

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

**Tuesday, May 3, 2016 at 8:00 a.m.
Special Meeting/FY2016-2017 Budget**

The Honorable Council of the Town of Morehead City met in a Special Meeting/FY2016-2017 Budget on Tuesday, May 3, 2016, in the Council Chambers, Morehead City Municipal Building, 202 South 8th Street, Morehead City, North Carolina. The purpose of the Special Meeting/FY2016-2017 Budget was a review of the proposed budget. Those in attendance were:

MAYOR:	Gerald A. Jones, Jr.
MAYOR PRO TEM:	William F. Taylor
COUNCIL:	George W. Ballou
	Demus L. Thompson [Arrived at 8:35 a.m.]
	Harvey N. Walker
	Diane C. Warrender
CITY MANAGER:	David Whitlow
CITY CLERK:	Jeanne M. Giblin
OTHERS:	Anna Harvey, Reporter, THE CARTERET NEWS TIMES; Planning Director Linda Staab; Human Resources Officer Susan Nixon; Police Chief Bernette Morris; Assistant Public Services Director Graham Strother; Parks and Recreation Director Craig Lands; Public Services Director Daniel Williams; Fire/EMS Chief Jamie Fulk; and Finance Director Jewel Lasater

Call to Order:

Mayor Jones called the meeting to order at 8:00 a.m.

Review of FY2016-2017 Budget:

Councilman Taylor questioned that only five [5] cemetery lots were sold each year to which Mayor Jones replied that most have been sold and are vacant.

City Manager Whitlow brought attention to Page 15 of the proposed budget to the Appropriated Fund Balance breakout with an amount of \$1.886 million. The budget is balanced with the transfer of this funding from Fund Balance and keeps the self-imposed Fund Balance of \$2.75 million. The Contingency last year is three percent [3%] of operating expenses. There is currently \$106,000 in the Contingency Fund.

Municipal Chambers:

Councilman Taylor proposed to update the audio-visual equipment in the Council Chamber, separate the Manager, Clerk and Attorney from the podium and add a timing system. It was ascertained that there was \$30,000 in the proposed FY2016-2017 Budget set aside for the audio-visual update.

Councilman Taylor continued that as the City received a payment for the Police Department Building and did not have to make the first payment for Katherine Davis Park there should be funding available.

City Manager Whitlow replied that those factors were already taken into account in the proposed budget. The Contingency currently is \$281,000.

Councilman Ballou proposed using some of the money in Contingency for the Council Chamber. It was ascertained that approximately \$100,000 of the Contingency Fund was used this year.

Public Service Director Williams stated that the approximate cost for just the audio-visual upgrade is \$33,000. The equipment could be purchased in the current fiscal year and installed at a later date.

Councilman Ballou stated he would like the elevator in the Municipal Building to be upgraded.

It was the consensus of the Council to address the upgrades to the Council Chambers to include the audio-visual equipment, desk monitors for the Council,

equipment for the hearing impaired, drop down screens, timer and podium change to seat Manager, Clerk and Attorney off the podium.

Cemetery:

Councilman Taylor reported that there are three [3] lots available for sale adjacent to the Bayview East Cemetery for \$75,000 total. To make these lots functional would cost an additional \$15,000. The addition of these lots would add 200 cemetery plots. The City currently sells the plots for \$500 for In-City residents and \$750 for everyone else. The Council considered raising the price of the lots to \$1,000 which is still well below what surrounding cemeteries charge.

Councilman Taylor commented that there has been no fund set up for perpetual care for maintenance of the cemeteries and the Council may wish to consider a fund.

City Manager Whitlow explained that the maintenance of the cemeteries is being supported by tax dollars. The recommendation of the Public Works Committee was to acquire the lots for \$75,000 and to raise the price per plot for that one section. This funding would be in FY2016-2017 budget.

Councilman Ballou wanted to be assured that the City would be getting the best deal on the price of the property and Councilman Thompson was in agreement, however, he questioned the \$1,000 cost per plot and would consider \$750 per plot.

It was the consensus of the Council to increase the line item in Cemeteries, Buildings and Grounds by \$90,000 for the acquisition and development of the additional property in Bayview East Cemetery. This is an amendment to the FY2016-2017 Proposed Budget.

O'Neal Baseball Field and Big Rock Stadium:

Councilman Taylor commented that the Morehead Marlins Baseball Team has been grilling outside the concession building and that Buddy Bengel, Vice President of the Morehead Marlins, would pay to pour a concrete pad and add electricity with most of their cooking being done outside. Councilman Taylor proposed finishing the inside of the concession building with a range, fire suppression system, deep fryer, grills, etc. He continued that it was the recommendation of the Public Works Committee to finish the concession stand.

Mayor Jones explained that the Public Works Committee also recommended allowing the Marlins to build the pad this year because the updating of the concession stand would not be ready for this season.

Councilman Ballou had concerns about the maintenance of the pad and the equipment as he wanted the area to be kept neat and clean.

It was ascertained that the size of the concession building was not large enough to accommodate the type of cooking the Marlins wished to serve. There was concern about spending for equipment that would not be used.

Parks & Recreation Director Lands reminded the Council that any updates to the concession stand must include electrical and cooling systems. City Manager Whitlow also explained that there would be ongoing costs for the maintenance of the fire suppression system.

Councilman Taylor further commented that parameters must be in place between the users of the concession stand and the City.

Public Service Director Williams commented that his staff will have to investigate the building to see what would be needed with regard to Health Department requirements also.

Councilman Thompson reminded the Council that the City leased the concession stand to the Morehead Marlins with the intention that they would upgrade the facility which

was never done. He preferred to leave the building intact and let the Marlins upgrade it to which Councilwoman Warrender concurred.

Mayor Jones stated that the upgrade of the concession stand would benefit other vendors.

Councilman Taylor stated that the City has invested \$2.8 million in the baseball facilities and the City should be able to market its use to other entities.

Mayor Jones recommended that City staff explore the costs for the improvements to the baseball park facilities. Councilman Ballou advised that Buddy Bengel should be involved with any discussions on improvements.

Finance Director Lasater reminded the Council that the funding for any upgrades to the baseball park facilities would be through the Capital Projects Fund.

The Council took a ten [10] minute recess.

To summarize the previous discussions, \$30,000 will be taken from the FY2015/2016 Budget for the audio-visual upgrade only to the Municipal Chambers and the staff will explore any elevator upgrade.

Garage Facilities:

City Manager Whitlow commented that discussions with a joint venture for garage facilities with Carteret County have not been resolved and there is no firm commitment. As there is no agreement with the county for garage services, he recommended proceeding with Morehead City building its own facilities. If a better offer is made, it will come before the Council for approval.

City Manager Whitlow advised perhaps seeking a Community Facilities Loan with the United States Department of Agriculture [USDA] should the Council wish to pursue doing the entire proposed upgrades to the Webb Memorial Library, rehabilitation of the Shevans Park tennis courts and the construction of the City garage. It would be most cost effective to borrow the funds at a low interest rate for ten [10] years. In this way, the Fund Balance would remain stable. This decision could be made in autumn 2016.

Councilman Taylor questioned how much debt the City was carrying with regard to other municipalities of equal size and population.

Review of the Proposed FY2016-2017 Budget:

The Council proceeded to review the proposed budget.

Councilman Taylor congratulated the City staff for the narratives in the proposed budget.

City Manager Whitlow explained page 29 that the staff positions in Administration were requested to allow for the six [6] month overlap of a Deputy Clerk when the current City Clerk retires; and a part-time position to assist the Human Resources Officer which will be an ongoing position for 1,000 hours per year. It was ascertained that at this time there is no physical space for the new employees.

Page 48, Information Technology – The request was for a part-time position to handle the “nuts and bolts” of the Department. The new IT Manager was hired at a salary of \$58,000. It was ascertained that with the upgrade of the server and radio system at the Police Department, these functions may be able to be assumed by the county for a cost savings to Morehead City.

In the proposed Transportation Budget, \$65,000 has been set aside for the acquisition of a roller truck, Christmas decorations and a six [6] foot section of the Christmas tree. The asphalt machine was eliminated from the budget as the money would have to come from the Fund Balance. The Council discussed the pros and cons of acquiring an asphalt machine and determined it was not essential.

Page 73, Powell Bill – the City receives \$273,000 from the Powell Bill with \$55,000 of that being spent on curbs, sidewalks and drains which does not leave much funding for street maintenance.

Public Services Director Williams stated that the most critical streets were White Drive and Neuse Avenue but there are other areas of the City also in need. A street assessment would be helpful.

Councilman Ballou commented that it would be helpful to identify the worst of the worst and find money to repair them. He recommended getting the engineer started as soon as possible and that a long term solution to fund street maintenance and repairs may be another loan.

City Manager Whitlow explained that a Vehicle Registration Program could bring in approximately \$275,000 and that under the law, a municipality can charge up to \$35 per vehicle of which \$5 would be earmarked for the General Fund, with the remaining portion going to streets. The City currently maintains 54 miles of streets and will have to find a long term solution for a revenue source.

Page 80, Inspections and Planning -- City Manager Whitlow advised that Carteret County is taking on the first step of the flood maps process with no costs to Morehead City. The City has advised the county of their areas of concern. The county may approach Morehead City later for possible funding if a more detailed investigation is necessary.

Page 81, Webb Memorial Library – It was ascertained that all library employees were part-time. City Manager Whitlow explained that if the City were to bring the library building up to par it would cost approximately \$500,000. Discussion ensued on the need to fund a full-time librarian supervisor position.

City Manager Whitlow explained that the library monies are related to the structure and not to its day-to-day operations and that the City is not in a position at this time to fund the supervisory position. The upgrading of the electrical and hvac systems at \$42,000 has been placed in the FY2016-2017 Budget. He advised the Council that fully funding the upgrades to the library at \$500,000 was not in the FY2016-2017 Budget.

Councilman Taylor commented that the Council needs to make a decision on how to manage the library in the FY2017-2018 Budget.

Councilwoman Warrender expressed concern about the Charles Wallace Building as it would make an ideal place for a library. She stated that the Council needed to make a decision on how to go forward with the Charles Wallace Building. Councilman Ballou proposed investing the \$500,000 in moving the library to the Charles Wallace Building.

Page 89, Parks and Recreation – Councilman Taylor questioned how the proposed fee increases were devised. Recreation Director Lands replied that the staff reviewed the rates in neighboring areas. The recreation fees have not been raised in 18 years and the staff considered the increases fair. ***It was the consensus of the Council to raise the Parks and Recreation fees as presented.***

Discussion ensued regarding the artificial ice skating rink and whether to continue with the program based on the usage numbers. The funding for this entity is in the FY2016-2017 Budget.

City Manager Whitlow advised that the City purchased a pirate ship playground equipment which was funded in the FY2015-2016 Budget.

The Shevans Park tennis courts were resurfaced and fenced approximately eight [8] years ago. The reconstruction of the courts which are at least 30 years old and lighting of all the courts is in FY2016-2017 Budget.

Page 93, Dock Master – City Manager Whitlow explained that the position for a dock master and the maintenance of all the City's water-related facilities [docks, street ends, etc.] would be done much the way it was when the library staff registered the Jaycee Park docks. The first year of this position, the City will work with the current arrangement of Denard Harris at Portside Marina to see what the position requires.

Page 114, Fire/EMS Department – City Manager Whitlow explained that the request for the additional three [3] firefighters will be hired on November 1, 2016, and that the City has applied for a grant for these positions.

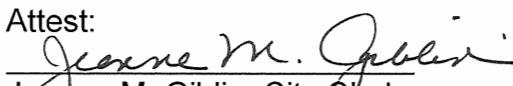
---0---

Councilman Ballou requested that the Council Chambers be updated, that the study be started for road repairs and the City should start making repairs to the most critical roads.

There being no further business, at 11:30 a.m. the meeting was adjourned to Thursday, May 12, 2016 at 8:00 a.m. in the Council Chambers at 202 South 8th Street, Morehead City.



Gerald A. Jones, Jr., Mayor

Attest:


Jeanne M. Giblin, City Clerk

