

**City Council Regular Session
June 22, 2015**

The City Council of the City of Elizabeth City met in regular session on Monday, June 22, 2015 in Council Chambers, located on the 2nd floor of the Municipal Administration Building, 306 E. Colonial Avenue, Elizabeth City, NC.

MEMBERS PRESENT: Mayor Joe Peel
Councilwoman Jean Baker (*arrived at 7:05 p.m.*)
Councilman Ray Donnelly
Mayor Pro Tem Anita Hummer
Councilman Tony Stimatz
Councilman Michael Brooks
Councilman Kem Spence
Councilman Darius Horton
Councilman Johnnie Walton

MEMBERS ABSENT: NONE

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
Human Resources Director Katherine Felton
Public Utilities Director Paul Fredette
Fire Chief Larry Mackey
IT Director Matthew Simpson
Inspections Director Stanley Ward
Parks and Recreation Director Bobbi White
City Clerk Vivian White

The City Council regular session was called to order by Mayor Joe Peel at 7:00 p.m. Mayor Peel welcomed everyone to the meeting and gave the invocation, after which he led the Pledge of Allegiance.

Upon the request of Councilman Darius Horton, Mayor Peel declared a Moment of Silence in recognition of the nine victims of the June 17, 2015 shootings at Charleston, South Carolina's Emanuel AME Church.

1. Agenda Adjustments and Approval:

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

Councilman Horton requested to add a discussion of the dog park to the agenda. Councilman Stimatz asked for clarification and inquired if the item should be taken up in conjunction with the adoption of the budget ordinance. Councilman Horton stated that he preferred that the item be added at the end of the agenda.

Councilman Brooks requested to add the Northeastern High School Commencement celebration to the agenda.

Motion was made by Mayor Pro Tem Anita Hummer, seconded by Councilman Tony Stimatz, to approve the agenda with any necessary adjustments. Those voting in favor were: Donnelly, Hummer, Stimatz, Brooks, Spence, Horton and Walton. Against: None. The motion carried. (*Baker had not yet arrived.*)

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. Presentations:

- a. Mayoral Certificates of Appreciation for United States Marines who participated in Memorial Day Ceremony:

Mayor Peel read and presented a Mayoral Certificate of Recognition to Retired Staff Sergeant Dan Serik in recognition of his tireless efforts and selfless service in helping the citizens of Elizabeth City celebrate our military veterans and remember and honor our men and women who have given their lives while in service to our Country.

Mayor Peel read and presented a Mayoral Certificate of Appreciation to Sergeant Alfredo Salazar in appreciation of selfless service in honoring our war heroes during the 2015 Memorial Day Observance at West Lawn Cemetery. Mayor Peel also presented to Sergeant Salazar prepared certificates to be delivered to the fourteen additional US Marines who also participated in the ceremony.

Staff Sergeant Serik thanked Mayor Peel and the City Councilors for their support and encouraged participation by all citizens in honoring those who serve and have served our Country as members of the United States military.

- b. American Red Cross Disaster Preparedness – Carolyn J. Self, Community Volunteer Leader, American Red Cross of NENC:

Mrs. Self provided an update to the Council regarding what the Red Cross is doing to prepare for hurricane season. She stated that representatives have already met with all Emergency Management Coordinators in the region. She expressed concerns regarding the lack of adequate emergency sheltering facilities in the area. She advised that due to renovations at the K. E. White Graduate Center, only 300 people can be sheltered at that location. She said that the overflow shelter at Northside Elementary School is only able to accommodate 125 people; and pointed out that the total people that can be sheltered is less than 500. She reported that the Red Cross partners with the North Carolina Baptists, the Salvation Army, Social Services and the Health Department to provide necessary services in times of emergency. Mrs. Self cautioned that a big concern is the fact that people in the area do not prepare in advance for emergencies as they should because they believe they can weather storms. She stated that if the area is cut off because of a storm, it will take time to bring in the necessary supplies; and she encouraged residents to be able to sustain themselves for a period of five days until resources can be brought in.

Mrs. Self stated that the public needs to be better educated regarding resources available in times of emergency and she requested that the City Council assist her in identifying groups to which she could speak in order to get the information out. She pledged her availability at any time to assist in making the community as safe as possible.

4. Comments from the Public:

Debbie Regel, 122 Ranch Drive, Elizabeth City, NC stated that she believes the Council forgets about the south side of the City. She said that she had been bringing the issue of the lack of a dog park before the Council for five years. She pointed out that the south side of the City lacks sidewalks, which makes it necessary for her to go downtown, go to the old Wal-Mart shopping Center or go to Northeastern High School to walk her dog. She stated that a feral cat population is located behind the old Wal-Mart shopping center that the “cat lady” feeds. She complained that the “cat lady” retrieves trapped cats from the SPCA and places them back at the shopping center. She stated that her concern is that the cat food being placed by this individual is inviting mice, rats, foxes, raccoons, and opossums and she fears a rabies outbreak will occur because of this interaction of animals. She cautioned that someone was going to be bitten or a pet was going to become ill because of this issue.

Tama Glover, 148 Ranch Drive, Elizabeth City, NC stated that she had spent ten years in animal medicine. She advised that “feral cats are feral cats” not sweet animals that

do not know how to interact with people. She said “catch them; euthanize them; because you are going to get rabies.”

Otis F. Gordon, Jr., 703 Southern Avenue, Elizabeth City, NC expressed his concern regarding the condition of the basketball court at Dog Corner Park. He stated that the court is deteriorating at a rapid pace and asked that the court be resurfaced before someone is seriously injured.

Quentin Jackson, 104 Powells Court, Elizabeth City, NC thanked Councilors Brooks and Horton for standing up for the American Legion Post. He stated that he wished to address a previous question raised by Councilman Stimatz regarding the Post’s lack of concern regarding the Police Chief’s use of the term “those people” (in an ABC affidavit) but their major concern with Mayor Peel using the same term. He explained that the Chief of Police came to court and testified about his beliefs and what his comments meant, while Mayor Peel did not testify in court. He stated that the American Legion Hut is not a bad place and invited the Council members to visit. He said that whenever alcohol is present, there will be loud talking and “all that.” Speaking to Mayor Peel, he stated that the American Legion is bothered by the fact that “you will not admit or justify that you were wrong.” He stated that the American Legion will not come to any more meetings, and promised that “the next time you see the American Legion, it will be in Court.”

5. Approval of Minutes:

Mayor Peel called for the Council’s pleasure regarding approval of the minutes.

- a. City Council Regular Session of June 8, 2015:

Motion was made by Councilman Darius Horton, seconded by Councilwoman Jean Baker, to approve the Regular Session minutes of June 8, 2015. Those voting in favor were: Baker, Donnelly, Hummer, Stimatz, Brooks, Spence, Horton and Walton. Against: None. The motion carried.

6. Regular Agenda:

- a. Consideration – Appointments to Various Board and Commissions:

- 1) Appoint Mr. Richard S. Bunn, Jr. to fill the unexpired term of Jo Anne Austin on the Storm Water Advisory Board expiring August 1, 2015 to be followed by a full two year term representing the First Ward expiring August 1, 2017.

Mayor Peel called for the Council’s pleasure regarding this appointment.

Motion was made by Councilwoman Jean Baker, seconded by Councilman Ray Donnelly, to appoint Mr. Bunn to fill the unexpired term of Jo Anne Austin and followed by a two year term expiring August 1, 2017 on the Storm Water Advisory Board.

Mayor Peel called for a roll call vote, which is recorded as follows:

**Councilman Brooks – yes
Councilman Stimatz – yes
Councilman Horton – yes
Mayor Pro Tem Hummer – yes
Councilman Walton – yes
Councilwoman Baker – yes
Councilman Spence – yes
Councilman Donnelly – yes**

The motion carried.

- 2) Appoint Ms. Susan Correll-Hankinson to serve a three-year term on the Urban Forestry Commission beginning immediately and expiring July 1, 2018.

Mayor Peel called for the Council's pleasure regarding this appointment.

Motion was made by Councilwoman Jean Baker, seconded by Mayor Pro Tem Anita Hummer, to appoint Ms. Susan Correll-Hankinson to serve a three-year term on the Urban Forestry Commission expiring July 1, 2018 beginning immediately.

Mayor Peel called for a roll call vote, which is recorded as follows:

**Councilman Brooks – yes
Councilman Stimatz – yes
Councilman Horton – yes
Mayor Pro Tem Hummer – yes
Councilman Walton – yes
Councilwoman Baker – yes
Councilman Spence – yes
Councilman Donnelly – yes**

The motion carried.

- 3) Appoint Ms. Debbie T. Sauls to serve a three-year term on the Urban Forestry Commission beginning immediately and expiring July 1, 2018.

Mayor Peel called for the Council's pleasure regarding this appointment.

Motion was made by Councilwoman Jean Baker, seconded by Mayor Pro Tem Anita Hummer, to appoint Ms. Debbie Sauls to serve a three-year term on the Urban Forestry Commission beginning immediately and expiring July 1, 2018.

Mayor Peel called for a roll call vote, which is recorded as follows:

**Councilman Brooks – yes
Councilman Stimatz – yes
Councilman Horton – yes
Mayor Pro Tem Hummer – yes
Councilman Walton – yes
Councilwoman Baker – yes
Councilman Spence – yes
Councilman Donnelly – yes**

The motion carried.

- 4) Appoint Mr. Harvey Benton Harrison, III to serve a three-year term on the Elizabeth City Historic Preservation Commission to expire June 30, 2018.

Mayor Peel called for the Council's pleasure regarding this appointment.

Motion was made by Councilwoman Jean Baker, seconded by Councilman Darius Horton, to appoint Mr. Harvey Benton Harrison, III to serve a three-year term on the Elizabeth City Historic Preservation Commission to expire June 30, 2018.

Mayor Peel called for a roll call vote, which is recorded as follows:

**Councilman Brooks – yes
Councilman Stimatz – yes
Councilman Horton – yes**

**Mayor Pro Tem Hummer – yes
Councilman Walton – yes
Councilwoman Baker – yes
Councilman Spence – yes
Councilman Donnelly – no**

The motion carried.

Councilman Donnelly advised that he did not vote in favor of the appointment due to his concerns that Mr. Harrison does not live within the City's corporate limits.

- b. Consideration – Authorization to Submit Application to Vested Interest in K-9's for Three Ballistic K-9 Vests:

Mayor Peel recognized City Manager Olson to provide background regarding this request. Mr. Olson stated that City staff requests authorization to submit a grant application to Vested Interest in K-9's for three ballistic K-9 vests. He said that the vests cost anywhere from \$500 to \$600 each making the value of the grant \$1,500 to \$1,700.

Motion was made by Councilwoman Jean Baker, seconded by Councilman Darius Horton, to approve the Elizabeth City Police Department's submission of a grant application to Vested Interest in K-9's for consideration of awarding three ballistic K-9 vests. Those voting in favor were: Baker, Donnelly, Hummer, Stimatz, Brooks, Spence, Horton and Walton. Against: None. The motion carried.

- c. Consideration – Adoption of Budget Amendments for End of Fiscal Year 2014-2015:

Mayor Peel recognized Mr. Olson for an explanation of this request. Mr. Olson stated that staff had prepared the budget amendments required to balance the City's books for fiscal year 2014-2015. He reviewed each of the items presented and provided a brief justification for each.

Councilman Stimatz inquired as to the reason for the overage in electrical consumption at the Wastewater Treatment Plant. Mr. Olson stated that staff was not certain what caused the overage, but was investigating the issue. He reminded the Council that a number of years ago the City began receiving a savings of roughly \$55,000 per year at the plant due to some improvements, but consumption had increased in the current fiscal year. Mr. Olson stated that he would do additional research on this issue.

Motion was made by Councilwoman Jean Baker, seconded by Councilman Tony Stimatz, to approve the following budget amendments as presented. Those voting in favor were: Baker, Donnelly, Hummer, Stimatz, Brooks, Spence, Horton and Walton. Against: None. The motion carried.

BUDGET AMENDMENTS

BE IT ORDAINED by the City Council of the City of Elizabeth City that the following amendments be made to the annual budget ordinance for the fiscal year ending June 30, 2015:

SECTION I.

(103990.0000) General Fund Balance Appropriated	\$ 219,388	
(104100.4501) Legislative Televised Council Meetings		\$ 3,350
(104600.4501) Tax Contracted Services – Motor Vehicle		20,000
(104700.0401) Legal Expenses		10,000
(105100.4501) Police Contracted Services/911		25,000
(105100.5430) Police Workers Compensation and Unemployment Claims Paid		55,000
(105100.8110) Debt Service – Police Vehicles		14,538
(105300.0200) Fire Salaries		50,000
(105300.4501) Fire Contracted Services/911		25,000
(105500.0200) GIS Salaries		2,000
(106300.0200) Senior Center Salaries		12,000

(106610.4585) Elizabeth City Downtown, Inc. – Municipal Service Tax District

2,500

(To record overages in General Fund.)

SECTION II.

(303710.0000) Electric Energy Sales

\$ 2,000,000

(306600.4800) Purchase for Resale

\$ 2,000,000

(To record increased electric revenue and purchased power costs -- approximate 5% increase due to extreme temperatures.)

SECTION III.

That the Water & Sewer Retained Earnings Appropriated (313990.0000) and Wastewater Utilities (318200.1300) be increased by \$85,000.

(To record overage in electric consumption at Wastewater Treatment Plant.)

SECTION IV.

That the Transfer from Stormwater Fund (673970.0001) and Roanoke Phase III Engineering (676614.0400) be increased by \$5,560.

That the Stormwater Retained Earnings Appropriated (343990.0000) and Transfer to Roanoke Phase III Fund (348500.9100) be increased by \$5,560.

(To record overage in Roanoke Phase III Engineering.)

Adopted, this the 22nd day of June 2015.

Joseph W. Peel, Mayor

Vivian D. White, CMC/NCCMC, City Clerk

- d. Consideration – Call for a Public Hearing for TA-01-15 filed by the Elizabeth City Police Department to amend the UDO specific to Article XI, Section 11-4.56 Pawnshops:

Mayor Peel called on Mr. Olson to provide the background for this consideration. Mr. Olson advised that a request is being made to call for a public hearing to be held during the next Council meeting. He stated that the proposed text amendment deals with concerns for increased security at pawn shops that sell firearms - to include things such as surveillance video cameras and bars on doors. He advised that the City has experienced a number of gun thefts from pawn shops. He reported that the proposed text amendment is being suggested by the Police Department.

Councilman Stimatz inquired if anyone would be grandfathered from the regulation. Mr. Olson responded that no one would be grandfathered. Councilman Stimatz asked if that needed to be specifically stated. City Attorney Morgan stated that in his opinion, unless the ordinance states that something/someone is grandfathered or gives some delaying period during which to comply, then there would be an expectation to comply.

Motion was made by Councilman Tony Stimatz, seconded by Councilman Darius Horton, to call for a Public Hearing regarding changes to the UDO as it relates to Pawn Shop security. Those voting in favor were: Baker, Donnelly, Hummer, Stimatz, Brooks, Spence, Horton and Walton. Against: None. The motion carried.

City Clerk notation: The public hearing is to be held on Monday, July 13, 2015 at 7:30 p.m. in Council Chambers of the Municipal Administration Building, 306 E. Colonial Avenue.

e. Consideration – Adoption of Fiscal Year 2015-2016 Budget Ordinance:

Mayor Peel recognized Mr. Olson to begin the discussion of this consideration. Mr. Olson advised that the Council held a Public Hearing on the proposed Fiscal Year 2015-2016 Budget Ordinance on June 8, 2015. He stated that staff had provided a revised budget ordinance for the Council based on a number of things that had occurred since the Public Hearing. He reported that the primary change is in regard to the need to increase revenue and expenses in the Electric Fund, since the sale of the City's generating assets to Duke Energy Progress would not close by June 30, 2015. He reported that the proposed closing date is now July 31, 2015.

Mr. Olson called the Council's attention to the \$400,000 increase in Electric Fund revenue and the corresponding \$400,000 increase in Electric Fund expenses in the prepared ordinance. He also referred the Council to Section 9 of the proposed ordinance and stated that the Finance Committee had recommended that the effective date of the electric rate decrease be stated as "the month following the sale of NCEMPA's generating assets to Duke Energy Progress." Mr. Olson said that staff anticipates the rate decrease to be effective August 1; but cautioned that if another closing delay occurs, the change in wording would accommodate the situation.

Councilman Horton asked for clarification regarding the wording change in Section 7 of the ordinance as it related to "pay compression adjustment." He stated that he had some City staff members approach him with concerns regarding changing the term from "longevity."

Mr. Olson responded that the change is basically one of terminology. He stated that one of the issues the City has is that the lack of merit increases and COLA's for employees has created a situation whereby pay has become "flattened or compressed." He stated that in previous years, the term used was "longevity" but had been changed at the direction of the Council to "pay compression adjustment."

Mayor Peel commented that it was "pay compression" based on "longevity."

Councilman Brooks stated that the Council has discussed a pay study; and questioned what would happen to longevity if the study reveals that the employees are paid about where they should be. Mr. Olson responded that the pay study will look at total compensation in all forms, such as longevity and 401k as well as salary. He said that the study document will make a series of recommendations to the City Council, which the governing body will either choose to adopt or refuse to adopt.

Councilman Brooks made the point that if the study reveals employees are being paid comparably to their peers, the longevity plan may not be needed. Mr. Olson agreed that could be a possible outcome, but he thought the step and grade system would have to be increased to reflect that.

Councilman Walton stated that the current Council may not be the body to make the decision, but was putting forth \$20,000 in funding in the budget to do the study. He said he could tell what the study was going to come back and say – that the employees are getting paid just as much as any other City our size. He said "that's what's being banked on right now – that that comes back." He said "as soon as you hear that, you're going to say we don't need to give them the longevity pay – and that's not right." He stated that anytime the Council can give the employees more money, that's what needs to be done.

Councilman Stimatz stated that he took exception to one phrase in Councilman Walton's comments – "that we're banking on what it's going to say." He stated that he did not know what the study will say. He pointed out that if salary comparison studies are not done often enough, then the employees are left behind as far as comparative rates for the same job in other jurisdictions. He said that the City had similar problems in the past - in particular with the Police Department and the electrical linemen. Councilman Stimatz stated that although he didn't know what the answer would be, if it was revealed that the City needed to pay its employees in order to keep them, that was

important. He said that the City had to be competitive; otherwise the employees would go to other jurisdictions to do the same job. He pointed out that the best thing to do is to have an outside analysis done to tell the Council what to do for the employees.

Councilman Walton asked how hard it would be to find a City comparative to Elizabeth City without having to pay \$20,000 for a study.

Councilman Horton stated that he had placed on the agenda a discussion of the dog park. He said that he recalled the Council's motion to set aside funds if the County were to agree to match those funds. Mr. Olson stated that the Council had agreed to set aside \$6,250 to be matched by Pasquotank County, with the SPCA adding \$12,500 for a total of \$25,000. Councilman Horton pointed out that the County had already indicated that they would not match the funding. He asked why the City would leave the earmark in the budget for the dog park if the matching funds are not available. Mr. Olson stated that just because the money is budgeted, it does not mean the City has to spend it. He said that the conditions placed on the funding by the Council required that the funding be matched. He said if the money is not spent, it stays in fund balance. Councilman Horton stated that the Council can move the earmark by budget amendment; to which Mr. Olson responded that the Council could do that after July 1. Councilman Horton stated that he would like to see the money left in the budget; and if an agency comes forward to help with funding, the Council could revisit the situation.

Motion was made by Councilman Tony Stimatz, seconded by Councilman Ray Donnelly, to adopt the Budget as presented.

Councilman Walton stated that he still had items about which he was dissatisfied within the budget. He said that one of those items is weatherization; and he stated that he thought too much money is being put into the program. He provided statistics for past years of the program by reporting that in 2012 only \$41,000 was spent out of the \$81,000 budgeted; in 2013, \$140,000 was spent out of the \$160,000 budgeted; in 2014, \$181,000 was spent and \$180,000 was budgeted; and in 2015, \$160,000 was appropriated and \$108,000 has been spent to date. He questioned why an additional \$200,000 is being budgeted for the coming fiscal year if the City hasn't needed what has been budgeted in the past.

Councilman Walton stated that the information that staff had provided to him on the program indicated that \$10,596.36 had been spent on the house located at 2000 Rivershore Road in 2012; and he asked the City Manager why. Mr. Olson stated that he could not answer that question, but would provide a memo with the information to the Council. Councilman Walton stated that if one property could get that much money, something was not right with that picture; and he stated that it needed to be explained. He said one reason why he didn't like weatherization is because "it's a pick and choose thing." He said "anytime you can pick and choose, it's usually done wrong."

Councilman Walton stated that another issue he had with the budget is that the "\$45,000 was not put back in for the Third Ward." He said that he had asked the City Manager a "couple meetings ago to do that." Mr. Olson responded that the \$45,000 in funding included in the proposed budget was for improvements at Enfield Park, which is in the Third Ward.

Mr. Olson stated that no decision has been made about what will be done with the old tennis courts at Enfield, and the money budgeted for the coming fiscal year will be used for improvements on the ballfields. Councilman Walton pointed out that \$50,000 had been budgeted for batting cages at South Park and he stated "there's something besides baseball in Elizabeth City." He said "that's why there is so much disparity in this Country - because everybody is not being treated the same."

Councilman Walton requested of the City Manager information regarding transfers from the Electric Fund. Mr. Olson explained that \$925,000 is being transferred in lieu of taxes and that \$600,000 is being transferred in lieu of services, which includes allocations for salaries for himself, the Finance Director, the Human Resources Director and others. Councilman Walton complained that he felt the City is taking too much from

the Electric Fund on the backs of the citizens to be a Tier One County. He stated that the Council takes money to do things that they want to do and was another reason why he did not like this budget.

Councilman Spence asked for clarification on the Electric Fund transfer for salaries. Mr. Olson responded that a percentage of salaries is charged to the Electric Fund for those persons who devote time to the Electric Enterprise. He stated that the accounting had been done that way for many years.

Councilman Brooks inquired if that was the best way to handle the accounting. Mr. Olson stated that most cities use that type of methodology, but the appropriation is dependent upon the amount of time and energy the employees spend for the cost center.

Councilman Brooks stated that he, like Councilman Walton, would also like to see the information regarding the money spent on the Rivershore Road home, because it was his understanding that \$3,000 to \$4,000 was the normal amount spent to weatherize a residence.

Councilman Brooks stated that the motion made for the dog park appropriation was predicated on the County matching the funding. He said that he wanted to stick with the motion and keep with the requirement of matching funds by the County and the SPCA.

Councilman Brooks referred to the \$45,000 budgeted amount that had been taken from the proposed Enfield Tennis Courts project and asked the City Manager what happened to the funding. Mr. Olson stated that the Council had elected to use the money for another project. Councilman Brooks asked what the other project was. Mr. Olson responded that the money was used for the salary discrepancy issue in the Police Department.

Councilman Stimatz stated that it was great that people have comments about the budget. He said that if there is something that a Councilor doesn't like, they need to propose solutions. He stated that the issue of the transfers from the Electric Fund is twofold – with one being that the City is providing services to the Electric Fund, which is a standalone company, no different from Water and Sewer, Sanitation and the Storm Water Utility. He pointed out that these enterprises draw on the City and use its services, such as GIS, department heads, planning staff, building inspectors, and customer service. He stated that those funds should pay for those services - no differently than if Dominion Electric was using our Customer Service facilities and should pay some part of the salaries. He stated "that's the \$600,000 part." He said that the second part is the payment in lieu of taxes and pointed out that the electric company's properties, such as the poles, transfer stations and substations, if owned by Dominion, would be paying taxes. He stated that to be fair about it, the City taxes the electrical company for the properties that it owns. He pointed out that the \$900,000 goes into the General Fund and pays for police, fire and many types of other services. He stated that if a Councilor did not want to transfer the money, then the alternative is to raise taxes. He stated that if that were to happen, those customers living outside the City would have a portion of their electric bill subsidized by the tax-paying property owners of the City. He suggested that if there was an alternative solution to reduce the payment and pass it along to the taxpayers, he would like to hear it.

Mayor Pro Tem Hummer asked for clarification on the pay compression adjustment and inquired if it would be carried through the entire fiscal year, even if the pay study provided a different recommendation. Mr. Olson responded that if the pay and classification study returns with a recommendation that the plan is no longer needed, it would only be fair to continue it through the budget year so all employees would receive the compensation. Mayor Pro Tem Hummer stated that she could understand the employees' concerns regarding that matter.

Mayor Pro Tem Hummer said that an additional question for her would be if the pay study could be performed in-house using advice by the Institute of Government in order to avoid spending the \$20,000. Mr. Olson said that the direction given to City staff was

to keep the \$20,000 in the budget in order that the new Council in January would be able to make the decision how the study should be done. He advised that pay and classification studies can be very difficult because of the differences in job classifications from one community to another. He said the job descriptions would have to be compared to all cities being used to make certain the study is comparing the same classes of work.

Councilman Spence pointed out that regardless of the results of the study, the Council would make the decision.

Councilman Spence stated that because of the many issues that seem to be unanswered, he would like to see the budget tabled until the next meeting in order to receive the requested information. Mr. Olson responded that the City is required to adopt the budget by July 1. He stated that he would have the requested information to the Council, hopefully by the end of the meeting. He said that since the inception of the weatherization program, the City has performed over 180 weatherization projects. He pointed out that there was an anomaly with one house, which needed to be explained; and he pledged that staff would determine the reason.

Councilman Stimatz stated that the Council has to have a budget by July 1, and pointed out that the Council can amend the budget at any time. He stated that the School of Government class on budgeting informed everyone that the budget is how you plan to spend the money. He stated that on the first day of the fiscal year, "the budget could go out the window" because the City could experience a catastrophe.

Councilman Walton stated that the forecast should be a tight budget and not one with "extra money everywhere that can be used any time you want to." Councilman Brooks stated that he agreed with Councilman Walton that the budget should be as tight as possible. He said the Council should stay true to its motions and be fair across the board.

Mayor Peel stated that the budget increase for weatherization had already been voted on by the Council and suggested that the only way to change it would be for someone on the prevailing side of the motion to re-introduce the matter after the budget is passed.

Councilman Brooks stated that his only concern was the answer to what happened to the \$10,000 spent on one house. Mayor Peel responded that it was a legitimate concern.

Mayor Peel stated that there was a call for the question and requested Council's pleasure on the motion on the floor to adopt the budget as presented.

Those voting in favor of the motion were: Baker, Donnelly, Hummer, Stimatz and Spence. Against: Brooks, Horton and Walton. The motion carried.

FY 2015-2016 BUDGET

BE IT ORDAINED by the City Council of the City of Elizabeth City, North Carolina:

SECTION 1. It is estimated that the following revenues will be available for the City of Elizabeth City for the fiscal year beginning July 1, 2015 and ending June 30, 2016:

<u>General Fund</u>	
Current Year's Property Taxes	\$ 7,081,000
Delinquent Property Taxes	407,305
Sales Taxes	1,406,300
Powell Bill Funds	485,000
Local Option Sales Tax	3,346,574
Investment Earnings	11,000
Licenses and Permits	266,000
Sales and Services	662,538

Payments in Lieu of Taxes and Services	1,775,000
Fund Balance Appropriated	47,006
Other Revenues	3,169,712
TOTAL GENERAL FUND REVENUES	\$ 18,657,435

<u>Electric Fund</u>	
Energy Sales	\$ 33,254,232
Other Revenues	2,946,281
TOTAL ELECTRIC FUND REVENUES	\$ 36,200,513

<u>Water & Sewer Fund</u>	
Water Sales	\$ 4,882,265
Sewer Sales	2,777,735
Other Revenues	1,587,725
TOTAL WATER & SEWER FUND REVENUES	\$ 9,247,725

<u>Stormwater Utility Fund</u>	
Residential Revenue	\$ 200,000
Commercial Revenue	195,000
Other Revenues	35,284
TOTAL STORMWATER UTILITY FUND REVENUES	\$ 430,284

<u>Solid Waste Fund</u>	
Residential Revenue	\$ 1,459,701
Other Revenues	256,000
TOTAL SOLID WASTE FUND REVENUES	\$ 1,715,701

SUBTOTAL	\$ 66,251,658
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LESS INTERFUND PAYMENTS	<1,955,000>
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TOTAL	\$ 64,296,658
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SECTION 2. The following amounts are hereby appropriated for the operation of the City of Elizabeth City and its activities for the fiscal year beginning July 1, 2015 and ending June 30, 2016:

<u>General Fund</u>	
Legislative	\$ 130,026
Administrative	376,608
Finance	387,631
Tax	140,000
Legal	66,800
Planning	377,714
Public Building	1,037,008
Police	6,280,806
Fire	3,535,913
Fire Inspections	297,641
Inspections	451,362
Public Works	1,752,490
Parks and Recreation	2,738,007
Non-Departmental	698,582
Human Resources/Safety Liability	264,515
Information Technologies	122,332
TOTAL GENERAL FUND APPROPRIATIONS	\$ 18,657,435

<u>Electric Fund</u>	
Data Processing	\$ 173,920
Warehouse & Purchasing	206,305
Non-Departmental	29,083,954
Customer Service Department	574,846
Electric Distribution	4,935,186
Energy Management	1,226,302
TOTAL ELECTRIC FUND APPROPRIATIONS	\$ 36,200,513

<u>Water & Sewer Fund</u>	
Data Processing	\$ 133,649
Non-Departmental	1,879,634
Customer Service Department	502,929
Water Supply & Treatment	1,894,814
Wastewater Treatment	1,496,233
Water & Sewer Maintenance	3,340,466
TOTAL WATER & SEWER FUND APPROPRIATIONS	\$ 9,247,725

<u>Stormwater Utility Fund</u>	
Stormwater Utility	\$ 430,284

TOTAL STORMWATER UTILITY FUND APPROPRIATIONS	\$ 430,284
<u>Solid Waste Fund</u>	
Solid Waste	\$ 1,715,701
TOTAL SOLID WASTE FUND APPROPRIATIONS	\$ 1,715,701
SUBTOTAL	\$ 66,251,658
LESS INTERFUND PAYMENTS	<1,955,000>
TOTAL	\$ 64,296,658

SECTION 3. There is hereby levied a tax at the rate of \$.64 per \$100 valuation of property as listed for taxes as of January 1, 2015 for the purpose of raising the revenue listed as "Current Year's Property Taxes" as set forth in the foregoing estimates of revenue and a motor vehicle fee of \$5.00 per vehicle.

The tax rate is based on an estimated total valuation of property for the purpose of taxation of \$1,113,696,809 and an estimated rate of collection of 94 percent.

SECTION 4. There is hereby levied a tax at the rate of \$.085 per \$100 valuation of property listed for taxes as January 1, 2015 located within the Municipal Service Tax District.

SECTION 5. That an increase of 1.5 percent cost of living adjustment be established for City payroll.

SECTION 6. That a Christmas bonus of 1 percent be given.

SECTION 7. That pay compression adjustment be continued at the rate of \$125 per year of employment.

SECTION 8. That the health insurance coverage be authorized with Blue Cross & Blue Shield of North Carolina and employees shall participate in Healthy Outcomes Program or pay \$50 month towards their health insurance coverage.

SECTION 9. That electric rates be decreased by 13 percent effective with the City of Elizabeth City utility billing the month following the sale of NCEMPA's generating assets to Duke Energy Progress.

SECTION 10. That water and sewer rates be increased by 3 percent.

SECTION 11. That the water and sewer surcharge be eliminated and water and sewer basic rates be increased by 7.25% to generate revenue equivalent to the surcharge.

SECTION 12. That the City of Elizabeth City fee schedule be adopted by reference.

SECTION 13. The Budget Officer shall be authorized to reallocate departmental appropriations among the various expenditures within each department.

SECTION 14. Outstanding purchase orders and projects as of June 30, 2015, are hereby re-appropriated to this budget.

SECTION 15. All Ordinances or parts of Ordinances in conflict herewith are hereby repealed.

ADOPTED this, the 22nd day of June 2015.

Joseph W. Peel
Mayor

Vivian D. White, CMC/NCCMC
City Clerk

f. Discussion/Consideration – Revision of the Community Support Grant Initiative and Authorization to begin grant process for FY 2015-2016:

Mayor Peel recognized Assistant to the City Manager Angela Cole to begin the discussion of this request.

Ms. Cole stated that included in the fiscal year 2014-2015 budget is a \$50,000 appropriation for Community Support Grants. She stated that the City Council determines the criteria and method of distributing Community Support Grants funds on an annual basis. She reported that concluding last year's round of review and award was a charge to staff to evaluate and reorganize the grant process. She stated that since October 2014, staff has worked through several changes – to the physical documents as well as the process. She reminded the Council that presentations were made to the Council last fall and in April 2015; and that Council's response included specific instructions to edit the application document and the evaluation score sheet. She stated that the documents being presented at this time incorporate these changes, including the additional revisions suggested by Councilman Stimatz.

Ms. Cole reported that City staff has chosen August 14, 2015 as the application deadline for the 2015-2016 grant year. She said that to provide notice to potential applicants, an advertisement will be placed in The Daily Advance, a link will be added to the City's website, and communication will be sent to last year's applicants. She stated that the remainder of the timeline will mirror the past two funding years – forward of all applications to City Council during the third week of August, presentations to the Finance Committee in September, and the Committee's funding recommendation to Council during the October 12 meeting.

Ms. Cole reported that newly added into this year's grant procedure is a mandatory pre-application workshop scheduled for Friday, July 10. She reported that a make-up session is tentatively scheduled for July 24, 2015. Ms. Cole advised that 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 review and decision to award. She said that staff suggests including the City's Community Development Officer, Parks and Recreation Director and the City Manager among the individuals to review applications.

Ms. Cole stated that during the April presentation, staff reminded the Council of the unanswered question regarding whether to forward incomplete applications to the Council body for consideration. She said that the Council did not provide a clear response at the last meeting. Ms. Cole said that staff does not presume the want and final decision of the governing body, and if the Council were to decide to adopt the proposed program changes, staff will continue to report and forward all applicant applications, regardless of the level or detail of their responses, unless otherwise directed.

Ms. Cole concluded her review by stating that staff requests authorization to use the Community Support Grant application and supporting documents; and further requests authorization to proceed with the grant application process as presented.

Councilman Horton stated that he was glad that the process for applications had been revised. He stated that as a member of the Finance Committee, he was aware that the committee spent a lot of time on applications that were not complete. He said that he would still like to receive a list of all applicants to the program.

Councilman Stimatz stated that the information presented stipulated one application per agency per grant cycle shall be considered. He asked if that meant one project or multiple projects under one application. Ms. Cole stated that she would presume it to mean one project per application, although it is not stated as such. Councilman Stimatz noted that during the last grant cycle, River City CDC had applied for funding for two different projects. He said he thought it should be made clear to the applicants, that if they had multiple projects during the fiscal year, they should be stated on one application. He stated that he would not object to funding multiple projects.

Councilman Stimatz thanked Councilman Horton for his comments and said that it was important that applicants know that they must do their due diligence and complete their applications fully. He said that he thought the pre-application workshops would help.

Councilman Stimatz stated that he would like to see all non-profits that receive money from the City meet the same fiscal criteria as those who receive Community Support Grant funding, such as PAL and Hopeline. He stated that he thought that would only be fair. Mr. Olson responded that he would include a discussion of that matter on an agenda for a subsequent meeting of the Council.

Mayor Peel suggested that a discussion of that matter be held at a later time and asked if there was other discussion regarding the Community Support Grant application process.

Councilman Stimatz asked if staff had clear direction regarding receipt of incomplete applications. Mr. Olson responded that staff would provide a comprehensive list of applicants, the amount of the application, and the reason for disqualification, if that were the case.

Motion was made by Councilwoman Jean Baker, seconded by Councilman Ray Donnelly, to authorize use of the Community Support Grant application and supporting documents; and further recommend that the City Council authorize City staff to proceed with the Community Support Grant application process as described. Those voting in favor were: Baker, Donnelly, Hummer, Stimatz, Brooks, Spence, Horton and Walton. Against: None. The motion carried.

g. Discussion of the dog park – *(added to agenda by Councilman Horton)*

Councilman Horton stated that he would like to strike this matter from discussion.

h. Northeastern High School Commencement celebration – *(added to agenda by Councilman Brooks)*

Mayor Peel recognized Councilman Brooks for his comments. Councilman Brooks stated that as a graduate of Northeastern High School, he had attended a lot of graduation celebrations there. He said that he was very proud and impressed by Northeastern High School Principal Ron Payne's remarks during the most recent graduation ceremony. He said that Mr. Payne remarked that he was the head cheerleader for the school; and during his graduation speech had provided a review of the many successes of the students, faculty and staff. Councilman Brooks stated that Mr. Payne had reported that NHS was doing basically the same things that the new local charter school was proposing to provide. Councilman Brooks stated that he wanted to provide that information to the public to make sure that they were aware of all the good things Northeastern High School was doing. He expressed his personal concern that the new charter school would be taking funds away from an already-struggling school system. He said that he thought people "should stop fighting against each other, and fight for the future of our children." He said that he wondered if the trustees of Elizabeth City State University were privy to the information about Northeastern High School or if they were "playing politics with our children."

Councilman Walton stated that "if you know something and are silent about it, you're just as bad as the suspect." He pointed out that he too had attended the graduation ceremony at NHS and stated that Principal Payne pointed out that in addition to being a cheerleader, he would be a marketer and promoter of his school. Councilman Walton complained that "the economic developer" had said "we need a pipeline" and from what he had heard at Northeastern High School "the pipeline is already there." Councilman Walton stated that for some reason "people are not marketing the products we already have."

7. Comments and Inquiries on Non-Agenda Items:

Councilman Brooks congratulated the American Legion for continuing to come before the Council to address their issue. He said that he was behind them 110 percent. In referring to a citizen's comments that the Council was going back to earlier behavior, he

said that for months he did not say anything because he did not have support. He stated that he couldn't fight wrong by himself all the time. He pointed out that if a Council is agreeing on everything all the time, someone was not telling the truth. He said he had to dig within himself; and found that it did not make any sense for him to be quiet when people voted him in to be a spokesman for them. He stated that people may not like it, but race is an issue, not only in America, but all over the world. Councilman Brooks stated that he was a civil rights activist who happens to be a preacher and said that is why he does not fit well on the Council. He said that he did not mind saying what needed to be said if it was going to help someone. He stated that from his worldview as a black man, 53 years after the bombing of the Sixteenth Street Baptist Church, a young man went into the Emanuel AME Church in Charleston and murdered nine people who were trying to pray to their God - because they were black. He asked how he was supposed to receive the fact that when he was captured, he was given a vest to wear and taken to McDonald's to get something to eat. He said when he speaks "truth to power" people say that he is too radical, but when something happens in their household, they come straight to him. He said that he would not keep silent anymore, because "silence is betrayal."

Councilman Stimatz stated that he thought the City should offer an opportunity for the Red Cross to place material in our monthly utility mailings regarding hurricane preparedness. He suggested that City staff work with the Red Cross to accomplish that. He reminded everyone about the annual tax forgiveness program offered by the County and encouraged qualified citizens to sign up. He stated that the City's code contained a section on health and safety and asked if it could be used to address the feral cat situation. He asked staff to look into the issue and bring it back to the Council for consideration and additional discussion.

Councilman Horton thanked the American Legion for their continued quest in making sure that justice is done as it relates to their property. He congratulated all the recent graduates in the community. He reminded everyone to check on their elderly neighbors during the extreme heat. He stated that he and Councilman Walton, in conjunction with ECSU students, were working on a student discount card. He encouraged businesses that may be interested in getting involved in this initiative to contact either himself or Councilman Walton.

Mayor Pro Tem Hummer stated that Red Cross representative Carolyn Self had brought up a lot of good concerns and she thought it warranted a Work Session dedicated to the discussion of hurricane preparedness. She suggested that she thought the City should include a brochure on preparedness in the utility bills.

Councilman Walton stated people come and talk about dogs and cats, but no one wants to discuss race. He stated that the issue is important, because black lives are significant. He commended Principal Ron Payne for standing up and cheering, marketing and promoting what he chose as a career, even though some County Commissioners and Board of Education members did not like it.

Motion was made by Councilman Johnnie Walton, seconded by Councilman Darius Horton, that at the next meeting, a proclamation be given to Mr. Linwood Williams, ex-superintendent, from this City Council. Those voting in favor were: Baker, Donnelly, Hummer, Stimatz, Brooks, Spence, Horton and Walton. Against: None. The motion carried.

Councilwoman Baker had no comments.

Councilman Spence asked for clarification on the issues at the Dog Corner basketball court. Mr. Olson stated that the contractor had performed the work according to the plans he was given, but the court had experienced unanticipated settling. Councilman Spence stated that it was his understanding that the work had been performed incorrectly and questioned why the City is paying part of the expense. Mr. Olson stated that staff had been trying to determine a fix for the settling issue without having to tear the entire court out, but had not been able to do that. Councilman Spence asked why the City is trying to find a fix, when it is the contractor's profession. Mr. Olson stated

that based on the staff information that he had reviewed, the City provided a cross section for the sub-soil as well as how the work should be done. He said that the contractor followed the plans he was given. He said the geotechnical work that was performed was not as good as it could have been. Mr. Olson stated that staff would continue to work with the contractor on the issue as well as the expense. Councilman Spence advised that he was still not comfortable with that, because the contractor should have advised that the plan would not work, since that was his profession.

Councilman Spence stated that the attorney had advised that legally the Council could not order Mayor Peel to write a letter of apology to the American Legion. He suggested that since the Council had approved the mayor to handle matters related to the ABC Commission, before any affidavit was issued, the Council should be advised. He stated that would eliminate the issues being experienced currently with the American Legion.

Mayor Peel responded that he had no problem complying with that suggestion.

Councilman Donnelly suggested that Councilors Horton and Walton may want to have discussions with Elizabeth City Downtown, Inc. as well as the Downtown Business and Professional Association because those two organizations already issue discount cards for downtown businesses and restaurants. He said that when the Council talks about racial issues, he has to chuckle to himself. He pointed out that during the last Council meeting, the Council had difficulty funding the Community Relations Commission and had questioned their purpose and even suggested they be disbanded. He stated that the proposed dog park had been funded at a higher level than the Community Relations Commission. He said he wondered what that says about the Council.

Mayor Peel stated that the gentleman who spoke before Council was concerned that the mayor did not testify, but ran out of the courtroom. He said that actually he attended the court proceedings almost the entire first day and was told by the attorney that he could leave. He said that he returned the next morning, spent a couple hours there and was again told by the attorney that he probably would not be called to testify and could leave. He stated that before leaving, he provided his cell phone number to be used if he was needed. He said "the mayor didn't run out, the mayor walked out and left a cell phone number to be called, but was never called." He stated that as far as Councilman Horton's comment about justice being served, "justice was served." He stated that the American Legion and the ALE officers had their day in court and the American Legion prevailed. He said "that's the way things work in this country."

Mayor Peel stated that as far as the affidavit he wrote was concerned, it was in the context of going before an administrative judge looking at whether or not the license should be revoked. He stated that the affidavit was written in the context of the people who resulted in the 798 or so police calls in that community as well as other comments that were made. He said that his affidavit and the chief's affidavit were written basically the same because they were contained in a large document of information. He stated that he still did not see a reason to apologize, because he did what he did based on the information he had at the time. He pointed out that subsequent conversations with Chief Buffalo had revealed that there had been very few incidents in the community and he felt that was a good thing.

Mayor Peel stated that as far as the comments about the graduation at Northeastern High School and the charter school were concerned, he thought it was great that conversations around education were being held. He said that had not been happening in this community for a long time. He said that there are a lot of good things going on in the schools, but one of the big problems with the school district is that they had not been telling their story. He pointed out that a newspaper article had appeared about the good work being done by the new parent committee for the schools; and stated that the committee was a result of one of the recommendations that came out of Vision 2020 - to encourage the school district to engage parents in more meaningful ways and to make them aware of what was going on and how they could help their kids be more successful.

Mayor Peel said that he had spent a good bit of time during the past Saturday at the Juneteenth Celebration and was a part of the opening ceremony during which Dr. Johnny Houston spoke. He said that Dr. Houston was an interesting gentleman and he had given a lot of thought about his speech. He said that Dr. Houston had reminded everyone that this country was founded based upon beliefs and ideals of people from all over the world. He said that the other countries around the world had been founded around certain ethnic groups. He said the beliefs of those in America are centered on liberty, freedom and the like. He pointed out that when the Constitution was written, it established those freedoms basically for white males and did not address women or African Americans. He stated that Dr. Houston had traced the events that had occurred over time, such as the Emancipation Proclamation and the meaning and importance of Juneteenth. He said that was the time when a beginning was made to extend those same ideals to include African Americans. He stated that in the early 1900s, the women's suffrage movement came about and women began to have those same rights.

Mayor Peel said that when you look at today's fight over immigration, that fight is about whether to extend to immigrants the same rights that the rest of us have. Mayor Peel stated that Dr. Houston had pointed out that we are still trying to get to a more perfect union with these ideals and beliefs. He said that in light of what has happened in Charleston and in other instances around this country recently, a way to look at it is that you can't just attack blacks - or women - or a group, because in doing so, you really attack all of us. He pointed out that those beliefs and values belong to all of us and are what make us a country, bind us together and are why we live by the rule of law. He stated that is what separates and makes this country great as compared to other nations around the world.

Mayor Peel stated that in looking at the tragedy at Sandy Hook Elementary School and at Emanuel AME Church in Charleston, he did not think that government could solve those problems. He encouraged everyone to look inside themselves and think about their beliefs and determine how those beliefs line up with what we say as a country we believe. He pointed out that as Councilman Brooks had said, if you are not willing to speak up and address these kinds of acts as an individual and be vigilant, we run the risk of losing the very foundation that this country has been built upon.

Mayor Peel encouraged every citizen when they hear someone say something derogatory toward an ethnic group or anyone who is different; they should speak up and not be a part of it, because silence means you agree. He advised that we can no longer go along and be silent regarding some of the craziness going on around us. He said "an attack on one is an attack on all."

8. Adjournment:

There being no further business to be discussed, Mayor Peel adjourned the meeting at 9:25 p.m.

Joseph W. Peel
Mayor

Vivian D. White, CMC/NCCMC
City Clerk