

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

**Thursday, June 3, 2010 at 4:00 p.m.
Special Meeting/Work Session**

The Honorable Council of the Town of Morehead City met in a Special Meeting/Work Session on Thursday, June 3, 2010, at 4:00 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 [Absent]
COUNCILMEN:	George W. Ballou Paul W. Cordova David Horton John F. Nelson
CITY MANAGER:	R. Randy Martin
CITY CLERK:	Jeanne M. Giblin
OTHERS:	Finance Director Ellen Sewell, Mike Shutak, Reporter, THE CARTERET NEWS TIMES.

Mayor Jones called the meeting to order at 4:00 p.m.

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

City Manager Martin distributed a listing of changes discussed during the work sessions to the FY2010/2011 budget as requested by the Council and prepared by Finance Director Ellen Sewell.

He explained that the group insurance rates are now known and the expected increase is lower than initially proposed which reduces this expense across all budget funds. In the General Fund, the other item which was reduced is the Main Street Project in the amount of \$3,000. These changes equate to \$75,700 in cumulative decreases in expenses most of these funds [\$58,700] will go into the Contingency Fund. In the Recreation Department, \$4,000 has been proposed for the acquisition of new fitness equipment for the ladies gym area. In the Library Fund, the \$13,000 increase is for the design of the elevator and additional book purchases.

Councilman Horton stated that in his opinion, the City is spending a lot of money on the Webb Library and should be looking to the county for funding as it seems that Morehead City is developing its own library.

Manager Martin explained that the accessibility to the second floor is a real issue. The Friends of the Library have offered \$10,000 to go toward funding an elevator or some other prototype. The funds proposed are for design/engineer evaluation of a lift-a-vator type elevator.

Councilman Horton stated that an elevator company will design an elevator for free.

The Council discussed the elements of providing access to the second floor of the Webb Library.

Manager Martin reported that there was a miscalculation on how much funding was appropriated for the acquisition of large print books and the recommendation was to add \$10,000 back into the library budget for this purpose as the initial funding was a donation for large print books.

Manager Martin continued that the Fire/EMS Fund reflects the change on the insurance costs and \$18,000 has been added for dredging and a boat lift at 8th Street for the fire rescue boat. The remainder of the change increases the contingency for this fund.

The Water/Sewer Fund insurance changes have increased the Contingency Fund and likewise with the Sanitation Fund.

Councilman Cordova questioned if the nonprofits which receive donations from the City are making their respective revenue reports and filing their federal tax information. He

wanted to make sure that the organizations receiving donations from the City are giving the City the financial information required.

Manager Martin replied that it is the individual community organization's responsibility to file any required reports as the City has no way to check if an organization is complying with the reporting regulations with such entities as the North Carolina Department of Revenue or the Internal Revenue Service [IRS]. He noted each organization must file the City required information annually before funds are disbursed.

Mayor Jones suggested that these organizations could sign an affidavit.

Finance Director Sewell commented that the City's donations must be granted for organizations with a legitimate tax support basis.

Councilman Nelson commented that perhaps the City should hold off donations to community organization until mid-year. It was ascertained that \$72,000 is set aside for community organizations and projects, however, \$35,000 of this is for support of the Downtown Morehead City Revitalization Association [DMCRA].

Manager Martin advised that many capital projects will be delayed this year due to funding.

Manager Martin continued that the Public Safety Committee met to review the replacement ambulance. Following the Council's suggestion to review purchasing a more commercial drive-train, such as International or Freightline, the cost was substantially more, than the proposed Chevrolet model. The City can do a "piggy back" bid from Lenoir County for approximately \$124,000 for the ambulance if the Chevrolet is purchased.

Councilman Ballou advised that Kurtis Chevrolet in Morehead City can service the new ambulance. He reported that the International brand was \$40,000 more while the Freightline brand was \$50,000 more; and that the Fire Committee recommended purchasing the Chevrolet for reasons other than cost.

Councilman Horton commented that if you pay for a better truck, you get a better truck.

Manager Martin commented that Chief Lail had advised the Committee that the Wilco box that will be installed on the back of the Chevrolet truck was the top of the line and that the Fire Committee did not receive favorable reports from the other fire chiefs who have International trucks.

The Council set a *Special Meeting for Tuesday, June 22, 2010 at 9:00 a.m. in the Council Chambers at 202 South 8th Street* to have the required public hearing/meeting on the piggyback bid so that the ambulance could be ordered as soon as possible and to adopt various budget ordinance amendments to balance the FY2009/2010 budget before the end of the fiscal year on June 30, 2010.

Manager Martin advised that the Planning Committee and the Public Works Committee met with Maggie Chalk to give her feedback on proposed plans for the Jib property on the Morehead City waterfront. The Committee members recommended the most expeditious remedy possible to replace the current fencing, place bollards and chains and remove the pilings. It is recommended that the funding for these activities come in the form of a transfer from the FY2009-2010 Contingency Fund to the Jib Capital Project Fund. The Council discussed the possible required involvement of CAMA to approve any modifications to the City's permit and the need to move this project along as soon as possible. The Council also discussed the structural soundness of the seawall and the possibility of it being checked by an engineer.

Councilman Horton commented that if the wall needed to be replaced, the projects costs would increase tremendously. He agreed with placing the bollards and chains and removing the pilings

Mayor Jones commented that the short-term project needs to be done as soon as possible before the height of the season.

In a discussion about the condition of the cap and seawall, Manager Martin suggested having an evaluation and return to the Council for authorization for further project work.

Councilman Horton was not in favor of transferring \$75,000 from the Contingency Fund to the Jib Capital Project Fund because he preferred to know more about the future costs before investing any funding in the project.

Councilman Nelson felt that the project was necessary and wanted to proceed as quickly as possible.

Councilman Ballou commented that if the seawall was fine, why not spend the money and order the bollards and chains.

Manager Martin advised that the City may know more about the status of the short-term project at the June 22, 2010, Council Special Meeting.

Councilman Nelson MOVED, seconded by Councilman Ballou, to adopt Budget Ordinance Amendments 2010-27 and 2010-28 to appropriate \$75,000 from the FY2009/2010 General Fund Contingency to the Jib Capital Project Fund for the acquisition of the bollards and chains, placement of a cap, and for removal of the fence and the pilings at the Jib property on the Morehead City waterfront. [Budget Ordinance Amendments 2010-27 and 2010-28 are attached to Ordinance Book #6 in the vault.]

It was suggested that an engineer evaluate the project before the City removes the entire cap and to further update the Council on the status of the project.

Councilman Nelson suggested removing the fence and pilings and to place the bollards and chain either in the present cap or beyond, or if necessary place a new cap. This determination cannot be made until the Council knows more about the condition of the seawall and if it is stable enough for the placement of the bollards.

Manager Martin also suggested evaluating whether the City can perform these changes under the present CAMA permit without compromising the City's rights to use the riparian area.

Councilman Ballou suggested a letter from CAMA attesting to this.

Councilman Horton commented that it would take approximately \$20,000 to clean up the area where the pilings are presently located.

Once the project is completed, it was the Council's understanding that all anyone should be able to see was mud and water.

The motion passed with a vote of three [3] to one [1] with Councilman Horton casting the dissenting vote and Councilman Thompson absent.

Councilman Horton requested that the record reflect that he voted against the motion because he is of the opinion that the City should know more about the project before approving the budget amendments to provide the funding.

The Council took a five [5] minute break before the commencement of the public hearing on the proposed FY2010/2011 Budget.

Gerald A. Jones, Jr., Mayor

Attest:

Jeanne M. Giblin, City Clerk

