

TUESDAY 7:00 P.M.

MAY 29, 2012

CITY COUNCIL

The City Council of the City of Elizabeth City held its second regular meeting of the month on the above date and time in the City Council Chambers of the Municipal Administration Building with Mayor J. W. Peel presiding. Those attending were: Mayor Pro Tem J. B. Walton, J. M. Baker, M. E. Brooks, R. T. Donnelly, L. M. Hill-Lawrence, L. A. Hummer, K. K. Spence, J. A. Stimatz, City Manager R. C. Olson, City Attorney W. H. Morgan, Deputy Clerk V. D. White, Planning Director J. C. Brooks, Parks and Recreation Director B. V. White, Human Resource Director K. W. Felton, Finance Director S. E. Blanchard, Public Utilities Director P. A. Fredette, Fire Chief L. M. Mackey, ECDI Director R. Cross, Inspection Director S. E. Ward, Electric Director K. F. Clow and Interim Police Chief J. Manley.

Mayor Peel established a quorum was present and called the meeting to order at 7:08 p.m. He held a moment of silent reflection after which he led the Pledge of Allegiance to the Flag of the United States of America.

1} AGENDA ADJUSTMENTS AND APPROVAL:

Mayor Peel called for adjustments/approval of the prepared agenda. He said we have already made one adjustment and that is adding ***Discussion of the FY-2012-2013 Budget.***

Councilman Donnelly said we are going to be discussing the swings at the Enfield Park and he wanted to defer to Mr. Walton. He knows you like to discuss money within the regular session or it is ok to leave it where it is. He thinks for consistency we need to remove it and place that item on the Regular Agenda in order to discuss it.

A motion was made by Councilwoman L. A. Hummer, seconded by Councilwoman J. M. Baker to approve the agenda as presented. Those voting in favor of the motion were: Hummer, Baker, Brooks, Donnelly, Hill-Lawrence, Spence, Stimatz and Walton. Against: None. Motion carried.

2} PUBLIC COMMENTS:

Darrell McKinley, 1716 Providence Road, Elizabeth City expressed his concerns and recommendations for the proposed FY 2012-2013 Budget. He encouraged Council to take under consideration some of the suggestions that he has presented tonight.

Frances Long, 1701 Providence Road, Elizabeth City expressed her concern regarding the propose pay increase for city employees. They should be thankful they have a job.

Virginia Garrusso, 1820 Providence Road, Elizabeth City expressed her concerns regarding the proposed FY 2012-2013 Budget. She does not want to see an increase in taxes nor does she think the employees should receive a salary increase.

Erica Ramjohn, 501 E. Main Street, Elizabeth City introduced the 11th Annual Juneteenth Festival along with the Juneteenth Pageant contestants. She encouraged Council and the public to attend the festival. She went over the festival events.

3} APPROVAL OF MINUTES:

a} Budget Work Session – May 14, 2012

Mayor Peel called for approval of the May 14th Budget Work Session minutes.

A motion was made by Councilwoman L. A. Hummer, seconded by Councilwoman L. M. Hill-Lawrence to approve the minutes of the May 14, 2012 Budget Work Session as presented. Those voting in favor of the motion were: Hummer, Hill-Lawrence, Baker, Brooks, Donnelly, Spence, Stimatz and Walton. Against: None. Motion carried.

b} Regular Session – May 14, 2012

Mayor Peel called for approval of the Regular Session minutes of the May 14, 2012 meeting.

A motion was made by Councilwoman L. A. Hummer, seconded by Councilwoman J. M. Baker to approve the minutes of the May 14, 2012 Regular Meeting as presented. Those voting in favor of the motion were: Hummer, Baker, Brooks, Donnelly, Hill-Lawrence, Spence, Stimatz and Walton. Against: None. Motion carried.

4} CONSENT AGENDA:

Mayor Peel called upon City Manager R. C. Olson to read the Consent Agenda items.

Mayor Peel called for approval of the Consent Agenda.

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, Donnelly, Hill-Lawrence, Hummer, Spence and Walton. Against: None. Motion carried.

- a} Information regarding the installation of swings at the Enfield Park.
- b} Adopted the 2012 Fair Housing Plan as presented.
- c} Called for a public hearing to be held on Monday, June 11, 2011 in the City Council Chambers at the Municipal Administration Building for consideration of CUP-01-12, a request by Kevin Stroud and Eric Rainwater for an Internet Sweepstakes Café at Suite D, 900 West Ehringhaus Street.
- d} Awarded to Chief Charles E. Crudup his service weapon and badge.
- e} Accepted the Abstract of Votes for May 8, 2012 election.

5} PUBLIC HEARING:

Mayor Peel called upon City Manager Olson for comments.

Mr. Olson stated at the April 26th City Council meeting you have the first of two required public hearings for the City to apply for a grant from Community Improvement and Assistance. At that particular public hearing we gathered information from the general public. At that time staff was directed to go ahead and submit an application for the South Road Street CDBG Grant. We are now required to have the second public hearing on the South Road Street CDBG Grant. This particular public hearing has to be project specific. What the grant calls for is replacement of 3200 linear feet of eight-inch water line and 2500 linear feet of eight inch sewer line. This would be Road Street from Ehringhaus Street down to Herrington Road. We will make 41 connections to homes and businesses along South Road Street and we will install 6 new fire hydrants and 15 gate valves to the newly installed water lines. Also, 8 new sewer manholes will be installed. The estimated cost of the project is \$749,951. City staff did meet with the representatives of CI and they have told us the grant money is ours and we just need to complete the application, do the environmental assessment which we are presently doing and to have the second public hearing which we are doing tonight.

Mayor Peel declared the meeting into public hearing. Since there were no speakers to speak for or against the proposed CDBG Grant application, Mayor Peel declared the public hearing closed.

6} REGULAR AGENDA:

a} Establishment of Guidelines for amenities and equipment for each type of Park:

Mayor Peel advised this item came from him and Mr. Olson has provided some information about it. At the meeting the other day we talked about parks. It came up in the conversations about what is in your park and what is in my park, etc. He asked Mr. Olson after the meeting if we had a document that sort of laid out the kinds of parks we have, what could we have in the parks and he replied no. So, what this is about is he is requesting that Parks and Recreation take a look at the kinds of parks we have and to make a recommendation about how they should be outfitted. Then also, provide us with where are we now. As we move forward Council will have some idea on the number of parks, what categories they are in and what do we need to outfit them. This would provide us a plan as we go forward so we as a council can plan better in the future and insure that we have equity in our parks throughout the City.

A motion was made by Councilman M. E. Brooks, seconded by Councilman K. K. Spence for the establishment of guidelines for amenities and equipment in each type of park. Those voting in favor of the motion were: Brooks, Spence, Baker, Donnelly, Hill-Lawrence, Hummer, Stimatz and Walton. Against: None. Motion carried.

b} Discussion of 2012-2013 Fiscal Year Budget:

Mayor Peel called upon City Manager Olson for comments.

Mr. Olson stated at your last Budget Work Session the City Council did take a number of steps and gave city staff direction specifically to the General Fund and it does have an affect on all city funds. You authorized a 1.5% COLA to all city employees. We reduced the General Fund by \$4,000 because of 911 paying for the communication radio. We added revenue to the Fire Communications by \$100,000. That is because we do anticipate cost sharing part of the improvements to the hospital for the Class I type facility we have. We transferred from the Building Capital Reserve Funds, \$191,500. That covered the Charles Creek Pavilion. Also, \$16,500 for radiators and stuff for the Midgett Building. We increased the Pasquotank County for the Senior Citizens Bus, \$30,500 and he will get back to this item because we reversed this a little bit.

We increased Pasquotank County for the COLA for their share of the employees, \$1,451. Of course we have a number of shared functions by giving our employees the 1.5% COLA it had a budget impact on them. We increased sales tax by \$2,088 which is really a push. The Senior Citizens bus financing, he had a meeting with the County Manager and he told him that the City Council is in favor of the bus. The County has some concerns on whether they can meet their 50% allocation so what we are requesting is that you consider debt financing for that bus. Debt payment would be \$13,000 annually or \$6,500 for the City and County each.

Councilman Donnelly was thinking it might be worthwhile to revisit why we need the senior citizen bus and this way it would help the general public to know they are watching and would understand why we are including that.

Mr. Olson said the buses that we have now have some age on them. In addition, we have some ADA related issues associated with them. What the recommendation is now is that no longer go with the vans but to go to a mini type bus like ICPTA uses to transport senior citizens.

Mr. Olson continued by saying the next item is at the last meeting you decided to decrease the number of police cars from five to two. That would be a savings of \$132,747, however, we were doing debt financing on that so the actual cost is less than that. We did remove the Charles Creek Park financing, the \$175,000 because it appears in the \$191,500 that the Council instructed staff to do. The County has decided to get rid of the County park and that is \$60,000 that we had in the Parks and Rec budget. The County's share of that is \$33,000 and the City's share is \$27,500. Increased Council's Discretionary Travel by \$2500. Two surveillance cameras for the police department at \$10,000. We added three in-car cameras because when we decreased the number of cars we were purchasing we placed \$9,000 to purchase three additional in-car cameras. We did add the swing set for the Enfield Park which will cost \$6,208. Then we deducted the Senior Citizen bus of \$61,000. The COLA was \$144,840. Add the fire communications at \$20,000. Add the Senior Citizen bus debt payment at \$13,000. We removed the Fire Communication Debt payment at \$35,000. We removed the debt payment of the three police vehicles at \$28,176. We removed the Middle School Renovations which was \$75,000. We decreased the Human Resource Travel by \$2,500. We removed the Charles Creek Park Debt financing at \$58,333. We removed the police car expenditure at \$132,747. We removed the City/County Part at \$60,000. That is just the affect of actions the City Council has taken so far on the General Fund. For the most part staff is under the impression that the General Fund is almost completed after our last discussion.

Mr. Olson said that we do have the opportunity to fund the three police cars because remember we are doing the debt financing. The additional three police cars would be \$28,176 that was taken out of the budget. We had savings of \$27,500 because we took out the County Park plus there would be no need to spend the \$9,000 on the three in-car cameras.

Councilman Donnelly stated he thinks it would be more feasible if we wait until the new Interim Chief puts together his report to determine whether or not we need the additional three cars. We could amend the budget any time during next year.

Mr. Olson stated he thinks the proper way to approach that is to just authorize the expenditure if the report comes back. Go ahead and put it in the budget. We would have to bring it back to Council for your consideration.

Councilman Spence said he thought we had already voted not to buy five but to just buy two.

Mayor Peel said that is what we did but what has happened is because of the changes in the County's budget has impacted our budget so we now have some money that we could if we wanted to buy the other three cars.

Councilman Spence said we have other places that we could use that money. Mr. Donnelly brought us previously that some of the cars still met code so we agreed to come down from five to two. If we have extra money then we need to put that somewhere else instead of going back to buying five cars when we have already agreed to buy two. We said two cars, we voted on two cars and it passed so let's stick to what we said. There are no safety issues and he thinks over half of the people in this room drive a vehicle with over 100,000 miles on it.

Mr. Olson stated that a number of the police vehicles have a high maintenance cost. That is a drain on the department. If you don't want to put them in the budget then don't put them in the budget. He thought we had learned our lesson the year we didn't purchase any vehicles.

Councilman Spence stated he is not saying that we don't need new police cars, but what he is saying we need to look at what we can get away with now and what we can't. You say we are going to raise taxes and three cars will cost us \$133,000.

Mayor Peel said he doesn't know what the answer to all of this is but one of the things that he thinks we need to do at some point is to talk about this whole vehicle replacement thing. We have 61 vehicles with over 100,000 miles. Somebody is going to be sitting in these chairs in about four years in big trouble.

Councilwoman Hill-Lawrence said she is not willing to short change public safety for some of the other stuff that we are putting in the budget. Public safety is very important. She is not willing to short public safety. If we can do that then we ought to do that.

Mr. Olson stated you have to realize that your first line cruisers put about 30,000 miles on the vehicle a year. They are on the road 24/7.

Councilman Stimatz said some people came up here and talked about user benefit, user pay like raising the sanitation fee verses raising property taxes. Can you get us a break out between what the average tax bill raise is going to be for property tax owners that will be hit by that verses the rate change.

Mr. Olson replied that it would be \$30.00 a year for a \$100,000 home.

Ms. Hill-Lawrence said she has talked with some landlords and they said they are going to raise the rent. In an economy like we are in with people struggling she just can't see us putting any more on our citizens. She can pay it but everybody else can't pay it.

Mayor Peel said as it stands right now the money for the police cars is sitting there and you have put the senior center bus in debt financing but if the County doesn't come through then it is out. What is your pleasure on an additional work session?

b} Schedule of additional Budget Work Session:

Due to further consideration of the proposed budget and questions some members of Council still have regarding the proposed FY 2012-2013 Budget, the following motion was made.

A motion was made by Mayor Pro Tem J. B. Walton, seconded by Councilman R. T. Donnelly to call for a Budget Work Session to be held on Monday, June 4, 2012 at 5:30 p.m. in the City Council Chambers of the Municipal Administration Building. Those voting in favor of the motion were: Walton, Donnelly, Baker, Brooks, Hill-Lawrence, Hummer, Spence and Stimatz. Against: None. Motion carried.

Mayor Peel asked what specifically do you want to address in the additional work session.

Mr. Olson said we have gone over briefly the Electric Fund, Water and Sewer Funds and Stormwater Utility Fund. He doesn't think there is a lot to do in the Storm Water or the Water and Sewer Funds but based on the comments tonight we need to do some additional work on the Electric Fund.

Mayor Pro Tem Walton stated he would like to discuss the Electric Fund tonight. Last week he asked how much of the Electric Fund was generated by the 3.5% increase to the non-residential customers a couple of years ago. He is still waiting for that answer.

Mr. Olson replied that he believes it was \$390,000 but he will verify that figure.

Mr. Walton said you might need to explain to people how the Electric Funds are generated. How much was the total invoice for this past month.

Mr. Olson said the invoice for the month of April was \$2,168,618.00.

Mr. Walton said we had enough for April but we were talking about generating enough funds from our electric increase to satisfy May and June, so what was the total invoice for May. It was only two months that was not on the information sheet that you gave us. Up until March we have brought in \$25 million. May and June added will bring that figure up to about \$32 million. We projected last year that we would bring in \$41 million.

Mr. Olson said you are confusing purchase price with the amount of revenue we are getting. Our actual resale last year was \$31 million. We are going to be about \$1 million off. Our projected expense for next year is \$38,419,000. The expenses are going to be \$44 million. Our purchase price for power will be \$32,238,419. We anticipate generating \$38,850,000.

Mr. Walton said these are the types of questions that he will be asking next week. He wants it to become clearer to him because if we went from a \$66 million budget to a \$75 million budget that is a big jump. We are just throwing money all over the place. The County had an article in the paper the other day about surrounding areas. Everybody has money tightness but us. We are spending all over the place. It was so bad last week that Councilwoman Hill-Lawrence stated if we are going to increase property taxes by 3 cents she will vote against the budget. Anytime you raise money regardless of the fees it is more money being raised. We keep raising money for the Electric Fund and putting it in the General Fund. Then we go to the General Fund and take it out for anything we want to take it out for. That is not right. There are a lot of things on this Council that we can't control because the votes are already there and the deal is already done.

Mayor Peel said if you have questions or wish to talk about other funds let Mr. Olson know in order that he can be prepared to answer our questions.

Councilwoman Hummer stated she knows we are recapping every meeting but do we have a brief general recap of the whole thing so we will be clear and the public will be clear because we have added and taken away until there is a lot of confusion.

Mr. Olson stated that is why he went over all the changes earlier in the meeting. The base line for the information is the budget he gave to you on April 12th.

Ms. Hummer said there are some things that we talked about taking out but we didn't.

7} COMMENTS AND INQUIRIES ON NON-AGENDA ITEMS:

Councilman Spence stated he had no further comments.

Councilman Donnelly stated he wanted to commend Anita Hummer for organizing the Memorial Day event. He thought it was very nice down on the waterfront. One other point that he wanted to bring up is that at the last meeting that we had a comment about what was more important police cars, cameras or tourism. He of course said tourism. Then there was a follow up that he hoped everybody heard that. He hoped that everybody heard that as well. And, there are several reasons why he thinks tourism is very important. First of all tourism generates money. This City needs money. There are many communities up and down the eastern seaboard and all across the country when they are involved with tourism they are not nickel and dime their way through budget times. The second reason is supporting and enhancing the activities of our parks and recreation department via South Park or River Road Park, the golf course, supporting the Arts of the Albemarle, Museum of the Albemarle, Port Discover, Art Walk, Harbor Nights and the list goes on and on of activities that are taking place in this City that we need to promote more and more to the outsiders to bring that tourist into our community. They spend money. The boaters spend money. We have a wonderful waterfront that is in need of enhancements. If we can improve that waterfront more, more tourist will come, more boaters will come and guess what they will spend money. Finally, tourism is something that we as a Council should support and then we would not be worried about an additional police car, cameras, or even a swing set. The financial resources will come with the tourist trade. He thinks this Council needs to learn the value of tourism and he appreciates Councilwoman Baker inviting Cohoon and Cross in to talk to us regarding marketing and tourism and what this City can do. We wouldn't have to raise taxes; we wouldn't have to do a lot of different things. Cities that promote tourism live on the wealth of tourism.

Councilwoman Baker said she would second those comments because they leave money and take no services unless they move here and then they are paying more money. It is a win, win, win. She doesn't think she has anything else except the Taste of the Albemarle on Saturday night beginning at 6:00 p. m. Tickets are available at the door. There are more than 20 restaurants lining both sides of Main Street. Fabulous food for little money. They are going to auction off the Moth Boats that you have seen all over town. There are 14 Moth Boats that are going to be auctioned off. They will be used kind of like the cows in Chicago and the mermaids in Norfolk and the horses on the Outer Banks. The Moth Boat is ours. It was invented here back in the 40's she thinks or sooner than that maybe. It is something that we should be proud of. You are going to see them outside of businesses and homes. They are going to be auctioned off Saturday night. It should be a great, great time. It is a good chance for you to meet lots of people you haven't seen in months because everybody comes. There will be a thousand people or more that come to the Taste. It is a good, good event. The restaurants are to be congratulated for providing foods so that people can understand what it is they serve and can enjoy what they serve. The restaurants do this out of the generosity of their heart and it is a fund raiser for the Arts of the Albemarle. It is a good one. Hope to see all of you there.

Councilman Hummer stated she had no further comments to make.

City Manager Olson stated he has the pleasure tonight to introduce John Manley, Jr. who is the individual he has appointed as Acting Chief of Police. You see him in the back of the audience in his uniform. He will be filling in until we find a full time replacement for Chief Charles Crudup who is retiring. Chief Crudup's retirement party is tomorrow at 1:00 p. m. at the Parks and Recreation Department. Chief Manley finished his career as Chief of Police at the City of Rocky Mount. He has 32 years in law enforcement experience. He holds a BA Degree in Criminal Justice from Shaw University and MTA Central Michigan University. Of course he is a graduate of the FBI Academy. He is the past president of the NC State Law Enforcement Association and he has served as the Chief of Police in Rocky Mount from December 16, 2004 until he retired June 30th, 2011. He first met Chief Manley before he even started working here in August 2003 when he came in to sit on an assessment team when we hired Chief Anderson. He has served on the assessment team for a number of positions within the City. He is very familiar with the officers of Elizabeth City and is very glad to be here.

Chief Manley said he would like to thank Mr. Olson, the Mayor and City Council members for allowing him to be here today. He has had his first day on the job today where he has met a number of the officers in the department. He is excited about being here in Elizabeth City and carrying out the duties that Mr.

Olson has asked him to do. He looks forward to work with each and every one of you. His wife is here residing with him as well. She is not here tonight but she is here in Elizabeth City. Again, he is grateful for being here and looking forward to working with each of you.

Mayor Pro Tem Walton stated he needs to go back to the retreat because it keeps coming up. He has said it before a retreat is not to put the budget process in order and it seems like that is what we did. We had two days of it and we keep going back to what we said in the retreat. You can say certain things but when it is time to make decisions we should predicate decisions on choices. To him we are not making good choices because we keep going back to the retreat. Since he is talking about the retreat and Mr. Donnelly he would like to apologize for attacking you harshly at the beginning of the meeting. But, during the retreat at one point you said to him, "Everybody is treating everybody with respect especially Mr. Walton." He didn't know how to take that at first because he didn't know if you were trying to build him up or trying to put him down. If he is saying things that were out of order he is still going to say things that he thinks are correct to say. He doesn't care who thinks to judge him because if he doesn't judge you then don't you judge him. If he was saying things the way you wanted them said he must have been saying them in a way that you wanted them said. He didn't know how to really judge that. That is a two minded situation because then later on you came in and made a mistake larger than he has ever made on the Council so to him it doesn't fit. When you started talking to him earlier about what he needed to say, don't do that because he is 64 years old and he can say things how he feels like they should be said or he will not say them. He apologizes for that. Now, during the retreat we made a lot of decisions before we even got to the budget sessions. But a lady came up to him and he has been getting calls and emails saying she didn't know you felt like that about AOA. You are putting down AOA. He is not putting down AOA. He is not putting down what is happening downtown. Everything is relative to him. Ms. Betty Meggs came in and told him she didn't know he felt that way about AOA. He asked her what was she talking about and she replied that he voted against it. He told her he didn't vote against AOA, he voted against the process. For those of you who are up here for the first time you don't know what the process is, people send in information about their non-profit organization. That is what we now call community grants. They come to the podium. That is what Councilman Brooks was saying. Bring AOA to the podium like the other non-profits and let them request what they need. But what is happening with this Council because we already have a corporate agreement of what we are going to vote on. We didn't have a chance against AOA.

Mayor Peel said Mr. Walton you need to check your assumptions. There is no corporate agreement.

Mayor Pro Tem Walton said we are in the comment section and let him finish his comments. Let him finish and then you can have your comment section. Can he finish his comments?

Mayor Peel replied that you may as long as you check your assumptions.

Mayor Pro Tem Walton replied that you need to check your assumptions. This is really right. He showed him all the non-profits that followed the procedures for obtaining community grants. They all came to the podium or sent an audit of what they wanted to do. He went down the list of those applying. They all had to come to the podium and yet now all of a sudden we are changing the process. We changed the process because a person can do anything they want to do and get away with it because we are not going to challenge them. That person knows they have got the votes. That is not right. Assumptions or not that is the way it happened. That is not an assumption as that is a fact. We have got to do better than what we have been doing or we are going to be no better than other councils that have been before us. We said we were going to be a better council, a civil council and he is going to try to be as civil as he can be. We need to do things a better way.

Councilwoman Hill-Lawrence said she would like to thank Ms. Vivian White and the Elizabeth City office for getting out the scholarship applications. Vivian told her that 25 students have come by and picked them up. They were all colors-black, white, yellow and orange. She wants to thank the City for doing that for us.

Councilman Stimatz said he wanted to say this past weekend was Memorial Day Weekend and it was very well celebrated. The celebrations were very touching and very moving. He wants to thank everybody that says thank you to a veteran for all they have done to insure our rights as a community.

Councilman Brooks stated he had no further comments.

Mayor Peel stated he would like to say a couple of things. One is he doesn't think anyone mentioned the International Cup Regatta which is going on this Saturday and Sunday in the river. We will have boats going up there about 100 miles per hour plus. He too wants to thank Ms. Hummer for organizing the ceremony on the Waterfront and also making sure the wreath was out at West Lawn and for the Council persons that attended out there. Just be glad you were not sitting in his seat because it was about 125 degrees out there. It was really a very touching ceremony. We have one other item of business before we adjourn. We need a motion to call for a public hearing on the budget to be held on June 11th.

A motion was made by Councilwoman J. M. Baker, seconded by Councilwoman L. M. Hill-Lawrence to call for a public hearing to be held on Monday, June 11, 2012 at 7:30 p.m. in the City Council Chambers of the Municipal Administration Building for consideration of the proposed FY 2012-2013 Budget. Those voting in favor of the motion were: Baker, Hill-Lawrence, Brooks, Donnelly, Hummer, Spence, Stimatz and Walton. Against: None. Motion carried.

8} ADJOURNMENT:

There being no further business to come before the Council at this time, Mayor Peel adjourned the meeting at 8:35 p.m.

Dianne S. Pierce-Tamplen, MMC
City Clerk

Joseph W. Peel
Mayor