

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

**Tuesday, April 6, 2021**

The Honorable Council of the Town of Morehead City held the monthly Workshop Meeting on Tuesday, April 6, 2021, in the Municipal Chambers located at 202 South 8<sup>th</sup> Street, Morehead City, North Carolina.

This meeting was partially conducted utilizing Zoom Video Communication Inc. software due to the COVID-19 crisis and Governor Cooper's Executive Order 141 imposing the requirement to maintain six-foot (6') distancing. Those in attendance were:

**COUNCIL PRESENT:** Councilmembers George Ballou, David Horton, Keri McCann, Bill Taylor, and Diane C. Warrender.

**STAFF PRESENT:** City Attorney Derek Taylor, City Manager Ryan Eggleston, Fire Chief Jamie Fulk, Finance Director Jewel Lasater, Police Chief Bernette Morris, Human Resources Director Susan Nixon, Parks and Recreation Director Jerry Riggs, Planning Director Sandi Watkins, Public Services Director Daniel Williams, and City Clerk Cathy Campbell.

**OTHERS PRESENT:** Elise Clouser of Carteret News Times and David Hill from Piedmont Triangle Council.

**STAFF PARTICIPATING VIA ZOOM:** Deputy Clerk/Executive Assistant Kathy Eagle, and Assistant Finance Director Leeann Vinson.

**OTHERS PARTICIPATING VIA ZOOM:** Sarah Currie, Myrna Eure, Cindy Goodwin, Edward Slavin, and Maury Wolff

Mayor Jones called the workshop meeting of the Morehead City Town Council to order at 9:00 a.m. with a quorum present. He announced that Council would go into closed session and reconvene thereafter.

**CLOSED SESSION PER NCGS 143.318.11(a)(3) TO CONSULT WITH ATTORNEY.**

Councilmember Ballou made a motion **to enter into Closed Session at 9:02 a.m. per NCGS 143.318.11(a)(3) to consult with city attorney.** Councilmember Horton seconded and the motion carried unanimously (5-0).

Councilmember Horton moved **to return to OPEN SESSION at 9:38 a.m.** Councilmember Taylor seconded and the motion carried unanimously. (5-0)

**RECOGNITIONS/PRESENTATIONS**

## **Classification and Compensation Study Presentation**

David Hill, Management Analyst for Piedmont Triangle Council, provided a detailed review of the Classification and Compensation Study and then presented recommendations for consideration. Option #1 will address market competition and salary compression by applying the recommended pay grades and re-setting employee salaries in relation to their length of employment. The cost to implement Option #1 would be \$221,500. Option #2 addresses market competitiveness but does not address salary compression as it moves positions up to the recommended pay grade without moving them on the scale in relation to length of service. The cost to implement Option #2 would be \$522,307. Option #3 addresses market competitiveness by assigning each position to the recommended pay grade and range determined by the comparative market analysis, but after assigning pay grades, salaries remain unchanged except for those whose salaries fall below the minimum salary of their new pay grade. The cost to implement Option #3 would be \$61,464.

Mr. Hill explained how Option #1 will apply the new pay grades and re-set employees within the scale based on years of service at a much lower cost. Under Option 1, only those employees whose current salaries fall below the minimum Time In Current Position Factor Compa-ratio position will be adjusted.

Councilmember Taylor asked about merit pay. Mr. Hill stated that merit is a methodology that increases salaries horizontally, but it may not be effective over the long-term. Option #1 resets the historical record for each employee removing performance differentials, but it also corrects over-elevated salaries and puts them in line with the salary scale. It is recommended that Council continue to offer COLA and merit, or other increase methodology, to prevent increased compression.

Councilmember Warrender asked if the new stimulus funds provided through the American Rescue Plan Act could be used to support salary increases. Finance Director Jewel Lasater stated that it is not yet clear how these funds may be used; so far only water, sewer, and broadband services have been specifically identified.

## **FY 2021-2022 Health Insurance Renewal Presentation**

Human Resources Director Susan Nixon reviewed the current insurance plan status that showed staff is doing their part in trying to control costs with the City's claim ratio only slightly above the break-even point and the largest percentage of prescriptions paid within tier 1. At the same time, Morehead City has an aging staff with 21.93% being between the ages of 41-50 years of age and 34.75% being age 51 or older. It was noted that the plan also includes twenty (20) to twenty-five (25) retirees.

City Manager Ryan Eggleston presented plan proposals for FY 2021-2022 from Blue Cross Blue Shield of NC (BCBSNC) and the NC Health Insurance Pool (NCHIP). With only a slight difference in the cost of proposals, he recommend that the City continue with Blue Cross Blue Shield. The Health Savings Account (HSA) Plan has been well received and has helped to

drive down costs to the City.

No questions were asked. The recommended proposal will be presented to the Town Council for action at the April 13, 2021 regular meeting.

### **Comprehensive Paving Plan Presentation**

Public Services Director Daniel Williams appeared before the Town Council to present the Comprehensive Paving Plan. Staff used RoBotics to rate the city's forty-nine (49) center-line miles by photographing the streets in ten-foot increments. Roads were rated on a scale from 1-5 with 1 being the best and 5 being the worst. At this time, Mr. Williams displayed a color-coded map of city streets. The city's streets averaged an overall rating of 2.12. About 5.5 miles were rated a Category 1. Most of these were paved within the last year. 34 miles fell into Categories 2 and 3. The City did not have any streets in Category 5. In addition to street ratings, the software also provides ratings for road segments and points. It was noted that most of the complaints received are for streets that are not part of the City's road system. The program can be updated annually at a low cost.

Mr. Williams shared that under this year's paving budget, he can either address Category 4 segments and points and Category 5 points, or he can repair the section of Fisher Street between 20<sup>th</sup> to 12<sup>th</sup> Streets at the cost of approximately \$212,000. Council was in favor of repairing Fisher Street. The collapsing storm drains on 6<sup>th</sup>, 11<sup>th</sup> and 13<sup>th</sup> Streets must also be repaired which will cost approximately \$160,000 (\$90,000 storm drains; \$70,000 paving). Any remaining funds will be used to start addressing the segments and points in poor condition.

Councilmember Horton suggested including county and state roads that fall within the city limits to the analysis. This data could then be shared with Carteret County and/or North Carolina Department of Transportation.

### **PUBLIC HEARINGS**

#### **Review Ordinance 2021-O-11 Requesting to Rezone 301 Highway 24**

Mayor Jones announced that a public hearing would be held on April 13, 2021 to consider request submitted by Bryan Starling, on behalf of Mary Lynn Eure Osteen, to rezone 301 Highway 24 (Tax PIN #635615741744000) from R20 (Single Family Residential District) to RMF-CZ (Residential Multifamily-Conditional Zoning) and CH-CZ (Highway Commercial-Conditional Zoning). There was no discussion on this topic.

### **NEW BUSINESS ITEMS**

Going through the listed new business items that are to be considered during the April 13, 2021 regular meeting, Mayor Jones asked if there were any questions regarding the following:

- Resolution 2021-R-09 Setting the Date of the Public Hearing to Consider Request for Voluntary Contiguous Annexation of Property Located at 301 Highway 24 (PIN #635615741744000) for May 11, 2021.
- Annual Audit Contract and Arrangement Letter with PBMears for FYE 6/30/2021.
- Budget Ordinance Amendments 2021-09, 2021-10, and 2021-11 as presented.

There were no questions or comments.

### **Discuss CAMA Public Beach and Coastal Waterfront Access Grant Preapplication for Mitchell Village Park Bathroom Facility**

Parks and Recreation Director Jerry Riggs provided a report on the proposed Mitchell Village Park Bathroom Facility project seeking direction from Council regarding the submission of a CAMA Public Beach and Coastal Waterfront Access Grant preapplication. He stated that he became aware of the grant and looked for opportunities to utilize it. This is a 75/25 matching grant with the City paying 25% of the costs. Mitchell Village Park was established ten (10) years ago and no improvements have been made since that time. It is a highly used park. A suggestion was received from the Parks and Recreation Advisory Board that the City might consider this park for a second kayak launch. Bids have been hard to secure and what was received were significantly different. The submission deadline is Friday, April 16, 2021 at 2:00 p.m. Councilmember Ballou requested a map of the park showing where the proposed facility would be placed.

Councilmember Horton stated that it has been his experience that residents typically do not want bathrooms at neighborhood parks because it increases their attraction and draws others into the area. Therefore, he recommended that a public hearing be held first to determine the public's opinion before applying for a grant. Other council members did not agree.

### **Review Resolution for Reoccurring Annual Community Events**

Parks and Recreation Director Jerry Riggs stated that all, but one, of the proposed are annually reoccurring events for which no new or additional requests have been made. The Big Rock Kids Billfish Fishing Tournament is a new event and staff has reason to expect that it will be managed with the same degree of professionalism as applied to the established Big Rock/Blue Marlin Tournament.

- Resolution 2021-R-11 endorsing Military Appreciation Day and authorizing action necessary for the event to be held on June 4-5, 2021.
- Resolution 2021-R-12 endorsing the Big Rock/Blue Marlin Fishing Tournament and authorizing action necessary for the event to be held June 11-20, 2021.
- Resolution 2021-R-13 endorsing the Big Rock Kids Billfish Fishing Tournament and authorizing action necessary for the event to be held July 14-17, 2021.

- Resolution 2021-R-14 endorsing the “Alive at Five” events and authorizing action necessary for the events to be held June 25, July 16, August 20, September 2, September 16, and October 14, 2021.
- Resolution 2021-R-15 endorsing the Swansboro Rotary Bluewater Fishing Tournament and authorizing action necessary for the event to be held May 27-31, 2021 on the Morehead City Waterfront.
- Resolution 2021-R-16 endorsing the NC Ducks Unlimited Billfish Tournament and authorizing action necessary for the event to be held July 21-24, 2021 on the Morehead City Waterfront.
- Resolution 2021-R-17 endorsing the NC Offshore Challenge Fishing Tournament and authorizing action necessary for the event to be held May 21-23, 2021 in Downtown Morehead City.

These resolutions will be presented for approval at the April 13, 2021 meeting as part of the consent agenda.

**Governing Board Appointments:** *Planning Board and Board of Adjustment*

Planning Director Sandi Watkins advised Council that four (4) seats on the Morehead City Planning Board will expire on August 15, 2021. Three (3) are the In-City seats currently held by Tom Outlaw, Tom Saunders, and Sally Lumpkin. Mr. Outlaw and Mr. Saunders are not eligible for reappointment due to having served three (3) consecutive previous terms. Ms. Lumpkin is eligible and desires reappointment. The fourth (4<sup>th</sup>) seat is the extraterritorial jurisdiction (ETJ) seat held by Ronetta Gaskill. Ms. Gaskill also desires reappointment and is eligible to continue serving. Currently, the City has two (2) additional applications for consideration: David Heuring 209 Lord Granville Drive has applied for a ETJ Planning Board seat, and Nathan Chambers of 1502 Galley Circle has applied for an In-City Planning Board or Board of Adjustment seat.

In addition, Board of Adjustment ETJ regular member Terry Senich resigned effective April 30, 2021 due to relocating outside of Morehead City’s planning and zoning jurisdiction. The Town does not have any applications for the Planning Board from applicants residing in the ETJ.

Positions for both boards are being advertised via social media and on the City’s website. Ms. Watkins confirmed that alternate members are available. Instructions were provided for those interested in applying for the vacant seats.

**Discuss 202 South 8<sup>th</sup> Street Repair Assessment (Municipal Building Repair)**

Public Services Director Daniel Williams provided a written assessment report provided by Arendell Engineers of the Municipal Building located at 202 S. 8<sup>th</sup> Street. Extensive repairs will be required to continue use of the building to include foundation and roof repairs and window replacement. The assessment does not take into consideration hazardous materials or life safety measures.

Councilmember Horton stated that it would be helpful to have an estimate of what it would cost to bring both sides of the building up to a usable condition. Mr. Williams stated that he would need to know the proposed use in order to provide a quote as the potential use will dictate how extensive the repairs should be.

### **Discuss 706 Arendell Street Property**

City Manager Ryan Eggleston stated that AJK Acquisitions provided, on March 18, 2021, formal notice that they have elected to terminate their offer to purchase the property located at 706 Arendell Street (current City Hall) and move forward with another opportunity in town. Staff is seeking direction from Council on how they would like to proceed. Council agreed to discuss at a later date. Councilmember Horton suggested that staff determine and state clearly the cost to remediate the building as part of any future bid solicitation.

### **STAFF REPORTS**

#### **Parks and Recreation:**

Parks and Recreation Director Jerry Riggs reported that Parks received a grant and will be painting the Carolina Princess office to unify it visually with Katherine Davis Park. They are also looking for ways to make the ice machine more aesthetically pleasing.

Shevans Park security cameras, provided for by a grant, will be up and running this week. Resurfacing of the splash pad will start Tuesday and will be completed by Friday. The water park is scheduled to open officially on Memorial Day with a soft opening sometime in May.

The water lines and staging have been installed at the dog park. Following the adoption of the budget amendments next week, the fencing will be installed. Staff would like to open the dog park by May 1, 2021.

Recreation memberships have increased quite a bit and activity is beginning to return to normal. Registration for summer camp is underway and going well. Registration is staggered as before, giving city residents the first opportunity. Only sixty (60) slots are being offered in order to maintain COVID mandates.

#### **Public Services:**

Public Services Director Daniel Williams reported that the water plant must be rejuvenated every two years, and this is currently underway. A significant repair is forthcoming in the area of 4200 Arendell Street to repair damage caused by a contractor, who will bear the cost. Work at City Hall is progressing well, and Daniels and Daniels Contracting are making the last push towards the finish line. Landscaping will start next week.

#### **Police:**

Police Chief Bernette Morris reported that the interview process for the animal control position will begin tomorrow. The full-time officer position has been filled and the officer is scheduled to begin work on April 22, 2021. The part-time officer position is still open with applications coming in.

Chief Morris extended thanks to Councilmember McCann for her generous donation to Special Olympics. This aided in placing Morehead City in the 21<sup>st</sup> position of 84 departments for collections.

In response to a question, Chief Morris stated that five (5) of the surplus vehicles have been sold and are awaiting pick up.

#### Fire/EMS:

Fire Chief Jamie Fulk stated that call volume has picked up with the influx of tourists. He shared that he has spoken with Gary Mckeel about re-energizing the Fire Museum project. He will continue to reach out to the Committee members.

#### Planning and Inspections:

Planning Director Sandi Watkins reported that her department is staying very busy. It is expected that both the Planning Board and Board of Adjustment will meet in April.

The Community Development Block Grant (CDBG) project progresses with the completion of intakes and title assessments. Five of the projects are moving forward and will be bid for construction. A contractors meeting is scheduled for April 13, 2021, with bids to be received on April 26, 2021. All will be advertised appropriately in The Carteret News Times.

#### Finance:

Finance Director Jewel Lasater stated that her department continues to work towards the implementation of Munis' Billing & Collections module. The "Go Live" date was pushed back to September due to travel restrictions and other large projects demanding her department's attention. Finance is working on the budget and the implementation of GoGov, which will provide for an online, interactive budget book. In addition, Finance is working on the integration of GASB 87 (Government Accounting Standards Board Statement No. 87) as well as the procurement and contract policy.

All FEMA projects are closed, and the direct administration costs are being submitted. The last 25% of Hurricane Florence claims was received. Ms. Lasater agreed to send a detailed update to Council.

#### Human Resources:

Human Resources Director Susan Nixon provided a recap on current vacancies:  
FT Building Inspector – offer to be presented to potential candidate  
PT Animal Control – interviews underway  
FT Police Officer – scheduled to start April 22, 2021  
PT Police Officer – re-advertising position  
PT Water/Sewer Administrative Assistant – advertising  
FT Building Maintenance Worker - advertising  
FT Fire/EMS – advertising

Upon adoption of the insurance proposal, open enrollment will begin in late April or early May.

In the absence of Communications Director Alize Proisy, Mr. Eggleston shared that The Carteret News Times has requested that the City consider a different name for the City’s new magazine. Distribution has been delayed awaiting a Council decision. Mr. Eggleston agreed to share the letter with Council. Mayor Jones suggested that consideration be given to “The Sounder,” which was the name of the City’s prior newsletter. The name was selected from to a community naming contest.

**ADJOURNMENT**

There being no other business to discuss, Mayor Jones adjourned the meeting 12:30 p.m.

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Gerald A. Jones, Jr., Mayor

Attest:

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Cathy Campbell, City Clerk