

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

**Tuesday, February 20, 2018, at 10:00 a.m.  
Special Meeting**

The Honorable Council of the Town of Morehead City met in a Special Meeting on Tuesday, February 20, 2018, in the Council Chambers, Morehead City Municipal Building, 202 South 8<sup>th</sup> Street, Morehead City, North Carolina. The purpose of the Special Meeting was to review several budget items. Those in attendance were:

COUNCIL PRESENT: Mayor Gerald A. Jones, Jr.; Councilmembers George W. Ballou, Keri V. McCann, William F. Taylor, Harvey N. Walker, Jr. and Diane C. Warrender.

STAFF PRESENT: Interim City Manager Ralph Clark, Finance Director Jewel Lasater, Public Services Director Daniel Williams, Parks and Planning Director Linda Staab, Chief Building Inspector Robert Davis; Recreation Director Craig Lands, Library Assistant Jordan Salter, and City Clerk Cathy Campbell.

OTHERS: Downtown Morehead City Inc. Executive Director Lisa Rueh; Elise Clouser, Carteret News Times;

**Call to Order:**

Mayor Jones opened the Special Meeting at 10:10 a.m. with a quorum present, and requested to amend the agenda to include a Closed Session per NCGS 143.318.11(a)(6) to provide update on manager search. Councilmember Taylor made a **motion to amend the meeting agenda as requested**. Councilmember Ballou seconded and the motion carried unanimously. (5-0)

**Wildwood Community Request (NCDOT Routes):**

Planning Director Linda Staab appeared before the Town Council to provide a brief on the proposed North Carolina Department of Transportation (NCDOT) route options for the Bridges Street Extension Project (STIP R-5727). Under the plan, Bridges Street will connect to Gloria Dawn Drive and continue to Business Drive. The four optional exit points are what have raised concerns, especially with the Wildwood Community.

- Option #1: Proposes to connect Bridges to Hwy 70 by way of Old Airport Road onto Old Murdock Road
- Option #2. Proposes to connect Bridges to Hwy 70 via Gladys Teasley Road
- Option #3. Proposes to connect Bridges to Hwy 70 just east of Wildwood Road
- Option #4. Proposes to connect Bridges to Hwy 70 near McCabe Road.

The goal of the project is to provide another avenue for straight-through traffic in order to lessen traffic in the commercial area, and to take congestion off the Hwy 70/Hwy 24/Bridges Street intersection. Such will also provide a second route for emergency vehicles trying to access the west end areas of town.

At the February 13, 2018 Town Council meeting, several individuals from the Wildwood Community were present to express their concerns with Options 2 & 3, saying that both would divide their community, and they asked that the Morehead City Town Council to adopt a resolution of support for Option #1.

After reviewing the proposed resolution and making amendments; Councilmember Taylor made motion **to adopt Resolution #2018-R-11, Supporting the Wildwood Community In Identifying the Least Disruptive Route for the Bridges Street Extension Project.**

After further discussion, Councilmember Taylor amended his motion **to adopt Resolution #2018-R-11 omitting the clause, “the Wildwood Community held a meeting and voted unanimously to support the Old Murdoch Road option that the NCDOT suggested as one of its proposed routes.”** Councilmember Warrender seconded and the motion carried unanimously. (5-0)

*Resolution 2018-R-11 is attached to and made a part of these minutes herein by reference*

**Downtown Morehead City Budget Request:**

Lisa Rueh, Executive Director of Downtown Morehead City Inc. (DMC Inc.), came before the Council to present budget requests for FY 2018-2019. DMC Inc. is requesting that the Council provide \$70,000 (\$35,000 increase from prior annual contributions) that will be utilized as follows:

\$35,000	Operations (traditional contribution)
\$15,000	Façade Grant Fund
\$15,000	New Business Incentives
\$5,000	Marketing Incentive

Ms. Rueh explained that the additional funds are needed to improve the attractiveness of the town through façade improvements and to provide incentives to bring new businesses to town.

**Katherine Davis Park:**

Parks & Recreation Director Craig Lands appeared before the Council to report on plans for Katherine Davis Park. He announced that two public meetings would be held as part of the PARTF Grant process; Wednesday, February 21, 2018 and Wednesday, February 28, 2018. The public is invited to attend and offer input on the proposed plan.

Mr. Lands presented a drawing of the proposed park plan that consists of three recreational zones (a requirement of the grant): Performance Space, possibly including a low profile amphitheater; Cultural Area, and Activity/Play Area. He envisions that the play area, focused on toddlers and children ages 5 to 12, will represent a fishing boat or the “Mullet Line” train in keeping with the heritage of Morehead City. The proposed plan provides approximately twenty (20) additional parking spaces.

The maximum grant award is \$500,000. Morehead City is seeking a \$393,000 match

grant. A chart of expenditures was provided. Following the public meetings, a final edition will be completed, and presented to Council for approval at the April 10, 2018 Council meeting in order to meet the May 1, 2018 submission deadline. Grants will be rewarded in the late summer or early fall timeframe.

**Street Paving Program, Action Plan and Funding:**

Daniel Williams, Public Services Director was present to discuss the Street Paving Plan. He displayed a city map indicating the degree of road quality (poor, moderate, and minimal). He noted that the poor and moderate roads are spread across town and suggested that the best method to address them may be a neighborhood approach.

Mr. Williams advised that the total cost to correctly repair the roads is \$6 million. This would correct all poor and moderately rated roads and most of the minimally rated roads. This also includes \$1.2 million for storm drain repair and a ten percent (10%) contingency.

The City receives \$250,000 annual in Powell Bill funds for road maintenance. In recent years, Council has provided an additional \$300,000 through the budget process. Mr. Williams and Interim City Manager Ralph Clark recommended a ten (10) year improvement plan whereby Council would budget approximately \$450,000 annually in addition to the Powell Bill funds for road repair. Spreading the project over time would prevent all the roads from deteriorating at the same rate.

During a discussion of other possible funding options, Council was advised that financing the project would create a debt service that would minimize the amount of routine repair work that could be accomplished going forward. In closing, Staff was asked to explore and report on available sales tax options to help fund the repairs.

**Charles Wallace Building – Design and Construction:**

Next, Public Services Director Daniel Williams presented a proposed timeline for the renovation of the Charles Wallace Building. He stated that this is a very aggressive timeline and any missed date could set the project back at least thirty (30) days. The timeline includes the following key milestones:

- March 13, 2018: Architect/Engineering Firm Recommendation Presented to Council
- April 10, 2018: Conceptual Alternatives Presented to Council
- June 12, 2018: Selected Firm Presents Final Concept and Recommendation to Council
- August 2018: Design Submittals Based on Final Concept and Estimates
- September 2018: Projects Bids Due
- November 2018: Review and Approve Contractor
- April 2020: Project Completion (approximately 18 month construction time)

Requests for Qualifications clearly stated that the project cost of \$5 million is all inclusive.

Finance Director Jewel Lasater stepped forward to review possible funding alternatives to support the project. The two most viable options included a 3.25% USDA loan for \$4 million to be repaid over a thirty (30) year period, and a 3.25% BB&T loan for \$4 million to be repaid over

a twenty (20) year period. Although the USDA loan would carry the lowest annual payment, it comes with more restrictions and additional requirements that add cost to the project. The BB&T loan payment is still achievable and saves a large amount of interest over the life of the loan.

The loan expense would be offset by the following:

- Discontinuation of Hamilton Building and City Hall Parking Lot Rents: \$27,200.00
- Estimated Additional Tax Revenue 1 \$39,557.28
- Estimated Additional Tax Revenue 2 \$5,457.38
- Payoff of Carteret County JIB Loan on 6/30/2018: \$81,400.00
- Payoff of BB&T Street Loan on 6/30/2020: \$85,000.00
- Attributable Water & Sewer Fund (estimated at 30%): \$36,900.00

### **Webb Library Proposal:**

Library Assistant Jordon Salter appeared before the Council to present his proposal to transition the Webb Library from a Municipal owned entity to a Nonprofit, and for such to be considered as Council enters the FY 2018-2019 budget process. He explained that a nonprofit has less restrictions and can move faster in adapting to current public demands/needs. In addition, nonprofit management would bring vision, strategic planning, more efficiency, a routine maintenance schedule, sense of permanence, a full-time leadership team, less regulatory burden, and less strain on City budget.

Mr. Salter proposed to support the library under a nonprofit status through annual private contributions of \$150,000; \$50,000 annual contribution from Morehead City and \$50,000 annual contribution from Carteret County \$50,000, as well as grants and civic organization contributions. He is also requesting that Morehead City continue to provide facility maintenance as outlined in the 2015 engineering assessment maintenance schedule to be completed over six (6) years.

### **CLOSED SESSION PER NCGS 143.318.11(a)(6) TO DISCUSS PERSONNEL MATTER**

Councilmember Ballou made a motion **to enter into Closed Session at 1:39 p.m. per NCGS 143.318.11(a)(6) to update Council on the city manager search.** Councilmember McCann seconded and the motion carried unanimously. (5-0)

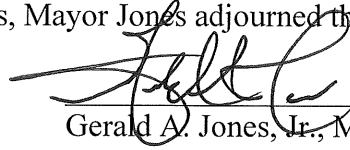
Councilmember Taylor moved **to return to OPEN SESSION at 2:20 p.m.** Councilmember Warrender seconded and the motion carried unanimously (5-0).


### **CITY MANAGER POSITION**

Councilmember McCann made a motion **to authorize employment contract, as presented, with Ryan Eggleston for the city manager position.** Councilmember Ballou seconded and the motion carried unanimously. (5-0)

### **ADJOURNMENT**

There being no other business to discuss, Mayor Jones adjourned the meeting 2:25 p.m.

  
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Gerald A. Jones, Jr., Mayor

Attest:   
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Cathy Campbell, City Clerk

