

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 J. W. Peel presiding. Those counselors 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 and J. A. Stimatz. City Staff members attending were: City Manager R. C. Olson, City Attorney W. H. Morgan, Deputy City Clerk V. D. White, Planning Director J. C. Brooks, Parks and Recreation Director B. V. White, ECDI Director R. Cross, Electric Director K. F. Clow, Inspections Director S. E. Ward, Fire Chief L. M. Mackey, Interim Police Chief J. Manley, Finance Director S. E. Blanchard, Human Resource Director K. W. Felton and Public Utilities Director P. A. Fredette.

Mayor Peel established a quorum was present and called the meeting to order at 5:30 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 approval of the agenda as presented.

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

**2} REPORT AND RECOMMENDATIONS FROM MAYOR'S ENERGY COMMISSION:**

Mayor Peel said he would like to start off by thanking the people that served on this commission and we had a really good group of people with a good mixture of landlords, building contractors, people from the University, concerned citizens, city staff and city council. We had a lot of expertise and knowledge. The commission was established to basically come up with some ideas to improve the efficiency of our housing stock in the City. He presented them with a number of bullet points to look at and out of that has come this report. Probably the biggest learning for him in this whole process was that there is very little in the existing building codes that had to do with energy efficiency. The only thing there is a standard for is attic installation and there is a statement in there that

says you need to be able to heat the dwelling to 70 degrees. It gives you measurements on the floor and the wall but other than that it really doesn't give you a length of time or anything else. Probably the most disappointing thing of this whole process was finding out that we really couldn't do anything to change that. They are mandated by the State. The good news is the State is adopting some new standards that are very much more energy efficient which will impact positively while a new home is being built but in the mean time it doesn't help the homes that are in existence now. They are grandfathered in under the old rules. The Commission came up with a number of goals and he would like to walk you through those and there are some action steps under each. Each of the goals relates back to one or more of the bullet points that the Commission was charged to address. The first one is to develop a public that is knowledgeable of ways and means to reduce their electrical usage. He thinks this section is a good example of government coming up with ways to help people to help themselves. The first action step there is to develop two different rating scales that will communicate the approximate costs and efficiency of each line unit in the City. The first one is using the historical electrical usage data for the last three years. We will place every housing unit in an approximate class scale. Ideal would be this scale would be at \$100 increments so the citizens could determine the approximate electrical costs associated with each dwelling whether they are planning to buy that dwelling or rent it. So up front going in they would have access to that kind of information. The second scale is a dwelling efficiency rating scale that will rate the efficiency of every housing unit in the City based on kilowatt hour per square foot usage. Both of these scales will be put on the City's web site so that citizens will be able to access these and have some idea of what their electric bill might be if they rent or buy a particular home or apartment unit within the City. For each of these action steps there is a person or persons responsible, there is a cost of impact and a time line of when it should be completed. He is not going to go through all of that but if you have questions please don't hesitate to ask. Under some of the cost and impact is time. As we get into this you will see that there is probably going to have to be some folks doing some things that in the past they maybe haven't done. He will mention what some of those might be as he goes through this. We didn't think that we would need to hire anybody additionally to do what has been laid out in this document. The second action step under that first one is to amend the utilities service policies to include a disclosure of the dwellings efficiency rating and approximate dollar cost for the structure at the time of sign up. When people come to actually sign up one of the places that they will get that information will be downstairs in Customer Service. This is a safe guard to make sure that even if they don't take the time to look it up on the Internet it will be made available to them at the time of the sign up. The third is we have as we all know many people who come and need extensions to pay their bill. This is an educational item that addresses that. Requiring all persons seeking a third extension on their electric bill within a year to take a seminar on energy

efficiency strategies before the third extension is granted. The fourth has to do with that as well. Inspect the dwellings of persons requesting a third extension to insure that they have an operational cycle and save switch and consider a blower door test if their dwelling efficiency rating warrants it.

Councilman Donnelly stated regarding Number Two and Three, do we have the authority to do that?

Mayor Peel stated that we do not have the authority to disclose the exact information but this would be an approximate scale so we would be within a \$100 range. We think that we can do that.

Mr. Donnelly said we can require them to go to a seminar?

Mayor Peel said we can't require it but if they want an extension they have to attend the seminar. We can't require them but we can make it contingent upon them attending. Again, one of the things that we have tried to do in here is to help people help themselves. By helping people learn and become more aware of what they are using and how they are using electricity we think that this will help them be able to cut the costs. Number Three, the inspection of the cycle and save switches also have a tremendous potential to help people as well. Number Five is to develop a comprehensive communications plan that includes but is not limited to: city officials presenting to community groups, use of public television, the City's website, billboards, developing information for teachers to use with students, continuing to offer tips through the bill, and a door-to-door campaign for delivering energy saving kits to dwellings with poor efficiency ratings. There is a program that was done up in Baltimore that seems to be very successful where people were trained to go through the community with energy saving kits. It had the new light bulbs and some other things in it and provided those to people and helps them put them in their homes. The six is to require citizens receiving city money through the Salvation Army for payments of their utility bills to attend the educational seminar mentioned above before receiving payment. City currently provides \$10,000 to the Salvation Army and we felt like those folks need to have the same requirements as people that we were helping out here in the City. Number Seven is to reformat the electric bill so it is easier to distinguish the electric charges from the other charges on the bill and to draw attention to the City's energy assistance program for the purpose of increasing donations. We had a lot of conversation on the commission of the fact that people look at the bottom line and how easy that is to do, but we thought by reformatting the bill we could make sure the electric part of the bill stands out more distinctly. We can probably wait until we can get some new software. It may take a little time to do that but this is something that we feel will be very helpful. Also, the City currently has an energy assistance program that is part of our bill where citizens can contribute to help people in need to pay their bills.

We need to highlight that on the bill as well. The eight one is to develop a plan to expand the usage of load management switches which includes a component that raises public awareness as to the importance of these devices. These devices can save about 7% to 8% for a customer. Many times we have a number of switches out there that are outdated that are not properly working. We have situations where contractors, lots of times, will disconnect them because if they are working on the HVAC it takes a longer time for everything to come back on so they will disconnect them and then they will reconnect them. Trying again to make people aware that these things can really help them save money. We need to survey what we have out there that it is working, finding where they are not and replace the ones that are not with new ones. Number Nine is to more aggressively pursue criminal action under State law against contractors or citizens who disconnect load management switches. Again, it makes no sense to disconnect these things. We need to teach people what they should be doing when they are connected and how they work. Those are the nine action steps or recommendations for Goal Number One.

Mayor Peel stated that Goal Number Two is to modify the City Codes as needed to improve the efficiency and capacity of code enforcement. Number One is to annually conduct a windshield inspection where a team from the City will go through the entire community looking for violations of code and developing a list and having those addressed. They are to report annually to the City Council the findings of that windshield inspection and the resulting work that has been done. Number Two is to increase the amount of money budgeted to demolish dwellings in the City's budget. There is currently \$18,000 there and the recommendation is to increase that to \$36,000. Number Three is to amend the City Code to reduce the time a unit can be boarded up from 12 to 6 months. At 6 months aggressively move to demo the boarded up dwellings that are declared unsound or take the owners of boarded up dwellings declared sound to court. If the building is not declared unsound the City really doesn't have many options in that regard. One option that we do have is to take those folks to court and to push them to do something to improve that building. We have not been very aggressive in doing that. In fact, he doesn't think we have ever done that in the City. This recommendation is two fold. One would be to pursue action on part of those owners of the sound buildings. Number Four is to add an additional code enforcement officer. Code Enforcement is important in the beautification and maintaining the quality of life in the City. Number Five is making the amendments to the City Code as outline in Appendix I. There are a number of Code modifications that the Commission came up with to help Mr. Mike Williams and some other city staff. The last action step is to modify the City Code to allow staff to utilize "chronic offender" statute. One of the things that we discovered is that there has been a statute passed where the City can declare someone a chronic offender but we do have to modify City Code to do that.

That is something that we need to do. It will save a lot of time on part of the Code Enforcement Officers and should make everything move a lot smoother.

Gold Three is to strengthen the City's existing rental inspection program. The City has a good program in place. One of the recommended action steps is to develop an accurate listing of all rental properties within the City using the tax records. We currently do not have an accurate listing of all rental properties and the only way we came up with getting that is to use the tax records. As we were going through the tax records we saw where people owned multiple properties. The second one is to adopt the revisions to the utility service application procedures found in Appendix 2. Part of what is in there is the process that will insure that we maintain an accurate listing of all rental properties within the City. Once we go to the trouble of getting that listing this turn-on policy change in the procedure should help us maintain an accurate listing. Number Three is to continue to key rental inspections to utility service applications. Finally Number Four is to develop a renters' Bill of Rights that will be posted on the City's website. People will know what their rights are with that.

Gold Four is to strengthen and expand the City's current weatherization program. The first action step he mentioned had two rating scales. This is where the dwelling efficiency rating scale will come into play. We will rate the efficiency of every housing unit in the City based on kilowatt hour for square foot usage. This is the scale that will be used to determine the prioritization of housing units needing weatherization. We have already developed this scale and looked at what it looks like. We probably have 800 to 1000 units that are in the bottom percentile that are very, very inefficient currently. That is where we will begin to focus with the weatherization program to try to address as many of those as we can. Some of them we will not be able to address because they will probably be in too bad a condition but where we can we will begin looking at them. This action step requires we increase the amount budgeted for weatherization to \$200,000 annually. That total amount will include everything that we have talked about here under the weatherization program. The third recommendation is to expand the weatherization program to include rental dwellings so as to tap into the Federal Weatherization Program dollars. We found out just within the last two weeks that the Federal Stimulus money has dried up or been withdrawn that was allocated for weatherization. There still is money out there for weatherization through the Federal Programs. We talked at length on whether or not to include rental properties in the weatherization program and we did because we felt like our purpose was to help people. We have a lot of people that do not own their own homes but rent that needs helps just as badly if not worse. A lot of times more so than those that owns their own homes. We have included the rental dwellings into the recommendation that we include them in the weatherization program. Step Number Four is to utilize the Dwelling Efficiency Rating average kWh usage and other objective measures to develop a

priority list for dwellings needing weatherization. Number Five is to identify, train if necessary, local contractors who can be used to supplement Martin County Community Action Inc. to weatherize dwellings. One of the problems that the City has had in the past is finding people who are certified to weatherize homes. We talked about this issue at length over multiple meetings and saw no reason why we couldn't work with certified contractors and train them if necessary and to expand our ability to weatherize homes. The sixth recommendation is to reconstitute the rebate programs the City has offered in the past. \$500 for energy efficient HVAC, attic insulation and supplying hot water heater rebates where applicable. The seventh step is to allocate up to \$4,500 per privately owned dwelling and up to \$1,000 per rental unit to weatherize based upon established criteria and the recommendation of the energy officer. One of the reasons for the dollar difference is weatherization will be supplemented by the Federal Program. The City does not need to provide as much money in that area as it does for private homes. We spent a good bit of time talking about those dollar amounts. Number Eight is to meet with landlords to make them aware of the Federal Weatherization Program and offer the City's assistance in pursuing these dollars. This is tied in with Recommendation #9 which is to identify and recruit community agencies, such as River City CDC and the Northeast Commission who can assist renters and landlords through the Federal Weatherization Program. One that we talked about at length was this is not an easy process to navigate through and it really requires both the renters and the landlords to be equal partners in the process and we felt like it would be helpful if we could get some of our community agencies involved. Finally the last recommendation is to provide the City Council with a report of dwellings weatherized and other significant accomplishments in the area of energy conservation three times per year-January, May and September. This is important he thinks because it is important to us to be able to see how many homes are being weatherized and what kind of progress we are making. There are a number of places here where we have asked for the development of some comprehensive plans so we can see those plans and have conversations around those.

Councilman Stimatz said in Goal Number 4, Item #7. Are you proposing that we spend property tax monies and give it to landlords for rental properties? Is that what that says? What fund does that money come from?

Mayor Peel said it would come from the Electric Fund.

Mr. Stimatz said he thinks this is really good. A lot of stuff that we have been talking about in this Council for a number of years has finally gotten put down on paper. He is a little confused by some of the "to be completed dates" especially in the front. He is assuming that there are two parts. One to change the policy

and there is actually duty action. It is not spelled out clearly. Is he to assume that those are the policy action dates?

Mayor Peel said that is correct. Those are dates when the policy should be changed by.

Mr. Stimatz said that one thing would be to split policy in completion action. If you take Number Four for instance. Inspect all dwellings and persons and determine if they need the blower test, etc., etc. That is an action item and he doesn't see the Energy Officer getting that done by July 1. He has 30 days to do how many homes. That is not a realistic thing. In Number Three there is really two parts. One is we have to change the policy and then we can implement. He would assume that by the 30<sup>th</sup> of June it would have to come back to us for adoption. Goal Number Two he would like to throw in the pot is we don't engage our employees who are on the road all the time, i.e. police, public works. He sees lots of things and he reports them. One idea would be to create a weekly code target like this week we are going to look for violations of X. Pick an item that when you do your windshield thing and tell the police if you see this to report it. If you see something let somebody know. The other one is we have VIP volunteers in police service. The idea is to create ACES- Auxiliary Code Enforcement Staff. It doesn't take a rocket scientist to recognize a code violation. It takes training. Two in each Ward will go a long way. In Gold Three Number Four you develop a Renters Bill of Rights that will be posted on the City's website. Not everybody catches the web and all the people that we are trying to reach with the Bill of Rights are people who may never see the web. How do we get that Bill of Rights in their hands? One way would be to require it to be posted in the rental property. He doesn't have a problem with that. He has a little bit of a problem with City Code 42-85 (2) Corner visibility for sight triangle from 3 feet to 2 feet. He would offer that until we enforce the current 3 feet there is no need to change it to 2 feet. He can tell you right now it has not been enforced. The question that comes to mind is where is that measured from. He says, no higher than the crown of the road. Probably more adequate would be from the lowest point on the road. He would suggest that we hold off on that change until we enforce our current ordinance.

Councilman Donnelly said it looks like the Commission did a good job in putting all this together. He has one question regarding the Appendix. The first four items are the police responsibility. He would rather have the police doing other things. Why is it the responsibility of the police?

Mayor Peel said he thinks the Code Enforcement Officer's job is to ride around and enforce the Code, but also we have a process in place where people can call in and report violations. He thinks that more people involved everyone needs to see this as part of their responsibility and we probably need to do a better job of

making people out there aware of what the codes are that we try to enforce.

Mayor Pro Tem Walton said he feels that the Commission did quite a bit of work and he applauds them for that. What is the \$100,000 addition and where is it coming from.

Mayor Peel said it is coming from the Electric Fund.

Mr. Walton said he doesn't feel like we should micro manage this situation. He thinks our job right now is to pass a budget that we can be comfortable with and that is going to help the citizens of Elizabeth City. Taking a \$100,000 plus dollars out of the Electric Fund and this year we came up short fall, he thinks it is not good control spending because we keep adding the amount of money that is going to come out of the Electric Fund and then at the end of the year we had too much. This time we had to go and raise the electric rates 3.92% because we could not pay our bills. Why are we trying to spend more money? A \$100,000 is a third of a percent increase. To him that is quite a bit of money to put back on the citizens that are already facing other increases and then next year we are approximating that the electric costs will be \$44 million. He still doesn't see how we can reach \$44 million.

Mayor Peel said that \$100,000 is already in the Electric Budget. We have talked about it a number of times.

Mr. Walton said the same electric budget is the same one that we just had to raise the rates in order to pay our bills this year.

Mayor Peel said that money is already in there.

Mr. Walton asked already in there. What was the invoice for this month?

Mayor Peel said that is not what we are here to talk about.

Mr. Walton replied he is asking questions about what is relative to this.

Mayor Peel said he is not going to recognize you.

Mayor Pro Tem Walton said what do you mean you are not going to recognize me.

Mayor Peel said we are here to talk about the report. We are talking about this because we have about 600-700 people that can't pay their electric bills. We are trying to do some things to help them to be able to do it.



Mr. Walton said he is trying to help the needed from having more put on them.

Mayor Peel said right now we are talking about these recommendations from the Commission.

Mr. Walton asked why we can't talk about it. How can we take \$100,000 out of something when we are still having problems already making our budget for the past year? He can't understand that.

Mr. Olson said he thinks that he can address this problem. By setting \$100,000 we save all residents of Elizabeth City money because of our overall demand that we pay for our electricity. That is the reason why we do weatherization. Those homes that we have weatherized we see that they have received a 25% – 30% reduction in their overall electricity rates but in turn the City receives a benefit to all citizens because our demand charges are not that high.

Mr. Walton said he doesn't mind you helping the needed. But you have a renter and to him a renter is a person that is not a needed person but a fortunate person. They have a dwelling of their own plus they have more and we are going to weatherize their property. That is not good.

Mayor Peel said he thinks you are talking about the landlord.

Mr. Walton said yes he was.

Mayor Peel said the landlord is not paying the bill. The person living there is paying the bill.

Mr. Walton said if you weatherize their home the landlords' tax value is going up. It is not going to go down.

Mayor Peel said that is correct. That is an incentive for the landlords to do this because what we are trying to do is help people reduce their electric usage rate. He said a minute ago the committee talked about this for quite a while. We decided that we wanted to help everybody in this town, not just people that own their own home.

Mr. Walton said you and the committee talked about well he wants to talk about it also. Don't shut him down.

Mr. Peel said he is not shutting you down as he is trying to explain what we are trying to do here.

Mr. Walton said let him explain to you what he feels about this. He still feels like the landlords are getting the best part of that deal. You are sending the renter or the person that is three months behind and asking for a third extension to a seminar. You are not sending that landlord to anything. You are not sending them to anything and they are probably the biggest part of the problem.

Mr. Peel said we couldn't come up with a way around it. We can't tear down the homes. People are going to live in them and we are just trying to help folks reduce their electric rates. There is no way to put pressure on the landlords.

Councilman Brooks said in Gold Two, to modify codes as needed and to improve the efficiency and capacity of code enforcement. He sees that under subsection four it says add an additional code enforcement officer. The cost is \$9,060. As far as weatherization shouldn't it be more impacted by the Energy Officer and Inspections rather than the Code Enforcement Officer? A lot of the stuff falls under either Inspections or Energy Officer. If we make the clerical assistant a Code Enforcement Officer then who is going to do the clerical work?

Mr. Olson replied that one thing is we have invested in the software that allows the Code Enforcement Officer to utilize the software package we have to cite people. That can be done through iPads. They can cite them right in the field. They are at the address; they can take pictures and integrate everything into the whole system. They can go ahead and send out the Code Enforcement violation right from their vehicle in essence. In his opinion there is a lot of clerical help within the PD that could be utilized to help fill that gap. He thinks this is something that the Interim Chief will be looking into to see the best allocation especially in the record keeping area. He will determine if any of those individuals can be freed up to help in that area.

Mr. Brooks said he understands all that but his concern is if we can utilize those there now why couldn't we use them before.

Councilwoman Hill-Lawrence asked if those seeking a third extension will their lights be cut off until they take the class.

Mr. Olson said they would have to have signed up for the class.

Ms. Hill-Lawrence asked wasn't the switches put in on a requested basis. She requested that hers be put on.

Mr. Olson said that a few years ago the City Council made it mandatory that all appliances have load management switches on them. What we have come across is a number of them had them disconnected especially by HVAC contractors because of the cycling of the unit effects how soon they could get

the unit back into operation. It is under the Customer Service policy right now it is a violation. It is the same penalty as meter tampering.

Mr. Stimatz said he would like to go back to something that Mr. Walton brought up. He brought this up to the Commission and nothing came out of it. It has to do with how we hold the landlord responsible for providing a house that meets the minimum. In Section 707 of the Rental Ordinance, it says "Every dwelling and every dwelling unit shall be provided with primary heating facilities so that under normal average weather conditions it is capable of maintaining a minimum room temperate of 70 degrees." When have we ever checked for that? We don't have the availability to check for that. He has talked with the Energy Officer in the past about creating a maximum cubic feet for energy exchange rate. In other words, how holey is your house. At some point it becomes too holey if it exchanges air too fast to be able to maintain the temperature. That is a specifically way to test to make sure that the building as an envelope has the ability to meet this requirement that is already in our code and why didn't we do something with that. He knows there was a discussion about how you set it but he can't believe that there isn't some number beyond which you might as well just rip the walls down and live in a tent. He has got to believe that there is some number we can put on this thing that at some point you have gone beyond reasonable air exchange to drafty under all conditions.

Mayor Peel said you are expressing the same concerns he had to start with. We had three or four meetings and Mr. Ward looked into that at length. You can heat a tent to 70 degrees if you spend enough money. We tried to come up with a standard but that is the law of the land and we can't modify it.

Mr. Ward said that is a great suggestion and we talked to the Department of Insurance who writes the Building Codes and you are not allowed to make an existing structure more stricter standards than when it was build. We cannot go back and set a standard for that. We looked into it and there is no way we can do it.

Councilman Brooks said according to the Rental Agreement you have to maintain 70°. That is what we ran into on the Energy Commission. You might have to maintain 70° but you also might have to turn your thermostat up to 90°. That is why we get \$800 and \$900 utility bills. That is why we were trying to find a way to put a cap on that.

Mr. Ward said that particular requirement was taken out of the Building Code. It is misleading because it doesn't say how long you have to run heaters and especially if you have baseboard heat and no insulation in your walls, it will continuously run.

Mayor Peel said that is why he thinks the two rating scales that the committee came up are so important because it gives people information that here before they have not had. If you know within a range how much you are going to spend a month on electrical usage based on historical data and if you have some idea what your efficiency rating scale for the unit is that gives you a lot of information that you didn't have before. Someone was talking about putting pressure on the landlords he thinks as these things get listed that is going to become public information and people will become wiser consumers of where they rent and where they buy.

Mayor Pro Tem Walton said his point of reference is it is a great study but people at this table have got to realize that if you pass anything or if you act like you are pushing for paying money it is going to come out of the Electric Fund. You cannot duck that no matter how many ways you put it. Everything that we are talking about with dollars and cents to it, it will come out of the Electric Fund. Are we going to go into the Electric Fund to take more dollars out to subsidize this study? He agrees with the study as it is a great study, but to go into the Electric Fund to make this study work he does not agree with it. He cannot talk to his constituents any kind of way to influence them that we did a good thing if we spend money on a study that is going to put into action something that is going to make us raise more taxes next year. It is not good. He loves the study and he is not going against the study. He is just going against the process of how to make the study work.

Mr. Peel said let him remind Mr. Walton that we have spent a good bit of time talking about the Electric Fund budget and voted to raise Electric rates by 3.92%. At every step of the way and every recommendation that is in this study was talked about in those meetings and every one was made aware of.

Mr. Walton asked what meetings?

Mr. Peel said the meetings that he attended and talked about the Electric Fund.

Mr. Walton said you are talking about the energy study. He wasn't there was he?

Mr. Peel replied that you were setting right here with him. You were setting right here beside him during the Budget Meetings.

Mr. Walton said this is the first time he has heard about adding \$100,000 to the \$100,000 already in the budget for weatherization.

Mr. Peel said then you weren't listening. We talked about it.

Mr. Donnelly said it is in the minutes.

Mayor Pro Tem Walton said let him tell you about another reference. One of our council members votes on everything that was put in there. This person was voting on everything until they found out there was a 3% property tax increase and then they wouldn't vote on anything. We need to make things clear when we start talking about them.

Mayor Peel said we have made things very clear in his opinion.

Mr. Walton said the \$200,000 in the weatherization was not clear to him.

Mayor Peel said it is not \$200,000 it is a \$100,000 increase.

Mr. Walton said how much is the total amount coming out of the Electric Fund?

Mayor Peel replied \$200,000. We have been spending \$100,000.

Mr. Olson stated it was \$100,000 new money as there was already \$100,000 in the budget.

Mr. Walton said we just had to raise the electric rates to 3.92% to get old money fixed up. Now we are trying to spend like we are out of control.

Mayor Peel stated that Mr. Stimatz made a couple of good recommendations and he will be happy to take those back to the Commission. He called for a motion to accept the Commission's recommendations.

***A motion was made by Councilman R. T. Donnelly, seconded by Councilwoman J. M. Baker to accept the recommendations as presented with the modifications that you are going to pursue.***

Mr. Brooks said we need to make sure that we have it as distinct and clear as possibly can get it so the public can understand exactly what is happening. He thinks we will be making a huge mistake if we don't address some of the issues that Mr. Walton has. We brought it before the Council now we need to address it before the Commission that we put together.

Mayor Peel asked what are you suggesting.

Mr. Brooks said some of the concerns that Mr. Walton had. We can bring it back.

Mayor Peel said give him a specific item.

Mr. Brooks replied the \$100,000. If he is not mistaken we had a concern in the Commission about a lot of that \$100,000 wasn't spent. We were concern with spending some of that \$100,000.

Mayor Peel said you are exactly right and that is why the last action step in the report is that we get a report and also the second thing that addresses that is the fact that we train local contractors to be able to do the work to make sure the money is spent. Let him remind you again that the money is already in the Electric Budget.

Mr. Brooks replied that he knows the \$100,000 is because we were talking on the Commission that we had \$100,000 that was sitting there already in the budget and some of that wasn't spent. What we were saying was if we have it there for the weatherization then let's make sure it is spent. What we are doing now and this is what Mayor Pro Tem concern was is that we are adding another \$100,000 there and we are taking it out of the Electric Fund where we just raised 3.92% so we could cover our bills. That is a concern.

Mayor Peel said we have already done that Mr. Brooks.

Mr. Brooks said he knows but what he is saying what the City Manager brought to us was that we had to raise the electric rates in order to pay our bills so what we are saying is we have added the \$100,000 there but what we were talking about is we had to raise the rates 3.92% to cover our bills. We were not talking about anything extra. We were talking about covering our bills. It was an urgency to raise the rate and we were told we had to raise the rates or we wouldn't be able to pay our bills. Now we are hearing we added \$100,000 to that \$100,000 already in the budget. That means we are \$100,000 away and we could have paid our bills without doing the 3.92% rate increase. That is what he is understanding.

Mayor Peel said the only point he will make on that is again we talked about this at every meeting that we had. This was put forth and it was in the budget when we talked about the 3.92%.

Mayor Pro Tem Walton asked if this was a debate now.

Mayor Peel said we are not debating as we are trying to get things clear. His job is to run the meetings. You haven't been recognized.

Mr. Walton said you haven't been recognized.

Mayor Peel said Mr. Walton you are out of order.

Mr. Walton said there is the gavel. He showed a document and said this is the document that we were given on April 16<sup>th</sup> and you are trying to tell him that the \$200,000 was in this document that you gave us on the 16<sup>th</sup> of April.

Mr. Olson replied that yes it was in there. What category is it in? The weatherization was raised to \$160,000 in the Manager's Budget. It was \$91,000 last year. Then there were improvements to the heat pump rebate of \$20,000, \$5,000 which is a continuation of the existing amount for attic insulation. That is all in there. It was discussed in detail in the Finance Committee.

Mr. Walton said he is not on the Finance Committee.

Councilwoman Baker stated that on Page 2 of that 35 page document, same one April 16<sup>th</sup>, on the highlights is continue to increase the weatherization funding. On page 2 of that same document Mr. Walton. This is just a power point. The power point is just a synopsis.

Mr. Walton said they put the 3.92% electric rate increase in it. If you give him something like this it is so broad that it tells him nothing.

Ms. Baker said if you were at the meeting and she thinks you were you would understand the conversation was all related to these items. These are the highlights and then if you look at the tape you will see we discussed it at length.

Mayor Peel said he thinks that we have a motion on the floor. Are there any other conversations?

Mayor Pro Tem Walton said as he said before people that are around this table need to recognize that things are coming out of tax increases and property tax increases. When we discuss things and then pass it don't come back later and say you didn't know it was going on that way. It happened last week.

Councilwoman Hummer asked if it would make it any easier to have a public hearing on this. Also, maybe this would explain a little better; is this an item that was voted on in a Budget Meeting or was this an item that was already in there?

Mr. Olson replied that the weatherization stuff has been in the budget for five years. What we did is we did increase the funding level this year from \$100,000 to \$200,000. We have doubled the funding.

Ms. Hummer said when we say it is in the budget and it has been voted on nothing that has been voted on in each meeting is official until after we have a

public hearing and then adopt the budget. Anything that has been voted on in these budget meetings still has to go before public hearing and officially adopted after that. We can't adopt anything until after the public hearing.

Mr. Brooks said he has no problem with putting this before the public. If the public doesn't show up then he has no problem with it. He thinks the way Mayor Pro Tem Walton was explaining it makes sense. The people he runs into would like to have a public hearing. He sat on the Commission and like he said he knows we had \$100,000 for weatherization that we hadn't spent and the first thing we did was talk about spending that \$100,000. We don't need to leave it just sitting there. He doesn't know when that additional \$100,000 got slipped in there. He must have been asleep that day.

Mayor Peel said no one snuck it in there.

Mr. Brooks said he knows we had \$100,000 for weatherization and he understands the intent of the Commission. He understands all of that. But, he wasn't fully aware that an additional \$100,000 was added on to the \$100,000 that was already there since we are struggling to pay our bills.

Mayor Peel said if it would help everyone to have a public hearing he doesn't have any problems with holding one.

Councilman Donnelly said we will have a public hearing on the budget and that is part of the budget. He doesn't know where we are going with this.

Mayor Peel said what he is saying is whatever is in here is part of the budget. So we would have the public hearing on the budget and this issue would be in the budget. These are all budget items and wouldn't that be the time to have people come forward with any questions or concerns.

Mr. Brooks said he would like to see a separate public hearing on this issue. We have enough items for consideration during the public hearing on the budget. We were told that we had to raise the electric rates because we couldn't pay our bills.

Mayor Peel said he understands as we have been down that road. He called for the vote on the motion on the floor.

Councilman Spence asked if this item would be going to the public hearing.

Mayor Peel said yes we are going to have a public hearing on the budget.



Mr. Walton said let him tell you how it works in that last thing. They will come in and make a motion to approve the 2012-2013 Budget. That is what they will say. Then one will second the motion. Give you a little time to talk about it and then they will call for the question and it will be approved. This is important, so don't vote one way and think it will change on that last day.

Councilwoman Baker asked who is "they".

Mr. Spence said his question is if the public will get to voice their opinion on this.

Mayor Peel said when we have the public hearing the public can come and talk about any part of the budget. This is related to the budget.

Mr. Spence said so the motion is to move forward.

Mayor Peel said it is to accept the recommendations of the Commission.

Mayor Pro Tem Walton asked for a roll call vote.

Councilman Stimatz said he would note too that there are a number of ordinances changes that all will require public hearings as well. These are recommendations from a group of people. Do we accept them? Thank you very much. We still have to take action on 95% of them as a Council. We still have to take some kind of action as a group or body. All we are doing is saying thank you, nice job, we appreciate it and we accept them. That is how he sees this document. It doesn't impact the ending.

Mr. Brooks said the only thing he is saying is yes we have a public hearing before we approve the budget. What he is trying to do is instead of waiting until all this stuff comes in to limit some of the riffraff at the end.

Mr. Olson stated that particular discussion is under 9-b of your regular agenda tonight.

Councilwoman Hummer said let's go back to our retreat when we decided to be nice to each other and to get along. If there are some council members that have some concerns and want a public hearing then we should have one. The public has not seen the document until tonight and we would have already voted on it. She would prefer to have a public hearing as there is no urgency to pass it tonight.

### **Roll Call Vote**

**Donnelly**                      **yes**

<b>Spence</b>	<b>yes</b>
<b>Baker</b>	<b>yes</b>
<b>Hummer</b>	<b>No</b>
<b>Walton</b>	<b>No</b>
<b>Hill-Lawrence</b>	<b>Yes</b>
<b>Stimatz</b>	<b>Yes</b>
<b>Brooks</b>	<b>No</b>

***Motion carried 5-yes and 3-no.***

**3} FISCAL YEAR 2012-2013 BUDGET:**

Mayor Peel stated we have run out of time for the next item.

***A motion was made by Councilman J. A. Stimatz to defer Item #6-Discussion of Fiscal Year 2012-2013 Budget to the regular agenda in conjunction with Item 9-b; and move on to the Committee Reports. Councilwoman J. M. Baker seconded the motion. Those voting in favor of the motion were: Stimatz, Baker, Brooks, Donnelly, Hill-Lawrence, Hummer, Spence and Walton. Against: None. Motion carried.***

**4} COMMITTEE REPORTS:**

**a} Albemarle Economic Development Commission:** Councilwoman Hummer, Councilwoman Baker and Councilwoman Hill-Lawrence and Mayor Peel.

Councilwoman Hummer stated we had our marketing consulting firm at our last meeting. It was agreed that we need to update our web site and make it more business friendly to those people who are visiting the site to decide whether they are going to come here or not. Just to make the links easier to connect and get more information quickly. That was the main thing we discussed. Anytime that the full Council wants to hear Cohoon and Cross they will be glad to appear again and talk about marketing.

**b} Central Communications Advisory Board:** Mayor Pro Tem Walton.

Mayor Pro Tem Walton stated we met and we are in the process of finalizing the budget and they will be letting the County Commissioners see it and then we will have a chance to go over it to see if there might be any changes.

**c} Fireman's Relief Fund Board:** Councilman Spence.

Councilman Spence said he had nothing to report at this time.

**d} Joint Land Use Plan Committee:** Councilman Stimatz.

Councilman Stimatz stated he had nothing to report at this time.

**e} NC Eastern Municipal Power Agency:** City Manager Olson and Mayor Peel.

Mr. Olson stated he provided in last Friday's FYI that at the Agency meeting on May 23<sup>rd</sup> that we got an update from the staff on the \$505 million of refinancing of the bonds. The total interest costs are now at 3.34 and our overall weighted average interest costs for all the debt that we have outstanding is at 5.215. You have to remember that some of the debt is taxable and some is nontaxable. We also received an update on the refueling in the Brunswick Unit #I.

**f} Solid Waste Committee:** Councilman Spence.

Councilman Spence stated he had nothing to report at this time.

**g} Elizabeth City Downtown, Inc.:** Councilman Donnelly.

Councilman Donnelly said that ECDI would like to thank everyone that participated in the Potato Festival. There was an estimated crowd of 25,000 people. We do appreciate all the volunteers that helped out to make the occasion such a wonderful event. A couple of upcoming events that ECDI wanted him to inform you about are: This Friday is First Friday Walk, June 1<sup>st</sup> from 5:30 pm to 7:30 pm; June 2<sup>nd</sup> and 3<sup>rd</sup> is the annual International Cup Regatta. We are fortunate enough to receive a little information about that; June 2<sup>nd</sup> we have from 6:00 to 8:00 pm the Taste of the Albemarle. It will be downtown with many restaurants represented. The Moth Boat Auction will be going on and music will be presented by Charlie. Beginning on June 5<sup>th</sup> at Mariner's Wharf Film Festival will commence with Frank Cappa's great film, "You can't take it with you."

**h} Elizabeth City Chamber of Commerce Board:** Mayor Peel.

Mayor Peel stated the Chamber's big news is they have started the search for replacing Ms. Palstrant's position. She is scheduled to leave in September but is activity pursuing another job and so may leave before then. They have interviewed some local people and as of last week they are receiving applications from out of town.

- i} **Finance Committee:** Councilwoman Hummer, Councilman Donnelly, Councilwoman Hill-Lawrence and Mayor Peel.

Councilwoman Hummer stated since we didn't have time to have the discussion on the FY 2012-2013 Budget she wouldn't have a report at this time.

- j} **Parks and Recreation Advisory Commission:** Mayor Pro Tem Walton.

Mayor Pro Tem Walton stated they have not met since the last meeting.

- k} **Alleyway Committee:** Councilwoman Hummer, Councilwoman Baker, Councilman Brooks and Councilwoman Hill-Lawrence.

Councilwoman Hummer stated that they have not had a meeting.

- l} **Elizabeth City/Pasquotank County Airport Authority:** Councilman Stimatz.

Councilman Stimatz stated he had nothing new to report at this time.

- m} **Storm Water Drainage Task Force:** Councilman Stimatz, Councilman Donnelly and Councilman Brooks.

Councilman Stimatz stated he would be sending the final letter on the items that we are recommending that you pursue in the proposed budget.

- n) **Energy Efficiency Commission:** Mayor Peel, Councilwoman Baker and Councilman Brooks

Mayor Peel stated he thinks we have reported everything to you.

- o) **Tourism Development Authority:** Councilwoman Baker

Councilwoman Baker stated we had Cohoon and Cross to come to our meeting as well and outlined the five year marketing plan. We set our budget to be sent to public hearing for that. Also, in that five year marketing plan she has invited them to come to a work session for Council so that everybody can hear what tourism means and how it impacts every single thing that we do and they have agreed to come to a work session of Council to make that presentation. It was very informative and very educational.

- 5} **ADJOURNMENT:**

There being no further business to come before the work session at this time,  
Mayor Peel adjourned the meeting at 7:01 p. m.

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Dianne S. Pierce-Tamplen, MMC  
City Clerk

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Joseph W. Peel  
Mayor