

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

**Tuesday, June 9, 2009  
Regular Meeting**

The Honorable Council of the Town of Morehead City met in regular session on Tuesday, June 9, 2009, at 5:30 p.m., in the Municipal Building Auditorium at 202 South 8<sup>th</sup> Street, Morehead City, North Carolina. Those in attendance were:

MAYOR:	Gerald A. Jones, Jr. [Absent, excused]
MAYOR PRO TEM:	George W. Ballou
COUNCILMEN:	Paul W. Cordova David Horton John F. Nelson Demus L. Thompson
CITY MANAGER:	R. Randy Martin
CITY CLERK:	Jeanne M. Giblin
CITY ATTORNEY'S OFFICE:	Nelson W. Taylor, III, Derek Taylor, Michael Thomas
OTHERS:	Mike Shutak, Reporter, THE CARETERT COUNTY NEWS TIMES; Bill Taylor; Mark Mansfield; Rachael Carlyle; Bill Guthrie; Greg Rice; Norma Wagaman; Roxanne Smith, Reporter, THE BEAUFORT GAM; Ken Wood; Ronald Cullipher; Carol Campbell; Stephannie McIntyre; Connie Caravan; and David Styron

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

Mayor Pro Tem Ballou called the meeting to order at 5:30 p.m., Councilman Thompson gave the invocation, and all joined in The Pledge of Allegiance.

***Councilman Cordova MOVED, seconded by Councilman Horton, and carried unanimously, to excuse Mayor Jones.***

**II. Special Presentation: North Carolina Seafood Festival**

Representatives of the North Carolina Seafood Festival [NCSF] were in attendance. Rachael Carlyle, Chairperson of the Festival introduced the Board of Directors and gave a brief presentation of this annual event which will occur October 2 through October 4, 2009, on the Morehead City Waterfront. This is the 23<sup>rd</sup> anniversary for this special event.

Executive Director Stephanie McIntyre on behalf of the NCSF Board and staff thanked the City for all its help.

**III. Adoption of the CONSENT AGENDA**

**III.A. Approval of Minutes: Tuesday, April 29, 2009, Special Meeting/Work Session  
Tuesday, May 12, 2009, Regular Session**

*Approved the Town Council Minutes of Tuesday, April 29, 2009, Special Meeting/Work Session and Tuesday, May 12, 2009, Regular Session and dispensed with the readings.*

**III.B. Approve Requests for Release of Overpayment of Ad Valorem Taxes for May 2009, in the amount of \$1,650.73 ; and Accept the Tax Collector and Finance Director Reports for May 2009**

Councilman Horton stated he noticed that on interest checking it showed a negative balance and he requested an explanation.

Manager Martin replied he will check with Finance Director Ellen Sewell regarding this.

Councilman Horton continued that he noticed that interest is 50 percent less than the prior year.

Manager Martin replied that the City is earning approximately \$230,000 less in interest in all funds and is receiving approximately  $\frac{3}{4}$  of a percent on most of its investments now.

*Approved the requests for release of overpayment of ad valorem taxes for May 2009, in the amount of \$1,650.73; and accepted the Tax Collector and Finance Director reports for May 2009.*

### **III.C. Adopt Resolution 2009-28 Endorsing the North Carolina Seafood Festival and Authorizing Action Necessary for the Event to be held October 2 to 4, 2009**

This is the 23<sup>rd</sup> year for this annual festival and, as in the past, the City was requested to approve the use of various streets, alleys and parks in addition to ancillary services to help make this community celebration a success. The Public Works Committee of the Council met on June 1, 2009, to discuss the resolution and recommended adoption.

*Adopted Resolution 2009-28 Endorsing the North Carolina Seafood Festival and authorizing action necessary for the event to be held on October 2, 3, and 4, 2009, on the Morehead City Waterfront. [Resolution 2009-28 is attached to and made a part of these minutes.]*

### **III.D. Extend the Convenience and Necessity Franchises [Taxi] on all Current Taxi Franchises**

The Public Safety Committee of the Council has not completed its review and development of any recommendations to update the proposed Certificate of Convenience and Necessity [Taxi Franchise] Ordinance. The Committee recommended extending all current taxi franchises held with the Town of Morehead City at this time until each individual franchise must be renewed. The normal taxi franchise cycle is two [2] years and all of our current taxi franchises are scheduled to be renewed in spring of 2010.

Upon a question from Councilman Horton, City Manager Martin explained that the last time franchises were granted, it was thought that the new ordinance would be codified in a few months time so they were approved for a shorter period of time than customary. The action recommended would extend the current taxi franchises until the typical two [2] year renewal date in spring 2010.

*Extended the Convenience and Necessity Franchises [Taxi] on all current Taxi Franchises until the end of the normal franchise cycle of two [2] years from their individual renewal date.*

### **III.E. Appointment of Members to the 2010 Census Morehead City Complete Count Committee**

In conjunction with the 2010 Census the following individuals have agreed to serve on the 2010 Census Complete Count Committee for Morehead City: Lorraine Barber, Corinne Geer, Ricardo Gomez, Jacqueline Maucher, John Nelson, Demus Thompson, Jimmy Walker, Pauline Walker and Ken Wood. Additional interested individuals are still being sought. The Morehead City Committee will serve with the Carteret County Complete Count Committee in educating citizens about the changes to the Census and encourage everyone to participate. The Census ensures that political representation and federal and state revenues are fairly distributed. Census counts are used for congressional reapportionment, legislative redistricting and the distribution of billions of dollars in federal, state and local funding every year.

*Appointed Lorraine Barber, Corinne, Geer, Ricardo Gomez, Jacqueline Maucher, John Nelson, Demus Thompson, Jimmy Walker, Pauline Walker and Ken Wood to the Morehead City Complete County Committee for the 2010 United States Census.*

### **III.F. Adopt Resolution 2009-29 In Support of a Grant Application to Develop a Master Plan for the Morehead City Bulkhead Channel Harbor Line in Preparation of Consideration for a Re-Positioned Harbor Line**

The development of a Master Plan, prior to consideration of the realignment of the

harborline, is necessary to further study and assess the impact for future utilization of potential areas made accessible for new uses. There is grant funding available for studies of this nature through the North Carolina Department of Environment and Natural Resources Division of Water Resources. The estimated cost of the development of the Master Plan is approximately \$40,000 which would be shared by a 50/50 grant and match. The adoption of Resolution 2009-29 is in preparation of applying for this grant which is due in June. The Public Works Committee of the Council reviewed the proposal and recommended adopting Resolution 2009-29 authorizing the grant application.

Councilman Nelson stated that he wanted the public to understand that Morehead City is only adopting this resolution for a grant application and not for the funding of the entire project.

Manager Martin concurred that the City was submitting a grant application to do a study so that the City can make an informed decision on whether to pursue the entire project.

*Adopted Resolution 2009-29 In Support of a Grant Application to Develop a Master Plan for the Morehead City Bulkhead Channel Harbor Line in Preparation of Consideration for a Re-Positioned Harbor Line. [Resolution 2009-29 is attached to and made a part of these minutes.]*

### **III. G. Adopt Resolution 2009-30 in Support of a Grant Application for Groin Construction on the East End of the Morehead City Waterfront/Sugarloaf Island Channel**

The Public Works Committee of the Council reviewed estimates related to permitting, design and construction costs for the installation of a groin on the east end of Sugarloaf Island. The initial Morehead City Harbor Channel Re-alignment Study disclosed that erosion of the island was migrating into the channel on the eastern end of the island. According to boat captains who use the channel entry on a regular basis this has created major safety concerns and hazards for boaters. With the very strong currents identified in the channel during the study it was recognized that a groin could stop the erosion around the end of the island and could begin removing sediment built up in the channel thus reducing future dredging needs. Total costs associated with this project are preliminarily estimated to be approximately \$413,000 [attached is an engineer's cost estimate of the project]. City staff recommends a grant request in this amount. This project would qualify as a navigational grant with an 80/20 match. The State Division of Water Resources would provide 80 percent funding if the grant is approved. The Public Works Committee of the Council reviewed this proposal and recommended adopting Resolution 2009-30 authorizing the grant application to be submitted before the end of the June deadline.

Councilman Nelson commented that it was his understanding that this resolution was for making a grant application only.

Manager Martin explained that if the City were to receive the grant funding, it would naturally be understood that the City would pursue the project and would be obligating for 20% of the money for the project. However, this grant application does not necessarily obligate the City to accept the grant. He estimated the approximate cost to the City would be \$80,000. He continued that when this project was discussed in the work sessions, he was under the impression that the Council looked favorably upon this project and that if the Council was not interested in pursuing the project, the City should not apply for the grant funding. He also stated that the engineer, Bill Forman of Coastal Science and Engineering, the company who did the initial harbor study, gave his best estimate for the apparent costs of such a project.

Councilman Thompson reminded the Council that during the public meetings regarding the channel all the boat captains stated that it was becoming very dangerous to navigate around the east end of the Morehead City channel due to silting.

Councilman Nelson stated he was concerned with the total amount of money such a project would ultimately cost and if it were absolutely necessary because installation of groins does not always guarantee the desired results. There was also the question of the need for another groin installed at the western end of Sugarloaf Island where sand is aggregating in the channel.

Manager Martin replied that the identified urgency was on installing a groin at the eastern end of the channel and that the western end groining was not being pursued at this time. However, this would not preclude the Council from considering a west end groin or dredging project for the channel in the future.

Councilman Horton commented that the western end is a long run of dredging and was very expensive and not as important to the channel as per the statements from the engineer. He continued that it was also his understanding that environmental groups had more concern with a groin being constructed at the western end of Sugarloaf Island and the recommendation from the harborline study was to construct a groin at the eastern end of the Island. He was also concerned that a study of any groining has not been undertaken with the aspects of depth, angle, length, etc. He was of the opinion that the Council needed to make sure that the groin project was necessary with the attenuated results before proceeding.

Councilman Ballou commented that there is a multitude of power boat and sailing traffic utilizing the channel and it is necessary to have a clear plan before undertaking any project of this kind.

Councilman Thompson commented that only the grant application needs to be addressed at this time. If Morehead City obtains the grants for the harborline study and east end groin, the issue would be well studied and reviewed before being undertaken. The item under consideration now is the approval of an application for the grants.

Councilman Nelson commented that he would prefer to have another opinion about groins being constructed on the Morehead City Waterfront because of the environmental controversy over how well they work.

Manager Martin replied that it was his understanding from the engineer, Bill Forman of Coastal Science and Engineering, that the controversy between environmental groups was about the total impacts of groins or other hardened structures in the ocean not in the sound or other inland areas.

Councilman Ballou expressed concern about the costs of undertaking such a project and concern about receiving grant funding and then not proceeding with the groin project.

Manager Martin countered that the initial harborline study was done and a recommendation of that study was consideration of construction of a groin on the eastern end of Sugarloaf Island as a means of stopping and reversing erosion at that location in the channel.

Councilman Horton questioned Ron Cullipher an engineer from Stroud Engineering, who was present but not involved in the project, about his opinion of construction of a groin on the east end of Sugarloaf Island.

Mr. Cullipher advised that engineers do these types of projects all the time and will have the professional expertise to design and construct a groin.

Upon a further question from Councilman Horton, Mr. Cullipher stated that groin construction is a basic design.

Councilman Nelson countered he would prefer more opinions from engineers about the benefits and construction of the groin. It was not that he objected to the project, but he wanted more information.

Councilman Cordova offered that the engineer, Bill Forman, stated a groin on the east end of Sugarloaf Island should be placed first and it could open the channel and prevent or reduce the need for future dredging of that portion of the channel. If this project did work then a groin could be considered in the future on the western end of the Island as well.

Manager Martin commented that in any case, the engineering for the project will have to be approved by all the regulatory agencies and permits received. He also noted

that if the City did not pursue the grant then nothing could be done unless the City was willing to pay 100 percent of the costs. It was also stated that there was not assurance that the grant would be funded by the state.

Councilman Horton then proposed that Morehead City should try to obtain the grant funding because to do nothing would severely impact the future use of the channel and the accompanying economic growth of the downtown area.

*Adopted Resolution 2009-30 in Support of a Grant Application for Groin Construction on the East End of the Morehead City Waterfront/Sugarloaf Island Channel. [Resolution 2009-30 is attached to and made a part of these minutes.]*

**III.H. Adopt Resolution 2009-31 Accepting Stimulus Funding Loans from the North Carolina Clean Water State Revolving Fund in the amount of up to \$2,100,000 for Project Number 2W370567-03, Replacement/Rehabilitation of Lift Stations No. #9 and #12**

As previously reported to Council, Morehead City was approved for a loan up to \$2,100,000 from the North Carolina Clean Water State Revolving Fund under the stimulus funding loans from the American Recovery and Reinvestment Act [ARRA] of 2009. The terms of the loan is that the term shall not exceed 20 years at a zero percent [0%] interest rate per annum. The total loan to be repaid shall be ½ of the total project costs reimbursed. Of the remaining loan amount the principal is forgiven in like manner to a grant. Principal forgiven shall be ½ of the total project costs reimbursed. The actual loan amount is expected to be \$1.6 million since the City has also received a \$500,000 state grant to help pay for the project. These funds will be utilized to make the necessary upgrades to the aged main Lift Stations #9 which will be replaced and #12 which will be renovated. These lift stations are a vital part of the wastewater system. The Public Utilities Committee of the Council previously reviewed this project and recommended approval.

Councilman Nelson questioned the loan costs to Morehead City.

Manager Martin replied that the pump station loan would be \$2.1 million; of which \$500,000 is the North Carolina Rural Center Grant funding and would not have to be paid back. The initial \$800,000 of the funding is in the form of “loan forgiveness” which is not required to be paid back and is the equivalent of a grant. The other \$800,000 is in the form of an “interest free” loan the City would pay back over 20 years at the cost of \$40,000 per year principal only.

Councilman Horton reminded that the Council initially funded this project without any grants or outside aid because the lift stations are aged and it is possible they could fail and be subject to fines and environmental consequences and of necessity must be renovated and/or replaced.

Manager Martin agreed that Morehead City actually initially budgeted to repair both of the lift stations without any outside aid and that the grant funding will help Morehead City enormously by reducing the cost to customers substantially with these terms.

*Adopted Resolution 2009-31 Accepting Stimulus Funding Loans from the North Carolina Clean Water State Revolving Fund in the amount of up to \$2,100,000 for Project Number 2W370567-03, Replacement/Rehabilitation of Lift Stations No. #9 and #12. [Resolution 2009-31 is attached to and made a part of these minutes.]*

**III.I. Adopt Resolution 2009-32 Accepting Stimulus Funding Loans from the North Carolina Department of Environment and Natural Resources – Public Water Supply Section in the amount of \$3,000,000 for Project Number DEH-1073, Water Supply System Project, Part A -- Construction of a Water Treatment Plant at Bridges Street Well Site**

Morehead City was approved for a \$3,000,000 loan [same terms as the ARRA lift station project], \$1.5 million in loan forgiveness equivalent to a grant and \$1.5 million zero percent [0%] interest loan with principal only over 20 years from the North Carolina Department of Environment and Natural Resources – Public Water Supply Section for the construction of the first phase of this project to construct a Water Treatment Plant at the

Bridges Street well site. This complete project was previously approved by the Council which consists of three [3] water treatment plants. This one near Carteret General Hospital at the well and elevated tank site, another in the vicinity of Tootle/Mayberry Loop Road and another site likely on Arthur Farm Road. This project will significantly improve overall water quality and satisfy upcoming water quality enhanced standards stipulated by federal and state regulatory agencies. The Public Utilities Committee of the Council reviewed the loan and recommended approval.

Councilman Nelson stated that it was his understanding that the stimulus funding was for water improvements that would result in water softening.

Manager Martin stated that this funding would pay for the first phase of this project which would meet water quality standards while having the added benefit to customers of softened water.

Upon a question from Councilman Nelson regarding the actual cost to Morehead City utility customers for both utility projects, Manager Martin commented that the actual cost to customers which will be repaid interest free for this project is \$75,000 per year for 20 years principal only for a total payback of \$1.5 million. Both the water treatment and lift station total repayment combined is \$2.3 million in interest free loans spread over 20 years.

*Adopted Resolution 2009-32 Accepting ARRA Stimulus Funding Loans from the North Carolina Department of Environment and Natural Resources – Public Water Supply Section in the amount of \$3,000,000 for Project Number DEH-1073, Water Supply System Project, Part A – Construction of the first phase of a water treatment system upgrade initially including a Water Treatment Plant at the Bridges Street well site. [Resolution 2009-32 is attached to and made a part of these minutes.]*

***Councilman Horton MOVED, seconded by Councilman Thompson, and carried unanimously, to adopt the CONSENT AGENDA in one [1] motion.***

**IV.A. Public Hearing: Request from Furna Investments, LLC to Rezone 1500/1504 Bridges Street, PIN # 6386-1832-9081 from IU [Unoffensive Industrial] to CD [Downtown Commercial] District – Adopt Ordinance 2009-17**

Planning Director Staab reported that David Furna, of Furna Investments, LLC, submitted a request to rezone approximately 0.66 acres located at 1500 and 1504 Bridges Street from IU [Unoffensive Industry] to CD [Downtown Commercial] District. The zoning classifications of the properties surrounding the site include IU to the north and west; and CD to the south and east. Surrounding development includes a parking lot to the north and west, Hope Mission to the east and an office [ISP] and vacant property to the south. The parcel is located in the corporate limits and is occupied by Coastal Equipment Rentals, Rhino Linings and a unit recently vacated by Starfish Internet Service.

The property is located in Neighborhood 3 of the CAMA Land Use Plan and is classified as High Density Residential. The proposal does not appear to conflict with any policies of the Land Use Plan. Property owners within 300 feet of the property were notified of the Planning Board meeting as well as the public hearing. The property has been posted.

The Planning Board at their meeting on May 19, 2009, reviewed the request and unanimously recommended approval following a motion by Gordon Thayer and second by John Creech. The Planning Committee of the Council reviewed the request.

Councilman Horton questioned the parking and fence behind the property.

Planning Director Staab reported that the parking lot is owned by another party who has also expressed interest in rezoning that portion as well. The building is already a nonconforming use and has been there for many years. Mr. Furna wanted to be present to speak in favor of the rezoning, but was unable to attend the meeting.

Mayor Pro Tem Ballou opened the public hearing. No one spoke for or against the rezoning.

Mayor Pro Tem Ballou closed the public hearing.

***Councilman Thompson MOVED, seconded by Councilman Cordova, and carried unanimously, to adopt Ordinance 2009-17 granting the request from Furna Investments, LLC to rezone 1500/1504 Bridges Street, PIN # 6386-1832-90981 from IU [Unoffensive Industrial] to CD [Downtown Commercial] District.*** [Ordinance 2009-17 is attached to Ordinance Book #6 in the vault.]

**IV.B. Public Hearing: Request from Stroud Engineering, agent for Park Villas Holdings, LLC, to amend the Site Development (Master) Plan for Tax PIN #s 635606493182000, 635606498007000, 635606493182000, 635606498007000, 635606498144901, 635606498144902, 635606498144903, 635606498144904, 635606498144905, 635606498144906, 635606498144907, and 635606498144908 located 175 Old Murdoch Road – Adopt Ordinance 2009-18**

Planning Director Staab reported that Stroud Engineering, on behalf of Park Villas Holdings, LLC, submitted a request to amend the site development [master] plan for this 12.1 acre planned development located on Old Murdoch Road. Adjacent property is zoned PD [Planned Development] to the north; PD and CH [Highway Commercial] to the south; CH, CH/CU [Highway Commercial/Conditional Use] and R15M [Single-Family Residential/Mobile Home] to the east; and CH to the west. Adjacent development includes multi-family [Blue Point Bay] to the north, retail [Fred's Beds] and a shopping center [Brandywine Crossing] which contains a mixture of retail, personal services, and restaurant to the south; a self-service storage facility and single-family residential to the east; and a bar/cocktail lounge [Midnight Rodeo] and strip of land owned by Blue Point Bay to the west.

The project was initially approved for 72 condominium units; the developer is now requesting to amend the site development [master] plan to change 56 condominium units to townhouse lots. The remaining 16 units will remain as condominium units. Phase I of this development has been constructed and includes eight [8] condominium units. A building permit has been issued for Phase II which is currently under construction and includes 8 condominium units. Phase III includes the proposed townhouse lots.

There is no increase in the density as a result of this revision. As drawn, the sketch plan meets the height and setback requirements. The townhouses will be a maximum of two [2] stories. The proposal meets the open space requirements and exceeds the requirement of 156 parking spaces with a total of 187 spaces. The development will be serviced by Morehead City water and sewer utilities. Permits for State Stormwater, Sedimentation and Erosion Control, NCDOT Driveway, as well as copies of the lighting plan and restrictive covenants have been received by Morehead City.

The property was posted and property owners within 300 feet of the site were mailed a copy of the public hearing notice which included the dates of the Planning Board meeting as well as the public hearing. The Planning Board at their meeting on May 19, 2009, unanimously recommended approval of the revised site development master plan and preliminary plat approval. Impervious coverage and the total number of units are not increased as a result of the change. The Planning Committee of the Council reviewed the request at their meeting on June 1, 2009.

Mayor Pro Tem Ballou opened the public hearing.

Ron Cullipher, project engineer from Stroud Engineering, stated that the Council has reviewed this project before. It was initially to be constructed as a total condominium project. The infrastructure is completed. The property owners have requested the change from condos to town homes.

Upon a question from Councilman Cordova, it was ascertained that Ray Murdoch still owns the corner lot located adjacent to the site.

Councilman Nelson noticed the plans called for curbs and gutters.

Mr. Cullipher reported that sidewalks are a part of the development with 24 foot aisles and 18 foot parking spaces as the roads are private driveways.

Upon concern from the Council regarding the size of the driveways, Planning Board Director Staab reported that the size of the aisles and parking lots are in accordance with general building practices for internal parking lots for the development. There are no dedicated streets internal to the project.

It was ascertained that the town home units would be two [2] stories and not over 50 feet in height.

The Morehead City Fire Department reviewed plans and reported that the parking lot layout and circulation was sufficient to handle fire apparatus.

Mayor Pro Tem Ballou closed the public hearing.

***Councilman Thompson MOVED, seconded by Councilman Cordova, and carried unanimously, to adopt Ordinance 2009-18 granting the request from Stroud Engineering, agent for Park Villas Holdings, LLC, to amend the Site Development (Master) Plan for Tax PIN #s 635606493182000, 635606498007000, 635606493182000, 635606498007000, 635606498144901, 635606498144902, 635606498144903, 635606498144904, 635606498144905, 635606498144906, 635606498144907, and 635606498144908 located 175 Old Murdoch Road. [Ordinance 2009-18 is attached to Ordinance Book #6 in the vault.]***

**IV.C. Public Hearing: Adopt Ordinance 2009-19 Amending the Unified Development Ordinance to add Tattoo Parlor/Body Piercing Establishment as a Permitted Use in the CH [Commercial Highway] District**

Planning Director Staab reported that after consideration of the comments received during the public hearing held on March 10, 2009, on the proposed tattoo/body piercing police power regulations, the Planning Committee recommended that the Council not proceed with adoption of the proposed ordinance. Alternatively, the Planning Committee directed City staff to proceed with a text amendment to the Unified Development Ordinance to include tattoo and/or body piercing establishments as a permitted use in the Highway Commercial [CH] District. This amendment would have the effect of prohibiting new tattoo and/or body piercing establishments in other zoning districts including the downtown area.

The Planning Board at its meeting on May 19, 2009, considered allowing tattoo parlors and/or body piercing establishments in the OP [Office & Professional] and MA [Medical Arts] Districts as well. However, the Planning Board felt that use was best suited for only the CH District. The Planning Board unanimously recommended allowing tattoo and/or body piercing establishments as a permitted use in the CH District only, following a motion by Jackie Maucher and second by Curtis Fleshman. The Planning Committee of the Council reviewed the request.

Mayor Pro Tem Ballou opened the public hearing.

No one spoke for or against the ordinance amendment.

Mayor Pro Tem Ballou closed the public hearing.

Councilman Horton explained that it was his understanding that all those who are currently in businesses of this type will be grandfathered in their selected district.

Planning Director Staab updated the Council and reported that there is currently only one [1] tattoo parlor remaining in the City and it is located in the 1300 block of Arendell Street. This business would be considered a nonconforming use and would be grandfathered unless operation ceases as stipulated in the UDO. However, new establishments could only open their practices in the CH District. Tattoo and/or body piercing is no longer classified as personal services with regard to zoning districts if this change is approved.

Councilman Horton clarified that tattoo parlors and body piercing was always allowed in the CH District, however, now it will be considered a specific use in the UDO and only allowed in the CH District.

**Councilman Thompson MOVED, seconded by Councilman Cordova, and carried unanimously, to adopt Ordinance 2009-19 Amending the Unified Development Ordinance to add Tattoo Parlor/Body Piercing Establishment as a specific Permitted Use in the CH [Commercial Highway] District.** [Ordinance 2009-19 is attached to Ordinance Book #6 in the vault.]

**V. New Business:**

**V.A. New Business: Planning Board and Board of Adjustment Appointments and/or Reappointments**

**Planning Board:** Effective August 15, 2009, the following terms are expiring:

Three [3] In-City seats [term 8/2009 to 8/2012] currently occupied by Corinne Geer, Bill Taylor, and Gordon Thayer. All members currently serving are eligible for reappointment and have expressed interest in continuing to serve.

The Council had no new nominations for these three [3] seats.

**Councilman Horton MOVED, seconded by Councilman Cordova, and carried unanimously, to re-appoint Corinne Geer, Bill Taylor and Gordon Thayer to In-City Seats of the Morehead City Planning Board with terms of office from August 2009 to August 2012.**

There is currently one [1] extra-territorial jurisdiction seat term expiring in August [term 8/2009 to 8/2012] which is a recommendation to the Carteret County Board of Commissioners and which is currently occupied by Jacquelyn Maucher who has expressed her desire to continue serving.

Effective immediately, another extra-territorial jurisdiction seat [remaining term expires 8/2010], is also available due to the resignation of Sally Smith and is also a recommendation to the Carteret County Board of Commissioners for appointment:

Ronetta Gaskill and Gordon Patrick have expressed an interest in serving in this capacity.

Councilman Horton nominated Ronetta Gaskill. Councilman Nelson nominated Gordon Patrick. Councilman Thompson nominated Jackie Maucher.

The Council voted by signed ballot for the extra-territorial seat with the term of office from 8/2009 to 8/2012.

City Attorney Taylor tallied the votes:	Mr. Patrick	2 votes
	Mrs. Maucher	2 votes
	Mrs. Gaskill	1 vote

Because of the tie between Mrs. Maucher and Mr. Patrick, City Attorney Taylor requested the Council vote again limiting their choice to the two [2] candidates receiving the most votes with the results as follows:

Mr. Patrick	3 votes
Mrs. Maucher	2 votes

**Mr. Patrick will be recommended to the Carteret County Board of Commissioners as an Extra-Territorial Member of the Morehead City Planning Board for the term of office from August 2009 to August 2012.**

The Council had no additional nominations other than the remaining two [2] already nominated for the seat vacated by Sally Smith which expires in 2010.

The Council voted on those two [2] by ballot with the result as follows:

Mrs. Maucher	3 votes
Mrs. Gaskill	2 votes

***Mrs. Maucher will be recommended to the Carteret County Board of Commissioners as an Extra-Territorial Member of the Morehead City Planning Board for the unexpired term of Sally Smith from current to August 2010.***

**Board of Adjustment:** Effective August 27, 2009, the following term is expiring:

One [1] extra-territorial jurisdiction seat [term 9/2009 to 8/2012] currently occupied by Beth Taylor.

Mrs. Taylor desires to continue serving and is eligible for reappointment.

***Councilman Cordova MOVED, seconded by Councilman Horton, and carried unanimously, to recommend Beth Taylor to the Carteret County Board of Commissioners as the Extra-Territorial Member to the Town of Morehead City Board of Adjustment for a term of office from September 2009 to August 2012.***

On an aside, Manager Martin reported that David Radford expressed interest in being re-appointed as the City's representative to the Morehead City/Beaufort Airport Authority and this item will be placed on the July 14<sup>th</sup> AGENDA.

**V.B. New Business: Adopt Five [5] FY2008/2009 Budget Ordinance Amendments:**

- **Ordinance 2009-22 Automatic Meter Reading System Capital Project Fund** – This amendment authorizes a transfer of \$100,000 from the Water/Sewer Operating Fund to pay additional costs related to the project.
- **Ordinance 2009-23 Lift Station Improvements Grant Project Fund** – This amendment updates the budget to recognize the award of an additional \$500,000 of American Reinvestment and Recovery Act [ARRA] funds for Lift Station Improvements. It also authorizes a transfer from the Water/Sewer Operating Fund to pay loan costs associated with this award.
- **Ordinance 2009-24 Water Treatment Capital Project Fund** – This amendment updates the budget to recognize the award of ARRA funds in the amount of \$3,000,000 to be used for water treatment improvements. It also authorizes a transfer from the Water/Sewer Operating Fund to pay ARRA loan related costs.
- **Ordinance 2009-25 Recreation Center Grant Project Fund** – This amendment transfers funds not expended for the recently completed Recreation Center project to the General Fund to be used for capital outlay to do drainage improvements at Rotary Park. There is no change in the amount of the budget for this fund.
- **Ordinance 2009-26 FY2008/2009 Budget Amendments** – The purpose of this amendment recognizes changes in anticipated revenue and expenditures as described: 1] Reduction in sales tax revenue; 2] Net reduction in grant revenue from North Carolina Department of Transportation [NCDOT] sidewalk and street grants, grants related to the Jaycee Park facility, and Mitchell Village Park shoreline improvements; 3] Net reduction in planning and inspection fees and related revenue; 4] Increase in miscellaneous revenue; 5] Increase in Other Financing Sources from a transfer from the Recreation Center Capital Project Fund; 6] Reduction in expenditures in various departments related to projects associated with grants, frozen position in the Garage Department and capital outlay in Street and Library Departments; and 7] Increase in expenditures in the Park Department related to improvements at Rotary Park and increase in expenditures in Central Services.

Manager Martin reported that these budget amendments reflect adjustments which were discussed in detail at the recent Budget Work and Goals Session Meetings. A memorandum is included with Ordinance 2009-22 from Public Utilities Director Steve Hamilton detailing the need for adjustments in the AMR meter replacement project necessitating that budget change. [Attached to and made a part of these minutes is the

memorandum to R. Randy Martin from Steve Hamilton dated 6/3/2009]. The amendments were recommended for adoption by the Finance Committee of the Council at their meeting on June 9<sup>th</sup>.

Councilman Horton requested that Ordinance 2009-25 identify that it is an inter-fund transfer from the approved improvements to the soccer field drainage system.

***Councilman Cordova MOVED, seconded by Mayor Pro Tem Ballou, and carried unanimously, to adopt Budget Ordinance Amendment 2009-22 Automatic Meter Reading System Capital Project Fund; Budget Ordinance Amendment 2009-23 Lift Station Improvements Grant Project Fund; Budget Ordinance Amendment 2009-24 Water Treatment Capital Project Fund; Budget Ordinance Amendment 2009-25 Recreation Center Grant Project Fund; and Budget Ordinance Amendment 2009-26 FY2008/2009.*** [Budget Ordinance Amendments 2009-22, 2009-23, 2009-24, 2009-25 and 2009-26 are attached to Ordinance Book #6 in the vault.]

**V.C. New Business: Adopt FY 2009/2010 Budget Ordinance 2009- 20 in the amount of \$19,991,325.00 with a Tax Rate of \$0.22 per \$100 of Assessed Value and Adopt the FY2009/2010 Municipal Goals**

Manager Martin reported that the Council conducted several work sessions over the past several months on the budget proposal for FY2009/2010 and the draft goals. The Budget Ordinance and Goals reflecting these discussions are presented. The proposed budget for FY2009/2010 total is \$19,991,325.00 which maintains the tax rate at \$0.22 per \$100 of property valuation.

Manager Martin reported that the revised ordinance reflects the changes the Council approved during the work sessions which shows a net reduction in spending. The amount of Fund Balance being appropriated is \$313,000 less than was originally recommended in the proposed budget. The total amount of Fund Balance available for appropriation now is estimated at June 30, 2009, to be \$3.1 million which is equal to 33.4 percent of our operating budget. This figure is above what was estimated several weeks ago. The available amount of these funds as Undesignated Fund balance is \$2.9 million which is equivalent to 31 percent.

The budget for Fire/EMS was included in this ordinance as a total as originally recommended, however, it does not reflect changes in line items resulting from the recent contract negotiations and related budget discussions with Carteret County. The outcome of these discussions with the county will be reported and discussed in CLOSED SESSION under contract negotiations.

***Councilman Cordova MOVED, seconded by Mayor Pro Tem Ballou, and carried unanimously to Adopt FY 2009/2010 Budget Ordinance 2009-20 in the amount of \$19,991,325.00 with a tax rate of \$0.22 per \$100 of assessed value and Adopt the FY2009/2010 Municipal Goals.*** [FY Budget Ordinance 2009-20 is attached to Ordinance Book #6 in the vault. The FY2009/2010 Municipal Goals are attached to and made a part of these minutes.]

Manager Martin thanked the Mayor and City Council for all the efforts in reaching consensus and finalizing the budget. He stated that it was a difficult year in terms of recommendations and decisions in freezing salaries and other reductions. He continued that he was proud of the staff and Council in coming to a budget which is prudent and which will meet the needs of the community. He offered his congratulations and thanks for the cooperation of all involved. He reported that Morehead City is in good financial shape and he is pleased that the Council did not have to resort to undesirable actions during a recession such as raising taxes for the next fiscal year.

Mayor Pro Tem Ballou thanked the City Manager for all the information, work and effort provided to make the Council's job that much easier. He continued that the Council appreciated the hard work of the City Manager and staff.

## **VI. Citizen Requests/Comments:**

David Styron of 1208 Shackleford Street, Morehead City, reported on an ongoing drainage problem with the cross alley behind and beside his house and where the side alley meets Shackleford Street. He stated that he has had a problem ever since the City sliplined the sewer pipes in the area several years ago. He continued that he has had meetings with Mayor Jones and City Manager Martin over this drainage issue. He acknowledged he received a settlement from his insurance company for the damage to his property, however, he believes the alley needs to be graded so that it will drain to the street and a new drain placed there to collect runoff.

Mayor Pro Tem Ballou questioned if this would eliminate the problem?

Mr. Stryon replied that he paid over \$2,000 to have his property drain to the alley. He contended that the cleanouts for his septic is four [4] inches below the marl on the alley. He also contended that Shackleford Street floods and water stands in the alley and does not drain. He would like the City to resolve this problem.

Manager Martin agreed he would again review the status and communicate with Mr. Styron.

**VII. City Manager's Report: Consideration of the North Carolina Department of Transportation [NCDOT] Downtown Morehead City Arendell Street Speed Limit Revision Request – Adopt Resolution 2009-33 Certification of Municipal Ordinance Declaring Speed Limit Modifications and Request for Concurring Ordinance by Department of Transportation and Ordinance 2009-21 Amending the Code of Ordinances of the Town of Morehead City, Chapter 9, Motor Vehicles and Traffic, Article VII, *Traffic Schedules*, Schedule XXII, Speed Limits, Section 9-188**

Manager Martin reported that as discussed during the Council work sessions on budget and goals, the North Carolina Department of Transportation [NCDOT] advised that a decision was needed as soon as possible regarding any potential change in speed limit in the 20 mph zone between 10<sup>th</sup> Street and 7<sup>th</sup> Street on Arendell Street/Highway 70 in downtown Morehead City. The Council had discussed this on August 12, 2008, and took no action to make a change. More recently, NCDOT advised that they were proceeding on a fast track with design of a project to upgrade all the system of Highway 70 stoplights in Morehead City. Designers need to finalize the project and NCDOT, as stated previously, believes a change is warranted to increase the speed limit to 30 mph for this section. The Council consensus at the work session held on May 21, 2009, was to revisit the matter at the June 9<sup>th</sup> Council Meeting in light of the new information from NCDOT. City Manager Martin advised NCDOT that a decision would be made on June 9<sup>th</sup> and they were acceptable to that timeframe. He also shared that the City's primary concern is pedestrian safety and NCDOT officials agreed to assess pedestrian safety needs throughout downtown as part of the process and not implement the change in speed until this analysis is completed and the stoplight project is complete. This is likely to take a minimum of several months.

Mayor Pro Tem Ballou stated that as a member of the Public Safety Committee of the Council he was at first opposed to a speed increase because of concern for pedestrian traffic in downtown Morehead City. However, he recognized that improvements are necessary and this is a good time to make this change.

Councilman Horton concurred that anything that the NCDOT could do to facilitate traffic flow in that area would be an improvement.

***Mayor Pro Tem Ballou MOVED, seconded by Councilman Horton and carried unanimously to Adopt Resolution 2009-33 Authorizing the Certification of Municipal Ordinance Declaring Speed Limit Modifications and Request for Concurring Ordinance by Department of Transportation and Ordinance 2009-21 Amending the Code of Ordinances of the Town of Morehead City, Chapter 9, Motor Vehicles and Traffic, Article VII, *Traffic Schedules*, Schedule XXII, Speed Limits, Section 9-188.*** [Resolution 2009-33 is attached to and made a part of these minutes. Ordinance 2009-21 is attached to Ordinance Book #6 in the vault.]

**VIII. Council Requests/Comments:**

Councilman Cordova reported on the Finance Committee Meeting with James Sargeant of McGladrey & Pullen which performs the annual City audit. He continued there are no major changes at the present time.

Councilman Nelson commented that under the approved Parks and Recreation goals for next fiscal year ten [10] additional BIG [Boating Infrastructure Grant] transient docks are to be constructed. He did not recall agreeing to this.

Manager Martin explained that Morehead City was just approved for a second grant for constructing ten [10] additional transient docks. The City has not determined where they will be placed as yet. The funds are there if the City chooses to accept them. The stated goal is to identify a site for the dock space. These grant funds are typically available for approximately two [2] to three [3] years. The staff is currently assessing options for locating additional dock space.

Councilman Nelson also conceded that the City does not have a complete plan for the jib property at this time, but the goals indicate plans will be developed.

Manager Martin advised that when the City hears if the CAMA grant was awarded for acquiring the property for the project, the City will begin the planning process on potential uses.

Councilman Thompson questioned whether with the NCDOT assessing pedestrian safety needs while updating downtown Arendell Street, this would be a good opportunity to request pedestrian improvement plans to 20<sup>th</sup> Street at Mayberry Loop Road near the pedestrian access to Rotary Park.

Manager Martin advised that NCDOT only places pedestrian crossing lights at crosswalks located at stoplights at certain intersections and thought that the most NCDOT would be willing to place in that area is signage or perhaps a blinking warning light. However, he would be glad to investigate with NCDOT what they would consider in the way of pedestrian safety improvements for that area.

Councilman Ballou requested that with the adoption of the budget for FY 2009/2010 emphasis be placed on amending the taxi franchise ordinance in the near future.

**IX. CLOSED SESSION AS PER G.S. 143-318.11[A][5] TO DISCUSS CONTRACT NEGOTIATIONS**

***Councilman Cordova MOVED, seconded by Councilman Thompson, and carried unanimously, to enter into CLOSED SESSION to discuss contract negotiations.***

***Councilman Cordova MOVED, seconded by Councilman Horton, and carried unanimously, to return to OPEN SESSION.***

There being no further business, the meeting was adjourned at 8:15 p.m.

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Gerald A. Jones, Jr., Mayor

Attest:

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Jeanne M. Giblin, City Clerk