

The Finance Committee of the City Council of the City of Elizabeth City held a meeting on the above date and time in the City Council Chambers of the Municipal Administration Building with Chairwoman L. A. Hummer presiding. Members in attendance were: R. T. Donnelly, and J. W. Peel. Mayor Pro Tem L. M. Hill-Lawrence was absent. Others attending were: Councilman M. E. Brooks, Councilman J. B. Walton, City Manager R. C. Olson, City Clerk D. S. Pierce-Tamplen and Finance Director S. E. Blanchard.

Chairwoman Hummer established a quorum was present and called the meeting to order at 10:00 a.m. She called for a moment of silent reflection after which she led the Pledge of Allegiance to the Flag of the United States of America.

1} AGENDA ADJUSTMENTS AND APPROVAL:

Chairwoman Hummer called for the pleasure of the Committee regarding the prepared agenda.

City Manager R. C. Olson asked to ***add a Closed Session as per NCGS 143-318.11(a) (3) for discussion of business expansion.***

A motion was made by Mayor J. W. Peel, seconded by Councilman R. T. Donnelly to approve the prepared agenda to include the above noted item. Those voting in favor of the motion were: Peel, Donnelly and Hummer. Against: None. Motion carried.

2} APPROVAL OF MINUTES:

Chairwoman Hummer called for action regarding the minutes of the June 5, 2013 Finance Committee meeting.

A motion was made by Mayor J. W. Peel, seconded by Councilman R. T. Donnelly to approve the minutes of the June 5, 2013 Finance Committee meeting as presented. Those voting in favor of the motion were: Peel, Donnelly and Hummer. Against: None. Motion carried.

3} BUDGET AMENDMENTS:

Chairwoman Hummer called upon City Manager R. C. Olson for comments.

Mr. Olson stated this particular item came before the City Council at your June 10th meeting. There was a four-four vote taken so no action could be taken on it. However, during the discussion members of the City Council voiced some concerns about how competitive the price that A. R. Chesson provided the City and whether or not there would be any merit in rebidding the project. A letter is in your agenda packet from Sean Robey discussing exactly the bid process that was followed. The City Council originally allocated \$135,752. To date, Hyman & Robey has billed the City \$9,011.25 leaving a funding balance available of \$126,740.75. This is a problem we have been facing every since he has been in Elizabeth City. We cannot get contractors to bid on projects. There is a limited skill set in this area that does this type of work.

Chairwoman Hummer stated she would ask that this letter from Sean Robey be placed in the City Council agenda for Monday night.

A motion was made by Councilman R. T. Donnelly seconded by Mayor J. W. Peel to forward to the City Council with a recommendation for approval of a budget amendment for the ECDI Building Renovations in the amount of \$40,239.25 and Award of Contract to A. R. Chesson in the amount of \$166,980 for the renovations to the ECDI Building. Those voting in favor of the motion were: Donnelly, Peel and Hummer. Against: None. Motion carried.

4} FUNDING FOR ARTS OF THE ALBEMARLE:

Chairwoman Hummer called upon City Manager R. C. Olson for comments.

Mr. Olson stated at your June 10th meeting there was some discussion whether or not there should be an earmark item in the 2013-2014 budget to fund Arts of the Albemarle. The Finance Committee did not make a recommendation for the \$25,000. He did that himself. He just put the same amount as to what we had previously given them. The Finance Committee had nothing to do with the dollar amount. The direction we had after the last Finance Committee meeting was to approve an earmark in the budget. No dollar amount was given. Based on the outcome of the discussion at the June 10th meeting, Council asked us to bring back possible funding alternatives for consideration. What staff has done is identified three possible funding sources for an earmark. We do have TDA funding. We have roughly \$15,000 in next year's budget that we have no desire or plans for right now. Looking at the possible \$15,000 allocation for next year, we still owe Port Discover \$15,000 for the purchase of their building. Then we have another \$5,000 for fireworks that we do every year. Then there are some

other smaller items such as the Juneteenth celebration which is \$1500, so on and so forth. Staff feels fairly comfortable that there is about \$15,000 undesignated through the TDA that could be used for a possible earmark. Other possible funding sources are of course the Community Support Grants. The Council does have in the budget \$50,000. It is not uncommon for the City to do a community support grant and also an allocation. We did that for Port Discover. We gave them \$15,000 out of the TDA funds but we also gave them an allocation last year out of the Community Support Grant funds. Finally, we have Fund Balance appropriated. Any donation or any combination that includes TDA Funds or Community Support Grants funds would not directly affect the budget that you have in front of you. TDA would make that check payable directly to AoA. That does not pass through our budget. Community Support Grants you already have \$50,000 allocated and you would just earmark a percentage of that for them. Fund Balance Appropriated would affect the overall budget but that can be done through a budget amendment next year. The Finance Committee made a recommendation to the full Council to do an earmark for AoA. You now need to make a recommendation to Council on how much that earmark should be and where it will come from. He believes that is what the Council wanted at their June 10th meeting, to give them some direction. There is no staff recommendation on this particular one because we are not sure what dollar amount that you are looking for as an earmark. If you want to tell us what the dollar amount is then we can work with the Council on how that needs to be done.

Ms. Hummer stated that she thinks the \$15,000 from TDA Funds as it does brings tourist to the City would be an appropriate amount. Also, she feels that we should designate that portion of that money goes for scholarships as well as programs for children because that is what we are trying to do. In talking with Commissioner Griffin this morning that is what the County does. They give the money with the recommendation that it be used for scholarships, programs, etc. That is what we did a couple of years past. She feels that should be part of the consideration.

Mayor Peel said you are saying to take some of it out of the community support grants. He thinks if you are going to do an earmark he wouldn't take any money out of the Community Support Grants because he thinks there are enough other groups out there that need that money.

Mr. Olson stated we could do an earmark out of TDA and allow AoA do a Community Support Grant application like every other community support grant. That is what in essence what we did with Port Discover for the last five years.

Mayor Peel stated he thinks that we should have part of the money earmarked for scholarships but he hesitates to earmark all of it. He has been on the

receiving end of that and he thinks if you have \$10,000 for scholarships and \$5,000 for whatever, he would be comfortable with that.

A motion was made by Councilman R. T. Donnelly, seconded by Councilwoman L. A. Hummer to forward to City Council with a recommendation that AoA become a line item in the budget at \$15,000 via TDA monies. Those voting in favor of the motion were: Donnelly, Hummer and Peel. Against: None. Motion carried.

5} YEAR END BUDGET AMENDMENTS:

Chairwoman Hummer called upon Finance Director Blanchard for comments.

Ms. Blanchard stated we only have three year end budget amendments this year. The first one is to record overages in the police department which includes an increase in the temporary salaries line item and auto supplies due to fuel costs and the construction of the firing range for engineering fees. The second one is for recording insurance proceeds for damage to the ladder truck and the third is to record housing demolition costs.

A motion was made by Mayor J. W. Peel, seconded by Councilman R. T. Donnelly to recommend to City Council to approve the year end budget amendments to record overages in the police department, to record insurance proceeds for damage to ladder truck and to record housing demolition costs. Those voting in favor of the motion were: Peel, Donnelly and Hummer. Against: None. Motion carried.

6} CONDEMNATION/DEMOLITION OF 1015 W. CHURCH STREET:

Chairwoman Hummer called upon City Manager Olson for comments.

Mr. Olson stated we had a number of condemnations that was on the Consent Agenda and this particular one was pulled off. We were asked to put it on the regular agenda for our upcoming meeting. The cost to demolish it is \$2499 excluding the tipping fees. There was an effort from an individual to save that structure but after doing a more thorough examination he believes he is voluntarily going to have that structure torn down and build a new house. He doesn't have all the data or information on that yet. It is an item that does have a minimal effect on the budget so we just put this on here to inform you what is going on.

Ms. Hummer asked why this one was removed from the agenda.

Mr. Olson replied that Councilwoman Baker wanted it removed. We had a list of five or six and she wanted this one removed and brought back to the 24th meeting. He believes she was working with the property owner or the person who was going to purchase the property to save it but after more detailed examination it is the belief it will cost well over \$150,000 to renovate it. The price of new construction is less than that. He stated this is just an information item and does not need any additional action.

7} MISCELLANEOUS:

Chairwoman Hummer stated that there were no items listed under this section.

8} CLOSED SESSION:

Chairwoman Hummer entertained a motion to retire into Closed Session.

A motion was made by Mayor J. W. Peel, seconded by Councilman R. T. Donnelly to retire into Closed Session for discussion of the expansion of a business as per NCGS 143-318.11(a) (3). Those voting in favor of the motion were: Peel, Donnelly and Hummer. Against: None. Motion carried.

Chairwoman Hummer declared the meeting into closed session,

9} RETURN TO REGULAR SESSION:

Chairwoman Hummer called for a motion to return to regular session.

A motion was made by Mayor J. W. Peel, seconded by Councilman R. T. Donnelly to return to regular session. Those voting in favor of the motion were: Peel, Donnelly and Hummer. Against: None. Motion carried.

Chairwoman Hummer declared the meeting back into full session.

8} ADJOURNMENT:

There being no further business to come before the Finance Committee at this time, Chairwoman Hummer adjourned the meeting at 10:59 a.m.

Dianne S. Pierce-Tamplen, MMC
City Clerk

L. Anita Hummer
Chairwoman