-14

Mayor Jones reported that the application is for a renewal of a taxi service in Morehead City. Carteret Cab Company has been in business since 2006, and wishes to renew their franchise agreement. The City Code provides that any approved Certificate of Convenience and Necessity be granted for two [2] years. A taxi franchise must pass two [2] readings by the Council with the public hearing being the second of those readings. The Public Safety Committee of the Council reviewed the application and recommended approval.

Mayor Jones opened the public hearing.

No one spoke for or against the request for renewal of a taxi franchise.

Mayor Jones closed the public hearing.

Councilman Taylor MOVED, seconded by Councilman Walker, and carried unanimously, to adopt Ordinance 2012-14 Approving the Request for Renewal of a Certificate of Convenience and Necessity [Taxi Franchise] for Carteret Cab Company, 2401 Bridges Street, Morehead City, Lenzie Griffin, Owner. [Ordinance 2012-14 is attached to Ordinance Book #6 in the vault.]

IV.D. Public Hearing: Request for Renewal of a Certificate of Convenience and Necessity [Taxi Franchise] for Tri-City Taxi of Carteret County, LLC., 3212 Arendell Street, Morehead City, Sammie E. Turner and Janice W. Turner, Owners – Adopt Ordinance 2012-15

Mayor Jones reported that the application is for a renewal of a taxi service in Morehead City. Tri-City Taxi of Carteret County has been in business since 2010, and wishes to renew their franchise agreement. The City Code provides that any approved

Certificate of Convenience and Necessity be granted for two [2] years. A taxi franchise must pass two [2] readings by the Council with the public hearing being the second of those readings. The Public Safety Committee of the Council reviewed the application and recommended approval.

Mayor Jones opened the public hearing.

No one spoke for or against the request for renewal of a taxi franchise.

Mayor Jones closed the public hearing.

Councilman Taylor MOVED, seconded by Councilman Walker, and carried unanimously, to adopt Ordinance 2012-15 approving the Request for Renewal of a Certificate of Convenience and Necessity [Taxi Franchise] for Tri-City Taxi of Carteret County, LLC., 3212 Arendell Street, Morehead City, Sammie E. Turner and Janice W. Turner, Owners. [Ordinance 2012-15 is attached to Ordinance Book #6 in the vault.]

IV.E. Public Hearing: Adopt Order of Closing 2012-05 To Permanently Close the East/West and Western North/South Alleys located in the 800 Block Between Arendell Street and Evans Street [Block 11] [First Citizens Bank and Webb Memorial Library Property]

Mayor Jones reported that Morehead City received a request from a trustee of the Webb Memorial Library and First Citizens Bank & Trust Company to close the east/west and western north/south alleys located between Arendell Street and Evans Street [Block 11]. The Planning Department reviewed the request with the City's Alley Closing Policy and made the following findings:

1. According to the tax records, First Citizens Bank & Trust Company and the Webb Memorial Library own all the property which abuts the alleys and portions thereof requested to be closed.
2. The alleys are located between Arendell Street and Evans Street, and therefore, do not provide access to public waters.
3. Closing these alleys will not deny access to any other properties.
4. Morehead City Public Utilities Department states there are no municipal water or sewer lines located in the right-of-way to be closed.

Resolution of Intent 2012-17 was adopted at the Council Meeting held on Tuesday, April 10, 2012. The Planning Committee of the Council reviewed the requested alley closings at their last meeting.

Interim City Manager Connet reported that he has received information from the applicants that more title work is necessary due to a section on a 1939 plat not being shown on their current map. The applicants requested to delay a decision on the alley closings until this information can be presented.

Mayor Jones opened the public hearing.

Councilman Walker MOVED, seconded by Councilman Thompson, and carried unanimously, to continue the public hearing until the next regular Council Meeting set for Tuesday, June 12, 2012, at 5:30 p.m.

V. New Business: Authorize Contract Negotiations with MK Chalk Architecture of Morehead City for Design Services for the Jib Property on the Morehead City Waterfront

Councilman Ballou reported that on Thursday, April 19, 2012, the City received six [6] statements of qualifications from Architectural and Engineering firms interested in providing design services for the Jib Property. A review team was established consisting of the City Manager, Parks and Recreation Director, Planning Director and Public Works Director to rank the responses based on criteria contained in the request for qualifications.

After an extensive review of the responses the review team narrowed the field to two [2] responses. The responses determined most favorable were first from MK Chalk

Architecture of Morehead City and second from Robert W. Carr, Inc. Architects of Durham, N.C.

At the most recent meeting of the Committee this information was shared with the members. The ranking criteria and scores as well as the responses were reviewed and discussed. The Committee supported the method and recommendation of the review team and recommended the City Council authorize negotiating a contract with MK Chalk Architecture.

Since then Councilman Ballou has received an e-mail from Robert W. Carr, Inc., [attached to and made a part of these minutes] expressing their concerns on the architectural firm selection and giving specific reasons why they felt their firm was not given appropriate consideration.

Interim City Manager Connet spoke with Mr. Carr by phone and Mr. Carr asked if the City would consider an interview because he felt that what was submitted in the proposal did not fully explain their qualifications and the projects which their firm has done. Interim City Manager Connet advised Mr. Carr that he would have to present this request to the Council for consideration. The Request for Qualifications [RFQ] was sent to ten [10] companies; of which six [6] were received back. Interim City Manager Connet explained that here is no requirement to grant this request as an interview was not mandated as part of the process.

Councilwoman Warrender asked the Public Works Committee Members how they felt about this request.

Councilman Ballou was in favor of the Robert W. Carr, Inc. firm coming in and doing a presentation to the entire Council, but his only concern was this could delay the process. If the interview request is granted, it should be done within the next 30 days or as soon as possible.

Councilman Taylor questioned the interview process and what it may cover. He also commented that the Council is not legally obligated to grant this, it would just be for good will.

City Attorney Nelson Taylor advised that the Council is under no obligation to do anything further.

Councilman Thompson commented that he reviewed the presentations and there was nothing in Mr. Carr's presentation that would say he was more qualified than anyone else. The Public Works Committee just made a decision on the information before them. He questioned repeating the process again as the presentations were very much the same and it just does not seem like good business sense.

Public Works Director McCabe was comfortable with the way the selection was decided.

Councilman Walker agreed. He said he was comfortable with the way the decision was made.

Interim Manager Connet stated that in his conversation with Mr. Carr, Mr. Carr understood it was the Council's option to grant the interview or not. Interim City Manager Connet told Mr. Carr that he would present pleas for an interview to the Council and Mr. Carr further understood that all procedures were legally followed. Interim City Manager Connet's opinion was that both companies could do an excellent job.

Councilman Ballou confirmed that he presented the request from the architectural firm as he had promised, however, MK Chalk Architecture of Morehead City is a viable and good architectural firm.

Councilwoman Warrender MOVED, seconded by Councilman Ballou, and carried unanimously, to accept the recommendation from the Public Works Committee and authorize contract negotiations with MK Chalk Architecture of Morehead City for design services for the Jib Property on the Morehead City Waterfront.

VI. Citizen Requests/Comments [2 minute time limit]

Jeff McCann of 104 North 21st Street, Morehead City, commented that he lived across the street from Maggie Chalk and that every day she walks to the jib property. She is a local firm and will do a great job.

VII. City Manager's Report

Interim City Manager Connet stated he and Finance Director Sewell are still working on trying to wrap up the budget process and present the information to the Council.

VIII. Council Requests/Comments

Councilman Taylor questioned the status of the City Manager search.

Interim City Manager Connet reported that the application process closes this Thursday. At last check the consulting firm had 50 to 60 applications and a lot of e-mails were still coming in. These will be reviewed, screened and refined.

Councilwoman Warrender reported about a contest naming the best fishing town in America. The Carteret County Chamber of Commerce has been promoting it and she requested further participation by all to vote for Morehead City.

Councilman Walker reported he lost his phone calendar and apologized for missing any event.

Councilman Taylor commented that he was busy trying to learn his role and responsibility as a Councilmember. He requested that the Council commit to a work session to talk about the responsibilities and duties of the City Manager, as well as those of the Mayor and Council. He felt that the Council should not be left out on certain decisions. He requested that this meeting should be done sometime in August when the new City Manager is hired.

Councilman Thompson was of the opinion that the Council should have this meeting before the new City Manager comes on board.

Discussion followed on the pros and cons of this approach.

Interim City Manager Connet commented that the style of the Council will be a part of the City Manager interview process with the candidates. The candidates will have to choose if they can work in any specific environment. He cautioned the Council that most of the roles and responsibilities of the Council and the City Manager are set out by state law.

The Council commented about placing these responsibilities and duties on the website so that the public will know the roles of the Council and City Manager.

Councilwoman Warrender spoke about the need for Council obligations being a Council effort and that individually a Councilmember has little power. She further commented that Councilmembers are learning along with everyone else.

Interim City Manager Connet reported that the City Attorneys have prepared an agreement about acknowledging the sales of alcoholic beverages at the Big Rock Stadium for ALE [Alcohol Law Enforcement].

Councilman Ballou reported that Buddy Bengel, the Manager of the Morehead Marlins, made a presentation to the Public Works Committee siting where the alcoholic beverages will be sold and served at Big Rock Stadium. He recommended that Mr. Bengel make the same presentation to the full Council.

IX. CLOSED SESSION AS PER G.S. 143.318.11[A][3][5][i] TO APPROVE THE CLOSED SESSION MINUTES OF TUESDAY, APRIL 10, 2012, AND TO DISCUSS POTENTIAL LITIGATION AND PROPERTY ACQUISITION WITH THE CITY ATTORNEY

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

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

Councilman Walker MOVED, seconded by Councilman Taylor, and carried unanimously, to approve and seal the CLOSED SESSION MINUTES of Tuesday, April 10, 2012.

There being no further business, the meeting was adjourned at 7:10 p.m.

Gerald A. Jones, Jr., Mayor

Attest:

Jeanne M. Giblin, City Clerk