

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

Tuesday, April 10, 2018

The Honorable Council of the Town of Morehead City met in Regular Session on Tuesday, April 10, 2018, in the Municipal Chambers located at 202 South 8th Street, Morehead City, North Carolina. 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 A. Clark; City Attorneys Derek Taylor and Mike Thomas; HR Director Susan Nixon; Interim Planning Director Robert Davis; Senior Planner Sandi Watkins; Planning Inspector Jeanne Drake; Finance Director Jewel Lasater; Public Services Director Daniel Williams; Parks and Recreation Director Craig Lands; Police Captain Haywood Wilder, IT Manager Jon Snyder; and City Clerk Cathy Campbell.

OTHERS: Elise Clouser of The Carteret News Times; Jeff Cabaniss, Elizabeth Workman-Maure of NC Department of Transportation (NCDOT); Candace Andre, Nathan Rhomberg, Jimmy Goodnight and Yuma Doi of VHB; Andy Munday and Condi Jacks of Stroud Engineering; Keith Edwards of East Carolina Community Development Inc.; Kristen Kirby of McGuireWoods; Lisa Rueh of Downtown Morehead City (DMC) Inc.; Derek Alley, George and Patty Aswad, Mark Baker, William F. Britt, Warren Burton, Jane Capps, Jimmy Collins, Terrell Gould, Jr., , Bob Guthrie, Lee Hinson, David Horton, Alex Jendro, Lt. Roland Lewis, and John McIntyre.

Mayor Jones called the regular meeting of the Morehead City Town Council to order at 5:30 p.m., on Tuesday, April 10, 2018 in the Municipal Building Council Chambers with a quorum present. Councilman Ballou gave the invocation and Mayor Jones led all in the Pledge of Allegiance.

RECOGNITIONS/PRESENTATIONS

NCDOT Presentation on Updates to the Bridges Street Extension Project, STIP R-5727.

North Carolina Department of Transportation (NCDOT) Project Planner Jeff Cabaniss and VHB Project Manager Candace Andre appeared before the Town Council to share updates to the Bridges Street Extension Project. VHB is the engineering firm hired by NCDOT to do planning and design for the project. Since NCDOT's report to the Council on February 20, 2018, Coastal Area Management Act (CAMA) concerns have been addressed, a National Register eligibility evaluation was conducted regarding historical properties, and several small group meetings as well as meetings with the NCDOT Rail Division and NC Railroad were held.

Information gathered at these meetings along with other communications received have helped to narrow the number of possible routes to two – Gladys Teasley Road and Old Murdoch Road.

Gladys Teasley Road crosses a portion of wetlands and will impact ten (10) properties consisting of three (3) relocations and seven (7) partial affects. This option includes a four-legged intersection with traffic lights tying in the Brandywine Bay Subdivision Hwy 70 entrance. A bridge will be built over the railway with a twenty-four foot, eleven inch (24' 11") clearance. This route would be built just east of the current Gladys Teasley Road location so as not to impact on the existing roadway.

Old Murdoch Road presents an additional challenge in that the NC Railroad will only allow one rail crossing. Therefore, the existing community road crossing would have to be closed to accommodate the new route. NCDOT would then need to construct a new route for the community road in order to provide access to housing and the landfill. This route will impact twenty-four (24) properties consisting of 17 total relocations and 7 partial affects.

An alternate option for the Old Murdoch Road is being considered that would replace berms with walls. This would allow the existing community road to remain in place and Taylor Road would be improved. This option reduces the impact down to nineteen (19) properties consisting of nine (9) total relocations and ten (10) partial affects.

Both Gladys Teasley and Old Murdoch routes will connect to Bridges Street via Gloria Dawn Road to avoid further interference with the railroad. There has been some discussion about providing a connection to the shopping center from the Bridges Street extension; however, no plans have been submitted. NCDOT expects the final route to be set by Fall when the State's Environmental Assessment/Finding of No Significant Impact (EA/FONSI) will be released. Construction would begin in 2024.

The traffic capacity analysis did not identify any traffic concerns. The 2,000 to 3,000 additional cars per day to Bridges Street should fall off along the route with most falling off before reaching 20th Street. This project will allow failing intersections along Hwy 70 to be repaired by removing some of the volume from the highway.

Councilmember Taylor asked for a definitive impact report for the east end of Bridges to determine what demand will be placed upon the Town to support this State road project. NCDOT was also asked to provide a schedule of future public and small group meetings.

CONSENT AGENDA

Mayor Jones reviewed the Consent Agenda as presented to the Town Council for review and approval, and sought Council's agreement to move Item Q from the Consent Agenda to Item E under New Business. Councilmember Taylor made a motion **to accept the consent agenda with the removal of Item Q.** Councilmember McCann seconded and the motion carried unanimously. (5-0)

Included within the Consent Agenda were the following approvals:

- A. Approve the Minutes of the March 13, 2018 Regular Town Council Meeting.
- B. Accept the Finance Director and Tax Collector Reports for March 2018; and Approve the Requests for Release of Overpayment of Ad Valorem Taxes for March 2018 in the amount of \$3,122.58.

These reports are attached and made a part of these minutes herein by reference.

- C. Adopt Resolution 2018-R-23, Endorsing the Swansboro Rotary Bluewater Fishing Tournament and Authorizing Action Necessary for the Event to be Held May 24-28, 2018.
- D. Adopt Resolution 2018-R-24, Endorsing the Carolina Redfish Elite Tournament and Authorizing Action Necessary for the Event to be Held May 31 – June 2, 2018.
- E. Adopt Resolution 2018-R-25, Endorsing the Big Rock/Blue Marlin Fishing Tournament and Authorizing Action Necessary for the Event to be Held June 8–17, 2018.
- F. Adopt Resolution 2018-R-26, Endorsing the Big Rock/Blue Marlin Concert and Authorizing Action Necessary for the Event to be Held June 15, 2018 with a Rain Date of Sunday, June 17, 2018.
- G. Adopt Resolution 2018-R-27, Endorsing Military Appreciation Day and Authorizing Action Necessary for the Event to be Held June 1-2, 2018.
- H. Adopt Resolution 2018-R-28 Endorsing Pints for A Purpose Fundraising Concert and Authorizing Action Necessary for the Event to be Held July 1, 2018.
- I. Adopt Resolution 2018-R-29, Endorsing 8th Annual NC Troopers Offshore/Inshore Saltwater Tournament and Authorizing Action Necessary for the Event to be Held October 19-21, 2018.
- J. Adopt Resolution 2018-R-30, Endorsing Oyster Festival and Authorizing Action Necessary for the Event to be Held November 24, 2018.
- K. Adopt Resolution 2018-R-31, Endorsing Farm to Table Fundraising Event and Authorizing Action Necessary for the Event to be Held July 28, 2018.
- L. Approve Sublease Agreement with Konstantios Manousardis (Red Fish Grill) as presented.

This sublease agreement is on file in the City Clerk's office.

- M. Approve Sublease Agreement with Crystal Blue Holding Company, LLC, DBA Morehead City Ferry Service as presented.

This sublease agreement is on file in the City Clerk's office.

- N. Approve Lease Agreement with Morehead City Marlins Baseball as presented.

This sublease agreement is on file in the City Clerk's office.

- O. Award Oglesby Road 8-Inch Water Line Construction Project to the Low Bidder, KBS Construction Company in the Amount of \$18,150.00 (\$11,400 to be Paid by Bubba Oglesby).

This construction bid is attached to and made a part of these minutes herein by reference.

- P. Adopt Resolution 2018-R-37, Declaring the Intention of the Town Council of the Town of Morehead City to Consider the Permanent Closing of That Portion of the North/South Alley Located East of Lot 10 and West of Lot 11 and 13 of the 2000 Block of Arendell Street (Block 35) to the Point Where It Meets the East/West Alley of the Same Block, and Set Public Hearing for 5:30 p.m. on Tuesday, May 8, 2018 in the Municipal Building Auditorium, 202 S. 8th Street, 2nd Floor, pursuant to GS 160A-299.

- ~~Q. Consider Adopting Resolution 2018-R-38, Authorizing the Establishment of a 457 Deferred Compensation Plan to be Administered by the International City Management Association (ICMA) Retirement Corporation~~

- R. Adopt Budget Ordinance Amendment 2018-THREE to Increase Miscellaneous Revenue by \$2,386 for Sale of Surplus Vehicles VIN #0972 and to Increase Police by the Same; to Increase Police by \$10,000 for HVAC System Control Module and to Decrease Contingency by the Same; and to Increase Miscellaneous Revenue by \$549 for Insurance Reimbursement to Increase Police by the Same.

- S. Adopt Budget Ordinance Amendment 2018-FOUR to Increase Contributed Capital by \$11,400 for Oglesby Road Water Line Extension and to Increase Expenditures by the Same for a Total Project Cost of \$24,565 (\$11,400 from Contributed Capital & \$13,165 from Reserved for Future Appropriation).

- T. Submittal of 2017 Delinquent Real Estate and Personal Property Tax Lists as per G.S. 105-369[a] including Interest Due and Authorize Tax Collector to Post and Advertise the 2017 Delinquent Tax List

2017 Delinquent Real Estate and Personal Property Tax lists are attached to and made a part of these minutes herein by reference.

All above Resolutions are attached to and made a part of these minutes herein by reference. 2018 Budget Amendment Ordinance THREE & FOUR are part of Ordinance Book #8 in the vault.

PUBLIC HEARINGS

Consider Laben LLC Zoning Request

Senior Planner Sandi Watkins appeared before the Town Council to present the request submitted by Warren Benton on behalf of Laben, LLC to rezone approximately 0.64 acres located immediately behind the West Port Plaza shopping center near Wildwood Road and Highway 70 from R20 (Single-Family Residential) District) to CH (Commercial Highway) District. The property is located within the extraterritorial jurisdiction and is currently being used for outdoor storage.

Surrounding zoning includes R20 to the north, east, and west, and CH to the south. Surrounding land use includes a mix of single-family residential and undeveloped land to the north and commercial uses (e.g. retail, self-service mini-storage) to the south.

The property is in Neighborhood 10 of the Coastal Area Management Act (CAMA) Land Use Plan. The property is classified as Low Density Residential and immediately abuts the General Commercial future land use classification. Based upon a review of the Land Use Plan and after consulting with CAMA's district planner, the rezoning request is approved. The CAMA Land Use Plan Future Land Use designation for this property needs to be amended from Low Density Residential to General Commercial. This is reflected in the draft land use consistency statement and resolution.

The Planning Board, at its March 20, 2018 meeting, unanimously agreed to recommend approval of the rezoning request as recorded in Planning Resolution 2018-0002 to the Town Council for consideration. Property owners within 300 feet of the property were notified of the Planning Board meeting as well as the date of this public hearing, and the property has been posted as required.

PUBLIC COMMENTS

At this time, Mayor Jones open the public hearing inviting anyone who would like to speak in favor of or in opposition to the Laben LLC zoning request to step forward.

There were no comments.

COUNCIL COMMENTS

There were no comments or questions.

Councilmember Taylor made a motion to **adopt Ordinance 2018-O-04 and Resolution 2018-R-32 accepting request from Warren Benton, on Behalf of Laben, LLC, to rezone Tax PIN #635605292520000 Located Off of Wildwood Road (LOT OF SR 1150 WILDWOOD) from R20 (Single-Family Residential) to CH (Commercial Highway) District and Resolution 2018-R-35, authorizing an amendment to the CAMA Land Use Plan to amend a 0.64 area currently shown**

on the Future Land Use Map as Low Density Residential to General Commercial.
Councilmember Warrender seconded and the motion carried unanimously (5-0)

Consider Carteret Community College Foundation Zoning Request

Next, Senior Planner Sandi Watkins asked the Town Council to approve Carteret Community College's request to rezone approximately 4.1 acres located on the Carteret Community College campus and situated along Arendell Street from CH (Highway Commercial) to OP (Office and Professional). The property is located within the corporate limits.

Surrounding zoning includes CH to the north; R7 (Residential) to the south and west; and OP to the south. Surrounding land use includes the community college campus surrounding the property on the south side of Arendell Street, a mix of commercial uses across Arendell Street to the north, and residential to the south of the westernmost parcel proposed to be rezoned.

The Land Use Plan classifies the two westernmost parcels as General Commercial on the future land use map, and the easternmost parcel is classified as Public/Institutional. The property is in Neighborhoods 4 (two westernmost parcels) and 6 (easternmost parcel) of the CAMA Land Use Plan.

The Planning Board, at its March 20, 2018 meeting, unanimously agreed to recommend approval of the rezoning request, as recorded in Planning Resolution 2018-0004, to the Town Council for consideration. Property owners within 300 feet of the property were notified of the Planning Board meeting as well as the date of this public hearing, and the property has been posted as required.

PUBLIC COMMENTS

Mayor Jones open the public hearing inviting anyone who would like to speak in favor of or in opposition to the proposed to Carteret Community College's zoning request to step forward.

There were no comments.

COUNCIL COMMENTS

There were no comments or questions.

Councilmember McCann made a **motion to adopt Ordinance 2018-O-05 and Resolution 2018-R-33, accepting request from Dr. John Hauser of Carteret Community College Foundation to rezone three parcels located at 3915 Arendell Street and known as Tax PIN Number 637618226127000; 3925 and 3929 Arendell Street and known as Tax PIN Number 637617223029000; and 3937 and 3945 Arendell Street which are known as Tax PIN Number 637617220169000; from CH (Commercial Highway) District to OP (Office and Professional) District.** Councilmember Warrender seconded and the motion carried unanimously. (5-0)

Consider The Salvation Army's Zoning Request

Lastly, Senior Planner Sandi Watkins presented the request submitted by Stroud Engineering on behalf of The Salvation Army to revise the site plan for an approximately 3.5-acre tract located in the 2700-2800 block on the north side of Bridges Street that is zoned CH-CU (Highway Commercial Conditional-Use) District. The property is located within the corporate limits. An existing single-family dwelling is located on a portion of the property and the remainder of the property is undeveloped.

The applicant proposes to revise the plan approved in August 2016 in order to adjust the building, parking, and stormwater configuration to minimize impacts to the wetlands which have been delineated since the original approval. Both the current and previous proposals include developing the site with a retail, offices, a warehouse, and a worship and service center. In accordance with Article 11-1, "Retail and wholesaling, indoor", "Office, all", and "Warehousing and distribution" are permitted uses and "Church" is a special use in the CH district.

Surrounding zoning includes R10 (Single-Family Residential) to the north and west, CH-CU and R5 (Residential) across Bridges Street to the south, and R5 and R7 (Single-Family Residential) to the east. Surrounding land use includes single-family residential to the north, a shopping center (Morehead Plaza) and public park (Piney Park) across Bridges Street to the south; multifamily (Woodbriar Apartments) and single-family residential to the east; and a religious institution (Impact Church) across Church Street to the west. A "future expansion" area is also shown on the plan, which may be constructed in the future if there is a need for additional space.

Maximum Height: The maximum height in the CH district is 70 feet; however, structures within 100 feet of the outside perimeter of the property will be limited to 50 feet where abutting a single-family residential district.

Parking: A total of 71 parking spaces and one loading/unloading space is proposed, which exceeds the parking requirements of 69 spaces. Thirteen (13) additional spaces are shown in the event the area identified as "Future Expansion" is developed in the future.

Landscaping: Ten-foot (10 foot) landscape strips are required and shown along the front property lines along Bridges Street and Church Street and ten-foot (10 foot) type "B" screens are required along the side lot lines. As part of this request, the applicant is requesting approval of a modified screen along the wetland area in order to leave the wetlands in a natural state. A fence and ten-foot (10 foot) screen with two rows of evergreens would be provided along the non-wetland areas. The full landscaping details, including the interior parking and vehicular access area plantings, will be reviewed for full compliance in conjunction with review of the Building Permit application.

Setbacks: Setbacks as shown are 25 feet along the north, south, and west property lines and 10 feet along the east side property lines. A 20-foot future drainage easement is shown along the northern property line. A Duke transmission line easement is identified along the Bridges Street front property line.

Land Use Plan: The property is located in Neighborhood 3 of the CAMA Land Use Plan and is classified as General Commercial.

The Planning Board, at its March 20, 2018 meeting, unanimously agreed to recommend approval of the conditional-use amendment and to approve the alternate landscaping screen as recorded in Planning Resolution 2018-0005 contingent upon the drainage easement being a minimum of 20 foot-wide and that it follow the delineated wetland line to the town property at the northeast property line.

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

PUBLIC COMMENTS

Mayor Jones open the public hearing inviting anyone who would like to speak in favor of or in opposition to The Salvation Army's zoning request to step forward.

Jimmy Collins 208 Waldron Drive: Mr. Collins stated that he met with Army Corps of Engineers who recommended a wall be erected behind the ditch all the way to his property, but such is not addressed in plan, and he sees no plans for future ditch repair.

Andy Munday & Condi Jacks, Stroud Engineering: Mr. Munday and Mr. Jacks distributed plans to Council that included an easement for storm drains at the north end of property. They assured Council that the Army Corps of Engineers have approved for piping and such plans have been submitted to Army Corps. Permits for the work are required and could be made a condition of approval. They added that the channel on east side may require some cleanout as well. This plan reduces impervious surface by 6,000 square feet with all buildings shifting closer to Bridges Street and sixty (60) feet further away from Mr. Collins' property. Public Services Director Daniel Williams noted that the plan is providing stormwater drains along Church Street that do not currently exist.

William Britt, 2600 Avery Street: Mr. Britt also expressed concerns about the current stormwater runoff from this area that is affecting Avery Street and the impact that these changes might have.

COUNCIL COMMENTS

Councilmember Taylor asked Mr. Williams to speak about other street projects that might affect this project. Mr. Williams stated that City Staff viewed this project as an opportunity to place storm drains in the area and install catch basins on east and north sides of the property. He is awaiting a report from Army Corps of Engineers for recommendation as to the best locations to maximize drainage. Another catch basin will be placed on Waldron Drive and Mr. Collins has given the City permission to add piping along his property for this drainage.

Councilmember Ballou asked about possible Coastal Area Management Act (CAMA) concerns. Mr. Williams assured him that the Army Corps' report will include requirements to address this as well.

Councilmember Walker made a motion to adopt Ordinance 2018-O-06 and Resolution 2018-R-34, amending the CH-CU (Highway Commercial-Conditional Use) District for 2800 Bridges Street (Tax PIN #637616836242000). Councilmember Ballou seconded and the motion carried unanimously. (5-0)

Consider ECCDI's Multifamily Housing Request

At the March 13, 2018 Town Council meeting, Keith Walker of East Carolina Community Development Inc. (ECCDI) asked Council to affirm Council's action of September 13, 2016 when Resolution 2016-38 was adopted giving preliminary approval for the City to be the conduit issuer of multifamily housing revenue bonds in an amount not to exceed \$14,000,000, and to finance the acquisition, construction and equipping of ECCDI's affordable housing development (Elijah's Landing). At that time, Council adopted Resolution 2018-R-36 "approving in principle" the issuance of the Bonds to move the project forward; and scheduled this public hearing.

PUBLIC COMMENTS

At this time, Mayor Jones open the public hearing inviting anyone who would like to speak in favor of or in opposition to the issuance of multifamily housing revenue bonds to step forward and be heard.

Kristen Kirby of McQuireWoods: Ms. Kirby advised that McQuireWoods is serving as bond counsel to the Town in connection with the multifamily housing revenue bonds for Elijah's Landing. She asked Council to adopt, following the public hearing, Resolution 2018-R-36 approving the multifamily housing facility Elijah's Landing Apartments and authorizing the financing of a portion of the cost thereof with multifamily housing revenue bonds as required by the federal tax code for issuance of tax-exempt bonds. A final approval will be required once the bond documents are drafted. Ms. Kirby explained that the bonds will provide partial financing for the overall project with the remaining being provided through a Federal Housing Administration mortgage loan insured by HUD and other sources. The City is asked to issue bonds in a principal amount not to exceed \$14,000,000. The Bonds will be outstanding only during construction of the project after which the HUD loan becomes the permanent financing. The bonds will be cash collateralized, meaning that the bonds will be fully collateralized with cash deposited with a trustee sufficient to cover the principal and interest payments on the bonds. The trustee will make interest payments and distribute funds to pay the costs of construction. The City simply acts a conduit for the bonds to ensure the tax-exempt status. The City has no responsibility or liability for the payment of the bonds, and all attorney fees and other expenses incurred by the Town in connection with the issuance of the bonds will be paid by the borrower.

Keith Walker, CEO/President of ECCDI – Mr. Walker shared that he has been developing affordable multifamily housing in Morehead City for more than twenty (20) years and referenced a previous project, Camila Court. He reiterated that of the funds being borrowed for the project, \$14 million will be provided through the bonds. He expects construction to begin in October with a grand opening to be held this time next year.

COUNCIL COMMENTS

Councilmember Ballou asked if the bond funds would be processed through the City's Finance Department. Ms. Kirby confirmed that they will not. All funds will be deposited with the trustee.

Councilmember Taylor made a motion to *adopt Resolution 2018-R-36 approving a multifamily housing facility to be known as Elijah's Landing Apartments in the Town of Morehead City, North Carolina and the financing thereof with multifamily housing revenue bonds in an aggregate amount not to exceed \$14,000,00 WITH NO FINANCIAL LIABILITY TO CITY.* Councilmember McCann seconded and the motion carried unanimously (5-0)

A copy of Resolution 2018-R-36 is attached to and made a part of these minutes herein by reference.

NEW BUSINESS

Consideration Architect/Engineering Firm Cost Proposal for the Charles Wallace Municipal Campus Project.

Public Services Director Daniel Williams appeared before the Town Council to present Waller Todd & Sadler Architects' cost proposal for the Charles Wallace Campus Project. Council was asked to authorize the expenditure of \$25,000 to complete Part One of the Conceptual Level study, which will result in concept and cost proposals for a new building as well as renovation of the existing building. Funds for this expenditure are available within the current budget as the replacement of lintels, windows and roof were deferred. It is expected that the results of this study will be presented at the May 2018 Town Council meeting.

In addition, Council is asked to authorize the expenditure of \$20,000 to move forward with the Haz-Mat inspection and \$5,000 for HVAC system analysis to keep the project moving forward. This is work that will be required under either conceptual option. Both of these expenditures will be deducted from the total project costs.

Councilmember Warrender made a motion *to authorize the expenditure of \$25,000 to Waller Todd & Sadler Architects to complete Part One of the Conceptual Level Study for the Charles Wallace Campus Project, and authorize the expenditure of \$20,000 to fund the Haz-Mat Inspection and \$5,000 for HVAC analysis for the Charles Wallace Building.* Councilmember Walker seconded and the motion carried unanimously. (5-0)

Consider Naming Request for Shevans Park Tennis Courts

Councilmember McCann requested to be recused from discussion due to a conflict of interest (*her family submitted the request*). Councilmember Ballou made a motion to excuse Councilmember McCann, Councilmember Taylor seconded, and the motion carried unanimously. (4-0)

Interim City Manager Ralph Clark appeared before the Town Council to present the request from the family of Jack McCann to name the Shevans Park tennis courts, "Calico Jack McCann Tennis Center." Calico Jack McCann was the owner/operator of Calico Jack's Inn and Marina in Harker's Island and the inventor of the world renown Cal-Cap clay tennis courts, famous for their quick drainage.

In exchange for naming rights, Mr. McCann and his family will donate fencing and other improvements that have an estimated value of \$100,000.00 to this project which meets the fifty-one percent (51%) threshold as required by the City's Naming Public Parks, Buildings and Other Public Facilities Policy (Policy). In addition, the request meets the impact to neighborhood requirement through improved aesthetics. Pictures of current and improved fencing as well as a map of the park were presented.

Due to a conflict of interest with the Planning Committee Chairwoman (*Councilmember McCann*), The Public Works Committee, at its February 23, 2018 meeting, reviewed the request and recommended that the request be presented to Council for consideration. Planning Committee Vice-Chairman Taylor was then consulted and concurred with presentation to the Council. The request was presented at this meeting for the purpose of receiving public comments as the last requirement of the Policy.

COMMENTS:

No comments were offered.

No action was taken at this meeting in accordance with the Policy. Hearing no opposing comments, Staff was instructed to place the request on the May 2018 Town Council meeting agenda for approval consideration.

FY18-19 Insurance Renewal Presentation and Recommendation

Human Resources Director Susan Nixon appeared before the Town Council to present information about the City's FY 18-19 health insurance renewal. She advised that Human Resources and Finance have been meeting with Blue Cross & Blue Shield of NC (BCBSNC) and the NC League of Municipalities (NCLM) over the last several months seeking the best possible plan for employees.

She explained that insurance premiums are increasing this year due to the following:

- Medical Loss Ratio (MLR) increased from 85.7% (Year ending Jan 17) to 210.3% (year ending Jan 18) (This ratio is the comparison between revenue and medical expenses)
 - Jan 17 year ending = Revenue 958,033/Expenses 820,782
 - Jan 18 year ending = Revenue 1,063,103/Expenses 2,235,268
- MLR breakeven is 70% of mid-range
 - Claims (exceeding \$10,000) incurred from Feb 17 to Jan 18 include the 4 highest medical conditions (Joint degeneration, Diabetes, Heart disease and Brain trauma). Claims include employees, council, retirees and dependents

It was also pointed out that the City has a rising older employee population with 112 of 182 employees being over the age of 40, of which 34 are over 60 years of age.

After careful consideration, two plans were considered for presentation to Council; BCBSNC Plan # 5160309 and NCLM Alternate #4. Both of these plans offer the same benefits with prescription costs changed from co-pays to a percentage. Employees will pay \$10 for Tier 1 drugs and 50% of drug cost up to \$100 maximum for all Tier 2, 3 and 4 drugs. The BCBSNC plan has an employee premium of \$513.88 representing a 17.7% increase, while the NCLM plan has an employee premium of \$526.00 representing a 20.6% increase.

The Finance and Administrative Committee reviewed all plan options at the April 3, 2018 meeting, and unanimously agreed to recommend the BCBSNC Plan #5160309 for Council consideration.

Councilmember McCann made a motion to approve Blue Cross/Blue Shield Plan # 5160309 for the FY 18-19 Insurance Renewal representing a 17.7% increase, and authorize City Manager to develop cost share and wellness reimbursement initiative programs. Councilmember Ballou seconded and the motion carried unanimously. (5-0)

Consider Adopting Resolution 2018-R-38, Authorizing the Establishment of a 457 Deferred Compensation Plan to be Administered by the International City Management Association (ICMA) Retirement Corporation

Interim City Manager Ralph Clark presented the 457 Deferred Compensation Plan as an alternative retirement program for consideration. This program was developed by the City Managers Association as an option that could be carried with managers as they moved from job to job. Mr. Clark pointed out that although the plan was developed for managers, any employee or councilmember may participate. The program will not assess any cost upon the City with the exception of a minimal one-time application fee. The program would remain the property of the City until participants retire and statements will be sent to the manager.

Councilmember Warrender made a motion to adopt Resolution 2018-R-38, authorizing the establishment of a 457 Deferred Compensation Plan to be administered by the International City Management Association (ICMA) Retirement Corporation. Councilmember Taylor seconded and the motion carried unanimously. (5-0)

A copy of Resolution 2018-R-38 is attached to and made a part of these minutes herein by reference.

CITY MANAGER'S REPORT:

Katherine Davis Park Concept – Mr. Clark presented a new concept for Katherine Davis Park stating that it meets the goals of the initial task force while also addressing many of the local stakeholder concerns. The plan incorporates a public restroom, viewing area along the waterfront, additional parking, covered performance stage and fencing along Arendell Street. The current parking lot will be recovered rather than relocated. This plan can be accomplished for a little less than the City's portion for a matched PARTF grant. As a compliment to the design, Brent Milgram has offered to provide a flag pole and its installation for the park. City will realize ongoing cost for flag replacement and roping estimated at \$1,000 per year. Mr. Clark's recommendation was to add the park establishment expenditures to the FY18-19 budget, and slate the project to begin on July 1, 2018.

Mr. Clark explained that he sought a less expensive alternative plan in part because a PARTF Grant would restrict land usage for twenty-five (25) years, eliminating the City's ability to change usage of the land should it be favorable in the future.

Councilmember Walker referenced the Comprehensive Parks Plan presentation that showed the downtown area has a large number of parks, and opposed moving quickly to place another park along Arendell Street. He recommended that a comprehensive study be done to identify the best use of the property.

After more discussion, Councilmember Walker made a motion **to approve concept as presented and to accept the flag pole and installation as a gift.** Councilmember Ballou seconded and the motion carried unanimously. (5-0)

Update Regarding Concern of Increasing Lot Elevations in Established Neighborhoods – Mr. Clark reported that the Planning Department is addressing this concern and preparing a proposal for presentation to the Council at a later date.

Piney Park Parking – Public Services Director Daniel Williams stated that this small triangle shaped park near Lowes Foods is bordered by Bridges Street and 28th Street with the only off street parking along Piney Park Circle which interferes with resident driveways. The City will draft a concept including designated parking areas to be presented to the Public Works Committee for approve.

Naming Service Lane Supporting Big Rock Stadium – Public Services Director Daniel Williams advised that a request has been received from Buddy Bengel, Vice President of Morehead Marlins, requesting that the service lane supporting Big Rock Stadium be named to facilitate package delivery. Mr. Williams proposed the name of Puck O'Neil Lane in honor of the man who provided the land for the park.

Councilmember Walker made a motion **to rename the service lane supporting Big Rock Stadium, Puck O'Neil Lane.** Councilmember Ballou seconded and the motion carried unanimously. (5-0)

In closing, Mr. Clark thanked the Council for the opportunity to serve the Town of Morehead City and stated that it has been a pleasurable experience. He commended the department directors saying that the Council can be proud of each one of them. Mr. Clark then gave a quick update on the following items:

- **Charles Wallace Building** – Expenditures approved tonight will keep the project moving forward.
- **Katherine Davis Park** – Hopes the concept presented tonight will be acceptable to give this project momentum.
- **Morehead Marlin Baseball Lease Agreement** – Approved tonight.
- **Performance Evaluations** – Will be complete before his departure.
- **Amtrak Bus Pick-Up Site** – The new site has been restriped and appears to be working well. The shelter construction will be included in the FY2018-19 budget.
- **FY 2018-19 Budget** – Is proceeding along and the Manager's Recommended Budget will be ready before his departure.
- **Vacant Positions** – Resumes/applications have been received for the planning director position and have been forwarded to Ryan Eggleston, Incoming City Manager, for review and consideration. The Administrative Assistant/Deputy Clerk job description has been shared with Mr. Eggleston for his input and he will fill the position upon his arrival.

CITIZEN REQUESTS/COMMENTS (2 Minute Time Limit)

William Britt, 2600 Avery Street: Mr. Britt expressed dissatisfaction with the stormwater runoff "flooding" on Avery Street. He suggested that the unfilled footing holes from a previous bridge and rock base on the railroad property are contributing to the problem. He requested that additional storm drains be added to handle the runoff.

COUNCIL REQUESTS/COMMENTS

Councilmember Warrender no comment.

Councilmember Taylor thanked everyone for coming.

Councilmember Walker thanked Mr. Clark stating that he has done an excellent job.

Councilmember Ballou thanked Mr. Clark and asked him to stay in touch. He asked Public Works Director Daniel Williams to look at Dare and Beaufort County ordinances regarding abandoned boats to see how such might help Morehead City.

Councilmember McCann thanked Mr. Clark for his service to the City and thanked him for sharing his knowledge with her.

Mayor Jones also thanked Mr. Clark and commended him for following through on his commitments.

APPROVE CLOSED SESSION MINUTES

City Clerk Cathy Campbell presented the minutes of the February 13 and March 13, 2018 Closed Sessions for review and approval. After a review of the minutes, Councilmember Ballou **moved to Approve and Release the minutes of the February 13 and March 13, 2018 Closed Session meetings as presented.** Councilmember Taylor seconded and the motion carried unanimously (5-0).

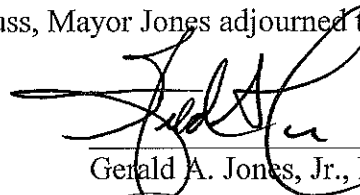
CLOSED SESSION PER NCGS 143.318.11(a)(3) TO CONSULT WITH ATTORNEY REGARDING THE MATTER OF RIENHARD v CONTI, et.al.

Councilmember Walker made a motion **to enter into Closed Session at 8:43 p.m. per NCGS 143.318.11(a)(3) to consult with Town Attorney regarding the matter of Rienhard v Conti, et.al.** Councilmember McCann seconded and the motion carried unanimously (5-0).

Councilmember Taylor moved **to return to OPEN SESSION at 8:55 p.m.** Councilmember Walker seconded and the motion carried unanimously (5-0).

ADJOURNMENT

There being no other business to discuss, Mayor Jones adjourned the meeting 8:57 p.m.



Gerald A. Jones, Jr., Mayor

Attest:



Cathy Campbell, City Clerk

