

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

**MAY 10, 2010**

**CITY COUNCIL**

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

Mayor McLean opened the meeting and established a quorum was present. He welcomed those attending and the TV audience. He called upon Reverend Michael Brooks for the invocation after which the Pledge of Allegiance to the Flag of the United States of America was cited.

**1} APPROVAL OF THE AGENDA:**

Mayor McLean called for the Council's pleasure regarding the prepared agenda.

Councilman J. B. Walton asked to add, ***discussion of Oak Grove Project.***

Mayor Pro Tem L. A. Hummer asked to add, ***Closed Session as per NCGS 143-318.11 (a) (4)*** to discuss matters relating to the location or expansion of businesses in the area.

***A motion was made by Councilwoman J. M. Baker, seconded by Mayor Pro Tem L. A. Hummer to approve the prepared agenda to include the above noted items. Those voting in favor of the motion were: Baker, Hummer, Brooks, Hill-Lawrence, King, Meggs, Stimatz and Walton. Against: None. Motion carried.***

**2} PUBLIC HEARINGS:**

a} FY 2010-2011 Operating Budget:

Mayor McLean called upon City Manager Olson for comments.

Mr. Olson said on April 19<sup>th</sup> City Council voted in favor of sending the prepared Manager's proposed budget to Public Hearing for consideration. The following are the only changes that were added to the proposed budget.

- Once cent tax increase;
- Increase of 3.5% for all non-resident electric customers
- Increase sanitation rates by \$1.00
- Continue with the existing transfer from the Electric Fund to the General Fund
- Leave the employee 401K contribution at the current level
- Increase the Hopeline contribution to \$15,000
- Fund Arts of the Albemarle at \$15,000 with the stipulation that 1/3 of that amount be used for scholarships for underprivileged youth
- Allocate \$8,000 for fireworks for the 4<sup>th</sup> of July

With the changes proposed the City's fiscal year 2010-2011 budget will be \$64,917,108. Revenues do balance expenditures. The City's tax rate will be \$.456 per \$100 valuation based on an estimated valuation of \$1,363,741,472 with a 92% collection rate. The Municipal Service Tax for the downtown district will remain at \$.06 pr \$100 valuation. There will be no COLA next year for the employees. The City will continue with the longevity bonus plan and the Christmas bonus of 1%. The Sanitation Fee will increase to \$14 per month. There will be a 3.5% non-residential electric rate increase. The sewer surcharge will continue to be \$.43/1,000 gallons of water used. The budget ordinance does incorporate all items included in the April 19, 2010 motion.

Mayor McLean declared the meeting into public hearing. The following are those that wished to speak regarding their opinion of the proposed FY2010-2011 Budget:

- Jennifer Palestrant, 502 East Ehringhaus Street, Elizabeth City, NC
- Pete Gilbert, 1623 Penny Drive, Elizabeth City, NC
- Dr. W. L. Smith, 507 South Martin Luther King Drive, Elizabeth City, NC
- Kirk Rivers, 706 Hampton Drive, Elizabeth City, NC
- Keith Rivers, 104 Grandview Drive, Elizabeth City, NC
- Robert McWilliams, 916 Third Street, Elizabeth City, NC 27909

Since no one else wished to speak for or against the proposed budget, Mayor McLean declared the public hearing closed. He called for discussion.

Councilman J. B. Walton stated that he thought we had a pretty good slapping from the community and they have voiced quite a few opinions. As you walk from block to block down the streets of Elizabeth City you see a lot of empty

buildings. The reason is it is tough economic times. To keep us from making a rush judgment, he asked to make the following motion:

***A motion was made by Councilman J. B. Walton to table this budget for further discussion and call for other information to be given to all of Council so that we can make a good, valid decision at the end; and further, to implement to budget meeting schedule as it was at the beginning.***

Motion failed due to the lack of a second.

Councilman Stimatz said he has a couple of questions for the City Manager. The 3.5 cents equates to what? What is the dollar amount?

Mr. Olson asked if he meant the 3.5% electric rate increase. It is about \$450,000.

Mr. Stimatz said so that is about 3.5 cents in property tax? It is almost equal. If we didn't do that then we would have to come up with 3.5 cents property tax increase or find \$450,000 in the budget. The paper quoted him correctly about a month ago. He sent in a list of things and said here are some things that he would like to look at. The gentleman tonight brought it to the table. Nobody wants to talk about it. We can cut. There are places to cut in our budget. Nobody wants to go there. You are faced with this dilemma. You pretty much have to pass this 3.5 cents on if you don't you are going to have to raise property taxes. Which is not good or you can cut something in the budget. The only place that we have left to look at includes the 1% Christmas bonus that every employee gets, the longevity bonus, nobody contributes to their medical and no body contributes to their retirement. He just read an article in the paper where state employees are going to be asked to contribute more. People are hurting. People are crying. His understanding was the there was only going to be 1% increase and that was only to cover the fire fighters. Mr. Olson had to add another half cents to cover everything else. We as a group can not pass the 3.5 and only pass the 1 cent to pay for the fire fighters or we can sharpen our pencils, take out our erasers and do some work. Council needs to answer the question of are you going to pass it on or spread the wealth.

Councilwoman Hill-Lawrence said she thought that she heard that the roundabout was still included in the budget. How much is that?

Mr. Olson replied that the roundabout is funded in two different areas. They are Powell Bill is \$300,000 and \$150,000 in the Storm Water Utility Fund. We are hoping to receive a \$150,000 grant for a total of \$600,000.

Ms. Hill-Lawrence said she knows a roundabout is needed but is it possible that we can table that until we are financially better able to include that in our budget and move that money into another line item.

Mr. Olson replied that both of those funds are restricted uses. The Powell Bill funds can only be used for street related projects and of course Storm Water sources can only be used for storm water improvements.

Mayor McLean stated he had several comments he would like to make. First of all, this budget has not been discussed in details. This budget has been discussed by email through the newspaper but he has to be honest in saying that the Council has not discussed this budget. We have not gone into the budget to look at ways to make it more effective and feasible for the citizens of this city. He is totally against any increase relatively to electric increases because he feels as though if we are able to work together we can work it out.

Councilwoman Baker said Point of Order, Mr. Mayor. Page six of our rules states, "if the Mayor or presiding officer becomes actively engaged in debate on a particular proposal, he or she shall designate another council member to preside over the debate. The Mayor or other presiding officer shall resume presiding-----".

Mr. McLean said he designates Mayor Pro Tem Hummer to preside over the meeting at this time.

Mr. McLean said as he was saying, we have to do a better job to do what we are doing because here again the budget we have is not in favor of the people. He is use to working with budgets whereby we all get into discussions to insure that we are making the right decisions. To increase our electric rates at this time in comparison of what is happening across our nation is not right. We have to come up with a way to come up with a budget that will meet the needs of the people. Electric Rates here are terrible and he doesn't have to tell you because you live here. Businesses have to operate. If you increase the electric rates on the businesses they are going to increase the rates on to the people. When he looks at the overall situation this Council has the power and the authority to do what is in the best interest of the people. He must admit based on his own experience to this point we haven't done that. He thinks that Councilman Walton made a good decision by asking the Council to let's go back and look at things that we have not looked at yet because here again as someone mentioned every thing has to be on the table because we just can't keep taking and taking from the people. When you have people paying \$400-\$600 a month for electric bills, they can't save money for emergencies. They can't save money for medical reasons or education for their children. If we continue to do what has been done in the past we are just not going to be able to make a real difference in

terms of serving the people. We talk about bankrupting the City how long can we continue to bankrupt the people that live here. He is not saying this to get votes; he is saying it because he has already gotten the votes. What he is saying now is somewhat similar to what he said when he ran for this job. When he ran for Mayor he knew it wasn't going to be easy but nothing is easy when it is worth doing. He begs this Council to take a look at this budget once again before making a hasty decision to approve it based on information that was given to the newspaper or based on information that was mailed from various council persons. We need to get together and discuss this budget and come up with ways that will bring about solutions to the suffering a lot of our citizens are doing.

Councilman Brooks said as he sits here and listens attentively when it was time to run for Council most people ran saying that they were going to reduce the electric rates. When this Council assembled we did just that. We reduced the rates by \$625,000. Unfortunately, the temperature went down so people turned their thermostats up. He begs to differ with Mayor McLean as we have been doing something. What we ran into was a contract agreement with ElectricCities. There are 32 cities involved and our share of the Contract is about \$104,000,000 worth of debt. We don't have \$1.4 million. That is the problem with the electric rates. All we can do is find the money and reduce it like we did. As we find money we reduce the rates if possible. That is part of why our budget is tight now. He agrees with Councilwoman Lawrence about the \$600,000 for the roundabout. If our budget is so tight that we are cutting back and raising the tax rates and all that he thinks we should consider that too. We can't just hit one area as everybody should feel the pain. What he is not for is messing with the employee's benefits. He doesn't think that is a good course of action to take at all. He understands the budget is tight. We can take this back to the drawing board and see what we can do with the 3.5. Whenever citizens come up and complain about something like that we need to take some consideration. We are not their boss, they are ours. We haven't been dormant and sitting back and not doing anything because as we know those that worked on it that \$625,000 we found so that we could reduce electric rates. That was a big bite. We were the first Council that has ever reduced the electric rates. That can't be belittled. The weather is getting warmer and you will see a drop in your electric rates but the problem comes when it gets cold. He is still not convinced that there is nothing that can be done. Come up here and talk about your electric rates.

Mayor Pro Tem Hummer said that she has two questions for the City Manager. She knows that you have been working over the past week to find an alternative to raising that electric rate to 3.5%. She would like to know if you found anything. The other question is what would this increase mean in an average electric bill?

Mr. Olson said there are several ways to answering both of those questions. We looked at a number of different scenarios to see what we could do to lessen the impact of the 3.5% rate increase. The reason why we decided to instill the rate increase on the non-residential customers is because it is primarily due to the installation of the second delivery point on Church Street. That \$3 million project is going to cost us \$450,000 over a ten year period. One of the reasons we need a second delivery point is the increase demand brought in by our commercial customers. We thought it was the fairest way to go ahead and asset that cost against the non-residential customer. If Council wants to apply it to all customers on the system it would be a 1.65% increase to all customers within the system. We look at a variety of different scenarios and we could not find anyway to lessen the rate increase. Our margins are such right now in the electric utility that there is very little room for us to cut. We started cutting the fund three years ago and we cut \$3 million out of that budget because of what we did with the underground utilities and we continue to work on those issues. We have not been experiencing some of the low growth that we anticipated which also compounds part of our problems. We have not been able to find any way except redistributing the entire rate base and that would be the 1.65% verses the 3.5%. To answer your second question it would be roughly \$8.50 per month.

Councilman King said he concurs with Councilman Brooks, he doesn't feel comfortable taking anything away from the employees. That is one thing that he has always said since he has been on Council. We need to support our employees. He wouldn't have a problem taking the roundabout out which is \$600,000. We could take that money and fix some streets. To take money away from the employees is to him is just like taking money away from the citizens. We need to be able to support our employees. You are talking about cutting their 401K but yet you have employees that have been working with the City for 26 years and almost to retirement point. That is not right. He knows that this is a tough budget. Nobody wants an increase in taxes. We should be a bold council and if the roundabout is a problem lets look at it. He understands the Powell Bill money and as long as it goes toward Brooks Avenue he doesn't have a problem.

Councilwoman Hill-Lawrence stated that we have been talking about this budget for at least four weeks and the Manager has given us the marching orders to find the way to give you some ideas of what needs to be done. She has given you all that she has. She does not want the employee's benefits cut. She does not anybody's jobs cut, but if anything else can be cut then do it. Mr. Mayor if you have a plan then tell us your plan.

Councilwoman Baker said she had serious consideration about the 3.5% increase on the non-residential customers, but if we didn't do it there then it is going to

be overall or it is going to be an additional tax on property taxes which would be a total of 5 cents increase. We don't have the answers that everybody wants. Those answers are not out there. If we have to raise rates or raise prices to get people to keep the lights on then she hopes our citizens will understand that and keep supporting our local businesses because we need to keep them here. She hopes that 3.5% is not going to send them somewhere else because that would be a shame. Hopefully, we will start rounding the corner and things will start getting better in this horrible situation this whole country is in.

Councilman Walton said when we stop playing all of these power games with one another we can use that power for the electric and we could cut all these bills down because at first the city manager was giving a presentation or PowerPoint. He had not finished the power point when people started telling him how to do his job better. You know he loves this because he doesn't have to work as hard when we have vices like we are. Let him finish the power point. One of the council person said she says let's vote on the budget. Then the paper says, boys against girls. As a councilman he is not really proud of being a part of this council because we can't set down like human beings and talk about something. Let the city manager do his job. Send him back to pick up some more figures. At the end of last year he said he couldn't find \$600,000 but he found it. Supposed he had found it before then. It would have been \$1.4 million. When you have a fat budget you can do things like that. Now we haven't even let him go back and try to make better numbers for us. We are making them. We know everything. We have all the answers but we don't want to discuss anything. It is our way or no way. We need to sit back down and find some answers. Boys verses the girls on a \$66 million budget don't make any sense to him. We have got to be more humane, sit down, talk with one another and come up with unity and then go for it because this is a biggest decision that we can make this year. When we have a budget then we follow that budget if possible. We might have to make some amendments but we need to stop playing these power games.

Councilwoman Meggs asked to say this is her fifth year of sitting on the Council. Every time we do the budget it is the same thing. It is like a broken record. It is the same thing. No one wants to have their taxes increased. None of us want to have our staff and our workers have to cut their salaries or their benefits. She feels like we have discussed this and worked as hard on this budget as we have on any budget. She feels like it is one of the best budgets that we can do at this point. She sat on the Chamber of Commerce meeting and all of the chamber members were very upset with that 3.5% increase. But, it has to come from somewhere. She knows that it is hard if you have a larger business she knows it is going to cost more but somebody has to pay it. She feels like we have done as good a job on this budget as we possibly can. She wants to thank Mr. Olson for

what he has done on this. He has spent a lot of hours thinking on it and working on it and trying to do the very best that he can for this City. She appreciates it.

Councilman Stimatz said he thinks what is clear to most of us is that there are only certain things that you can do. You can cut services, staff, salaries, benefits, you can furlough people, cut your capital expenditures – well we have zeroed our capital expenditures. We haven't cut anything else. You can increase rates. Currently, the sanitation department is subsidized by property tax to the tune of 3 cents in property taxes. It is about a \$5 shortage. To pay for the same sanitation you should actually be paying \$5 more and not a \$1 more. We raised that rate \$1. It probably should be \$5 but we didn't do that as we only went up \$1. Water and Sewer Fund is not very healthy. We probably should have raised Water and Sewer rates however, we realize that we have some of the highest water and sewer rates in the State and we didn't do that. We didn't really increase taxes except to pay for the firemen except for the .5 cents that Rich had to come up with because we didn't want to cut anything else or, raise the Sanitation Fee anymore. His guess is if you raise the Sanitation Fee \$2 we wouldn't have to pay that half cents. If we raise the Sanitation Fee by \$2 we wouldn't have to raise property taxes except to pay for the firefighters which is a direct benefit. You get firefighters for your 1 cents tax increase. Unless we come up with a way to find \$450,000 to pay back the Electric Fund we are going to have to find that money. It can either be some people or all the people. He has sent emails to many people about the budget all along because he thinks that is part of the discussion. He has laid it out pretty clear what he thinks the alternatives are and everybody has pretty much said they don't like any of those alternatives. If you are not going to come up with a better plan or a different suggestion and get a majority to agree that is a better way then there isn't anything else to do with this budget. He has heard no new ideas. He will be honest he wasn't here when the budget session went and he didn't have a problem with it. He said that in an email two weeks previously. There is not a lot that we can do with this budget. It is as bare as it can be unless people are willing to do some very serious things like mess with employees' benefits or raise the sanitation rates. That is the only two things that we can do. He would like for everybody to remember it is not a roundabout, it is the flooding problem that we are addressing. There may or may not be a roundabout. It still may be a four-way stop. The problem that we are addressing with funds cannot be used to decrease property taxes. It cannot be used to defray sanitation costs. They can not be used to lower your electric bills. They are targeted, specific funds that are only used for one purpose. That said, he is waiting and he has said this all along that he will listen to any plan but he hasn't heard anything. The Manager gave us his best shot. We tweaked it but not much. People say that we should table this and discuss it further. We are here tonight to discuss it. His question is if we do not transfer the \$1 million from the Electric Fund, how do you propose to make that up in the General Fund? We are here to listen. We



are not getting anything back. If you have something, now is the time to bring it out.

Mayor McLean said he would like to answer Councilwoman Hill-Lawrence question. Budgeting is something that he does everyday. Let's start back with the 1% increase in the property taxes to fund the firefighters. At one time when we had the business boom, our salary level was up here. Our revenue level was up here. When our revenue level came down, what happened to the salary level? It remained the same. He is saying that as Mayor he is not advocating taking anyone's job away but for the next two years the way you are going to address the situation relatively to not doing the 1% increase in property tax is to fund the firefighters through attrition over the next two years. That would handle that problem. Let him say that first of all his plan does not advocate reducing or taking away anyone's job. At one time during the business boom in the middle 2000 our revenue was up here. Our level of salaries was up here and the revenue has fallen down to here. Our salary base is still up here. What he is advocating for the next two years as oppose to increase the taxes you fund those positions through attrition, retirement, leaving or through cross training. There are a lot of employees that we have now would love to be a fire fighter. The next option for the 3.5% is to expand the debt as opposed to doing the debt for ten years, take the debt out to fifteen years. That is one thing that we can do also. Lessen the amount that we need to pay. The other thing that we talked about there is a possibility at the end of June 30<sup>th</sup>, 2010 the Fund Balance could exceed what the level that is required by the LGC. He has asked the Manager to take a look at that. That is a way to offset the increase that we must pass on to the people either in the electric rate or the property tax area. We can't forget about the fact that we are transferring \$1.7 million from the Electric Fund that we consider as excess funds. We are taking in more in the Electric Fund than what we need to pay the electric bill. You ask me how cities like Charlotte or Raleigh how they make it. They don't have any electric fund to transfer money from. We have to look at the ways they are successful. These are just some of the things that we can take a look at if we have a chance to sit down and use the City Manager because he is going to make recommendations that none of us are going to agree with in most cases because he is the person that we depend on to bring us a budget based on our ideas that is going to work for the City. You are going to have to make some tough decisions but while you are making tough decisions you must understand that you are making the tough decisions for the good of the people not for the good of feeling good about yourself or fear somebody is going to write something bad about you in the newspaper. If that was the case, he wouldn't be sitting here tonight because here again he has taken some hits because the only thing he wanted to do was discuss this budget. The other night when Councilwoman Baker made the motion to move the budget to public hearing without discussion, when he ruled the motion out of order he was in order. This is a document but here again he is still new and he doesn't

know everything yet, but a Mayor does have the right to rule a motion out of order when it is destructive or prevents some things from being done that we need to get done. These are some of the ideas to bring this budget to a point whereby everybody is going to work for the City and its citizens. We needed a time to sit down and discuss this budget and to go over it line by line to insure that what we are doing is right for the City as well as the citizens. He knows if the city manager has the opportunity to work with us he will be delighted to do that because here again if this budget passes we are going to take a hit. Just because he doesn't approve of this budget but if the budget is adopted by the City Council he will also take a hit. There are other things that we can discuss.

Councilman Brooks said even in that he didn't hear any plans that were different than this. What he would like to see is if we can do anything with that 3.5% non-residential increase. That is what we are hearing the people say. The budget can only be tweaked just so much. The money is not there. The only thing he sees is the 3.5 increase in the non-residential. If we don't do that then we have to find \$450,000. If you can come up with a plan to deal with that \$450,000 then he would be the first one to vote for it if it doesn't involve messing with the employees or their benefits.

Councilman Stimatz said one thing the Mayor said that peaked his curiosity and that was the question of if we could finance the distribution point debt any further than ten years.

Mr. Olson said that we could go fifteen years and that would cut the debt down about \$100,000. The annual payment would be \$330,000. That would be roughly 2.8% increase.

Mr. Stimatz said if we did that then we could give them some relief. So, one thing that we could do is get fifteen year money and save seven tenths of a percent. He thinks that is a good suggestion.

***A motion was made by Councilman J. A. Stimatz to direct the City Manager to investigate that and make that change if it works for us.***

Motion failed for the lack of a second.

Mayor McLean said that came from our session last Monday night with City Manager Olson.

Councilman King said that is what discussions are supposed to be about. If Councilman Stimatz had never heard Mayor McLean make that statement it

would never entered into the thought process. That is why you discuss things. Just don't come in and bum rush something and then pass a budget without listening to everybody up front. Now, Tony wants to include that. We had other things. Now, if we approve the budget and the roundabout is still in there some may not be satisfied. We just don't need to rush things the way some are trying to do. Take our time as we don't have to adopt it until June 30<sup>th</sup>. Let's take our time and talk and discuss.

Mr. Stimatz said he would like to clarify something. He wasn't here for the meeting. There was a motion and a second and there would have been discussion however, the Mayor and Mr. Walton walked out of the room and there could have been discussion. You chose not to have the discussion. The motion that was made was to delay discussion until tonight and we are having discussion tonight. He will stay here until midnight and have this discussion. Nobody has voted on a budget. You keep saying that and you are wrong. They voted to take it to public hearing. We are in session and we had the public hearing and now we are having discussion. Let's make it clear who didn't want to talk about it and who is ready and willing to now talk about it.

Mayor McLean stated he was just informed that we need to move forward with our other public hearings.

***A motion was made by Councilman J. A. Stimatz, seconded by Mayor Pro Tem L. A. Hummer to suspend discussion on this item and proceed with the next public hearing and at the conclusion of that public hearing we will resume discussion of the proposed FY 2010-2011 Budget. Those voting in favor of the motion were: Stimatz, Hummer, Baker, Brooks, Hill-Lawrence, King, Meggs and Walton. Against: None. Motion carried.***

b} Amendment to City's Code of Ordinance Chapter 86, Vehicles for hire, Article II. Taxicabs:

City Manager Olson advised that a complete overview of City Ordinance Section 86 "Vehicles for Hire" was completed by the Mayor's Taxicab Task Force in 2009 and amendments to the ordinance was approved in January 2010. After modifications were completed, a request was made to revisit certain sections of the newly amendment ordinance. Proposed changes were made to Sections 86-25, 86-30, 86-38 and 86-66. The following is a brief description of those changes.

- The definition of "immediate family" has been removed from Section 86-19, as it is no longer a term that needs defining in the given text.

- The definition of "license" has been removed from Section 86-19, as it is redundant with the definition of "business license".

Section 86-25 has been modified to allow the sale or transfer of a business license to a third party as long as the recipient meets the qualifications as outlined in the Vehicle for Hire Ordinance.

Section 86-30(9) would allow the taxicab inspector to revoke a permit if a driver was convicted of a misdemeanor or felony while operating a taxicab. Driving infractions (ticketed) would be excluded from this section.

Section 86-38 has been modified to exclude an individual from obtaining a permit if he/she has been convicted of a felony within the last five (5) years or if he/she had ever been convicted of a felony involving moral turpitude. The term "moral turpitude" has been defined as crimes such as forgery, arson, robbery and theft.

Section 86-66 has been changed to reflect the deletion of the City Manager and the inclusion of the City Council.

Section 86-47 is prohibited by State Law (NCGS 160A-304) which states, "exclusive-ride service is defined as a taxi service in which the first passenger or party requests exclusive use of the taxicab."

Mayor McLean declared the meeting in public hearing. Since there was no one present that wished to speak for or against the proposed amendment, Mayor McLean declared the public hearing closed.

***A motion was made by Councilwoman J. M. Baker, seconded by Councilman R. E. King to adopt the above stated amendments to the City's Code of Ordinances, Chapter 86, Vehicles for Hire, Article II. Taxicabs. Those voting in favor of the motion were: Baker, King, Brooks, Hill-Lawrence, Hummer, Meggs, Stimatz and Walton. Against: None. Motion carried.***

Mayor McLean stated at this time, Council would continue the discussion of the proposed FY 2010-2011 Budget.

Councilwoman Hill-Lawrence said that perhaps Mayor McLean and Mr. Olson can get together and work on this budget and then bring it back to Council for discussion.

Mayor McLean said he thinks what Councilwoman Hill-Lawrence is saying that he get with the City Manager to look at the budget to figure out a way to address the issues that we are talking about tonight. It is his real desire to have the City

Council work with the Manager and maybe outline some things that you are concerned about. He believes the City Manager will give us the answers that we are looking for. He also has some suggestions of other ways to look at the budget to insure that we do what is necessary for the good of the citizens.

Ms. Hill-Lawrence said we don't know what your plans are. We don't have the expertise that you have. Even Mr. Olson has the expertise in these areas.

Mr. Olson stated the dilemma that the Mayor and he are facing right now is something that Councilman Stimatz eluded too. You have tied our hands behind our backs. A number of things have been taken off the table which makes the budget that you have in front of you right now is the only budget that you can approve because everything you don't want to touch. We looked at the debt schedule. We have discussed that with several people. That is not an issue. We can save \$100,000 a year by doing that and we can decrease the amount of the rate increase by doing that. Everything else will basically cause a fundamentally restructuring of the entire city budget if we want to make additional inroads on what needs to be done.

Mayor McLean said that we have also talked about doing things through attrition which wouldn't take anyone's job away. If necessary we can look at a two year plan. What do we need to project relative to job vacancies and things like that? We need the opportunity to do that. We know the funds for the second distribution point has to be done. Our job is to do it and not put the total brunt on the businesses. We can figure out a way to do it and save as much as we possibly can.

Mayor Pro Tem Hummer said that we have had five months to look at expenditures and revenues and talk about it with each other and with the Manager. She thinks a lot of us have done that. He sat here and told you tonight that he has brought to you what he could. There is nothing else to look at without cuts that would limit the services that we provide to our citizens if we cut certain things. We certainly don't want to do that. This delivery point is because of growth. The large businesses that have chosen to come here. There is often a trade off. It wasn't the girls that shut the meeting down as far as discussion went, it was you guys. She wanted to get that clear.

***A substitute motion was made by Mayor Pro Tem L. A. Hummer that we adopt the budget in front of us with one exception and that was the recommendation to extend the payment period for the second distribution delivery point to fifteen years; and further to reduce the rate increase accordingly. Councilwoman J. M. Baker seconded the motion.***

Councilman Walton said you still haven't talked about the roundabout and this is why he said that it could happen over night because people are not willing and they are still in that power search to get things done right now. The roundabout is still in there and he knows there are at least three or four people around the table that does not want that roundabout so why are we going to vote on something that we don't want in there. We change one thing. It is just a little power thing here trying to finish up things tonight for 20,000 people and a \$64 million budget. We are dealing with the budget and we need to do the right thing.

Councilman Brooks asked if we could vote on the budget tonight and at a later time do something about the roundabout? He thinks the budget is good but he isn't in favor of the roundabout. If we can't we don't need to vote on the budget until we get the roundabout out. He understands the Powell Bill and the Storm Water Utility Funds.

Mr. Olson said what you have done so far is you have authorized the engineering work to be done on that particular project. We still have to bring that project back to the City Council once it is designed and have it authorized to go ahead and put it out for bid. There is further chance to have that item reviewed. You can vote to remove the monies for the roundabout.

Councilman Walton said we can take it out and put it back in there later on.

Councilwoman Baker said she agrees that Brooks Avenue is a mess. You must agree with her and Councilman Walton that our Wards are impacted with the flooring every time we have a major rain or the wind tides come up and push the river higher. There is a lot of flooding. The roundabout came about because the State said we are not going to put a traffic light back there because there is not enough traffic to warrant it. Now you are going to be flooded and it makes no sense that we take that out when that money can only be earmarked for streets.

Councilman Brooks said he understands the flooding as he is in the Third Ward and you don't want to talk about flooding. Oxford Heights is almost under water and he wishes we could take \$600,000 and help them.

***A friendly amendment was made by Councilman R. E. King to take the roundabout out of the budget and bring it back to City Council when we get the engineers report back. Councilman M. E. Brooks seconded the amendment.***

***Mayor Pro Tem Hummer accepted the Friendly Amendment. Councilwoman Baker would not accept the friendly amendment.***

***Councilman R. E. King made a motion to take the \$600,000 out of this year's budget and when the engineers come back to us for us to put it back on the table for discussion. Councilman J. A. Stimatz seconded the motion. Those voting in favor of the motion were: King, Stimatz, Walton, Brooks. Against: Baker, Hill-Lawrence, Hummer and Meggs. Mayor McLean voted to remove the roundabout from the FY2010-2011 Budget. Motion carried.***

Councilman Walton said he doesn't like to say he told you so but we are right back where we started at 7:30. He said we don't need to rush this but for some reason we are rushing it again. We haven't made progress yet. He guesses that logic is a dead end with this Council. We came here and we got at least one good idea but we still want to stay with that old power structure of trying to make things happen overnight rather than taking our time and doing it right. We just don't want to do it right.

Councilman Stimatz stated the Manager said it earlier when Ms. Lawrence said let the Mayor and Manager go figure it out. We didn't leave them anything to figure out. You all sat here and said you don't want to raise the sanitation rate, don't want to raise property taxes any more, and do not want to touch the salaries of the employees or any of their benefits. There is nothing else in the budget to play with. So, if you tell him not to do those things, guess what, he doesn't care how long he and the Mayor sit in a room they will never come up with anything because you told them they can't. That is the point. Unless you are willing to go into one of those three areas there is nothing left to do with this budget? That is why three weeks ago when he sent his email on everybody on Council and said that he can't see anything else to do if you are not going to discuss these issues. We are right where we were three weeks ago. You can't budget on a night. You can't budget on attrition as it is not an accountable item. If nobody leaves this budget doesn't work. We can amend the budget later on if people leave and we decide that we don't want to fill those positions. In terms of this budget tonight to pass for July 1, unless you are willing to play in the sanitation rate, the property tax rate or benefits and salaries or cutting people or furloughing, there is nothing else to do people. That is why there is no sense sitting around for the next month talking about nothing. Quite frankly what are your suggestions? Tell him right now. He hasn't heard anything except when you had that one meeting and you passed what you passed and he looked at them and said that is pretty reasonable since every thing is off the table. He can't do much with it. Unless there is something specific to be added there is no sense sitting around looking at each other.

Councilman Walton said his point is that we need to take our time with this. When you want to tax people or set up fees you should spread it amongst

everybody rather than put the heavy burden on just a few. Everything you do than somebody is going to be over burdened. You give Rich and the Mayor a chance to sit down, compromise and a lot of those things that you emailed us that night was not in that proposal. A lot of things that Jean put in there were not in that proposal but we kept certain things in there. We never gave Rich a chance to go back and put together what we wanted. He didn't have too. All we did was say, let's pass this budget. Rich didn't have a chance nor did the Mayor have a chance to work. Give them an opportunity to go back and put some figures together. Give them that opportunity.

Mayor McLean said he wanted to say one other thing about this budget. There are a lot of other things that can be done to it. We just have to take a look at it point by point. We may not be able to eliminate the electrical increase for businesses but he thinks that we should be given a chance to do that. If we do it then that is well and good but if we don't at least we were given the chance. He thinks we need to put our self in a position not to increase taxes. He thinks that Councilman Walton said one thing about the budget that we are about to approve tonight was not the City Manager's budget. These are things that we gave him individually without being discussed with the total group. That is how you got most of this stuff that is in this budget. He would like to work with Council to come up with a good budget. Here again as Council members we are out there and we listen to what people say everyday about what we are doing. The City Manager didn't get the opportunity to do that. We hear what they are saying out there everyday in the field. We represent their ideas and thoughts. The budget does not have to be approved until June 30<sup>th</sup> of this year. We need to work to get the best budget that we can provide. He asked the Council to come together and provide us the time to look at other alternatives like we saw some here tonight. Give us enough time to just look at what we are proposing because whatever we do is going to truly affect all the citizens of Elizabeth City.

Councilwoman Hill-Lawrence said that was her reasoning behind making that suggestion and nothing else. She thinks if anybody has any suggestions or ideas to make it work better then we need to hear them. Our main concern tonight was the 3.5% increase and the gist tonight seems to be helping the commercial people. She thinks if there is anyway we can make that happen for them then we ought to try and make it happen. That was her reasoning behind you two getting together. You say you have some ides so let's hear your ideas. As Tony said, "what are we presenting", well Tony that is why we have to wait to get together and see what it is that can be done. We have to be objective. Maybe nothing can and maybe something can but he is just asking for time to make that happen.

Councilwoman Baker said one thing. Budget Amendments we have them throughout the whole year for one reason or another. We can do budget



amendments for any great idea that comes up to help us with the budget at any time. She personally would like to see some cuts on our employee's health insurance. She would love for them to pay a part of that. But, that is not the majority of people that want that, so it isn't going to happen right now. If we find a way that maybe within the next six months maybe they could pay some based on their wages. Before she turned 65 and got on Medicare she was paying \$500+ a month to the City for her health insurance. It is a very huge benefit. She doesn't think people realize how big a benefit it is that we give to our employees but maybe perhaps they could at some point somebody could figure out that it wouldn't hurt tremendously and they could be doing their share too by paying a portion of that on a sliding scale. There are ways to work that out. There are ways to work out other items in this budget and that is what budget amendments are for in her opinion. She thinks that we can continue to progress and continue to tweak it as we go.

Mayor Pro Tem Hummer asked to make an amendment to her original motion. The motion should read as follows:

***An amendment to the motion was made by Mayor Pro Tem L. A. Hummer that we adopt the budget in front of us with two exceptions to include extension of the payment period for the second distribution delivery point to fifteen years and further to reduce the rate increase accordingly; and further, to remove the earmark for the roundabout. Councilwoman J. M. Baker seconded the motion.***

Mayor McLean called for the vote on the motion to approve the budget with the changes that were given.

***Those voting in favor of the motion were: Hummer, Baker, Brooks, Hill-Lawrence, Meggs, King and Stimatz. Against: Walton. Motion carried to adopt the following Budget Ordinance.***

**ORDINANCE #1051  
FY 2010-2011 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, 2010 and ending June 30, 2011:

**General Fund**

Current Year's Property Taxes	\$ 5,992,500
Delinquent Property Taxes	223,710
Franchise Taxes	1,225,500
Powell Bill Funds	460,000
Local Option Sales Tax	2,533,001
Investment Earnings	20,000
<b>Licenses and Permits</b>	665,518
<b>Sales and Services</b>	1,231,500
Payments in Lieu of Taxes and Services	1,850,000
Other Revenues	2,490,132
Fund Balance Appropriated	201,257
<b>TOTAL GENERAL FUND REVENUES</b>	<b>\$16,893,118</b>
<b><u>Electric Fund</u></b>	
Energy Sales	
\$37,579,197	
Other Revenues	\$4,616,128
<b>TOTAL ELECTRIC FUND REVENUES</b>	<b>\$42,195,325</b>
<b><u>Water &amp; Sewer Fund</u></b>	
<b>Water Sales</b>	\$ 4,600,000
Sewer Sales	2,600,000
Other Revenues	551,750
<b>TOTAL WATER &amp; SEWER FUND REVENUES</b>	<b>\$7,751,750</b>
<b><u>Stormwater Utility Fund</u></b>	
Residential Revenue	\$ 200,000
Commercial Revenue	190,000
Other Revenues	5,000
<b>TOTAL STORMWATER UTILITY FUND REVENUES</b>	<b>\$ 395,000</b>
<b>SUBTOTAL</b>	<b>67,235,193</b>
<b>LESS INTERFUND PAYMENTS</b>	<b>&lt;2,134,085&gt;</b>
<b>TOTAL</b>	<b>\$65,101,108</b>

**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, 2010 and ending June 30, 2011.

**General Fund**

Legislative	\$ 126,550
Administrative	332,911
Finance	343,539
Tax	90,000
Legal	70,800
Planning	367,206
Public Building	253,655
Police	5,585,222
Fire	3,570,938
Fire Inspections	372,966
Inspections	394,658
Public Works	2,727,295
Parks and Recreation	1,673,470
<b>Non-Departmental</b>	758,581
Human Resources/Safety Liability	225,327

**TOTAL GENERAL FUND APPROPRIATIONS****\$16,893,118****Electric Fund**

Information Technologies	\$ 120,552
Warehouse & Purchasing	183,708
Non-Departmental	34,186,086
Customer Service Department	476,014
Electric Distribution	6,196,268
Energy Management	1,032,697

**TOTAL ELECTRIC FUND APPROPRIATIONS****\$42,195,325****Water & Sewer Fund**

Data Processing	\$ 111,740
Non-Departmental	2,572,740
Customer Service Department	454,251
Water Supply & Treatment	1,543,192
Wastewater Treatment	1,496,229
Water & Sewer Maintenance	1,573,598

**TOTAL WATER & SEWER FUND APPROPRIATIONS****\$ 7,751,750****Stormwater Utility Fund**

Stormwater Utility	\$ 395,000
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**TOTAL STORMWATER UTILITY FUND APPROPRIATIONS****\$ 395,000**

<b>SUBTOTAL</b>	<b>\$67,235,193</b>
<b>LESS INTERFUND PAYMENTS</b>	<b>&lt;2,134,085&gt;</b>
<b>TOTAL</b>	<b>\$65,101,108</b>

**SECTION 3.** There is hereby levied a tax at the rate of \$.465 per \$100 valuation of property as listed for taxes as of January 1, 2010 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 \$1,363,741,472 and an estimated rate of collection of 92 percent.

**SECTION 4.** There is hereby levied a tax at the rate of \$.06 per \$100 valuation of property listed for taxes as January 1, 2010 located within the Municipal Service Tax District.

**SECTION 5.** That an increase of 0 percent cost of living adjustment be established for City payroll.

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

**SECTION 7.** That a longevity bonus plan be continued.

**SECTION 8.** That the health insurance coverage be authorized with Municipal Insurance Trust of the North Carolina League of Municipalities.

**SECTION 9.** That sanitation fees be increased to \$14 monthly.

**SECTION 10.** That non-residential electric rates be increased by 2.8 percent.

**SECTION 11.** That a surcharge of \$.43/1,000 gallons of water usage be continued.

**SECTION 12.** The Budget Officer shall be authorized to reallocate departmental appropriations among the various expenditures within each department.

**SECTION 13.** Outstanding purchase orders and projects as of June 30, 2010, are hereby re-appropriated to this budget.

**SECTION 14.** All Ordinances or parts of Ordinances in conflict herewith are hereby repealed.

**ADOPTED,** this 10th day of May 2010.

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Roger A. McLean  
Mayor

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Dianne Pierce-Tamplen, MMC  
City Clerk

**4} APPROVAL OF THE MINUTES:**

a} Budget Work Session – April 19, 2010

***A motion was made by Councilman R. E. King, seconded by Councilwoman J. M. Baker to approve the minutes of April 19, 2010 Budget Work Session. Those voting in favor of the motion were: King, Baker, Brooks, Hill-Lawrence, Hummer, Meggs, Stimatz and Walton. Against: None. Motion carried.***

b} Work Session – April 26, 2010

***A motion was made by Councilman R. E. King, seconded by Councilwoman J. M. Baker to approve the minutes of April 26, 2010 Work Session. Those voting in favor of the motion were: King, Baker, Brooks, Hill-Lawrence, Hummer, Meggs, Stimatz and Walton. Against: None. Motion carried.***

c} Regular Session – April 26, 2010

***A motion was made by Councilman R. E. King, seconded by Councilwoman J. M. Baker to approve the minutes of April 26, 2010 Regular Session. Those voting in favor of the motion were: King, Baker, Brooks, Hill-Lawrence, Hummer, Meggs, Stimatz and Walton. Against: None. Motion carried.***

d} Special Meeting – May 3, 2010

***A motion was made by Councilman R. E. King, seconded by Councilwoman J. M. Baker to approve the minutes of May 3, 2010 Special Meeting. Those voting in favor of the motion were: King, Baker, Brooks, Hill-Lawrence, Hummer, Meggs, Stimatz and Walton. Against: None. Motion carried.***

**5} COMMENTS FROM PUBLIC:**

City Clerk D. S. Pierce-Tamplen called the following persons to the podium for comments.

Dr. W. L. Smith, 507 South Martin Luther King Drive, Elizabeth City asked Council's help in alleviating the odor that is coming from Qualify Seafood. It is quite offensive and his church is located in that area.

Ms. Freda L. Smith, 1509 Emerald Lake Circle, Elizabeth City spoke regarding Girls Inc and a place where the girls to swim during the summer months.

Dr. Andrea R. Williams, 1308 Halstead Boulevard, Elizabeth City spoke her concerns regarding the Oak Grove Project.

Mr. Pete Gilbert, 1623 Penny Drive, Elizabeth City spoke regarding his feelings concerning actions of the Mayor and members of Council.

Mr. Kirk Rivers, 706 Hampton Drive, Elizabeth City spoke concerning the recent murder of Ms. Jones and the concerns of those living in the area as to what is being done to capture the suspect.

**6} PROCLAMATION/PRESENTATION:**

a} National Public Works Week – May 16-22, 2010

Mayor McLean presented to Public Utilities Director Paul Fredette a proclamation proclaiming May 16-22, 2010 as National Public Works Week. Mr. Fredette made brief remarks.

b} Elizabeth City Downtown, Inc.

Mayor McLean introduced Ms. Rebecca Cross as the new Executive Director of Elizabeth City Downtown, Inc. Ms. Cross made brief remarks.

**7} CONSENT AGENDA:**

Mayor McLean called upon City Manager Olson to read the Consent Agenda items.

***A motion was made by Councilwoman J. M. Baker, seconded by Councilman J. A. Stimatz to approve the following Consent Agenda as presented. Those voting in favor of the motion were: Baker, Stimatz, Brooks, Hill-Lawrence, Hummer, King, Meggs and Walton. Against: None. Motion carried.***

Consent Agenda

a} Adopted the following resolution accepting Offer to Purchase a five acre parcel off Thunder Road in the amount of \$350,000 received from Time Warner Cable Company; and authorized necessary documents to convey this property to Time Warner Cable Company.

**RESOLUTION #1051  
ACCEPT OFFER TO PURCHASE  
FIVE ACRE TRACK  
THUNDER ROAD**

**WHEREAS**, an Offer to Purchase a five-acre tract which is a portion of Parcel #7994905981 consisting of 302 acres, located on Thunder Road which includes 963 Thunder Road excluding any improvements from Time Warner Cable in the amount of \$350,000; and

**WHEREAS**, City Council instructed the City Clerk to proceed with the Upset Bid Process; and

**WHEREAS**, this was done until one bid stood along for a period of ten days; and

**NOW, THEREFORE, BE IT RESOLVED**, that the City of Elizabeth city will accept the Offer to Purchase received from Time Warner Cable in the amount of \$350, 000 for the following city-owned property:

- A five (5) acre tract which is a portion of Parcel # 7994905981 consisting of 302 acres located on Thunder Road which includes 963 Thunder Road excluding any improvements.

**ADOPTED**, this 10<sup>th</sup> day of May 2010.

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Roger A. McLean  
Mayor

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Dianne S. Pierce-Tamplen, MMC  
City Clerk

b} Adopted resolution transferring maintenance of East Burgess Street to NCDOT.

**RESOLUTION #1052**  
**NORTH CAROLINA DEPARTMENT OF TRANSPORTATION**  
**DIVISION OF HIGHWAYS**  
**REQUEST FOR ADDITION TO STATE MAINTAINED**  
**SECONDARY ROAD SYSTEM**

North Carolina  
County of Pasquotank  
Road Description: East Burgess Street from Poindexter Street to the Pasquotank River

**WHEREAS**, The North Carolina Department of Transportation has notified the City of Elizabeth City that improvements are required on East Burgess Street from Poindexter Street to the Pasquotank River to support the closure of North Water Street in conjunction with the Elizabeth Street (Highway 158) reconstruction project; and

**WHEREAS**, the City Council of the City of Elizabeth City understands that NCDOT will make the required improvements at no cost to the City once the transfer of East Burgess Street maintenance responsibility is made from the City's road system to NCDOT's secondary road system; and

**WHEREAS**, the City Council of the City of Elizabeth City agrees that upon completion of the required improvements to East Burgess Street, maintenance responsibility of said street will be transferred back to the City's road system;

**NOW, THEREFORE, BE IT RESOLVED**, that City Council of the City of Elizabeth City hereby petitions the North Carolina Department of Transportation Division of Highways to add the above described road, which has been indicated in red on the attached map, to the Secondary Road System in order that required improvements can be made.



**ADOPTED**, this 10<sup>th</sup> day of May 2010.

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Roger A. McLean  
Mayor

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Dianne S. Pierce-Tamplen, MMC  
City Clerk

c} Adopted the following resolution and called for a public hearing closing a portion of Harris Drive.

**RESOLUTION #1053  
TO CLOSE A PORTION OF HARRIS DRIVE**

**BE IT RESOLVED**, that the City Council of the City of Elizabeth City declares herewith its intent to close that certain portion of Harris Drive located in the City of Elizabeth City, Pasquotank County, North Carolina and more particularly described as follows:

**BEGINNING** at a stone marking the southeast corner of the intersection of Harris Drive and Price Street as shown on plat entitled Amended Section of Harris—Mitchell Subdivision dated December 28, 1964 prepared by S. Elmo Williams, Registered Surveyor as filed in Book 290, Page 370 of the Pasquotank County Registry, thence along the west lines of Lots 2, 3, 4 & 5 as shown on said plat S 8° 08' W 300.65 feet to a point in the north line of the Purnell property; thence N 70° 59' W 52.93 feet along the Purnell property to the southeast corner of Lot 6 as shown on said plat; thence N 0° 08' W, 275.85 feet along the east lines of Lots 6, 7 & 8 as shown on said plat to a point in the southern right of way Price Street; thence N 81° 35' E. 500.5 feet to **the POINT OF BEGINNING**. All as shown on plat of S. Elmo Williams dated December 28, 1964 and entitled in part "Harris-Mitchell Subdivision" said plat being incorporated herein by reference.

**BE IT FURTHER RESOLVED**, that pursuant to NCGS Section 160A-299, the City Council of the City of Elizabeth City calls for a public hearing on the question of closing the above described portion of Harris Drive and that said public hearing will be held at 7:30 p.m. on the 28<sup>th</sup> day of June 2010 in the Council Chambers located on the 2<sup>nd</sup> floor of the Municipal Administration Building, 306 E. Colonial Avenue, Elizabeth City, NC. This resolution and call for a public

hearing and all actions to be taken hereunder are pursuant to NCGS Section 160A-299.

**ADOPTED**, by the City Council of the City of Elizabeth City on the 10<sup>th</sup> day of May 2010.

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Roger A. McLean  
Mayor

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Dianne S. Pierce-Tamplen, MMC  
City Clerk

d} Awarded Contract for sewer cleaning and inspection to Bio-Nomic Services in the amount of \$61,730.00.

e} Approved proposed Fiscal Year 2010-2011 Budget for the Elizabeth City Regional Airport.

End of Consent Agenda

**8} REGULAR AGENDA:**

a} Oak Grove:

Mayor McLean called upon Councilman Walton for comments.

Councilman Walton stated that there were quite a few concerns from the neighborhood that deals with this project. He would like to have some of the citizens come up to the podium to speak at this time. The project is going on and we want the neighborhood to be satisfied about what is occurring. He did get a chance to go out there and they have a different type of pipe and he was wondering what other neighborhoods have that type of pipe.

Mr. Fredette stated that he isn't sure he can answer that question. The pipe is reinforced pipe and a round pipe. What you are looking at is the very end of the pipe and what it allows us to do is to slope down from the top of the pipe to the ditch without having an abrupt 18" drop at the driveway. It is a very common practice for inlets and outlets of culverts to have a flared end. It also accommodates the concrete bottom swell that this project included in the design.

Mr. Walton wanted to know if you could put sidewalks there.

Mr. Fredette stated Mr. Walton this project is designed for an open drainage which means there are gutters or swells the whole length of the project. There are only culverts underneath the driveways. That project has been discussed since 2005 and there have been a number of variations of the project but most recently in January 2009 that the engineer appeared before Council and said a closed drainage system would not work in that community. It was in the same time frame that DENR and DOT said they would not approve the project in one case or fund the project in the other case.

Mr. Walton said, Mr. Fredette can you put sidewalks in that system.

Mr. Fredette said no sir.

Councilman Brooks stated he got a chance to look at it himself. Are you saying that a closed drainage system would not work over there?

Mr. Fredette said he wanted to be precise, he told you that the engineer from Hobbs Upchurch came and made a presentation to this Council after it was designed as a closed system to tell the Council it would not work. Precisely he said the Department of Transportation did not approve a closed drainage system. We had it designed and submitted for approval and they did not approve it. Specifically he said, DENR it was submitted to and they did not approve it.

Mr. Brooks said what he wants to know is why. He has learned not to take people's word at face value. Don't just tell him it won't work as he wants to know the reason why it won't work. You have senior citizens and children over there and that is a big ditch. He heard a guy on Beechwood say that he just wanted his driveway moved over and if he is quoting him correctly he said that you told him it would cost him \$5000 to move it over. That is ridiculous because the pipe is already there and all you had to do was give the ok to the guy putting the pipe down. That is unacceptable. On one of the streets back there Dr. Williams had pipes run in there for a driveway and you just took them up and disposed of them. The question that he has is if you can tell him or since you told him someone told you why you can't have the pipes put into the ditches and covered up. Is there anything in writing that says that or is that just something you said.

Mr. Olson replied that there were correspondence between City staff and the State and we will be happy to provide that to the Council.

Mr. Brooks said that he lives on the back of Carver Street and they had that cement thing put down where the drainage came around the curb and it is just as if the grass is still in the ditch because it fills up with trash. He can't picture in his mind, Public Works or anyone else going over there on a regular basis and cleaning it out.

Mr. Fredette said he would like to take the two comments that you made and explain. First you referred to Mr. Munden's property where he asked to move the driveway. For the information there were two driveways. He doesn't know what he told you in terms of costs but I told him his estimate for the cost for the contractor to move it was over \$1,000 not \$5,000. What he said to you he doesn't know. But let him finish if he may. The issue was there were two driveways down a very similar situation but it was adjacent to a paper street called Maple Street. They asked him to move that driveway. In the field he made the determination the movement of that driveway was a spite move that is the people that owned the house asked him to move it and move it on their property so that the neighbors could not use Maple Street to access their property.

Mr. Brooks said he is talking about Beachwood Street. Don't take him way over there.

Mr. Fredette said you have to understand it is the same area.

Mr. Brooks said no he has been out there. What the resident was saying it would have been almost effortless to move the ditch four feet over and you can't tell him as he went out there. You are not going to sit here and give him no song and dance when he went out there and saw it himself. It sounds good but he is not talking about Maple. He is specifically talking about Beechwood Avenue and he doesn't see why the residents have to pay to move that thing four feet over and he is sure that there are not two driveways. He said he would be content with what you have if you would just move it over four feet. Since the project is already budgeted and paid for and he is trying to think why you want to charge a resident anything. All the equipment is out there and you want to charge a resident, that doesn't make any sense.

Mr. Fredette said Mr. Brooks once again he is talking about Beechwood and he is talking about houses that there is only one house between the two on Beechwood. The same situation. The second issue the City is not charging the residents any more for the pipe. The issue was it is in the ground and to have the contractor move it would be a change order to the City. He has taken a very strong position out there that we are going to replace in kind. In place and in kind so where there was a pipe there will be another pipe. You referred to Ms. Williams' property. Today he acknowledged that we took out the pipes and said

that we would replace them. That work is not yet complete. Any place there was a pipe will replace in place and in kind. Otherwise you get into a contest of each neighbor wanting to move it. There was a design plan that has been reviewed in public session and he believes you were one of the council members that had that public meeting for this project on January 20<sup>th</sup> of this year. We reviewed in detail that issue.

Mr. Brooks said all that mumbo jumbo back on Maple, he is talking specifically Beechwood and he is going to leave this alone. What he is saying is that he understands what you are saying but he saw it with his own two eyes. It is not two driveways like you are saying. It is one driveway. He doesn't understand because you had it within your authority. Those engineers work for you and you had it within your authority to move it four feet. He was not asking for two driveways he was only asking for four feet. That is a different ballgame. He doesn't see why the residents should take that bite. Whatever can be done to rectify that he would greatly appreciate it.

Councilman King asked Mr. Fredette to explain to Mr. Brooks how he explained it to him earlier.

Mr. Fredette stated he thinks that Mr. Brooks made a point that he saw it with his own two eyes. He would suggest it would help for him to see it with his own two eyes when someone is out there pointing it out to him to see what you saw. What he told Mr. King was there was an opportunity because across the street we had not removed a sidewalk culvert. The properties are owned by the same party. Again at a cost to the City we are obligated to replace in kind in place. If Mr. Munden would like us to remove the culvert on the south side of the street and place it on the north side of the street to widen his driveway that is doable within the contract without extra costs.

Mr. Brooks said he doesn't want it widen. What he is saying is what is there is fine, Mr. Fredette. He doesn't want double driveways. He doesn't want it any wider. He just wants it four feet over. Like he said you are trying to give him a song and dance and he is not taking it. All he wanted was it moved over four feet. He doesn't want a double driveway or anything. He is sorry that the budget session discussion went so long that he had to leave because he wanted him to tell you exactly what has transpired. He would like if it can be rectified any way he would appreciate it.

Councilman King said he had one more thing. It has to do with Mr. Cooper's property. What is going on with that?

Mr. Fredette responded that there has been a change of heart and he does not want it done. The last he heard from Mr. Cooper was that he would like for us

to replace the culvert across the front of his property and replace in place in kind. To replace Mr. Cooper's property as it exists today is within the project's scope. We will be doing that. We will go down to the limit that he has right now. He explained it to Mr. Cooper this morning. He has had a change of heart a couple of times. He was not specific with him and didn't tell him that we would do it. He has not crossed it out yet.

Councilman Walton asked the Manager how he thought that we could get all the stake holders together and come to a win-win situation.

Mr. Olson replied that the problem we have is we had that meeting. Mayor McLean organized it along with you and Councilwoman Hill-Lawrence. We had roughly 35 people in January where we sat down and discussed the project at length with them. We had the plans there. He realizes that if you are not use to looking at blueprints you may not understand them. The property owners may not have understood when they were looking at the blueprints. The design that we have chosen and which has been approved and funded by two different agencies is what is going to have to occur there. Can things we adjusted. Yes, but we have to have some type of limits. In certain cases we have a sidewalk entrance into a house and a driveway and they are within three/four feet of it. It just makes sense to combine the two from an engineering perspective. Paul has taken that discretion and talked to the engineer and the contractor and we are going to go ahead and do that. We will be happy to meet with individuals out there to discuss the project at length or go over the work that is presently being done. The work on Pinewood is looking as we thought that it would look right now. We are sorry that it was not a closed system as that is what we tried to do back in 2005 but the State agencies would not approve it. To make the drainage better we went in there and did a two to one slide slope where those side slopes are basically mowable and can be maintained by the property owner. Is there a chance of a car running off in the ditch? There sure is but that problem was there before. The ditchers are a little bit deeper in certain areas. The quality of drainage which is a primary purpose of these ditches is going to be greatly improved. We will be happy to meet with different stake holders. Our biggest concern is that everyone wants to cut a little side deal with us and we just can't do that. We will work with them within certain perimeters to help them out but we have also been apprised by individuals within the neighborhood of some of the internal issues among the neighbors and we don't want to be a part to that. That is why we are taking a fairly hard line on Maple Street where it goes through. We have concerns from one neighbor and concerns from the other neighbor. If we replace what is there we really can't go wrong in staff's opinion.

Mr. Walton asked the Manager to meet out there on Wednesday at 4:00 p.m. and have Mr. Fredette with you. Some of the pipes that are being taken up,

what are we doing with those pipes. There is a road to the Williams property and why couldn't those pipes be put in that area.

Mr. Olson said those are owned by the contractor. It is part of the contract documents that he gets all salvage materials. We are replacing with new pipe and he gets the old pipe if he can use it someplace else.

Ms. Hill-Lawrence said she thinks what the problem is that in 2005 when the residents thought they were getting the covered pipes that it was not expressed to them that would not happen. It must not have been conveyed to them that the State would not approve that.

Mr. Olson said we have had at least 10 meetings with the property owners since 2005. Three different Public Works Directors with himself have been out there and met with the residents. We discussed the improvements and the design changes that occurred in January 2009. It has been over a year since the State denied the closed system. You need to remember these are not City roads. They are DOT roads and we are working within their right-of-ways which required us to get an encroachment agreement and they have to approve everything within their right-of-ways.

Mr. Brooks said you are saying the residents of Oak Grove knew they weren't going to have the covered pipes. They knew that. Is that what you are saying to him? You have a letter to say that DOT is saying that they will not approve it.

Mr. Olson said that he would be happy to send Council a copy of that letter as well as the DENR letters. The item was debated three or four times in meetings with the previous Councils where they were updated on the situation last year.

Mr. Brooks asked the Manager if he thought what he was talking about on Beechwood is a side deal.

Mr. Olson replied that yes he does.

Mr. Brooks said well he doesn't think so and he thinks that it should be moved. It should be moved to accommodate the resident. You are going to tell someone how to go inside their yard and that is a side deal. If he recalls correctly and he doesn't want to discuss it. If he has a driveway in his yard it is not like you went out of your way to add any pipes. He doesn't understand. What you are doing is thumbing your nose at the taxpayer. That is aggravating to him because he doesn't like the term side deal. He doesn't like Mr. Fredette standing up there and acting like he doesn't understand what is going on.

Mr. Olson said that driveway has been there for 30 years.

Mr. Brooks told him to not raise his voice at him. No, you need to get the City Manager. He works under him. He doesn't work under him. Let him finish what he was saying. He doesn't want them to act like he doesn't know what is going on when he was there. He doesn't appreciate the Manager raising his voice at him and don't do it again.

Mayor McLean stated that we are going to stop here. He thinks that you all should get with Councilman Walton and Councilwoman Lawrence at 4:00 p.m. Wednesday.

**9} COMMENTS AND INQUIRIES ON NON-AGENDA ITEMS:**

City Manager Olson stated he had no further comments.

Councilman Brooks stated that he wanted to remind the City Manager that he works under the discretion of the Council and he doesn't appreciate him getting aggravated and raising his voice at any Council Member because he can defend and cover himself and he doesn't appreciate it at all. He has a concern with Brooks Avenue as Councilman King spoke of earlier. The road is going from bad to worse. He thinks that we need to do something as soon as possible. The sidewalk running from Walkers Landing to Monroe's Plaza, what is the status on that?

Mr. Olson replied that the survey work has been done and the cost estimates have been forwarded to Jerry Jennings.

Mr. Brooks asked to commend the Human Resource Department for the nice open office that they had and it was all paid for by the individuals that works in Human Resources.

Councilwoman Baker stated that the Customer Service Task Force has been meeting and at the present time a survey is being conducted.

Councilman King stated he would like to have Planning to look at the open trash container at McDonalds on Ehringhaus Street. He also asked about the possibility of some improvements to the park in the Laurel Park community.

Councilwoman Hill-Lawrence stated she attended the funeral of the late Mayor Tyra Newell's wife. She requested that a card of condolences be sent to his son and family.



Councilwoman Meggs stated that PAL raised \$10,000 during their recent jail auction. She encouraged everyone to come out and attend the Potato Festival this weekend.

Councilman Stimatz thanked the Electric Department for their quick response when the transformer went out in his neighborhood.

Mayor Pro Tem Hummer asked if it was appropriate to remove the funds for the roundabout that are currently in the budget. There are numerous areas that the drainage is really bad. She wonders if we could use the inmate to help clean out some of the ditches. She also asked if it would be possible to adopt a resolution creating the Youth Task Force.

Councilman Walton stated the Youth Task Force is meeting regularly. They are coming up with some good ideas and are presently looking at different things that they can do for a fund raiser.

Mayor McLean stated that he recently attended an event at the J. C. Sawyer School where his grand daughter attends and they had an award ceremony. He was really concerned when he saw children crushed when they didn't win an award. He would like to echo what was said about the open house at our Human Resource Office. Finally, he would like to say that we have a budget and we will do what we can to work with the City Manager and follow the budget as adopted.

**10} CLOSED SESSION:**

Mayor McLean entertained a motion to retire into Closed Session for discussion of matters relating to the location or expansion of a business in the area.

***A motion was made by Mayor Pro Tem L. A. Hummer, seconded by Councilwoman J. M. Baker to retire into Closed Session as per NCGS 143-318.11 (a) (4) to discuss matters relating to the location or expansion of businesses in the area. Those voting in favor of the motion were: Hummer, Baker, Brooks, Hill-Lawrence, King, Meggs, Stimatz and Walton. Against: None. Motion carried.***

**11} RETURN TO REGULAR SESSION:**

***A motion was made by Councilwoman J. M. Baker, seconded by Councilman J. A. Stimatz to return to regular session. Those voting in favor of the motion were: Baker, Stimatz, Brooks, Hill-***

**Lawrence, Hummer, King, Meggs and Walton. Against: None. Motion carried.**

**12} CLOSED SESSION ITEM:**

***A motion was made by Councilwoman B. S. Meggs, seconded by Councilman R. E. King to authorize Mayor McLean to execute the grant agreement with Golden LEAF Foundation for Project Millwright; and further moved, to authorize the City Attorney to draft a lease-purchase agreement for Mayor McLean's signature. Those voting in favor of the motion were: Meggs, King, Baker, Brooks, Hill-Lawrence, Hummer, Stimatz and Walton. Against: None. Motion carried.***

**13} ADJOURNMENT:**

There being no further business to come before the Council at this time, Mayor McLean called for a motion of adjournment.

***A motion was made by Councilman R. E. King, seconded by Councilwoman B. S. Meggs to adjourn the meeting. Those voting in favor of the motion were: King, Meggs, Baker, Brooks, Hill-Lawrence, Hummer, Stimatz and Walton. Against: None. Motion carried.***

Mayor McLean adjourned the meeting at 10:20 p.m.

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Dianne S. Pierce-Tamplen, MMC  
City Clerk

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Roger A. McLean  
Mayor