

RELEASED AT THE TUESDAY, NOVEMBER 8, 2016 COUNCIL MEETING

**APPROVED AND SEALED AT THE
TUESDAY, JULY 14, 2009 TOWN COUNCIL MEETING**

**CLOSED SESSION MINUTES
MOREHEAD CITY, N.C.**

TUESDAY, JUNE 9, 2009

The Council met in CLOSED SESSION in the Municipal Chambers at 202 South 8th Street, Morehead City, N.C., following the Regular Meeting of the Town Council held on Tuesday, June 9, 2009, at 5:30 p.m., to discuss contract negotiations as per G.S. 143.318.11[a][5]. Those in attendance were: Mayor Pro Tem George W. Ballou, Paul W. Cordova, David Horton, John F. Nelson, Demus L. Thompson, City Manager R. Randy Martin, City Attorneys Nelson W. Taylor, III, Derek Taylor and Mike Thomas, and City Clerk Jeanne M. Giblin. Mayor Gerald A. Jones, Jr., was absent.

FIRE/EMS CONTRACT NEGOTIATIONS

Manager Martin reported that he again met in CLOSED SESSION with the Carteret County Commissioners in response to their proposed action of adopting the tax rates for funding the Fire/EMS budget for the service district located outside the City which is protected by Morehead City services under a contract. He hoped the efforts would produce a compromise in the allocation of Morehead City and the county shares of the budget. He continued that prior to the full board meeting, he had met with Commissioners Greg Lewis and Holt Faircloth, who represent much of the area of Morehead City. They indicated their desire to reach a compromise and negotiate a new contract which resolves funding issues, and indicated the county did not want to put Morehead City in a difficult budget position this late in the budget year.

Manager Martin explained it was suggested by these Commissioners that we focus on the contract funding for this year and begin to work on new contract provisions for both parties consideration for future years. He reported he advised the Carteret County Commissioners that Morehead City would be willing to discuss contract negotiations on consolidating services, for example, a phase out of the Wildwood Fire District as a volunteer district. He advised the Council that the county is interested in consolidating EMS transport and paramedic services county-wide with the county paying for the services and the City being first responders. He made it clear to the county that the City was not interested in any hostile merger or any kind of "takeover" of Wildwood's service responsibilities. The City currently has a good working relationship with Wildwood and wants to keep it. A mutually beneficial merging of resources and services is preferred.

Manager Martin advised the Council that he recommended to the county and the Council that:

- Morehead City recognize, calculate and ensure that the EMS fee revenues are fairly distributed in budget calculations.
- In response to Carteret County concerns that a lot of the Fire/EMS districts are building up budget reserve funds with no specific plans for what they will be doing with the money, Manager Martin recommended that Morehead City provide an annual breakdown of Fire/EMS reserves calculating the district share and report the amount to Carteret County. When Morehead City does a Fire/EMS capital project utilizing reserve funds, Morehead City would deduct from the district share of the fund balance a pro-rated share. This would help alleviate County Commissioner concerns that Morehead City could build up a fund balance which does not fairly recognize their district contributions and share the capital burden equitably.
- Morehead City would reduce the district share of appropriations requested from the county for FY 2009/2010 by \$100,000 and the difference would be appropriated from the City's Fire/EMS fund balance currently on hand.
- Morehead City would in good faith negotiate a new services contract as soon as possible and will include consolidation opportunities consideration.

- Carteret County would agree to leave Morehead City with full autonomy over the City's Fire/EMS budget.
- Carteret County will agree to keep the tax rates the same as the City budget originally requested for FY 2009/2010 which is no change from FY 2008/2009.
- Carteret County would lower the budget appropriation to the City for FY2009/2010 by \$100,000 with these funds being held in reserve by the county for the Mitchell Village district.
- Until a new contract is adopted, Carteret County will retain accumulated reserve funding generated for the district but will, upon adoption of the new contract, annually release all these funds to Morehead City. Carteret County agrees in the interim to consider City requests for funding major capital project needs [e.g., new Station No. #2 project].
- The county is currently holding in reserve approximately \$75,000 that is earmarked for the City's Mitchell Village Fire/EMS District and Morehead City has as yet not requested this funding.
- Carteret County would in good faith negotiate a new services contract as soon as possible and will include consolidation opportunities consideration.

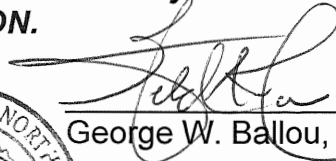
The Manager was advised that the County Commissioners have tentatively agreed to these terms subject to Council concurrence. The County Commissioners plan to formally consider adoption of the tax rates at their next budget meeting if the City Council concurs.

Manager Martin commented that more time is needed to completely negotiate a new contract which would be equitable to both sides with regards to provisions such as contract breach penalties, method of determining compensation, term of contract, etc.

The Council, by consensus, concurred and acknowledged that Morehead City and Carteret County should commence negotiating a new contract for Morehead City to provide Fire/EMS service to the fire district located outside the City which is protected by Morehead City. It was the desire of the Council that the district taxpayers be treated fairly while City taxpayers continue to be fairly treated as well.

Councilman Horton suggested that the Council Public Safety Committee be utilized in the process of negotiating the new contract.

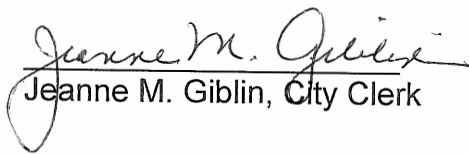
Councilman Cordova MOVED, seconded by Councilman Horton, and carried unanimously, to return to OPEN SESSION.



George W. Ballou, Mayor Pro Tem



Attest:



Jeanne M. Giblin, City Clerk