

**City Council Work Session  
April 27, 2015**

The City Council of the City of Elizabeth City met in work session on Monday, April 27, 2015 in Council Chambers, located on the 2<sup>nd</sup> floor of the Municipal Administration Building, 306 E. Colonial Avenue, Elizabeth City, NC.

MEMBERS PRESENT: Mayor Joe Peel  
Councilwoman Jean Baker  
Councilman Ray Donnelly  
Mayor Pro Tem Anita Hummer  
Councilman Tony Stimatz

MEMBERS ABSENT: Councilman Kem Spence *(Unable to attend due to illness)*  
Councilman Michael Brooks  
Councilman Darius Horton  
*(Clerk notation: One 4<sup>th</sup> Ward Seat Currently Vacant)*

OTHERS PRESENT: City Manager Rich Olson  
City Attorney Bill Morgan  
Finance Director Sarah Blanchard  
Planning Director June Brooks  
Chief of Police Eddie Buffaloe  
Electric Department Superintendent Karl Clow  
Assistant to the City Manager Angela Cole  
Public Utilities Superintendent Paul Williams  
Fire Chief Larry Mackey  
IT Director Matthew Simpson  
Inspections Director Stanley Ward  
Parks and Recreation Director Bobbi White  
City Clerk Vivian White  
Load Control Specialist Ricky Albertson

The City Council work session was called to order by Mayor Joe Peel at 5:30 p.m. Mayor Peel welcomed everyone to the meeting and gave the invocation, after which he led the Pledge of Allegiance.

**1. Agenda Adjustments and Approval:**

Mayor Peel called for any adjustments to and approval of the agenda.

**Motion was made by Mayor Pro Tem Anita Hummer, seconded by Councilwoman Jean Baker, to approve the agenda with any necessary adjustments. Those voting in favor were: Baker, Donnelly, Hummer, and Stimatz. Against: None. The motion carried unanimously.**

**2. Statement of Disclosure:**

The City Clerk read the Statement of Disclosure. No conflict of interest disclosures regarding items listed on the agenda were made.

### **3. Update/Discussion – Nexgrid Smart Grid Network Pilot Project;**

Mayor Peel recognized City Manager Olson to begin the discussion on this item. Mr. Olson stated that a pilot project for the Nexgrid Smart Grid Network had been approved by the Council; and he reported that City staff has begun its implementation. He said that 30 electric meters, 10 water meters and the backbone for the area involved in the pilot program have been installed. He acknowledged that City staff is very impressed with the smart grid pilot program, what it offers and its possibilities for the City going forward. He stated that included in his proposed fiscal year 2015-2016 budget, he is recommending full implementation of the project on a City-wide basis. Mr. Olson introduced the City's Nexgrid project manager and system administrator, Angela Cole, IT Director Matthew Simpson, also a system administrator, Ricky Albertson, Load Control Specialist and Paul Williams representing the Water and Sewer Department to provide additional information to the Council.

Ms. Cole began the presentation by reporting that the Nexgrid Program is an advanced meter infrastructure fixed area network or "smart grid" system affecting the City's abilities to provide electric and water service to the citizens. She stated that the pilot program will contain 300 end point devices – 100 electric meters, 100 water meters, and 100 load management devices – on both residential and commercial customers in and around the downtown area.

Ms. Cole advised that City crews, with the assistance of Nexgrid engineers, have installed 35 of the 100 electric meters and 10 of the 100 water meters, but no load switches have been installed to date. She stated that the installation of the devices has gone quickly and without problems and that City employees are eager to receive the additional pilot devices that are currently on backorder from the manufacturer. She said that the remaining devices for the pilot project should be delivered by mid-May. She reported that Customer Service and Data Processing staff will execute a billing process with the installed devices in the coming week for the devices the City does have.

Ms. Cole and Ricky Albertson, Load Control Specialist, launched the web program on screen and provided examples of the City and customer portals available through the Nexgrid EcoOne website. They showed and explained the real-time data that can be accessed, and how the information will be useful to the City and its customers.

Mayor Peel inquired about the City's current load management switches. Mr. Olson responded that a study performed by Electricities two years ago had shown that approximately 30 percent of the City's switches are not operating correctly. Mayor Peel pointed out that every home will have a new load management device installed as a part of this project; and he asked if the updated switch system would help to reduce citizens' energy consumption. Mr. Albertson responded that the switches are not designed for the end user because the City is only shedding a small amount of load for each household. He stated that when combining 9,000 customers City-wide during load

management, it lowers the City's usage and has a positive impact on the City's energy consumption. Councilman Stimatz commented that the use of load management devices moves the City "off peak" and in so doing creates the City's savings.

Mr. Albertson acknowledged that when the City gets the Nexgrid system in place and working correctly, it will be possible for the City to save on or absorb future rate increases through load management. Mr. Olson responded that if the City is able to shed just 10 percent of its load through load management, his quick calculation using the new FR-1 rate indicates that the City would save \$200,000 per month in demand charges.

Councilman Stimatz pointed out that one thing the Council is happy to see is that the system will allow people to pick their meter reading day for billing purposes. Mr. Albertson commented that he would recommend that the City maintain a four billing-cycle strategy in order to accommodate all the back-room functions that are carried out by the Customer Service Department. Councilman Stimatz stated that for the approximate 300 people who do need the relief of changing their payment day, the system will allow it to be done.

Matthew Simpson stated that he had spoken to Nexgrid about offering a video tutorial for our customers to allow them to learn how to navigate the application.

Hearing no further questions by the Council members, Mayor Peel thanked staff for their presentation.

#### **4. Discussion/Consideration – Revision of Community Support Grant Initiative**

Mayor Peel recognized Mr. Olson to begin the discussion of this item. Mr. Olson stated that during the Council's October 27, 2014 Work Session, City Council instructed staff to review and revise the Community Support Grant program statement and application. He reminded the Council that he had included \$50,000 in his recommended budget for the coming fiscal year for Community Support Grants. He said staff has been working on the actual application document for Council's consideration in order to get it ready to be sent out sometime in June or July. Mr. Olson recognized Angela Cole to give her report on this item.

Ms. Cole stated that as recent as last year, the Community Support Grant application process has been rather straightforward and unencumbered. She advised that Council designates the program funding amount during the budget process, and shortly thereafter Council authorizes staff to advertise and receive applications by an established deadline. She reported that at the close of the application period, staff facilitates the review for both the Finance Committee and the Council. Further, each applicant is invited to provide a presentation to the Finance Committee detailing their organization and funding request; and with recommendation from the Finance Committee, the Council body determines final grant amounts. Ms. Cole stated that this

application and the review process, as she described, has been a part of the Community Support Grant framework for four fiscal cycles.

Ms. Cole said that the proposed revision overhauls the application document and introduces staff-level evaluation and a three-part score sheet. She stated that through question-response and documentation, the Council should be able to attain the desired information about the requesting organization, its non-profit tax exemption status, number of years in service, City-focused programming, financial statements and program audit, among other things.

Ms. Cole stated that staff's recommended process differs; and at Council's direction, staff will initiate the grant process, providing public notice of the mandatory pre-application workshop. She advised that, as in prior years, staff will begin receiving applications; and although not explicitly stated on the proposed documents, the City Manager or his designee will process applications for completeness, establish a three- or four-person review team, score the applications, and provide a summary score table and full application packages to Council for their review and decision to award.

Ms. Cole reported that staff suggests including the City Community Development Officer, Parks and Recreation Director and City Manager among the individuals to review applications. She advised that staff has also drafted a revision to include a \$500 minimum award and a \$5,000 maximum award. She stated that staff recalled that the question of whether to forward incomplete applications to the Council body for consideration had been previously discussed and the Council remained divided. She requested that the Council provide guidance regarding that question.

Councilman Stimatz stated that he had provided a number of questions prior to the meeting that staff could address without discussing them during the meeting. He said the biggest problem he had was with the revisions that appeared in the goal statement provided on the grant application. He cautioned that the City needed to be very careful of and precise in its language or the Council will receive applications that are not desired.

In referring to the present Community Support Grant application's goal statement, Councilman Stimatz pointed out that the new language had been changed from "proposals for projects and services" to "provide activities, programs and services." He said that he did not have a major problem with that particular change.

He continued by stating the former goals statement reads "Proposals are sought, which place emphasis on enhancing the health and quality of life of our less fortunate citizens and improving the exposure and access for children to arts and sciences activities and opportunities." He compared that statement to the recommended revised statement of "Organizations, which can be reasonably categorized under the heading of providing a public service that promotes the health, safety, welfare and quality of life of Elizabeth City residents, and access for children to arts and sciences activities, are eligible for

funding.” He stated that he did not want to “promote,” rather he preferred the former term of “enhancing” because it was a more deliberate statement.

Councilman Stimatz communicated that the phrase in the original goals statement- “enhancing the health and quality of life” - had been broadened to “promotes the health, safety, welfare and quality of life.” He stated that he had a problem with the words “safety and welfare.” He pointed out that those words would provide an avenue for applications for safety projects and welfare issues, which were already taken care of by the City’s Fire and Police Departments and the Department of Social Services. He said he was very comfortable with the original goals statement and its acknowledgement that there is a group of people whose quality of life and health are negatively impacted - and that the City does not have the ability to provide those services and wants to enhance them through specifically delivered objectives. Councilman Stimatz questioned why the present goals statement needed to be revised. Mayor Peel responded that he personally liked the statement that had been used previously and requested comments from the other Councilmembers. Mayor Pro Tem Hummer indicated that she was satisfied with the present statement. City Manager Olson advised that staff would make the change to revert back to the original statement.

Councilman Stimatz pointed out that he noticed in the section “Influence and Impact,” a potential for “job creep” existed with the reference to “large impact on local labor market and social needs” and “potential impact on institutional improvement and human resources.” He stated that he did not think that is what the Council is actually looking for. He stated that he was more interested in helping individual persons – “enhance the quality of life for those less fortunate and improve the opportunities for our youth for arts and sciences.” Ms. Cole stated that she wanted to keep the number of individual bullets in each section to achieve approximately five points per alpha-bullet. She stated that she would re-word those two bullets to reflect the health and social needs referred to in the overall statement. Councilman Stimatz stated that the point is to enhance the quality of life or provide the most opportunities for the most people at the least cost. He said the Council is not looking for long term impact. He stated that partnerships are important and can be measured by the number of people served. He also stated that points should be given for projects that are performed jointly with other organizations.

Councilman Stimatz commented that the Feasibility and Sustainability section of the document was good. He noted that the City has been successful on a number of programs that have started and gone on to accomplishment.

Councilman Stimatz also addressed the priority of services section of the document and commented that the Council was “not that specific.” He stated that the Council’s goals statement contained two broad areas – enhancing quality of life and health and improving exposure and access to arts and sciences. He said if he had to choose one to emphasize over the other, it would be arts and sciences because the other services are being done at various levels of success. He stated that virtually no one is doing enhancement of arts and sciences for kids and made the point that kids want more than just sports.

Ms. Cole stated that even though the items were described as “priority of needs,” they were not ranked in terms of numerical reference and no priority was given. Mayor Peel commented that if that was the intention of the document, he did not read it that way. He suggested that bullet points be used. Councilman Stimatz suggested that “arts and cultural activities” should be listed first.

Councilman Stimatz reiterated that the Council’s goals statement provided for two areas of need; and pointed out that if applications were submitted that would not meet those two goals, they should be considered “on shaky ground.” He also stated that the City appropriates a good sum of money annually for recreation programs in the Parks and Recreation Department and PAL budgets. Mayor Peel stated that he would not have a problem if the provision for “recreation and athletics” was removed from the list entirely because of the amount of money the City already budgets for recreation.

Ms. Cole requested clarification and asked if she would be correct in deleting the Recreation and Athletics bullet point, but with the understanding that Council may still receive and review those applications. Mayor Peel responded in the affirmative and stated that “it is not a priority.” Councilman Stimatz agreed, but reminded the Council of the YMCA Swimming Program that has been previously funded. He stated that the YMCA program has to do with two issues – safety and quality of life and increasing self-esteem. Mayor Peel agreed and pointed out that was not something the City offers.

Mr. Olson requested direction regarding the provision in the document for a maximum grant amount of \$5,000. Mayor Peel and Councilman Stimatz both asked why the provision is needed. Mayor Peel noted that the Council knows how much money is available and it would be their decision how to spend the funding. Ms. Cole asked if the Council wanted to include a minimum grant amount to which Mayor Peel responded that a minimum or maximum would not be required.

Councilman Stimatz stressed that if applications were received for duplicate services, that would not matter. He suggested that the smart thing to do would be for those applicants to partner. Ms. Cole clarified that “duplicate services” would be defined as those not provided by the City.

Mayor Peel questioned the provision stating that unspent funds must be returned. He said that it was his understanding that Community Support Grants are reimbursable grants. Mr. Olson stated that the grants are reimbursable and the change in the document would be made. Mayor Peel made the point that the application should clearly state that the grants are reimbursable.

Mr. Olson commented that the dates for allowable expenses should be changed to reflect June 30, rather than September 30 to coincide with the City’s fiscal year.

Ms. Cole presented a schedule of critical dates for the Community Support Grant process, as follows:

Authorization to Open Application Process	July 13, 2015
Pre-Application Workshop	July 17, 2015
Application Filing Deadline	August 14, 2015
Presentations to Finance Committee	September 2015
Committee Review & Evaluation	September 28, 2015
Council Deliberation & Decision	October 12, 2015
Award Notifications	October 16, 2015

Mr. Olson asked if the Pre-Application Workshop should be mandatory for applicants. Mayor Peel stated that he thought it should be mandatory. He made the point that a second offering should be made for those not available on the first workshop date. Mr. Olson agreed and stated that staff would provide a second date, if needed.

Councilman Stimatz stated that the attachments list did not specifically call for a detailed, project-specific budget and requested that it be added. Ms. Cole pointed out that the narrative questions included that provision. Councilman Stimatz stated that the provision should also be stated in the attachments section and that consistent language should be used throughout the document.

Councilman Stimatz stated that the application summary was not “for-profit friendly” even though applications are permitted. He stated that a line on the application summary should be added to ask the question “are you an other government agency or a for-profit.” He also suggested that a box be added for those organizations to check that are “state non-profits” but do not possess a 501c3 designation.

Councilman Donnelly asked the question “why do we care?” and suggested that the heading should be “community support organizations.” He pointed out that the Council only has \$50,000 in grant funding and was placing “major requirements” on the applicants. He said he thought “how the money was going to be spent and an annualized budget” are important, but he didn’t think all not-for-profits are sophisticated enough to pull together all the fiscal information being requested. Councilman Stimatz commented that those are the organizations that the City has had trouble with in the past. Mr. Olson stated that there are levels of sophistication in all organizations, even those with a 501c3 status.

Ms. Cole asked if the Council would like to see a revised document again for further consideration. Mr. Olson responded that staff would revise the document and present it to the Council sometime in May or June.

**5. Committee Reports:**

- a) EC-PC Economic Development Commission: Mayor Pro Tem Hummer, Councilwoman Baker, Councilman Donnelly and Mayor Peel**

Mayor Pro Tem Hummer stated that the last EDC meeting consisted of a budget discussion with the end result being the same bottom line as the previous year. She stated that the Board had been very diligent in keeping the budget the same.

**b) Central Communications Advisory Board: Councilman Spence**

Councilman Spence was absent from this meeting.

**c) Fireman's Relief Fund Board: Councilman Brooks**

Councilman Brooks was absent from this meeting.

**d) NC Eastern Municipal Power Agency: City Manager Olson and Mayor Peel**

Mr. Olson stated that he had provided an update in his FYI about the April 22, 2015 Commissioners meeting. He stated that a lot of exciting things are happening with the NCEMPA and reported that the Board had approved the various agreements for the sale of assets as well as the new FR-1 rate. He said that all the agreements would be received by the City in the following days and staff would post them to the City's website for public inspection.

**e) Elizabeth City Downtown, Inc.: Councilman Donnelly**

Councilman Donnelly reported that ECDI Director Rebecca Cross had submitted her resignation effective Monday, May 18 – the day after the Potato Festival. He stated that volunteers are still needed for the festival. He reminded everyone to “check out Main Street” in the coming days for a new beautification project.

**f) Elizabeth City Area Chamber of Commerce Board: Mayor Peel**

Mayor Peel stated that the recent Business Expo was extremely successful and well-attended.

**g) Finance Committee: Mayor Pro Tem Hummer, Councilman Donnelly, Councilman Horton and Mayor Peel**

Mayor Pro Tem Hummer stated that during the Finance Committee meeting held on April 24, 2015 a number of recommendations were forwarded to the Council for consideration on the April 27, 2015 agenda.

**h) Parks and Recreation Advisory Board: Councilman Horton**

Councilman Horton was absent from this meeting.

**i) Elizabeth City/Pasquotank County Airport Authority: Councilman Stimatz**



Councilman Stimatz reported that the DOD contract fuel sales continue to do well. He said that plans for the taxiway renovation are moving ahead. He stated that discussions were held about some critical equipment, the ILS system, and a decision had been made to get system repaired and discuss with the FAA at a later date who will pay for it.

**j) Storm Water Advisory Board: Councilman Stimatz, Councilman Donnelly and Councilman Brooks**

Councilman Stimatz reported that a meeting is scheduled for May 7, 2015.

**k) Tourism Development Authority: Councilwoman Baker**

Councilwoman Baker stated that Charlotte Underwood, the executive director, is retiring from the TDA on April 30, 2015 after six years in the position. She said that Ms. Underwood has done a wonderful job. She stated that a replacement has not yet been hired.

**6. Adjournment:**

There being no further business to be discussed, Mayor Peel adjourned the meeting at 6:49 p.m.

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Joseph W. Peel  
Mayor

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Vivian D. White, CMC/NCCMC  
City Clerk