

**MONDAY-7:00 P.M.**

**JANUARY 26, 2009**

**CITY COUNCIL**

The City Council of the City of Elizabeth City held its second regular meeting of the month on the above date and time in the City Council Chambers of the Municipal Administration Building with Mayor S. S. Atkinson presiding. Those Members attending were: J. M. Baker, D. B. Evans, L. A. Hummer, R. E. King, B. S. Meggs, E. K. Rivers, J. A. Stimatz and V. C. Watts. Staff Members attending were: City Manager R. C. Olson, City Clerk D. S. Pierce-Tamplen, City Attorney W. H. Morgan, City Manager Intern R. A. Lyons, Deputy City Clerk V. D. White, Human Resource Director K. W. Felton, Inspections Director S. E. Ward, Police Chief C. E. Crudup, Parks and Recreation Director J. D. Overman, Finance Director S. E. Blanchard, Fire Chief L. Mackey, Electric Director K. F. Clow, Planning Director J. C. Brooks and Public Utilities Director P. A. Fredette.

Mayor Atkinson opened the meeting by welcoming those attending. He called upon Councilwoman B. S. Meggs for the invocation after which the Juliette Girl Scouts of Elizabeth City led the Pledge of Allegiance to the Flag of the United States of America.

**1} APPROVAL OF THE AGENDA:**

Mayor Atkinson called for approval of the prepared agenda.

Mayor Pro Tem Baker asked to add, ***UDO Text Change TA-01-08*** and removed ***Item 8-e-Authorization for Manager to Execute Contract Agreement between City of Elizabeth City and Martin County Community Action, Inc for contractor service for the City of Elizabeth City's weatherization Assistance Program.***

***A motion was made by Mayor Pro Tem J. M. Baker, seconded by Councilwoman B. S. Meggs to approve the prepared agenda as presented to include the above noted items. Those voting in favor of the motion were: Baker, Meggs, Evans, Hummer, King, Rivers, Stimatz and Watts. Against: None. Motion carried.***

**2} PROCLAMATION:**

Mayor Atkinson presented a proclamation proclaiming the week of February 22 – 28, 2009 as Rotary Service Week to Sheriff Randy Cartwright. Sheriff Cartwright gave brief remarks.

**3} COMMENTS FROM THE PUBLIC:**

Mayor Atkinson asked City Clerk D. S. Pierce-Tamplen to call those who had signed up to speak to the podium.

Roger S. Ambrose, 112 Chadburn Avenue, Elizabeth City expressed his concerns regarding the intensity of the sign regulations at this time.

Rick Pierce, 1445 Old US 17 South, Elizabeth City expressed his opinion regarding the small business in our area are hurting and let's make a change in the sign ordinance but let it be a change for the people.

Rosa Williams, 208 Meekins Street, Elizabeth City advised that since she was at the meeting two weeks ago the noise from the Trios Club has gotten much worse. She asked for help from the City.

Carlise Williams, 208 Meekins Street, Elizabeth City stated the noise is still the same. He sees the police officers ride up to the club but they don't even get out of their cars. He asked for help from the City.

L. Quidley, 212 Meekins Street, Elizabeth City informed Council that last weekend was far the worst weekend of all. He read a letter concerning his opinion of what has happened in his neighborhood and pleaded with Council to please help his neighborhood in controlling this problem.

Leigh Jean Gilbride, 1306 West Church Street, Elizabeth City said she wanted to echo all those who have spoken before on the level of noise coming from the Trios Club. It has gotten no better and she feels that it has actually gotten worse. She has small children as well as a working husband and she asked for some type of help to control this situation.

Sam Davis, P. O. Box 10, Elizabeth City stated that he feels the people who have spoken before regarding the noise at Trios are liars. The noise is not that loud. Management has taken steps to eliminate the noise and the level is not that bad. He asked if there was anyone whom wished to buy him out to give him a call.

Manny Lovgren, 207 South Charles Street, Elizabeth City also stated that management has been trying to take care of the noise problems at Trios.

Johnnie Walton, 401 New York Avenue, Elizabeth City spoke his opinion on the increase in the water and electric rates.

Michael Brooks, Elizabeth City spoke regarding his opinion on the proposed 4% increase in electric rates.

**4} APPROVAL OF THE MINUTES:**

Mayor Atkinson called for action regarding the minutes of December 8, 2008 Work Session and the Regular Session held on January 12, 2009.

***A motion was made by Councilman J. A. Stimatz, seconded by Councilwoman L. A. Hummer to approve the minutes of the Work Session held on December 8, 2008 and the Regular Session held on January 12, 2009. Those voting in favor of the motion were: Stimatz, Hummer, Baker, Evans, King, Meggs, Rivers and Watts. Against: None. Motion carried.***

**5} CONSENT AGENDA:**

Mayor Atkinson asked the City Manager to read the Consent Agenda. Following the reading, he called for action.

***A motion was made by Mayor Pro Tem J. M. Baker, seconded by Councilman R. E. King to approve the following Consent Agenda as presented. Those voting in favor of the motion were: Baker, King, Evans, Hummer, Meggs, Rivers, Stimatz and Watts. Against: None. Motion carried.***

Consent Agenda:

a} Adopted the following Resolution directing the City Clerk to investigate the Sufficiency of a Petition for Voluntary Annexation submitted by Charles Hardy.

**RESOLUTION #0912  
DIRECTING THE CITY CLERK TO INVESTIGATE  
A PETITION RECEIVED UNDER NCGS 160A-31  
CHARLES HARDY  
1.85 Acres**

**WHEREAS**, a petition requesting annexation of a 1.85 acre parcel known as Lot 3B in Spruill Industrial Park and located adjacent to Weeksville Road; and further described in said petition has been received by the City Council of the City of Elizabeth City; and

**WHEREAS**, NCGS 160A-31 provides that the sufficiency of the petition shall be investigated by the City Clerk before further annexation proceedings may take place; and

**WHEREAS**, the City Council of the City of Elizabeth City deems it advisable to proceed in response to this request for annexation;

**NOW, THEREFORE, BE IT RESOLVED**, by the City Council of the City of Elizabeth City:

That the City Clerk is hereby directed to investigate the sufficiency of the above-described petition and to certify as soon as possible to the City Council the result of her investigation.

**ADOPTED**, this 26<sup>th</sup> day of January 2009.

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Stephen S. Atkinson  
Mayor

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Dianne S. Pierce-Tamplen, MMC  
City Clerk

b} Adopted the following resolution approving the submission of application for a Clean Water Management Trust Fund Grant for wastewater system survey and mapping initiative.

**RESOLUTION #0913  
CLEAN WATER MANAGEMENT TRUST FUND GRANT APPLICATION  
WASTEWATER SYSTEM SURVEY & MAPPING INITIATIVE  
ELIZABETH CITY-PASQUOTANK COUNTY, NORTH CAROLINA**

**WHEREAS**, the City of Elizabeth City is hereby applying to the North Carolina Clean Water Management Trust Fund ("the Fund") for grant funds to complete a "Wastewater System Survey & Mapping Initiative" project; and

**WHEREAS**, if the North Carolina Clean Water Management Trust Fund approves funding of the project as described in this grant application, the Fund will prepare a Grant Agreement for execution by the City of Elizabeth City, and

**WHEREAS**, the Grant Agreement will specify the terms and conditions under which the Fund will provide the grant funding; and

**WHEREAS**, the Grant Agreement will require the City of Elizabeth City to perform certain functions and obligations in order to carry out the work described in this grant application,

**NOW, THEREFORE, BE IT RESOLVED:** That the City Council of the City of Elizabeth City assures the North Carolina Clean Water Management Trust Fund that it understands the functions and obligations to which the City of Elizabeth City is committing itself in order to carry out the work described in this grant application, and further agrees that the City of Elizabeth City will proceed with diligence to perform those functions and obligations to accomplish the work described in this grant application.

**BE IT FURTHER RESOLVED**, by the Elizabeth City Council Members that: Upon receipt of the Grant Agreement and related documents for the 2009 Clean Water Management Trust Fund project, the Mayor and/or City Manager are hereby authorized to proceed with the execution of these documents and return them to the Trust Fund in the interest of proceeding with grant execution.

The Mayor and/or City Manager are hereby authorized to execute daily grant related documentation for the 2009 Clean Water Management Trust Fund project to include execution of the Grant Application and Contract for the Clean Water Management Trust Fund, and general correspondence between Elizabeth City and the Clean Water Management Trust Fund (as necessary). Any documentation which reflects a change in the original scope of work and/or amendment related activities must be brought before the Elizabeth City Council for approval.

**ADOPTED**, this 26<sup>th</sup> day of January 2009.

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Stephen S. Atkinson  
Mayor

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Dianne S. Pierce-Tamplen, MMC  
City Clerk

c} Approved the following Budget Amendments:

**BUDGET AMENDMENT**

**NUMBER 2009-01  
JANUARY 26, 2009**

**BE IT ORDAINED**, by the City Council of the City of Elizabeth City that the following amendment be made to the annual budget ordinance for the fiscal year ending June 30, 2009:

**SECTION I.** That the General Fund Donations (103220.0051) be increased by \$4,826, the Parks and Recreation Organized Program Expenditures be increased by \$4,026, and Parks and Recreation Capital Outlay (106200.7400) be increased by \$800.

(To record donations received to purchase Tae Kwon Do supplies.)

**SECTION II.** That the Aviation Park Performance Award (633500.2000) and the Master Plan Expenditure (639008.2008) be increased by \$50,000.

(To record Economic Development Administration Grant funding for reimbursement of engineering fees paid to Airport Authority.)

**ADOPTED**, this 26<sup>th</sup> day of January 2009.

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Stephen S. Atkinson  
Mayor

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Dianne S. Pierce-Tamplen, MMC  
City Clerk

d} Approved the donation of computer equipment to the Veterans Family Resource Center.

e} Adopted the following Resolution authorizing financing for two trucks, one dump truck and one reel mower with RBC Bank.

**RESOLUTION #0914  
AUTHORIZING THE EXECUTION AND DELIVERY OF AN  
INSTALLMENT FINANCING CONTRACT IN THE AMOUNT**

**OF \$109,000 WITH RBC BANK (USA) TO FINANCE THE ACQUISITION  
OF CERTAIN EQUIPMENT FOR USE BY THE CITY OF ELIZABETH CITY,  
NORTH CAROLINA, AUTHORIZING THE EXECUTION AND DELIVERY  
OF RELATED INSTRUMENTS, AND DETERMINING OTHER  
MATTERS IN CONNECTION THEREWITH**

**BE IT RESOLVED**, by the governing body for the City of Elizabeth City, North Carolina (the "Unit"):

**Section 1.** The governing body of the Unit does hereby find and determine:

a} The City of Elizabeth City proposes the acquisition of certain equipment, which may include fixtures as more fully described in the hereinafter mentioned Contract (collectively, the "Equipment");

b} After consideration, the governing body of the Unit has determined that the most advantageous manner of financing thereof is by an installment contract pursuant to Section 160A-20 of the General Statutes of North Carolina, as amended; and

c} Pursuant to Section 160A-20, the Unit is authorized to finance the acquisition of personal property, including fixtures, by installment contracts that create a security interest in the property financed to secure repayment of the financing; and

d} RBC Bank (USA) ("RBC Bank (USA)") has proposed that RBC Bank (USA) enter into an Installment Financing Contract with the Unit to finance the Equipment pursuant to which RBC Bank (USA) will lend the Unit the amount of \$109,000 (the "Contract") and a related Escrow Agreement between the Unit and RBC Bank (USA) (the "Escrow Agreement").

**Section 2.** The governing body hereby authorizes and directs the Finance Director, to execute, acknowledge and deliver the Contract and Escrow Agreement on behalf of the Unit in such form and substance as the person executing and delivering such instruments on behalf of the Unit shall find acceptable. The Clerk is hereby authorized to affix the official seal of the City of Elizabeth City to the Contract and Escrow Agreement and attest the same.

**Section 3.** The proper officers of the Unit are authorized and directed to execute and deliver any and all papers, instruments, opinions, certificates, affidavits and other documents and to do or cause to be done any and all other acts and things necessary or proper for carrying out this Resolution and the Contract and the Escrow Agreement.

**Section 4.** Notwithstanding any provision of the Contract or the Escrow Agreement, no deficiency judgment may be rendered against the Unit in any action for breach of a contractual obligation under the Contract or the Escrow Agreement and the taxing power of the Unit is not and may not be pledged directly or indirectly to secure any moneys due under the Contract, the security provided under the Contract being the sole security for RBC Bank (USA) in such instance.

**Section 5.** The Unit covenants that, to extent permitted by the Constitution and laws of the State of North Carolina, it will comply with the requirements of the Internal Revenue Code of 1986, as amended (The "Code") as required so that interest on the Unit's obligations under the Contract will not be included in the gross income of RBC Bank (USA).

**Section 6.** The Unit hereby represents that it reasonably expects that it, all subordinate entities thereof and all entities issuing obligations on behalf of the Unit will issue in the aggregate less than \$10,000,000 of tax-exempt obligations, including the Contract (not counting private-activity bonds except for qualified 501 (c) (3) bonds as defined in the Code) during calendar year 2008. In addition, the Unit hereby designates the Contract and its obligations under the Contract as a "qualified tax-exempt obligation" for the purposes of the Code.

**Section 7.** This resolution shall take effect immediately upon its passage.

**PASSED AND ADOPTED** this 26<sup>th</sup> day of January 2009.

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Stephen S. Atkinson  
Mayor

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Dianne S. Pierce-Tamplen, MMC  
City Clerk

f} Adopt the following schedule of budget work session for 2009-2010  
Budget.

**PROPOSED BUDGET CALENDAR  
FY 2009-2010**

BUDGET WORK SESSION – 5:30 – 8:30 P.M.



April 29, 2009 – Wednesday  
May 13 2009 – Wednesday  
May 20, 2009 – Wednesday  
May 27, 2009 – Wednesday  
June 1, 2009 (if needed) – Monday

PUBLIC HEARING

June 8, 2009  
Regular Council Meeting – 7:00 p.m.

BUDGET ADOPTION

June 22, 2009  
Regular Council Meeting

End of Consent Agenda

**6} PUBLIC HEARINGS:**

a} Application RZ-10-08 – Request of Twiford Funeral Home to rezone 1.49 acres in the 400 block of East Church Street from Central Business to General Business.

Planning Director Brooks stated that Twiford Funeral Home is requesting a rezoning of their property from Central Business to General Business. The property currently has a funeral home, administrative building, a duplex and two storage buildings located within the block. The plans are to demolish the duplex and storage buildings and move their crematorium operation to the Church Street site. Crematoriums are not permitted in the Central Business District but are allowed in the General Business District zoning. Staff has reviewed the application and found this request to be reasonable and offer no objection to the request and recommend approval. The Planning Commission is also recommending approval of this request.

Mayor Atkinson declared the meeting into public hearing. He asked the City Clerk if anyone had signed up to speak. Upon a reply of one, Ms. Pierce-Tamplen called Jennifer Palestrant to the podium.

Jennifer Palstrant, 502 E. Ehringhaus Street, Elizabeth City spoke in favor of the proposed rezoning.

Since no one else wished to speak for or against the proposed rezoning, Mayor Atkinson declared the public hearing closed. He called for action from the Council.

***A motion was made by Mayor Pro Tem J. M. Baker, seconded by Councilwoman L. A. Hummer to approve Application RZ-10-08 received from Twiford Funeral Home to rezone 1.49 acres located in the 400 block of East Church and East Grice Street and 300 blocks of S. Martin L. King, Jr. and McMorrine Streets from Central Business to General Business. Those voting in favor of the motion were: Baker, Hummer, Evans, King, Meggs, Rivers, Stimatz and Watts. Against: None. Motion carried.***

b} Proposed Water and Sewer Rate Increase:

Mayor Atkinson called upon City Manager Olson for comments.

Mr. Olson stated during the Council meeting of January 12, 2009, staff presented to the Council four options which would allow the City to generate additional \$750,000 revenue for the Water/Sewer Fund. Additional revenue is needed due to increased operating costs, lack of revenue received to date and concerns expressed by the City's auditor and the Local Government Commission. Council directed staff to prepare a water and sewer rate ordinance and public hearing notices for Option #4. Option #4 consists of keeping the base rate for water and sewer the same \$18.82 and \$11.65 respectively as is currently in place. Our existing rate structure allows a customer to receive two units of water/sewer for the base rate. Option #4 would only allow one unit of water/sewer for the base rate. This change by itself will generate an additional \$557,000. To generate the required \$750,000, additional revenue from a 4.4% rate increase on all units not included in the basic charge would need to occur. The rate structure will generate \$646,687 from our residents' rate base and \$106,110 from our commercial base rate. Staff is recommending that Council adopt Option #4 and increase the rate by 4.4% on all units not included in the basic charge.

Mayor Atkinson declared the meeting into public hearing. Since no one was present who wished to speak for or against the proposed water and sewer rate increase he declared the public hearing closed.

Councilman Stimatz stated that you start off by saying that we have had a decrease in revenue when in reality your own slide showed that is not the problem. We haven't had a decrease in revenue; we have had an increase in operating and maintenance expenses. He asked this question before and he

never quite got the answer. When was the last time that we raised the water rates to cover operating expenses, obviously it was before 2004?

Mr. Olson said that we went back 10 years and did not find any.

Mr. Stimatz said this is similar to what we ran into when we were talking about taxes when we hadn't raised taxes to cover operating expenses for over 12 years. We haven't raised operating expenses in Water and Sewer in over 10 years. We have been trying to deal with this through some other means. We made some bad decisions with annexations. Here we are and every time we have an increase in the cost of chemicals or have a pay raise or the price of gas goes up our operating costs go up but we haven't increased our revenues.

Councilwoman Hummer stated that she did a little research on her own and to partially answer Mr. Stimatz's concerns. In March 1994, Council created a Capital Reserve Fund. This was mainly for improvements and/or expansion of the water and wastewater facilities. Of course, rates were increased at that time by 10% in January 1994, 15% in January 1995 and 5% in January 1996. She is not sure exactly when that Capital Reserve Fund was depleted. In April 1996 Council awarded bids for the Perry Street Water and Sewer and pretty much of the CDBG Project which included upgrading of water and sewer lines. In April 1996 bids were awarded to build two new wells. She thinks that was probably what your question was about. In July 1996 she asked if the water and sewer rates should be revisited and if they were adequate but that didn't take place. She came off council the following year. In June 1997, the Downtown elevated water storage tank was to be painted with funding from the 5% sewer increase and it was also to be repaired. Painting took place but the repairs didn't. She is well aware of the low fund balance in our Water and Sewer Fund and she is also well aware of what Americans all across this country are facing. She said at our previous meeting that she would not vote for it and she would like to go back to the annexation of 1998. There were 8 annexations and first of all the City should have owned the water and sewer lines before we annexed. We didn't and we had to build them and we still have that debt. Part of that debt has to come from your Electric Fund and that is another reason we are raising electric rates tonight. We had staff stand in front of us in 1998 and told Council there would be no revenue coming from these annexations for 43 years in some areas. Council at that time went ahead and approved that and as you see from the chart we have had 5%, 14%, 6% and .5% and a surcharge which has remained on there since 2000. It goes on and on. She just doesn't think the customers should have to bare the cost of growth and that was what the annexation was supposed to be. The growth didn't take place. We have the debt and we now find ourselves in this situation. She thinks we didn't prepared ourselves for a mild winter and for a mild summer or whatever by not continuing to have the rate stabilization fund like we had a few years ago and we didn't

continue that fund. She thinks with all these things that were not the fought of our customers and she just can't pass it on. We will be right back again at budget time with another increase.

Mr. Stimatz said Ms. Hummer he agrees we don't want to pass this on. He would ask since you have been on Council ten years over a twelve or fifteen year period, what other solution do you see.

Ms. Hummer asked to answer that question. She has asked that we put something in place to prepare us for things like this. She has asked that the rates be look into years ago and she asked that a Capital Reserve Fund be put in place.

Mr. Stimatz said his question is where we are now, what is your solution for where we are now? He understands how we got here and he agrees with you. For whatever reasons it wasn't good. Now we are here, what do we do from here?

Ms. Hummer said that she has no answer, but she couldn't sleep tonight if she thought she put one more person out of their home because they couldn't afford everything they are faced with and that includes the electric rate increase which she will speak to also.

Councilman Rivers said he goes with his colleague. He reads the ordinance that was presented where it says to raise additional revenue in its water and sewer fund to increase operating costs. Then his question is do we have positions open that has not been filled. Have we looked at all ways to go forth? Have we done any of that before we automatically say we are going to raise the rates and that is where he has a problem? The City Manager has done his job. This is not in no way directed to the City Manager. It is council that needs to see if we can't look and see if we have positions open in the Water Department or we can put a freeze on and look and see where we are before we just automatically do a rate increase. We keep talking about the amount. Since last year we have voted every time to always do increases. Yet, he has not seen anything come by here saying that we are going to decrease, cut lights off or certain plans to put certain things in action. Our way is just pass the increases to our citizens. Right now he thinks that we are at a point that we can't accept any more increases. He is speaking for others but at the same time speaking for himself. It is a hard decision. He just thinks that we can look and see what we can do. He guesses when we talk about operating costs we are talking about chemicals. Are we still purchasing for the downtown. He knows one time we were purchasing the bubblegum smell good for the downtown pump station. Are we still purchasing chemicals for that?

Mr. Olson said that is a legitimate question. We have revised a different filtering system that was done roughly two and a half years ago. That filtering system has been very successful in eliminating the smell coming from the pump station. In addition we have taken a lot of flow off that station which also helps the cost. We have cut the operating budget by 5%. That is what we have done. That is all that we feel comfortable doing. We have looked at our capital reserve program and what we are seeing is more and more money being spent on emergency repairs. Having to do that with outside contractors, and with chemical costs gone to double digits and he can't remember but he believes they have gone up quite a bit. We need to generate an additional \$750,000 in revenue.

Mr. Rivers said that he would love to receive the budget for the Water and Sewer Departments. We need to look and see what we can cut before we pass on this 4.4% to the customers without at least trying to cut. It might go from 4% to 2% and that is a lot better. He hasn't seen us put a freeze on anything.

Councilwoman Watts said she was wondering if the \$750,000 is what you are wishing to generate but that is only residential that we are talking about. What is the increase for the commercial business?

Mr. Olson replied that the total residential for water and sewer increase is \$646,687.00 and commercial is \$160,110.00.

Ms. Watts said we are looking at \$750,000 all together. That is both residential and commercial. That 4.4% based on the average household water and sewer usage would be approximately \$22. Was that the monthly increase?

Mr. Olson replied that would be what the monthly bill would be. The increase would be approximately \$6.18 a month.

Ms. Watts said so we are looking at \$6.18 a month added to the person's water bill right now. Does that include the sewer portion?

Mr. Olson said that no the additional charge for sewer would be \$4.05.

Ms. Watts so you could say an additional \$10 is what we are looking at adding to our citizens bills. That is a lot of money. She said it before; the last time we met do we have to do this right now. The utilities are going up. We just had an increase and she feels like it is just too much for people to take all at one time. She thinks she is going to also concur with Ms. Hummer on this one. She can't go with increasing \$10 to your water bill and in addition another \$10 plus on utilities every month.

Councilman King said we haven't cut the 5% yet. Has that been put in place?

Mr. Olson said that we are finalizing those cuts right now. He has instructed all city departments to cut their operating budgets by 3% and the Water and Sewer by 5% because of the issues we are having in this particular fund.

Mr. King asked what would be the number that we need after these cuts. He thinks he understands what Mr. Rivers is trying to say. We don't have the 5% in place right now.

Mr. Olson said that we need to generate \$750,000 per year. We are half through the year. That is one of the problems that we are having. We have cut the budget and we are asking for a rate increase in order to finish this fiscal year. That is the problem that we are facing.

Mr. King asked if we could wait until June.

Mr. Olson said that he doesn't think that we can wait until June. He can do some projections based on our existing spending. He thinks that we ended up in the Water and Sewer Fund with \$300,000.

Ms. Blanchard said that we ended up with \$300,000 in the operating budget but we will not have that this year. We will have a negative cash flow in the operating budget if we do not have a water and sewer increase. Now, we do have some funds in the water and sewer capital project budget because we just got a million dollars in for our sewer service fee.

Mr. Olson said that money is already spent on capital project like the Hughes Boulevard sewer line and other projects we already have under contract.

***A motion was made by Councilman D. B. Evans, seconded by Mayor Pro Tem J. M. Baker to adopt the attached ordinance adopting Option #4 as presented with a 4.4% increase on all units not included in the base rate; and further that it be effective with the February 2009 utility billing***

Ms. Hummer said that she would like to say one more thing. Three years ago in a meeting in Raleigh, then Lieutenant Governor Beverly Perdue stated in a speech that there was grant money available at that time for infrastructure needs. She came back to Council with that information. She knows that we have gotten grant money for different things but we have a crumbling water and sewer system. Every time it breaks down that takes the money. She is saying this because she hopes we have gotten our list together. We have been told to get a list together to our State and Federal Representatives in time for the

stimulus package that the President is putting together. We have to find the funding for the interior water and sewer lines in Elizabeth City. That is an important need; otherwise it will keep draining any funds we might be able to build up. She trusts that we already have that in place with those officials

Mr. Stimatz said that he would like to explore the scenario because he hears three council people say they are not going to vote for this increase. He would like the City Manager to lay it out for us when the LGC is going to take over for us.

Mr. Olson said staff has a judiciary duty to notify the LGC when we believe we are in financial trouble no matter what the City Council decides to do if we believe that we are in a negative cash flow position it is our duty as staff members to notify the LGC. We do not want a situation like Chowan County where everyone just woke up one day and realized they were out of money. We have put the Council on notice that we need additional funds in the Water and Sewer Fund. The LGC has done it the last three years. Our city auditors have told us for the last two years that we need additional revenue in our water and sewer fund.

Mr. Stimatz said what he wants you to do is walk us down this path. If we don't pass this increase, we run out of money, what happens.

Mr. Olson said that we could not pay the bills in the Water and Sewer Fund.

Ms. Blanchard said the Electric Fund or the General Fund would have to fund Water and Sewer operations.

Mr. Stimatz asked if we don't have the money in those funds then what happens.

Mr. Olson said that he feels that DENER would come in and take the system over and raise the rates. The LGC has the authority to make recommendations on financing.

Ms. Blanchard said as the last resort the LGC would come in and raise the rates. If the General Fund is not in good condition they would raise the tax rates. That would be the very last resort.

Mr. Olson said that is what they did in Chowan County. They had a LGC staff person come in and worked with the County Manager to clean up some of their financial issues that they had.

Mr. Stimatz said then if we don't pass this increase that is what we would be looking at more than likely.

Mr. Olson said that he would say by June you will have no money if not before. We can not borrow money in the Water and Sewer Fund.

Mr. Stimatz said if we run out of money we have to come up with it from somewhere else. We just keep getting deeper in this financial hole by spending money that we don't have.

Mayor Pro Tem Baker said years and years of previous councils neglecting to do the right thing to pass on increases, they needed to put hiring freezes on, they spent money in places that satisfied personal vote getting for many years. We are \$750,000 a year in the hole that we need to raise. This increase is not going to impact our lowest users. She called the City Manager this week because she gets so infuriated and she gets so many calls when she drives by a team or group of workers and she sees one guy in the hole and she sees five guys standing around the hole. She cannot tell you how many calls she gets on that. She does not know what they are doing but she knows what it looks like. It looks like a waste of city money. It looks like a waste of city employees and it looks like we could put that money someplace else. She knows you all agree with her because you have all called her. It is crazy that we look like we look and we have to have these rate increases because we didn't do the right thing when we had the chance years ago. We put it into sidewalks, curb and guttering, and things that didn't make sense for the overall city. Here we are again. Two times tonight. Two more increases. We can't help it. It is not because we like it. Trust her, but we do have to do business for the City. We know what it takes, some of us knows what it takes to run the city and we don't have the answer either but we do have to have some solution. We can't let the City go into bankruptcy. We can't be another Chowan County. We have got to do the right thing.

Councilman Rivers said first of all he has not said that we have to raise \$750,000. All he has stated every time we always talk about the rate increase is we go with it soon as we hear rate increase and we accept it. Rich has identified that we are \$750,000 in the hole. When we go into budget time, we receive a budget and then as we go line item by line item and Rich will make some cuts. After Rich makes his cuts it comes before City Council. Council makes cuts and at the end of the year we have a budget that we present to the City. At this point, we have been presented a 4.4% rate increase. All he is asking is that we get the breakdown. We have heard he has asked for a 5% decrease from his department heads in water and sewer and 4% from other departments. We need to see what that is before we just pass on the 4.4% to raise the \$750,000. He is not saying that we are going to let the LGC come in. He is saying that we have to cut and then if we end up with a 2.4% increase it is better than the 4.4% increase. We can't always just accept what is told to us. Staff does their



job. They bring back the idea but as City Council we have to do what is in the best interest of the City. We have to sometime make cuts ourselves in order to make sure not to pass on the rate increase. Every time we come into a financial crisis, the first things that we do is raise taxes. Sometime we need to put a hike and say all unfilled positions are going to be put on hold and see what that generates. We have received the amount from the 5 & 3% cuts yet. People can not afford the \$10.00. When we were in budget we were at \$4.00 a gallon of gas. We put funds in the budget to be able to offset for the \$4 a gallon. Gas is down to \$1.79 and where are those funds. We put a rider on because gas was so high but now the gas price is down and the rider is still on there. There are some things that we need to see on paper before we just accept them. We need to look to see if we can't cut it down. If we have done all that we can and we are still at a 4.4% then he has no problem.

Councilwoman Hummer said she thinks if we spent as much time trying to get our feet in the door on the stimulus package as we have spent here tonight arguing a point we would be more prudent. Our City Manager was scheduled to go to Washington this week to ask for infrastructure monies and she knows some of that was going to be for the airport project, but she assumed that the bulk of your request was going to be for infrastructure costs within the City which we so desperately need. This is her point, we need to be spending more time on that and seeing if we are going to get any stimulus money or making sure we are going to get some of it and then we can look at an increase according to how much we might get. We have got to work to get that. It is going to be first come first served from all we have heard.

Councilwoman Watts asked when we knew that we were in trouble.

Mr. Olson said we have continuously seen this. There are two issues that cause us concern. One is we have just not sold the volume of water we thought we would. Our revenue projections were off this year. In addition to that the costs we had budgeted for chemicals, electric rate increase, etc does affect our operation in the treatment plants. They use a high volume of utilities. We have seen our expenses go up in a couple of categories and we have seen our revenue projections be off from what we had predicted. We knew when we closed out the fiscal year that we did not have the revenue we thought we would have. We are hoping to make it up with additional sales and those sales have not materialized with how wet it has been. We have continued to see a decrease in our revenue funds.

Councilwoman Watts asked if there was any other way to offset the cost of having to raise the water up so much. In other words, is there a way right now that you can think of that we can cut or something that we can do? As a matter

of fact one thing she was thinking of, Mr. Rivers hit on it earlier with the decrease in the gas bill, did the city's bill also decrease?

Mr. Olson said that is for gasoline but remember our electric rates increased, our chemical costs increased and it is a balance act but we did have some savings but those savings were basically in the Electrical Department because of their peaking generator fuel usage and also in Public Works and in the Police Department where we use large volumes of gas. We probably saw a savings of \$150,000.

Ms. Watts said she just wanted to make sure that we had exhausted all avenues to make sure this is the only option that we have.

Councilwoman Meggs said that she feels sure that Rich has looked at every option. She also knows that we hope and pray that every time anything comes along that our lines are not broken under ground. You know it is just a matter of time before we have another break. When we get to the point that we cannot fix these breaks we are in need of a stimulus package to really do something with our infrastructure.

Councilman Stimatz said he would like to say a couple of things. One, when we went through the budget if you took the time to go through the budget last year item by item, one of the questions that he asked the Manager was, "have we included such things as the postage stamp increase, the electric rate increase we were anticipating and the gasoline increases?" His answer was no. They weren't in the budget. Mr. Rivers, those things weren't in the budget and they are not there to be saved and there is nothing to get back from because we didn't account for them. It is pretty easy to see what has happened. There is so much chlorine that you have to buy and so many chemicals you have to buy and there is no way around that. There are so many people that have to be in that building at one time to run the building. What he is hearing is you have asked the department to take a 5% hit and you have already absorbed within that budget a 30% chemical cost. It is more than a 5% hit as they have already taken more than that. We can pay for this all kind of ways. We can take money out of the Electric Fund, General Fund or we can make the taxpayer pay for somebody else services. We have talked about that before in the electric rate. We clearly set this up and Mr. Evans was the one that asked the question and this is why it looks the way that it does. Can we help the people that don't use a lot of water? That is why we fixed the rate for the first unit. The people most likely to not have the money to pay for it, the elderly, the infirmed, the small families, etc., they won't see a change in their rates because they are not using that much water to start with. The point is that we are minimizing the impact on that group. If we don't want to pass this, that is fine and we can all wait until September/October when the LGC takes us over and they decided what the tax

rate is going to be. They decide what the electric rate is going to be and they decide the water rates. If that happens then we have lost control. That is what people seem to be promoting as the answer. He thinks that it is our jobs to make tough decisions and the tough decision is to pass this on. It is really hard. Nobody wants to do it and it is not politically nice and despite what some people say, we do not turn to raising the taxes or raising the rates to pay for operating costs. The numbers of history do not support it. He brought it out last year that we hadn't raised taxes to cover operating costs in the city for twelve years. We haven't raised rates in water and sewer in the last twelve years to cover operating expenses. If we want to be the City that goes out of business that is fine and maybe that is the thing to do. He does not see an alternative to this situation. Last year we spent \$400,000 repairing the Wastewater Treatment Plant because we refused to spend \$10,000 a year to do maintenance. He sees no way out of this. He thinks that our manager has done everything that he can do to fix this. LGC has been telling us for three years we need to raise our rates. Our auditors have been telling us for two years that we are on the edge.

Mayor Atkinson called for a vote on the motion.

***Those voting in favor of the motion were: Evans, Baker, King, Meggs and Stimatz. Against: Hummer, Rivers and Watts.  
Motion carried.***

**ORDINANCE #0912  
MODIFYING USAGE PARAMETERS AND  
INCREASING THE CITY OF ELIZABETH CITY  
WATER AND SEWER RATE SCHEDULE**

**WHEREAS**, the City of Elizabeth City has an immediate need to raise additional revenue in its Water and Sewer Fund due to increased operating costs, expressed by the City's auditor and the Local Government Commission regarding the fiscal health of the fund; and

**WHEREAS**, during its meeting held on January 12, 2009, the City Council reviewed various options to accomplish the needed revenue increase and called for a public hearing to be held on January 26, 2009 to receive comment regarding Option #4;

**NOW, THEREFORE, BE IT ORDAINED**, that the City of Elizabeth City Council, after receiving public comment, hereby adopts the following changes to the City of Elizabeth City Water and Sewer Rate Schedule, to become effective with the February 2009 utility billing:

a} That the policy of receiving two thousand gallons of water and sewer for the base rate charge is hereby modified to provide one thousand gallons of water and sewer for the base rate charge of \$18.82 for water and \$11.65 for sewer; and

b} That a rate increase on all units not included in the basic charge is hereby increased by 4.4%.

**ADOPTED**, this 26<sup>th</sup> day of January 2009.

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Stephen S. Atkinson  
Mayor

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Dianne S. Pierce-Tamplen, MMC  
City Clerk

3} Increase in Electric Rates:

Mayor Atkinson called upon City Manager Olson for comments.

Mr. Olson said back in November the City received notice that the North Carolina Eastern Municipal Power Agency had approved a wholesale rate increase of 4%. That 4% is to take effect February 1<sup>st</sup>. As Council is well aware we have to buy all of our electricity from the Eastern Agency. He presented a slide presentation addressing a number of Council's concerns. We have received 42.7% rate increases and we have only passed along 31% of those to our customers. We have been able to absorb those rate increases. The reason why we have been able to do that is because of load growth. That is our system is expanding and our demand is such that we are doing a lot better than a lot of other municipalities in the State because of our growing community and the industries that we are attracting as well as the number of residential homes that have been built. He reviewed what our cash fund balance has looked like since 1991. The proposed 4% rate increase will cost the City approximately \$1,275,000 in additional costs annually. Right now our fund balance is below the \$5 million threshold amount established by Council a number of years ago. If we do not pass this along then that fund balance will continue to disintegrate.

Ms. Meggs asked Mr. Olson to explain to the people why we have Electricities, how long we have to have them, and if we change what difference would that make.

Mr. Olson replied that we entered into a contract with the Eastern Agency in 1981 where we bought a percentage of the Harris Nuclear Plant, the Sharon Nuclear Plant, Roxboro and several other different plants. That contract or our debt associated with buying that capacity ends in 2024. We are an all requirement City. We have roughly through the Agency about \$110,000,000 of debt which is in the City's name through the Agency that is our share of the overall debt cost of \$2.5 billion that the Agency has. Our rates right now are based on the all requirement rates that we have from Electricities. The problem that we are facing right now is a double edged sword. We have paid so much over the years for the capacity in these different plants that it would not be in our best interest to get out of the Agency if we could. We could not. A number of years ago we did check into that and found out that based on the agreement that we have and several other bond conveyances that we couldn't get out of the agreement. We are captive to the Eastern Agency. When they have a rate increase we either have to absorb it ourselves or we have to pass it along to our customers.

Mayor Atkinson declared the meeting into public hearing. He called upon the City Clerk for those who signed up to speak.

Valerie Jones, 708 Raleigh Street, Elizabeth City spoke in objection to the proposed electric rate increase. She encouraged Council to look at ways to help the citizens in Elizabeth City.

Johnnie Walton, 401 New York Avenue, Elizabeth City also spoke in objection to the propose electric rate increase. He feels that Council should reconsider the stabilization fund so that in the future we will have something to fall back out. He asked that Council reconsider a rate increase at this time.

Since no one else wished to speak for or against the proposed rate increase, Mayor Atkinson declared the public hearing closed.

Councilwoman Hummer said she is going to liken this contract with this Municipal Power Agency to what is going on in the banking industry. You have CEO's who are making extravagant salaries and even more extravagant bonuses just for signing on for a few more years while they are getting bailed out by the Federal Government. We learned back in the summer how much the CEO of Electricities was making. He resigned not long after that. We were told that we needed to raise rates because the price of fuel had gone up when actually the price of a barrel of oil had gone down, not up. She thinks that we can hold this Power Agency more responsible. We have a representative come down here and give us a slide show and we have to take his word for it. We have representatives who go to the meetings and are they asking enough questions. It seems like when we hear things like, what is driving the cost of electricity and we know that

some prices have come down. Something is not right. It is true that we can not get out of this contract but we can try to find out more about why these costs are passed down to us twice a year or three times a year. She thinks we owe it to our customers to do that. Maybe it is time to ask the Federal Government to help us get out of this contract. We don't have \$42 million plus to buy out of it so she does not see any other way. We can't keep going on. We have riders tacked on to our utility bills that never come off. We told the people that one would come off in 18 months and now last year we had to tell them no it is never coming off. She just can't raise her hand again in favor of this.

Mayor Pro Tem Baker said again we all are paying the same increase. We are all paying the same rates. She is enjoying 65° in her house the same as many of you are. She has not gotten in line to have an energy audit but she knows that we have a waiting line to do that so she hopes that if you haven't taken advantage of that you will get in line to have Dennis Gordon to come over to your house and tell you how you can save on energy. Not just electric but on all energy. We talked just a few years ago about getting out of ElectriCities and the only way that we could get out of it was to sell our debt to another member of ElectriCities. Well they all want to get out of it too. Who knows, be careful what you wish for because if we sell out and we are not in control of any of our future then we are going to be at the mercy of Virginia Power or North Carolina Power or some other power company. Their rates are cheaper right now but that doesn't mean that they will be if they have all the marbles. That is pretty scary that we in 2024 we will have control. We will have the ability to begin sending the rates the other way.

Councilwoman Watts asked how much were the calendars that were passed out? She just raised that up just to say that they are really nice. They are actually nice. You can put stuff in there and you have pretty gold on there and it says City of Elizabeth City, Electric Department, Elizabeth City, North Carolina and then it has a telephone number there that you can call. It would have been nice to her with the way the economy is going to-maybe it was 25¢, she doesn't know how many that the City bought but however any money right now could surely help us. A 4% increase when we just had an increase in September or so. What kind of profit could we estimate that we got?

Mr. Olson replied that we made no profit. We passed along the cost in our wholesale price we got from the Eastern Agency as we would be doing in this case.

Ms. Watts said ladies and gentlemen as you can see and hear that because we have these costs as she understands it that your electric bill, your water bill in addition and possibly your house tax bill may increase. If you guys don't come and get before that podium and show you care about your families and you care

about what this Council is doing up here because without you as you can see things get done and then you are the ones that have to pay. She does not like this and she is not going to vote for a 4% increase that she already voted for in August. She hopes that the rest of those up here on Council will reconsider so that we don't pass on these terrible increases to your bill when you need medication. She lives in the Fourth Ward and we have a lot of disable persons in our Ward, Mr. Rivers and she, we have low income in our Ward and we are increasing the water bill \$10 a month plus your electric bill at least \$20 plus. God knows if you own a house we don't know what that is going to be in the future. So, she would hope that the Council will understand that we have folk here who cannot afford to have everything knocked on them all at once and that we would reconsider increasing this rate.

Councilman Rivers asked what was the yearly operation of the electric.

Mr. Olson replied \$33 million.

Mr. Rivers asked what was the LGC – 8%. What is 8% of \$33 million? \$2.4 million. We have \$4.9 million in a savings account. A savings account should be when you run into tight times. Right now we are in tight times. We have \$5 million in a savings account. What do we make off of our electric each year? What is our revenue into the electric department?

Mr. Olson replied nothing because we are losing money. Remember we had a cash balance of \$10.5 million in January 2006 and now it is down to under \$5 million. Our transfer to the General Fund this year was \$1,050,000.

Mr. Rivers said the suggestion that he would make is that we are at \$4.9 and we said before \$5 million. We saw that one of those groups have \$5 million in reserve and they have a \$700 million budget. He knows that we want to keep a high savings but savings are exactly for what it says. It is for when times are good you need to get your savings back up. But, he has not seen a report yet, he has not talked to anybody that is not feeling the crunch of where we are at right now. The plan that he would suggest is do not do the 4% increase. It will cost us \$1.2 million for the next year if we don't pass on the increase. \$1.2 million for the next twelve months will take us down to \$3.7 million and we are hoping that the stimulus package will pick back up and we are hoping that jobs will increase and we are hoping that a lot of things that we have planned and it might take a little longer than twelve months but he thinks that we do not need to pass this \$1,275,000 rate onto our citizens. We need to absorb it. Yes it will take us down to about \$3.7 million. We just did a rate increase in August. Now we are coming right back and asking for another rate increase. It was said last time Rich has done everything and yes he has. He did what was in the best interest of the city staff and he did what he could do but we always come back

and cut things and come back up. That is the good of having eight heads plus the Mayor when there is a tie to try to look and see if we can cut and save other places. He thinks right now is not the time to do this \$1.2 million and let's hold off on it and let it come out of our fund balance and then twelve months from now we will be better financially and hope that we have more customers because more customers will offset the demand and the costs and we just start moving forward. He cannot see that we can pass this on to our citizens and feel good about it. That is all the increases that we have incurred and we have always accepted them. We just went ahead and passed on the rate increase. He knows he is part of eating up our savings but when you are in a bad economy you have to do things and hopefully in twelve months from now the economy will begin to pick back up and we can get our savings back up.

***A motion was made by Councilman E. K. Rivers that we not pass on the \$1,275,000 and we let it come out of our Electric Fund Balance. Councilwoman V. C. Watts seconded the motion.***

Councilman Evans asked if there wasn't a certain amount or is there a certain amount of money that we need to keep in that balance in case of some kind of catastrophe or something happens. Isn't there an amount that we have to keep in there or is recommended that we keep in there in case something was to happen?

Mr. Olson replied that the City Council a number of years ago established a Fund Balance of \$7 million. City Staff was supposed to notify the City Council when it got below \$5 million. Right now we have less than 60 days operating revenue in reserves for the electric utility. During the high peak months he approves electric bills of \$2.5-2.6 million just for the cost of our power. That does not include cost of personnel and other things we have to buy for the department. He is telling you right now at \$4.9 million you have less than 60 days operating revenue in that account. You cannot afford to allow that account to go any lower. You are jeopardizing your utility and your investment you have in this community. Remember you have a system here that is probably worth \$75 - \$80 million. If you do not pass along this rate increase then you are basically affecting or putting your electric system in the same position that your water and sewer system is in right now.

Councilman Stimatz said that is really the issue. How much in the savings account is enough. If he remembers correctly when we debated this when we had \$10.5 million in the bank it was three months and that is how come we came up with \$7 million because of the time we were spending about \$2.6 million a month. That is how the \$7 million was set. That is three months in the bank operating expenses. That is what the LGC recommends that you have. As Rich points out \$5 million is actually below the two months level. How close do



you want to cut it to the bone? That is really the issue here. In his own mind, he can see us waiting six months. Hold off for six months and see what happens. That is \$637,500 and we hold off for six months on the change and that takes us down to about \$4.4 million which is about a month and a half operation expenses. That is half the recommended level of the LGC. It is a game of chicken. Something else that he would like to point out as everybody keeps throwing up here about the stimulus package. Understand something there is no operating expense money in the stimulus package. It is all for infrastructure. It is not going to pay your light bill, water or tax bills. It will not buy the city anything. It is to purchase, construction, demolition or whatever of infrastructure items. Don't be counting on the stimulus package to suddenly make your electric bill cheaper or your water bill cheaper. They have nothing to do with each other. What it would do is allow us to take, if we have a catastrophe maintenance failure potentially pay for that with stimulus money because it is a large infrastructure repair rather than having to jack the rates up to pay the debt that we have to incur to do it because we don't have any money in the bank. That is the question for Council. We have been asked by these people out here to try to make it as harmless as possible. He has no problem with this kind of thing before. His personal feeling is he thinks he can live with a six months deferral on this. Take us down to \$4.4 million and see how we do through the rest of winter and early summer months in terms of where we are with capital. He thinks that we need to revisit it in six months and not wait a year. He would offer to Mr. Rivers a friendly amendment. Instead of a one year deferral we defer it for six months.

Mr. Rivers said that he would accept that. Ms. Watts said she would hold her second.

Mr. Olson said it may be advisable to just address the citizenship when we prepare our budget for next year when we start on it in 60 days.

Mr. Stimatz said you will start looking at it in 60 days but his point is that we defer taking action. In other words, if he would offer this to Mr. Rivers. That he make a motion to accept the resolution as offered but change the date of February 2009 to August 2009 or defer any action for six months.

Mr. Rivers said that was it has to come up for debate and not to be included in the budget because this needs to be a total separate item.

Mr. Olson said that you cannot do a budget unless you know what your revenue stream is in the coming year.

Mr. Stimatz said that is true Mr. Olson however we can change the revenue stream in mid year because we have already done that. If we don't take action

then you know what your revenue stream is and when we go to do it the question you are saying is that in your projections you are not sure that you can cover it with this current amount. You would have to come back to us and say at this point you may have to do something.

Mr. Olson said that he is required to present council a balance budget. He is not sure that he can if we hold off even for six months. Council needs to remember that the electric utility is not a cheap utility. We are paying \$2.00 per liner foot of copper wiring. We have transformers that cost a million dollars in the system right now and if one of those goes out we are in trouble. We have peaking generators at \$400-\$500 thousand. They are getting old. That is his concern about the overall liability of the utility. He wished that we didn't have to pass along a 4% increase just like he wished we didn't have to pass along the 14.5% increase five months ago. But, one of the reasons we are having an additional 4% now is we should have taken the 16% back in August and we would not have this problem right now. We have had those very lively discussions and debates at the Eastern Agency meetings.

Mayor Atkinson asked if we wait until August which has been proposed, how much will we have in that point in time if we don't pass along this.

Mr. Olson said the only thing he can do is look at what we have historically purchased and used in that six month period or whatever, come back with a more analytical answer than just shooting from the hip like he usually does. What we have right now is less than two months operating revenue. If we have a major catastrophe we would be in bad shape. If we wait until August we will be even further down than we are at this point in time. We have two more high energy months in the winter time and then we go into what we call our shoulder months where our usage is relatively low. Then we start building our summer peaks again. In July and August is when we start incurring a lot of expense on our purchase power. Staff sets up here and we take the blame and we take the heartache for all these increases but we all know the amount of calls you will get if someone cannot flip the switch and the utility lights won't come on or they turn the faucet on and they don't have water. What we are trying to do is to insure that you have a viable utility. What he is telling Council is 80% of your budget you don't control in the electric. It is different in Water and Sewer. You have input on a lot of the items in water and sewer. The Council a number of years ago cut \$2.5 million out of the operating budget. We cut our policy for paying underground subdivisions. We have done everything we could a number of years ago. There is no more room to absorb any more increases in electric utilities.

Mr. Rivers asked if the electric fund has the capacity to borrow money.

Mr. Olson said that the Board of Electricities would have to approve any debt issued by the City.

Mr. Rivers said if something happens and we get flooded for 30 days FEMA would come in. Our last hurricane that we had we were reimbursed back for funds that we expended on our electric. He knows we had to come up front with the money and he thinks this is not something against Rich. He wants to make sure that when he gets a call from us that you can say he is on top of it. He understands that and that is why he is not directing this to you. He is saying to our Council that we have the opportunity to issue debt if we get into a fix with the Power Agency. If we have a hurricane, FEMA steps in. We do have to eat the blunt because we can't pick up the phone and do like we normally do. Call Mr. Olson and he will fix it. We have to stand up but for six months to get through and we are already in February. We are not asking that we are going to \$1 million. We are just saying go down right now to \$4.4 million. It is a savings account that we have to be able to purchase. He thinks generators and things we have on hand. If we get hit with a natural disaster we are going to have national help to come in and issue us funds if we get like Katrina. We would have 30 days of operating. He has taken the friendly amendment that it will come back six months from February 1<sup>st</sup> and no other discussion call for the question.

Mayor Pro Tem Baker asked if we could hold this off. We need the increase and it makes sense. She hates it too but if we can hold it off until say April when the brunt of the winter is over, she thinks that would help people out there that are cold right now, is that possible Mr. Olson.

Mr. Olson said it is whatever the Council wants to do. He thinks realistically and particularly the 4% increase would equate too roughly for February usage \$150,000 additional cost and then that would drop down to \$130,000 for March and then it drops to \$100,000 or a little less. We can come back with a detailed analysis what based on historical trends what we think the increase would be for the next six months, nine months and twelve months.

***A motion was made by Councilman J. A. Stimatz, seconded Councilman R. E. King to table action on his motion until our next meeting when Rich can come back with that information to give us a better idea on how long we can put off taking action without imperiling his budget preparation. Those voting in favor of the motion were: Stimatz, King, Baker, Evans, Hummer and Meggs. Against: Rivers and Watts.***

7} **REGULAR AGENDA:**

a} Award of Bid to Edward Winslow:

Mayor Atkinson called upon Mr. Olson for comments.

Mr. Olson said that when we were doing the budget for this particular fiscal year, we had discussions concerning a need for an additional restroom here at city hall. We had placed in the budget roughly \$21,000 to install a restroom at the base of the stairs. Several years ago we did have some plans drawn up for some additional construction here at city hall which included the covering of this open area above customer service or enclosing the second floor which would include a large conference room and also a handicapped assessable restroom which we do not have on the second floor. We solicited bids from four qualified building contractors to perform the work. We had two companies to return their bids. The first bid was for just the restroom facility and the low bidder for that was Edward Winslow for \$12,293. We then took bids for the enclosing of the second floor with a restroom. Edward Winslow was the low bidder at \$63,165.60. We would not need to award the bid for the first floor restroom since the second floor bid would include a restroom on the second floor. Because of the slow down of the construction business we have gotten extremely good bids for the work. We have money in the General Fund to pay for the one third cost and Water and Sewer and Electric would also pay one third of the costs.

Several members of Council expressed their concerns about spending this amount of money when we have just raised our water and sewer rates and have a possible rate increase in the electric. They recognize the prices are extremely good at this time and they know the prices will probably go up considerable when the economy improves.

***A motion was made by Councilman J. A. Stimatz, seconded by Mayor Pro Tem J. M. Baker to approve the bid received from Edward Winslow in the amount of \$12,936 for the construction of the first floor restroom. Those voting in favor of the motion were: Stimatz, Baker, Evans, Hummer, King and Meggs. Against: Rivers and Watts.***

b} TA-01-08 – Update definitions and regulations of signage:

A motion was made by Mayor Pro Tem J. M. Baker, seconded Councilman D. B. Evans to call for a public hearing to be held on March 23, 2009 at 7:30 p.m. in the City Council Chambers of the Municipal Building for consideration of TA- 01-08 to update definitions and regulations of signage. This would be contingent upon having a community meeting that we talked about at our last meeting regarding signage and allowing for a

work session after that community meeting and possibly going back to Planning if needed.

Mr. Rivers said what he thought what we had before goes before the public hearing.

Mr. Olson stated that according to the UDO when the Planning Commission makes a recommendation on a rezoning or zoning text amendment, the City Council is required to hold a public hearing. The City Council does not have to approve it as they can send it to a committee or can go anywhere they want to go with it but they have to have the public hearing after the Planning Commission has brought the item forward. If we hold the public hearing on February 9<sup>th</sup> then you have fulfilled your obligation of having that public hearing. What you do with it afterwards is whatever the Council wants to do with it.

Mayor Pro Tem Baker said that she would like to withdraw her previous motion and make a new motion.

***A motion was made by Mayor Pro Tem J. M. Baker, seconded by Councilman R. E. King to call for a public hearing to be held on Monday, February 9, 2009 at 7:30 p.m. in the City Council Chambers of the Municipal Administration Building for consideration of TA- 01-08 to update definitions and regulations of signage as proposed by the Planning Commission. Those voting in favor of the motion were: Baker, King, Evans, Hummer, Meggs, Rivers, Stimatz and Watts. Against: None. Motion carried.***

## **8} COMMENTS AND INQUIRIES ON NON-AGENDA:**

Mayor Atkinson advised that he would call on the Manager and Members of Council for comments.

City Manager Olson – He has no further comments.

Councilwoman Meggs – She is sorry that the ones that have something to do with Trios have left because she is fired up. She will tell you what. She knows as she has been over there. She knows part of what has gone on. If you look at those pictures that went around you can tell what is going on. She went to the dictionary this afternoon and looked up what disorder means. It means the lack of order-neglect of order, system disarray, breach of order, to disturb the natural functions of body or mind, unruly, turbulence, offensive to good morals and public decency. She is going to tell you something. This is a Coast Guard couple. He is a pilot. He was disturbed and he had to fly Saturday morning.

Here she has worked for three years on trying to get to be a Coast Guard City. What kind of feelings do you think he and his family have had to endure in this City? She is ashamed of it. The things that went on. The night of Friday or Saturday she is not sure which one it is, but what went on if our city police can't handle it, then call in the Sheriff's Department. If they can't handle it call in the Camden Sheriff or call in whomever, the National Guard if we have one anymore. She is ashamed of what has gone on and then for the owner to stand up there and say dah dah dah. Well by the time they call and say the music is so loud it has already gone on the scanner and it is already gotten there and they have turned the music down. She is hoping the City in some way or another will take the bull by the horns and get this mess cleaned up. For those folks on Meekins Street that are older and have been there all their lives shouldn't have to live like this their last few years of their life. She is ready for the City Manager, Mayor and Council Members and Chief and all of you to do something so these people can have a little peace and quiet and decency.

Councilwoman Hummer – It has always bothered her that when people come up during public participation with concerns we don't answer them that night. They leave here thinking that they didn't get an answer and they didn't. And, she thinks to hear a businessman call a group of citizens a liar it just shocks her. She thinks that word is the harshest word in the dictionary to call anyone a liar. She would hope that there is some way that all these people can be brought together and resolve their problem. She does not think that they would be here if there wasn't a problem. She really thinks it is up to us since we have ordinances that control these things to set up a meeting and try to take care of it.

Councilman Evans – He has seen this family come up here and these residents and they have been up here for the past two meetings. There is a noise ordinance that we have in place. He thinks that it is after 11:00 p.m. the noise has to be below 60 decibals. If it isn't then we should issue them a citation. He thinks that we need to take a firmer action on having someone out there monitoring it. Somebody actually go out there and maybe be in disguised or something. Honestly something needs to be done. He has been in that place before when it was City Meeting Place to eat and it had been raining and that place should be condemned anyway because there was water leaking from the ceiling and hopefully they have fixed all of that. Back to the issue of the noise, we definitely need to do something with that and use every force that we have to go in there and do it.

Councilman Stimatz – We can debate this and maybe we should have it on the agenda for another meeting. If you are interested and this is for the people out there you can either go on line or come in and see the City Clerk and get a copy of it, it is Chapter 50 and has to do with noise and has all the details in there.

The same level has to be measured at the property line. He finds it interesting that one of the owners admitted tonight that they were exceeding the EPA allowable level of sound noise. If you are standing in the establishment and you cannot talk to the person next to you and hear them, you are clearly exceeding the 85 decibel rules that EPA allows in a place of work. It is an establishment of work and is subject to the workplace regulations of the EPA regarding sounds. There are limits on how much sound for certain periods of time that can be allowed in the establishment. He would suggest at some point somebody may want to call the EPA and ask them to go check on that. He feels like Ms. Meggs as he has gotten e-mails from these folks and he drove by there one night to check it out. The next time he is going to tell them to call him when they can't sleep. Also, call the Mayor and call Rich and we will all get up and we will all go over there. He would recommend that to anybody. If you are hearing it then call us. He will be glad to go over there. He thinks there is a compromise here. He thinks it needs to be worked out. He would like to leave it to the City Manager to do that.

Councilwoman Watts – She just wanted to say that she wanted to thank the public for giving her a little bit of encouragement during this past two weeks. She appreciated those who have done that. You know what she is talking about. She just want to let you know that the people who voted for her to be here did not vote for her to give her opinions necessarily, but you all voted for her to be an honest person and to be a spokesperson for what you want – not necessarily what she wants. Having said that and bearing that in mind she wants you to know as your City Councilwoman in the Fourth Ward although she does not feel that she owe the City a \$182.00 for a trip that she took to Charlotte for the ElectriCities. She is going to pay that tonight and she certainly hopes that Ms. Dianne will take note of what she is saying. Her bill although she doesn't feel she owes it is paid in full. She wants to encourage each of you that some of you may feel like that the City isn't treating you right or even doing things correctly in Customer Service but the right thing for you to do is do the right thing. As your Representative she wants to take the first step in doing that and let you see on television that she is paying her bill in full. May God bless you all until the next time she sees you at another Council meeting.

Mayor Pro Tem Baker – She has been over to the house also and the night they were over there was the night a neighbor took matters in his own hands and locked up the music equipment so she didn't get to hear it. She does not know what 60 decibels sounds like. Is there anyway we can duplicate that with base out 75 feet from this building for a meeting so we can all see if we want to lower that decibel rating. Does anyone know what 60 decibels sounds like? She says bring it out in the street 75 feet away and let us hear it for ourselves.

**10} ADJOURNMENT:**

There being no further business to come before the Council at this time, Mayor Atkinson adjourned the meeting at 10:00 p.m.

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Dianne S. Pierce-Tamplen, MMC  
City Clerk

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Stephen S. Atkinson  
Mayor