



City of Havelock, North Carolina
Board of Commissioners

AGENDA COMMUNIQUE

TO: Mayor William L. Lewis, Jr.
Board of Commissioners
City Attorney Troy Smith

FROM: City Manager Chris McGee
Assistant City Manager Cindy Morgan

SUBJECT: Board of Commissioners Meeting – Monday, June 26, 2023 – 7:00 PM

DATE: 6/23/2023

CC: Department Heads; Press

I. CALL TO ORDER:

Mayor Will Lewis will call the meeting to order.

II. OPENING PRAYER/MOMENT OF SILENCE:

The Mayor or a Board member shall request a clergy member to offer the opening prayer or the Board shall conduct a moment of silence.

III. PLEDGE OF ALLEGIANCE:

Mayor Will Lewis will lead the Commissioners and those in attendance in reciting the Pledge of Allegiance to the Flag.

“I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.”

IV. REGULAR & CONSENT AGENDA:

The City Clerk respectfully submits to Board, the Regular Agenda and the below Consent Agenda items, which there is thought to be of general agreement and little public interest or no controversy. These items may be voted on as a single group without Board discussion “or” if so desired, the Board may vote to remove any item(s) from the consent agenda and place same on the regular agenda for discussion and consideration.

Consent Agenda Item A	Minutes of the May 8, 2023 Board of Commissioners Budget Workshop
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Consent Agenda Item B	Minutes of the May 10, 2023 Recessed Board of Commissioners Budget Workshop
Consent Agenda Item C	Minutes of the May 11, 2023 Recessed Board of Commissioners Budget Workshop
Consent Agenda Item D	Minutes of the May 22, 2023 Regular Board of Commissioners Meeting
Consent Agenda Item E	Minutes of the June 6, 2023 Board of Commissioners Special Meeting
Consent Agenda Item F	FY 2022-2023 Budget Ordinance Amendment Number Three
Consent Agenda Item G	Annual Write-Off of Uncollectible Utility Accounts

Request: Commissioners motion and second are being sought as to approving or not, the following agenda matters:

- A. Consent Agenda as presented; and
- B. Regular Agenda as presented.

City Manager’s Opinion: The Board may by majority vote add items to or subtract items from both the proposed consent and regular agenda. As of this writing, the manager understands that the presented consent agenda items are routine and therefore concurs with adopting the presented consent agenda.

V. PUBLIC COMMENTS:

If any citizen wishes to address the City of Havelock Board of Commissioners during this “Public Comments” segment of this meeting, they may do so by signing up prior to the beginning of the meeting.

The City Clerk shall provide the sign-up sheet, which lists the name and address. It should be noted that comments shall be limited to five (5) minutes and Board reserves the right not to act on requests first presented this evening.

VI. REGULAR AGENDA ITEMS:

Item #1. PUBLIC HEARINGS:

A. Proposed System Development Fee Analysis

On June 29, 2017 the North Carolina General Assembly adopted new legislation regarding utility system development fees. HB 436 or S.L. 2017-138 (**Exhibit #1A.1**), established and provided specific authority and rules for local governments in regards to charging system development fees. Prior to this legislation, local units labeled the fee by many different names (capacity, tap, impact, etc.) and used different methods to calculate the fee. The new law provides specific guidance on the procedure to use to adopt the fee. Additionally, the law states that the supporting analysis must be prepared by a financial professional or a licensed professional engineer qualified by experience, training or education. Also, the preparer must use generally accepted accounting, engineering and planning methodologies to calculate the fees.

As the Board may remember, the City contracted Raftelis Consulting to prepare the initial report. Five years have passed and the City once again entered into contract with Raftelis for our second report (**Exhibit #1A.2**). The City entered the 45-day comment period on April 18, 2023. Now that the comment period has passed, the Board is required to conduct a public hearing before adopting the analysis and system development fee. No comments have been received regarding the report.

Tonight, the Board is requested to hold a public hearing on the analysis. The Board will be requested to adopt the fee as part of the annual fee schedule. As a reminder, the City must annually publish the fee in the budget ordinance or rate plan (fee schedule). Also, as a general note, the City must update the analysis at least every 5 years.

To meet the established legal requirements, a public notice was published in the Sun Journal (**Exhibit #1A.3**), informing the public of tonight's hearing.

City Code References: N/A

Request: a. Mayor Lewis is to open up the hearing and first call upon Finance Director Lee Tillman to briefly present the proposed system development fee report to the public (**Exhibit #1A.4**); and
b. Solicit comments from the Board and/or public; and
c. Upon receiving no further public comments, Mayor Lewis is to close the public hearing; and
d. Solicit from the Commissioners regarding their desire to adopt.

City Manager's Opinion: As aware, this is the time for citizens to comment on the proposed system development fee analysis. After receiving citizen related

comments, the governing body can consider their merit in a final passage.

B. Conditional Zoning District: Rezoning -HC to R-7(CD) to allow Duplexes

Cherry Branch, Ltd. is requesting to rezone 120 MacDonald Boulevard from HC (Highway Commercial) to R-7 (Medium Density Residential) Conditional Zoning District (CD) to allow for the construction of six (6) duplex unit lots. This is the vacant commercial parcel (1.15-acres) located at the former entrance to MacDonald Downs, at the southern end of MacDonald Downs that abuts US 70 near the Slocum Gate (MCAS Cherry Point). The proposed duplexes require approval of a Conditional Zoning District.

At the April 4, 2023 meeting, the Planning Board voted unanimously to recommend approval of the application to the Board of Commissioners, as the plan will maintain the residential character of the area and the request is consistent with the City's Land Use Plan. The area is designated as Residential – Medium Density on the Future Land Use Map, which is defined as 2.0 to 6.0 dwelling units per net acre. The Planning Board packet with the application and attachments is attached (**Exhibit #1B.1**). The Planning Board minutes for this case are also included as a reference (**Exhibit #1B.2**).

To meet the established legal requirements, a public notice was published in the Sun Journal and all abutting properties owners and MCAS Cherry Point were notified. The public hearing notice with mailing certificate is attached (**Exhibit #1B.3**).

City Code References: UDO Chapter 160: Amendments

Request: a. Mayor Lewis shall open the public hearing and call upon Planning Director Katrina Marshall to present the rezoning request; and
b. Solicit comments from Board and/or public; and
c. Upon receiving no further public comments, Mayor Lewis is to close the public hearing; and
d. A Commissioner's motion and a second is being requested to "approve or deny" the Planning Board's recommendation to approve the rezoning request of 120 MacDonald Boulevard from HC (Highway Commercial) to R-7 (Medium Density Residential) Conditional Zoning District (CD) to allow for the construction of six (6) duplex unit lots, to include a Consistency Statement with the motion to approve/deny the request.

City Manager's Opinion: The manager supports the approval of the conditional zoning district rezoning request as the plan will maintain the residential character of the area, it is consistent with the City's Land Use Plan; and, the area is designated as Residential – Medium Density on the Future Land Use Map, which

is defined as 2.0 to 6.0 dwelling units per net acre. If the BOC agrees, this consistency statement should be used as part of the motion to approve.

Item #2. BUDGET MATTERS:

A. FY 2023-24 Budget: Budget Ordinance, Fee Schedule, and Pay & Class Scale

In accordance with North Carolina State Statute 159-13 (**Exhibit #2A.1**), it is required that the Board adopt an annual operating budget for the upcoming fiscal year. By way of PowerPoint Presentation (**Exhibit #2A.2**), Finance Director Lee Tillman shall appear before you this evening to request adoption of the FY 2023-24 budget ordinance (**Exhibit #2A.3**), which begins on July 1, 2023 and ends on June 30, 2024 along with approving the following budget related matters:

- Associated Fee Schedule (**Exhibit #2A.4**); and
- Pay & Classification Scale (**Exhibit #2A.5**)

Per the Board's directive, the tax levy in the ordinance is at .6735 per \$100 valuation, to include a Municipal Motor Vehicle Fee of \$7.50, along with a stormwater fee of \$4.00 per ERU effective January 1, 2024. The fee schedule includes an increase of 6.4% in permit, solid waste, and utility (water and sewer) fees. Water and Sewer System Development Fees were established after the scheduled public hearing (**Exhibit #2A.6**). The Board requested staff prepare budget documents using maximum allowable fees.

City Code References: 30.04, 32.16 (B)

Request: A Commissioner's motion and second is requested to adopt the presented FY 2023-24 Budget Ordinance, along with approving the Associated FY 2023-24 Fee Schedule and Pay and Classification Scale.

City Manager's Opinion: After budget work sessions and direction provided by the BOC, it is the manager's recommendation to approve the presented FY 2023-24 Budget Ordinance, Fee Schedule and Pay & Classification Scale.

B. FY 2023-24 Budget: S.B. 473 Appropriations Ordinances

As the Board is aware, North Carolina General Statute 14-234.3 (**Exhibit #2B.1**) went into effect on January 1, 2022. This statute states that no public official shall knowingly participate in making or administering a contract, including the award of money in the form of a grant, loan, or other appropriation, with any

nonprofits with which that public official is associated. NCGS further states that the public official shall record their recusal with the clerk to the board and then the remaining officials may enter into contract or appropriate funds to the nonprofits.

As a result, Staff has identified the following organizations and associated appropriations for Fiscal Year 2023-2024 that require at least one official to recuse themselves from a discussion or appropriations (**Exhibit #2B.2 - Overview PPT**).

Organization	Appropriation Ordinance	Amount	Elected Official(s)
Havelock-Craven County Library	1	\$6,000	Comm Walsh
Allies for Cherry Point's Tomorrow	2	\$10,000	Comm Walsh
East Carolina Council of Governments	3	\$3,775	Comm Lewis
C1A	4	\$7,164	Comm Walsh
Military Affairs Committee	5	\$525	Comm Cantey
Havelock Rotary	6	\$620	Comm Wilson

City Code References: N/A

Request: The Mayor is requested to:

- 1) Announce the nonprofit/organizations being discussed
- 2) Request Governing Body Member(s) associated with the nonprofit declare recusal
- 3) Adopt Budget Ordinances (**Exhibit #2B.3**) appropriating funds to the nonprofit (motion, second & vote)

City Manager's Opinion: To comply with NCGS, the manager recommends approval of the presented S.B. 473 Appropriations

Item #3. Gray Fox Pipe Replacement Award

As the Board may recall, the City was awarded an Emergency Management Disaster Relief and Mitigation Grant in the amount of \$812,000 to rehab and replace dated infrastructure under Gray Fox Road. Hazen & Sawyer completed the engineering, design and permitting, with a balance of \$585,818 remaining for the project.

After a rebid on the project, the City received two contractor submittals (Trader Construction - \$1,098,970; and Precision Earth and Pipe - \$499,193.37), with both bids meeting the requirements.

By way of PowerPoint presentation (**Exhibit #3A**), Public Works Director Patrick Lee will brief the Board on the project and bids received prior to seeking official action.

City Code References: N/A

Request: A Commissioner's motion and a second is being requested to award the Gray Fox Pipe Replacement Contract to Precision Earth and Pipe in an amount not to exceed \$585,818.

City Manager's Opinion: The manager concurs with the award to Precision Earth and Pipe.

Item #4. Governing Body Appointments:

- A. Planning Board*
- B. Board of Adjustment*
- C. ECAHF*

A. Planning Board

The terms of Planning Board members Iris Wooliever, Jackie Attaway and Bob Warren expire on June 30, 2023 (**Exhibit #4A.1**). All three members have relayed that there are interested in reappointment. Further, Nicole Bruns recently submitted her resignation due to other professional obligations. In reference to ETJ Member Alfred Gray, Craven County has been notified of his interest to be reappointed.

In addition to the incumbents (**Exhibit #4A.2**) and as of this writing, the City has received six (6) additional applications for appointment consideration (**Exhibit #4A.3**).

City Code References: 153.02 (UDO)

Request: After a vote by written ballot, a Commissioner's motion and a second is being sought to appoint three (3) individuals to serve on the Planning Board as City members for a term beginning July 1, 2023 and ending June 30, 2026; and one (1) individual for a term beginning June 27, 2023 and expiring June 30, 2024. (*Ballots placed at table*)

City Manager's Opinion: The manager recognizes that appointments are made at the Board's discretion; and therefore does not offer an opinion.

B. Board of Adjustment

The terms of Board of Adjustment City Members David Bullock and Karla Liner expire on June 30, 2023 (**Exhibit #4B.1**). Mr. Bullock and Ms. Liner would like to be considered for reappointment.

In addition to the incumbents (**Exhibit #4B.2**), and as of this writing, the City has received three (3) additional applications for consideration. It should be noted that the

three applications submitted also applied for the Planning Board; therefore, if any of the three were previously appointed, they cannot be considered for the Board of Adjustment due to a conflict of interest between the two boards.

For general knowledge, the terms of both ETJ members Tom McCarthy and Reuben Mikul also expire on June 30, 2023. Craven County has been notified of their need to make these appointments.

City Code References: 153.03 (UDO)

Request: After a vote by written ballot, a Commissioner's motion and a second is being sought to appoint two (2) City members to the Board of Adjustment for a term beginning July 1, 2023 and ending June 30, 2026. (*Ballots placed at table*)

City Manager's Opinion: The manager recognizes that appointments are made at the Board's discretion; and therefore does not offer an opinion.

C. Eastern Carolina Aviation Heritage Foundation

Due to upcoming seat expirations (**Exhibit #4C.1**), the Eastern Carolina Aviation Heritage Foundation (ECAHF) Board of Directors request that the Board of Commissioners make the following appointments:

- Reappoint Dr. Bill Fortney to a three year At-Large Seat; and
- Reappoint Mr. Adam Perskey to a three year Havelock Business Seat

It should be noted that Georges LeBlanc is moving to Florida; however, the Board of Directors have not provided a recommendation for this Retired US Marine/Navy Seat at this time.

In addition, the ECAHF Board of Directors asks that the Board of Commissioners approve their selection of Mr. Tom Braaten as Chairman. Ms. Mary Beth Fennell was elected as Vice-Chair

City Code References: N/A (*as directed by the ECAHF charter approved by the BOC*)

Request: After a vote by written ballot, a Commissioner's motion and a second is being sought to reappoint Dr. Bill Fortney to an At-Large seat expiring June 30, 2026; reappoint Adam Perskey to the Havelock Business seat expiring June 30, 2026; and approve the ECAHF Board of Directors selection of Tom Braaten as Chairman. (*Ballots placed at table*)

City Manager's Opinion: The manager recognizes that appointments are made at the Board's discretion; and therefore does not offer an opinion.

Item #5. Elected/Appointed Officials Reports/Comments:

- a. City Manager:** At this time, City Manager Chris McGee submits a manager’s report as referenced in the agenda packet **(Exhibits #5A)** and at this evening’s meeting may offer other comments.
- b. City Attorney:** At this time, City Attorney Troy Smith is provided an opportunity to report on any related City business matters.
- c. Commissioners:** At this time, Commissioners are provided an opportunity to report on any related City business matters.
- d. Mayor:** At this time, Mayor Will Lewis is provided an opportunity to report on any related City business matters.

VII. ADJOURNMENT/RECESS