



**AGENDA**  
**TOWN OF MOREHEAD CITY**  
**TOWN COUNCIL ELECTRONIC WORKSHOP MEETING**  
Tuesday, April 7, 2020, at 9:00 a.m.  
Morehead City Municipal Building  
202 South 8th Street

**IMPORTANT INFORMATION**

To "attend" this electronic meeting, please contact Cathy Campbell, City Clerk, at 252-726-6848 ext. 139 or [cathy.campbell@moreheadcitync.org](mailto:cathy.campbell@moreheadcitync.org) by 3:00 p.m. on Monday, April 6, 2020.

1. WORKSHOP CALL TO ORDER, INVOCATION AND PLEDGE OF ALLIGIANCE:
2. WORKSHOP AGENDA ITEMS
  - 2.A. Adopt Resolution 2020-R-25 Providing Authorization For Holding Electronic Meetings And Procedures For Conducting Electronic Meetings

Documents:

[ITEM 2A NARRATIVE.PDF](#)  
[2020-R-25 AUTHORIZING ELECTRONIC MEETINGS.PDF](#)  
[RULE OF PROCEDURE FOR ELECTRONIC MEETINGS - FINAL-REVISED.PDF](#)
  - 2.B. Review Of Resolution 2020-R-24 Adopting A Title VI Policy For The Town Of Morehead City To Prohibit Discrimination In Programs And Services And In Activities Receiving Federal Financial Assistance

Documents:

[ITEM 2B NARRATIVE.PDF](#)  
[2020-R-24 TITLE VI POLICY.PDF](#)  
[TITLE VI POLICY MEMO.PDF](#)
  - 2.C. Consider FY 2020-2021 Insurance Renewals

Documents:

[ITEM 2C NARRATIVE.PDF](#)

- 2.D. Review Resolution 2020-R-26, Establishing An Emergency Management Act Small Business Loan Program Under NCGS 166A

Documents:

[ITEM 2D NARRATIVE.PDF](#)

[2020-R-26 ESTABLISHING A SMALL BUSINESS LOAN PROGRAM.PDF](#)

- 2.E. Town Of Morehead City COVID-19 Update

Documents:

[ITEM 2E NARRATIVE.PDF](#)

3. ADJOURNMENT:

**TOWN OF MOREHEAD CITY**

**REQUEST FOR TOWN COUNCIL ACTION**

**AGENDA ITEM: 2.A.**

**DATE: April 7, 2020**

**TO: The Honorable Mayor and Town Council**

**FROM: Ryan Eggleston, City Manager**

**WORKSHOP ITEMS: ADOPT RESOLUTION 2020-R-25 PROVIDING AUTHORIZATION  
TO HOLD ELECTRONIC MEETINGS AND RULES OF  
PROCEDURE FOR ELECTONIC MEETINGS**

**Background Information Attached: Yes  No**

---

City Manager Ryan Eggleston will present Resolution 2020-R-25, providing authorization to hold electronic meetings during times of crisis, and proposed Rules of Procedure for Electronic Meetings. City Attorney Derek Taylor assisted in the development of both documents.

**RECOMMENDED ACTION: *Adopt Resolution 2020-R-25, providing authorization to hold electronic meetings and associated Rules of Procedure for Electronic Meetings.***

COUNCIL  
Keri V. McCann, Mayor Pro Tem  
George W. Ballou  
David Horton  
William F. Taylor  
Diane C. Warrender



Gerald A. Jones, Jr., Mayor

**TOWN OF MOREHEAD CITY  
RESOLUTION 2020-R-25**

**TOWN OF MOREHEAD CITY  
AUTHORIZATION FOR HOLDING ELECTRONIC MEETINGS**

**WHEREAS**, during times of emergency, the Town of Morehead City must perform essential functions through public meetings of the Town Council, Planning Board, Board of Adjustment and other public bodies responsible for such functions; and

**WHEREAS**, it may become prudent for the Town Council, Planning Board, Board of Adjustment and other public bodies of the Town to either cancel its in-person public meetings or decide to conduct such meetings by electronic means during a time of crisis such as, but not limited to, a public health emergency created by a rapidly spreading and dangerous illness; and

**WHEREAS**, it is deemed advisable in such instances for some or all members of the Town Council, Planning Board, Board of Adjustment, or other public bodies of the Town (“Public Bodies”) and supporting staff to hold regular, special, or emergency meetings via telephone, internet, or satellite enabled audio and video conferencing, or to utilize any other technology that enables remote participants to be clearly audible and visible to one another, provided the proper statutory requirements for public notice, public access and public participation are followed to the full extent reasonably possible under the circumstances; and

**WHEREAS**, the Town Council of the Town of Morehead City, North Carolina, recognizes that NCGS §143-318.10 and NCGS §143-318.13 provide for official meetings of Public Bodies to be held by conference telephone or other electronic means “for the purpose of conducting hearings, participating in deliberations, or voting upon or otherwise transacting the public business within the jurisdiction, real or apparent, of the public body”; and

**WHEREAS**, the North Carolina Attorney General’s office has opined that Public Bodies can hold electronic meetings so long as statutory requirements for quorums, voting, notice, public access, and the keeping of minutes are adhered to;

**NOW, THEREFORE**, in order to promote and provide for full participation of all the members of the Town’s Public Bodies and required staff, while ensuring access and transparency for the public during any time of declared emergencies, it is resolved by the Town Council of the Town of Morehead City that, in the case of a public health emergency or some other declared emergency where it is determined by the federal government of the United States of America; the State of North Carolina; Carteret County, North Carolina; or the Town of Morehead City as permitted by Chapter 166A of the North Carolina General Statutes or by other statutory authority that it is not safe to hold in-person public meetings or other assemblies of Public Bodies, the Town Council:

1. Authorizes the Town Manager to arrange for conduct of such Town meetings via telephone, Skype, Zoom, Facebook, Microsoft Meetings or any other electronic means meeting the

requirements of the attached Rules of Procedure For Electronic Meetings.

2. Authorizes members of the Town's Public Bodies and supporting staff to meet electronically and to vote and otherwise transact business with the same authority and validity as if they were doing so in an in-person meeting they were attending.
3. Authorizes the Town Manager, upon determination by the Manager that a quasi-judicial hearing may not be reasonably postponed, to hold electronic quasi-judicial hearings if and only if, the Town Attorney shall determine that all required due process safeguards are provided by the electronic process, including, but not limited to, audio and visual means for taking and observing sworn testimony, ability to publically present oral testimony and visual evidence, ability for cross examinations of witnesses by parties withstanding, and a method for accurate recordings of the proceedings. All legally interested parties must agree in writing to the use of and to be bound by any electronic quasi-judicial hearing prior to its utilization.

All such electronic meetings shall follow the Rules of Procedure for Electronic Meetings attached hereto and made a part hereof by reference.

**RESOLVED**, this the 7<sup>th</sup> day of April 2020.

\_\_\_\_\_  
Gerald A. Jones, Jr., Mayor

Attest:

\_\_\_\_\_  
Cathy Campbell, City Clerk

## **RULES OF PROCEDURE FOR ELECTRONIC MEETINGS**

These Rules of Procedure for Electronic Meetings are a guide for how Public Bodies of the Town will conduct meetings featuring electronic participation.

### **1. Meetings to Which These Rules Apply**

These Rules of Procedure for Electronic Meetings (“Electronic Rules”) shall apply to meetings of the Town Council of Morehead City, Planning Board, Board of Adjustment, Committees and any other public body existing under the authority of the Town (hereinafter “Public Body”). Electronic Meetings can take place for any regular, special, or emergency meeting.

### **2. Conditions Necessary for Electronic Meetings**

The Town Council has determined that electronic meetings will only be permitted when any of the following entities declare that a state of emergency or a disaster exists in an area including the Town of Morehead City: the federal government of the United States of America; the Government of the State of North Carolina; Carteret County, North Carolina; or the Town of Morehead City as permitted by Chapter 166A of the North Carolina General Statutes. If no state of emergency or disaster exists, then the Electronic Rules may not be used.

### **3. Definition of an Electronic Meeting**

An Electronic Meeting is any meeting where one or more members of any Public Body of the Town participates through telephonic communication, or a telecommunications application which allows simultaneous communication by multiple parties, or other similar means that allows the members of the Public Body to hold a meeting without all members being physically present in the same room.

### **4. Notice of Electronic Meeting**

If an Electronic Meeting is necessary, a public notice of the electronic meeting shall be sent as part of any notice required by North Carolina General Statutes §143-318.12. The public notice, in addition to the information required by North Carolina General Statutes §143-318.12, shall provide:

- a. The location of the physical meeting (which is where any Public Body members and/or staff able to attend in person shall gather), if any; and
- b. A method for members of the media or public to obtain the location and connection information necessary for them to listen to and potentially participate in the Electronic Meeting.

The notice shall be provided in the manner required by Article 33C of Chapter 143 of the North Carolina General Statutes. If the Electronic Meeting is being used for any part of a regular meeting that is on the meeting schedule adopted by the Public Body, then the information required above shall be provided in a separate notice to be provided in accordance with Article 33C of Chapter 143 of the North Carolina General Statutes. Any notice provided will also be posted on the Town's bulletin board, website and social media accounts, whenever reasonably possible.

5. Quorum

Public Body members present in person or electronically, shall be included in the calculation for determining if a quorum exists of the Public Body. If a Public Body member or members participating electronically withdraws or is disconnected from the meeting, the quorum will not be affected and the rest of the meeting may continue and be completed without participation of the missing member(s). Notwithstanding the foregoing, any member participating may make a motion to adjourn the electronic meeting if one or more members become disconnected from the electronic meeting and reconnection cannot be re-established within a reasonable time. Such motion shall pass if seconded and a majority of the members remaining in the electronic meeting vote in favor. The Mayor will vote only in the event of a tie.

6. Process of Opening Meeting

Immediately prior to opening the meeting, the Mayor, Mayor Pro Tem, or other presiding officer shall communicate with the Public Body member(s) who is (are) participating electronically and ensure that he/she is prepared to go forward. From that time forward until the adjournment of the meeting, the communication line or application shall be kept open. At the start of the meeting, the Mayor, Mayor Pro Tem, or presiding official shall state for the record which Public Body members are participating electronically.

7. Voting and Discussion

Members of the Public Body who are present for a meeting held through electronic means are eligible to vote for all items considered during the meeting. When stating a motion or second, a Board member shall identify themselves for the record before stating such motion or second. Prior to taking a vote on any issue, the Mayor, Mayor Pro Tem, or other presiding officer shall inquire of the Public Body members participating electronically if he or she has been able to adequately monitor the discussion, including comments from the public, if any, and shall allow those Public Body members to make any comments he or she desires, if they chose to avail himself or herself of the opportunity to discuss the matter before the vote. However, it is the responsibility of the member to gain the attention of the Mayor or the presiding officer in order to be recognized for discussion. Voting shall be by roll-call in alphabetical order by last names. A member voting must indicate verbally with a "yes," "no," "yea," "nay," "or "abstain" (when that is permitted) such that the Town Clerk, Public Body secretary, or their designees may properly record the vote. A Public

Body member attending through electronic means that withdraws from the meeting without being excused from further attendance shall be considered, pursuant to NCGS 160A-75 or other statute pertinent to such voting members, an affirmative vote on items before the Public Body. If a Public Body member attending through electronic means becomes disconnected from the meeting and is unable to reconnect within a reasonable time, that Public Body member will be deemed excused from the meeting and not “present” for the purposes of counting votes.

Public Body members present for a meeting through electronic means will not be permitted to vote on any quasi-judicial matters coming before them unless and until the Town Attorney shall determine that all required due process safeguards are provided by the electronic process, including, but not limited to, audio and visual means for taking and observing sworn testimony, ability to publically present oral testimony and visual evidence, ability for cross examinations of witnesses by parties with standing, and a method for accurate recordings of the proceedings. All legally interested parties must agree in writing to the use of and to be bound by any electronic quasi-judicial hearing prior to its utilization.

#### 8. Public Participation

Participation and comments from the public during an Electronic Meeting will be allowed electronically upon the Mayor’s recognition of such speaker and only after the speakers identify themselves for the record. Only one speaker at a time will be recognized by the Mayor and allowed to address the Council.

#### 9. Minutes

The minutes of the meeting shall, at a minimum, designate the name of each Public Body member or staff member who participated electronically, the nature of the electronic communication, the identity of and subject matter presented by members of the public addressing the Council electronically, the duration of each Public Body member’s participation, and the voting of each electronic participant.

#### 10. Considerations For Electronic Meetings

- a) Subject to reasonable limitations in the technology used to hold the electronic meeting as to the number of people that can access such meetings, public and media access must be provided to an audio, and if reasonably possible, a video stream of the meetings with a noticed location of how to have such access.
- b) Public comment and participation by audio, video, chat or other means must be provided for.
- c) The Town Attorney and counsel for any represented persons or entities will have a method to participate in any meeting where such presence is mandated, requested, or prudent under the circumstances.



- d) Closed sessions may be held by secure, limited and restricted access by the Public Body members conducting such meetings which are authorized by law. The Public Body may, by majority vote, grant access and participation in electronic closed sessions by persons it deems necessary for the subject matter of the closed meeting. Each participant in an electronic closed session must certify that they are participating in such meetings within an environment that excludes any unauthorized persons.
- e) The Public Body that has been meeting by electronic means shall begin in-person meetings as soon as reasonably safe and possible to do so. The agenda for the first such in-person meeting of the Public Body will include an agenda item for a motion to ratify all actions taken by the Public Body during prior electronic meetings.
- f) After adoption of these Electronic Rules, any additional requirements imposed by laws adopted by the North Carolina General Assembly or administrative bodies with jurisdiction shall be deemed to be included herein.

**TOWN OF MOREHEAD CITY**

**REQUEST FOR TOWN COUNCIL ACTION**

**AGENDA ITEM: 2.B.**

**DATE: April 7, 2020**

**TO: The Honorable Mayor and Town Council**

**FROM: Ryan Eggleston, City Manager**

**WORKSHOP ITEMS: REVIEW OF RESOLUTION 2020-R-24, ADOPTING A TITLE VI  
POLICY FOR THE TOWN OF MOREHEAD CITY**

**Background Information Attached: Yes  No**

---

The Town Council will discuss Resolution 2020-R-24, adopting a Title VI policy for the Town of Morehead City to prohibit discrimination in programs and services and in activities receiving federal financial assistance. Adoption of a Title VI policy is a new federal regulation for federal financial assistance.

**RECOMMENDED ACTION: *No action required at this meeting. Council may choose to place this item on the April 14, 2020 Regular Meeting agenda for action.***

COUNCIL  
Keri V. McCann, Mayor Pro Tem  
George W. Ballou  
David Horton  
William F. Taylor  
Diane C. Warrender



Gerald A. Jones, Jr., Mayor

**TOWN OF MOREHEAD CITY  
RESOLUTION 2020-R-24**

**RESOLUTION TO ADOPT A TITLE VI POLICY FOR THE TOWN OF MOREHEAD CITY TO PROHIBIT DISCRIMINATION IN PROGRAMS AND SERVICES AND IN ACTIVITIES RECEIVING FEDERAL FINANCIAL ASSISTANCE**

**WHEREAS**, in 1964, Congress enacted the Civil Rights Act of 1964, which included that section labeled Title VI which prohibits discrimination in any activity which is financed by federal funds or receives federal financial assistance; and

**WHEREAS**, since the adoption of Title VI, additional federal regulations and court decisions have further refined the definition of “federal financial assistance” and what entities are affected and controlled by Title VI; and

**WHEREAS**; the Town of Morehead City has no formal policy in place for defining and preventing discrimination in the activities and for the entities Title VI affects; and

**WHEREAS**, the interpretation and application are not intuitive or readily understood, requiring an understanding of what “federal financial assistance” might be in any particular situation and what persons or entities must comply with Title VI; and

**WHEREAS**, a policy and procedure for reporting violations will provide guidelines for the Town, Town Departments and private persons and companies doing business with the Town and receiving federal financial assistance.

**NOW, THEREFORE, BE IT RESOLVED** by the Town Council of the Town of Morehead City that the attached “Title VI Policy” is hereby adopted as the official policy of the Town of Morehead City for applying, reporting and enforcing Title VI of the Civil Rights Act of 1964.

**IT IS FURTHER RESOLVED** that the City Manager is authorized to approve this policy on a yearly basis if no changes are made to it.

**ADOPTED**, this 14<sup>th</sup> day of April 2020.

\_\_\_\_\_  
Gerald A. Jones, Jr., Mayor

Attest:

\_\_\_\_\_  
Cathy Campbell, City Clerk

## **Title VI Nondiscrimination Policy Statement**

It is the policy of the Town of Morehead City to ensure that no person, shall, on the grounds of race, color, national origin, limited English Proficiency, income-level, sex, sexual orientation, age, or disability, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any Town of Morehead City program or activity, including, where applicable, religion, as provided by Title VI of the Civil Rights Act of 1964 and other pertinent nondiscrimination authorities.

The following practices are hereby prohibited throughout the Town of Morehead City to comply, at a minimum, with Title VI and related requirements:

- Denying to an individual any standard service, financial aid, or other program benefit without good cause;
- Providing any service, financial aid, or other benefit to a person which is distinct in quantity or quality, or is provided in a different manner, from that provided to others under the program;
- Subjecting a person to segregation or separate treatment in any part of a program;
- Restrictions in the enjoyment of any advantages, privileges, or other benefits enjoyed by others;
- Methods of administration which, directly or through contractual relationships, would defeat or substantially impair the accomplishment of effective nondiscrimination;
- Different standards, criteria, or other requirements for admission, enrollment, or participation in planning, advisory, contractual or other integral activities;
- Acts of intimidation or retaliation, including threatening, coercing, or discrimination against any individual for the purpose of interfering with any right or privilege secured by any pertinent nondiscrimination law, or because s/he has made a complaint, testified, assisted, or participated in any manner in an investigation, proceeding, or hearing;
- Discrimination in any employment resulting from a program, a primary objective of which is to provide employment.



## MEMORANDUM

TO: Mayor and Town Council

FROM: Ryan Eggleston, City Manager

DATE: April 4, 2020

SUBJECT: Resolution Adopting a Title VI Policy for the Town of Morehead City

---

The North Carolina Department of Transportation's Office of Civil Rights is requiring that municipalities enact a formal Title VI Policy. Title VI of the Civil Rights Act of 1964 states that no person shall on the ground of race, color, or national origin be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving federal financial assistance. The 1987 Civil Rights Restoration Act extended these protections to all NCDOT programs and activities, whether federally-assisted or state-funded. Additional categories of protection have been enacted including sex, sexual orientation, low-income, limited English proficiency, age, disability, and religion/creed.

The Title VI Policy must be renewed each year and submitted to NCDOT. Please let me know if you have any concerns or questions about the wording of this policy.

**TOWN OF MOREHEAD CITY**

**REQUEST FOR TOWN COUNCIL ACTION**

**AGENDA ITEM: 2.C.**

**DATE: April 7, 2020**

**TO: The Honorable Mayor and Town Council**

**FROM: Ryan Eggleston, City Manager**

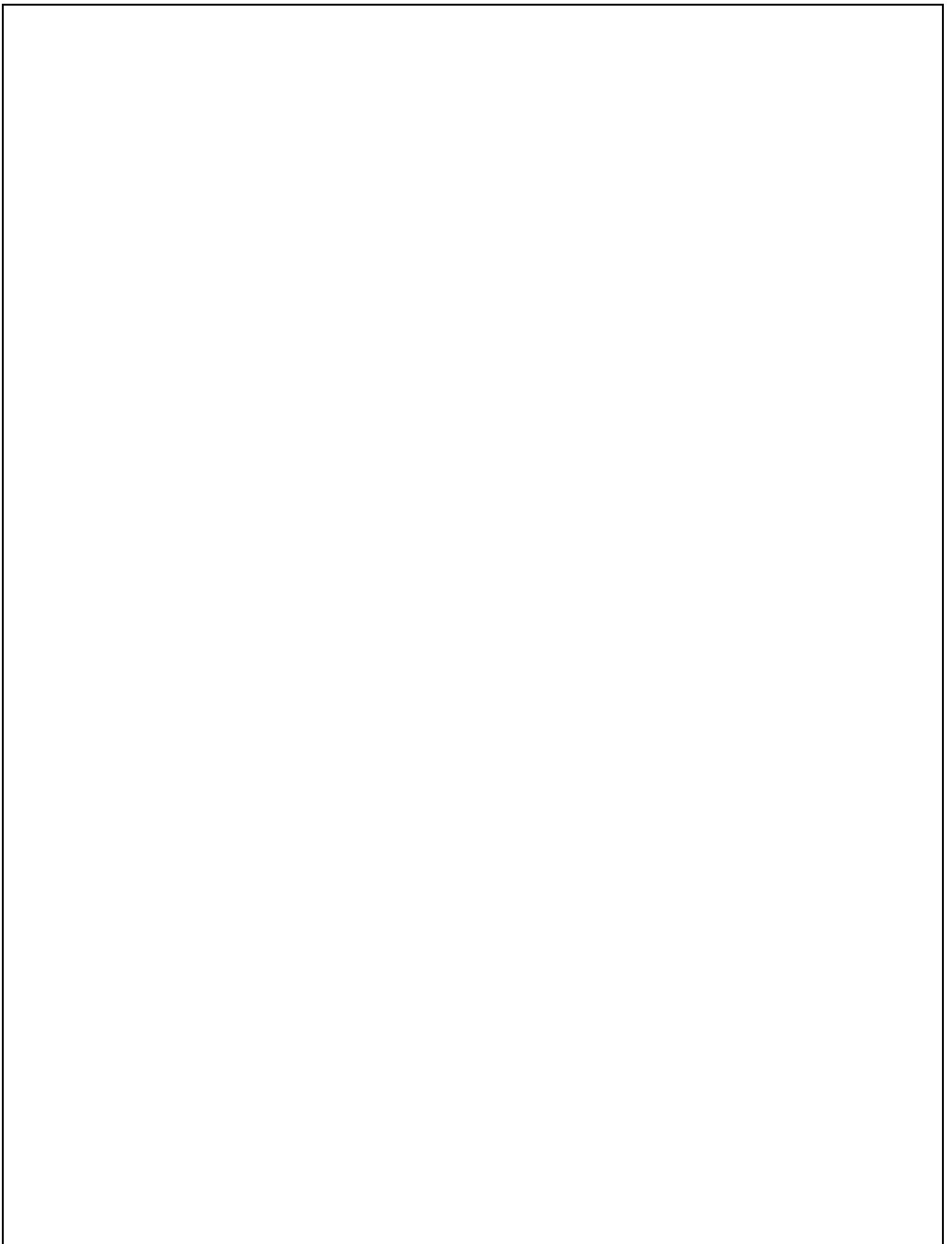
**WORKSHOP ITEMS: FY 2020-2021 INSURANCE RENEWALS**

**Background Information Attached: Yes X No**

---

City Manager Ryan Eggleston and Human Resources Director Susan Nixon will present plan options for FY 2020-2021 health, dental, and vision insurance renewals.

**RECOMMENDED ACTION:** *Select and Approve FY 2020-2021 health, dental, and vision insurance renewal plans.*



**TOWN OF MOREHEAD CITY**

**REQUEST FOR TOWN COUNCIL ACTION**

**AGENDA ITEM: 2.D.**

**DATE: April 7, 2020**

**TO: The Honorable Mayor and Town Council**

**FROM: Ryan Eggleston, City Manager**

**WORKSHOP ITEMS: REVIEW RESOLUTION 2020-R-26, ESTABLISHING AN  
EMERGENCY MANAGEMENT ACT SMALL BUSINESS  
LOAN PROGRAM UNDER NCGS 166A**

**Background Information Attached: Yes      No**

---

City Manager Ryan Eggleston will present and open discussion about Resolution 2020-R-26, establishing an Emergency Management Act Small Business Loan Program. The program will provide emergency, short-term loans to small businesses located within the City limits of the Town of Morehead City to help sustain and aid in the recovery of COVID-19.

**RECOMMENDED ACTION: *No action required at this meeting. Council may choose to place this item on the April 14, 2020 Regular Meeting agenda for action.***



COUNCIL  
Keri V. McCann, Mayor Pro Tem  
George W. Ballou  
David Horton  
William F. Taylor  
Diane C. Warrender



Gerald A. Jones, Jr., Mayor

**TOWN OF MOREHEAD CITY  
RESOLUTION 2020-R-26**

**RESOLUTION OF ADOPTION OF THE TOWN OF MOREHEAD CITY EMERGENCY  
MANAGEMENT ACT SMALL BUSINESS LOAN PROGRAM UNDER NCGS 166A**

**WHEREAS**, our City, County, Country, and the entire World is in the grips of the COVID-19 respiratory disease, which has been declared a global pandemic by the World Health Organization, and in response the State of North Carolina, Carteret County, and the Town of Morehead City are all currently under declared States of Emergency; and

**WHEREAS**, the State of North Carolina has issued a "Stay at Home" order effective March 30, 2020, which severely restrict businesses and have shut businesses not deemed "essential"; and

**WHEREAS**, due to the global pandemic, declared states of emergency, and the Governor's "Stay at Home" order, commerce within the Town of Morehead City is crippled and our small businesses are on the verge of financial collapse; and

**WHEREAS**, the City Council of the Town of Morehead City does hereby recognize the necessity of the survival of the small business community following the lifting of these emergency measures, that our small businesses are necessary for a viable City, and that the collection of property and sales taxes going forward will enable the continued functions of our City into the future; and

**WHEREAS**, in order for our small businesses to have an opportunity to survive and recover, the City Council recognizes the need to put an emergency small business loan program in place without delay to meet the immediate needs of small business owners that are not being met by banks and other governmental lenders

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE TOWN OF MOREHEAD CITY PURSUANT TO THE EMERGENCY MANAGEMENT ACT IN NCGS 166A:**

1. The Town of Morehead City does hereby establish the "Emergency Management Act Small Business Loan Program" to provide emergency, short-term loans to small businesses located within the City limits of Morehead City for the purpose of paying up to two months' rent or mortgage/interest payments of the business in order to secure the physical business location from eviction or foreclosure during this state of emergency.
2. By budget ordinance amendment, the City is budgeting an aggregate sum of \$300,000 for program loans to eligible small businesses in the amount of the actual monthly rental or mortgage payment/interest of the business not to exceed the sum of \$2,500 per month for up to two months, which would be a total of up to \$5,000 for each small business. This program shall be available to eligible businesses who apply until the Town of Morehead City is no longer under the above-referenced declared states of emergency, as may be amended from time

to time, or such earlier date as the budgeted funds are exhausted. The loans will be funded by direct payments by the City of the rental or mortgage payments directly to the landlord or mortgage servicer. The loans will be unsecured, with interest accruing at 2.00% per annum with a default rate of 4.00% percent per annum, and having repayment terms over thirty-six months with no payments due and payable for the first twelve months and no prepayment penalty, to be documented by a promissory note and loan agreement in a form as reasonably acceptable to the City Attorney.

3. There is hereby instituted a loan review committee, with the City Manager, Downtown Morehead Inc. Director, and Finance Director hereby appointed as members of the loan review committee, for the purpose of reviewing applications from small businesses to determine eligibility for the program loans under the criteria established by the City Council from time to time.
4. Eligibility criteria for loan approval for this program will be as adopted by City Council from time to time, and the initial eligibility criteria are hereby adopted as shown on attached sheet marked Exhibit "A," and incorporated herein by reference. Eligibility criteria shall target this emergency loan program to businesses which are small, businesses having 25 employees or fewer, and physically located within the City limits of Morehead City that can demonstrate that they are in need of assistance with lease or mortgage payments to secure their Morehead City physical location as a result of the above-referenced declared states of emergency or "stay as Home" orders.

ADOPTED, this the 14<sup>th</sup> day of April 2020.

\_\_\_\_\_  
Gerald A. Jones, Jr., Mayor

Attest:

\_\_\_\_\_  
Cathy Campbell, City Clerk

## Exhibit "A"

### TOWN OF MOREHEAD CITY EMERGENCY MANAGEMENT ACT SMALL BUSINESS LOAN PROGRAM ELIGIBILITY CRITERIA ADOPTED APRIL 7, 2020

#### SUMMARY:

This loan program provides emergency, short-term loans to small businesses located within the City limits of Morehead City for the purpose of paying up to two months' rent or mortgage payments/interest of the business in order to secure the physical business location from eviction or foreclosure during this state of emergency. Loans to eligible small businesses are the actual monthly rental or mortgage payment of the business, not to exceed the sum of \$2,500 per month for up to two months, which would be a total of \$5,000 for each small business. The loans will be funded by direct payments by the City of the rental or mortgage payments directly to the landlord or mortgage servicer. The loans will be unsecured, with interest accruing at 2.00% percent per annum with a default rate of four percent per annum, and having repayment terms over thirty-six months with no payments due and payable for the first twelve months and no prepayment penalty, to be documented by a promissory note in a form as reasonably acceptable to the City Attorney.

#### WHAT BUSINESSES ARE ELIGIBLE:

In order to be eligible for this loan program, the business must completely and properly fill out, sign, and submit an application and must:

- Have a physical location inside the city limits of Morehead City from which the business currently operates or operated as of the State of North Carolina State of Emergency Declaration on March 10, 2020, to provide goods or services to the public
- Have 25 or fewer employees
- Have been in business at the Morehead City physical location prior to March 10, 2020.
- Provide a copy of the Morehead City physical location lease or most recent mortgage statement
- Provide the name and address of the landlord or mortgage company which the City will use to process the rental or mortgage payment checks
- Provide a W9 for the business
- Demonstrate that the business is in need of assistance with lease or mortgage/interest payments to secure their Morehead City physical location as a result of the above-referenced declared states of emergency or the State of NC's "Stay at Home" order

#### WHAT BUSINESSES ARE **NOT** ELIGIBLE?

- Any business not meeting the eligibility criteria as outlined above
- Any Uber/Lyft drivers and other similar transportation operations

- Nonprofits
- Auto dealers
- Vice businesses (vape shops, massage parlors, etc.)
- Property Management of landlord related businesses
- Any business applying for a loan on a physical location where the business does not provide goods or services, but solely leases the location to a tenant
- Any business that would not be able to receive this loan assistance without causing a violation of NC law against conflicts of interest, including: businesses that are owned more than 10% by a Town of Morehead City Council member or public officer or employee making or administering this loan program or their spouses.

ELIGIBLE BUSINESSES WILL NO LONGER BE ELIGIBLE for future advances if the business is operating as of its application date and thereafter ceases operations or fails to operate to provide goods or services for a minimum of thirty hours per week at its Morehead City location pursuant to governmental order. For, example, if a business is approved for a loan of two months' rental payments, and after the City makes one rental payment the business ceases operations in that Morehead City location (other than pursuant to governmental order), then the City will not make any further rental payments.

**TOWN OF MOREHEAD CITY**

**REQUEST FOR TOWN COUNCIL ACTION**

**AGENDA ITEM: 2.E.**

**DATE: April 7, 2020**

**TO: The Honorable Mayor and Town Council**

**FROM: Ryan Eggleston, City Manager**

**WORKSHOP ITEMS: COVID-19 UPDATE**

**Background Information Attached: Yes      No    X**

---

City Manager Ryan Eggleston will provide an update on COVID-19 and the City's response to the continuous changes.

**RECOMMENDED ACTION: *Report only. No action required.***