

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

**Thursday, May 12, 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 Thursday, May 12, 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
	Harvey N. Walker
	Diane C. Warrender
CITY MANAGER:	David Whitlow
CITY CLERK:	Jeanne M. Giblin
OTHERS:	Planner Sandi Watkins; Human Resources Officer Susan Nixon; Deputy Police Chief Bryan Dixon; Assistant Public Services Director Graham Strother; Parks and Recreation Director Craig Lands; Public Services Director Daniel Williams; Fire/EMS Chief Jamie Fulk; IT Manager Jon Snyder and Finance Director Jewel Lasater

Call to Order:

Mayor Jones reconvened the meeting from Tuesday, May 10, 2016, at 8:00 a.m.

Human Resources Officer Susan Nixon introduced the new IT Manager Jon Snyder.

City Employee Benefits:

Councilman Taylor questioned the merit raises for employees as to how they were determined.

City Manager Whitlow explained that the average merit increase was two percent [2%]. City employees will also receive a 7/10 percent [.7%] as a Cost of Living Adjustment [COLA] which is based on the annual Consumer Price Index [CPI]. It was ascertained that this is the fourth year since the Employee Pay Plan was instituted which includes a merit increase based on performance and the COLA.

Councilmen Thompson and Taylor commented that if an employee was just doing an “average” job, this should not justify a raise. Only exceptional employees should receive a salary increase.

Discussion centered on the Springsted Pay Plan Study and the reasons for the salary adjustments.

The Council concurred that they would defer changing or adjusting the Employee Pay Plan for this year. Councilman Taylor commented that when the Council reviews the proposed Employee Personnel Plan that it may be the time to discuss the total employee benefits package including salary and insurance coverage.

Councilwoman Warrender mentioned that she received excellent comments about a City employee in the Public Utilities Department from a visitor. City Manager Whitlow commented that Blake from the Parks and Recreation Department spent a good portion of 15 minutes looking for a lego block for a small child who lost it in the new mulch at Shevans Park the other day.

Mayor Jones suggested that the Finance and Administration Committee schedule a Work Session to review the employee benefits package.

Capital Projects and Fund Balance:

The Council discussed the Fund Balance and concurred that they did not want it drawn down to the minimum, therefore, leaving “no playing room” for emergencies.

City Manager Whitlow stated in setting the budget he adhered to the Council's desire not to raise taxes. Certain capital projects were necessary, however, they could be funded by bundling some of these projects into a loan instead of using the Fund Balance. He continued that City staff followed the guidelines set by the Council in setting the proposed projects for FY2016-2017.

The Council concurred that the state of the Public Works Garage needed to be addressed. The idea to piggyback with Carteret County and perhaps the Town of Newport for a mutual garage was still in the early stages of discussion whereas the need for Morehead City for a new garage was imminent. It would take approximately five [5] months from start to finish for the new garage.

The tennis courts at Shevans Park need to be renovated as they are becoming a liability issue. However, as a cost savings measure, the Council may prefer not to install the upgraded and new lighting at this time. The Webb Memorial Library needs approximately \$500,000 of work, however, all that is funded for FY2016/2017 is updating the hvac system for approximately \$42,000. With regard to the Webb Memorial Library, the costs are for the maintenance of the building. If the Council desires not to continue addressing the issues with the building, perhaps it should be returned to the Wallace Family.

Assistant Public Services Director Strother explained that the Webb Memorial Library continues to have electrical and hvac issues and the hvac system is not big enough for the building as the heat pump is undersized.

Councilman Thompson was of the opinion that the Fund Balance was for emergencies and he would prefer a loan arrangement.

Finance Director Lasater explained that the \$130,000 for the financial software was to obtain better reports, less manual manipulation of records, better customer service, less paperwork, reduction in the amount of work necessary for reports and more accurate accounting. She also explained that the current software which the City has been using for the past ten [10] years is no longer being serviced by the company and that the new financial software would be a benefit for more departments than just Finance. The Council also agreed to fund the ADA [Americans with Disabilities Act] improvements to the front of City Hall at 706 Arendell Street in the amount of \$20,000

Councilman Walker commented that you cannot underestimate technology and the City needs to remain current.

Public Services Director Williams discussed the audio-visual improvements to the Municipal Chamber. The Council decided not to have the monitors at each station and to add another drop-down large screen in addition to the one [1] in the front of the room. Public Services Director Williams will explore further possibilities and bring them to the Public Works Committee.

It was the consensus of the Council to undertake and fund the Public Works Garage project.

Councilman Ballou expressed concern with the maintenance of the streets especially Neuse Street and White Drive. Various costs were discussed for the maintenance and repair of the City streets.

Ten [10] minute recess.

Parks and Recreation Director Lands explained that the renovation to the west end restrooms at the Parks and Recreation Building is so expensive because in the conversion to handicapped accessibility, the plumbing and flooring must be changed. This renovation will be bringing the restrooms up to code.

The Council discussed the 30 year note at an interest rate of 4.125% which is for the Morehead City Train Depot and the possibility of paying it off before securing another loan for the capital projects.

Both Councilmembers Walker and Warrender were of the opinion to fix the Recreation Building restrooms.

The Council discussed the upgrades to the Concession Building at Puck O'Neal Field. Councilman Ballou commented that the building was never designed for cooking to which City Manager Whitlow stated that the plans were for a limited food service. Further discussion ensued on the high costs for the upgrade. Councilman Ballou expressed his concern for the maintenance of the grills, refrigerators, cooking equipment, etc., when being used by various groups.

The Council also discussed the Marlins proposed concrete pad for outside cooking. With further discussion the Council concluded not to upgrade the Concession Building at the Baseball Park.

The Council discussed the replacement of the lift [Liftovator] at the Municipal Building and concluded to move forward on this project.

The Council also discussed the acquiring of the three [3] lots at Bayview Cemetery for \$25,000 each.

Parks & Recreation Director Lands distributed information on the usage and costs of the skating rink during the Holiday Season. The Council concurred not to continue the skating rink due to less and less participation each year and its costs. The Council concurred that the funding could be put to better use such as acquiring the pirate ship playground equipment and stated that the money for the skating rink should be used to upgrade playground equipment especially at Shevans Park.

In conclusion, the following projects were proposed for the FY2016-2017 Budget:

- Garage
- Shevans Park Tennis Courts [no improved lighting]
- Street Maintenance
- Acquire three [3] Bayview Cemetery Lots
- Upgrade westend restrooms at the Recreation Building
- Software Program for the Finance Department and improvements to entry at City Hall
- Lift for Municipal Building.

In addition, the Council concurred to pay off the Morehead City Train Depot loan and secure another loan for some of the above projects.

Other Sources of Funding:

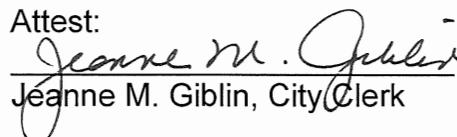
Parks & Recreation Director Lands distributed information on increasing the Parks & Recreation Fee Schedule. He explained that the fee structure was in line with other municipalities. Councilwoman Warrender was of the opinion that consideration should also be given to receiving fees from the fishing tournaments which are held on the waterfront and require City services and amenities.

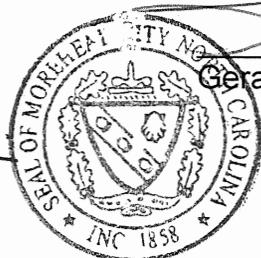
City Manager Whitlow explained a Motor Vehicle Registration Fee Program which would be used to fund street maintenance. The Powell Bill Funding is not sufficient for the maintenance of the streets and the City may wish to implement the program whereby according to state law, \$5 of the revenues may be used for any lawful purpose with the next \$25 or less mandated for street maintenance.

Adjournment:

There being no further discussion the meeting was adjourned at 12:00 noon.

Attest:


Jeanne M. Giblin, City Clerk




Gerald A. Jones, Jr., Mayor