

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

Tuesday, May 4, 2021

The Honorable Council of the Town of Morehead City held the monthly Workshop Meeting on Tuesday, May 4, 2021, in the Municipal Chambers located at 202 South 8th Street, Morehead City, North Carolina.

This meeting was partially conducted utilizing Zoom Video Communication Inc. software due to the COVID-19 crisis and Governor Cooper’s Executive Order 141 imposing the requirement to maintain six-foot (6’) distancing. Those in attendance were:

COUNCIL PRESENT: Councilmembers George Ballou, David Horton, Bill Taylor, and Diane C. Warrender.

Mayor Pro Tem Keri McCann was absent due to a scheduled appointment.

STAFF PRESENT: City Attorney Derek Taylor, City Manager Ryan Eggleston, Fire Chief Jamie Fulk, Finance Director Jewel Lasater, Police Chief Bernette Morris, Human Resources Director Susan Nixon, Parks and Recreation Director Jerry Riggs, Planning Director Sandi Watkins, Public Services Director Daniel Williams, and City Clerk Cathy Campbell.

OTHERS PRESENT: Elise Clouser of Carteret News Times, and Don Kirkman and Michele Querry of Carteret County Economic Development. Big Rock Tournament Executive Director Crystal Hesmer arrived at 10:30 upon request.

STAFF PARTICIPATING VIA ZOOM: Deputy Clerk/Executive Assistant Kathy Eagle, and Assistant Finance Director Leeann Vinson.

OTHERS PARTICIPATING VIA ZOOM: Diana Tootle and Big Rock Tournament Executive Director Crystal Hesmer and Assistant Director Madison Maxwell.

Mayor Jones called the workshop meeting of the Morehead City Town Council to order at 9:06 a.m. with a quorum present.

RECOGNITIONS/PRESENTATIONS

Radio Island and Offshore Wind Energy Presentation

Carteret County Economic Development Director Don Kirkman appeared before the Town Council to present and seek support of what he referred to as a potential “Win-Win- Wind”

opportunity for Morehead City, Carteret County, and the Morehead City Port. Through this opportunity the port property located on Radio Island could be utilized as Staging and Manufacturing ports as well as a Service Operation Vessel Base for wind energy projects along the east coast of the United States. As a Manufacturing port, the land would support manufacturing plants that will make components for the wind energy projects. The Morehead City Port is perfectly positioned for this opportunity because of land availability owned by the State of North Carolina, proximity to deep water channel, easy access to the Atlantic Ocean (4 miles), existing infrastructure (rail, water, sewer, electric, and broadband), the absence of air gap restrictions (bridges or power lines, etc.), the absence of wetland concerns, and the sandy soil will support the weight-bearing infrastructure. A map of the planned offshore wind projects was provided.

This opportunity could provide 500 to 1,000 high-skilled, high-paid jobs. Many of the required skills could be obtained through Carteret Community College.

This opportunity is being presented during a time of unprecedented federal funding for infrastructure. Mr. Kirkman quoted from the North Carolina (NC) Department of Commerce report titled “Building North Carolina’s Offshore Wind Supply Chain, A Roadmap for Leveraging Manufacturing and Infrastructure Advantages” where it states that one-hundred-billion dollars (\$100 billion) is assessable to NC, and the port is an anchor for the project. This coupled with the job opportunities it will generate, makes this opportunity a fiercely competitive initiative.

Mr. Kirkland confirmed that no offshore wind projects are planned for the coast of NC in order to protect Marine Corps aviation training.

Councilmember Taylor shared that the NC Department of Transportation (NCDOT) has made significant commitments to the highways and ports in eastern NC that will support this initiative. NCDOT’s Interstate 42 project will also open up that highway to support the port and later projects will route much of the interstate traffic around Morehead City via Highway 101 to Interstate 42.

When asked about the estimated timeline, Mr. Kirkland stated that it would take about four (4) years to complete the environmental review and the planning and design process. In the meantime, relationships could be cultivated with the wind industry leaders and Tier 1 suppliers in order to prepare for their specific needs.

Working Narratives Presentation

Sarah Sloan of Working Narratives did not appear. Mr. Eggleston stated that the presentation will be rescheduled for the June 1, 2021 workshop meeting. Councilmember Warrender stated that Working Narratives was awarded a grant through the Arts Council last year and they have until June 1, 2021 to report on how the funds have been used.

PUBLIC HEARINGS

Review Ordinance 2021-O-11 Requesting to Rezone 301 Highway 24

Mayor Jones stated that the public hearing to consider the request submitted by Bryan Starling, on behalf of Mary Lynn Eure Osteen, to rezone 301 Highway 24 (Tax PIN #635615741744000) from R20 (Single Family Residential District) to RMF-CZ (Residential Multifamily–Conditional Zoning) and CH-CZ (Highway Commercial–Conditional Zoning) would be held during a Special Meeting of the Town Council at 5:30 p.m. on Wednesday, May 19, 2021 at the Crystal Coast Civic Center.

There was no discussion. Mr. Eggleston added that the Civic Center would provide ample space for all who wish to attend. This will be conducted as an in-person meeting only. There will be no Zoom connectivity available.

Review Ordinance 2021-O-12 Requesting Voluntary Contiguous Annexation of 301 Highway 24

Mayor Jones stated that the public hearing to consider the request for voluntary contiguous annexation of the property located at 301 Highway 24 (PIN #635615741744000) would also be held during the Special Meeting scheduled for 5:30 p.m. on Wednesday, May 19, 2021 at the Crystal Coast Civic Center.

There was no discussion.

Review Ordinance 2021-O-13 Requesting Approval of Revised Sketch Development Plan for 4700 South Shore Drive

Planning Director Sandi Watkins presented the request to revise the sketch development plan for an existing Planned Development (PD) located at 4700 South Shore Drive. Ms. Watkins shared that at their April 20, 2021 meeting, the Planning Board reviewed the sketch development plan for Morey's Point which was revised to reduce the number of lots from 15 to 6. According to the City's Unified Development Ordinance (UDO) the sketch plan should represent the development's general impression of the anticipated pattern of development. She outlined the development plan approval stages as 1) site development master plan that will specify the uses of land and layout of landscaping, circulation, and buildings, 2) the preliminary plat which will ensure that the proposed plan complies with all federal, state, and local regulations, and 3) final plat which is the final document for which permits are issued and will be recorded in the Register of Deeds office. Today's request is the first stage of the approval process for Morey's Point. Following their review, the Planning Board unanimously recommended approval of the request with Ronetta Gaskill making the motion and Diana Tootle seconding.

In accordance with N.C.G.S. 160A-31, this public hearing was advertised in the Carteret News Times on Sunday, April 18, 2021, and property owners within 300 feet of the property were notified in writing. The property was also posted.

Public Services Director Daniel Williams came forward to address concerns raised regarding the roadway. He stated that the street leading to the planned development does not meet the city requirements for a public street. This street will be a private street for a gated community and will be constructed using pervious pavers. He sought direction from Council regarding their approval of allowing private drives to deviate from the requirements for public streets.

Councilmember Horton pointed out that this would be the first pervious street in Morehead City and therefore, the City does not have specifications for this type of street. He then quoted from the City's Code of Ordinances (Code) which states that all streets will be made in accordance with the City's written specifications and that planned developments will meet a higher degree of regulations. According to the Code, the minimum street width will be twenty-seven (27) feet wide. This street is proposed at a twenty (20) feet width. It raises questions to whether it is sufficient for typical family activities (parties, social events, etc.). As a private street, it will fall upon the few homeowners to maintain the street. Mr. Eggleston distributed copies of North Carolina Department of Environmental Quality (NCDEQ) standards published several years ago as a possible measuring standard for the proposed street. Council agreed by consensus that the street should conform to City regulations as outlined in the Code.

Councilmember Taylor asked that staff and developers be instructed to do three things, 1) outline how will they develop a homeowner's association (HOA) to maintain the street, 2) to advise if the HOA will establish an escrow account for maintenance or obtain a performance bond, and 3) provide state standards for pervious roads. The report provided does not include data on the strength of the roadway to support heavy emergency vehicles. In addition, he would like to see additional information regarding how the boat slips on the Peletier Creek side of the property will be developed, and how they propose to protect the peninsula from erosion.

In response to questions, it was stated that the requirements for a street that will serve no more than one hundred (100) residents call for each lane to be eleven (11) feet wide with a total paved width of twenty-seven (27) feet, and a right-of-way of forty-five (45) feet to include curb and gutters. Ms. Watkins stated that street quality is not typically part of the first approval stage; however, Council may include it if desired. Council has the authority to require that certain aspects be addressed as a condition of approval.

NEW BUSINESS ITEMS

Review Resolution 2021-R-18 Endorsing the North Carolina Troopers Association Offshore Inshore Saltwater Challenge

Parks and Recreation Director Jerry Riggs appeared before the Town Council to present Resolution 2021-R-18, endorsing the North Carolina Troopers Association Offshore Inshore Saltwater Challenge and authorizing action necessary for the event to be held October 15-17, 2021. He reported that this is a reoccurring annual tournament with no new or unusual requests being proposed.

Discuss Amendment to Resolution 2021-R-12, Endorsing the Big Rock Blue Marlin Fishing Tournament

Parks and Recreation Director Jerry Riggs explained that since the adoption of Resolution 2021-R-12, endorsing the Big Rock Blue Marlin Tournament, the Big Rock has communicated a desire to hold all tournament related events at Big Rock Landing rather than the Crystal Coast Civic Center. The amended Resolution reflects the use of Big Rock Landing on Friday, June 11th from 8:00 a.m. to 10:00 p.m., Saturday, June 12th from 8:00 a.m. to 11:00 p.m., Wednesday, June 16th from 6:00 p.m. to 10:00 p.m., and Sunday, June 10th from 11:00 a.m. to 2:00 p.m.

Big Rock Tournament Executive Director Crystal Hesmer was contacted and arrived at 10:30 a.m. to provide additional details regarding the activities being relocated from the Civic Center to Big Rock Landing. Ms. Hesmer stated that on Friday night, June 11, 2021, they will host the Lady Angler party from 6:00p.m. to 9:00 p.m., which is just for registered tournament participants. There will not be a captain's party this year. The Captains' meeting will be held Saturday at 5:30 p.m. On Sunday, June 20, 2021 from 11:00 a.m. to 1:00 p.m. the award ceremony will be held. A large tent will be set up in the street. With other seating on the deck, seating will accommodate 470 people. Handwashing stations and portable bathrooms will be provided. Alcohol sales and consumption will be restricted to the bar tent area. A map of the event areas was distributed. They are not addressing parking as participants have managed that on their own in the past.

Review Proposed CDBG – Neighborhood Revitalization Contract Bid Awards

Planning Director Sandi Watkins introduced Chris Hilbert, Community Development Director for Insight Planning & Development, who is serving as the city's consultant for the Community Development Block Grant (CDBG) Neighborhood Revitalization program. Mr. Hilbert reported that five (5) homes were bid for contractor awards. Two (2) bids were received for each home. Both contractors are very familiar with program requirements and process. One (1) house bid was \$7,000 under the expected cost while the other four (4) were in line with expectations. Of the original seven (7) properties identified, one (1) property dropped out due the owner's health and another may be dropped dependent upon receipt of owner information. The deletion of these two (2) properties may leave a surplus of up to \$150,000, so it may be possible to add one (1) or two (2) more properties depending upon the type of work required (rehabilitation or rebuild).

In response to a question, Mr. Hilbert stated that owners are eligible for temporary relocation housing during the construction process.

Paul Woolard Construction, Inc. was the low bidder for the property located at 302 N. 10th Street, and B&B Construction was the low bidder for properties located at 1312 Fisher Street, 1302 Fisher Street, 309 13th Street, and 1201 Avery Street.

Review Contingency Budget Amendment Report

Finance Director Jewel Lasater appeared before the Town Council to present and review a Contingency Budget Amendment Report to be considered for adoption at the May 11, 2021 Regular meeting. She reported that \$10,000 was transferred from Contingency to Other Funds for a Water/Sewer emergency capital repair to the pump at Lift Station #18A.

Review Budget Ordinance Amendment

Finance Director Jewel Lasater presented and reviewed Budget Ordinance Amendments 2021-14 and 2021-15.

Budget Ordinance Amendment 2021-14 records the transfer of funds from Miscellaneous Revenue for the following:

- \$10,050 to Police for the sale of five (5) surplus patrol vehicles
- \$3,500 to Police for funds received for sponsorship or the annual police calendar
- \$2,609 to Recreation for insurance claim relating to Recreation Center air conditioning unit

It also records the transfer of \$35,000 from Contingency to Central Services for attorney services during 2021-2021 budget year. This is related to increased general attorney costs, not additional contracted attorney services.

In response to a question, Ms. Lasater explained that the deductible for the air conditioning unit claim was covered under the Recreation budget.

Budget Ordinance Amendment 2021-15 records transfers to the Water and Sewer Capital Project Fund for the previously mentioned pump repair at Lift Station #18A (\$10,000) and a transfer from Other Funds for a tap-on motor repair at Well #4 (\$7,500).

Review American Rescue Plan Capital Reserve Fund Budget Ordinance

Next, Finance Director Jewel Lasater presented and reviewed American Rescue Plan Capital Reserve Fund Budget Ordinance 2021-16. This ordinance would establish an American Rescue Plan Capital Reserve Fund for anticipated revenues and appropriations in the amount of \$2,810,000. Staff is still awaiting clarification of how the funds may be utilized.

Financial Review for Period Beginning July 1, 2020 Through March 31, 2021

Finance Director Jewel Lasater provided and reviewed summary financial statements for the period beginning July 1, 2020 through March 31, 2021. This included both annual and capital items posted as of April 30, 2021. Using seventy-five percent (75%) as the benchmark based on nine (9) months of activity, the reports showed that under General Funds, ad valorem taxes and sales tax revenues are significantly ahead of projections. This is due in part to conservative budgeting last year in the wake of COVID 19. Restricted Inter-Government and Permits & Fees

revenues are also slightly ahead. General Fund expenditures were in line with or below expectations.

Under the Water & Sewer Fund, Sales & Services, and Miscellaneous revenues were significantly higher than projections. The overages in Miscellaneous was contributed mostly to resubmitted insurance claims in relation to hurricane damage. Again, expenditures were in line with or below expectations. The Solid Waste Fund Intergovernmental revenues are low due to the quarterly solid waste taxes which only reflects one quarter of collections.

It was noted on the Summary Statement of Budgeted to Actual Revenues and Expenditures report were amended as requested to include columns showing the balances at the end of the last fiscal year as well as activity and balances for the current fiscal year.

Discussion Regarding Big Rock Landing/Otis Landing Usage – Councilman Ballou

Councilmember Ballou deferred to City Manager Ryan Eggleston to open a discussion regarding requests for usage of Big Rock Landing and Otis Landing for memorial services. Councilmember Ballou stated that if such use is considered acceptable, procedures and fees should be established to guide staff and funeral homes. Events are to be conducted without closing streets. No conflicts or concerns have been noted related to past events.

Jerry Riggs stated that the previous memorial service and wedding events were charged according to the adopted fee schedule at \$25 for three hours. It was decided that more thought and research should be considered before approving the landings as an acceptable location for such services.

Mr. Riggs asked for a decision regarding the current request. Council, by consensus, was favorable of holding the requested funeral on the waterfront with the stipulation that it be held before 3:00 p.m. and that there be no casket present.

Discuss 706 Arendell Street Property

City Manager Ryan Eggleston appeared before the Town Council seeking direction concerning 706 Arendell Street. Staff has received several inquiries as to the availability of the property for purchase. Attorney Derek Taylor stated that there are three options for selling the property; 1) upset bid process (initiated by a requestor or the City), 2) auction, or 3) exchange of property of equal value. The City should conduct due diligence on any property to be accepted as part of an exchange agreement to ensure there are no environmental or other concerns. Council chose to discuss further in close session under Attorney Taylor’s guidance, ensuring the conversation meets state statute guidelines.

STAFF REPORTS

Parks and Recreation:

Parks and Recreation Director Jerry Riggs reported that he received a last-minute request from Stephanie McIntyre of the North Carolina Seafood Festival, wishing to hold an additional fund-raising event on June 11-12, 2021 at Jaycee Park. He explained that he is not opposed to the event; however, two events are already scheduled for the same facilities on those dates, and he is not confident that everyone can be accommodated without conflicts. Councilmember Horton suggested offering Katherine Davis Park (KDP) for their event. Councilmember Ballou stated that KDP is not acceptable as they need the covered stage for a band. After some discussion, Council agreed by consensus that the Seafood Festival committee would need to select another date for their fund-raising event.

Continuing with his monthly report, Mr. Riggs advised that the dog park signs are in the process of being erected. A soft opening will be followed by a grand opening event to be scheduled for a later date. The Shevans Park splash pad will also begin with a soft opening this week to be followed by an official opening on Memorial Day weekend. The security cameras are installed and working.

Big Rock Stadium will open Memorial Day weekend with the expectation that Governor Cooper will remove many of the current COVID restrictions on or before June 1, 2021.

Mr. Riggs asked Council for direction regarding the bathroom facility at Mitchell Village Park. He stated that it was his intention to improve the park for the benefit of the park patrons; however, there appears to be overwhelming resistance to the proposal. Councilmember Taylor argued that it is a city owned park and that the City should make decisions regarding amenities based on what is best for the greater good. After further discussion, Council agreed to add the question of withdrawing the grant pre-application to the May 11, 2021 agenda for consideration.

On the Recreation side, Mr. Riggs reported that the middle school baseball league ended last night. Soccer and volleyball continue, and an adult tennis league is about to begin. He hopes to reopen the Train Depot by June 1, 2021 pending the Governor's repeal of social distancing restrictions. His staff is reviewing the fee structure to streamline charges. Councilmember Horton suggested charging higher fees for non-residents.

Public Services:

Public Services Director Daniel Williams reported that bids should be available at the May 11, 2021 regular meeting for the resurfacing work on Fisher Street from 12th – 20th. Currently, staff is working to repair collapsing storm drains on North 6th, North 11th, and South 13th Streets.

Pumps are being repaired at the Lift Station 18A in the Arthur Farm area.

At the new city hall site, IT (Information Technology) work is underway. The landscaping has been seeded, but if it does not go well, sod may be added. Mr. Williams stated that he is awaiting the final budget status to determine whether to add an irrigation system.

Police:

Police Chief Bernette Morris reported that her department has not seen the type of conflicts that are taking place across the country. Citizens frequently thank the officers for what they do.

The part-time animal control officer resigned, and an offer is being made to another applicant. In response to a question, Chief Morris stated that the reason for the resignation could not be addressed by city policy. They are also in the final stages of clearing an applicant for the part-time officer position.

She closed saying that the new Dodge Durango patrol vehicles are working well, and staff is very appreciative of Council's decision to purchase them.

Fire/EMS:

Deputy Fire Chief Courtney Wade stated that the department is in the process of closing out NC Recovery and Resiliency Grant. They are waiting on the water rescue boat trailer to arrive from Ohio. The promised completion date is May 13th. This is the last piece in fully outfitting the water rescue team operation.

April has been a busy month. In comparing total call volumes for the last several years, Deputy Chief Wade shared that in April 2019 they had 375 calls; in April 2020, 282 calls; and in April 2021, 388 calls. Currently, they are thirteen (13) calls above the pre COVID volumes. The majority of these are EMS calls.

In closing, he advised that crews are performing hydrant maintenance and may be seen all around town.

Planning and Inspections:

Planning Director Sandi Watkins reported that the NC Emergency Management Division has improved the flood plain modeling that is used to develop the flood insurance rate maps. They added fifty-four (54) recent historical events including Hurricane Florence and Irene to the modeling as well as a number of technical updates. The revised modeling resulted in an initial estimated one half (1/2) to two and a half (2 ½) foot decrease in water levels compared to the preliminary data previously released. By mid-2021, the completion of the updated overland wave analysis modeling is anticipated to be completed, with a release of the revised draft preliminary panels anticipated for review again in late 2021. Based on this schedule, the release of new preliminary maps would occur in early to mid-2022.

The Planning Board will meet in May to consider:

- 1) Request from Parkview Baptist Church to rezone church property from R15 (Single-Family Residential) and CH (Highway Commercial) to CH-CZ (Highway Commercial-Conditional Zoning) to accommodate some marker signage on the

property, and four (4) properties into commercial highway that are currently designated as general commercial on the Future Land Use Map.

- 2) Proposal prepared by Attorney Neil Whitford to establish a new use for “In-Law Quarters” to be restricted to the R20 classification for tracks over ten (10) acres in area.
- 3) Proposal for text amendment to clarify that “Tri-View Copy” is allowable for billboards.
- 4) Request for final plat approval for some lots in The Shores At Spooners Creek Phase II.
- 5) Request for sketch plan review and approval for “Subdivision for Best Ventures LLC” located at 3822 Galantis Drive.
- 6) Multi-family plan review for a proposed multi-family development that is proposed to include sixty (60) units in three (3) buildings immediately to the east of Country Club Apartments on Country Club Road.

Councilmember Taylor asked if the Parkview request included the land adjacent to the church that was just cleared. Ms. Watkins stated that it was possible, but she was uncertain since she had not seen the parcel that was cleared.

Councilmember Warrender asked if the proposal from Attorney Whitford, was part of the NCGS 160D amendments being made. Ms. Watkins stated that it was not. It was proposed for a track of land that he owns, and although it will apply to all parcels designated as R20, the restrictions are very limiting.

Councilmember Horton complimented Ms. Watkins and her staff on the planning board minutes, stating that they have been very helpful.

Finance:

Finance Director Jewel Lasater stated that they continue to work on the budget using new software. The software provides for an online interactive format that will be released with the final budget. Budget notebooks will be ready after 4:00 on Friday, May 7, 2021 for pickup.

Finance continues to work on the integration of GASB 87 (Government Accounting Standards Board Statement No. 87) and is also implementing related software. This will be applied to the FEMA emergency relief program. Billing and Collections continues to work on the Munis Utility Billing module implementation.

Staff is reviewing revenue losses to identify which are COVID-19 related. These losses can be applied to the American Rescue Plan Act (ARPA) funds.

Human Resources:

Human Resources Director Susan Nixon provided a status report on current vacancies:

FT Building Inspector – candidate starts Monday, May 10, 2021

PT Animal Control – re-advertising
PT Patrol Officer – last stage of background checks, should start soon
PT Water/Sewer Administrative Assistant – advertising
FT Utility Technicians (2) - advertising
FT Building Maintenance - advertising
FT Fire/EMS (1) – advertising

These positions are advertised through the City’s website, social media, and through the Employment Security Commission. Additional platforms are available for specialty positions.

Benefits open enrollment will be conducted through a single Zoom meeting. This session will be recorded for use by those who are unable to attend.

Communications:

Communications Director Alize Proisy reported that she is working on the next edition of the Mullet Wrapper. She is learning the program through hands-on experience with the goal of making it as informative, interesting, and attractive as the first. Councilmember Ballou shared that he has received many positive comments about the magazine. Mr. Eggleston advised that due to the magazine article, \$1,000 worth of city apparel was sold in the week following the release of the magazine.

CLOSED SESSION PER NCGS 143.318.11(a)(3) TO CONSULT WITH ATTORNEY.

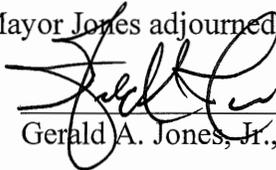
Councilmember Ballou made a motion **to enter into Closed Session at 11:49 a.m. per NCGS 143.318.11(a)(3) to consult with city attorney.** Councilmember Warrender seconded and the motion carried unanimously (4-0).

Councilmember Taylor moved **to return to OPEN SESSION at 12:37 p.m.** Councilmember Ballou seconded and the motion carried unanimously. (4-0)

Councilmember Warrender shared that she is the new president of the noon Rotary and asked if the Council would consider changing the workshop meetings to Wednesday mornings rather than Tuesday mornings to accommodate the Rotary’s meeting schedule. It was decided that a decision would be made following Councilmember McCann’s return.

ADJOURNMENT

There being no other business to discuss, Mayor Jones adjourned the meeting 12:42 p.m.



Gerald A. Jones, Jr., Mayor

Attest: 

Cathy Campbell, City Clerk

