

The City Council of the City of Elizabeth City held its monthly work session on the above date and time in the City Council Chambers of the Municipal Administration Building with Mayor R. A. McLean presiding. Council Members in attendance were: J. M. Baker, L. M. Hill-Lawrence, L. A. Hummer, R. E. King, B. S. Meggs, J. A. Stimatz and J. B. Walton. M. E. Brooks was absent. City staff members attending were: City Manager R. C. Olson, City Attorney W. H. Morgan, Deputy City Clerk V. D. White, Human Resource Director K. W. Felton, Parks and Recreation Director B. V. White, Electric Director K. F. Clow, Finance Director S. E. Blanchard, Police Chief C. E. Crudup, Public Utilities Director P. A. Fredette, Planning Director J. C. Brooks and Inspection Director S. E. Ward.

Mayor McLean established a quorum was present and called the meeting to order. He called upon Councilman R. E. King for the invocation after which the Pledge of Allegiance to the Flag of the United States of America was given.

**1} APPROVAL OF THE AGENDA:**

Mayor McLean called for a motion to approve the prepared agenda.

***A motion was made by Mayor Pro Tem L. A. Hummer, seconded by Councilman R. E. King to approve the agenda as presented. Those voting in favor of the motion were: Hummer, King, Baker, Hill-Lawrence, Hummer, Meggs, Stimatz and Walton. Against: None. Motion carried.***

**2} SPLASH PARK:**

Mayor McLean called upon City Manager Olson for comments.

Mr. Olson stated included in the 2011-2012 fiscal year budget was an improvement within the Parks and Recreation Department calling for the construction of a splash park. During a previous Council meeting there was discussion whether or not city staff had any firm cost estimates and of course we had no planning dollars allocated to doing any of that right now. But what we have done is utilizing what has been recently built or in the process of being built in adjacent communities and in eastern North Carolina to determine what that price is. He included in the budget for the project which includes \$175,000 for the actual splash park. A \$150,000 for a bath house and \$75,000 for the purchase of the land. These are just planning numbers to be considered by the

City Council. We still need to do all the engineering design work. Some of the information he has provided was turn key operations of what they would cost if they were done by a third party. In his budget he is not proposing that we pay the \$400,000 all up front. We are looking at entering the debt financing market to pay the \$400,000 over a ten year period or \$42,000 annually. Included in the packet that he has provided is some information that he has received from the City of Ahoskie. Let him clarify something that was in his memo which he found out Friday to be incorrect. The City of Ahoskie has not built theirs yet but they have submitted a number of grants utilizing the numbers he has provided you in the handout. Ahoskie looked at several different options. Option #1 is roughly 6 to 7 stations within the park itself. Option #2 which is the cheapest of the options they looked into is really not so much a splash park but a fountain. Let him explain the difference between a splash park and a fountain. A fountain is what you would see in a lot of your larger communities. Some of them are even in malls where you can just have kids running in and out of the fountain. They get wet and usually there is water spraying up at them or it is leap frogging over the area in question. That is a very popular concept and it is a very inexpensive concept because it does not require that you have a bath house. It is a fountain and is classified as a fountain. Also, it is imperative that because of the amount of water these types of operations use that you utilize reclaimed water that is filtered and continued to be reused as you do very much so with a pool. Another option is one that was built two years ago on Mount Trashmore. He believes the cost estimate for this one is about a half million dollars. He showed one in Morrisville constructed two or three years ago. It is nothing more than a concrete slab with a number of stations involved in it that serves a variety of different purposes. There is also one that has a bucket in the middle which they drop on the kids head and then you have a hitching rail that has a bunch of spikes that the kids can run through. There is one being done in Currituck by the YMCA. That one is costing \$836,000. It is a little bit more than a splash park. It is a pool/splash park combination. This pool has depths up to five feet in it and then it has a bunch of spray stations within the pool. This is not a lap pool. This is just a pool with some fixtures in it that spray the water. Their \$836,000 did include a bath house and that was a turn key operation. It can be anywhere from a fountain up to something as elaborate or even more elaborate than the one at the YMCA in Currituck. The Parks and Recreation Advisory Board has recommended to City Council that this be incorporated into the City's budget.

Councilman Walton advised that the Youth Task Force has given their endorsement for this project. He read a letter of endorsement from the Task Force.

Councilman King stated the Advisory Board for the Parks and Rec also support the Splash Park 100%. He thinks it is something that we should move forward on. He thinks the age limit will be somewhere between three and eleven years.

Mayor McLean stated what we have received today is for informational purposes only. We are still reviewing the budget as a whole and what we expect to do is if the Finance Committee sees fit to include this in the proposed budget it will come back to the full Council for review and approval or disapproval.

Councilwoman Baker said she has reservations about starting bigger than we need too. She thinks it would be a great thing for kids to utilize. She thinks they would love jumping in and out of the water and it will help them stay physically active from a young age and that is a good thing because we know we have a huge obesity problem in this neck of the woods. But, she can't see spending \$400,000 so she hopes that the Finance Committee will utilize some city property that we already own so we won't have to buy more property. We all know that we hear about our roads and our sewer system that we could budget money for if we have this kind of money that we can use for a water facility. People would rather see it redirected. She knows it cannot always be directed from youth activities to electric, water or some other fund. She would love to be able to bring something like this as she thinks it would be something good for the kids. She thinks most of the Council went to see the play and that is a great thing to put our money into as well and that helps kid's minds. She can't see putting \$400,000 in a splash park when that isn't doing anything for their minds. She is for it but not for it at this time.

Brent Wise stated that with Ms. Baker's comments it is a situation that you could look at this project as something that you can grow upon. You could start off small with the splash pad and grow the project into the pool similar to the Currituck YMCA and actually the Outer Banks YMCA has a little bit more where you have a three lane lap pool in addition to the play area for the kids and the splash area with the water fountains and such. This would allow the younger kids to play in the shallow section and give the older kids a place to play too. You could become all things to all people and in time as either you discover grants or contributions from private organizations come in you could expand. If you could utilize city land it would offset the bulk of the cost in the development.

Mr. Walton said it is not like you are putting \$400,000 out at once.

Mr. Olson said we would finance it over a ten year period so you would only have \$42,000 in the budget each year.

Mr. Stimatz said for him he likes the idea. He has had people come to him and say spending this kind of money is crazy. The concept is good and the location

is right but he doesn't think the timing is right for something this big. However, it is something that we all need to think about. This is something that the Parks and Rec Commission should look at as creating some kind of family recreation complex in the center of the City. We have a good start over there by the Boys and Girls Club. We have all those ball fields, the tennis courts and still more land over there and it is very essential to the whole city. In terms of creating a much larger venue down the road he would fully support a splash park there because it fits. People could have family reunions and people could have Easter picnics. It would become a focal point for the City to have as a recreation site. He grew up with one of those in Florida. The problem that he has is he is not sure that committing that kind of money in this budget climate is the best thing to do especially when we don't know what the impact of the County is going to be on it. We know it is going to be negative. He would like to see the idea of two to four fountains on City property, the old Middle School would be a good place and a couple of other places in the other wards where it becomes more accessible. We still don't know what the cost of the land is going to be. He would like to see an alternative to put our toe in the water verses putting our whole foot in.

Mr. Walton stated in his ward they don't have the restrooms near the park. The only other one is the Fish Court and we are not even maintaining that. If we continue to drag things on it will not happen. We are talking about the budget process going to a public hearing some time next month so gathering more information to him will not solve the problem for this budget session.

Mayor Pro Tem Hummer said she thinks the price for the land is probably a drawback. She has heard \$96,000 for the piece of land behind the Boys Club. She thinks the Middle School would be an ideal place because it is centrally located. She thought a long time ago that we needed to take the County up on their offer for this property because it can be used for so many things. Do we have any other pieces of land that are centrally located that we own.

Mr. Olson said that we do have some available space in the Enfield Park area that we own. Staff's concern is that it is right up to residential property. We can look at other locations within the City.

Councilwoman Meggs said she has been on record saying she is oppose to it and it is because she has not had a soul to say to her they want you to vote for it. She cannot vote for it when no has asked her too.

Councilman Walton said contrary to that no homeless person has come up here either and said that they need food. Some things you just take for granted like you know that homeless people are homeless because of a reason. These kids they are not going to ask for something that we know that they need. They need something to do. It was great that those kids had the Aladdin show but

how many kids do we have that age in Elizabeth City. That didn't even dent the surface of how many kids are out there doing nothing but waiting around for someone like gang members to invite them in to become a part of their gangs.

Mayor McLean said that we need to look at the overall city at the number of kids that do not play baseball or soccer. Kids need some type of entertainment so that they can enjoy the good life of Elizabeth City. When we want to do things that we want we don't mention the word cost. Those of you out there now you need to go to the web site and get your friends to call us to let us know what you want. The splash park is not only going to make money but it is going to create jobs. It will give the kids something to do. We are going to send this information to the Finance Committee and we are going to make sure that we bring the best alternative back to this Council. We want the citizens of Elizabeth City to understand that we are talking about \$42,000 per year for a splash park and not \$400,000 which is less than what we are going to pay for utilities at South Park just to light the field.

Ms. Baker said she thinks that we should start out small and she doesn't have a problem against the concept but she is against spending more money than we need to spend the first year start up.

Mr. McLean said he thinks a splash park in one central location will give us more bang for our bucks and we would be able to get a good return in terms of what we are going to charge. We have a lot of work to do in our Parks and Recreation Department. We have to improve our parks system. This will be discussed at our Finance Committee this Friday.

### **3} DUKE/PROGRESS ENERGY MERGER:**

Mayor McLean called upon City Manager Olson for comments.

Mr. Olson stated as Council is well aware of the City of Elizabeth City along with five other communities, New Bern, Kinston, Rocky Mount, Southport and Smithfield hired a Washington DC attorney to look at the proposed Duke/Progress merger outside of the work that ElectriCities is doing. Council allocated \$12,500 and most of the others allocated very similar amounts. They have looked at the merger and they have met with the ElectriCities Merger Negotiating Team two or three weeks ago. We had a telephone conference call on May 11<sup>th</sup> where the outcome of those discussions was discussed among the six cities. There is a disagreement about what exactly the concept and purpose of the meeting in Washington DC was. There is an agreement on that there is nothing that we can do for any sort of debt relief. We are stuck with the debt associated with these projects and it is not an item that can be brought up before the Federal Energy Commission.

Mayor McLean said we all put up \$12,500 to hire a new set of attorneys that would provide us with an additional set of eyes. Since that time, New Bern originally put up \$65,000 and now have put up another \$100,000. What we are saying is that we have supported this venture and we still support what New Bern is doing but we want to see what Duke/Progress is going to offer to us through Electricities.

Mr. Olson stated the items that we are looking at are such items as renewal of our supplemental power agreement which expires 2017 which has saved us over \$2 million a year and also that helps us make our electric rates very competitive for our industrial clients. It also makes it very attractive or holds down our rates for our residential clients. We are also looking at joint dispatching where we can go ahead and dispatch Agency I and the Eastern Agency power more cost effectively and there will be savings there. We are looking at, with the merger, a savings of anywhere from 4-5% on our wholesale rates most likely being passed through as part of the merger. There is a meeting this coming Wednesday in Wilson where our attorneys will provide an update in the merger. The Merger Negotiating Team will also provide an update. That discussion will be held in closed session of the agency and as City Council members you are invited to attend that closed session. We had hoped that there would be greater savings that could be passed on to our customers with the merger but it appears it will be about 5 or maybe as high as 6%.

Mayor McLean stated that there is an intervention aspect of it too. If Duke Power and Progress Energy do not give us what we are looking for there is a possibility that Electricities can intervene.

Mr. Olson asked to explain that. What Electricities is doing is they are trying to negotiate with Progress Energy for reduction of our costs, especially some of the costs associated with some of our units. Also, we have another set of attorneys that are working on intervention language. We have to intervene by June 3<sup>rd</sup>. We cannot wait to make sure to get everything that we have from Progress. We will know before June 3<sup>rd</sup> what Duke/Progress is offering. If it is beneficial to us and we don't hear by June 3<sup>rd</sup> Electricities will intervene on our behalf. If we believe that it is then we will not file for intervention. The intervention process is a very expensive process. You are hiring Washington DC attorneys and consultants. They don't look at the public relations. Theirs is a factual determination that they make on the filing that Progress and Duke have submitted to them.

Councilman Walton said when we save 5 or 6% that is a big amount. Will it amount to any money to our customers?

Mr. Olson said remember over the last three years we have taken 18% increase so we will be knocking that down to about 13%. Our wholesale power cost is about \$33 million and \$3 million is quite a bit of savings.

Mayor McLean said we are hoping to get as much out of this as we possibly can. We know who is making the money up front. He sees citizens that are crying and he knows we have to do something. It is not that the citizens don't want to pay their utility bills it is they just don't have the money to pay them.

#### **4} COMMITTEE REPORTS:**

a. Albemarle Economic Development Commission – (Mayor Pro Tem Hummer, Councilwoman Hill-Lawrence and Councilman Brooks)

Mayor Pro Tem Hummer stated that we have a meeting scheduled for this coming Wednesday.

b. Central Communications Advisory Board – (Councilman Walton)

Councilman Walton stated that we did not have a meeting.

c. Elizabeth City-Pasquotank County Airport Authority – (Councilwoman Hill Lawrence)

Councilwoman Hill-Lawrence stated we mostly discussed an item in that we will be discussing in Closed Session.

d. Fireman's Relief Fund Board – (Councilman Stimatz)

Councilman Stimatz stated that we have not had a meeting.

e. Joint Land Use Plan Committee – (Councilman Stimatz)

Councilman Stimatz stated they have not had a meeting.

f. Joint Redevelopment Commission - (Councilman Brooks)

Councilman Brooks was not in attendance.

g. North Carolina Eastern Municipal Agency – (City Manager Olson)

Mr. Olson stated we have a meeting scheduled for Wednesday morning and we are going to listen to the lawyers that are representing Electricities for the

purpose of ensuring that we get as much as we can from the Duke Power/Progress Energy merger

h. Solid Waste Committee – (Councilman King}

Councilman King stated we have a meeting the first Wednesday of next month.

i. Tourism Development Authority – (Councilwoman Baker)

Councilwoman Baker read a letter received from a boater. She has some other letters as well. We continue to increase our dollars from our hotels and the B&B's. We are up from last year and up from the year before. That is very good news. We have a meeting on Thursday morning at 9:00 a. m. We are going to look at our budget on Thursday. The Finance Committee met last week and we will have a budget to present to the group.

j. ECDI – (Councilwoman Meggs)

Councilwoman Meggs stated we have just had our big fling. She thinks it was a great success. She thanked those that participated in the potato peeling contest. A lot of people have told her that they were glad to see the City being involved in it. The little Tater Tots had their contest and Alexandra Warden was the winner. Cheryl Banks and her team won the potato peeling contest. Kathy Creation won the anything but fries contest. The Lucky Duck Derby was won by Terry Hobbs. Northeastern High School Scholarship Contest was won by Ginger Russell. Bryan's Hotdogs sold 600 hotdogs. It was estimated that 30,000 people attended. She briefly read a letter from Rebecca Cross thanking everybody for what they did.

k. Water Committee – (Councilwoman Baker, Councilman King and Councilman Walton)

Councilwoman Baker stated that we have not met.

l) Chamber Board – (Councilwoman Meggs).

Councilwoman Meggs stated some of the things that she wants to mention are: A. R. Chesson Construction is having an After Hours on June 2<sup>nd</sup>. Harbor Nights begins on June 3<sup>rd</sup>. They are planning a golf classic in the near future. Everything is going real good. We recently had the After Hours with the Daily Advance which was a nice affair.

j} Youth Task Force – (Councilman Walton).



Councilman Walton stated the Youth Task Force reported at the last meeting.

k} Storm Water Drainage Task Force – (Councilman Stimatz)

Councilman Stimatz stated he met with Mr. Fredette last week and he is working on the final version of our final report. Information relating to the budget has been passed to the Manager and the Council on the priority projects. Once we have that done we will sit down with all the members and have them look at it and sign it and pass it in.

j} Finance Committee – (Mayor Pro Tem Hummer).

Mayor Pro Tem Hummer stated we had a meeting this morning and we will have another meeting on Friday, May 27<sup>th</sup> at nine o'clock in order to finalize the Finance Committee's recommendations to the full City Council regarding the recommended budget for FY 2011-2012. Members of City Council are encouraged to attend this Finance Committee meeting if you wish. We would be happy to have you sit in.

l} Personnel Committee – (Councilwoman Meggs).

Councilwoman Meggs stated we had our regular meeting and we are going to go into Closed Session to discuss it further.

**4} CLOSED SESSION:**

a} Acquisition of property as per NCGS 143-318.11 (a) (5):

Mayor McLean called for a motion to retire into Closed Session.

***A motion was made by Mayor Pro Tem L.A. Hummer to retire into Closed Session for discussion of possible land acquisition as per NCGS 143-318.11 (a) 5). Councilman R. E. King seconded the motion. Those voting in favor of the motion were: Hummer, King, Baker, Hill-Lawrence, Meggs, Stimatz and Walton. Against: None. Motion carried.***

**5} RETURN TO REGULAR SESSION:**

There being no further business to discuss in Closed Session, Mayor McLean called for a motion to return to Regular Session.

***A motion was made by Councilman J. A. Stimatz, seconded by Councilman R. E. King to return to Regular Session. Those voting***

*in favor of the motion were: Stimatz, King, Baker, Hill-Lawrence, Hummer, Meggs and Walton. Against: None. Motion carried.*

**6} ITEM FROM CLOSED SESSION:**

*A motion was made by Mayor Pro Tem L. A. Hummer, seconded by Councilman R. E. King to authorize Mayor Roger A. McLean to execute Options to Purchase 48.9 acres more or less for Phase II of the Aviation Park utilizing the SBA Grant and that no local funds are used. In addition, authorize Mayor McLean to purchase a drainage easement for \$5,000 and a one-sixth interest in the Hall Homestead for \$13,000. Those voting in favor of the motion were: Hummer, King, Baker, Hill-Lawrence, Meggs, Stimatz and Walton. Against: None. Motion carried.*

**7} ADJOURNMENT:**

There being no further business to come before the Work Session at this time, Mayor McLean entertained a motion for adjournment.

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

Mayor McLean adjourned the meeting at 7:00 p.m.

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Dianne S. Pierce-Tamplen, MMC  
City Clerk

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Roger A. McLean  
Mayor