

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

Tuesday, November 8, 2016

The Honorable Council of the Town of Morehead City met in Regular Session on Tuesday, November 8, 2016, at 5:30 p.m., in the Municipal Chambers located at 202 South 8th Street, Morehead City, North Carolina. 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, Jr.
	Diane C. Warrender
CITY MANAGER:	David S. Whitlow
DEPUTY CLERK:	Janet Hill
CITY ATTORNEY'S OFFICE:	Derek Taylor, Michael Thomas
OTHERS:	Anna Harvey, Reporter, THE CARTERET NEWS

TIMES; Herbert Phillips; Keith Walker; Ronald Cullipher; Linda Staab, Inspections and Planning Director; Jewel Lasater, Finance Director; Daniel Williams, Public Services Director; Carolyn Dennis; Sandy Judy; Shirl Meadows; Jonathan Barber; Dale Price, Assistant Public Services Director; Susan Davis; Kelly Urban; Jack Manley; Ethan Brogden; Bryan Dixon, Police Department and others.

1. Regular Meeting Call to Order, Invocation and Pledge of Allegiance

Mayor Jones called the meeting to order at 5:30 p.m. Councilman Demus Thompson gave the invocation and all joined in The Pledge of Allegiance.

2. Adoption of CONSENT AGENDA

2. A. Approve the Minutes of: Tuesday, October 11, 2016, Regular Meeting

Approved the minutes of Tuesday, October 11, 2016, Regular Meeting and dispensed with the reading.

2. B. Approve the Requests for Release of Overpayment of Ad Valorem Taxes for October 2016, in the amount of \$4,815.06; and Accept the Tax Collector and Finance Director Reports for October 2016

Approved the requests for release of overpayment of ad valorem taxes for October, 2016, in the amount of \$4,815.06; and accepted the Tax Collector and Finance Director Reports for October 2016. [The Financial Reports are attached to and made a part of these minutes herein by reference.] ✓

2.C. Adopt 2017 Town Council Regular Meeting Schedule

As per G.S. 143.318.12, the proposed 2017 Town Council Schedule of Regular Meetings was presented for Council approval. There appears to be no conflicts that would necessitate any Council Meeting having to be held on an alternate date than the second Tuesday of each month. The Finance and Administration Committee of the Council reviewed the proposed schedule.

Adopted the 2017 Town Council Regular Meeting Schedule as presented. [The 2017 Adopted Town Council Regular Meeting Schedule is attached to and made a part of these minutes herein by reference.] ✓

2.D. Release and Spread Upon the Record CLOSED SESSION Minutes

The adoption of Resolution 2004-48 on October 12, 2004, implemented a policy whereby the approved and sealed minutes of closed sessions were to be periodically reviewed by the City Manager and City Clerk as to their content and the ability to be released and spread upon the record. Mayor Jones has also had the opportunity to review the sealed minutes. The Open Meetings Law permits a public body to withhold the minutes or general account of a closed session from public inspection for "so long as the public inspection would frustrate the purpose of a closed session". Consistent with Council

policy, the following closed session minutes have been deemed to be appropriate for release as this time:

Tuesday, November 14, 2006	Possible Land Acquisition – Wastewater Treatment Plant Road
Tuesday, August 12, 2008	Acquisition of Property near O'Neal Field [Alton Davis Property]
Tuesday, August 21, 2008	Same as above
Tuesday, September 9, 2008	Same as above
Tuesday, June 2, 2009	Extraterritorial Jurisdiction Fire/EMS Services Contract Negotiations
Tuesday, June 9, 2009	Same as above
Tuesday, September 8, 2009	Blair Farms Conservation Easement Property
Tuesday, February 9, 2010	Constitutional Challenge to Prayer before Governmental Meetings
Tuesday, June 8, 2010	Property Acquisition on Treatment Plant Road [Clayton Davis Property]
Tuesday, November 9, 2010	Acquisition of Property owned by John Poag on the Morehead City Waterfront [Captain Bill's Restaurant and Parking Lot, 701 Evans Street]
Monday, November 22, 2010	Property Acquisition on Treatment Plant Road [Clayton Davis Property]
	Blair Farms Conservation Easement Property
Tuesday, December 14, 2010	Blair Farms Conservation Easement Property
	National Guard Armory on 35 th & Bridges Streets
	Acquisition of Property owned by John Poag on the Morehead City Waterfront [Captain Bill's Restaurant and Parking Lot, 701 Evans Street]
Tuesday, January 11, 2011	Blair Farms Conservation Easement Property
	City Manager R. Randy Martin Review by Council
Tuesday, July 12, 2011	Blair Farms Conservation Easement Property [Coastal Land Hunting Club Property]
Tuesday, May 8, 2012	Potential Litigation – Police Department Building, 300 North 12 th Street
Tuesday, July 10, 2012	Same as above
Tuesday, July 9, 2013	Morehead Marlins Baseball Team
	Fire/EMS District
Tuesday, August 13, 2013	Fire/EMS District
Tuesday, May 13, 2014	Police Department Building/E911 Center vs. D.H. Griffin Contractors Lawsuit
Tuesday, June 10, 2014	Same as above

- Tuesday, August 11, 2015 Settlement of D.H. Griffin Lawsuit for Repairs to the Morehead City Police Department
- Possible Closure of Alley at Red Fish Grill in the 700 Block between Evans & Shepard Streets
- One Harbor Church and Coastal Equipment Rentals, 1400 Block between Bridges and Fisher Streets
- Tuesday, January 12, 2016 Potential Property Acquisition – Travis and Mary Day – Lot Adjacent to the Webb Memorial Library at 812 Evans Street
- Tuesday, April 12, 2016 Buddy Bengel of the Morehead Marlins and the Puck O'Neal Baseball Field Scoreboard

Released and spread upon the record the approved CLOSED SESSION Minutes of Tuesday, November 14, 2006; Tuesday, August 12, 2008; Tuesday, August 21, 2008; Tuesday, September 9, 2008; Tuesday, June 2, 2009; Tuesday, June 9, 2009; Tuesday, September 8, 2009; Tuesday, February 9, 2010; Tuesday, June 8, 2010; Tuesday, November 9, 2010; Monday, November 22, 2010; Tuesday, December 14, 2010; Tuesday, January 11, 2011; Tuesday, July 12, 2011; Tuesday, May 8, 2012; Tuesday, July 10, 2012; Tuesday, July 9, 2013; Tuesday, August 13, 2013; Tuesday, May 13, 2014; Tuesday, June 10, 2014; Tuesday, August 11, 2015; Tuesday, January 12, 2016 and Tuesday, April 12, 2016. [The Closed Session Minutes are released and attached to these minutes herein by reference, unless they are attached to the exact meeting date on which they were held.] ✓

2.E. Adopt Resolution 2016-46 Designating Applicant's Agent for the North Carolina Division of Emergency Management for Hurricane Matthew

The adoption of Resolution 2016-46 is a standard procedure after a hurricane. This resolution designates Finance Director Jewel Lasater and Public Services Director Daniel Williams as the Town of Morehead City's agents for any assistance dealing with the after effects of Hurricane Matthew.

Adopted Resolution 2016-46 Designating Applicant's Agent for the North Carolina Division of Emergency Management for Hurricane Matthew. [Resolution 2016-46 is attached to and made a part of these minutes herein by reference.] ✓

Councilman Bill Taylor MOVED, seconded by Councilman Harvey Walker and carried unanimously, to adopt the CONSENT AGENDA in one [1] motion.

3. Public Hearing: Request submitted by Eastern Carolina Community Development, Inc., [ECCDI], on behalf of Lois Matthews, to Rezone 3140/3200 Bridges Street, Tax PIN #6376-1564-8235-000 and 6376-1564-9907-000, from CH [Highway Commercial] District and R15M [Single-Family Residential/Manufactured Home] District to RMF [Residential Multifamily] District – Adopt Resolution 2016-44 and Ordinance 2016-34

Mr. Keith Walker submitted a request on behalf of East Carolina Community Development Inc., [ECCDI] to rezone two [2] parcels totaling 13.02 acres located at 3140 and 3220 Bridges Street from CH (Highway Commercial District) and R15M (Single-Family Residential/Manufactured Home District) to RMF (Residential Multifamily District). The southernmost parcel is located within the corporate limits and the northernmost parcel is located within the extraterritorial jurisdiction (ETJ). An existing shop building is located on the northernmost parcel and the southernmost parcel is vacant.

The surrounding zoning includes R20 (Single-Family Residential District) to the north; R15M and CH to the east; R5 (Residential District), OP (Office and Professional District), and CH to the west; and R5 and RMF across Bridges Street to the south. Surrounding land use includes single-family residential to the north; single-family and multifamily residential (Orlandah Court Apartments, Oak Lane Apartments, Miller Towne

Apartments) to the south; storage buildings, single-family residential, restaurant buildings (vacant and Rip Tides), and a manufactured home park to the east; and multifamily (Bridgewood Condominiums), offices, and undeveloped property to the west.

The property is located in Neighborhood 4 of the CAMA Land Use Plan and is classified as General Commercial and High Density Residential. Attached is a draft land use consistency resolution for review and consideration by the board.

Property owners within 300 feet of the property were notified of the Planning Board meeting as well as the date of the public hearing. The property has been posted.

At the Planning Board Meeting on October 24, 2016, Andrea Smith made MOTION, seconded by Vernon Small, to recommend approval of the rezoning request and to approve Planning Board Resolution No. 2016-0010. The motion carried unanimously. The Planning Committee of the Council reviewed the request.

Mayor Jones opened the public hearing.

Linda Staab, Planning Director reported that a rezoning request had been made and had been unanimously approved by the Planning Board Meeting on October 24th, 2016 for the rezoning of 13.02 acres property located at 3140 and 3200 Bridges Street Bridges Street from CH (Highway Commercial District) and R15M (Single-Family Residential/Manufactured Home District) to RMF (Residential Multifamily District) which was requested by Keith Walker, Eastern Carolina Community Development, Inc.

The Council Members voiced their concerns regarding a secondary entrance onto Commerce Avenue to accommodate the flow of traffic.

Commissioner Demus Thompson requested that Linda Staab, Planning Director, look into the possibility of realignment of the intersection at Commerce Avenue, Bonner and Bridges Street.

Planning Director Linda Staab reported to the Council that she would speak with adjacent neighbors regarding the requested realignment of the intersections.

Mayor Jones asked if anyone would like to speak or make any comments regarding the rezoning.

Consulting Engineer, Ron Cullipher with Stroud Engineering spoke in support of the rezoning and the project.

Judge Herbert Phillips stated that he was glad to see an attractive serviceable project be added to the Town of Morehead City and supported the requested rezoning. He also stated that the Town of Morehead City's Planning Department is a wonderful group of people which to work with.

Mayor Jerry Jones closed the public hearing.

Councilman Demus Thompson MOVED, seconded by Councilwoman Diane Warrender, and carried unanimously, to Grant the Request from Eastern Carolina Community Development, Inc., [ECCDI], on behalf of Lois Matthews, to rezone 3140/3200 Bridges Street from CH [Highway Commercial] District and R15M [Single-Family Residential/Manufactured Home] District to RMF [Residential Multifamily] District by adopting Resolution 2016-44 and Ordinance 2016-34. [Resolution 2016-44 is attached to and made a part of these minutes herein by reference. Ordinance 2016-34 is in Ordinance Book #7 in the vault.] ✓

4. Citizen Requests/Comments: [2 Minute Time Limit]

There were no citizen requests/comments.

5. New Business: Report on the Status of Upgrading Financial Software and Review of Software Needs and Goals

Jewel Lasater, Finance Director, gave a presentation to the Council and stated that the Finance Department was looking to upgrade and purchase a more encompassing financial software system for the Finance, Billing and Collections Department. For over a year Finance Staff and representatives gathered recommendations for the best support and software to carry the town into the future for at least ten [10] to fifteen [15] years. Based on those reviews, the committee narrowed down its review from eight [8] different vendors to three [3]. After lengthy reviews and researches, Munis by Tyler Technologies was determined to have the best work modules and support to meet the future needs of the City.

Mrs. Lasater stated that the City Council had budgeted \$120,000 for the current fiscal year for the purchase of a new software system. This budgeted amount was based on a program cost by Edmunds and Associates, but the committee determined that the system was not sufficient for the Town's purchase.

Mrs. Lasater reported that the financial software Munis by Tyler Technologies offers the best upgraded financial software and available support package with on-line training. Listed below are the enhanced and updated features which are offered by the selected company.

- Financial Management
- Put Notes on Accounts
- Projects and Grants
- Fixed Assets
- Bank Reconciliation
- Employee Expense Reimbursement
- Budget
- Accounts Payable Purchasing, Etc.
- Payroll and Personnel
- General Revenue
- Cashiering
- Utility Billing
- Citizen Self Service
- Tax Billing

The total cost of implementation of the new financial software is three hundred and eighty six thousand dollars [\$386,000.] The additional amount needed to purchase the financial software in addition to one hundred twenty thousand dollars [\$120,000] is two hundred eighty five thousand dollars [\$285,000.] The available amount of one hundred fifty one thousand, five hundred and ninety three dollars [\$151,593.] would be available from the Water and Sewer Capital Reserves Fund, and the additional amount of one hundred thirteen thousand four hundred and seven dollars [\$113,407.] would be used from the Unobligated Fund Balance from the General Fund to make up the difference.

Daniel Williams, Public Services Director spoke in favor of the upgrade and implementation of the financial software. He stated that the software would save time processing work orders, purchase orders, offer availability of funds in each department's budget and billing invoices.

Councilwoman Diane Warrender commented on the number of counties and cities who are currently using the software in North Carolina and their recommendations.

Councilman Bill Taylor commented on the availability of funds to pay for the software.

Councilman Demus Thompson commented that he was concerned about the price and had concerns of taxes being raised in order to pay for the software.

City Manager, David Whitlow reported that it would be a good opportunity to purchase the financial software which would allow the Town of Morehead City to grow and move forward. He stated the additional amount of two hundred eighty five thousand dollars [\$285,000.] which is currently available within the Capital Project Fund and Reserves would not generate a tax increase to the citizens of Morehead City. He recommended the purchase of the financial software and informed Council Members that it would take approximately one [1] year to implement.

Councilman George Ballou was opposed to the purchase of the financial software upgrade and stated the City should look into other less costly options. He also stated that he would like more time to consider the amount of money which had been requested in addition to the one hundred twenty thousand [\$120,000] dollars which had been allocated in the budget.

Councilman Harvey Walker MOVED, seconded by Councilman Bill Taylor to APPROVE the recommendations that the City acquire a more Encompassing Software package through Munis by Tyler Technologies.

The MOTION carried with a vote of four [4] to one [1] with Councilman Walker, Taylor, Warrender and Thompson voting FOR, with Councilman Ballou voting OPPOSED.

6.A. City Managers Report: Adopt Resolution 2016-45 Requesting General Assembly to provide Permanent and Continued Funding to Supplement United States Army Corps of Engineers' Funding for Maintenance Dredging of the State Port in Morehead City

City Manager, David Whitlow reported to Council Members that the channel entering the State Port and the harbor have reached a critical need for dredging funding. He informed Council Members that when the State created Deep Channel Dredging Program, it provided no funding. He stated that the dredging needs are fourteen million [\$14,000,000] every year and that currently annual funding only averages around eight million [\$8,000,000] a year resulting in a less complete dredging project. He also stated that the State Port is asking the General Assembly to budget funds to supplement the Federal Funding to assist with a functional and substantial depth.

City Manager recommended and was in support of Adopting the Resolution 2016-45 requesting the General Assembly to provide permanent and continued funding to supplement United States Army Corps of Engineers' Funding for the maintenance of the deep dredging of the State Port in Morehead City.

Councilman George Ballou MOVED, seconded by Councilman Harvey Walker and carried unanimously, to Adopt Resolution 2016-45 Requesting General Assembly to provide Permanent and Continued Funding to Supplement United States Army Corps of Engineers' Funding for Maintenance Dredging of the State Port in Morehead City. [Resolution 2016-45 is attached to and made a part of these minutes herein by reference.] ✓

6.B. City Managers Report: Approve Execution of Engagement Letter with McGuire Woods for Services as Bond Counsel for the Elijah's Landing Project

City Manager, David Whitlow reported to the Council that he had received an engagement letter for issuance of bond from McGuire Woods for Elijah's Landing. He informed the Council, that Morehead City will be the client and issuer of the bonds; however, the Town of Morehead City has no obligation for the repayment of the bonds or the bond counsel, and all cost are born by the borrower who is East Carolina Community Development, Inc.

Mr. Whitlow pointed out to the Council that there were changes which had been made to the execution of the engagement letter, and have been reviewed by the City Attorney. The revisions of the changes are located on page two [2] paragraph three [3] which states as the following:

The Bond shall not be deemed to constitute a debt or a pledge of the faith and credit of the State of North Carolina or any political subdivision or agency thereof, including the Town of Morehead City, but shall be payable solely from the revenues and other funds provided by the borrower.

City Manager, David Whitlow recommended that the Council approve the execution of the engagement letter with McGuire Woods for services as Bond Council for Elijah's Landing Project.

Councilman Bill Taylor MOVED, seconded by Councilwoman Diane Warrender and carried unanimously, to APPROVE the City Manager's Execution of the Engagement Letter with McGuire Woods for services as Bond Council for the Elijah's Landing Project.

7. Council Requests/Comments:

Councilwoman Diane Warrender inquired about the status and study of the Charles Wallace Building.

City Manager, David Whitlow stated that the City would be receiving information regarding the study of the Charles Wallace Building and would present a hard copy to the Council for their review before the December 13th, 2016 Town Council Meeting.

Councilman Harvey Walker wanted to thank Jewel Lasater, Finance Director for a wonderful and very good presentation regarding the Upgrading of the Financial Software.

Councilman George Ballou thanked everyone for attending the meeting and stated it was an honor to serve the Town of Morehead City.

Councilman Demus Thompson thanked everyone for attending.

Mayor Jones thanked everyone for attending the meeting.

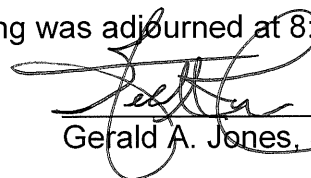
8. CLOSED SESSION as per G.S. 143.318.11 [a][4][6] to Approve the Closed Session Minutes of Tuesday, October 11, 2016; to discuss an Economic Development possibility and the Annual Evaluation of the City Manager

Councilman Bill Taylor MOVED, seconded by Councilman Harvey Walker, and carried unanimously, to enter into CLOSED SESSION.

Councilman Bill Taylor MOVED, seconded by Councilman Demus Thompson, and carried unanimously to return to OPEN SESSION.

9. Adjournment:

There being no further business, the meeting was adjourned at 8:20 p.m.


Gerald A. Jones, Jr., Mayor

ATTEST:


Janet L. Hill, Admin. Assist/Deputy Clerk

