

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

Tuesday, January 14, 2020

The Honorable Council of the Town of Morehead City met in Regular Session on Tuesday, January 14, 2020, 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 Ballou, David Horton, Keri V. McCann, William F. Taylor, and Diane C. Warrender.

STAFF PRESENT: City Manager Ryan Eggleston; City Attorneys Derek Taylor and Mike Thomas; Public Services Director Daniel Williams; Planning Director Sandi Watkins; Finance Director Jewel Lasater; Police Chief Bernette Morris; Deputy Fire/EMS Chief Chris Judy, Assistant Fire Chief Dykeman Baily, Firemen Corey Adams, Scot Camden, Harrison Hardt, Andrew Lanier, John Markham, Kevin Miller, Trace Reynolds, and James Strickland, and City Clerk Cathy Campbell.

OTHERS: Elise Clouser of the Carteret News Times; Town of Beaufort Mayor Everette Newton and Fire Chief Tony Ray; Robbie Bittner and Megan Wallenhorst of RSM US, LLC; Kent Neal representing Pet Adoption and Welfare Society of Carteret County; Lisa Rueh of Downtown Morehead City Inc.; Jack, Joanne and Tully (pet dog) Manley; Ron Cullipher of the Cullipher Group LLC; Ely Perry and Burton Rudolph of Perry Management; Joseph T Buie, Jr., Jackie Burns, Angel and Seth Jablonski, Vince Martin, Curtis Odem, Bill O'Neil, Chuck Sewell, Chrissey Suralik, John and Kat Suralik, Jim Thompson, Diana Tootle, Fred Tootle, Ron White, and Janis Williams.

Mayor Jones called the regular meeting of the Morehead City Town Council to order at 5:32 p.m. with a quorum present. Councilmember Ballou gave the invocation, and Mayor Jones led all in the Pledge of Allegiance.

RECOGNITIONS/PRESENTATIONS

Presentation of Resolution 2020-R-01 in Appreciation to Deputy Jack Manley Upon His Retirement

Mayor Jones presented Resolution 2020-R-02 to Deputy Chief Jack Manley in recognition of his retirement from the Morehead City Fire Department on January 1, 2020. Chief Manley joined the Morehead City Fire/EMS Department on September 17, 2000 as a Firefighter/Engineer, was promoted to the rank of captain in September 2006, and promoted to

the rank of deputy chief in August 2012. Mayor Jones commended Joanna Manley for her support, allowing him to serve.

Deputy Chief Chris Judy and Assistant Chief Dykeman Baily presented him with his fire hat and badge stating that Deputy Chief Manley will be greatly missed as the accomplishments mentioned in the resolution are only a sampling of his contribution to the Department. Their wish for him is that every day going forward will be rewarding.

Deputy Chief Manley stated that it has been an honor and privilege to serve.

Mayor Jones took the opportunity to introduce and congratulate Deputy Chief Chris Judy on his promotion.

Presentation by Town of Beaufort Mayor Everette Newton to Morehead City Fire/EMS Department

Mayor Everette Newton and Fire Chief Tony Ray of the Town of Beaufort presented a letter of appreciation to Fire/EMS Deputy Chief Chris Judy for the Department's assistance during the December 22, 2019 fire on the Beaufort waterfront. The fire engulfed the building consisting of The Spouter Inn Restaurant, Tidal Treasures, Sweet Lilly Ru, and several apartments. With assistance from the Morehead City Fire/EMS Department and other area departments, the Beaufort Fire Department was able to contain the fire and prevent it from spreading to adjacent buildings.

Mayor Jones explained that community is not defined by boundaries but by the people who live in the area. He commended the Fire Department on their service to the community and thanked Mayor Newton and Chief Ray for taking the time to honor them.

Presentation by P.A.W.S. to Water/Sewer Superintendent Derek Williams

Kent Neal presented an "I Saved A Pet Certificate" on behalf of Pet Adoption and Welfare Society of Carteret County (P.A.W.S.) to Water/Sewer Superintendent Derek Williams. This presentation recognizes the compassion exhibited by Derek on December 12, 2019 when he worked for two-hours to rescue a kitten from a storm drain near 19th and Bridges streets. Mr. Neal also presented "I Saved A Pet" wristbands to Derek and his wife. Derek and his family later adopted the kitten as their pet!

Presentation of Comprehensive Annual Financial Report for Fiscal Year Ended June 30, 2019

Robbie Bittner, Senior Manager of RSM US, LLP appeared before the Council to present the Comprehensive Annual Financial Report for the fiscal year ended June 30, 2019, and introduced his associate Megan Wallenhorst. He stated that the audit is performed under Generally Accepted Auditing Standards as well as the Government Auditing Standards. Following an audit, one of four (4) types of opinions may be issued: 1) Abstain from issuing an opinion when there is not enough evidence to perform an audit; 2) Adverse Opinion when financials are not

presented fairly in accordance with Generally Accepted Auditing Standards; 3) Modified or Qualified Opinion when financials are presented fairly except for one or two issues; or 4) Unmodified or Clean Opinion which is the highest level of assurance offered. The Town of Morehead City received an Unmodified or Clean opinion. In addition, the Internal Control Report shows that no material weaknesses or significant deficiencies were found.

The AU-C 260, The Auditor's Communication with those charged with Governance, letter notes a minor issue whereby the City needs to further identify the difference between direct placement debt and general obligation debt. It was noted that this issue did not have a material impact on the City's financial position, overall cash flow or balances or results of operations. Council received the letter in December 2019.

In closing, Mr. Bittner thanked Finance Director Jewel Lasater and her staff for their cooperation.

Before reviewing the consent agenda, Mayor Jones stated that there are two (2) items to be added to the agenda: 1) Corrections to pages 11 and 12 of Item 3.A. Minutes of the December 10, 2019 meeting as communicated via email today; and 2) Item 5.C. Resolution 2020-R-02 Authorizing First Bank as Official Depository for the Town of Morehead City. Councilmember Taylor made a motion **to amend the agenda as stated.** Councilmember Ballou seconded and the motion carried unanimously. *(5-0) Both items are incorporated into the published agenda.*

CONSENT AGENDA

Mayor Jones reviewed the Consent Agenda. Councilmember Horton requested that Items 2.G, H, and I be pulled from the Consent Agenda and added to New Business as Items 5.D, E, and F.

Councilmember Taylor asked for an explanation of the higher than normal amount of tax refunds. Finance Director Jewel Lasater stated that the City typically receives a high volume of tax revenues in August and February, accompanied by a proportionate increase in refunds.

Councilmember Horton made a motion **to approve the Consent Agenda as amended.** 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 December 10, 2019 Regular Town Council Meeting.
- B. Accept the Finance Director Report and Tax Collector Report.
- C. Accept Notice of Ad Valorem Tax Overpayments In the Amount of \$1,372.17 for the Month of December 2019 as Presented.
- D. Approve the Requests for Refunds of Overpayment of Ad Valorem Taxes In the Amount

of \$8,619.79 for the Month of December 2019 as Presented.

- E. Adopt Resolution 2020-R-01 In Appreciation to Deputy Chief Jack Manley Upon His Retirement from the Morehead City Fire/EMS Department.
- F. Adopt FY 2019-2020 Budget Ordinance Amendment 2019-46 as Presented and Recommended by the Finance and Administration Committee.
- G. ~~Adopt FY 2019-2020 Budget Ordinance Amendment 2019-47 as Presented and Recommended by the Finance and Administration Committee.~~
- H. ~~Adopt Water and Sewer Project Budget Ordinance Amendment 2019-48 as Presented and Recommended by the Finance and Administration Committee.~~
- I. ~~Adopt Governmental Capital Project Budget Ordinance Amendment 2019-49 as Presented and Recommended by the Finance and Administration Committee.~~

The above noted resolution is attached to and made a part of these minutes herein by reference. The Budget Ordinance Amendments are filed in Ordinance Book #8.

PUBLIC HEARING

Consider Adoption of Ordinance 2019-O-22 to Rezone 4707 South Shore Drive

Planning Director Sandi Watkins appeared before the Town Council to present request submitted by The Cullipher Group, P.A. on behalf of Warren Perry to rezone Tax Parcel #636619528355000 located at 4707 South Shore Drive from R20 (Single-Family Residential) District to R5S (Single-Family Residential) District.

The property, which consists of 1.52 acres, is currently vacant and is located in the Morehead City corporate limits. Surrounding zoning includes R20 (Single-Family Residential) to the North, R15 (Single-Family Residential) and PD (Planned Development) to the East and to the West. Surrounding land use includes single-family residential to the North and East, Bogue Sound to the South and The Bluffs Planned Development to the West. The property was annexed into the City's corporate limits in 1994 and became effective in 1995.

The property is in Neighborhood 6 of the CAMA Land Use Plan, and is classified as Medium Density Residential on the Future Land Use Map. According to the Land Use Plan, the Medium Density Residential classification is intended to delineate lands where the predominant land use is higher-density single-family residential developments, two-family developments, and multifamily developments.

Based upon square footage alone, a maximum of nine lots would be allowed on the site; however, the existing wetlands on the site could prohibit the development of nine lots. After 1997, the R5S zone requires lots to be a minimum of 7,000 square feet in area. R5S district permits single-

family but does not permit duplex lots. Any lots developed in the subdivision would be required to abut a public street.

While the maximum height and lot coverage are consistent between the R20 and R5S districts, the minimum setbacks, minimum lot size, and minimum lot area are less for the R5S district in comparison to R20. A reduction in these development standards has potential to result in an increase in density.

At the November 19, 2019 Planning Board meeting, Sally Lumpkin made a motion, seconded by Ronetta Gaskill, to recommend approval of the rezoning request and Resolution 2019-0018. The motion carried unanimously.

In accordance with N.C.G.S. 160A-31, notice of this public hearing was published in The Carteret News Times once each week for two (2) consecutive weeks on Sundays, December 29, 2019 and January 5, 2020. The notice was also mailed to property owners within 300 feet of the site, and posted on the bulletin boards in City Hall and the Municipal Building.

At this time, Mayor Jones opened the public hearing inviting anyone who would like to speak in favor of or in opposition to the proposed zoning request to come forward.

PUBLIC COMMENTS

Ron Cullipher of the Cullipher Group: Mr. Cullipher stated that he is representing Perry Management, who requested the zoning change to R5S to accommodate the minor single-family development of five (5) lots. He stated that the R20 zoning was set before water & sewer facilities were available. Now that the facilities are in place, they believe the R5S zoning is appropriate and consistent with the Land Use Plan.

Councilmember Ballou asked if the water access is for public use or just for the property owners. Mr. Cullipher stated that the intent would be to provide community water access, but not for general public access unless required.

Councilmember Horton asked if there was a buy-out option in lieu of providing water access. Ms. Watkins stated that the developer does retain the right to pay a fee in lieu of dedication based on City ordinance.

COUNCIL COMMENTS

Hearing no further comments or questions, Mayor Jones closed the public hearing.

Councilmember Horton stated that he views the development as a benefit to the developer and City alike and therefore made a motion **to adopt Ordinance 2019-O-22 to Rezone Tax Parcel #636619528355000 Located at 4707 South Shore Drive from R20 (Single-Family Residential) District to R5S (Single-Family Residential) District, and Resolution 2019-R-68 of Plan Consistency in Accordance with N.C.G.S. 160A-383 for**

Map Amendment. Councilmember Taylor seconded and the motion carried unanimously. (5-0)

NEW BUSINESS:

Consider Adoption of Resolution 2019-R-66 Declaring Portions of Roanoke Avenue and East Coral Drive as Abandoned Roadways

Mayor Jones reminded Council that this item was tabled at the December 2019 Regular Town Council meeting to allow for public comments. City Attorney Derek Taylor further reminded Council that in accordance with NC State Statutes their only consideration is whether the street portions described in the resolution are part of the Town's street plan as stated in the "Now Therefore" statement of the resolution. Council is not making any determinations concerning the actual closing or abandonment of a street.

At this time, Mayor Jones opened the floor for comments.

Janice Williams, 210 Pensacola Avenue: Ms. Williams stated that it would be a waste of Town resources to build out the street for future use. The property was developed before this area was annexed into the City to include buildings on portions of the land where streets were indicated on the original subdivision plats. Any future connection to existing streets would cause such destruction to buildings and duplexes that it would not be feasible for the City to consider.

Bill O'Neil, 205 S. 10th Street: Mr. O'Neil stated that he leases a boat slip at the subject property, recommends abandonment as it will likely increase property value, and subsequently increase City tax revenue. In addition, he stated that he sees no way the City could build out a street in this area.

Joseph Buie, 202-A Roanoke Avenue: Mr. Buie shared that he bought his property in 1994 and since that time the property has been surveyed three times. Neither of the survey plats show the streets in question. Officially taking a position that the road is not on the street plan will help the property owners in this area.

James Thompson, 3332 Bridges Street: Mr. Thompson stated that he was the attorney representing the petitioners and was present to answer any questions and to request approval of the resolution. He stated that his clients are entitled to it since the streets are abandoned and never used by the public, and the streets are not required for property access. NC State Statute entitles the property owner to file the abandonment, which will accrue the ownership of the abandoned street to the adjacent property owners.

Councilmember Ballou reiterated that his concern was that the item was presented on the consent agenda with the wording, "abandonment," and he does not think it appropriate to consider closing roads or alleyways without providing an opportunity for discussion and public comments.

Councilmember Ballou made a motion **to Adopt Resolution 2019-R-66, Declaring Portions of Roanoke Avenue and East Coral Drive as Abandoned Roadways, as presented.** Councilmember McCann seconded and the motion carried unanimously. (5-0)

Consider Adoption of FYE June 30, 2021 Draft Budget Schedule

Finance Director Jewel Lasater appeared before the Town Council to present the FYE 06/30/2021 Draft Budget Schedule for adoption consideration. The schedule includes a planning retreat and three (3) scheduled budget workshops prior to the budget public hearing:

Wednesday, February 21, 2020		Planning Retreat
Tuesday, May 12, 2020	2:00 – 5:00	Budget Workshop #1
Tuesday, May 19, 2020	2:00 – 5:00	Budget Workshop #2
Tuesday, June 2, 2020	12:00 – 3:00	Budget Workshop #3 (if necessary)
Tuesday, June 9, 2020	5:30	Regular Meeting & Budget Public Hearing

Councilmember Horton suggested that May 12, 2020 is too late in the budget process for Council to offer input and, therefore, offered April 14, 2020 as an alternative date. Councilmember Taylor agreed and further suggested a planning session be held within the next two weeks, to include discussions on COLA and merit increases. Councilmember Warrender concurred with these suggestions stating that she is not in favor of committee budget discussions as budget discussions with the full Council are more effective.

After much discussion, it was decided that the schedule would be amended to include an initial budget meeting between the Council and manager before the end of January, and the addition of a budget session with the full management team on April 14, 2020.

Councilmember Taylor made a motion to adopt the amended Budget Schedule with the addition of an initial planning session to be held by January 28, 2020 and to schedule the first budget workshop on April 14, 2020 rather than May 12, 2020.

After further discussion, Councilmember Taylor amended his motion to **adopt the amended Budget Schedule with the addition of an initial planning session to be held by January 28, 2020 and an additional budget workshop on April 14, 2020.** Councilmember Warrender seconded and the motion carried unanimously. (5-0)

Adopt Resolution 2020-R-02 Authorizing First Bank as an Official Depository

City Manager Ryan Eggleston explained that Resolution 2020-R-02 is presented as a housekeeping matter to meet the loan requirements for First Bank. Funds provided by the First Bank loan for the new city hall will be deposited into this account.

Councilmember Warrender made a motion to **adopt Resolution 2020-R-02 and approve the First Bank Account Agreement as presented.** Councilmember Horton seconded and the motion carried unanimously. (5-0)

**Adopt FY 2019-2020 Budget Ordinance Amendment 2019-47 as Presented
Adopt Water and Sewer Project Budget Ordinance Amendment 2019-48 as Presented
Adopt Governmental Capital Project Budget Ordinance Amendment 2019-49 as Presented**

Councilmember Horton requested further clarification on the purpose of the budget amendments and suggested that they be address together as they all support the same project.

Finance Director Jewel Lasater explained that Budget Ordinance Amendments 2019-47 and 2019-48 record the accounting of Calico Creek Subdivision Project funds as required. Of the total \$878,960 project costs, \$373,000 is provided directly from Calico Development Inc., \$305,000 is the City's portion of the project to be moved from the Water/Sewer Fund to the Project Capital Fund; and \$200,960 is funds paid by Calico Development Inc. as part of their System Development Fees is to be moved from the Capital Reserve Fund to the Project Capital Fund.

Budget Ordinance Amendment 2019-49 records the accounting of funds for the Fire Station #3 Project. Councilmember Horton asked why the \$170,730 FEMA Public Assistance was removed from the Project Fund. Ms. Lasater stated that this was the amount expected to be recovered from FEMA for damage to the Station during Hurricane Florence. They have since learned that although the Station is eligible, the reimbursement would be issued to Carteret County as the owners of the building and therefore, is being removed from the Fund.

Councilmember Horton then asked about the \$175,920 identified as appropriated Fund Balance-Unassigned on Budget Ordinance Amendment 2019-46. Ms. Lasater said that this is the re-appropriation of funds designated for the 2019 loan payment for the Katherine Davis Park that was not drafted as scheduled by the NC Department of Administration. The amendment will re-appropriate the funds for 2020 so that the draft can be made.

Councilmember Taylor made a motion to **adopt Budget Ordinance Amendments 2019-47, 2019-48, and 2019-49 as presented.** Councilmember Horton seconded and the motion carried unanimously. (5-0)

CITY MANAGER'S REPORT:

City Manager Ryan Eggleston stated that he did not have any other items to report at this time.

CITIZEN REQUESTS/COMMENTS (2 Minute Time Limit)

Curtis Oden 1412 Avery Street: Mr. Oden asked for clarification regarding the Calico Creek Subdivision Project mentioned earlier in the meeting. Mr. Eggleston responding saying that it is the residential planned development off North 20th Street across from Blair Farms Subdivision yet to be constructed.

COUNCIL REQUESTS/COMMENTS

Councilmember Warrender thanked everyone who attended the meeting for participating in the governing process.

Councilmember Taylor also thanked everyone for attending.

Councilmember Horton reiterated Councilmember Ballou's prior comments about street abandonment and stated that it is always best for staff to lean towards the side of caution.

Councilmember Ballou thanked everyone for attending the meeting and wished everyone a Happy New Year.

Councilmember McCann commended Finance Director Jewel Lasater and her staff on an outstanding audit, and thanked her fellow Council members for appointing her as Mayor Pro Tempore.

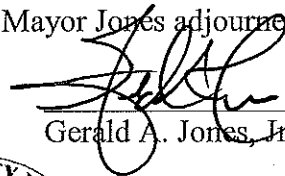
CLOSED SESSION PER NCGS 143.318.11(a)(3) TO CONSULT WITH THE ATTORNEY

Councilmember Ballou made a motion **to enter into Closed Session at 7:08 p.m. per NCGS 143.318.11(a)(3) to consult with the City Attorney.** Councilmember Taylor seconded and the motion carried unanimously (5-0).

Councilmember Horton moved **to return to OPEN SESSION at 7:53 p.m.** Councilmember Taylor seconded and the motion carried unanimously. (5-0)

ADJOURNMENT

There being no other business to discuss, Mayor Jones adjourned the meeting 7:54 p.m.



Gerald A. Jones, Jr., Mayor

Attest: 

Cathy Campbell, City Clerk

