



**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 Bottonff
City Clerk Cindy Morgan

SUBJECT: Board of Commissioners Meeting – Monday, February 25, 2019 – 7:00 PM

DATE: 2/22/2019

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 February 11, 2019 Board of Commissioners Workshop
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Consent Agenda Item B	FY 2018-2019 Budget Ordinance Amendment Number Two
Consent Agenda Item C	Approval of the Craven County Board of Elections Agreement to conduct the November 2019 City of Havelock Elections
Consent Agenda Item D	Contract to Audit City of Havelock Accounts for Fiscal Year 2018-2019 with Martin Starnes & Associates in the amount of \$26,775

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. RECOGNITIONS/PRESENTATIONS:

A. Eastern Carolina Aviation Heritage Foundation Annual Gala

The Eastern Carolina Aviation Heritage Foundation's (ECAHF) Annual Gala "The Wright Stuff" will be held on Friday, March 22, 2019 at 5:30 p.m. at the Havelock Tourist & Event Center (**Exhibit #1A.1**). ECAHF Chairman Tom Braaten would like to take this opportunity to brief the public on the event, tickets

sales and sponsorship opportunities He will also announce that local columnist and historian Bill Hand will be the guest speaker and will take the audience on an epic journey from the first airplane models of the Wright Brothers to the modern aircraft of today.

City Code References: N/A

Request: No Board action is necessary.

City Manager's Opinion: We thank Major General Thomas A. Braaten, USMC (Ret) for taking time to further publicize this event. It should also be noted that the City has sponsored tables for this event for the BOC members and their families to attend.

Item #2. FY 2017-2018 Audit Presentation

Pursuant to NCGS 159-34 (**Exhibit #2A**), 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 presentation of the FY 2017-2018 audit report (**Exhibit #2B - PPT**). Please reference a copy of the audit report from Martin Starnes and Associates (**Exhibit #2C**).

City Code References: 32.31 (A)

Request: No Board action is necessary.

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 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 the financial health of the City. Also, it was reported that the Water Fund had a net income of \$165,879, the Sewer Fund showed a loss of \$36,696, and Solid Waste a net income of \$82,976. The TEC Fund showed a profit due to transfers from General Fund but had an operating loss of \$126,086. The General Fund as a whole had net increase in total fund balance of \$860,630 and assigned \$1,015,060 into the FY 18-19 budget. As discussed at past budget work sessions, 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 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 and reporting on the City's Finances for FY 2017-2018.

Item #3. Offer to Purchase - 121 Pineview Street - Final Resolution

As first reported at the January 14, 2019 workshop, the City received an executed "Offer to Purchase and Contract" (**Exhibit #3A**) for 121 Pineview Street (**Exhibit #3B- GIS tax parcel card**), along with the required deposit.

This property is jointly owned by the City of Havelock and Craven County based upon a foreclosure. The property was listed on Craven County's website as property available for purchase. Based upon the offer, the Board adopted a resolution at the January 28, 2019 meeting to initiate the upset bid process for real property and Craven County adopted a similar resolution on February 4, 2019. As a result, an advertisement of upset bids was published on February 8, 2019, requiring any upset bids to be received within 10 days of publication (**Exhibit #3C**). There were no upset bids received by the City or County; therefore, a final resolution is provided for the Board's adoption consideration to accept the final offer and direct the execution of the original deed and any and all other documents related to the sale after the bid is formally accepted by Craven County. Contingent upon the City's approval, Craven County has their final resolution of acceptance scheduled for March 18, 2019.

City Code References: N/A

Request: A Commissioner's motion and a second is being sought to adopt Resolution #19-R-02 (**Exhibit #3D**), a resolution to accept the final offer for 121 Pineview Street and direct the execution of the original deed, upon payment of the purchase price and after the bid is formally accepted by Craven County.

City Manager's Opinion: The manager concurs with the adoption of the resolution as presented.

Item #4. Rural Housing Recovery Infrastructure Grant

Mr. Charlie Heritage, Managing Partner of South Creek Development has provided information regarding grant funds that have become available from the Rural Housing Recovery Fund for local governments for use toward construction of infrastructure publicly-owned and operated by the local government (**Exhibit #4A**). This opportunity became available to communities impacted by recent hurricanes. The requirements are outlined on the attached Rural Housing Recovery Infrastructure Application Materials (**Exhibit #4B**).

Mr. Heritage has provided this grant opportunity to the City for consideration of approving a Resolution and signature for City-owned and maintained infrastructure improvements in the area of the Woodfield Cove project. It has been reported that Woodfield Cove is a short time away from closing on the property behind the Walmart

and hope to be breaking ground on construction this spring. The NC Department of Commerce is offering a grant of up to \$350,000 through its Rural Housing Recovery Fund to local governments for the planning, design, materials and labor necessary in the construction of public infrastructure including water, sewer, roads, sidewalks, etc. that support broader affordable housing development. The requirements are that the applicant (county or municipality) must partner with a project that received a 9% new construction low-income housing tax credit project from NCHFA between 2016-2018. Woodfield Cove received an award of credits in August of 2018. Mr. Heritage has requested the City of Havelock to partner with him in submitting an application for these funds in order to assist with the completion of the Woodfield Cove development.

The application form has been completed for the City's consideration. One of the items on the checklist is a Local Government Resolution, adopted by the governing board in support of the application submission to the Department of Commerce. The resolution must state the purpose of the project and indicate the local government's support for the project (**Exhibit #4C**). The City must have a comprehensive project design that will be executed by the government in partnership with developers participating in the 9% new construction low-income housing tax credit program. At this point, Mr. Heritage has provided his Preliminary Engineering Report (**Exhibit #4D**) that includes cost estimates for improvements that will become part of the City-owned and maintained infrastructure, at such time as they are dedicated and accepted by the City.

Staff briefed the Board on this request at the February 11, 2019 workshop. The Board asked questions about how funds can be used and the City's role. These funds are to be designated for the construction of any infrastructure associated with the qualified project (Woodfield Cove) that will become City owned and maintained. The City is responsible for the infrastructure project as the funds pass through local government. The City serves as the Fiscal Agent and will be required to provide progress reports (2 per year), as with other grants. It should be noted that this is different from the CDBG program, as this is running on the coat tails of the NC Housing Finance Agency (FHA). Only those jurisdictions that have projects that qualify are eligible for these funds.

Mr. Heritage understands the City has an interest that these funds enable the immediate area on Catawba Road to gain improvements. He is willing to partner with the City to ensure the funds are used appropriately for infrastructure and that elements of the development are implemented that will help the immediate area.

City Code References: N/A

Request: A Commissioner's motion and a second is being sought to adopt Resolution #19-R-03, a resolution to apply to the North Carolina Department of Commerce for the Rural Housing Recovery Infrastructure Grant in Support of Woodfield Cove Apartments.

City Manager's Opinion: The manager supports the adoption of the provided resolution as these funds can be used for the City's desired improvements to the area if awarded.

Item #5. Woodhaven Drive Repairs

Based upon existing conditions/issues on Woodhaven Drive, the Board of Commissioners were briefed on four (4) different repair options and associated preliminary cost estimates at the February 11, 2019 workshop. In order to meet FEMA deadlines, specific funding will be required for engineering and related services. At this point, Staff is requesting \$25,000 to first proceed with culvert inspections. The hydraulic study and engineering process will follow.

City Code References: N/A

Request: A Commissioner's motion and a second is being sought to appropriate \$25,000 from General Fund- Fund Balance to proceed with the described culvert inspections on Woodhaven Drive.

City Manager's Opinion: The manager supports this funding appropriation to begin the process of repairs on Woodhaven Drive.

Item #6. Monthly Financial Presentation: *January 2019 Report*

Finance Director Lee Tillman shall appear before the Board of Commissioners this evening to present the January 2019 monthly financial report (**Exhibit #6A**). As of this writing, the Finance Officer has placed the Hurricane Department on watch status (Budget Amendment #2 presented earlier addresses this department). Also, it should be noted that the TEC Revenues are highlighted as the facility remains closed. 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 #7. Governing Body Appointments: *Regional Mitigation Advisory Committee*

As the Board is aware, the City of Havelock is part of the approved 2015 Pamlico Sound Regional Multi-Jurisdictional Hazard Mitigation Plan. The approved participating communities are eligible through the State for mitigation grant programs administered by Federal Emergency Management Agency (FEMA) and Public Assistance funding following a declared natural disaster. Over the next six months, the Pamlico Sound Regional Hazard Mitigation Plan will be updated by the participating counties and cities.

During the last Board workshop, the Commissioner's appointed the Planning Director as the Primary Representative and the Planner/Zoning Code Enforcement Officer as the Secondary Representative to the Regional Mitigation Advisory Committee (MAC). Because the City is a CRS (Community Rating System) participant, it must also appoint two (2) at-large citizens/stakeholders to attend the Regional MAC meetings. Being that these appointees cannot be elected officials, Planning Board members were solicited for interest. As a result, Michele Leo, Mason Morgan and Iris Wooliever have all volunteered to serve on this committee (**Exhibit #7A**). Mr. Morgan noted that he does have a conflict on the first meeting date.

City Code References: N/A

Request: A Commissioner's motion and a second is being sought to appoint two (2) at-large citizens/stakeholders to the Regional Mitigation Advisory Committee, effectively immediately. It should be noted that there are only three (3) meetings that will require their attendance and participation. (***Ballots placed at desk***)

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 Frank Bottorff 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