



**AGENDA**  
**MOREHEAD CITY TOWN COUNCIL**  
**Tuesday, January 12, 2016 at 5:30 p.m.**  
**Municipal Chambers**  
**202 South 8<sup>th</sup> Street**

1. Regular Meeting Call to Order, Invocation and Pledge of Allegiance
2. Presentation of the Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2015 –Representative from McGladrey, LLP
3. Adoption of the CONSENT AGENDA:
  - A. Approval of the Minutes of Tuesday, December 8, 2015, Regular Meeting
  - B. Approve the Requests for Release of Overpayment of Ad Valorem Taxes for December 2015, in the amount of \$3,217.34; and Accept the Tax Collector and Finance Director Reports for December 2015
  - C. Adopt Ordinance 2016-01 to Repeal Chapter 8, Article 1, Division 2, Levy of Annual Privilege License Tax, Sections 8-3 through 8-35 in its Entirety from the Code of Ordinances of the Town of Morehead City
  - D. Adopt Ordinance 2016-02 Amending the Code of Ordinances of the Town of Morehead City, Chapter 16, Water and Sewers, Section 16-52 [c][k], User Bill Complaints and Adjustments
  - E. Adopt Resolution 2016-01 in Support for Connect NC Bond Referendum
  - F. Award of Friends of Spooner’s Creek Dredging Grant Bids to the Lowest Bidder
  - G. Adopt Budget Ordinance Amendment 2016-03
4. Citizen Requests/Comments: [2 Minute Time Limit]
5. City Manager’s Report:

- A. Approval of a Release Agreement between the Town of Morehead City and Police Officer Jeff Covington on the Retirement of Canine Djessy and Approval of a Release Agreement between the Town of Morehead City and Police Officer Franklin Rice on the Retirement of Canine Diesel
  - B. Set the Date of the Council Retreat Meeting
- 6. Council Requests/Comments
  - 7. CLOSED SESSION AS PER G.S. 143.318.11 TO REVIEW AND APPROVE THE CLOSED SESSION MINUTES OF NOVEMBER 10, 2015
  - 8. Adjourn

**Councilmembers: Please arrive five [5] minutes early for a photo session.**

TOWN OF MOREHEAD CITY

REQUEST FOR TOWN COUNCIL ACTION

AGENDA ITEM: 2.  
DATE: January 12, 2016

TO: The Honorable Mayor and Town Council

FROM: David S. Whitlow, City Manager

SUBJECT: Presentation of the Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2015 –Representative[s] from McGladrey, LLP

Background Information Attached: Yes  No

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Representatives from McGladrey, LLP will make a presentation on the Comprehensive Annual Financial Report for the fiscal year ended June 30, 2015.

Board Action: Approved: 1<sup>st</sup>: \_\_\_\_\_ 2<sup>nd</sup>: \_\_\_\_\_  
VOTE: Ayes \_\_\_\_\_ Naves \_\_\_\_\_ Postponed/Tabled \_\_\_\_\_

TOWN OF MOREHEAD CITY

AGENDA ITEM: 3.

REQUEST FOR TOWN COUNCIL ACTION

DATE: January 12, 2016

TO: The Honorable Mayor and Town Council

FROM: David S. Whitlow, City Manager

SUBJECT: Adoption of the CONSENT AGENDA

Background Information Attached: Yes X No

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**3.A. Approval of the Minutes of Tuesday, December 8, 2015, Regular Meeting**

*Approve the minutes of Tuesday, December 8, 2015, Regular Meeting and dispense with the reading.*

**3.B. Approve the Requests for Release of Overpayment of Ad Valorem Taxes for December 2015, in the amount of \$3,217.34; and Accept the Tax Collector and Finance Director Reports for December 2015**

*Approve the requests for release of overpayment of ad valorem taxes for December 2015, in the amount of \$3,217.34; and accept the Tax Collector and Finance Director Reports for December 2015.*

**3.C. Adopt Ordinance 2016-01 to Repeal Chapter 8, Article 1, Division 2, Levy of Annual Privilege License Tax, Sections 8-3 through 8-35 in its Entirety from the Code of Ordinances of the Town of Morehead City**

On May 28, 2014, Governor Pat McCrory signed House Bill 1050 into law eliminating any city's authority to levy privilege license taxes effective July 1, 2015. In an effort to comply with HB 1050, Chapter 8, Article 1, Division 2, Levy of Annual Privilege License Tax, Sections 803 through 8-35 be removed in its entirety from the Town of Morehead City Code of Ordinances.

*Adopt Ordinance 2016-01 to Repeal Chapter 8, Article 1, Division 2, Levy of Annual Privilege License Tax, Sections 8-3 through 8-35 in its entirety from the Code of Ordinances of the Town of Morehead City.*

**3.D. Adopt Ordinance 2016-02 Amending the Code of Ordinances of the Town of Morehead City, Chapter 16, Water and Sewers, Section 16-52 [c][k], User Bill Complaints and Adjustments**

When updating The Fee Schedule for the Town of Morehead City it was discovered that there was a discrepancy in the Code of Ordinances Chapter 16, Water and Sewers, in the section outlining the procedures for user bill complaints and adjustments. In both sections [c] and [k] of the ordinance the incorrect amount of 4,000 gallons was listed. The adoption of Ordinance 2015-02 will correctly adjust to the correct amount of 2,000 gallons.

*Adopt Ordinance 2016-02 Amending the Code of Ordinances of the Town of Morehead City, Chapter 16, Water and Sewers, Section 16-52 [c][k], User Bill Complaints and Adjustments.*

### **3.E. Adopt Resolution 2016-01 in Support for Connect NC Bond Referendum Act**

The Town of Morehead City, along with other municipal entities in Carteret County, has been requested to adopt a resolution in support for the Connect NC Bond Referendum Act which will be decided by voters during the Primary Election on March 15, 2016. The \$2 billion package would be allocated for new construction and repairs to existing facilities on the 17 campuses of the University of North Carolina System as well as the 58 campuses of the North Carolina Community College System; for infrastructure improvements to state and local parks and the North Carolina Zoo; on various water improvements and agricultural projects; and on repairs and improvements to National Guard and public safety facilities within North Carolina.

*Adopt Resolution 2016-01 in Support for the Connect NC Bond Referendum Act.*

### **3.F. Award of Friends of Spooner's Creek Dredging Grant Bids to the Lowest Bidder**

At the August 11, 2015 Council Meeting Public Services Director Williams reported that the City was approached by the Friends of Spooner's Creek to sponsor a Shallow Draft Dredging Grant application. The project consists of dredging the access channel to Spooners Creek from the ICW [Intercoastal waterway] to the mouth of the creek. Planning Director Linda Staab completed the application for a North Carolina Water Resources Development Project Grant Program grant application for the Spooner's Creek Shallow Dredging Project. The amount requested was \$25,000 with the Friends of Spooner's Creek providing an equivalent local match. The City only acts as a sponsor and is not liable for the expenditure of any funding for the project. The Morehead City Public Services Department would be responsible only for management of the funds and the contract work; and also would ensure that the project is compliant with applicable laws. The Council adopted Resolution 2015-34 to sponsor this grant.

One [1] bid was received at the bid opening on Thursday, January 7, 2016, which was from George A. Brown in the amount of \$35,000.

*Award the bid to George A. Brown in the amount of \$35,000.*

### **3.G. Adopt Budget Ordinance Amendment 2016-03**

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

General Fund: To increase Miscellaneous Revenue for donations in the amount of \$1,700 and increase Restricted Intergovernmental Revenue by \$1,806 for final funds received for the Teen Court Program and to decrease Contingency by \$10,000 in the Building Maintenance Expenditures; and to increase the Police Department Budget by \$13,506.

Fire/EMS Fund: To increase revenue from donations and fundraisers in the amount of \$8,570 and to increase the Fire/EMS Department Expenditures by the same amount.

The Finance and Administration Committee of the Council reviewed Budget

Ordinance Amendment 2016-03 and recommended adoption.

*Adopt Budget Ordinance Amendment 2016-03 to update the budget in the General Fund and Fire/EMS Fund.*

***Recommended Action: Adopt the CONSENT AGENDA in one [1] motion. Any item[s] may be removed and discussed separately.***

Board Action:      Approved: 1<sup>st</sup>: \_\_\_\_\_ 2<sup>nd</sup>: \_\_\_\_\_  
VOTE: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Postponed/Tabled \_\_\_\_\_

**A.**

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

**Tuesday, December 8, 2015**

The Honorable Council of the Town of Morehead City met in Regular Session at the Biennial Organizational Meeting on Tuesday, December 8, 2015, 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:	George W. Ballou
COUNCIL:	William F. Taylor
	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:	Sidney Hargrove; Planning Director Linda Staab;

Public Services Director Daniel Williams; Assistant Public Services Director Graham Strother; Carolyn Thompson; Human Resources Officer Susan Nixon; Anthony Sadorski; Police Chief Bernette Morris; Deputy Police Chief Bryan Dixon; Police Captain Haywood Wilder; Police Sergeant Nathan Bullock; Police Lieutenant Gene Guthrie; Melissa Ballou; Ruth Yearick-Jones; Janie Taylor; Andrea Smith; Pastor Timothy Havlicek; Tom Giblin; Kenneth Ball; Corinne Geer, Deputy City Clerk Janet Hill; Tom Kies; CARTERET NEWS TIMES Reporter Anna Harvey; and several others.

**Opening of Biennial Organizational Meeting:**

**1. Regular Meeting Call to Order**

Mayor Jones called the meeting to order at 5:30 p.m. He introduced Superior Court Judge John J. Nobles, stated that Judge Nobles was a Morehead City Councilmember back in the 1980's and that Judge Nobles continues in public service.

Mayor Jones introduced Pastor Timothy Havlicek, of the First Presbyterian Church in Morehead City and stated that Pastor Tim was everyone's pastor.

**2. Pledge of Allegiance:** All joined in The Pledge of Allegiance.

**3. Invocation and Remarks:** **Reverend Timothy Havlicek, Pastor, First Presbyterian Church, Morehead City**

Pastor Havlicek commented that Mayor Jones has devoted 22 years of service to the Town of Morehead City. He acknowledged that Councilmembers Bill Taylor, Harvey Walker and Diane Warrender have been re-elected to serve another four [4] years; Councilman George Ballou has served on the Council for 12 years and Councilman Demus Thompson has served for 20 years. These Councilmembers are very much the face of Morehead City. Their commitment to the future of Morehead City and to its citizens is tremendous. They govern according to the words of the Bible and make supreme



personal sacrifices. He admonished the Council to think about good things, then go out and make them happen! Live the words you swear to uphold.

#### 4. **Certification of the 2015 Municipal Election: Jeanne M. Giblin, City Clerk**

The copy [modified] of the official abstract of votes as received from the Carteret County Board of Elections certifies the votes received by each candidate from the November 3<sup>rd</sup> Municipal Election. Included in the abstract of votes is a breakdown of the voting for each of the candidates by precinct. The information is entered into the minutes as a matter of record.

Mayor	Gerald A. Jones, Jr.	351
Councilmembers	Bill Taylor	309
	Harvey Walker	283
	Diane Warrender	305
	Sidney Hargrove, Jr.	189

***The Council accepted the official abstract of votes to be spread upon the record.*** [The official abstract of votes is attached to and made a part of these minutes herein by reference.]

#### 5. **Induction of Mayor and Councilmembers: Judge John E. Nobles**

Judge John J. Nobles acknowledged that the presiding Councilmembers were the best stewards of Morehead City. He noted all the many improvements and amenities that Morehead City has achieved under their service. These Councilmembers have assured that Morehead City will be here forever.

##### **Oath of Office: Mayor-Elect Gerald A. Jones, Jr.**

Mayor Jones took his Oath of Office while his wife, Ruth, and Godchild, Andrea Smith, held the Family Bible.

Mayor Jones stated that it takes a government to give us civil rights but it is God who makes us civil. He acknowledged that no one assumes office on their own and that God has placed the Council here to serve the people of Morehead City. He stated he has the finest Council and looks forward to working with them to make Morehead City even better. He acknowledged that any celebration today is in honor of the legacy that has come before.

##### **Oath of Office: Councilman-Elect William F. "Bill" Taylor**

Councilman Taylor took his Oath of Office while his wife, Janie, held the Bible.

He acknowledged that he had thought about the duties and responsibilities of a Councilmember and was thankful that the citizens thought he did well enough to vote for him and accept his continuing service to Morehead City. He thanked his wife, Janie, for

her support. He stated he will work diligently to have the best interests of the citizens at heart.

**Oath of Office: Councilman-Elect Harvey N. Walker**

Councilman Walker took his Oath of Office and thanked all for giving him the opportunity to serve for another term. He continued that he definitely enjoyed his first term in office and looked forward to another four [4] years. He acknowledged that when he took his first Oath of Office he still had his mother with him and that he missed her very much. He stated that he will continue to do his best for the citizens of Morehead City.

**Oath of Office: Councilwoman-Elect Diane C. Warrender**

Councilwoman Warrender took her Oath of Office and thanked all who voted for her to continue to serve on the Council. She acknowledged that she will do her best to serve in the most able manner and looked forward to another four [4] years. She stated it was a pleasure to work with the current Mayor and other Councilmembers.

**6. Organizational Meeting of the New Council:**

**6A. Election of Mayor Pro Tempore**

The selection of the Mayor Pro Tempore, as described in the excerpt of the Morehead City Code of Ordinances, is from among the Council. The Mayor Pro Tempore would perform the duties of the Mayor should this become necessary during the Mayor’s absence or disability. Councilman Ballou has served as the Mayor Pro-Tem for the past four [4] years.

***Councilman Ballou MOVED, seconded by Councilman Walker, to nominate Councilman Bill Taylor to serve as the Mayor Pro-Tem. The Council unanimously appointed Councilman Bill Taylor to serve as the Morehead City Mayor Pro-Tem.***

**6.B. Appointments to Council Committees: Finance & Administration, Planning, Public Safety, Public Works, Public Utilities**

The Council has operated successfully for many years under the Committee System. The Committee structure currently consists of five [5] Committees: Finance & Administration, Public Safety, Public Utilities, Public Works and Planning, with the Mayor and two [2] Councilmembers serving on each Committee with the City Manager being a member of all the Committees. Each Councilmember serves on two [2] Committees and serves as the Chairperson for one [1]. Consistent with tradition and Committee policy, the Mayor designates Committee assignments on which each member will serve for the next two [2] year period. The Committee assignments are as follows:

<u>Committee</u>	<u>Chair</u>	<u>Vice-Chair</u>
Finance & Administration	Harvey Walker	Demus Thompson
Planning	Diane Warrender	George Ballou
Public Safety	George Ballou	Bill Taylor

Public Works  
Public Utilities

Bill Taylor  
Demus Thompson

Harvey Walker  
Diane Warrender

#### **6.C. Designation of Eastern Carolina Council Representative**

The City is a member of the Eastern Carolina Regional Council of Governments which operates with a Board of Directors. The City has one [1] regular seat on the board that must be occupied by a member of the governing body. This is a two [2] year appointment. Councilman Taylor is the current representative and has expressed an interest in continuing to serve. The City Manager has been previously designated as the alternate representative.

***Councilwoman Warrender MOVED, seconded by Councilman Walker to nominate Councilman Taylor, to serve as the Morehead City designate to the Eastern Carolina Council Board of Directors. The Council voted unanimously to appoint Councilman Taylor as the designate to the Eastern Carolina Council Board of Directors.***

#### **6.D. Designation of North Carolina Seafood Festival [NCSF] Board of Directors Ex-Officio Representative**

The North Carolina Seafood Festival Board of Directors meets once a month. Mayor Jones has served in this capacity for many years and desires to continue in this role. This is a two [2] year appointment.

***Councilman Ballou MOVED, seconded by Councilman Taylor, to nominate Mayor Jones to serve as Ex-Officio Member to the North Carolina Seafood Festival Board of Directors. The Council voted unanimously to appoint Mayor Jones as Ex-Officio Member to the North Carolina Seafood Board of Directors.***

#### **7. Adoption of the CONSENT AGENDA:**

##### **7.A. Approval of the Minutes of Tuesday, November 10, 2015, Regular Meeting**

*Approved the minutes of the Tuesday, November 10, 2015, Regular Meeting and dispensed with the reading.*

##### **7.B. Approve the Requests for Release of Overpayment of Ad Valorem Taxes for November 2015, in the amount of \$1,548.73; and Accept the Tax Collector and Finance Director Reports for November 2015**

*Approved the requests for release of overpayment of ad valorem taxes for November 2015, in the amount of \$1,548.73; and accepted the Tax Collector and Finance Director Reports for November 2015. [The Financial Statements are attached to and made a part of these minutes herein by reference.]*

##### **7.C. Permanent Record of Morehead City Officials**

In order to provide a permanent record of Morehead City Officials, an updated list is

presented after each election. As an attachment to the minutes, the information will be included in the microfilming process. Microfilming of the minutes is processed by the North Carolina Department of Archives and History in Raleigh, N.C.

*Accepted the permanent record of Morehead City Officials for inclusion in the minutes. [The permanent record of Morehead City Officials is attached to and made a part of these minutes herein by reference.]*

**7.D. Approve Annual Certification of Firemen for 2015 for North Carolina State Firemen's Association**

This is a routine procedure under NCGS 58-86-25 that requires all certified fire departments to submit a complete roster of eligible firemen annually. This certified list determines eligibility for the \$50,000 line of duty death benefit as well as eligibility for the pension fund credit.

*Approved the Annual Certification of Firemen for 2015 for North Carolina State Firemen's Association. [The 2015 Certification of Firemen is on file in the City Clerk's office.]*

**7.E. Adopt Budget Ordinance Amendment 2015-41 to Increase Revenue for \$200 Donation; Decrease Restricted Intergovernmental Revenue by \$37,000 for Retirement of the Teen Court Program; Increase Sales and Services by \$23,300 for Summer Camp Fees; and Increase Central Services by \$9,500 for Security System and Insurance**

The purpose of this amendment is to update the budget as follows:

- Increase Miscellaneous Revenue for donations in the amount of \$200 and decrease Restricted Intergovernmental Revenue by \$37,000 for the retirement of the Teen Court Program and to the Police Department budget by \$36,800.
- Increase Sales and Services by \$23,300 for Summer Camp Fees and to increase the Recreation Department budget by the same for fitness related expenditures.
- Increase the Central Services Department by \$9,500 for security system at Town Hall and Insurance Claims and to decrease Contingency by the same.

The Finance and Administration Committee of the Council reviewed the budget ordinance amendment and recommended adoption.

*Adopted Budget Ordinance Amendment 2015-41 to Increase Revenue for \$200 Donation; Decrease Restricted Intergovernmental Revenue by \$37,000 for Retirement of the Teen Court Program; Increase Sales and Services by \$23,300 for Summer Camp Fees; and Increase Central Services by \$9,500 for Security System and Insurance. [Budget Ordinance Amendment 2015-41 is attached to Ordinance Book #7 in the vault.]*

**7.F. Adopt Resolution 2015-51 Endorsing the 5<sup>th</sup> Annual Crystal Coast Countdown Celebration and Authorizing Action Necessary for the Events to be held December 31, 2015, on the Morehead City Waterfront**

The Fifth Annual Crystal Coast Countdown is a series of special events held across the various towns on the Crystal Coast and culminates in a “Crab Pot Drop” and fireworks display on the Morehead City Waterfront on December 31<sup>st</sup>. The “Crab Pot Drop” will take place in Katherine Davis Park from 9:00 p.m. to just after midnight. The Crystal Coast Countdown Committee is requesting various street and sidewalk closures and ancillary services in order to make this event a success.

*Adopted Resolution 2015-51 Endorsing the 5<sup>th</sup> Annual Crystal Coast Countdown Celebration and Authorizing Action Necessary for the Events to be held December 31, 2015, on the Morehead City Waterfront. [Resolution 2015-51 is attached to and made a part of these minutes herein by reference.]*

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

**8. Public Hearings:**

**8.A. Voluntary Contiguous Annexation Request from Fanny Bianco for Property located at 404 and 406 Friendly Road, PIN #6376-1314-3525-000 and 6376-1314-3656-000, 1.04 acres, Zoned R-20 [Single Family Residential] District – Adopt Ordinance 2015-40**

Planning Director Linda Staab reported that the property under consideration for annexation PIN #'s 6376-1314-3525-000 and 6376-1314-3656-000 located at 404 and 406 Friendly Road are contiguous to the present City limits. The parcels contain approximately 1.04 acres and are zoned R20 (Single-Family Residential District). The site in question is part of the Friendly subdivision. The subdivision is fragmented in that a portion of Friendly Subdivision is presently located in the corporate limits with the remainder being located in the extraterritorial jurisdiction (ETJ). The current tax value of the property (including the structure on 406 Friendly Road) is estimated to be \$131,267. Based on a 35-cent tax rate, \$459.44 in tax revenues would be generated. Water and sewer will be accessed from Friendly Road. All costs associated with extending the water/sewer service to the newly annexed property will be the responsibility of the owner. The Planning Committee of the Council reviewed the request and recommended adoption.

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

Mayor Jones closed the public hearing.

***Councilman Thompson MOVED, seconded by Councilman Taylor, and carried unanimously, to adopt Ordinance 2015-40 granting the voluntary contiguous annexation request from Fanny Bianco for property located at 404 and 406 Friendly Road, PIN #6376-1314-3525-000 and 6376-1314-3656-000, 1.04 acres, Zoned R-20 [Single Family Residential] District.***

**8.B. Adopt Resolution 2015-50 Authorizing the Execution of a Financing Agreement as per North Carolina General Statute 160A-20 for the Acquisition**

**of Katherine Davis Park, Related Property located at 4<sup>th</sup> and Evans Street and Riparian Rights located at 600 Evans Street**

City Manager David Whitlow reported that the Town of Morehead City desires to purchase land and riparian rights and associated assets including paving, boardwalk and dockage which have been leased for over 25 years from the North Carolina Railroad. The property recently became available for sale from the State of North Carolina. Acquisition of Katherine Davis Park and the accompanying assets will insure the continued use of the property for parking, recreational and community common space and water access.

Morehead City desires to enter into a financing agreement with the State of North Carolina for the acquisition of such properties. The agreement is for a 20 year term with an interest rate of 3.05 percent. The Local Government Commission [LGC] informed the City that because the Council of State has approved this transaction and financing, no LGC approval was required. City Manager Whitlow continued that this is an extremely attractive offer and that the City attorney was working on the closing documents. The Finance and Administration Committee of the Council reviewed the agreement and recommended adoption.

Mayor Jones opened the public hearing.

Corinne Geer of 3207 Evans Street, Morehead City, requested the price of the acquisition.

City Manager Whitlow replied that the cost is \$2.6 million for the park, riparian rights, and the parcel on Fourth and Evans Streets.

Kenneth Ball of 816 South Yaupon Terrace, Morehead City, questioned the size of the outlying parcel.

City Manager Whitlow reported that the size of the property on the southwest corner of Evans Street was 100 x 100 square feet.

Mayor Jones closed the public hearing.

***Councilman Taylor MOVED, seconded by Councilman Ballou, and carried unanimously, to adopt Resolution 2015-50 Authorizing the Execution of a Financing Agreement as per North Carolina General Statute 160A-20 for the acquisition of Katherine Davis Park, related property located at 4<sup>th</sup> and Evans Streets and riparian rights located at 600 Evans Street.*** [Resolution 2015-50 is attached to and made a part of these minutes herein by reference.]

**9. Citizen Requests/Comments:** There were no citizen requests or comments.

**10. City Manager's Report:**

City Manager Whitlow wished all a Merry Christmas and stated he was looking forward to working with the newly elected Mayor and Council.

**11. Council Requests/Comments:**

Councilwoman Warrender wished all a Happy Holiday Season and hoped everyone was blessed with family and good health.

Councilman Taylor seconded that statement and stated for all to be safe when traveling.

Councilman Walker wished all a Merry Christmas.

Councilman Ballou introduced his wife, Melissa, and thanked her for being in attendance. He also thanked her for all her support. He stated it was an honor to serve on the Council and wished all a Merry Christmas.

Councilman Thompson introduced his wife of eight [8] months, Carolyn. He said he really appreciated her and her support. He also thanked the citizens for their support through the years.

Mayor Jones stated that a community committee would be forming shortly to decide on the future and amenities at Katherine Davis Park. Merry Christmas!

**12. Adjournment:**

With no further business, the Council adjourned to a reception at 6:05 p.m.

Attest:

\_\_\_\_\_  
Jeanne M. Giblin, City Clerk

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

**B.**



TOWN OF MOREHEAD CITY  
 REQUESTED REFUNDS  
 AS OF 12/31/2015  
 PREPARED BY SHIRL MEADOWS, TAX COLLECTOR

Tax Year	Payee/Taxpayer	Parcel No. and/or Account No.	Requested by/Refund to	Amount of Tax & Interest Paid	Amount of Interest Due	Total Refund	Reason
2014	STEPHEN LAMONT WOOTEN	25490	STEPHEN LAMONT WOOTEN 225 COUNTRY CLUB DR GREENVILLE, NC 27834	39.37		39.37	OVERPAYMENT
2014	STEPHEN LAMONT WOOTEN	25490	STEPHEN LAMONT WOOTEN 225 COUNTRY CLUB DR GREENVILLE, NC 27834	1,928.98		1928.98	DOUBLE PAYMENT
2015	NATIONSTAR MORTGAGE REF: MARY L MCDONALD ETAL BOYD P #638619604893000	24753	JAMES AND JEANNIE BOYD 906 SHEPARD ST MOREHEAD CITY, NC 28557	17.87		17.87	OVERPAYMENT
2015	NATIONSTAR MORTGAGE REF: MARY L MCDONALD ETAL BOYD P #638619604893000	24753	JAMES AND JEANNIE BOYD 906 SHEPARD ST MOREHEAD CITY, NC 28557	875.66		875.66	DOUBLE PAYMENT
2015	MARINA MANAGEMENT LLC 208 ARENDELL ST MOREHEAD CITY, NC 28557	521233	MARINA MANAGEMENT LLC 208 ARENDELL ST MOREHEAD CITY, NC 28557	186.23		186.23	PARTIAL VAL REL PER CO
2014	PHILLIP HENRY REF: CEAD PROPERTIES LLC	460336	PHILLIP HENRY 1903 CLUB HOUSE DR MOREHEAD CITY, NC 28557	17.96		17.96	OVERPAYMENT
2015	FRANKLIN ROBUCK JR ETUX	55750	FRANKLIN ROBUCK JR ETUX PO BOX 17102 RALEIGH, NC 27619	151.27		151.27	PARTIAL VAL REP PER CO
						3,217.34	

DATE \_\_\_\_\_

BOARD APPROVED \_\_\_\_\_  
 REMARKS \_\_\_\_\_

CITY CLERK \_\_\_\_\_

# MOREHEAD CITY NORTH CAROLINA

Gerald A. Jones, Jr., Mayor



COUNCIL  
George W. Ballou, *Mayor Pro Tem*  
Demus L. Thompson  
William F. Taylor  
Diane C. Warrender  
Harvey N. Walker, Jr.

202 South 8th Street  
Morehead City, North Carolina 28557-4234  
TEL (252) 726-6848  
FAX (252) 222-3082  
www.moreheadcitync.org

David S. Whitlow  
*City Manager*

TO: Honorable Mayor and Town Council

FROM: Shirl Meadows, Tax Collector

SUBJECT: Tax Collection Report

DATE: January 5, 2016

**TOWN LEVIED TAXES:**

The following taxes were collected for the month of December 2015:

2015	\$ 915,823.18	2010	\$ 0.00	2005	\$ 0.00
2014	\$ 2,101.29	2009	\$ 0.00		
2013	\$ 917.46	2008	\$ 0.00		
2012	\$ 0.00	2007	\$ 0.00	OTHER	
2011	\$ 0.00	2006	\$ 41.76	PENALTIES	\$ 273.72

The following is fiscal year to date tax information through December 31<sup>st</sup>, 2015 with comparatives to 2014:

	<u>2015</u>	<u>2014</u>
Tax Scroll (Net Levy)	6,574,472.59	6,131,284.53
Taxes collected (incl. discounts, net of refunds)	5,530,267.83	5,100,062.74
Balance due on taxes	1,044,204.76	1,031,221.79
Percentage of tax collected to date	84.12%	83.18%
Prior year taxes collected to date (net of refunds)	20,866.79	39,805.37
Prior year taxes outstanding	57,042.38	48,022.03
Interest and penalties collected to date (net of refunds)	2,433.53	4,633.45

**Notes:**

1. Overpayments for December 2015 totaled \$1,179.62. Refunds requested totaled \$3,217.34.
2. Attachments and garnishments are used as a means of collection on delinquent taxes.

MOTOR VEHICLE TAXES:

Carteret County collected the following taxes for the fiscal year through November 30<sup>th</sup>, 2015 with comparative information for 2014. The County collects and remits these taxes to the Town, net of a 1½% collection fee.

	<u>11/30/15</u>	<u>11/30/14</u>	
Fiscal year to date tax levy	95,777.75	102,227.37	A
Interest billed on taxes	138.63	204.59	B
Total billed	95,916.38	102,431.96	C
Current year taxes collected	96,053.69	103,044.68	D
Prior year taxes collected	108.94	5,442.69	E
Interest collected	565.49	1,501.08	F
Collection fee charged (Both systems)	4,738.50	5,993.75	G
Percentage of tax collected to date	100.29%	101.39%	H

**The above figures for 2015 are a combination of the old County motor vehicle billing/collecting system and the new Tax & Tag system run by the Department of Revenue. The method of calculating the collection percentage for motor vehicles changed with the new Tax & Tag system. The expected collection percentage is at or near 100%. At the time of this reporting the Carteret County Finance Department had not issued the November Tax & Tag funds to the Town.**

# MOREHEAD CITY NORTH CAROLINA

Gerald A. Jones, Jr., Mayor



COUNCIL  
George W. Ballou, *Mayor Pro Tem*  
Demus L. Thompson  
William F. Taylor  
Diane C. Warrender  
Harvey N. Walker, Jr.

202 South 8th Street  
Morehead City, North Carolina 28557-4234  
TEL (252) 726-6848  
FAX (252) 222-3082  
www.moreheadcitync.org

David S. Whitlow  
*City Manager*

TO: Honorable Mayor and Town Council

FROM: Jewel Lasater, Finance Director

SUBJECT: Finance Report

DATE: Wednesday, January 06, 2016

Reported below are cash and investment balances and interest rates for the Town of Morehead City for December 2015. Also, reported are prior year comparative balances for the same period:

<b>Central Depository Funds</b>	December-15	December-14
<u>Unrestricted Fund Accounts</u>		
Branch Banking & Trust-General Disbursement Acct.	(A) \$ 3,264,015.44	\$ 3,053,000.62
Branch Banking & Trust-Money Rate Acct.	0.10% 6,266,688.11	6,966,895.43
North Carolina Capital Management Trust		
Cash Account	0.23% 587,350.56	227,444.05
Term Account	0.26% 8,862,920.58	6,376,904.99
Finistar	0.17% 2,164,206.98	2,160,594.63
Total Unrestricted Cash & Investments	21,145,181.67	18,784,839.72
<u>Restricted Fund Accounts</u>		
Branch Banking & Trust-Employee Reimbursement Acct.	17,755.96	23,148.23
Branch Banking & Trust-USDA Required Restricted Acct.	197,197.10	140,885.93
Branch Banking & Trust-USDA Required Restricted CD	22,139.00	22,139.00
Total Restricted Cash & Investments	237,092.06	186,173.16
Total Cash & Investments	December-31 21,382,273.73	18,971,012.88
Total Cash & Investments	November-30 20,636,382.87	17,530,940.30
Increase (Decrease)	745,890.86	1,440,072.58
Interest Received	December-31 3,063.53	1,743.63
Interest Received Fiscal Year to Date	\$ 12,015.05	\$ 7,491.40

(A) The Town began maintaining a \$2,500,000 minimum balance in the general disbursement account to reduce bank service charges in April 2014. The interest rate equivalent on the service charge reduction is approximately .25%.

**C.**

**TOWN OF MOREHEAD CITY**  
**ORDINANCE 2016-01**  
**AN ORDINANCE TO REPEAL CHAPTER 8, ARTICLE 1, DIVISION 2, LEVY OF**  
**ANNUAL PRIVILEGE LICENSE TAX, SECTIONS 8-3 THROUGH 8-35 IN ITS**  
**ENTIRETY FROM THE CODE OF ORDINANCES OF**  
**THE TOWN OF MOREHEAD CITY**

**WHEREAS**, North Carolina General Statute §160-194 authorized the governing body of any county or municipality by ordinance, subject to the general law of the State, regulate and license occupations, businesses, trades, professions, and forms of amusement or entertainment and prohibit those that may be inimical to the public health, welfare, safety, order, or convenience. In licensing trades, occupations, and professions, the town may, consistent with the general law of the State, require applicants for licenses to be examined and charge a reasonable fee; and

**WHEREAS**, on May 28, 2014, Governor Pat McCrory signed HB 1050 into law eliminating the Town's authority to levy privilege license taxes effective July 1, 2015; and

**WHEREAS**, in an effort to comply with HB 1050, the Morehead City Town Council desires to repeal:

Chapter 8, Article 1, Division 2, Levy of Annual Privilege License Tax, Sections 8-3 through 8-35 in its entirety from the Town of Morehead City Code of Ordinances.

**NOW THEREFORE, BE IT ORDAINED**, by the Council of the Town of Morehead City, North Carolina, that:

Chapter 8, Article 1, Division 2, Levy of Annual Privilege License Tax, Sections 8-3 through 8-35 of the Town of Morehead City Code of Ordinances are repealed in its entirety.

ADOPTED, this the 12<sup>th</sup> day of January, 2016.

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

Attest:

\_\_\_\_\_  
Jeanne M. Giblin, City Clerk

**D.**

**TOWN OF MOREHEAD CITY  
ORDINANCE 2016-02**

**Amending the Code of Ordinances of the Town of Morehead City, Chapter 16,  
Water and Sewers, Section 16-52 [c][k], User Bill Complaints and Adjustments**

BE IT ORDAINED, by the Council of the Town of Morehead City, North Carolina, that Chapter 16, Water and Sewers, Section 16-52 [c][k], User Bill Complaints and Adjustments, shall be removed in its entirety and be replaced by the following:

(c) Adjustments on concealed water leaks shall be made for fifty (50) percent (one-half) of the excessive water usage and one hundred (100) percent of the excessive sewer usage unless the concealed water usage entered the city sewer system. Adjustment of the excessive sewer usage shall be made for fifty (50) percent (one-half) of the excessive sewer usage if the concealed water usage entered the sewer system. Adjustments are intended for hardship situations only. No adjustments will be made unless the excessive water usage is at least **two thousand (2,000) gallons** over the average monthly usage for the preceding twelve (12) months. Customer may receive only one (1) concealed leak adjustment per twelve (12) months.

(k) Adjustments for leaking water closets shall be made for fifty (50) percent (one-half) of the excessive water usage and fifty (50) percent of the excessive sewer usage. Adjustments are intended for hardship situations only. No adjustments will be made unless the excessive water usage is at least **two thousand (2,000) gallons** over the average monthly usage for the preceding twelve (12) months. Customers may receive only one water closet leak adjustment per twelve (12) months. Adjustments for water closet leaks are for senior citizens (sixty-five (65) years or older) and customers with disabilities as verified by appropriate records. Customers must submit a statement from a licensed plumber, the owner, lessee or tenant that the leaking toilet has been repaired and an inspection performed to determine if other leaks are present in order to qualify for the adjustment.

ADOPTED, this the 12<sup>th</sup> day of January, 2016.

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

Attest:

\_\_\_\_\_  
Jeanne M. Giblin, City Clerk



**E.**

**Town of Morehead City**  
**Resolution 2016-01**  
**In Support for Connect NC Bond Referendum Act**

**WHEREAS**, the North Carolina General Assembly and the Governor approved the Connect NC Bond Act during the 2015 Legislative Session; and

**WHEREAS**, if approved by the voters of North Carolina in the Primary Election [March 15, 2016], the Act would generate \$2 billion through the sales of bonds; and

**WHEREAS**, the \$2 billion package would be allocated for new construction and repairs to existing facilities on the 17 campuses of the University of North Carolina System as well as the 58 campuses of the North Carolina Community College System; for infrastructure improvements to state and local parks and the North Carolina Zoo; on various water improvements and agricultural projects; and on repairs and improvements to National Guard and public safety facilities within North Carolina; and

**WHEREAS**, the \$2 billion bond package would provide construction-related jobs for local communities across the state; and

**WHEREAS**, the North Carolina Community College System would receive \$350 million in bond funding to upgrade and construct facilities to offer state-of-the-art learning experiences for the citizens of North Carolina, while enabling the North Carolina Community College System to continue to excel as a national leader in higher education and workforce development; and

**WHEREAS**, Carteret Community College contributes immeasurable to Carteret County and the region by producing a skilled workforce to attract new business and industry, and provides educational opportunities for citizens to advance their earning potential and to enrich and enhance their quality of life; and

**WHEREAS**, Carteret Community College would receive \$2.67 million of bond funding, which would contribute significantly toward much needed facilities for its Hospitality and Culinary Programs, while providing substantial value and savings to the people of Carteret County and the region; and

**WHEREAS**, Fort Macon State Park in Carteret County is one of the most visited state parks in North Carolina, because of its historical significance and magnificent public beach area, and is also targeted to receive Connect NC Bond Act funding; and

**WHEREAS**, the Town of Morehead City recognizes that the Connect NC Bond will not jeopardize the state's strong credit ratings and acknowledges that interest rates are presently at historically low levels; and

**WHEREAS**, the Town of Morehead City is convinced that there will be no new state taxes or any increase in state taxes caused by the Connect NC Bond;

**NOW, THEREFORE, BE IT RESOLVED**, that the Council of the Town of Morehead City strongly supports the Connect NC Bond Act as it will enable North Carolina's University and College

Systems to educate a highly qualified workforce for the 21<sup>st</sup> Century and provide needed financial support to other beneficial infrastructure projects across the state; and

**BE IT FURTHER RESOLVED**, that the Council of the Town of Morehead City encourages its citizens and voters to approve all provisions of the Connect NC Bond Act; and

**BE IT FURTHER RESOLVED**, that the Council of the Town of Morehead City urges the Carteret County Board of Commissioners and the local governing boards of the municipalities in Carteret County to join with the Council of the Town of Morehead City to promote, educate and inform residents of the importance of the bipartisan effort to **“VOTE YES TO INVEST”**.

**ADOPTED**, this the 12<sup>th</sup> day of January, 2016.

---

Gerald A. Jones, Jr., Mayor

Attest:

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Jeanne M. Giblin, City Clerk

**G.**

**TOWN OF MOREHEAD CITY**  
**FY2015-2016 BUDGET ORDINANCE AMENDMENT 2016-03**

	Annual Budget Before Amendment	Annual Amended Budget	Difference
<b>GENERAL FUND</b>			
The purpose of this amendment is to update the budget as follows:			
•	To increase Miscellaneous revenue for donations in the amount of \$1,700 and increase Restricted intergovernmental revenue by \$1,806 for final funds received for the Teen Court Program and to decrease Contingency by \$10,000 for building maintenance expenditures and to increase the Police Department budget by \$13,506 (\$10,000-\$1,700-\$1,806).		
<b>Revenue</b>			
Ad valorem taxes	\$ 6,498,000	\$ 6,498,000	\$ -
Other taxes	25,000	25,000	-
Unrestricted intergovernmental	3,587,125	3,587,125	-
Restricted intergovernmental revenue	466,725	468,531	1,806
Permits and fees	267,500	267,500	-
Sales and services	266,600	266,600	-
Investment earnings	6,000	6,000	-
Miscellaneous	154,645	156,345	1,700
Other financing sources:	-	-	-
Appropriated fund balance-restricted & committe	36,700	36,700	-
Appropriated fund balance-unassigned	630,300	630,300	-
<b>TOTAL GENERAL FUND REVENUE</b>	<b>\$ 11,938,595</b>	<b>\$ 11,942,101</b>	<b>\$ 3,506</b>
<b>Expenditures</b>			
Mayor/Council	\$ 87,500	\$ 87,500	\$ -
Administration	417,675	417,675	-
Finance	537,675	537,675	-
Cemetery/Building & Grounds	520,650	520,650	-
Central Services	644,875	644,875	-
Information Technology	132,600	132,600	-
Garage	119,775	119,775	-
Community Projects	78,925	78,925	-
Police	3,517,645	3,531,151	13,506
Federal Forfeiture Funds	4,950	4,950	-
Planning & Inspections	543,900	543,900	-
Transportation	924,900	924,900	-
Powell Bill	269,450	269,450	-
Library	231,225	231,225	-
Recreation	674,525	674,525	-
Parks	303,850	303,850	-
Debt Service	713,097	713,097	-
Transfers to other funds	2,739,050	2,739,050	-
Reimbursements from other funds	(698,400)	(698,400)	-
Contingency	174,728	164,728	(10,000)
<b>TOTAL GENERAL FUND EXPENDITURES</b>	<b>\$ 11,938,595</b>	<b>\$ 11,942,101</b>	<b>\$ 3,506</b>

**FIRE/EMS FUND**

The purpose of this amendment is to update the budget as follows:

- To increase revenue from donations & fundraisers in the amount of \$8,570 and to increase the Fire/EMS Department expenditures by the same.

Revenue	\$	4,779,300	\$	4,787,870	\$	8,570
Expenditures	\$	4,779,300	\$	4,787,870	\$	8,570

This ordinance shall become effective upon adoption.

Adopted as submitted this 12th day of January, 2016.

TOWN OF MOREHEAD CITY

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Gerald A. Jones, Jr., Mayor

ATTEST:

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Jeanne M. Giblin, City Clerk

TOWN OF MOREHEAD CITY

REQUEST FOR TOWN COUNCIL ACTION

AGENDA ITEM: 4.  
DATE: January 12, 2016

TO: The Honorable Mayor and Town Council

FROM: David S. Whitlow, City Manager

SUBJECT: Citizen Requests/Comments: [2 Minute Time Limit]

Background Information Attached: Yes X No

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Board Action: Approved: 1<sup>st</sup>: \_\_\_\_\_ 2<sup>nd</sup>: \_\_\_\_\_  
VOTE: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Postponed/Tabled \_\_\_\_\_

TOWN OF MOREHEAD CITY

AGENDA ITEM: 5.

REQUEST FOR TOWN COUNCIL ACTION

DATE: January 12, 2016

TO: The Honorable Mayor and Town Council

FROM: David S. Whitlow, City Manager

SUBJECT: City Manager's Report

Background Information Attached: Yes X No

**5.A. Approval of a Release Agreement between the Town of Morehead City and Police Officer Jeff Covington on the Retirement of Canine Djessy and Approval of a Release Agreement between the Town of Morehead City and Police Officer Franklin Rice on the Retirement of Canine Diesel**

The Morehead City Police Department has two [2] canines that are being retired from service. One has served as a drug dog and the other as an explosives dog. In each instance, the handler has requested permission to retain the dog as a pet. The City Attorney has drafted releases for these animals in order that the responsibility and any potential liability be removed from the City to the "new" owner. I am requesting that the Council approve the transfers by way of these release agreements. The Finance and Administration Committee of the Council reviewed the agreements at their last meeting and recommended approval.

***Recommended Action: Approve the Release Agreement between the Town of Morehead City and Police Officer Jeff Covington on the Retirement of Canine Djessy and approve the Release Agreement between the Town of Morehead City and Police Officer Franklin Rice on the Retirement of Canine Diesel.***

**5.B. Set the Date of the Council Retreat Meeting**

Three [3] dates are offered for a Council Retreat in the Council Chambers from 9:30 a.m. to 3:30 p.m. with a break for lunch on the following dates:

- Friday, January 22
- Friday, February 5
- Friday, February 12

The focus of the retreat will be on long range goal setting with Department Heads as a resource to the extent that their departments will be utilized to implement the various projects that the Council will identify and prioritize.

***Recommended Action: Chose a date suitable for a Council Retreat.***

Board Action: Approved: 1<sup>st</sup>: \_\_\_\_\_ 2<sup>nd</sup>: \_\_\_\_\_  
VOTE: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Postponed/Tabled \_\_\_\_\_



**A.**

## MEMORANDUM

**TO:** Honorable Mayor  
Members of Council

**FROM:** David S. Whitlow, City Manager

**SUBJECT:** Release for K-9s

**DATE:** January 7, 2016

The Police Department has two K-9s that are being retired from service. One has served as a drug dog and the other as an explosives dog. In each instance, the handler has requested permission to retain the dog as a pet.

The City Attorney has drafted releases for these dogs in order that the responsibility and any potential liability move from the City to the "new" owner. Because this is a new process for us, I am requesting that the Council approve the transfers by way of these releases, attached.

**STATE OF NORTH CAROLINA  
COUNTY OF CARTERET**

**RELEASE AGREEMENT**

This Agreement is made as of January 12, 2016, by and between the Town of Morehead City, a North Carolina chartered municipality, corporate and body politic ("Town") and Jeff Covington, residing at 551 Little Deep Creek Road, Newport, North Carolina ("Officer").

**WHEREAS**, the Town owns and has utilized a certain canine named Djessy ("K-9") for purposes of locating explosives in conjunction with the Town's police force and a trained Town police officer acting as the K-9's handler; and

**WHEREAS**, Officer was trained with and served as the handler for the K-9 during its service with the Town; and

**WHEREAS**, Officer is retiring from the Town's police force and has requested transfer of ownership of the K-9 to him; and

**WHEREAS**, the Town has consulted with the Town's police chief and determined that the K-9's training will not easily, effectively or economically transfer to a new handler; and

**WHEREAS**, the Town has determined that the K-9 has no value to the Town without the handler and has therefore declared the K-9 to be surplus property, with a value of \$1.00; and

**WHEREAS**, Town has agreed to transfer ownership of the K-9 to Officer for the price of \$1.00;

**NOW THEREFORE**, Town, for one dollar (\$1.00), the covenants herein, and other good and valuable consideration, the adequacy and receipt thereof being hereby acknowledged, does hereby grant, convey, and transfer ownership of the K-9 to Officer subject to the following terms and conditions:

1. Officer must take all reasonable steps to assure that the K-9 remains trained, contained, and under his control at all times so as not to pose a danger to Officer or the public.
2. Officer may not use the K-9 in any commercial or other enterprise, the intent being that the K-9 shall become and remain the personal pet of the Officer until the K-9's death or Town authorized disposal.
3. Officer will provide reasonable and responsible care for the K-9 in the manner ordinarily and lawfully required to be provided to a pet with the same training and proclivities of the K-9.
4. Officer agrees at all times and under all conditions and circumstances, to indemnify, defend and hold Town and Town's Council, Manager, employee's, agents, legal counsel, and anyone else acting on behalf of Town, harmless for and from any and all claims, actions, judgments, decrees, penalties, damages, personal injury, losses, liabilities, costs and expense, including attorney fees, arising out of or in connection with the K-9.

5. Officer shall obtain and maintain insurance coverage protecting the public and Town from any and all claims, actions, judgments, decrees, penalties, damages, personal injury, losses, liabilities, costs and expense, including attorney fees, arising out of or in connection with, either directly or indirectly, the K-9. The amount of insurance coverage will be no less than: \$100,000.00 per person and \$1,000,000 per event for bodily injury; \$50,000.00 for property damages; \$150,000 for medical payments; and \$100,000.00 excess liability, naming the Town and all its agents additional insureds.
6. Insurance shall remain in force until the death of the K-9 or until the Town, in its sole discretion, grants written permission to discontinue or otherwise cancel the coverage.
7. Officer will submit to the Town certificates of insurance and renewal certificates showing effectiveness and the required amount of insurance in accordance with this Agreement and providing a provision that the insurance carrier will not cancel or change any relevant policy of insurance issued pursuant to this Agreement except upon written notice served by mail on the Town stating the effective date of cancellation or change, to be received by the Town not less than 60 days prior to such effective date.
8. If Officer fails in any way to adhere to the terms, conditions, and covenants of this Agreement, including, but not limited to, causing the Town to receive notice of cancellation or change of insurance, or failure of Officer to provide the Town with required evidence of insurance coverage or renewal, such action or inaction shall immediately constitute non-compliance with and default of this Agreement by Officer. If Officer fails to remedy such non-compliance and default to the satisfaction of Town within 10 days after the occurrence of nonoccurrence of such failure, then the Town may, in its sole discretion, retake possession of the K-9, without notice and without legal process; and upon such taking, ownership of the K-9 will revert to the Town and Town may dispose of the K-9 as it deems, in its sole discretion, to be in the best interest of the public and/or the Town.
9. Officer releases the Town from all debts, claims, demands, damages, actions and causes of action, which Officer may now have or may come to have, and which have arisen or may arise out of, by reason of, or in any manner have grown out of the Town's transfer of the K-9 to Officer and Officer's subsequent ownership thereof, including any injury or damages known or unknown, which Officer may have sustained, suffered, or may sustain or suffer by reason of the same.
10. General Provisions:
  - a. Waiver - No failure or delay by any party in exercising any right, power, or privilege under this Agreement shall operate as a waiver of such right, power, or privilege, and no single or partial exercise of any such right, power, or privilege shall preclude any other or further exercise of such right, power, or privilege or the exercise of any other right, power, or privilege.

- b. Assignment; No Third-Party Rights - This Agreement and all of the provisions hereof shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns, but neither this Agreement nor any of the rights, interests or obligations hereunder shall be assigned by any party hereto without the prior written consent of the other party. This Agreement and its provisions are for the sole benefit of the parties to this Agreement and their successors and permitted assigns and shall not give any other person or entity any legal or equitable right, remedy or claim.
- c. Law; Venue - The execution, interpretation and performance of this Agreement, and any disputes with respect to the transactions contemplated by this Agreement, shall be governed by the internal laws and judicial decisions of the State of North Carolina, without regard to principles of conflicts of laws. If any party commences a lawsuit or other proceeding relating to or arising from this Agreement or the K-9, the parties hereto agree that the courts of the State of North Carolina in the County of Carteret shall have sole and exclusive jurisdiction, unless such suit or proceeding shall fall within the exclusive jurisdiction of the Federal Courts, in which case such suit or proceedings shall be commenced in the federal court with jurisdiction closest to Carteret County, North Carolina. The parties hereto consent to and agree to submit to the jurisdiction of any of the courts specified herein and agree to accept service of process to vest personal jurisdiction over them in any of these courts.
- d. Severability - If any provision contained in this Agreement shall for any reason be held invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision of this Agreement, and this Agreement shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein, unless the invalidity of any such provision substantially deprives either party of the practical benefits intended to be conferred by this Agreement. Notwithstanding the foregoing, any provision of this Agreement held invalid, illegal or unenforceable only in part or degree shall remain in full force and effect to the extent not held invalid or unenforceable, and the determination that any provision of this Agreement is invalid, illegal or unenforceable as applied to particular circumstances shall not affect the application of such provision to circumstances other than those as to which it is held invalid, illegal or unenforceable.
- e. Construction - Each party acknowledges that such party and/or its attorneys have been given an equal opportunity to negotiate the terms and conditions of this Agreement and that any rule of construction to the effect that ambiguities are to be resolved against the drafting party or any similar rule operating against the drafter of an agreement shall not be applicable to the construction or interpretation of this Agreement.
- f. Entire Agreement - This Agreement constitutes the entire agreement and understanding of the parties hereto in respect of the subject matter hereof.

**IN WITNESS WHEREOF**, the parties have executed this Agreement as of the date first written above.

**TOWN:**

By: \_\_\_\_\_  
David Whitlow – Town Manager

**OFFICER:**

By: \_\_\_\_\_

**STATE OF NORTH CAROLINA  
COUNTY OF CARTERET**

**RELEASE AGREEMENT**

This Agreement is made as of January 12, 2016, by and between the Town of Morehead City, a North Carolina chartered municipality, corporate and body politic ("Town") and Franklin Rice, residing at 208 N. 20<sup>th</sup> Street, Morehead City, North Carolina ("Officer").

**WHEREAS**, the Town owns and has utilized a certain canine named Diesel ("K-9") for purposes of locating drugs and drug paraphernalia in conjunction with the Town's police force and a trained Town police officer acting as the K-9's handler; and

**WHEREAS**, Officer was trained with and served as the handler for the K-9 during its service with the Town; and

**WHEREAS**, K-9 has now served the maximum usable term of service for the Town's police force and the Officer has requested transfer of ownership of the K-9 to him; and

**WHEREAS**, the Town has consulted with the Town's police chief and determined that the K-9 has no other practical use to the Police Department; and

**WHEREAS**, the Town has determined that the K-9 has no value to the Town without the handler and has therefore declared the K-9 to be surplus property, with a value of \$1.00; and

**WHEREAS**, Town has agreed to transfer ownership of the K-9 to Officer for the price of \$1.00;

**NOW THEREFORE**, Town, for one dollar (\$1.00), the covenants herein, and other good and valuable consideration, the adequacy and receipt thereof being hereby acknowledged, does hereby grant, convey, and transfer ownership of the K-9 to Officer subject to the following terms and conditions:

1. Officer must take all reasonable steps to assure that the K-9 remains trained, contained, and under his control at all times so as not to pose a danger to Officer or the public.
2. Officer may not use the K-9 in any commercial or other enterprise, the intent being that the K-9 shall become and remain the personal pet of the Officer until the K-9's death or Town authorized disposal.
3. Officer will provide reasonable and responsible care for the K-9 in the manner ordinarily and lawfully required to be provided to a pet with the same training and proclivities of the K-9.
4. Officer agrees at all times and under all conditions and circumstances, to indemnify, defend and hold Town and Town's Council, Manager, employee's, agents, legal counsel, and anyone else acting on behalf of Town, harmless for and from any and all claims, actions, judgments, decrees, penalties, damages, personal injury, losses, liabilities, costs and expense, including attorney fees, arising out of or in connection with the K-9.

5. Officer shall obtain and maintain insurance coverage protecting the public and Town from any and all claims, actions, judgments, decrees, penalties, damages, personal injury, losses, liabilities, costs and expense, including attorney fees, arising out of or in connection with, either directly or indirectly, the K-9. The amount of insurance coverage will be no less than: \$100,000.00 per person and \$1,000,000 per event for bodily injury; \$50,000.00 for property damages; \$150,000 for medical payments; and \$100,000.00 excess liability, naming the Town and all its agents additional insureds.
6. Insurance shall remain in force until the death of the K-9 or until the Town, in its sole discretion, grants written permission to discontinue or otherwise cancel the coverage.
7. Officer will submit to the Town certificates of insurance and renewal certificates showing effectiveness and the required amount of insurance in accordance with this Agreement and providing a provision that the insurance carrier will not cancel or change any relevant policy of insurance issued pursuant to this Agreement except upon written notice served by mail on the Town stating the effective date of cancellation or change, to be received by the Town not less than 60 days prior to such effective date.
8. If Officer fails in any way to adhere to the terms, conditions, and covenants of this Agreement, including, but not limited to, causing the Town to receive notice of cancellation or change of insurance, or failure of Officer to provide the Town with required evidence of insurance coverage or renewal, such action or inaction shall immediately constitute non-compliance with and default of this Agreement by Officer. If Officer fails to remedy such non-compliance and default to the satisfaction of Town within 10 days after the occurrence of nonoccurrence of such failure, then the Town may, in its sole discretion, retake possession of the K-9, without notice and without legal process; and upon such taking, ownership of the K-9 will revert to the Town and Town may dispose of the K-9 as it deems, in its sole discretion, to be in the best interest of the public and/or the Town.
9. Officer releases the Town from all debts, claims, demands, damages, actions and causes of action, which Officer may now have or may come to have, and which have arisen or may arise out of, by reason of, or in any manner have grown out of the Town's transfer of the K-9 to Officer and Officer's subsequent ownership thereof, including any injury or damages known or unknown, which Officer may have sustained, suffered, or may sustain or suffer by reason of the same.
10. General Provisions:
  - a. Waiver - No failure or delay by any party in exercising any right, power, or privilege under this Agreement shall operate as a waiver of such right, power, or privilege, and no single or partial exercise of any such right, power, or privilege shall preclude any other or further exercise of such right, power, or privilege or the exercise of any other right, power, or privilege.



- b. Assignment; No Third-Party Rights - This Agreement and all of the provisions hereof shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns, but neither this Agreement nor any of the rights, interests or obligations hereunder shall be assigned by any party hereto without the prior written consent of the other party. This Agreement and its provisions are for the sole benefit of the parties to this Agreement and their successors and permitted assigns and shall not give any other person or entity any legal or equitable right, remedy or claim.
- c. Law; Venue - The execution, interpretation and performance of this Agreement, and any disputes with respect to the transactions contemplated by this Agreement, shall be governed by the internal laws and judicial decisions of the State of North Carolina, without regard to principles of conflicts of laws. If any party commences a lawsuit or other proceeding relating to or arising from this Agreement or the K-9, the parties hereto agree that the courts of the State of North Carolina in the County of Carteret shall have sole and exclusive jurisdiction, unless such suit or proceeding shall fall within the exclusive jurisdiction of the Federal Courts, in which case such suit or proceedings shall be commenced in the federal court with jurisdiction closest to Carteret County, North Carolina. The parties hereto consent to and agree to submit to the jurisdiction of any of the courts specified herein and agree to accept service of process to vest personal jurisdiction over them in any of these courts.
- d. Severability - If any provision contained in this Agreement shall for any reason be held invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision of this Agreement, and this Agreement shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein, unless the invalidity of any such provision substantially deprives either party of the practical benefits intended to be conferred by this Agreement. Notwithstanding the foregoing, any provision of this Agreement held invalid, illegal or unenforceable only in part or degree shall remain in full force and effect to the extent not held invalid or unenforceable, and the determination that any provision of this Agreement is invalid, illegal or unenforceable as applied to particular circumstances shall not affect the application of such provision to circumstances other than those as to which it is held invalid, illegal or unenforceable.
- e. Construction - Each party acknowledges that such party and/or its attorneys have been given an equal opportunity to negotiate the terms and conditions of this Agreement and that any rule of construction to the effect that ambiguities are to be resolved against the drafting party or any similar rule operating against the drafter of an agreement shall not be applicable to the construction or interpretation of this Agreement.
- f. Entire Agreement - This Agreement constitutes the entire agreement and understanding of the parties hereto in respect of the subject matter hereof.

**IN WITNESS WHEREOF**, the parties have executed this Agreement as of the date first written above.

**TOWN:**

By: \_\_\_\_\_  
David Whitlow – Town Manager

**OFFICER:**

By: \_\_\_\_\_

**B.**

## MEMORANDUM

**TO:** Honorable Mayor  
Members of Council

**FROM:** David S. Whitlow, City Manager

**SUBJECT:** Council Retreat

**DATE:** January 6, 2016

I would like the Council to set a date for its retreat at the meeting on Tuesday. My three suggested dates are:

Friday, January 22  
Friday, February 5  
Friday, February 12

Our focus will be on some long range goal setting, based upon the conversation that we had during my annual evaluation in November. I have received written comments from two Council members regarding their issues and concerns and would still like to receive anything that any other members have concerning what they would like to address over the coming two years.

I see the retreat being held in the Council Chamber, beginning at 9:30 and running until 3:30 with a break for lunch. I plan to utilize all of the Department heads as a resource during the retreat to the extent that their departments will be utilized to implement the various projects that Council may wish to identify and prioritize.

The end product that I see coming out of this retreat is a template for how to achieve the Council's goals over the next 3 to 5 years.

Please come to the meeting prepared to choose a preferred date for the retreat.

**MEMORANDUM**

**TO:** Department Directors  
**FROM:** David S. Whitlow, City Manager  
**SUBJECT:** Budget Process for FY 16—17 Budget  
**DATE:** November 9, 2015

As we discussed several months ago, we will try a slightly different method for the budget preparation this year. The primary change will be to engage the Council earlier in the process by means of our committee system. Before the departmental budget requests are submitted to the Finance Department for inclusion in the overall budget, all of the various committees will weigh in, with a committee action to approve the basic budget. Hopefully, the end result will be a smoother Council discussion and a better understanding on the part of the members as to what goes into the budget. As a part of this process, any significant requests for such things as additional personal, capital projects or extraordinary programs will require that a tax impact statement will identify any tax or fee increase that will be necessary to support the budget request.

In order to accommodate this change, the proposed budget schedule will be as follows:

Distribution of Budget Work Papers	December 11, 2015
Completed Budget Requests and Committee Recommendation To Finance Department	February 12, 2016
Draft Budget to Council	April 12, 2016
Council Work Sessions	April—May, 2016
Public Hearing on Budget	June 14, 2016
Budget Adoption	June, 2016

This is a very aggressive schedule, but it is my belief that getting this work done earlier in the year will allow the process to be more deliberative and will result in a better product.

I highly recommend that you take a good look at the OpenGov information that is accessible on our website to see what you might be able to draw on to support your budget preparation. It provides significant trend information that should be valuable as you describe what your departmental budgets include and the direction that the departments are headed. It is very user friendly and provides some nice graphics.

**TOWN OF MOREHEAD CITY**

**REQUEST FOR TOWN COUNCIL ACTION**

**AGENDA ITEM: 6.**

**DATE: January 12, 2016**

**TO: The Honorable Mayor and Town Council**

**FROM: David S. Whitlow, City Manager**

**SUBJECT: Council Requests/Comments:**

**Background Information Attached: Yes X No**

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**Board Action: Approved: 1<sup>st</sup>: \_\_\_\_\_ 2<sup>nd</sup>: \_\_\_\_\_**  
**VOTE: Ayes \_\_\_\_\_ Naves \_\_\_\_\_ Postponed/Tabled \_\_\_\_\_**

TOWN OF MOREHEAD CITY

REQUEST FOR TOWN COUNCIL ACTION

AGENDA ITEM: 7.

DATE: January 12, 2016

TO: The Honorable Mayor and Town Council

FROM: David S. Whitlow, City Manager

SUBJECT: CLOSED SESSION AS PER G.S. 143.318.11 TO REVIEW AND APPROVE  
THE CLOSED SESSION MINUTES OF NOVEMBER 10, 2015

Background Information Attached: Yes X No

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Motion to enter into CLOSED SESSION:

Second to Motion:

Vote:

Motion to return to OPEN SESSION:

Second to Motion:

Vote:

Board Action: Approved: 1<sup>st</sup>: \_\_\_\_\_ 2<sup>nd</sup>: \_\_\_\_\_  
VOTE: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Postponed/Tabled \_\_\_\_\_