

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

**Tuesday, May 5, 2020**

The Honorable Council of the Town of Morehead City held a Workshop Meeting on Tuesday, May 5, 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; IT Director Jon Snyder; Fire Chief Jamie Fulk, and City Clerk Cathy Campbell.

OTHERS PRESENT: Elise Clouser of the Carteret News Times;

STAFF PARTICIPATING VIA ZOOM: City Attorney Derek Taylor, Planning Director Sandi Watkins, Finance Director Jewel Lasater, Police Chief Bernette Morris, Human Resources Director Susan Nixon, Communications Director Alize Proisy, Parks and Recreation Director Jerry Riggs, City Planner Mackenzie Todd, and Public Services Director Daniel Williams.

OTHERS PARTICIPATING VIA ZOOM: Steven Davis, Kristi Mroch, and Curtis Oden

Mayor Jones called the workshop meeting of the Morehead City Town Council to order at 9:15 a.m. with a quorum present.

At staff's request, Councilmember Ballou made a motion **to remove Item 4.E, Budget Ordinance Amendment In Support of Utility Payment Plan, from the agenda.** Councilmember Taylor seconded and the motion carried unanimously. (5-0)

**MAY CONSENT AGENDA ITEMS**

Mayor Jones and City Manager Ryan Eggleston reviewed the proposed May 12, 2020 consent agenda items inviting questions and discussion. The items were presented as:

- Review Annual Audit Contract and Arrangement Letter with RSM US LLP for FYE 6/30/2020.
- Review Resolution 2020-R-18, endorsing the Swansboro Rotary Bluewater Fishing

Tournament and authorizing actions necessary for the event to be held May 23-25, 2020 on the Morehead City waterfront.

- Review Resolution 2020-R-20, endorsing the 1<sup>st</sup> Annual Morehead City Open King Mackerel Tournament and authorizing actions necessary for the event to be held October 14-17, 2020 on the Morehead City waterfront.
- Review Resolution 2020-R-21, endorsing the North Carolina Troopers Association Offshore Inshore Saltwater Challenge and authorizing actions necessary for the event to be held October 16-18, 2020 on the Morehead City waterfront.
- Review Resolution 2020-R-22, endorsing The Raleigh Saltwater Sportfishing Club King Mackerel Tournament and authorizing actions necessary for the event to be held July 24-26, 2020.
- Review Resolution 2020-R-23, endorsing the Pints for A Purpose Inc Summer Festival and authorizing actions necessary for the event to be held Friday, July 3, 2020 on the Morehead City waterfront.
- Review amendment to Resolution 2020-R-11, endorsing the Big Rock/Blue Marlin Fishing Tournament and establishing July 5-11, 2020 as alternate tournament dates.

Concerning the annual audit contract, questions were raised about the \$4,000 charged for each additional program, the total cost of last year's audit, and how long it has been since the audit was competitively bid. Finance Director Jewel Lasater explained that the audit pricing (\$59,000) includes the testing of one major program. RSM charges an additional \$4,000 for each additional program tested. The FEMA program is the major program to be tested this year. Ms. Lasater was unaware of any other programs to be tested this year; however, she budgeted for two (2) additional programs as a safeguard. She stated that although it has been staff's desire to bid the audit, unforeseen crisis, Hurricanes Doran and Florence, and this year COVID-19, have prevented this from happening. The goal is to solicit bids for the FY 2021-2022 audit. She agreed to provide a comparison report between FY2019-2020 and FY2020-2021 via email.

Parks and Recreation Director Jerry Riggs was asked to explain how the city will manage the Morehead City Open King Mackerel Tournament and North Carolina Troopers Tournament since their dates overlap. Mr. Riggs stated that the organizers of both tournaments are working together to coordinate logistics. The King Mackerel Tournament weigh-ins will be held at Big Rock Stadium, while the NC Troopers Tournament weigh-ins will be held at Jaycee Park.

Mr. Eggleston was asked about the status of the Big Rock Tournament. He advised that The Big Rock is planning to move forward with their approved June date; however, they have requested approval to establish July 5-11, 2020 as alternate tournament dates should it be needed due to COVID-19 or inclement weather delays. Parks and Recreation staff have reviewed the request to ensure there are no reservation conflicts. Jerry Riggs added that The Big Rock is working with the organizers of the Swansboro Rotary Tournament to plan for virtual weigh-ins should this be necessary.

## **MAY PUBLIC HEARING ITEMS**

### **Review Ordinance 2020-O-02 Approving the Rezoning of 3408 Pine Street (Parcel #637615530758000) from R10 (Single-Family Residential) District to OP (Office and Professional) District, and Resolution 2020-R-27 of Plan Consistency in Accordance with N.C.G.S. 160A-383 for Map Amendment**

Planning Director Sandi Watkins reviewed request received from Will Rogers, on behalf of Elba McLawhorn, to rezone 3408 Pine Street (Tax PIN #637615530758000) from R10 (Residential District) to O&P (Office Professional), and Resolution 2020-R-27 of Plan Consistency. Approval of the request will allow Mr. Rogers to expand his office location.

This 0.58 acre property is currently vacant. Surrounding zoning includes R-10 (Residential) and O&P (Office Professional) to the north, Residential to the east and Office Professional to the south and west.

Surrounding land use includes Rogers & Company, CPAs, and Carteret Foot and Ankle Specialty to the north and west, professional nursing services to the south and residential to the east.

The property is in Neighborhood 4 of the CAMA Land Use Plan, and is classified as High Density Residential.

The Planning Board reviewed the request at their April 21, 2020 meeting and voted unanimously to recommend approval of the rezoning as presented. Tom Saunders made the motion and Frank Eastman seconded. No opposition was voiced at the meeting.

Property owners within 300 feet of the property were notified of the Planning Board meeting as well as the date of the public hearing scheduled for May 12, 2020. The property has been posted.

Ms. Watkins reported that the Zoom format worked very well for the Planning Board meeting, and she is confident it will work equally well for the Town Council meeting. The Zoom meeting format does allow for interactive dialogue among participants. The Planning Board had 24 registered participants with some of these being sites with group participants. Notices, including information about how to participate, were mailed to all surrounding property owners within 300 feet. In addition, the notice was printed in the Carteret News Times three (3) times, and the property was posted.

Mayor Jones suggested that statements of opposition be presented in writing in advance of the meeting to ensure such is recognized and recorded. Ms. Watkins stated that she is encouraging written statements noting that individuals would still be allowed to speak.

### **Review Ordinance 2020-O-03 Approving Request to Amend Article 202 of the Unified Development Ordinance (UDO) to Add a Definition for “Event Venue, Residential,”**

**Amend Article 11-1 to Add “Event Venue, Residential” as a Special Use in the Single-Family Residential (R10) District, and Add Article 14-50 to Add Special Requirements for “Event Venue, Residential”, and Resolution 2020-R-28 of Plan Consistency in Accordance with N.C.G.S. 160A-383 for Map Amendment**

Planning Director Sandi Watkins reviewed request from Glenn and Catherine White to amend Article 2-2 of the Unified Development Ordinance (UDO) to add a definition for “Event Venue, Residential”, amend Article 11-1 to add “Event Venue, Residential” as a special use in the R10 District, and add Article 14-50 to include special requirements for residential event venues.

Event Venue, Residential is defined as a residential parcel or contiguous parcels under unified control where events such as weddings, receptions, bridal showers, baby showers, anniversary and birthday parties, family events, and similar functions may occur subject to the requirements of Section 14-50. It would be a special use in the R10 (Residential) zoning district.

At their April 21, 2020 meeting, the Planning Board unanimously voted to recommend approval of the text amendment as presented. Tom Saunders made the motion and Frank Eastman seconded. Adjacent property owners were not notified of this text amendment; however, they would be notified of any future public hearings at which special use permits will be considered.

Ms. Watkins stated that this request was submitted in response to complaints filed following a wedding held on a particular piece of property, and the desire of the applicants to allow another family to hold a similar event on the same property. The complaints were focused around trash concerns, which the applicant has advised will be addressed. If approved, the ordinance will allow four (4) such commercial events per year for which a special use permit must be obtained. A commercial event is one in which the property is leased for an event. The zoning classification requirements will not apply to family-oriented events. The special use permits are reviewed and approved by the Board of Adjustment.

The zoning classification would be restricted to two (2) acre parcels of land. It was noted that there are a very limited number of two (2) acre parcels within the R10 zoning district.

When asked about the event types included in the ordinance, Ms. Watkins stated that the applicant provided them. Therefore, she was unable to speak as to the purpose of including them. Alcohol use is not addressed in the ordinance, but would be regulated under State catering regulations.

In response to a question about noise regulations, Ms. Watkins advised that staff applied already established noise regulations to this zoning classification. Amplified sound that might constitute a disturbance to neighboring properties will not be allowed between 11:00 p.m. and 7:00 a.m.

At the end of the discussion, several councilmembers stated that they still had unanswered questions, but for the sake of time, volunteered to communicate them via email in

order to obtain further clarification. Mr. Eggleston reminded Council that the applicant would be present at the May 12, 2020 public hearing to answer questions about the request.

## **NEW BUSINESS ITEMS**

### **Notice of New CRS (Community Rating System) Rating for Morehead City**

Planning Director Sandi Watkins announced that the Department of Homeland Security, Federal Emergency Management Agency has issued notice of Morehead City's new CRS (Community Rating System) rating. The Town of Morehead City will increase from a Class 8 to Class 6 in the National Flood Insurance Program Community Rating System based upon the City's floodplain management activities. This is great news for Morehead City! As a result, Morehead City residents living in Zones VE and AE qualify for a 20% discount on flood insurance premiums. Residents living in Zones Shaded X and X qualify for a 10% discount. The discounts are effective for policies issued or renewed on or after May 1, 2020.

### **Support for Carteret County Certified Retirement Community Designation**

City Manager Ryan Eggleston advised that Carteret County Economic Director Don Kirkman has requested support for Carteret County in obtaining Certified Retirement Community designation from Visit NC. A draft letter was presented for council consideration.

### **Personnel Policies Addendum in Adherence to Families First Coronavirus Response Act**

Human Resources Director Susan Nixon presented a personnel policies addendum, as recommended by the UNC School of Government, to ensure the City's compliance with the Families First Coronavirus Response Act (FFCRA). FFCRA became effective May 1, 2020.

### **Town of Morehead City Utility Payment Plan**

Finance Director Jewel Lasater presented Ordinance 2020-O-04 establishing a Utility Payment Plan for the Town of Morehead City. The plan was developed in response to Governor Cooper's Executive Order 124, prohibiting the disconnection of residential utility service (water, sewer, and solid waste) for nonpayment, suspension of all penalties and other late payment assessments for utility service, and for utility charges incurred from March 31, 2020 until the expiration/termination of Executive Order 124 or June 1, 2020, whichever occurs later. These restrictions are mandatory for residential service and optional for commercial service under Executive Order 124. Staff is recommending the inclusion of commercial service, which dictates the need for the ordinance presented today.

The proposed is a six (6) month plan beginning July 14, 2020. Participants will be required to pay a minimum of ten percent (10%) of the water, sewer and solid waste charges, by July 14, 2020 for charges accrued March 31, 2020 through June 1, 2020. The remaining balance will be divided over the following five (5) months, to be paid in full by January 14, 2021. If adopted, inserts providing details of the program will be included with monthly utility bills.

## **Budget Ordinance Amendments 2020-07, 2020-08, and 2020-09**

Finance Director Jewel Lasater reviewed Budget Ordinance Amendments 2020-07, 2020-08, and 2020-09 carefully explaining the purpose and accounting process for each adjustment.

Budget Ordinance Amendment 2020-07 accounts for:

### General Fund

- Moving \$10,000 received from Duke Energy Grant from the General Fund to the Government Capital Project Fund.
- Moving \$24,000 from Contingency to Information Technology for Office 365
- Moving \$17,500 from Contingency to Central Services for increased legal fees and legal advertising costs.
- Increasing Restricted Intergovernmental by \$885,200, Miscellaneous Revenue by \$321,100, and Disaster Recovery by \$1,206,300 in preparation for expected FEMA and insurance reimbursements related to Hurricanes Florence and Dorian.

Ms. Lasater explained that the claims for cemetery tree and stump removal (\$120,000 - \$160,000) and direct administrative expenses are still outstanding. Administrative expense claims cannot be calculated until all other claims have been completed since they are limited to five percent (5%) of the total project claim. She estimated the administrative expense claim to be approximately \$150,000. Expenditures for the consultants assisting with the FEMA claims process will be included in the administrative expenses claim.

### Water & Sewer Fund

- Increasing Restricted Intergovernmental by \$276,850, Miscellaneous Revenue by \$66,860, and Disaster Recovery by \$343,710 for actual and estimated FEMA and insurance reimbursements related to Hurricanes Florence and Dorian.

### Solid Waste Fund

- Increasing Restricted Intergovernmental by \$51,300 and Disaster Recovery by \$51,300 in preparation for expected FEMA reimbursements related to Hurricane Dorian debris removal.

Budget Ordinance 2020-08 accounts for the \$10,000 Duke Energy Grant and the \$174,000 NC Department of Public Safety Grant for water rescue equipment. Fire Chief Jamie Fulk stated that these grants would enable the Department to obtain equipment needed to qualify as a Type-2 Rescue Team, a critical need identified during Hurricane Florence.

Budget Ordinance 2020-09 records housekeeping measures to remove old school building maintenance and utility expenditures included in the Municipal Campus Capital Project

Fund. This will allow for the actual costs of the Municipal Campus project to be accurately identified.

### **Public Beach and Coastal Waterfront Access Program Kayak Launch Grant Application**

Planning Director Sandi Watkins reported that staff is seeking approval to submit a CAMA pre-application for grant money to install an ADA (Americans with Disabilities Act) accessible kayak launch at the South 10<sup>th</sup> Street dock. The total project cost estimate is approximately \$45,000. Based upon this estimate, the Town would anticipate requesting \$33,750 in CAMA grant funds. If approved, a local match of 25%, or approximately \$11,250, would be required from the City. Staff is seeking an additional bid at this time.

Parks and Recreation Director Jerry Riggs explained that this endeavor is the result of requests for a new kayak launch. After a review of all potential sites, staff determined that the 10<sup>th</sup> Street Dock was the best option for an ADA compliant launch due to the already existing walkways and parking lot.

The Division of Coastal Management pre-application deadline is May 15, 2020. If the Town is invited to submit a final application, it will be necessary for the Council to pass a resolution in support of the project prior to the final application submission deadline of August 17, 2020.

### **Public Beach and Coastal Waterfront Access Program Carteret Community College Shoreline Trail Application**

Christy Mroch of Carteret Community College (CCC), joining the meeting via Zoom, reported that the college is requesting the Town of Morehead City to sponsor a CAMA grant application in the amount of \$200,000 for a portion of a proposed shoreline trail on the college campus. The College will be contributing \$176,800 plus an additional \$165,850 from other grant sources for a total of \$342,650 towards the required minimum 25% local match. No funds are being requested of the City. The city is simply being asked to serve only as the pass-through agent as required for the grant. College staff will be responsible for administering the grant and managing the construction process. The College previously received funds to repair the shoreline and build a living shoreline along the college property. Creation of the trail is the next phase of the project.

If the Town is invited to submit a final application, it will be necessary for the Council to pass a resolution in support of the project prior to the final application submission deadline of August 17, 2020.

### **Governing Board Appointment: *Board of Adjustment***

The Board of Adjustment In-City seat held by Gina Sanderson and the ETJ (Extra-Territorial Jurisdiction) Alternate seat held by Diane Gagnon will expire on August 27, 2020. Both members are eligible and have expressed a desire to continue serving. At this time, the City has no current applications on file for consideration.

## **Review Resolution 2020-R-29 Approving Revised Pamlico Sound Regional Hazard Mitigation Plan**

Planning Director Sandi Watkins presented Resolution 2020-R-29 reporting that local jurisdictions are required to submit an updated Hazard Mitigation Plan every five years. Morehead City's Plan was last adopted in 2015. Having an adopted current plan is a requirement for receiving recovery funds for presidentially declared disasters.

The Pamlico Sound Regional Hazard Mitigation Plan includes participating jurisdiction with Beaufort County, Carteret County, Craven County and Pamlico County to include all incorporated municipalities and unincorporated areas in the region. Morehead City was represented on the Plan Review Committee by Tom Outlaw, Lucine Beauchard, and staff members.

Staff recently received notification from the project consultant that all participating jurisdictions should officially adopt the final updated plan draft by resolution as soon as possible as the current plan expires on June 3, 2020.

### **MANAGERS REPORT**

It was determined that in lieu of giving two reports per month, the City Manager would present his report at the regular monthly meeting.

At this time, Mayor Jones, with Council consent, instructed staff to include all previously discussed New Business items on the May 12, 2020 consent agenda for approval consideration.

Councilmember Warrender presented a list of items discussed at prior Committee meetings for which she would like an update. She also inquired as to the correct format for presenting such questions under the new workshop format. After much discussion, Council was in favor of having such questions answered at each workshop meeting under the heading of departmental reports.

On the behalf of Council, staff answered the questions presented.

1. What is the status of the State Division of Water Infrastructure Grant application submitted with the hopes of receiving funds to relocate three (3) or four (4) pump stations?  
Public Services Director Daniel Williams advised that the application was submitted last week. The only pump station that qualified was the one located at South 18<sup>th</sup> Street. Awards should be announced in October or November 2020.
2. What is the status of the AMI Meter project?  
Mr. Williams stated that all meters, towers, and transmitters have been installed, and the software transfer and testing is currently underway.
3. What is the status of the new jet truck (for infiltration)?



Mr. Williams reported that the city logo is being placed on the truck today and will be put in service later this week. In response to a subsequent question, he stated that the first compactor received did not work properly. The repair part is in, but Mr. Williams was not sure of when it was scheduled to be installed.

4. What is the status of the water plant permit renewal as it relates to the requirement to test for metal contents in wastewater?

Mr. Williams explained that this applies to the Wastewater Treatment Plant permit, and the City has five years to comply. A five-year plan has been established for which the city will submit progress reports annually. The goal, for the first year, will be to develop a pilot program. It is still not clear how this will progress, as there is no known method for testing the mineral trace levels required.

5. What is the status of the Adopt-A-Block program?

City Manager Ryan Eggleston shared that there has been some interest expressed from citizens and businesses; however, progress was delayed due to COVID-19. Staff hopes to renew efforts later this summer.

6. Was Pine Street included in the paving plan, and if not, what was the criteria used to select it as a current paving project? *(The question was presented as Pine Street, but was corrected at the 6/9/2020 Council Meeting to reflect that the correct street name is Elm Street)*

Mr. Williams stated that it was not on the paving plan, and no specific criteria was used in the decision. He made a judgement call based upon numerous complaints, the condition of the street, and the availability of sufficient funding to patch the street under the current budget.

7. What is the process for disposing of Class-A Sludge (pasteurized/fertilizer grade)?

Mr. Williams stated that this sludge is given away to anyone willing to come get it. Staff will load free of charge. Staff will haul free of charge if the load size and delivery location falls within the department guidelines. Staff prefers not to deliver.

8. Have the results of the asbestos and environmental test been received for the City Hall building?

Mr. Williams advised that Pro Environmental conducted an asbestos test. The City did not request an environmental test. Results are in hand and are provided upon request. The mitigation quote has not been shared because the price varies depending on how the building will be used. Therefore, the City's quote may be not be relevant to a bidder. It is expected that bidders will have their own study done to include mitigation costs specific to their plans.

9. What is the status of the Parks and Recreation Summer Camps?

Parks and Recreation Director Jerry Riggs shared that he communicates with members of the North Carolina Parks and Recreation Association (NCRPA) bi-weekly, and they are closely monitoring Governor Cooper's orders. There are mixed feelings across the state about conducting summer camps, and there has been some talk about the camps being prohibited for this year.

10. What is the status of the pickets from Shevans Parks?  
Mr. Riggs reported that they are currently in storage. Some were picked up at the onset of the new project, but there has been no recent activity. It was suggested that a reminder be placed in the next water bill to remind sponsors that they are available for pick up.
11. Dock Master Report?  
Mr. Riggs reported that although the Transient Docks were essentially shutdown between April 1 and 30, 2020 due to COVID-19, staff leased one slip during that period and collected \$179.78. Bathroom facilities were not provided. Mr. Riggs was happy to report that all commercial boat slips are leased, and the Newport River boat ramp is alive with a great deal of activity.
12. What is the status of reopening the public bathroom facilities?  
Mr. Riggs stated that they are waiting on Governor Cooper's phased plan to see when they can be reopened. Mr. Eggleston stated that the opening of the restrooms would be tied to the reopening of playgrounds. Concerns were raised about the boat docks being open for use without access to bathroom facilities.
13. What is the status of the requested Parks and Recreation Advisory Board?  
Mr. Eggleston reported that the Ad Hoc Committee is scheduled to meet with the Concerned Citizens of Morehead City group on Friday, May 8, 2020.
14. What are the plans for utilizing the \$2,500 recycling grant funds?  
Mr. Williams stated that the funds would be used for educational materials such as flyers, stickers, etc.
15. What is the status of the new Fire Station 3 property search?  
Fire Chief Jamie Fulk reported that a parcel of land has been found that is ideally located with good access points and a reasonable price. This topic will be included in future budget discussions.
16. What is the status of Fire Department staffing; are positions still vacant?  
Mr. Eggleston stated that this would also be addressed in future budget discussions.
17. What is the status of the Community Development Block Grant (\$700)?  
Planning Director Sandi Watkins stated that this project includes multiple steps. The environmental review process is underway. The release of funds will be advertised next week, with non-administrative funds to be released in June allowing the bidding process to begin. Construction is expected to begin in the fall. Properties identified will remain the same unless properties do not meet the financial eligibility requirements.
18. What is the status of finding a demolition company that will offer a group price for demolishing condemned properties?  
Mr. Eggleston stated that no headway has been made concerning this request due to the coronavirus. He was asked to contact the initial five (5) property owners to determine actual

interest and to see how they are progressing with their projects. It is expected that the six (6)-month timeline will have to be extended due to COVID-19.

19. Is the State expected to pay the County the awarded SRO grant funds?

Mr. Eggleston does not expect the State to pull back funds for these positions. The County was invoiced for the FY2019-2020 positions, and the City expects to receive the full amount invoiced.

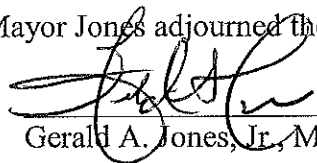
**CLOSED SESSION PER NCGS 143.318.11(a)(3) TO CONSULT WITH CITY ATTORNEY.**

Councilmember Ballou made a motion **to enter into Closed Session at 11:16 a.m. per NCGS 143.318.11(a)(3) to consult with city attorney.** Councilmember Warrender seconded and the motion carried unanimously (5-0).

Councilmember Warrender moved **to return to OPEN SESSION at 1:09 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 1:10 p.m.

  
Gerald A. Jones, Jr., Mayor

Attest:   
Cathy Campbell, City Clerk

