

1 **PRESENT:** Mayor William L. Lewis, Jr.; Commissioners Jim Kohr, Josh Kohr, and Danny
2 Walsh

3
4 **ABSENT:** Commissioners Brenda Wilson and Karen Lewis

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6 **STAFF**

7 **PRESENT:** City Manager Christopher McGee; Assistant City Manager/City Clerk, Cindy
8 Morgan; City Attorney Troy Smith; Information Technology Director Chad
9 Ives; Police Chief Chris Morning; Planning Director Katrina Marshall;
10 Recreation Director Travis Adams; Public Works Director Patrick Lee; Finance
11 Director Lee Tillman; Fire Chief Tom Dorn; Public Utilities Director Rick Day;
12 TEC Sales Manager Pam Holder; and Deputy City Clerk Mary Weigl

13
14 Mayor Will Lewis called the regular meeting of the Havelock Board of Commissioners to order
15 at 7:00 p.m. on May 23, 2022 at the Havelock City Hall with a quorum present. At this time,
16 Mayor Lewis called for a moment of silence, followed by the pledge of allegiance.

17
18 **REGULAR & CONSENT AGENDA**

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20 City Clerk Cindy Morgan presented the Board of Commissioners with the Regular Agenda and
21 the Consent Agenda for their review and approval. Commissioner Jim Kohr made a **motion to**
22 **adopt the consent agenda and regular agenda as presented**. Commissioner Josh Kohr
23 seconded and the motion carried unanimously. (3-0) The motion included the following
24 approvals:

25
26 **Regular Agenda as presented**

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28 **Consent Agenda as presented:**

- 29
- **Minutes of the April 25, 2022 Board of Commissioners Regular Meeting**
 - **Schedule a Public Hearing for Monday, June 27, 2022 beginning at 7:00 p.m. or shortly thereafter to consider the adoption of the City of Havelock's Coastal Area Management Act (CAMA) Land Use Plan**
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34 **PUBLIC COMMENTS**

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36 Prior to discussing the agenda topics, Mayor Lewis stated he would like to give the public an
37 opportunity to address the Board of Commissioners on any issue. Anyone providing a public
38 comment was asked to speak their name and address for the record and noted that comments
39 would be limited to five (5) minutes. In summary, it was further explained that the Board would
40 take all comments and questions very seriously and would assign follow-up as necessary to City
41 staff. As a result, the following appeared before the Board:

42
43 **Shannon Casey 213 Sanders Lane, Havelock, NC:** Mr. Casey stood before the Board this
44 evening to state that he thinks the City needs a place for the youth to hang out during the Easter,
45 Summer and Christmas breaks to discourage them from becoming involved in gang activities.
46 He said that it would be a great idea for “someone to charter a boat for underprivileged kids and
47 take them fishing.” He reiterated that at the last meeting he attended he spoke publicly about
48 the City using the old Mel-Burn Cleaners building to open a pool hall or an arcade for the youth.

49
50 Mayor Lewis explained those types of activities and endeavors are for private enterprise and
51 not for the City to become involved in. Mayor Lewis also informed Mr. Casey and the citizens
52 in attendance and watching on television that the City does put on various events throughout
53 the summer for the children and families in Havelock and the surrounding communities such as
54 Movies & Music in the Park – which will both run through the beginning of September.
55 Havelock Parks & Recreation also puts on two sets of summer camps at the recreation center
56 and the Boys & Girls Club offers a very affordable summer camp – those all offer traveling
57 activities for the children, the Mayor indicated. Mayor Lewis finished by stating that ECAHF
58 holds a free family “Fly-In” and Movie night as well as an elementary school STEM
59 engineering summer camp at the Tourist & Event Center as well as co-sponsors a NC State
60 University STEM engineering summer camp for middle school students at CCC Havelock
61 Campus.

62
63 **Glenda Strunk, 906-A Lake Road, Havelock, NC:** Ms. Strunk stood before the Board this

64 evening on behalf of the Appearance Commission to announce that their “Annual Salute the
65 Boot” display would be in the Havelock City Park’s walkway from May 26 – May 31, to honor
66 the sacrifices of our military. Those who wish to volunteer were asked to stop by City Stage at
67 5:00 p.m. on May 26th.

68
69 **Chatara Rumber, 214 Sweetbriar Lane, Havelock, NC:** Ms. Rumber stood before the Board
70 this evening and said that she is a substance abuse counselor (in Morehead City) and asked if
71 there were any resources in our community to manage mental health at an affordable rate, or
72 substance abuse counseling mitigation between the Police Department and the citizens on the
73 streets? Mayor Lewis replied that the City does not but the County does with Health and Human
74 Services. Chief Morning replied that the Police Department does partner with Integrated Family
75 Services and RHA Health Services.

76
77 **REGULAR AGENDA ITEMS**

78
79 **SIR HENRY HAVELOCK AWARD: DUANE EDWARD REYNOLDS**

80
81 In May 2020, Mayor Will Lewis established the "Sir Henry Havelock Award" to recognize and
82 acknowledge extraordinary members of the Havelock community.

83
84 This evening, Mayor Lewis presented the third award to Mr. Duane Reynolds. After serving our
85 country for 10 years in the United States Marine Corps, Duane continued his service to the
86 Havelock community as a member of various civic organizations; a church deacon, minister and
87 elder; along with multiple sports/recreational coaching endeavors. Duane has devoted the past
88 twenty-three years improving the lives of children in our community by serving as the Program
89 Director, Club Director, Director of Operations, Executive Director and Director of
90 Organizational Development of the Boys & Girls Clubs of America, Coastal Carolina and
91 the Coastal Plain. Specifically, he has been dedicated to the success and accomplishments of
92 the Havelock Boys & Girls Club for many years.

93
94 Furthermore, in recognition of his years of service, a scholarship was recently named in his
95 honor. On February 4, 2022, Duane had the pleasure of presenting the first annual Duane
96 Reynolds Youth of the Year Scholarship for Region 3 of the Boys & Girls Clubs of the Coastal
97 Plain.

98
99 *Mayor William L. Lewis, Jr.*

100 *hereby presents:*

101 *Duane Edward Reynolds*

102 *with the Honorary City of Havelock, North Carolina*

103 *Sir Henry Havelock Award*

104
105 *In recognition of his twenty-three year career with the Boys & Girls Clubs of America, Coastal Carolina, and*
106 *the Coastal Plain as Program Director, Club Director, Director of Operations, Executive Director and Director*
107 *of Organizational Development. His devotion and commitment has improved the lives of many children within*
108 *our community and he will forever be a proud representation of the City of Havelock.*

109
110 **PUBLIC HEARING: FY 2022-2023 PROPOSED BUDGET**

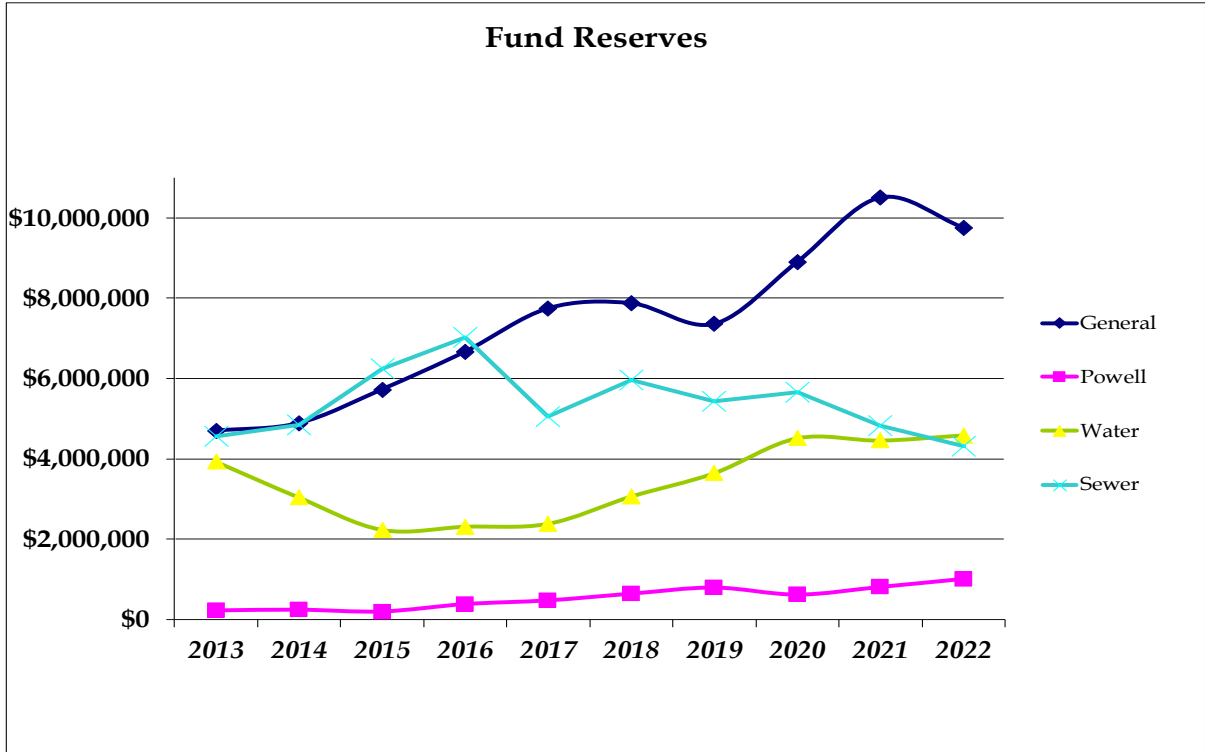
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112 Finance Director Lee Tillman presented an overview of the proposed budget for FY 2022-23
113 beginning with a review of the budget process schedule, which began in January and will
114 become effective on July 1, 2022. It was noted that the proposed budget does include all State
115 revenue adjustments as forecasted by the North Carolina League of Municipalities (NCLM);
116 however, it was noted that NC legislative actions are unknown at this time.

117
118 The global budget issues were identified as follows:

- 119
120 • Revenues:
- 121 ○ User fee increases in permits (CPI) and enterprise funds
 - 122 ○ All State Revenues (adjusted per NCLM forecast)
 - 123 ○ NC legislative actions unknown
- 124 • Personnel
- 125 ○ COLA 5.4%, Longevity 1.7% (per approved pay plan)
 - 126 ○ Market Study Implementation

- 127 ○ 3 New Fire/EMS Employees
- 128 ● Benefits, Insurance and Contingencies
- 129 ○ Retirement: 1.2% increase (same as last year)
- 130 ○ Health Insurance: 0% increase (projected)
- 131 ○ Property Insurance: 10% increase (projected)
- 132 ○ Worker's Comp: 0% increase (projected)
- 133 ○ Contingency of \$100,000 to address fuel and other issues

134
 135 The below fund reserve trends depicted an increase in the General Fund to include a projected
 136 Fund Balance use:
 137



138
 139 At this time, the following chart was provided to show the comparison of budget year
 140 trends/comparisons:
 141

	Budget Year Comparisons		
	<u>Actual 2020-21</u>	<u>Budget 2021-22</u>	<u>Proposed 2022-23</u>
Gen./Powell Fund	\$14,487,688	\$16,364,258	\$15,157,838
Water Fund	\$2,644,409	\$3,829,112	\$2,935,023
Sewer Fund	\$3,794,510	\$5,044,424	\$4,394,950
Solid Waste	\$1,134,748	\$1,148,562	\$1,271,714
Tourist Center	\$346,023	\$526,436	\$473,163
E911	\$164,878	\$202,850	\$234,000
Totals.....	<u>\$22,572,256</u>	<u>\$27,115,642</u>	<u>\$24,466,688</u>

142
 143 The budget year trends as percentages were broken down as follows:

- 144
- 145 ● General/Powell Bill Fund: 60%
- 146 ● Water Fund: 12%
- 147 ● Sewer Fund: 20%
- 148 ● Solid Waste Fund: 5%
- 149 ● TEC Fund: 2%
- 150 ● E911 Fund: 1%

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FUND BALANCE USE

The Fund Balance usage was described as usage to address major capital items. The below was provided as an itemization of each fund:

- General Fund: \$2,230,736
- Powell Bill: \$505,816
- Water Fund: \$ -0-
- Sewer Fund: \$ -0-
- E911: \$75,176
- Total: \$2,901,728

GENERAL FUND

The General Fund budgeted at \$15,157,838 was presented as follows:

- **Revenues**
 - 31% - State Shared and Collected
 - 6% - Powell Bill
 - 35% - Property & Motor Vehicle Tax
 - 28% - Fees, Permits, Contributions, & Fund Balance
- **Expenditures**
 - 57% Personnel
 - 32% Operations
 - 11% Capital Outlay

The proposed General Fund highlights were:

REVENUES

- ***Tax Rate***
 - Budget balanced at current tax rate of .59
 - .01 of tax rate generates \$79,600
 - Average residential house value is \$120,035 (same as last year)
 - Craven County tax revaluation 2023
- ***Fee Schedule***
 - Permit increases suggested of 7.5%

WATER & SEWER FUNDS

Ms. Tillman presented the following concerning the Water and Sewer Funds:

Water Fund \$2,935,023
• <u>Revenues</u> <ul style="list-style-type: none">- Usage and meter fees adjusted by 7.5%- System Development Fee – unchanged
• <u>Expenditures</u> <ul style="list-style-type: none">- 42% Personnel- 48% Operations (Chemicals)- 10% Capital Outlay

Sewer Fund \$4,394,950
• <u>Revenues</u> <ul style="list-style-type: none">- CPI adjustment of 7.5%- System Development Fee increased 7.5%
• <u>Expenditures</u> <ul style="list-style-type: none">- 30% Personnel- 61% Operations- 6% Capital Outlay

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To display the effects of the proposed increases, the following sample bill comparison was provided:

*Increase for average user is \$6.69

Gallon Usage	Current Monthly Rate	Proposed Monthly Rate
2,000	\$68.65	\$73.02
5,000* (medium size household)	\$99.43	\$106.12
9,000 (large family)	\$145.37	\$155.53

SOLID WASTE FUND

The Solid Waste Fund was presented as follows:

Solid Waste Fund	
\$1,271,714	
• Revenues	
– Rate adjustment – 7.5%	
• Expenditures	
– 30% Personnel	
– 70% Operating	
– 0% Capital Outlay	

TOURIST CENTER FUND

The revenues and expenditures of the Tourist Center Fund were provided as follows:

Tourist Center Fund	
\$473,163	
• Revenues	
– 21% Rent & Services	
– 20% Occupancy Tax (hotel tax)	
– 59% Other	
• Expenditures	
– 48% Personnel	
– 40% Operating including reserves	
– 12% Capital Outlay	

The 59% in “Other” revenues reflects funds transferred from the General Fund.

DEBT TRENDS

A review of the debt trends was provided below:

Fund	Project	Lender	Interest Rate	Approx Principle	Annual Payment	Maturity Date
General	Senior Center	USDA-RD	4.25%	\$448,939	\$41,184	2036
	Fire/EMS West	USDA-RD	4.00%	\$2,939,775	\$216,600	2040
	Fire Truck	USDA-RD	4.25%	\$414,403	\$56,384	2030
	City Hall	USDA-RD	3.50%	\$1,482,579	\$92,446	2045
Powell	Joe's Branch	USDA-RD	2.75%	\$471,224	\$22,806	2052
Water	Plant	State of NC	2.87%	\$386,538	\$128,846	2024
	Backwash Basin	State of NC	1.63%	\$506,672	\$158,000	2038
Sewer	Annex	State of NC	2.55%	\$86,169	\$89,175	2023
	I&I Project	USDA-RD	4.50%	\$2,517,136	\$162,935	2047
	Outfall Line	USDA-RD	4.55%	\$7,767,000	\$387,580	2054
Total					\$1,355,956	

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262 At the conclusion of the PowerPoint presentation, the Board was informed that a public hearing
 263 notice was published in the Sun Journal, meeting the established meeting requirements.

264

265 As required by North Carolina State Statute 159-12(b), Commissioner Josh Kohr **moved to**
 266 **open the public hearing regarding the FY 2022-23 proposed budget.** Commissioner Walsh
 267 seconded and the motion carried unanimously. (3-0)

268

269 At this point, Mayor Lewis opened the floor to public comments to allow citizens an opportunity
 270 to address the Board with concerns and comments regarding the proposed budget for FY 2022-
 271 23. With no one appearing before the Board, Mayor Lewis solicited Board comments before
 272 closing the public hearing portion. Commissioner Walsh asked Ms. Tillman to explain to
 273 everyone what “revenue neutral” meant. Ms. Tillman stated that “revenue neutral on a
 274 budgetary standpoint is generating the same levy. Simply stated, the tax based assessed values,
 275 times whatever rate it would take to make it the same amount that we are budgeting this year”.
 276 Commissioner Walsh then asked the Mayor to explain to the citizens why we are painting the
 277 aircraft around the City. Mayor Lewis explained that the aircraft are on loan to the City from
 278 either the National Museum of the Marine Corps in Quantico or the National Naval Aviation
 279 Museum in Pensacola and it is written in our loan contract to keep the aircraft and all other
 280 artifacts that are on display in “museum quality” condition.

281

282 Commissioner Jim Kohr stated that he wanted to explain to the citizens the “Managers
 283 Contingency” fund is for those unexpected needs that arise throughout the year that are not in
 284 the budget, such as \$4.50 per gallon fuel that no one expected during last year’s budget. He
 285 went on to explain the three new Firefighter/EMS personnel positions are beyond needed and it
 286 was this Board’s opinion that the safety of every citizen in the City was more important than
 287 not having the positions.

288

289 With no other comments, Commissioner Jim Kohr **moved to close the public hearing.**
 290 Commissioner Walsh seconded and the motion carried unanimously. (3-0)

291

292 Commissioner Jim Kohr thanked the Staff for coming to a balanced budget on their own. He
 293 stated that they did a great job. Commissioner Jim Kohr made a **motion to approve the**
 294 **FY2022-23 budget.** Commissioner Josh Kohr seconded the motion. Commissioner Walsh
 295 stated the he and Commissioner Wilson wanted to sit down with the Finance Director, Mayor
 296 and City Manager and go over a few more numbers before they were comfortable approving the
 297 budget. He stated that it could be an informal discussion. Mayor Lewis stated that if they were
 298 going to have any budgetary discussions, it would be during the workshop meeting so that the
 299 entire Board could hear the information that is shared. At this time, Commissioner Jim Kohr
 300 and Commissioner Josh Kohr **withdrew their motion and second to approve the FY2022-23**
 301 **budget.** In conclusion, Mayor Lewis thanked Ms. Tillman and the team on what he considered
 302 a good budget for the City of Havelock. It was further relayed that the Board plans to adopt the
 303 FY 2022-23 budget during the June 27, 2022 Board meeting.

304

305 **CITY MANAGERS REPORT**

306
307 **Woodhaven Bridge Project Update**

308 The Woodhaven Bridge Project is entering the fifth month of construction. Setting the core slabs
309 are scheduled for the end of May, which will quickly lead into the final stages of construction.
310 The project is estimated at 72% complete. Construction should finish in late July if the current
311 pace continues to hold.

312
313 In a related matter, Mr. Buddy Kittrell has voiced his desire to donate Parcel ID #6-061-046 to
314 the City of Havelock to push this project further along. As you may recall, the Board authorized
315 the pursuit of easements/donations associated with this project. This final parcel has been sent
316 to legal for processing a title examination and environmental assessment prior to final
317 acceptance of the donation.

318
319 **WWTP Influent Pump Station Project**

320 Based on the Board's November 2021 direction, Hazen & Sawyer Engineers have completed
321 the design of the WWTP Influent Pump Station Modification Project. This project was put out
322 for bid on May 17, 2022 with a bid opening scheduled for 2:00 p.m. on June 14, 2022. As you
323 are aware, the work consists of modifications to Influent Pump Station 1 and the installation of
324 approximately 200ft. of 10-inch force main. Further updates will be provided when available.

325
326 **Upcoming Parks & Recreation Events**

327 The Havelock Parks & Recreation Department kicked off their "*Summer Concert Series in the*
328 *Park*" on Thursday, May 19th featuring "The Embers". Concerts will continue throughout the
329 summer beginning at 6:00 p.m. at City Park and will include the following:

- 330 • May 27th - North Tower
- 331 • June 9th - Black Water Band
- 332 • August 25th - The I-42 Band featuring Bryan Mayer
- 333 • September 1st - Havelock High School Jazz Band

334
335 To add to the City's summer entertainment, three (3) additional movies will be featured on the
336 big screen in the park. The movies and dates are as follows:

- 337 • June 23rd – Trolls: World Tour
- 338 • July 28th – Sing 2
- 339 • August 11th – Space Jam: A New Legacy

340
341 Lastly, to promote well-being and fitness, the City will be hosting Outdoor Zumba at the City
342 Park on May 26th, June 2nd, June 16th and June 30th from 6:00 – 7:30 p.m.

343
344 **New Electronic Sign at Recreation Complex**

345 The new electronic sign located at the Highway 101 Recreation Complex has been installed.
346 The electronic portion of the sign will be hooked up the week of May 23rd.

347
348 **Memorial Day**

349 City Offices will be closed on Monday, May 30th in observance of the Memorial Day holiday.
350 Also, as an FYI, the Knights of Columbus will be hosting a Memorial Day Flag Ceremony on
351 Monday, May 30th at 9:00 a.m. at the Tourist & Event Center. It should also be noted that the
352 Craven County Veteran's Council will be hosting their Memorial Day Ceremony on Monday,
353 May 30th at 11:00 a.m. at the New Bern National Cemetery.

354
355 **Annual City Employee Spring Picnic**

356 The City's Annual Employee Spring Picnic will be held on Friday, May 27th at 1:00 p.m. at
357 Walter B. Jones Park. *Years of Service Awards* will also be presented honoring employees for
358 5, 10, 15, and 20 years of service to the City. All Board members are invited to attend.

359
360 **CITY ATTORNEYS REPORT**

361 City Attorney Troy Smith had nothing to report.

362
363
364 **COMMISSIONERS REPORTS/COMMENTS**

365
366 Commissioner Jim Kohr asked for a picture of the Recreation Complex sign on Hwy 101 to

367 show the citizens in attendance tonight. IT Director Chad Ives found a photograph and shared
368 it on the screen for all to see. The Mayor explained that the rectangle at the bottom of the sign
369 that “just looks black”, is actually the digital display. The sign is also set back off the road to
370 allow for future roadway expansion. Commissioner Kohr then took the opportunity to thank the
371 public for being with us this evening and said that it was great that the citizens give their input
372 and share their thoughts with the City. Commissioner Kohr also shared that the COG has hired
373 an executive director with municipal government experience and he is hopeful that this is the
374 beginning of a turnaround with the COG. In closing, he took time to say that with Memorial
375 Day coming up, we should all take the time to be thankful for those who have served and lost
376 their lives in combat.

377
378 Commissioner Josh Kohr took this opportunity to thank the staff for all of their hard work during
379 the budget process. He also commented that the Salute to the Vets dinner was an amazing event
380 put on by the Havelock Chamber of Commerce. Commissioner Kohr continued on stating that
381 was happy to attend the ribbon cutting ceremony that took place at the Pickleball court this past
382 week and he is excited about the future direction of the City.

383
384 Commissioner Walsh stated that Memorial Day is very important to him because he lost a
385 brother in Vietnam and he appreciates everyone remembering the day. He said that he is sorry
386 that he missed “The Embers” concert, but he was home with his wife who wasn’t feeling up to
387 going out. He wants everyone to pray that we have a great, hurricane free summer.
388 Commissioner Walsh ended by thanking the Police, Fire and EMS departments for the work
389 that they do.

390
391 **MAYOR’S REPORTS/COMMENTS**

392
393 The Mayor stated that last week the City did have a ribbon cutting ceremony for the City Stage
394 and the Pickleball Court. He also stated that “The Embers” concert was a fantastic event and
395 “North Tower” will perform this Friday at 6 p.m. The Mayor reminded everyone that these
396 events are free.

397
398 The Mayor also stated that last week was Public Works Week and the City provided a luncheon
399 to our Public Works/Public Utilities Departments. The Mayor concluded by congratulating
400 Rick Day on officially becoming the Public Utilities Director.

401
402 **ADJOURNMENT/RECESS**

403
404 With there being no other business to discuss, Commissioner Josh Kohr made a **motion to**
405 **adjourn.** Commissioner Jim Kohr seconded and the motion carried unanimously. (3-0)

406
407 The meeting adjourned at 8:08 p.m.

408
409 Date approved: _____
410 _____
411 William L. Lewis, Jr., Mayor

412
413 Attest:
414 _____
415 Mary C. Weigl
416 Deputy City Clerk