



**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 Frank Botorff
City Clerk Cindy Morgan

SUBJECT: Board of Commissioners Meeting – Monday, November 28, 2016 – 7:00 PM

DATE: 11/23/2016

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.

Agenda Item A	Minutes of the October 10, 2016 Board of Commissioners Regular Meeting
----------------------	--

Agenda Item B	Adoption of Capital Project Ordinance Amendment 3 for the Slocum Creek Park Project
Agenda Item C	Adoption of FY 2016-2017 Budget Ordinance Amendment Number One

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. FY 2015-2016 Audit Presentation

Pursuant to NCGS 159-34 (**Exhibit #1A**), Finance Director Lee Tillman and Matt Braswell of Martin Starnes and Associates, CPAs, P.A. are scheduled to appear before the Board of Commissioners for the presentation of the FY 2015-2016 audit report (**Exhibit #1B-PPT**). Please reference the electronic copy of the audit report from Martin Starnes and Associates within your agenda packet (**Exhibit #1C**).

City Code References: 32.31 (A)

Request: No official action required but Board comments, questions and input is welcome.

City Manager's Opinion: At the end of the City's audit review, preliminary outcomes raised no issues. Mr. Braswell, Audit Manager - Martin Starnes & Associates did meet with the Finance Officer and City 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 had continued to make difficult decisions to maintain financial health of all the City's funds. Also, it was reported that the Water Fund had a net income of \$78,660, the Sewer Fund showed a net income of \$408,954, and the Solid Waste Fund had a net income of \$2,721. The TEC fund showed an operating loss of \$163,557. The General Fund as a whole had a net increase in total fund balance of \$1,513,385 (expenditures exceeded revenues). Revenue exceeding expenditures in the utility funds is a direct result of the Board of Commissioners adopting a rate structure that supports current operating expenses and prepares the systems for the future. It is still the City's strategy to substantially increase the utility fund net assets and revenue streams to pay for the upcoming capacity and system repairs and 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 complimented on managing, accounting and reporting on the City's Finance for FY 2015-2016.

Item #2. ETJ Expansion - Boundary and Zoning

The 2016 Cherry Point Joint Land Use Study, in which Craven County and the City of Havelock both participated, recommended that Havelock extend its existing extraterritorial jurisdiction (ETJ) to prevent incompatible development around MCAS Cherry Point and to also facilitate compatible development around the future route of the Havelock Bypass. Additionally, the City's 2030 Comprehensive Plan supports the policy of extending its ETJ to areas currently unprotected from uncontrolled growth.

The proposed ETJ expansion will extend up to two miles outside the current city limits (**Exhibit #2A - Boundary Map**). The following will apply to the affected property owners in the expanded ETJ area:

- City development regulations will apply (including Planning, Zoning and Building Regulations).
- Property owners would apply to the City for Building, Development and Zoning Permits.
- City staff will issue building permits and provide building inspections.

The following should also be noted as it relates to ETJ:

- ETJ is NOT annexation by the City.
- ETJ will NOT impose any additional taxes on affected property owners.

- ETJ will NOT require the City to provide services such as water, sewer, or police protection.

City regulations will provide comprehensive development standards to guide growth and development near MCAS Cherry Point, compatible with the military mission, and consistent with the City's plan of development.

The City has been working cooperatively with the Craven County Board of Commissioners and staff on this process. City staff sent letters to the affected property owners about the proposed boundary map and the proposed zoning in September. On September 28, 2016, the City held a Public Information Meeting to provide general information on the proposed ETJ expansion and respond to questions. City and County Boards of Commissioners participated in the meeting.

On October 10, 2016, the City Board of Commissioners held a public hearing and received public comments, as required by NC General Statutes, and approved a resolution to proceed with the expansion of the ETJ.

The next step was to obtain County approval authorizing the extension of the City's ETJ. According to NC General Statutes, whenever a City wants to extend its ETJ more than one (1) mile and has the required population to do so, the City must receive approval from the County Board of Commissioners. The City presented the request to authorize Havelock to exercise its ETJ up to 2 miles from the City limit boundary to the Craven County Board of Commissioners at their November 7, 2016 meeting. The County Board voted unanimously to approve the resolution (**Exhibit #2B - County Resolution**).

The next step is for the City Board of Commissioners to adopt the Boundary Map and related Zoning Map by resolution (**Exhibit #2C**). The resolution, boundary map and the zoning map are presented at this meeting for the Board of Commissioners approval consideration.

City Code References: N/A

Request: A Commissioner's motion and a second is being sought to adopt Resolution #16-R-07, a resolution approving the expansion of the City's Extraterritorial Jurisdiction (ETJ), to include the adoption of the Boundary Map and related Zoning Map as presented.

City Manager's Opinion: In order to prevent incompatible development around MCAS Cherry Point, and to facilitate appropriate development around the route of the future Havelock Bypass, the manager supports the proposed ETJ expansion as presented.

Item #3. Monthly Financial Report Presentation: *October 2016*

Finance Director Lee Tillman shall appear before the Board of Commissioners this evening to present the October 2016 monthly financial report (**Exhibit #3A**). Two departments, general legal and streets-nonpowell, are on the Finance Officer's watch list. While no action is necessary at this time, the Board's questions and comments are solicited and welcomed.

City Code References: 32.31(A)

Request: No action necessary.

City Manager's Opinion: The manager concurs with the financial report as presented.

Item #4. Inspecting and Cleaning of Sewer Interceptor System

As the Board may recall, \$163,039 was appropriated at the July 25, 2016 meeting for inspection and cleaning of sewer lines. During October 2016, Hazen and Sawyer on behalf of the City, issued a RFP (Request for Proposals) for the work. Since only one bid was received, a second RFP (**Exhibit #4A**) was issued in November. This second RFP only generated one bid as well. A.C. Schultes of Carolina, Inc. bid \$214,124, exceeding the available funding by \$51,086. In order to proceed with the required inspecting and cleaning, Staff is requesting that the Board appropriate an additional \$51,086 from the Sewer Fund Retained Earnings and authorize the City to contract with A.C. Schultes of Carolina, Inc. for the project.

City Code References: N/A

Request: A Commissioner's motion and second is being sought to appropriate \$51,086 from Sewer Fund Retained Earnings and to authorize the City to enter into contract with A.C. Schultes of Carolina, Inc. for \$214,125.

City Manager's Opinion: The manager has reviewed the project and available funding and recommends with proceeding as presented.

Item #5. Governing Body Appointments: *Appearance Commission*

Appearance Commission Member, Kristie Orientale recently submitted her resignation based on personal commitments (**Exhibit #5A**). As a result, the Board is being asked to appoint an individual to fill this vacant seat, with a term expiring April 30, 2017 (**Exhibit #5B**). As of this writing, the City has received three (3) applications from citizens interested in serving on the Appearance Commission.

City Code References: 33.26

Request: A Commissioner's motion and a second is being sought to appoint an individual to serve on the Appearance Commission for a term beginning November 29, 2016 and expiring April 30, 2017.

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

Item #6. Elected/Appointed Officials Reports/Comments:

- a. **City Manager:** At this time, City Manager Frank Bottorff submits a manager's report as referenced in the agenda packet (**Exhibits #6A**) 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