

The City Council of the City of Elizabeth City held a Special Meeting on the above date and time in the City Council Chambers of the Municipal Administration Building with Mayor J. H. Bell, Jr. presiding. Members present were: C. C. Austin, J. M. Baker, L. A. Hummer, R. E. King, W. A. Lehmann, D. K. Stallings, Sr. and J. B. Walton. Councilman E. K. Rivers arriving at 5:10 p.m. Others attending were: City Manager R. C. Olson, City Clerk D. S. Pierce, Finance Director S. E. Blanchard, Fire Chief G. R. Baccus, Police Chief W. J. Anderson, Inspections Director S. E. Ward, Parks and Recreation Director J. D. Overman and Electric Superintendent K. F. Clow.

Mayor J. H. Bell, Jr. called the meeting to order and welcomed those attending. He stated the purpose of the Special Meeting was for a pre-budget work session. He called upon Mayor Pro Tem D. K. Stallings, Sr. for the invocation after which Mayor Bell led the Pledge of Allegiance to the Flag of the United States of America. Mayor Bell recognized City Manager R. C. Olson for comments:

City Manager Olson made reference to the Goals and Objectives that Council adopted in December. He reviewed those goals briefly and asked for feedback from members of Council. The first goal was to insure sound financial stability. Right now we are in the process of negotiating a number of cell towers leases that will generate a possible \$100,000 in revenues for the City. We are continuing to monitor all of our revenue sources. We have purposely not filled a number of vacant positions that we have. To date we have 21 unfilled positions. One in Planning, Two in Fire, One in Human Resources, Thirteen in Public Works, Seven in Electric and Three in Police. We are slowly going to fill these positions. He wants to make sure that we have adequate cash flow carryover to start next fiscal year. The other thing that we are doing is at this meeting are going to discuss the financial forecast. The next goal is to improve our city streets. We have been working on developing a street plan that ties directly into our sanitary sewer system and also our water distribution system; we have proposed a General Obligation Bond issue for \$3 million dollars. We did just receive funding for the third phase of the Streetscape Project. We are working with the Department of Transportation on the state streets within the city. The next goal was to review electric rate structure and appraise customer service. We have had two work sessions on this particular item. We have split the deposits that allow individuals to pay the deposits over a two-month period. We have received \$130,000 back from ElectricCities and we have also created an economic development rate for smaller industries. Goal Number 4- implement a plan for improving the City's sewer infrastructure. We have entered into an agreement back in October with Pat McDowell to do a study on our sewer system. We have proposed a plan to redo a number of our force mains, pump stations at Dawson, Water and Grice Streets to accommodate industrial prospect at the Airport Park. We are sending a letter to the State to try to get a better ruling whether or not we can increase the capacity of our wastewater treatment plant. We have had discussions concerning the

sewer lines and trying to develop a plan to address those. Item # 5 is to evaluate and strengthen code enforcement throughout the community. We are basically utilizing our community police officers and are very successful there in that we have 42 junk cars removed, numerous citations on junk cars, trash, substandard housing, etc. The sixth goal is strengthen inter-governmental relationships. We have had one joint city and county meeting and the second one is scheduled for March 29, 2004. He and the County Manager are meeting at least once a month to discuss city/county issues. We are looking at different grant opportunities that could be available to each of us. We have had a number of meetings with the Airport Authority. As to the seventh goal of addressing youth activities throughout the community we have not been able to address this issue to date but he is working with Jim Overman trying to develop some way to address this particular goal. Looking at our facilities that we have, looking at the type of athletic programs, etc. The next goal is top quality service valued by citizens and this basically deals with staff development. Several staff members have attended customer service classes and a number of team building classes. A number of our employees have also attended some cultural classes to address the Hispanic population. Goal ten is quality neighborhoods where people want to live. That basically utilizes our community policing department. Last Friday we sent out a memo concerning the different number of crime watch groups that we have. We currently have eight groups that we are currently working with. We have had a trash amnesty program. The above is a quick overview of the goals and what has been done to accomplish these goals to date. During the budget process we need to keep these goals in the back of our mind to further enhance them.

Councilman W. A. Lehmann asked to make a comment. The first goal is to insure sound fiscal responsibility. This afternoon he got on the internet and was looking through the League's statistics as to how they compare the cities with fund balances and tax rates and all those things. They use 21 cities that are approximately the same size as we are. Our fund balance is like 11.2%. A lot of that is encumbered by Powell Bill so it is really not a true sense of the health of our city. If you compare the tax rate in those 21 cities we are the second highest tax rate at 62%. The average is forty-five cents on the hundred. So, here we are looking at a proposed six cents on a dollar increase so that would put us at sixty-eight and would probably be the highest of that group. We have got the lowest fund balance and if that fund balance is an indicator of the financial health of our city he is wondering what we are doing wrong in Elizabeth City. He asked Mr. Olson, if he could and because he has worked in a lot of different cities and seen a lot of different budgets, to look at Elizabeth City comparing us to those 21 cities. We have not spent any money for capital improvements for the last two decades and now it is catching up to us, but besides from that he still thinks that we must be doing something wrong. Maybe there is a very logical explanation for that but if you could look at that and then come up with some ideas to change that.

Mr. Olson said that one of the problems is that Elizabeth City's assess evaluation is low which means we have to have higher taxes to provide the same level of services.

Mr. Olson called upon Finance Director S. E. Blanchard who went over the Financial Forecast for the General Fund, Electric Fund and the Water and Sewer Fund. She also

went over the personnel insurance proposal for the FY 2005 Budget and the FY 2005 Proposed Capital Improvements. Finally, she went over the existing debt and proposed CIP.

Councilman R. E. King asked what was going on at the Teen Center. He was wondering if it was still in operation. City Clerk D. S. Pierce responded that the Center is still open and approximately 15-25 teenagers attend each night that it is open. She also stated that the Teen Center has partnered with the Teen Court in Pasquotank County.

Councilman E. K. Rivers talked about the COLA that is being proposed for the City Employees. He said that he would like to see the 2% increased to perhaps 3% due to the fact that the employees took a hit last year with the increase in insurance rates and a reduction in coverage.

Councilwoman Hummer asked the City Manager to provide Council with the 1998 Annexation costs as she would like to see how the revenue is coming in from that annexation.

There being no further business to come before the Council at this time, Councilwoman C. C. Austin made a motion, seconded by Councilwoman J. M. Baker to adjourn the meeting. Those voting in favor of the motion were: Austin, Baker, Hummer, King, Lehmann, Rivers, Stallings and Walton. Against: None. Motion carried.

Mayor J. H. Bell, Jr. adjourned the meeting at 6:20 p.m.

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Dianne S. Pierce, MMC  
City Clerk

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John H. Bell, Jr.  
Mayor