

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

**Tuesday, April 12, 2016**

The Honorable Council of the Town of Morehead City met in Regular Session on Tuesday, April 12, 2016, at 5:30 p.m., in the Municipal Chambers located at 202 South 8<sup>th</sup> Street, Morehead City, North Carolina. Those in attendance were:

MAYOR:	Gerald A. Jones, Jr.
MAYOR PRO-TEM:	William F. Taylor
COUNCIL:	George W. Ballou
	Demus L. Thompson
	Harvey N. Walker, Jr.
	Diane C. Warrender
CITY MANAGER:	David S. Whitlow
CITY CLERK:	Jeanne M. Giblin
CITY ATTORNEY'S OFFICE:	Derek Taylor, Michael W. Thomas
OTHERS:	Lynn Hudson; Scott Sherrill; Anna Harvey,

Reporter, THE CARTERET NEWS TIMES; Tim Guthrie, Morehead City Police Department; Chase Cullipher; Ruth Yearick-Jones; Susan Nixon; Daniel Piner; Holly Fletcher; Jeff McCann; Keri McCann; Planning Director Linda Staab; Parks & Recreation Director Craig Lands; Stanley C. Harrell; Pastor Terry Johnson; the Family and Friends of George Ballou and several others

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

Mayor Jones called the meeting to order at 5:30 p.m., Pastor Terry Johnson of Temple Baptist Church gave the invocation and all joined in The Pledge of Allegiance.

**2. Special Presentation: Presentation of the Order of the Long Leaf Pine to Councilman George Ballou**

Mayor Jones stated that one of the Councilmembers will turn a half century old today -- Councilman George Ballou, who has served the community since he has been 13 years old following in the proud footsteps of his family. Mayor Jones continued that he has known George for many years and that George is very passionate about his community and his family and both he and they have shaped Morehead City.

The Order of the Long Leaf Pine is the highest award that anyone in North Carolina can receive. On behalf of the State of North Carolina and Governor Pat McCrory, Mayor Jones presented the award to Councilman Ballou.

Councilman Ballou, with tears in his eyes, said that even though it is an individual award, he accepted it on behalf of the many who have helped him through the years. He stated he accepted the award as part of a great team. He said he loved God, his Family, his Friends and the Town of Morehead City.

***Councilman Taylor MOVED, seconded by Councilwoman Warrender, and carried unanimously, to add an additional Item regarding the draft Flood Map Changes and Flood Insurance to be presented by Planning Director Linda Staab after the public hearings section of the Agenda.***

**3. Adoption of the CONSENT AGENDA**

**3.A. Approve the Minutes of Tuesday, March 8, 2016, Regular Meeting**

*Approved the minutes of Tuesday, March 8, 2016, and dispensed with the reading.*

**3.B. Approve the Requests for Release of Overpayment of Ad Valorem Taxes for March 2016, in the amount of \$262.28; and Accept the Tax Collector and Finance Director Reports for March, 2016**

*Approved the requests for release of overpayment of ad valorem taxes for March 2016, in the amount of \$262.28; and accepted the Tax Collector and Finance Director*

*Reports for March, 2016.* [The Financial Reports are attached to and made a part of these minutes herein by reference.]

**C. Adopt Resolution 2016-08 Endorsing the Swansboro Rotary Bluewater Fishing Tournament and Authorizing Action Necessary for the Event to be Held May 26-29, 2016, on the Morehead City Waterfront**

The Swansboro Rotary Bluewater Fishing Tournament proposes to hold a Fishing Tournament on May 26-29, 2016, at the Big Rock Landing to promote sport fishing throughout Carteret County and the State of North Carolina. The event raises money for charitable institutions. The Public Works Committee of the Council reviewed the proposed Resolution at their last meeting and recommended adoption.

*Adopted Resolution 2016-08 Endorsing the Swansboro Rotary Bluewater Fishing Tournament and authorizing action necessary for the event to be held May 26-29, 2016, on the Morehead City Waterfront.* [Resolution 2016-08 is attached to and made a part of these minutes herein by reference.]

**D. Adopt Resolution 2016-17 In Support of Vector Control Funding**

A Vector Control Program monitors vectors and the diseases that they carry. A “vector” is an animal or insect capable of transmitting the causative agent of human disease. Some examples of vectors are mosquitoes, ticks and rodents. At the last East Carolina Council Meeting, the members present voted to send a resolution to those state legislators representing our region regarding vector control funding in light of the appearance of the Zika Virus and the need for comprehensive mosquito control programs. These grants for local governments for vector control were eliminated in 2014. The adoption of Resolution 2016-17 will have Morehead City join with local governments in calling for the need for this funding.

*Adopted Resolution 2016-17 in Support of Vector Control Funding.* [Resolution 2016-17 is attached to and made a part of these minutes herein by reference.]

**E. Adopt Resolution 2016-18 Endorsing the Raleigh Salt Water Sportfishing Club King Mackerel Tournament and Authorizing Action Necessary for the Event to be held July 29-30, 2016, on the Morehead City Waterfront**

This is the sixth year the Raleigh Saltwater Sportfishing Club has requested the use of specific waterfront areas and ancillary services from the Town of Morehead City. They have specifically requested the use of Jaycee Park and the temporary closure of Shepard Street between 8<sup>th</sup> and 9<sup>th</sup> Streets. The Public Works Committee of the Council reviewed the proposed resolution at their last meeting and recommended adoption.

*Adopted Resolution 2016-18 Endorsing the Raleigh Salt Water Sportfishing Club King Mackerel Tournament and authorizing action necessary for the event to be held July 29-30, 2016, on the Morehead City Waterfront.* [Resolution 2016-18 is attached to and made a part of these minutes herein by reference.]

**F. Adopt Resolution 2016-19 Endorsing the North Carolina Ducks Unlimited Billfish Tournament and Authorizing Action Necessary for the Event to be held July 28-30, 2016, at Otis Landing, 705-707 Shepard Street, Morehead City**

The Ducks Unlimited Billfish Tournament has requested the use of the weigh-in area at Otis Landing at 705-707 Shepard Street and the temporary closing of Shepard Street between the Big Rock fountain and the observation deck. The Ducks Unlimited will be responsible for providing personnel and barriers to manage the ingress and egress of vehicles and pedestrians during the hours of the Tournament. The Public Works Committee of the Council reviewed the proposed resolution at their last meeting and recommended adoption.

*Adopted Resolution 2016-19 Endorsing the North Carolina Ducks Unlimited Billfish Tournament and Authorizing action necessary for the event to be held July 28-30, 2016, at Otis Landing, 705-707 Shepard Street, Morehead City.* [Resolution 2016-19 is attached to and made a part of these minutes herein by reference.]

**G. Adopt Budget Ordinance Amendment 2016-10 to Increase Miscellaneous Revenue \$13,970 for Receipt of Insurance Claims for Scoreboard and Increase Recreation by \$40,400 for Purchase of Playground Equipment and to Decrease Contingency by the Same and Budget Ordinance Amendment 2016-11 to Increase Baseball Park Capital Project Fund by \$13,970 for Receipt of Insurance Claims for Scoreboard**

The purpose of Budget Ordinance Amendment 2016-10 is to update the budget as follows:

- Increase Miscellaneous Revenue by \$13,970 for the receipt of insurance claims monies for damage to the scoreboard at O'Neal Field and increase Transfers to other funds by same.
- Increase Recreation by \$40,400 for the purchase of pirate ship playground equipment and decrease Contingency by the same.

The purpose of Budget Ordinance Amendment 2016-11 is to increase revenue by \$13,970 for transfer from the General Fund for receipt of insurance claims for damage to scoreboard at O'Neal Field and to increase Expenditures by the same.

*Adopted Budget Ordinance Amendment 2016-10 to Increase Miscellaneous Revenue \$13,970 for receipt of insurance claims for scoreboard and increase Recreation by \$40,400 for purchase of playground equipment and to decrease Contingency by the same and Budget Ordinance Amendment 2016-11 to Increase Baseball Park Capital Project Fund by \$13,970 for receipt of insurance claims for scoreboard. [Budget Ordinance Amendments 2016-10 and 2016-11 are attached to Ordinance Book #7 in the vault.]*

**H. Approve Annual Contract with McGladrey, LLP for Audit Services and CAFR Preparation**

The Town of Morehead City received the contract to audit accounts for FYE 6/30/2016 from McGladrey, LLP at a cost of \$46,500. Morehead City has entered into an agreement with the auditing firm for their services through FYE 6/30/2017, however, the actual annual contract must be approved by the Council each year. The Finance and Administration Committee of the Council reviewed the proposed contract and recommended approval.

*Approved the annual contract with McGladrey, LLP for audit services and CAFR preparation for FYE 6/30/2016 in the amount of \$46,500.*

**I. Approve Updated Zoning Sign Design**

During the November Meeting, the Planning Committee of the Council reviewed a variety of updated designs for the zoning signs that are posted for zoning actions. They recommended a design and requested Council approval.

*Approved the updated zoning sign design as presented.*

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Councilwoman Warrender questioned the Resolution about Vector Control Funding whereupon City Manager Whitlow explained that it related to effort on part of counties and municipalities to have the state assist by funding for mosquito spraying and to reinstitute this in the upcoming Legislative Session.

Councilman Warrender questioned that the Raleigh Saltwater Fishing Tournament and the Ducks Unlimited Billfish Tournament were at the same time and both in Downtown Morehead City. City Manager Whitlow explained that one is being held in Jaycee Park and the other at the Big Rock Landing. Both tournaments were held the same time last year and experienced no problems.

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

**4.A. Public Hearing: Voluntary Contiguous Annexation Request from Gary Lee Gooding for Property located at 5330 Highway 70, PIN #6356-0648-9312-000, 1.04 acres, Zoned CH [Highway Commercial] District – Adopt Ordinance 2016-05**

Planning Director Linda Staab reported that the property under consideration for annexation is contiguous to the present City limits, contains approximately 1.04 acres and is zoned CH [Highway Commercial] District. The site in question is part of the Wildwood Homesite subdivision. The subdivision is currently fragmented in that a portion [Lot 14 Block C and Lots 1, 8, 10, 11 and 12 Block F] is located in the corporate limits with the remainder being located in the extraterritorial jurisdiction [ETJ]. The current tax value is \$387,466. Based on a 35-cent tax rate, \$1,356.13 in tax revenues would be generated. Water and sewer will be accessed from Highway 70. All costs associated with extending the water/sewer service to the newly annexed property will be the responsibility of the owner.

Mayor Jones opened the public hearing. No one spoke for or against the request.

Mayor Jones closed the public hearing.

***Councilman Thompson MOVED, seconded by Councilman Taylor, and carried unanimously, to adopt Ordinance 2016-05 granting the Voluntary Contiguous Annexation Request from Gary Lee Gooding for Property located at 5330 Highway 70, PIN #6356-0648-9312-000, 1.04 acres, Zoned CH [Highway Commercial] District. [Ordinance 2016-05 is attached to Ordinance Book #7 in the vault.]***

**4.B. Public Hearing: Request from Stroud Engineering, on behalf of Tide Lines, LLC, for Revised Site Development Master Plan Approval for Tide Lines Residential and Boating Community, 10 proposed single-family lots located at 180 and 210 Radio Island Road, Beaufort, and known as Tax PINs 6396-1950-3948-000 and 6396-1950-1717-000 – Adopt Resolution 2016-16 and Ordinance 2016-09**

Planning Director Linda Staab reported that the developer submitted a request to amend the site development master plan for this 2.88 acre planned development located on Radio Island to allow for the subdivision of ten [10] single-family lots. The property is currently located within Morehead City's corporate limits and is zoned PD [Planned Development]. Adjacent property is zoned CM [Commercial Marina District] and County B2 [Marine Business District] to the north, PM [Port-Maritime District] to the south and southwest, and CM to the northeast. Copies of the NCDOT access permit, the state stormwater redevelopment permit exclusion, and water line extension permits are on file with the City as is a draft copy of the restrictive covenants. According to the Division of Coastal Management, the CAMA permit for this project has been renewed. Any approval should be granted contingent upon receipt of the wastewater extension permit.

The site is located adjacent to Morehead City Land Use Plan Neighborhood 1 and the Port Mixed Use future land use classification. The site is classified as "developed" in the Carteret County CAMA Land Use Plan. The property was posted and property owners within 300 feet of the site were mailed a notice of the public hearing which included the dates of the Planning Board meeting and Council public hearing (April 12<sup>th</sup>).

At the Planning Board Meeting on March 22, 2016, Tom Saunders made the MOTION, seconded by Ronetta Gaskill, to recommend approval of the revised site development master plan, to approve the preliminary plat, and to approve Planning Board Resolution Number 2016-0001. The motion carried unanimously. The Planning Committee of the Council reviewed the request at their last meeting.

Councilwoman Warrender questioned who were the members of Tide Lines, LLC?

Planning Director Staab introduced Lynn Hudson, owner of Tide Lines, LLC. The approval is for single family housing and the request does meet Morehead City planning standards.

Councilman Taylor commented that this project has been a long time in coming and each time the density has decreased.

Mayor Jones opened the public hearing.

Chase Cullipher of Stroud Engineering, stated he was working with Mr. Hudson on this development and the reason the development has become less dense was market driven.

Councilwoman Warrender questioned the fee in lieu of public water access.

Planning Director Staab explained that the City requires public access to the water for developments sited on water frontage. In some instances the City can accept money in lieu of acquiring public green spaces. In this way, instead of just acquiring small plots of maybe unusable land all over town, the money is kept in a fund for larger City public projects

Lynn Hudson, developer for Tidelines explained that the project began in 2005. It is a planned unit development. They have chosen a lower density than what could be pursued. He gave a brief history of the development. There are no internal streets, the development consists of five [5] driveways and all properties front on Radio Island Drive. The developer will pave Radio Island Road from the beginning to the end of the development.

Councilman Ballou was concerned with traffic on Radio Island Road and having to back a vehicle out from a driveway onto Radio Island Road.

Mayor Jones closed the public hearing.

Councilman Ballou stated his concern that the property is surrounded by Port-Industrial Zoning and the placement of single family homes in this area. He was concerned about traffic and safety as the port will definitely continue to develop their property on Radio Island.

***Councilman Thompson MOVED, seconded by Councilman Taylor, and carried unanimously, to adopt Resolution 2016-16 and Ordinance 2016-09 granting the request from Stroud Engineering, on behalf of Tide Lines, LLC, for Revised Site Development Master Plan Approval for Tide Lines Residential and Boating Community, 10 proposed single-family lots located at 180 and 210 Radio Island Road, Beaufort, and known as Tax PINs 639619503948000 and 639619501717000, contingent upon receipt of the wastewater extension permit. [Resolution 2016-16 is attached to and made a part of these minutes herein by reference. Ordinance 2016-09 is attached to Ordinance Book #7 in the vault.]***

**4.C. Public Hearing: City-initiated request to rezone to 500 Bridges Street, 502 Bridges Street, 504 Bridges Street, 506 Bridges Street, 508 Bridges Street, 510 Bridges Street, 512 Bridges Street, 600 Bridges Street, 601 Bridges Street, 603 Bridges Street, 604 Bridges Street, 605 Bridges Street, 607 Bridges Street, 609 Bridges Street, 610 Bridges Street, 611 Bridges Street, 108 N 7th Street, 702 Bridges Street, 704 Bridges Street, 708 Bridges Street, 207 North 8<sup>th</sup> Street, 209 North 8<sup>th</sup> Street, 104 North 10th Street, 106 North 10th Street, 1000 Bridges Street, 1004 Bridges Street, 1006 Bridges Street, 1008 Bridges Street, and 1010 Bridges Street (Tax PINs 638620814658000, 638620814715000, 638620813740000, 638620812790000, 638620812740000, 638620811770000, 638620811721000, 638620810704000, 638620810505000, 638620719488000, 638620719714000, 638620719505000, 638620718545000, 638620718505000, 638620718714000, 638620717548000, 638620716598000, 638620715737000, 638619714756000, 638619713787000, 638619711941000, 638619711945000, 638619614529000, 638619613694000, 638619613803000, 638619611896000, 638619611846000, 638619610896000, and 638619610836000) from OP (Office and Professional District) to R5 (Residential District); 600 Bridges Street (Tax PIN 638620810704000) from OP and R5 to R5; and 603 Bridges Street (Tax PIN 638620719488000) from OP and DB (Downtown Business District) to R5  
– Adopt Resolution 2016-15 and Ordinance 2016-08**

Planning Director Linda Staab reported that at the request of the Town Council, the Planning Staff initiated a zoning study along the Bridges Street corridor from 4<sup>th</sup> Street to 20<sup>th</sup> Street. Property owners were invited to attend an informational meeting on October 26, 2015. During the meeting, property owners provided feedback on their individual properties. On January 5, 2016, the Planning Staff held a second meeting. Property owners were invited to review the proposed changes and make any additional comments. The map was tweaked to reflect the additional comments and is ready for review and adoption by the Planning Board and Town Council.

Twenty-nine (29) parcels encompassing approximately 4.6 acres from OP to R5 [Note: Two of the subject properties currently include dual zoning designations: 600 Bridges Street – OP & R5 and 603 Bridges Street – OP & DB] are being proposed to be rezoned. The parcels are located within the corporate limits. Surrounding zoning classifications include R5, OP, and DB (Downtown Business District) as shown on the zoning map provided. The rezoning area located in Neighborhood 1 of the CAMA Land Use Plan and is classified as Downtown Mixed Use.

Property owners within 300 feet of the property were notified of the Planning Board meeting as well as the date of the public hearing which was scheduled for April 12, 2016. The property has been posted.

At the Planning Board Meeting on March 22, 2016, John Creech made MOTION, seconded by Tom Outlaw to recommend approval of the rezoning request and to approve Planning Board Resolution No. 2016-0002 with the recommendation that the Council consider initiating a request to reconsider the zoning on the south side of the 500 block. The motion carried unanimously. The Planning Committee of the Council reviewed the proposed rezoning at their last meeting.

Mayor Jones opened the public hearing.

Dawn Birmingham of 511 Bridges Street spoke about the houses on the south side of her street and her concern about a vacant lot being made into a parking lot which would devalue her home. Other than this concern, she stated she had no feelings one way or the other.

Mayor Jones closed the public hearing.

Councilman Ballou ascertained that everyone who was being rezoned knew about this and commented that the public received four [4] or five [5] notices from the Morehead City Planning Department regarding the proposed rezoning.

***Councilman Taylor MOVED, seconded by Councilwoman Warrender, and carried unanimously, to adopt Resolution 2016-15 and Ordinance 2016-08 granting the City-initiated request to rezone to 500 Bridges Street, 502 Bridges Street, 504 Bridges Street, 506 Bridges Street, 508 Bridges Street, 510 Bridges Street, 512 Bridges Street, 600 Bridges Street, 601 Bridges Street, 603 Bridges Street, 604 Bridges Street, 605 Bridges Street, 607 Bridges Street, 609 Bridges Street, 610 Bridges Street, 611 Bridges Street, 108 N 7th Street, 702 Bridges Street, 704 Bridges Street, 708 Bridges Street, 207 North 8<sup>th</sup> Street, 209 North 8<sup>th</sup> Street, 104 North 10th Street, 106 North 10th Street, 1000 Bridges Street, 1004 Bridges Street, 1006 Bridges Street, 1008 Bridges Street, and 1010 Bridges Street (Tax PINs 638620814658000, 638620814715000, 638620813740000, 638620812790000, 638620812740000, 638620811770000, 638620811721000, 638620810704000, 638620810505000, 638620719488000, 638620719714000, 638620719505000, 638620718545000, 638620718505000, 638620718714000, 638620717548000, 638620716598000, 638620715737000, 638619714756000, 638619713787000, 638619711941000, 638619711945000, 638619614529000, 638619613694000, 638619613803000, 638619611896000, 638619611846000, 638619610896000, and 638619610836000) from OP (Office and Professional District) to R5 (Residential District); 600 Bridges Street (Tax PIN 638620810704000) from OP and R5 to R5; and 603 Bridges Street (Tax PIN 638620719488000) from OP and DB (Downtown Business District) to R5. [Resolution 2016-15 is attached to and made a part of these minutes herein by reference. Ordinance 2016-08 is attached to Ordinance Book #7 in the vault.]***

## **5. New Business: Flood Map Changes and Flood Insurance**

Planning Director Staab commented that this is strictly draft information. There will be an open process prior to the adoption of the new flood maps and the public will be able to comment. She demonstrated on the map the differences between the flood elevations current and those proposed. Morehead City will experience an increase in properties which will be located in the flood zone. She explained the flood study update and stated that more information will be forthcoming.

The Planning Department has found a firm willing to appeal on behalf of the City. This draft information will be officially released on June 30, 2016. On Thursday, May 5, 2016 at 6 p.m. there will be a public meeting at the Civic Center.

Mayor Jones commented that Morehead City will likely partner with Beaufort to get a firm to appeal and that money has been placed in the budget for this process.

## **6. Citizen Requests/Comments: [2 Minute Time Limit]**

Keri McCann requested that the City address the dumpster situation in Katherine Davis Park. There is a dumpster located there that no one is claiming and which is not being serviced. She requested that the City contact Waste Industries to find out who owns the dumpster.

Andrea Smith of 706 Fisher Street, stated that regarding the draft flood maps she just bought a home and had the house lifted based on the current flood maps. If the flood level is raised for her home, she will be greatly impacted. She supported hiring the firm to appeal the proposed flood maps.

Robert Willis introduced his son, Payne, who is a Boy Scout and who stated that he was working on his last merit badge before he begins his Eagle Project which is to give every kindergartener in Carteret County a new book.

## **7. Unfinished Business**

### **7.A. Distribution of Requested Retiree Insurance Survey**

Human Resources Officer Susan Nixon reported that per the discussion at the March 8, 2016 Council meeting relating to the draft presentation of a new Personnel Policy and most specifically to the topic of retiree insurance, attached is a survey of some agencies in North Carolina and their current retiree insurance benefit.

The proposal in the draft Personnel Policy is to set a dollar limit on the amount of reimbursement a retiree would be eligible for at retirement, provided certain conditions are met. This would be a change from our current benefit in which the City pays coverage at 100%. The proposal would limit the City's liability for future insurance costs. In addition, the proposal would not affect current employees – only those hired after adoption of new Policy or another pre-determined date set by Council. During that discussion, a request was made as to what other local agencies are providing employees upon retirement. As a result, Human Resources Officer Susan Nixon polled the local agencies and reached out to the HR Listserv to provide the attached survey results. According to the survey results there is not one exclusive benefit for all agencies – benefits range from no benefit to 100% coverage paid with as little as 10+ years of service.

Councilman Taylor questioned that when the Council votes on the implementation of the Personnel Plan does that also cover the proposed change in retiree medical benefits for employees hired after the Personnel Plan goes into effect?

City Manager Whitlow affirmed that the changed retiree medical benefit is in the proposed Personnel Plan.

Councilman Taylor questioned if the City had researched other requirements so that employees could receive more monies to pay for their medical benefits once they were

retired? For example, he proposed a 15 year tenure requirement to give the employee more money to help fund their medical insurance.

Councilman Thompson wanted to discuss this option and have more time to know exactly what the Council would be doing.

Councilman Ballou commented that there has not been a lot of talk about this proposal; it needed to be taken back to Committee and that comments and directions were needed from all the Councilmembers. He was concerned that the City was giving a retirement benefit now, and will not be for future employees.

Councilman Taylor commented he would like to see this proposal go back for further review by the Finance Committee and he would like to see more available choices.

City Manager Whitlow stated that the City would like to move it forward and will work further on it.

Councilman Taylor commented that the Police and Fire/EMS have separate requirements from the personnel plan which are in addition to the general employee situation.

City Manager Whitlow explained that there are general policies while some departments have other regulations and these other requirements will be in addition to the employee general policy.

City Manager Whitlow asked that if the Council has specific questions, please make him aware of them.

#### **7.B. Adoption of the Updated Morehead City Personnel Policy**

The current Personnel Policy was adopted November 10, 1987 as a Personnel Ordinance. On June 11, 2013, the Council repealed it as an Ordinance and retained it as a Personnel Policy. Since 1987, there have been several updates to various sections of the Policy but no rewrite of the entire Policy has been completed since then. Over time, City practices, procedures, state and federal laws have changed. The Personnel Policy which is proposed has been rewritten to reflect those changes.

With Council approval in the FY2013/2014 budget, the City contracted with David Hill Consulting Services to assist in rewriting the Personnel Policy. The process was completed in steps with the City Manager, Human Resources Officer and all Department Heads having input in the revisions to the Policy. The final draft was reviewed by the Finance and Administration Committee of the Council and with their request the document was distributed to the entire Council at the March 8, 2016 Council Meeting. At that Meeting, Human Resources Officer Susan Nixon reviewed the proposed changes with the entire Council with the premise that the policy be adopted at the April 12, 2016 Council Meeting.

***The Council did not adopt the proposed Personnel Policy; concurred to send it back to Committee; and to have Work Sessions regarding the adoption of the Personnel Policy.***

#### **8. City Manager's Report:**

##### **8.A. Distribution of the Proposed FY2016/2017 Budget**

City Manager Whitlow distributed a copy of the proposed FY2016/2017 Budget. He reported that the budget proposes expenditures of \$13,526,326 in the General Fund; \$4,665,684 in the Fire/EMS Fund; \$7,168,059 in the Water/Sewer Fund; and \$953,727 in the Sanitation Fund. This budget is balanced with taxes, fees, intergovernmental transfers and the use of Unappropriated Fund Balance. There are recommendations for increases in some Planning and Inspection fees and in Parks and Recreation fees. There is also a four percent [4%] increase in Water and Sewer charges. The proposed budget does not require an increase in the Ad Valorem rate.

The Capital projects will be funded as cash projects, namely the construction of a new vehicle maintenance facility; the reconstruction of the tennis courts and lighting at Shevans Park; the replacement of wiring and HVAC at the Webb Memorial Library; purchase of several police vehicles; renovation of the bathrooms at the Recreation Center; purchase of a pavement roller; installation of a new server system at the Police Department and the purchase of new financial software system as well as several other items.

City Manager Whitlow offered that the Council might wish to expand some projects and apply for a loan through the United States Department of Agriculture [USDA] at very lucrative interest fees.

The budget includes a cost of living increase of .7 percent for all employees, performance increases based on annual evaluations from 0 to 3 percent and continuing the employee-only health insurance at 100 percent. The City negotiated with Blue Cross and was able to achieve only a 5 ½ percent increase due to staff participation in the Wellness Program.

The proposed budget also meets the Council's goals of maintaining an Undesignated Fund Balance in the amount of \$2,500,000 to \$2,750,000.

The document itself is different from prior years in that the staff has provided a narrative to better explain what takes place within the many departments and functions of the City.

City Manager Whitlow thanked the Finance Department as well as all other Departments for their input into the proposed budget. He suggested the following dates for Special Meetings/Budget Work Sessions:

April 21, May 2, 3, 4, and 5, 2016.

***The Council set the Special Meetings/Budget Work Sessions for Tuesday, May 3, 2016 from 8 a.m. to 12 noon and Thursday, May 12, 2016 from 8 a.m. to 12 noon in the Municipal Chambers located at 202 South 8<sup>th</sup> Street, Morehead City, N.C.***

#### **7.B. Planning Board Vacancy – Extraterritorial Jurisdiction**

Planning Director Staab reported that Jacquelyn Maucher submitted her resignation from the Morehead City Planning Board. There are no current applications on file from other residents in the extraterritorial jurisdiction. The Council is requested to let anyone who might be interested in serving to contact the City Clerk. She also mentioned that one [1] In-City vacancy and one [1] ETJ vacancy will occur in August 2016, as both John Creech and Curtis Fleshman will have to come off the Board.

#### **8. Council Requests/Comments**

Councilman Taylor thanked Jackie Maucher for all the years she served on the Planning Board. She had city and county experience and served in a tremendous capacity.

Councilman Ballou thanked all for the surprise and stated it was an honor to serve.

Mayor Jones spoke about the parking situation at Katherine Davis Park and that vehicles were parking on the grass. There are currently no time limits for parking there, but perhaps placing time limits should be explored.

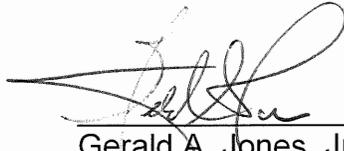
#### **9. CLOSED SESSION AS PER G.S. 140.381.11[A][3] TO CONSULT WITH THE CITY ATTORNEY AND TO DISCUSS POTENTIAL LITIGATION**

***Councilman Ballou MOVED, seconded by Councilwoman Warrender, and carried unanimously, to enter into CLOSED SESSION.***

***Councilman Ballou MOVED, seconded by Councilman Thompson, and carried unanimously, to return to OPEN SESSION.***

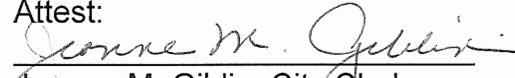
**10. Adjournment**

There being no further business, the meeting was adjourned at 8:30 p.m.



\_\_\_\_\_  
Gerald A. Jones, Jr., Mayor

Attest:

  
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Jeanne M. Giblin, City Clerk