

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

**Tuesday, February 8, 2017 at 4:00 p.m.
Special Meeting/FY2016-2017 Budget**

The Honorable Council of the Town of Morehead City met in a Special Meeting/FY2017-2018 Budget Review on Tuesday, February 8, 2017, in the Council Chambers, Morehead City Municipal Building, 202 South 8th Street, Morehead City, North Carolina. The purpose of the Special Meeting/FY2017-2018 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 [Arrived at 4:15 p.m.]
	Demus L. Thompson [Absent]
	Harvey N. Walker [Absent]
	Diane C. Warrender
CITY MANAGER:	David Whitlow
CITY CLERK:	Jeanne M. Giblin and Cathy Campbell, Clerk Trainee
OTHERS:	Anna Harvey, Reporter, The Carteret News Times; Planning Director Linda Staab; Human Resources Officer Susan Nixon; Police Chief Bernette Morris; Public Services Director Daniel Williams; Assistant Public Services Director Dale Price; Parks and Recreation Director Craig Lands; Fire/EMS Chief Jamie Fulk; and Finance Director Jewel Lasater

Call to Order:

Mayor Jones opened the discussion at 4:02 p.m. but the meeting was not officially called to order until 4:15 p.m. when Councilman Ballou arrived establishing a quorum.

Parks and Recreation Department:

Parks and Recreation Director Craig Lands reported that two (2) capital outlay projects are ongoing, Shevans Park tennis court project and the Recreation Center bathroom project. The tennis court project consists of resurfacing of the courts which is expected to be completed this year. Of the \$75,000 allocated for the Recreation Center bathroom project, \$8,100 has been expended for design development. Construction is estimated at \$90,000 creating a \$23,100 shortfall. It is not expected that this project can be completed this year. Mr. Lands' goal is to complete the bid process this year and be ready to start construction in the fall. In response to Councilman Taylor's question about the possibility of reducing the costs, Mr. Lands stated there may be some options for lowering costs; however, the primary cause for increased costs result from relocating walls and plumbing to comply with Americans with Disabilities Act (ADA) regulations. Mr. Lands agreed to look for other cost saving opportunities.

In addition, exterior lighting for Shevans Park is needed especially in the tennis court area. Lighting is estimated between \$90,000 - \$100,000, and there may be an opportunity to secure a United States Department of Agriculture (USDA) grant up to \$20,000 help fund the project. Mr. Lands would like to complete the lighting project in conjunction with court resurfacing. The budget will also include \$10,000 for playground equipment. An assessment of current equipment is underway.

Mr. Lands outlined the following Parks and Recreation Department budget items:

- Repairing exterior walls at the Recreation Center
- Expand pickle ball courts; *current courts used by 20-30 people per day*
- Replace the Torro mower (\$6,000); *offset expense by replacing contracted mowing services (\$8,100 per year) with in-house part-time workers*
- Replace Recreation Center exterior lighting (\$10,000);
- Replace backstop netting at the Big Rock Stadium (\$4,000)
- Improved drainage at Rotary Park soccer field

Next, Mr. Lands reviewed waterfront property concerns. He reported that the primary concern is the electrical upgrade for the docks at Evans and 6th Street. The

estimated cost for this project is \$60,000 of which \$30,000 is attributed to gaining access to the underground vault. He advised that future structural repairs to the same docks may be substantial.

Mayor Jones called the meeting to order at 4:15 p.m. upon Councilman Ballou's arrival.

Security cameras for Jaycee Park and wireless access down to 4th and 6th Street transit docks were allocated in the current budget. However, additional repairs are needed at the 10th and 6th Street piers.

Councilman Taylor asked if it may be possible to use a portion of the fishing license funds for floating docks. Mr. Lands agree to look into it.

Councilman Taylor then asked about digging out the basin. Mr. Lands stated that he hopes to accomplish the dredging under the current budget.

Fire/EMS Department:

Fire/EMS Chief Jamie Fulk appeared before the City Council to present the FY 2017-18 budget needs for the Fire/EMS Department. Fire/EMS capital improvement requests will include replacement of HVAC units at Station #1, the purchase of one (1) heart monitor, and replacement air packs.

Chief Fulk reported that the HVAC units at Station #1 are sixteen (16) years old and are rusting out from the salt air.

Fire/EMS Department currently has four (4) heart monitors that are used daily. The department is in need of a back-up monitor to be available when a unit is being serviced and for special events such as the Seafood Festival.

Chief Fulk explained that many of the Department's air pack bottles have reached or are approaching the recommended lifespan and need to be replaced. He recommended a replacement schedule of three (3) bottles per year at a cost of \$680 each.

Chief Fulk sought the Council's guidance concerning the three (3) firefighter positions currently funded through a SAFER grant, and desire to or not submit for subsequent grant funds. He advised that SAFER grant procedures have changed in that they no longer provide a hundred percent (100%) funding for two (2) years. At this time the grant provides seventy-five percent (75%) funding for the first two (2) years and thirty-five percent (35%) funding for the third (3rd) year. The grant submission deadline for next year is February 10, 2017. He reminded the Council that the grant can be declined up to the signing of the acceptance letter. Council concurred with moving forward with the SAFER grant application.

Police Department:

Police Chief Bernette Morris appeared before the Town Council stating that she is reducing the Department's capital outlay requests by \$24,000 for FY 2017-18. She is requesting a 1.7% increase in operating expenses for utilities and maintenance.

Capital outlay items for the Police Department budget include three (3) Dodge Charger vehicles, one (1) truck for Animal Control, and one (1) truck for crime scene investigations. She noted that the City was gifted \$5,000 towards the purchase of the crime scene vehicle. In response to Councilman Taylor's question, Chief Morris confirmed that this was in addition to the crime scene investigation trailer purchased this year and will replace the current car with 190,000 miles. The current Animal Control SUV has 200,000 miles.

Public Works Department:

Public Services Director Daniel Williams appeared before the Town Council to outline the needs of the Public Works Department for FY 2017-18. He reported that operational costs for both Sanitation and Cemeteries should remain about the same with

no capital outlay expenditures. The only capital expenditure for the Garage will be the cost to demolish the old building.

In regards to Transportation/Streets, Mr. Williams reported on the paving and storm drainage improvements for the following areas:

- 4th Street and Evans Street and around to 5th Street is estimated at \$100,000.
- Blair Farms from Club House to Hidden Cove is estimated at \$169,000
- Church Street Drainage project – remaining costs are estimated at \$143,000

In addition, he will be requesting the purchase of an Asphalt Recycler at the cost of \$130,000. This should reduce paving costs going forward.

Mr. Williams reminded that Council that the Library improvements were scheduled on a five year plan. Electrical upgrades are scheduled for the first (1st) year, FY 2017-18, at an estimated cost of \$93,000, and HVAC systems are scheduled for the second (2nd) year at an estimated cost of \$96,500.

Councilwoman Warrender asked about the possible Charles Wallace building renovation and whether funds would be included in the Public Works budget for this project. City Manager David Whitlow responded saying that \$500,000 would be included in the Capital Improvements Fund under Municipal Campus for emergency repair of roof, windows, lintels and water damage.

Planning Department:

Planning Director Linda Staab reported that she did not have any capital outlay expenditures for the upcoming year but would be requesting a new truck the following year. The Planning Department budget will include \$25,000 for wireless communications improvements, and one (1) new administration position to assist with permitting and receptionist duties. The salary for this position is set at \$25,000-\$30,000 per year.

Finance Department:

Finance Director Jewel Lasater appeared before the Town Council stating that the new MUNIS software will be included in the Finance Department budget to be spread over two (2) years. She explained that there would be few months of overlap in maintenance agreements, creating an increase in both the Water & Sewer Fund and General Fund. Councilman Taylor questioned when the City would begin using the software. Ms. Lasater explained that the City is in the final stages of contract negotiation. Once signed, an implementation timeline would be established. The general ledger and accounts payable modules will be brought online first. It is hoped that this will be accomplished before year end.

Information Technology:

IT Manager Jon Snyder appeared before the Council to report on IT capital outlay expenditures to be included in the FY 2017-18 budget. He advised that Server 2003 housed in the Municipal Building, Morehead 2008 Main Server, and the Planning Server have all reached or exceeded their life-cycle and need to be replaced. In addition, a backup server for the Microsoft Exchange Server 2013 is needed to allow for equipment maintenance and/or failure. The estimated cost of all four (4) servers is \$60,000 plus licensing costs.

The budget will also include two (2) enterprise level switches and two (2) enterprise level backup battery systems for City Hall and the Municipal Building as the current systems are not sufficient for current demand. Replacement battery costs will be about \$2,500 - \$3,000.

In addition, eight (8) City computers lack sufficient memory to run the MUNIS software. Additional memory will cost about \$400.

He was pleased to announce that while working with Spectrum (formerly Time Warner) to improve the internet connection for MUNIS software support, he learned that

their new pricing would allow the City to increase bandwidth to most of its systems without any additional costs to the City.

Public Utilities Department:

Public Services Director Daniel Williams came forward again to present the Public Utilities Department needs for FY 2017-18. He stated that the budget would include the cost of a rate study. The last study called for a four percent (4%) increase next year, but he hopes the new study will call for less.

In addition, the budget will include a rehab for Lift Station #17, pump replacement at the Wastewater Treatment Plant, and the replacement of one (1) vehicle for the Water Department. He will look to purchase new WWTP digesters in the future as usage increases.

Administration:

City Manager David Whitlow advised the Council that the budget will reflect an anticipated 25% health insurance increase and \$7,500.00 for public election costs. Also included is funding for performance and cost of living salary increases. The Consumer Price Index (CPI) is at 2.1%. Funds will also be included to update the compensation study that was done in 2013, and indexing software/equipment for administrative records.

Other:

Councilman Taylor asked about the plan for Catherine Davis Park. City Manager Whitlow stated that design costs will be included under Parks. The City will pursue a PARTF grant in the future to help with the cost of implementing the final plan. Staff is exploring the possibility of working with either NC State University or East Carolina University personnel to help with the design concept in order to reduce costs.

Councilman Taylor asked about the big jet system truck. Public Services Director David Williams responded saying that the truck is undergoing repairs to the drive shaft at this time, but otherwise is doing well for its age. Mr. Williams commended Utility Supervisor Derek Williams who was able to secure new pumps and hoses from the vendor at no cost to the City.

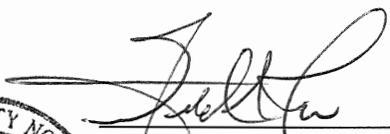
In closing Mayor Jones thanked staff their efforts in keeping costs down while maintaining quality service to citizens.

There being no further business, the meeting was adjourned at 4:55 p.m.

Attest:


Cathy Campbell, City Clerk Trainee




Gerald A. Jones, Jr., Mayor