



**City of Havelock, North Carolina  
Board of Commissioners**

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**AGENDA COMMUNIQUE**

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**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, October 23, 2023 – 7:00 PM

**DATE:** 10/19/2023

**CC:** Department Heads; Press

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**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.

<b>Consent Agenda Item A</b>	Minutes of the September 25, 2023 BOC Regular Meeting
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<b>Consent Agenda Item B</b>	Minutes of the October 9, 2023 BOC Fall Retreat Work Session
<b>Consent Agenda Item C</b>	Schedule a Public Hearing on Monday, November 27, 2023 beginning at 7:05 p.m. or as soon as the matter can be reached to consider a text amendment to the City's Unified Development Ordinance (UDO) Section 155.02(b)(2) to delete the maximum number of accessory structures on a residential lot

**Request:** A Commissioner’s 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. RECOGNITIONS/PRESENTATIONS:**

**A. Operation Green Light - Proclamation of Support for Veterans**

Operation Green Light is a national collaborative initiative to support military veterans, as well as raise awareness about the unique challenges they may face. While studies show the vast majority of Americans support our veterans, too often that support is not seen or felt by service men and women. Operation Green Light is changing that. Residents and businesses are encouraged to change one light bulb

in the entryway of their house or business to a green bulb. By shining a green light, veterans are aware that they are seen, appreciated and supported.

**City Code References:** N/A

**Request:** With the support of the Board of Commissioners, Mayor Lewis shall formally present Proclamation #23-P-13 (**Exhibit #1A.1**), a proclamation encouraging citizens and businesses of Havelock to honor all who have made immeasurable sacrifices to preserve freedom by illuminating their residential porch or business areas with green lights from November 6-12, 2023.

**City Manager's Opinion:** The manager concurs with the proclamation of support to not only show our support to veterans but also as an opportunity to raise awareness of the resources available to veterans and their families. In addition, the City will share this proclamation via our City website and social media pages to provide community awareness and inspire others to do the same.

## **Item #2. PUBLIC HEARINGS:**

### **A. Billboards: UDO Text Amendment**

The Board, at the January 23, 2023 meeting, held a public hearing on a text amendment request to increase the size of billboards and to reduce setbacks to the right-of-way and dwellings. This prompted the Board to have further discussions about billboards and the requested changes. During the Board's discussion at the spring retreat and the September 11, 2023 workshop, additional items related to the regulation of billboards were addressed and the Board directed staff to include such in a future text amendment.

The proposed text amendment includes the following items:

- Maximum Size – 378 sq. ft.
- Setback to R/W – leave at 50'
- Setback to Residentially Zoned or Developed Property – 50'
- Minimum Separation – 2500' from either direction on both sides of the highway

The text amendment is consistent with the land use plan as it will maintain uniformity of billboards and will continue to protect the safety and general welfare of the public.

Pursuant to NCGS 160A-364, a public notice was published in the Sun Journal on October 3, 2023 and October 10, 2023, meeting the established notification and

legal requirements (**Exhibit #2A.1**).

**City Code References:** UDO 157.09 Signs and Table 155-8 Table of Permitted Uses

**Request:** a. Mayor Lewis is to open the public hearing and call upon the Planning Director Katrina Marshall to present the requested UDO Text Amendment for Billboards; and  
b. Solicit comments from Board and/or public; and  
c. Upon receiving no further comments, Mayor Lewis is to close the public hearing portion on this matter, and thereafter  
d. A Commissioner's motion and a second is being requested to adopt Ordinance Amendment #23-O-12 (**Exhibit #2A.2**), as presented and effective at 12:01 a.m. on October 24, 2023, to revise the regulations regarding billboards being that the amendment is consistent with the land use plan as it will maintain uniformity of billboards and will continue to protect the safety and general welfare of the public.

**City Manager's Opinion:** Based on the discussions held at the September 11, 2023 BOC workshop, along with the Board's direction, the manager concurs with the adoption of the ordinance amendment as presented.

## **B. Stormwater Utility Fee: Proposed Ordinance and Fee Schedule Amendment**

As required by state and federal regulations, cities are required to provide a stormwater program to keep our waterways clean. State and Federal governments do not fund the mandate, instead the State requires municipalities to adequately fund stormwater programs. Creating a stormwater utility fee spreads the cost of the public service using a formula that reflects each property's contribution to stormwater runoff.

During the City's FY 2023-24 budget process, specific fees were proposed to officially implement a stormwater utility fee, with collections effective January 1, 2024 through the City's Utility Billing Department. As described during this process, stormwater utility service fees shall be based on a commonly accepted rate unit for stormwater utilities, the equivalent residential unit (ERU). ERU is the GIS analysis of average impervious surface per property. The City's ERU is 2,300 square feet of impervious surface area. The proposed rates are further defined as follows:

- All single-family and multi-family residential units will be charged one (1) ERU per unit/month (*Fee: \$4.00 per unit/month*)
- All commercial/non-residential properties will be charged based on total square footage of impervious surface (*Fee: \$4.00 per ERU/month*)

Per NCGS 160A-314, a public hearing must be held prior to adopting an ordinance establishing a stormwater fee. A legal notice was published in the October 3, 2023 edition of the Sun Journal, meeting the necessary legal requirements for tonight's hearing **(Exhibit #2B.1)**.

**City Code References:** Chapter 53: Stormwater Management

**Request:** a. Mayor Lewis shall open the public hearing and call upon Assistant City Manager Cindy Morgan to present the proposed stormwater utility and fees ordinance **(Exhibit #2B.2)**, to include a revision to the City's Fee Schedule **(Exhibit #2B.3)**; 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 adopt Ordinance Amendment #23-O-11, an ordinance establishing stormwater utility and fees as presented and effective at 12:01 a.m. on October 24, 2023, along with the additions/revisions to the associated fee schedule **(Exhibit #2B.4)**, with stormwater fee collections effective January 1, 2024.

**City Manager's Opinion:** As the Board is aware, the implementation of a stormwater plan to include funding options have been discussed and considered for a number of years. The key benefits of establishing a specific stormwater fee will provide a stable revenue source for maintenance and long-term plans. Furthermore, approximately \$219,000 in revenue has been projected for a half-year program with collections beginning January 1, 2024. In order to implement the billing process in a timely manner, Board action is being sought this evening.

### **Item #3. Phoenix Recycling Site – Additional Cleanup Grant Application**

As reported during the September 25, 2023 Board meeting, the City has contracted with Mid-Atlantic Associates for assistance in pursuing an additional cleanup grant (\$1 million) for the former Phoenix Recycling Site **(Exhibit #3A)**. Further, the City has continually pursued funding sources to assist with the clean-up of this property, which includes the following:

- 2017 - The State of North Carolina approved \$1 million in funding which cleared approximately 6,200 tons of debris.
- 2022 - Omnibus Appropriations Bill (\$3.5 million in FY23 Federal Funds).

It is estimated there is approximately 105,000 tons remaining on the site; therefore, any further funding will assist the City with additional site cleanup, along with recreational greenway trails.

Part of the grant requirements includes a formal presentation to the Board with the acceptance of public comments to determine future potential park amenities. As a result, a public meeting notice was published in the Sun Journal on October 5, 2023 and October 19, 2023, meeting the grant application requirements **(Exhibit #3B)**.

This evening, Mid-Atlantic President/Principal Engineer Darin McClure will brief the Board and the public on the grant application **(Exhibit #3C)** and the draft ABCA (Analysis of Brownfields Cleanup Alternatives) **(Exhibit #3D)**. It should be noted that this draft grant application is also posted on the City's website. In addition to any comments received this evening, written comments will also be accepted through 12 noon on October 31, 2023.

**City Code References:** N/A

**Request:** A Commissioner's motion and a second is being sought to authorize the submission of a Brownfields Environmental Protection Agency (EPA) Grant Application by November 13, 2023 to be used for the environmental clean-up of the Phoenix Landfill site, located at 899 US Hwy 70 West and Sermons Blvd., Parcel #'s 6-031-003 and 6-031-005.

**City Manager's Opinion:** The manager concurs with the submission of the described grant opportunity. While an official "public hearing" was not required on this matter, public comments should be accepted during this evening's normal public comment section of the agenda. Further, an interactive community listening session on the proposed Phoenix Park in general will be held on Monday, November 13, 2023 at 7:00 p.m. at the West End Fire Station.

#### **Item #4. FY 2022-2023 Audit Presentation**

Pursuant to NCGS 159-34 **(Exhibit #4A)**, Interim Deputy Finance Officer Kimberly Walters and Matt Braswell of Martin Starnes and Associates, CPAs, P.A. are scheduled to appear before the Board of Commissioners to provide an overview **(Exhibit #4B - PPT)** of the FY 2022-2023 audit report **(Exhibit #4C)**.

**City Code References:** 32.31(A)

**Request:** No Board action necessary at this time. *(See the manager's note below regarding a required response letter in reference to aged infrastructure)*

**City Manager's Opinion:** The Local Government Commission (LGC) updated the performance indicators used to evaluate utility system health. The aged infrastructure of the water and sewer systems triggered a requirement to provide a detailed listing of planned improvements to the systems. Administrative code requires all elected officials,

the manager and the finance officer to each sign a response letter. The Board will be requested to review, authorize, and sign the response letter at the November 27, 2023 meeting.

Mr. Braswell, Audit Manager- Martin Starnes and Associates did meet with the manager to express his appreciation for staff's cooperation and readiness. He also complimented the City on its financial position. He noted that the Board has continued to make difficult decisions to maintain the financial health of the City.

Also, it was reported that the Water Fund had a net income of \$741,660, the Sewer Fund showed a net loss of \$186,573, and Solid Waste a net income of \$10,516. The TEC fund had an operating loss of \$295,033. The General Fund as a whole had a net increase in total fund balance of \$1,245,312 although available fund balance declined by \$415,048. As discussed at past budget work sessions, retreats and Board meetings, it is still the City's strategy to substantially increase the utility fund net assets and revenue streams to pay for upcoming capacity and system improvements.

Overall, it is the manager's opinion that Finance Officer Lee Tillman and the Finance Department did a very good job and should be commended on managing, accounting for and reporting on the City's finances for FY 2022-2023.

#### **Item #5. Monthly Financial Presentation: *September 2023 Report***

Interim Deputy Finance Officer Kimberly Walters shall appear before the Board of Commissioners this evening to present the September 2023 monthly financial report (**Exhibit #5A**). The Interim Deputy Finance Officer, as of this writing, does not have any additional items on the watch list other than items discussed at the September 25, 2023 board meeting (*Legal - Planning & General*).

The Board's questions and comments on the report are solicited and welcomed.

**City Code References:** N/A

**Request:** No action necessary.

**City Manager's Opinion:** The manager concurs with the financial report as presented. Regarding general fund revenues, it should be noted that the interest received on investments is significantly higher than projected.

#### **Item #6. Bristol Lane Sewer Line Replacement Project** *Consideration to Award Project*

Public Utilities Director Rick Day shall appear before the Board of Commissioners this evening seeking a funding allocation and the award of the Bristol Lane Sewer Line Replacement Project.

The existing 8" terracotta sewer line which runs under Bristol Lane has become compressed due to compaction. Due to this compression, the pipe is now oval shaped and beginning to leak at the joints. By way of PowerPoint presentation (**Exhibit #6A**), an overview of the project will be provided, which in summary consists of replacing the 8" terracotta piping on Bristol Lane and repaving the entire street from Manchester Road to the end of the cul-de-sac on Bristol Lane.

A formal "Invitation to Bid" was posted with a total of three (3) bids received on October 16, 2023. As a result, Staff will be seeking formal action from the Board to proceed with this project.

**City Code References:** N/A

**Request:** A Commissioner's motion and a second is being requested to allocate funding from Sewer Fund Retained Earnings in the amount of \$599,250 and officially award the 2023 Terracotta Sewer Line Replacement Project of Bristol Lane to Carolina Utilities Co., LLC

**City Manager's Opinion:** The manager concurs with the funding allocation and award request as presented. It should be noted that further allocation requests will be made in the near future regarding other projects within this department.

#### **Item #7. Governing Body Appointments:** *Appearance Commission*

On October 9, 2023, Appearance Commission Member Omagis (Maggie) Pimentel submitted her resignation (**Exhibit #7A**). As of this writing, the City has received seven (7) applications from individuals wishing to volunteer on this committee (**Exhibit #7B**).

**City Code References:** 33.26

**Request:** After a vote by written ballot, a Commissioner's motion and a second is being sought to appoint one (1) individual to serve on the Appearance Commission for a term beginning October 24, 2023 and expiring April 30, 2025 (**Exhibit #7C**).

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

#### **Item #8. 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 #8A**) 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