

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

**Tuesday, April 14, 2020**

The Honorable Council of the Town of Morehead City met in Regular Session on Tuesday, April 14 2020, in the Municipal Chambers located at 202 South 8<sup>th</sup> Street, Morehead City, North Carolina.

This meeting was conducted utilizing Zoom Video Communication Inc. software due to the COVID-19 crisis and Governor Cooper's Executive Order 121 siting that no more than ten (10) persons should be gathered in the same location at the same time. 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; Communications Director Alize Proisy; and City Clerk Cathy Campbell.

OTHERS PRESENT: Elise Clouser of the Carteret News Times;

STAFF PARTICIPATING VIA ZOOM: City Attorneys Derek Taylor, Planning Director Sandi Watkins, Fire Chief Jamie Fulk, IT Director Jon Snyder, Police Chief Burnette Morris, Public Services Director Daniel Williams, Finance Director Jewel Lasater, and Human Resources Director Susan Nixon.

OTHERS PARTICIPATING VIA ZOOM: Lee Hinson, Mark Kelly and Lisa Ruch of Downtown Morehead City Inc.; Stephanie McIntyre of the NC Seafood Festival; Madison Maxwell of The Big Rock; Curtis Oden, Missy Oden, and Gloria McCarther.

Mayor Jones called the regular meeting of the Morehead City Town Council to order at 5:42 p.m. with a quorum present and welcomed everyone who was participating via Zoom. Councilmember Ballou gave the invocation, and Mayor Jones led all in the Pledge of Allegiance.

**CONSENT AGENDA**

Mayor Jones reviewed the Consent Agenda. Councilmember Taylor made a motion **to approve the Consent Agenda as presented.** Councilmember Warrender seconded and the motion carried unanimously. (5-0)

Included within the Consent Agenda were the following approvals:

A. Approve the Minutes of the March 10, 2020 Regular Council Meeting.

- B. Approve the Minutes of the March 19, 2020 Special Council Meeting.
- C. Accept the Finance Director Report and Tax Collector Report.
- D. Accept Notice of Ad Valorem Tax Overpayments in the Amount of \$6,830.92 for the Month of March 2020 as Presented.
- E. Approve the Requests for Refunds of Overpayment of Ad Valorem Taxes in the Amount of \$20.89 for the Month of March 2020 as Presented.

**NEW BUSINESS:**

**Consider Adoption of Resolution 2020-R-25, Providing Authorization for Holding Electronic Meetings and Procedures for Conducting Electronic Meetings**

Mayor Jones advised that Council discussed Resolution 2020-R-25 at the April 7, 2020 Workshop meeting and asked if any member of the council had questions concerning Resolution 2020-R-25. No questions were voiced. This resolution provides authorization to hold electronic meetings during times of crisis. Council is also asked to adopt the associated Rules of Procedure for Electronic Meetings.

Councilmember Ballou made a motion to **Adopt Resolution 2020-R-25, providing authorization to hold electronic meetings and associated Rules of Procedure for Electronic Meetings.** Councilmember Horton seconded and the motion carried unanimously. (5-0)

*Resolutions 2020-R-25 is attached to and made a part of these minutes herein by reference.*

**Consider Adoption Resolution 2020-R-24, Adopting a Title VI Policy for the Town of Morehead City**

As discussed at the April 7, 2020 Workshop meeting, Council considered adoption of Resolution 2020-R-24, adopting a Title VI policy for the Town of Morehead City. Adoption of a Title VI policy is a new regulation for receiving federal financial assistance from North Carolina Department of Transportation.

Councilmember Taylor made a motion **to adopt 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.** Councilmember McCann seconded and the motion passed unanimously. (5-0)

*Resolution 2020-R-24 is attached to and made a part of these minutes herein by reference.*

**Consider Approval of FY 2020-2021 Insurance Renewals**

City Manager Ryan Eggleston welcomed questions related to the proposed health, dental

and vision insurance renewals for FY 2020-2021 as presented at the April 7, 2020 Workshop meeting.

For the benefit of those that did not attend the workshop meeting, Mr. Eggleston shared that the proposed plan continues the Blue Cross/Blue Cross (BCBS) Health Savings Account (HSA) for FY 2020-2021. The plan reflects a 14.6% increase for medical insurance, which was negotiated down from a 28.8% increase.

Councilmember McCann made a motion to **approve FY 2020-2021 Insurance Renewals as presented.** Warrender seconded and the motion carried unanimously. (5-0)

**Consider Adoption of Resolution 2020-R-26 Establishing an Emergency Management Act Small Business Loan Program under NCGS 166A**

As reported at the April 7, 2020 Workshop meeting, City Manager Ryan Eggleston stated that the proposed plan is based upon Mount Holly, North Carolina's program. It is an Emergency Management Act Small Business Loan Program that will provide emergency, short-term loans to small businesses located within the City limits of Morehead City for the purpose of paying rent or mortgage/interest payments for up to two months in order to secure the physical business location from eviction or foreclosure during this state of emergency. The plan includes an application process and funds can be awarded until the allocated funds are exhausted. The recommended plan amount is \$300,000. Loans would be awarded for 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.

The loans will be funded by direct payments by the City directly to the landlord or mortgage servicer. The loans will be unsecured, with interest accruing at 6.75% per annum with a default rate of 8.00% 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. The loans will be documented by a promissory note and loan agreement in a form as reasonably acceptable to the City Attorney.

A loan review committee, consisting of the City Manager, Downtown Morehead Inc. Director, Chamber of Commerce Director and City Finance Director, would be appointed to review applications from small businesses and determine eligibility for the program loans under the criteria established by the City Council. The recommended criteria was presented as:

**WHAT BUSINESSES ARE ELIGIBLE:**

In order to be eligible for this loan program, the business must complete 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 or 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.

Council held an in depth discussion on the topic noting concerns about the decision-making process and program administration. Concerns were also expressed about utilizing individual taxpayer's funds to aid businesses while many of the taxpayers are suffering equally. It was suggested that landlords and mortgage holders would work with the local businesses in light of the crisis, enabling them to stay in business. It was argued that helping small businesses has a trickle-down effect. By helping local businesses, you improve the economy by keeping individuals employed and families fed. It was pointed out that while

mortgage holders may assist the businesses by deferring loan payments, the interest on such loans continues to accrue and this may just delay the disastrous impact. A \$2,500 loan could be monumental in keeping small “mom and pop” businesses viable as the economy slowly ramps back up. It was also noted that the model has proved successful in several locations and was well received in those cities. It was further noted that it is the City’s responsibility to provide a higher-level service, such as economic development. This loan program will serve as an investment into the community and the City will collect a dividend on the investment.

To relieve concerns about making all businesses aware of the loan program so that everyone has an equal opportunity to participate, Mr. Eggleston assured the Council that the program would be advertised across all available outlets; local newspaper, City website, Facebook, and utilization of the “Notify Me” application. He was confident that the Chamber of Commerce and the DMC Inc. would also share the announcement with their memberships. It is expected that the program could be launched within the next two or three weeks.

Councilmember Warrender made a motion **to adopt Resolution 2020-R-26, establishing an Emergency Management Act small business loan program under NCGS 166A.** Councilmember McCann seconded and the motion carried by majority vote. (3-2; Councilmembers Ballou and Horton were opposed)

Councilmember Horton asked if all businesses would be allowed to apply and be considered. Mr. Eggleston assured him that all applications meeting the plan criteria would be considered. Following verification of criteria, applications would be considered based upon financial impact of COVID-19 and probability of repayment.

*Resolution 2020-R-26 is attached to and made a part of these minutes herein by reference.*

### **Consider Adoption of Budget Ordinance Amendment 2020-06 Related to Emergency Management Act Small Business Loan Program**

City Manager Ryan Eggleston explained that Budget Ordinance Amendment 2020-06 appropriates \$300,000 in support of the previously approved Emergency Management Act small business loan program.

Councilmember Taylor made a motion **to adopt Budget Ordinance Amendment 2020-06 as presented.** Councilmember McCann seconded and the motion carried by majority vote. (3-2; Councilmembers Ballou and Horton were opposed)

*The Budget Ordinance Amendment 2020-06 is filed in Ordinance Book #8.*

### **CITY MANAGER’S REPORT:**

City Manager Ryan Eggleston reported that the paving of Bridges Street from 4<sup>th</sup> – 14<sup>th</sup> Streets is complete. Depending upon the weather, paving of Bridges Street from 14<sup>th</sup> – 20<sup>th</sup> Streets should be complete by the end of this week or early next week.

On behalf of the City, Moffitt and Nichols Engineering spoke with Representative Pat McElraft regarding the Pelletier Creek Dredging Project. As a result, the project deadline was extended to the end of April. Moffitt and Nichols are confident that the work can be completed by that time.

Concerning the current City Hall bid process, Mr. Eggleston stated the third upset bid cycle will expire on April 15, 2020. The current high bid is \$350,000.

Councilmember Taylor expressed his desire to keep the new city hall project moving forward. In light of the current COVID-19 situation, he was also very interested in designing a more functional audio-visual system for the new council chambers, and asked how this might be accomplished with only two IT personnel who are working at capacity. Mr. Eggleston stated that this has been part of the building design from the beginning, and VC3 is assisting IT Director Jon Snyder with this task.

### **CITIZEN REQUESTS/COMMENTS (2 Minute Time Limit)**

City Manager Ryan Eggleston provided direction to those attending via Zoom of how to “raise their hand” indicating that they would like to make a comment.

**Curtis Oden, 1412 Avery Street:** Mr. Oden stated that he is happy with the paving of Bridges Street and drainage improvements, and commended the City for its promptness in addressing the problems.

**Melissa Oden, 1412 Avery Street:** Ms. Oden commended City Council for their diligence in responding to the COVID-19 epidemic and promptness in encouraging social distancing.

### **COUNCIL REQUESTS/COMMENTS**

Councilmember Warrender stated that she is frustrated with the COVID-19 virus and the inability to have citizens present at city meetings. She is hoping to have everyone present at the June meeting.

Councilmember Taylor thanked everyone for their cooperation in maintaining social distancing and obeying the guidelines included in Governor Cooper’s executive orders, and thanked his fellow councilmembers for their cooperation in addressing some very difficult issues. He also thanked Mayor Jones for providing copies of the November 30, 1918 and February 12, 1920 Town Council minutes when the Spanish Influenza was being addressed. Hearing that they successfully coped with that epidemic offered him assurance that we will as well.

Councilmember Horton advised those attending the meeting that the Council now holds monthly workshop meetings on the first Tuesday of each month at 9:00 a.m. Because topics are more thoroughly discussed at these meetings, he encouraged everyone to attend. He then announced that the Council, during a budget meeting held early today, formed an Ad Hoc

Committee to work with the Concerned Citizens for Morehead City to address some of their concerns.

Councilmember Ballou reiterated Councilmember Warrender's comments and said he too looks forward to when life is back to normal and we can all meet face-to-face again.

Councilmember McCann agreed with all prior comments, and wished that everyone stayed safe and healthy.

Mayor Jones thanked everyone for their cooperation in adhering to the new COVID-19 rules. He advised that those physically present at the meeting were abiding by the 10 person rule and were spread out within the chambers, maintaining the six foot distancing rule. He too is looking forward to when everyone can attend meetings again, and commended staff and council on being fast learners of the new Zoom software.

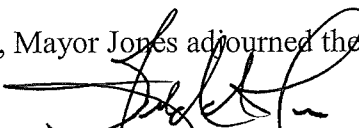
**APPROVE CLOSED SESSION**

City Clerk Cathy Campbell presented the minutes of the March 10, 2020 Closed Session minutes for review and approval.

After a review of the minutes, Councilmember Taylor moved **to approve and seal the minutes of the March 10, 2020 Closed Session meetings as presented.** Councilmember McCann seconded and the motion carried by majority vote. *(4 Ayes-1 Nay; Councilmember Horton opposed)*

**ADJOURNMENT**

There being no other business to discuss, Mayor Jones adjourned the meeting 6:48 p.m.



Gerald A. Jones, Jr., Mayor

Attest:



Cathy Campbell, City Clerk

