

MONDAY-7:00 P.M.

JUNE 23, 2008

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 S. S. Atkinson presiding. Members attending were: J. M. Baker, D. B. Evans, L. A. Hummer, R. E. King, B. S. Meggs, E. K. Rivers, J. A. Stimatz and V. C. Watts. Staff members attending were: City Manager R. C. Olson, City Clerk D. S. Pierce-Tamplen, City Attorney W. H. Morgan, Deputy City Clerk V. D. White, Parks and Recreation Director J. D. Overman, Fire Chief W. C. Pritchard, Police Chief C. E. Crudup, Planning Director J. C. Brooks, Finance Director S. E. Blanchard, Human Resource Director K. W. Felton and Public Utilities Director P. A. Fredette.

Mayor S. S. Atkinson opened the meeting and welcomed those attending. He called upon Reverend Charles Foster for the invocation after which Councilman R. E. King led the Pledge of Allegiance to the Flag of the United States of America.

1} AGENDA APPROVAL:

Mayor Atkinson asked if there were any additions or deletions to the prepared agenda.

Councilwoman Watts asked to add, ***call for a public hearing to be held on Monday, July 14, 2008 to inform the citizens regarding the application for a Revitalization Strategies Grant.***

Councilman Stimatz asked to add a ***Closed Session for discussion of personnel as per NCGS 143-318.11 (a) (6) and removed Item #7a- Budget Amendment from the Consent Agenda and add it to the Regular Agenda for discussion.***

Councilwoman Hummer asked to add ***brief discussion regarding the revised Budget Ordinance.***

A motion was made by Councilwoman J. M. Baker, seconded by Councilman J. A. Stimatz to approve the prepared agenda as presented with the above noted additions. Those voting in favor of the motion were: Baker, Stimatz, Evans, Hummer, King, Meggs, Rivers and Watts. Against: None. Motion carried.

2} COMMENTS FROM THE PUBLIC:

Mayor Atkinson called upon the City Clerk for the number of citizens that had signed up to speak under the Public Comment section of the agenda. Upon a reply of three, Ms. Pierce-Tamplen called Mr. Roger McLean to the podium.

Mr. Roger McLean, 126 Chancey Drive, Elizabeth City, spoke his concerns over the recommended budget and encouraged Council to not implement the increase in taxes and the 10% increase in electric rates.

Mr. Johnnie Walton, 401 New York Avenue, Elizabeth City, spoke his concerns over the recommended budget and ask that Council look harder at the proposed budget in order not to increase the taxes and electric rates.

Ms. Pam Stefanowich, 201 E. Cypress Street, representing Pennsylvania Avenue Crime Watch issued a challenge to the area churches informing them that Blackwell Baptist has agreed to pay one half of the cost of a surveillance camera. She said that if the churches would follow Blackwell then hopefully the extra cameras would deter crime in the respective areas.

3} APPROVAL OF THE MINUTES:

Mayor Atkinson called for action regarding the minutes of Special Meeting held on May 9, 2008; City Council Meeting held on May 12, 2008; Budget Work Session held on June 9, 2008 and the City Council meeting held on June 9, 2008.

A motion was made by Councilman J. A. Stimatz, approved by Councilman R. E. King to approve the minutes of the meetings held on May 9th, May 12th, June 9th-Budget and June 9th Regular meeting as presented. Those voting in favor of the motion were: Stimatz, King, Baker, Evans, Hummer, Meggs, Rivers and Watts. Against: None. Motion carried.

4} CONSENT AGENDA:

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

Following the reading of the Consent Agenda, Mayor Atkinson called for action regarding the same.

A motion was made by Councilwoman L. A. Hummer, seconded by Mayor Pro Tem J. M. Baker to approve the following Consent Agenda. Those voting in favor of the motion were: Hummer,

Baker, Evans, King, Meggs, Rivers, Stimatz and Watts. Against: None. Motion carried.

Consent Agenda:

- a} Approved the authorization to execute documents with PARTF Grant 2008-553 for South Park Sports Complex.
- b} The following is the Bid Quote that was received for the purchase of chemicals for the Water and Wastewater Treatment Plants:

Univar USA, Inc., Suffolk, VA

Hydrate Lime	\$178.00 / 1,200 Tons
Aqua Ammonia	\$371.00 / 24 Tons
Liquid Chlorine	\$760.00 / 36 Tons
Liquid Polymer	\$486.00 / 55 gal. Drums / 100 Qty.
Sulfur Dioxide	\$133.50 / 50 Qty.
Liquid Chlorine	\$760.00 / 1 Ton / 36 Qty.

AirGas Carbonics, Dallas, TX

Liquid Carbon Dioxide	\$210.00 / 73 Tons
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Carus Phosphates, Inc., Belmont, NC

Sodium Hexametaphosphate	\$88.50 / 120 Bags
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Geo Specialty, Little Rock, AR

Liquid Aluminum Sulfate	\$379.02 / 288 Tons
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Polydyne, Inc., Riceboro, GA

Dry Anionic Pdymer	\$78.10 / 30 Bags
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Water Guard, Wilson, NC

Hydrofluosilicic Acid	\$197.07 / 50 Drums
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Award of Bid for the chemical purchases for the Water and Wastewater Treatment Plants to each of the following:

Univar USA, Inc., Suffolk, VA

Water Treatment Plant	\$196,464.00
Waste Water Treatment Plant	\$136,035.00

AirGas Carbonics, Dallas, TX

Water Treatment Plant	\$15,330.00
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Carus Phosphates, Inc., Belmont, NC

Water Treatment Plant	\$10,620.00
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Geo Specialty, Little Rock, AR

Water Treatment Plant \$109,157.76

Polydyne, Inc., Riceboro, GA

Water Treatment Plant \$2,343.00

Water Guard, Wilson, NC

Water Treatment Plant \$9,703.50

Water Treatment Plant Total = \$343,618.26
Waste Water Treatment Plant Total = \$136,035.00

c} Call for a public hearing to be held on Monday, July 14, 2008 at 7:30 p.m. in the City Council Chambers for the purpose of informing the citizens regarding the application for a Revitalization Strategies Grant in the amount of \$850,000.

End of the Consent Agenda.

5} PUBLIC HEARINGS:

a} Application RZ-04-08, New Life Family Center to rezone 406 North Martin Luther King Drive from Industrial I-2 to Residential R-6.

Mayor Atkinson called upon Planning Director J. C. Brooks for comments.

Ms. Brooks informed Council that at the June 9, 2008 Council meeting, it was voted to hold a public hearing on RZ-04-08. When making a determination as to whether to approve or deny a rezoning the Planning Staff considers the area's zoning pattern, adjacent land uses, as well as the impact on roads and city services such as water and public safety. The property is located at a transitional intersection of the Northside National Register Historic District. The subject property abuts both residential and industrial use lots. The need to rezone this property is not supported by the future Land Use Plan and general land use trends in the four block area. The non-conforming land use is unobjectionable. The UDO makes special consideration for an existing lot or structure or use of an existing lot or structure that does not agree with one or more of the regulations applicable to the district in which the lot or structure is located. The single family residential non-conforming use is grandfathered and allowed to remain with opportunity for expansion, extension, enlargement or replacement so long as the enlargement or replacement does not create a new

nonconformity or increase the extent of existing nonconformities with respect to setback requirements. The Planning Commission approved RZ-04-08.

Mayor Atkinson declared the meeting into Public Hearing. Since there was no one who wished to speak for or against the proposed rezoning, Mayor Atkinson declared the public hearing closed. He called for action regarding this item.

A motion was made by Councilman E. K. Rivers, seconded by Councilwoman L. A. Hummer to approve RZ-04-08 as presented. Those voting in favor of the motion were: Rivers, Hummer, Baker, Evans, King, Meggs, Stimatz, and Watts. Against: None. Motion carried.

b} Public Input on decreasing the speed limit in Chesterfield Heights and Briarwood to 25 mph.

Mayor Atkinson called upon City Manager Olson for comments.

Mr. Olson advised that on February 25, 2008 Council adopted a resolution requesting DOT to conduct a speed limit study in Chesterfield Heights and Briarwood neighborhoods to determine if a decrease to 25 mph would be warranted. DOT performed the study and determined that in the interest of public safety the speed limit should be decreased. In order to proceed City Council needed to hold a public hearing.

Mayor Atkinson declared the meeting into public hearing to receive comments regarding decreasing the speed limit from 35 mph to 25 mph in the Chesterfield Heights' area and Briarwood. Since there was no one who wished to speak for or against the proposed speed limit reduction, Mayor Atkinson declared the public hearing closed. He called for action from the member of Council.

A motion was made by Councilwoman B. S. Meggs, seconded by Councilman R. E. King to adopt the following Ordinance approving the reduction in the speed limit in the Chesterfield Heights and Briarwood areas. Those voting in favor of the motion were: Meggs, King, Baker, Evans, Hummer, Rivers, Stimatz and Watts. Against: None. Motion carried.

**ORDINANCE #08-06-1
MUNICIPAL ORDINANCE
DECLARING SPEED LIMIT MODIFICATIONS AND**

**CONCURRING ORDINANCE BY DEPARATMENT OF
TRANSPORTATION**

BE IT ORDAINED, that the City of Elizabeth City duly enacted on the 23rd day of June, this ordinance based upon engineering and traffic investigation pursuant to authority granted by G.S. 20-14 (f) declaring the following speed limit modifications as set forth below on the following described portion of a State Highway System Street;

<u>Speed Limit</u>	<u>Route</u>	<u>Description</u>
25	SR 1233	Subdivision Wide – Chesterfield Heights – From SR 1192, southeastward to a point 0.12 mile southeast of SR 1192
25	SR 1213	Subdivision Wide – Briarwood – From SR 1211, eastward to SR 1199
25	SR 1212	Subdivision Wide – Briarwood – From a point 0.04 mile northwest of SR 1211, southeastward to SR 1211
25	SR 1211	Subdivision Wide – Briarwood – From SR 1213 Eastward to SR 1199
25	SR 1201	From SR 1145, eastward to a point 0.18 mile East of SR 1145
25	SR 1199	Subdivision Wide – Briarwood – From SR 1213 Northward to SR 1147
25	SR 1198	Subdivision Wide – Briarwood – From SR 1211, Northeastward to SR 1199
25	SR 1192	Subdivision Wide – Chesterfield Heights – From a point 0.03 mile southwest of SR 1233, eastward to a point 0.19 mile east of SR 1191
25	SR 1191	Subdivision Wide – Chesterfield Heights – From SR 1145, eastward to SR 1198
25	SR 1148	From SR 1145, eastward to SR 1147

25 SR 1147 Subdivision Wide – Briarwood – From SR 1145
Eastward to a point 0.25 mile east of SR 1148.

Rescind the Following Speed limits

25 SR 1147 From SR 1145, eastward to SR 1199, south-
west of Elizabeth City

25 SR 1199 From SR 1213, northwestward to SR 1147,
Southwest of Elizabeth City.

SAID ordinance to become effective upon adoption of the Department of Transportation of a concurring ordinance and the erection of signs giving notice of the authorized speed limit; that said ordinance is recorded.

IN WITNESS WHEREOF, I have hereunto set my hand and the seal of the City of Elizabeth City this 23rd day of June 2008.

Stephen S. Atkinson
Mayor

Dianne S. Pierce-Tamplen, MMC
City Clerk

6} REGULAR AGENDA:

a} Budget Amendments:

Mayor Atkinson called upon Mr. Olson for comments.

Mr. Olson advised what you have in front of you are seven separate amendments. As Council is aware this is the last meeting on the fiscal year 2007-2008 budget. Over the last few weeks we have gone through the different

items within the budget and looked at those line items and funds that are out of balance and we are recommending the seven budget adjustments.

Mayor Atkinson called upon Councilman Stimatz for comments.

Mr. Stimatz said that he is concerned about the section of the Budget Amendment regarding a fence on Laura Park. He does not recollect that Council ever discussed or voted on the \$9,000 for the fence as listed in Section III. He recalls that it was mentioned by Councilman King but he does not recall that the full Council ever voted on it.

A motion was made by Councilman J. A. Stimatz to accept the following budget amendments with the exception of Section III and action on Section III be tabled until our next meeting when we can discuss this particular item separately.

Ms. Hummer stated that it was her understanding that it was approved by Council several years ago. It came up quite some time ago.

Mr. King said that he believes that Councilman Stallings and he asked for this fence many years ago. It was approved and it hasn't been installed.

Mayor Atkinson said that he doesn't have any recollection of this fence. If these gentlemen say that is what happens he is sure that is what happened. He asked Ms. Tamplen if she remembered it.

Ms. Pierce-Tamplen said that she recalls that it was discussed on several different occasions but she can't say for sure if it was approved or not. She does know that it was discussed.

Mr. Olson said that this is the last budget amendment of the year. Usually this particular item would appear on the regular agenda and we would get approval for the item on the regular agenda. When we know the exact price of the fence and paid for it then we would come back and ask for a budget amendment for that dollar amount. Since this is the last budget amendment of the year what we did we incorporated it in the budget amendment as an appropriation based on the estimate of \$9,000. We don't know whether or not the \$9,000 is going to be enough or not enough money. We believe that it is adequate enough to cover the expenses right now. That is the reason it was done that way verses other ways that we do items.

Mr. Rivers said should there be two separate motions or should be discussing the fence first and then vote on that and move forward with the budget amendments. If there is no direction in our minutes that we have no official vote then should we make a motion to allocate it if it would be in line? Then we come forward with the budget amendment so that way we would have everything to move forward. The reason that he is very familiar with this is because Councilman King and Councilman Stallings were on Council and we had done a section behind the basketball court. He does remember it has been brought forward. He thinks maybe we should do a motion to remove that item from the amendments and take the vote and then we just put the fence as the next item.

Mr. Olson said what he would recommend that you do is go ahead and approve all sections of the Budget Amendment except Section III as Councilman Stimatz has alluded to in his motion. Then we will have a separate discussion concerning Section III-the approval of the fence and then the subsequent budget amendment would be necessary to execute that.

Mr. Stimatz said that is not his motion. His motion was to table action until our next meeting. He is not sure why we need this and what is driving it. Plus as everyone has pointed out we have tight budget times and he is not sure a fence is more important than two new cameras or two in-car cameras or two MBTAs. Until he has some feelings from the Police Chief he is not willing to jump into this thing. He doesn't think it will hurt to wait until our first meeting in July to discuss it. So, his motion was to approve the Budget Amendments excluding Section III- Installation of a fence and table action on this until our first meeting in July. That is his motion.

Councilwoman V. C. Watts seconded the motion.

Mayor Pro Tem Baker said that she wanted to say she remembers the conversations several times through several councils probably and she looked through the minutes this afternoon back to 2004 and couldn't find where it was. But she remembers Darryl on Council and she half remembers Michael Brooks talking about it as well. So, she knows that we have talked about it several times. Isn't this the fence that is on City property but abuts a landowner and it is to prevent crossover or people escaping the law.

Mr. Olson said it is at the end of Ray Street and Bunnells Avenue and it is not on public property. We would have to secure an easement from the property owner and we have had some discussions with that property owner and he is willing to give us an easement as long as it doesn't cost him any money to put up the

fence. There is some tree clearing work that will have to be done to put the fence in at that location. We have a preliminary budget estimation of roughly \$7,000 for the cost of the material but we do have some other work that will have to be done to clear the right-of-way and that is why we have some extra money in there.

Councilman Rivers said that if we don't deal with it tonight then the funds will have to come from the 2008-2009 Budget. If the funds are available in this budget then he feels that we should make a motion to adopt the \$9,000 from this budget.

Councilman Stimatz said that there is a perception here that if we don't take budget action now we can't take action after the first of July. As we all know anytime we walk in this room we can offer a budget amendment for any amount of money that we want. The only thing that we can't change is the tax rate. Every time that we walk in this room we can make a budget amendment so the idea that we have to do it tonight is sort of fallacious. The point being that he would just like a little more background on it before he leaps into it. He has no memo, he has no picture or diagram, and he doesn't know who is involved in it or who is impacted. You know in the context of everything else that we are trying to do for crime he would like to weigh that. That is the only reason that he is asking to table it. Quite frankly when you say table it until the next meeting that means it has to come up at the next meet. It has to be on the agenda. So, that is the only reason that he is offering that we table it so that we can get some more background on it. The other question that comes to mind is this. In the grand scheme of crime prevention, etc, is this the most important place a} to put this money, b} is this the most important fence that we need. He means he was not aware that we could come in and ask the city to put up fences on private property to stop criminals from moving around. That's news to him. He would think that all of the Presidents of the Crime Watch Groups would like to know that could be surveyed, go out and check their neighborhoods and come back and say here is a list of places that we think fences are important and prioritize that list. The question is going to be, after you have got 30-40 of these and you are up to about \$160-\$170,000 for fences is that still the best use of the City's money? He is just looking for a little space, not to get run into this thing. I feel like you got it on this Consent Agenda and we are going to make a decision and just off we go and Rich is going to come back and say we approved it and he went ahead and did the contract. Well, nobody got to talk about it. So he offers to Mr. Rivers that he is not putting this discussion off to put it off and have it die and it doesn't impact the budget one way or the other. As someone pointed out we have 21% Fund Balance. That is a significant amount of money and we could choose to spend it all down in a heartbeat. If we go to zero we

will be taken over by the State but that is a different issue. So, he is just saying can we wait two weeks. That is all that we are talking about.

Mayor Pro Tem Baker asked how would this impact out budget ordinance tonight or will it?

Mr. Olson replied it will not impact it because the budget ordinance will be for next fiscal year's budget and we don't have \$9,000 in next fiscal year specifically earmarked for the fence. But as you are well aware of it is a new budget year and we could prioritize things and if council so desires they can go ahead and spend \$9,000 and we will give you a list of where that \$9,000 will come from in the Street Department budget.

Mr. Stimatz said or we could choose to take money out of the reserve, is he correct?

Mr. Olson replied that is correct.

Mr. Stimatz said that it doesn't have to come out of the department's budget. We could just choose to take the \$3 million and spend \$9,000 of it.

Mr. Rivers said that he guesses the reasons why he is for it is just the same way that we are asking now. We are at the end of the year with funds left over. When you place it up against other items and this has been done for three or four years, the funds are there. Rich has added and if we can go ahead and put it in now, let's put the fence up. Let's allocate it. The work is not going to start tomorrow. Rich still has to secure easements, come back to us with it but what happens is the funds will have been allocated out of the 2007-2008 budget.

Mr. King said that the people in Laurel Park have needed this fence for a while. It has been put off and put off and he thinks we need to deal with it and this way the money will be there. Every time some one runs through Ray Street they run through that trailer park and then they are lost. He has spoke with the Chief about this. We can stop that.

Mayor Atkinson called for action on the motion.

***Those voting in favor of the motion were: Stimatz and Watts.
Against: Baker, Evans, Hummer, King, Meggs and Rivers. Motion
was denied.***

A motion was made by Councilman E. K. Rivers, seconded by Councilman R. E. King to approve the allocation of \$9,000 for the installment of a fence at Laurel Park. Those voting in favor of the motion were: Rivers, King, Baker, Evans, Hummer and Meggs. Against: Stimatz and Watts. Motion carried.

A motion was made by Councilman E. K. Rivers, seconded by Mayor Pro Tem J. M. Baker to adopt the following budget amendment. Those voting in favor of the motion were: Rivers, Baker, Evans, Hummer, King, Meggs, Stimatz and Watts. Against: None. Motion carried.

**BUDGET AMENDMENT
NUMBER 2008-7
JUNE 23, 2008**

BE IT ORDAINED, by the City Council of the City of Elizabeth City that the following amendments be made to the annual Budget Ordinance for the fiscal year ending June 30, 2008:

Section I. That the General Fund Balance Appropriated (103990-0000) and Administrative Travel (104200-1400) be increased by \$5,000.

(To record overage in Administrative travel.)

Section II. That the General Fund Tax Collections (103010.2007) and Tax Collection Fee Expenses (104600-4500) be increased by \$18,000.

(To record overage in fees paid to Pasquotank County for tax collection.)

Section III. That the General Fund Balance Appropriated (103990.000) and Street Department Contracted Services (105600.4500) be increase by \$9,000.

(To record construction of fence at Laurel Park.)

Section IV. That the Parks and Recreation Organized Program Fees (103650.0050) and the Special Events Expenditure (106200.2500) be increased by \$12,623.

(To record revenue received from the District Basketball Tournament.)

Section V. That the General Fund Contingency (106620.6000) be decreased by \$1,054.50 and Elizabeth City Blazers (106620.4594) be increased by \$527.25 and Young Baller's United (106620.4595) be increased by \$527.25.

(To record contribution to Elizabeth City Blazers and Young Baller's United.)

Section VI. That the Electric Fund Balance Appropriated (303990.0000) and the Customer Services Contracted Services (307200.4500) be increased by \$40,000.

(To record increased credit card processing fees incurred.)

Section VII. That the Electric Fund Payment from Developers (303490.4501) be increased by \$555,280, the Electric Fund Retained Earnings Appropriated (103990.0000) be increased by \$133,422, City Center West (308300.7315) be increased by \$54,644, Millbrook Estates (308300.7300) be increased by \$5,355, Creekside Farm I (308300.7324) be increased by \$125,006, Mariner's Landing (308300.7308) & (308300.7325) be increased by \$177,008, Herron's Ridge III & IV (308300.7326) be increased by \$85,208, Hunter's Lake (308300.7329) be increased by \$241,481.

(To record underground costs for new developments.)

ADOPTED, this 23rd day of June 2008.

Stephen S. Atkinson
Mayor

Dianne S. Pierce-Tamplen, MMC
City Clerk

b} Brief concerns on FY 2008-2009 Budget:

Mayor Atkinson recognized Councilwoman Hummer for comments.

Ms. Hummer stated that she has concerns regarding the revised Budget Ordinance. The spread sheet showing where the changes have been made

shows that under the Electric Fund Expenditures the last item on that is to reduce the electric line maintenance repair by \$19,333.00 and then below that out of the water and sewer fund reduce the purchase of radio meters in the amount of \$19,333.00 with an explanation at the bottom of the page these two reductions are necessary to fund the Building Capital Reserve Fund. She has a real problem with taking money from the maintenance of our electric lines. She can't vote for that. Also, the water and sewer fund is not a stand alone fund so she doesn't know how we can take money out of that to put in a fund that will someday be used for buildings when she feels that once we reach that point we can put it on installment purchase as we do any other long term items. We raised electric rates by 10% and now we find we are going to have to raise them even higher. To raise taxes, to raise city council salaries, took away half of the COLA from City employees and take the money from the COLA to put into a fund but yet we still have to take money from the Electric Fund and the Water and Sewer Fund. She felt it necessary to point this out because she just doesn't think that is a good move. Another thing that she has a problem with is the facilities study which she thought that she heard originally a \$30,000 cost. It is going to cost approximately \$58,000. That is also coming out of the Electric Fund in the amount of \$19,333.00 as well as the Water and Sewer Fund of \$19,333.00 for a facility study which is something that we don't have to have right at this moment. We have got much more critical issues to look at and she thinks that we have been asked tonight by the public to look at it again. This budget doesn't have to be adopted until the 30th which is next Monday night. We have changed it quite a bit but let's be fair and she didn't know that it was going to end up this way taking money out of the Electric Fund and the Water and Sewer Fund. Why not give that money to the city employees rather than drain these two funds of critical maintenance on our electrical lines. She has never heard of us doing that before. She doesn't know how anyone else feels about it. She knows the motion was to cut the COLA in half and put the savings into a Capital Reserve for future city buildings but we had some changes that needed to be made and she didn't know they were going to be made in the electric and water and sewer funds.

Mr. Olson said that if Council will remember when he presented the budget to you it was a balanced budget. We have been concentrating most of our discussions concerning the General Fund part of the budget. One of the items that you added to the General Fund Budget was the facilities study as Ms. Hummer alluded too. We told you at that particular time that particular study would be charged one third to General Fund, Water and Sewer Fund and Electric Fund. During the Special City Council meeting held last Wednesday we brought to you a new budget ordinance that reflected that we would balance those funds instead of going into the operating account that the savings in the COLA would first of all to be used to balance those funds. The staff was instructed though to take all the savings from the COLA and put it into the Building Reserve Fund.

We have done that and by doing so we were out of balance by \$19,333.00 in both cases. We went back in the budget and we have identified two items in the operating budget, the line repair item and the water meter replacement item. That is where we balanced the Electric Fund and General Fund. That is why those decisions were made.

Mayor Atkinson asked Mr. Olson if he found those two items the \$19,333 and the \$19,333. In your review did you find that would be the less impact on the budget and we have adequate funds still there to do the work that you think that we need to do?

Mr. Olson replied that we believe that we have adequate funds in the Electric Fund to go ahead and do that because the two large items within the Electric Fund Budget. The water meter replacement program we have been trying to do 1,000 meters a year and that will cut down the number of meters that we will be able to do next year.

Ms. Meggs said that she wanted to know which is most important. The line deletion and the water meter replacement. If she thought that her meter was not accurate then that would be very important to her. The way that she understands it is that what the meters are for.

Mr. Olson said that the water meters is a device that is the city's cash register in essence. Usually the meters run slow and they rarely run fast. The reason that we started the program three or four years ago is because we realized that we had a 31% line lost and we believed that a lot of that was directly contributed to meter error in the way that the amount was recorded by the water meter. That is why we started the program and we have seen some decrease in the amount of line lost and unaccountable water loss. We believe it is money well spent. The line lost is a small amount. Remember you have a \$30-\$33 million in the Electric Budget; \$19,333 is not a large amount of money. We have two accounts, line maintenance and line building that have a total budget of \$8-\$900,000 in the budget so taking \$19,000 out of that will not hurt the Electric Fund.

Mr. Rivers said that when we say that it doesn't hurt the Electric Fund but when our Electric Fund gets down we raise the electric rates. Twenty thousand here and twenty thousand there and the next thing we know we are low and we would be raising our rates. The same way we transfer a million dollars over to the General Fund in lieu of payment of taxes so that way we are making that much profit off the citizens and then when it comes down to we are looking at a rate increase we reach a certain level that now we have to raise the rates. When we say \$20,000 that is a one percent off the electric rate. It always carries over

so when the next council comes he doesn't think that we need to take \$19,000 from our water meters if we are losing money. We are at a 31% lost in the water and then we are saying \$19,000 from the Electric Fund and we are constantly raising the rates. It has been presented every year on how we need to raise the rates. We are steadily taking from one to offset or make the General Fund look good. Yet, the money that was taken from the COLA of the employees is going into a capital reserve fund. If we are talking about a building plan why can't the \$40,000 come from that building fund? This is not directed at the City Manager as he only did what he was instructed to do. If we are not going to give our employees back their COLA then why put funds into an account and not use it for one of the expenditures.

Ms. Hummer said that every year we are warned by the Local Government Commission that we need to get our Water and Sewer Fund up. She really doesn't believe that the City Manager would have recommended this type of expenditure in the position that we find our selves in. There are areas that we could cut tonight. We could cut Council's salary increase. We could delay the facilities study. We could cut back on what is to be put into that reserve fund or better yet we could give the employees the 4.1% they were given and it was taken away. To sit here and listen to these things that are not critical and like she said we are increasing taxes and we are having to take the Electric Rate increase out of the budget ordinance tonight because it is going even higher than the 10%. We are going to a meeting Friday to see just how high it is going to go. We are raising your taxes and we can't even vote on the electric rate increase because it is going to go so high. We are going to get a raise but yet we are telling the employees you are not important this year. To answer Mr. Walton's question there are 16 employees who make below the \$23,000 level.

Mr. Stimatz said that he would like to clarify something. The question was asked and he didn't think the response was too accurate. When the electric fund goes down we raise the rates and your answer was yes, Mr. Manager. Is that correct? That is incorrect; we don't raise the rate when the fund goes down. We raise the rates when the rates go up. We don't look at the balance in the Electric Fund and say we are going to raise the rates. Have we ever done that? This Council hasn't. They haven't done it since he has been on it. Has any Council ever raised the rates when the fund balance in the Electric Fund got to low?

Mr. Olson said that there is a direct apportionment when the rates go down and what we pay in our costs.

Mr. Stimatz said that is not answering the question Mr. Olson. The question was asked was when the fund balance goes down we raise our rates and you said yes and that is not true.

Mr. Olson said that whenever we get a rate increase we usually have to pass that along to our consumers.

Mr. Stimatz said right. That is not because our fund balance when down. ElectriCities isn't raising the rates because we only have 5.5 million in our fund balance. They are raising it because their costs went up. The reason our fund balance was because the previous Council avoided 16% of a 20% increase by spending down that reserve. So, the answer to the question is we do not raise rates when our fund balance goes down. The answer to that is no, am I correct?

Mr. Olson said that is correct when you look at it in that perspective.

Mr. Stimatz said well it is a pretty simple question.

Mayor Atkinson said that he thinks you are right Mr. Stimatz.

Mr. King said that when we look at the facilities study, Ms. Hummer made a statement that it would be \$53,000 and he is looking at \$19,333. Explain that to him.

Mr. Olson replied that \$19,333 has been placed in the Electric Fund, Water and Sewer Fund as well as the General Fund.

Mr. King asked if we really needed a study this year.

Mr. Olson replied that what prompted this was our discussion during the budget concerning the need for certain improvements in city building such as the Midgett Building and some of the elevator issues we have, the radiator issue and that we need a plan on how we are going to address these problems in the future. He personally believes that a facilities study is something that we definitely need to do because we do have needs. We have deferred maintenance in a number of our buildings. You can just ask the employees that work in the Midgett Building, the warehouse or the city garage. We have space concerns. We would love to move our entire public works compound out to the wellfield site where we can spread things out and have a little nicer facility. But what the facilities study does it just identifies what needs to be done. Do we spend more money on the Midgett Building or should we look at a different location. That is the value of the facilities study. He thinks that it is definitely needed. He thinks that it was a great recommendation by members of the City Council that wanted it.

Mr. King asked if we had anyone in house that could do this study.

Mr. Olson replied no. Usually the firm will have architectural and engineering experience. They will go in and do a detailed analysis of the buildings and come back with an estimated cost to repair the buildings and bring them up to whatever standard that you want to bring them up too. When you get the facilities study done you have a blueprint on whether you rehab the building or build a new building. Then Council would make the determination.

c} Adoption of the 2008-2009 Budget Ordinance:

Mayor Atkinson called upon Mr. Olson for comments.

Mr. Olson stated that Council received a revised Budget Ordinance. The revised Budget Ordinance reflects a total budget of \$61,195,573.00. The General Fund is \$20,798,487.00, the Water and Sewer Fund is \$8,005,504.00. The Electric has been lowered as we have taken the 10% rate increase out of the Electric Budget right now until we get more definite information from the Rate Committee Hearing this coming Friday. The Electric Budget is now \$33,564,667.00 and the Storm Water Utility Fund is \$931,000. The Budget does reflect a 2.05% COLA, a tax increase of \$.04 to bring the effective rate of the tax to \$.45 per \$100. There is a \$.06 MSTU amount for the downtown area. It does include the 1% Christmas bonus and the existing longevity pay at \$100 per year. Section 11 of the budget ordinance does reflect the creation of the Building Improvement Fund and the amount of money saved from the COLA has been transferred from the General Fund-\$193,484, \$35,472 from the Electric Fund and \$38,230 from the Water and Sewer Fund.

A motion was made by Mayor Pro Tem J. M. Baker, seconded by Councilman D. B. Evans to adopt the following Budget Ordinance.

**ORDINANCE#08062
FY 2008-2009 BUDGET**

BE IT ORDAINED by the City Council of the City of Elizabeth City, North Carolina:

SECTION 1. It is estimated that the following revenues will be available for the City of Elizabeth City for the fiscal year beginning July 1, 2008 and ending June 30, 2009:

General Fund

Current Year's Property Taxes	\$ 5,841,000
Delinquent Property Taxes	286,860
Franchise Taxes	1,125,500
Powell Bill Funds	587,500
Local Option Sales Tax	2,967,523
Investment Earnings	300,000
Licenses and Permits	799,700
Sales and Services	1,122,500
Payments in Lieu of Taxes and Services	1,570,000
Other Revenues	4,942,562
Fund Balance Appropriated	391,712
Fund Balance Appropriated – Powell Bill	863,630

TOTAL GENERAL FUND REVENUES \$20,798,487

Electric Fund

Energy Sales	\$31,930,000
Other Revenues	1,634,667

TOTAL ELECTRIC FUND REVENUES \$33,564,667

Water & Sewer Fund

Water Sales	\$ 4,600,000
Sewer Sales	2,702,504
Other Revenues	703,000

TOTAL WATER & SEWER FUND REVENUES \$8,005,504

Stormwater Utility Fund

Residential Revenue	\$ 200,000
Commercial Revenue	180,000
Other Revenues	164,000
Retained Earnings Appropriated	387,000

TOTAL STORMWATER UTILITY FUND REVENUES \$ 931,000

SUB TOTAL \$63,299,658

LESS INTERFUND PAYMENTS **<2,104,085>**

TOTAL **\$61,195,573**

SECTION 2. The following amounts are hereby appropriated for the operation of the City of Elizabeth City and its activities for the fiscal year beginning July 1, 2008 and ending June 30, 2009.

General Fund

Legislative	\$ 133,410
Administrative	367,640
Finance	351,440
Tax	75,000
Legal	50,800
Planning	453,658
Public Building	285,028
Police	5,381,302
Fire	4,024,564
Fire Inspections	339,750
Inspections	412,599
Public Works	5,699,676
Parks and Recreation	2,181,962
Non-Departmental	826,219
Human Resources/Safety Liability	215,439

TOTAL GENERAL FUND APPROPRIATIONS **\$20,798,487**

Electric Fund

Information Technologies	\$ 97,293
Warehouse & Purchasing	195,451
Non-Departmental	28,499,287
Customer Service Department	590,396
Electric Distribution	3,112,365
Energy Management	1,069,875

TOTAL ELECTRIC FUND APPROPRIATIONS **\$33,564,667**

Water & Sewer Fund

Data Processing	\$ 101,030
Non-Departmental	2,962,252

Customer Service Department	459,984
Water Supply & Treatment	1,304,532
Wastewater Treatment	1,329,944
Water & Sewer Maintenance	1,847,762
TOTAL WATER & SEWER FUND APPROPRIATIONS	\$8,005,504
<u>Stormwater Utility Fund</u>	
Stormwater Utility	\$ 931,000
TOTAL STORMWATER UTILITY FUND APPROPRIATIONS	\$ 931,000
SUB TOTAL	\$63,299,658
LESS INTERFUND PAYMENTS	<2,104,085>
TOTAL	\$61,195,573

SECTION 3. There is hereby levied a tax at the rate of \$.45 per \$100 valuation of property as listed for taxes as of January 1, 2008 for the purpose of raising the revenue listed as "Current Year's Property Taxes" as set forth in the foregoing estimates of revenue and a motor vehicle fee of \$5.00 per vehicle.

The tax rate is based on an estimated total valuation of property for the purpose of taxation of \$1,253,801,170 and an estimated rate of collection of 95 percent.

SECTION 4. There is hereby levied a tax at the rate of \$.06 per \$100 valuation of property listed for taxes as January 1, 2008 located within the Municipal Service Tax District.

SECTION 5. That an increase of 2.05 percent cost of living adjustment be established for City payroll.

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

SECTION 7. That a longevity bonus plan be continued.

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

SECTION 9. That Parks and Recreation and Fire Inspection fees be revised.

SECTION 10. That a surcharge of \$.43/1,000 gallons of water usage be continued.

SECTION 11. That a capital reserve fund be established for the Buildings Improvements Project, that this fund will remain operational until sufficient funds have been received for the completion of the project, that the amounts to be reserved for this purpose will be determined upon adoption of the annual budget, that funds will be appropriated or transferred from the sources so designated at that time. That the amount to be transferred in FY 2008/2009 is \$193,484 from the General Fund, \$35,472 from the Electric Fund, and \$38,230 from the Water & Sewer Fund.

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

SECTION 13. Outstanding purchase orders and projects as of June 30, 2008, are hereby re-appropriated to this budget.

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

ADOPTED this 23rd day of June 2008.

Stephen S. Atkinson
Mayor

Dianne Pierce-Tamplen, MMC
City Clerk

Councilman Rivers said that he cannot go with this budget with this \$.04 tax increase. After receiving a letter on a rate committee that will even have a chance to go up more than 10% on the electric rate. No one knows what that will do. We will not know until Friday and yet we are taking a \$.04 tax increase and putting the funds aside from the COLOA and how can we just continue when we may find out on Friday that it may be 20%. Yet we have already passed a tax rate increase on the citizens of Elizabeth City. You have taken from the

employees once you did a tax increase and put the funds into just saying that we are going to fix up a building. That is heartbreaking. Yet you are turning around and raising taxes. Our employees are our most important asset not this building. We can have a tornado, hurricane and the buildings can be replaced but not our valuable employees. We need to give them what has been recommended by the Manager. We don't have to go look for the funds as the funds are right there. Then we are giving ourselves a raise. The City Council to receive a raise and the employees COLA is cut to 2%. Are we going to do the same thing? Are we going to cut our 33% raise to 16%? Have we even thought about relieving the elderly of the \$.04 tax increase if you are paying taxes on your home? We need to do these things. He thought when we started the budget session that we were trying to cut a \$.01 tax increase now he finds out that we gone from a \$.01 increase to a \$.04 tax increase. If he had known that we were going to go up he would have voted on the \$.01 the first day when he walked in. The citizens had much rather had a \$.01 than a \$.04. Our employees would much rather had a 4.1% than a 2.05%. Those are the things that we can change. We don't have to put funds right now in a savings account. It is lean times and we need to buckle up, spend less and ride it out. If the electric rate is 25% are we going to reconvene and drop the \$.04? No we are going to say well people you have to pay for it. We are going to use the excuse that is what they are charging us so we have to do the same. We are just going to go ahead and pass it and not worry. He can't go with this budget. He thinks that we are making a big mistake. He guesses some of you will be happy when some of our citizens are living in the dark, can't afford the houses and we can't give our employees the 4.1% COLA but we can give ourselves a 33% increase.

Ms. Meggs said that she is like Kirk in some ways and like our people that have come up to talk to us as well as the people that she has heard from this week. She knows that Rich has worked tirelessly and she knows that they want us to pass the budget but she has some considerations here. How much would be save if we forgot about having the savings account, if we did no raise for the Council and then the deletions that were recommended, how much would that be. Then what could we do so far as the amount of the tax hike.

Mr. Olson said that he really can't determine that because we are looking at budget decreases of roughly \$225,000, the COLA for the city employees is \$267,000 and you mentioned several other things, he really doesn't know at this time. He would have to rework the entire budget to see what that would be.

Ms. Meggs said she knows it but it is hard but it is also hard listening to the ones that have come up and listening to the ones that have talked with her this week. For us to do the \$.04 raise in the taxes and if there is just a way that we can let the people know that we have tried and that we just didn't listen. What Kirk said

about our raise she really has some feelings that if it is a 33% raise that we are getting and we have done the City employees less then she does have some sincere problems?

Mr. Stimatz said the he has a question for the manager. Section XII of the Budget Ordinance, The budget officer shall be authorized to reallocate departmental appropriations among the various expenditures within each department. He assumes that is at the department heads' direction and not unilaterally.

Mr. Olson answered that is correct.

Mr. Stimatz said then all that does is let her when they come in and request it to move money around in their budget that you don't have to come back to us each time.

Mr. Olson said that is correct unless we exceed certain line items.

Ms. Hummer said that she would like to ask if the Capital Reserve Fund can actually be spent on anything if Council so desires.

Mr. Olson said that may be a legal question. The ordinance specifically addresses what you can spend that money on.

Ms. Blanchard said that it can be spent for any capital item. Council can change what the money goes to but it can only go to a capital item.

Mr. Olson said that particular fund is restricted and any expenditure out of that fund is like the Council's contingency fund. Staff can't just go in there and start spending money out of that fund. It will take official action and direction from the City Council to go in there and spend any money out of that particular fund.

Ms. Hummer said that we are being asked to vote on the budget tonight minus the rate increase. She is happy to do that part, but why do we not wait until after the meeting with ElectriCities on Friday and then come back on Monday when we have a figure for whatever has to be done. Why adopt this budget piece meal as we have never done that before. She doesn't understand why we are being asked to do that.

Mr. Olson said that there are a number of reasons. The way the Eastern Agency works, the Rate Committee makes a recommendation to ElectriCities. ElectriCities Board of Governors then approves that which will happen sometime in mid July. Then it goes back to the Eastern Agency at a meeting the latter part of July for official action of the Eastern Agency Board of Directors. We will not know exactly what the dollar amount will be until around the first of August. That is why there is that check and balance process with how the rates are determined by the Eastern Agency and ElectriCities.

Ms. Hummer said it is obviously going to be more and is that to be drawn down from the Electric Fund August 1st or what happens.

Mr. Olson said that is the other thing that he thinks still needs to be determined. What is the effective date of the rate increase? He was told September 1st but he looked at some information that came in today and it looks like it may become effective August 1st. That is the reason he invited all of Council to go to that Rate Committee meeting in Rocky Mount on Friday.

Ms. Hummer said that she is going on her 11th year on Council and this is the worst situation she has ever found out citizens in and she will not be a part of it.

Ms Watts said on behalf of the citizens and as a matter of fact she felt compelled to go to speak with Ms. Katherine and she wants to thank the good Lord actually as she was afraid the 2.05 included the 1%. She told her at the time that she definitely did not know that. She is glad to see that the 1% is going to be included tonight in the budget adjustments. So we are actually looking at the 2.05 plus 1% at Christmas. And also the longevity she believes is still intact for the employees. We pay 5% of the 401K. Is that correct and we pay the insurance Plan B. So, at this time she thinks that is wonderful. She thinks that they are very happy that Mr. Stimatz lost his motion to take away the COLA period. She thinks that from the employees that she has talked too that they are happy with at least getting something. She does not think that we have ever voted for them to get nothing. However, everybody wants all they can get including herself. Now, if we can come up with a plan and somebody can come up with a plan that will include those folks in Mr. Rivers and her Fourth Ward to get some kind of increase to help pay their electric bill, and to pay their high taxes she is all for that. County her vote right now and also for the other wards, Second, Third and First. There are a lot of folk who are going to be hurting here but at least our employees have something to take home. Many of them than what most of us have, especially the disable and those of us who are on Medicare and getting disability, we don't get raises like that. We are on a fixed income and mind you that she says we. Ok, so she is very concerned about the Fourth Ward and the people that are in it. If we can come up with a plan of you

all having an idea of how we can help everybody she wants to vote yes. Please help her to vote yes. But she feels like we all are in this together and she hopes that those who are receiving their COLA's are happy with what they are getting. So she is going to end this by saying that with baring that in mind that they are not receiving zero could have but they are not receiving zero. That we definitely bare that in mind and recognize that there are a lot of people that are going to be hurting. Mr. Olson she is going to ask you directly because she wants to hear this. That 10% is the minimum of what that utility bill could be.

Mr. Olson said that he can say that. There will be a minimum of 10% rate increase.

Ms. Watts said that hurts. Let her tell you something she needs help. She knows that you all need help. She knows that you need help. Is there anything that this city can do for its citizens? Is there anything at all? Let us come up with something that is going to help everybody. She hopes that Council has listened to what she said.

Mayor Atkinson said that before we move on he would like to make the following comments. He thinks that one of the prime drivers of this new budget and we haven't heard anything about it tonight but that was the crime issue in this town. He knows that the Chief, along with Mr. King and people from every ward met on the Mayor's Crime Force and they worked diligently and they came up with a budget. It was in the neighborhood of \$1.3 million. City staff worked with the Chief and other members of staff and they trimmed it to somewhere in the neighborhood of \$485,000. It was important to everyone as he went to the various community watch meetings that this was the highlight. This was the prime thing when talking about the quality of life. It was what people wanted. They were afraid. Being shot at on their porches. They can't set on their porch and can barely stay in their homes. He has talked with individuals that are here tonight about this very subject. We have people who are afraid one block off Water Street. It is not pretty. He does not want us to lose site of what we also heard from the community about safety. About their well being. Mr. King has attended all of those meeting and he has had discussion with them. He has discussed it at length with the Chief and other individuals. That is part of the reasons that you have the budget that you have in front of you. We have an obligation to this community to see that they are safe and their children are safe. He doubts if anyone sitting here at the desk had any problems with swinging on their front porches when they grew up. But they have it today and it is not right. He thinks it is incumbent on this Council as well as the police department to hit this face on. We have the budget in place that will give us the tools that the Chief said that he needed. Having said that he is going to take one more question from Mayor Pro Tem and then we are going to proceed with the vote.

Mayor Pro Tem Baker said that she wanted to agree with Ms. Hummer when she said that it is the worse situation that we have ever found ourselves in for the past eleven years. It is the worst situation that the country has been in, in the last eleven years. She hopes that nobody thinks that anybody up here is happy on passing on the electric rate increase or a tax increase or passing on any increase, but we as a city cannot sit here and be stagnant. We can't let our employees continue to work in substandard buildings and continue to deal with drips and leaks and bad heat and bad air and bathrooms. That is a benefit too. None of you want to go to work in a place that you can't be proud to go to work in. It is just something that City Council has to deal with. We have got to find money for all of it. We have got to give our people a good place to work. We have got to give our people a decent wage and yes, council voted itself a raise increase. We haven't had a raise in ten years. Employees haven't missed a raise in ten years except when the one year when the state took our money back. We can't sit here and not make progress. Our gas costs more just like your gas cost more. Our electric costs more. Everything costs more to run the city as it does to run your homes and my home. She is not exempt. It is not a pleasant job, trust her. She has been here seven years and she doesn't think one year was fun as we are always passing on something someone doesn't like. This is the worse but she is sorry as we have to continue to make progress.

Mr. Rivers said that we are making comments and he looks at his fellow colleague, Councilwoman Watts like she just asked a question and he looks at it and sees that we have six or seven more days to go into the budget. He remembers that it was said that we would lose \$200,000 if we did not raise our taxes up \$.04 to keep up with the county. Did he not hear that correctly? That was one of the reasons that we came up with the \$.04 and trying not to lose sales taxes. That is how that number came out. The County was looking at \$.05. They are working on that right now. We have not heard and yet when we sit here and Councilwoman Watts has asked if there were ways that we could help. We went from a \$.01 increase to \$.04 increase. It is bad time and if we know that we are in bad times why are passing it on to our citizens. We have not allocated that we are building a five or six million dollar building. Then it is made like the reason that we are raising taxes is because the Mayor's Task Force asked for this but when we first set down on this budget and the manager came to us with his budget with a \$.01 tax increase. Councilman King set right there and stated that the Task Force had narrowed it down and then it came forth and we had something in there for the crime and safety. We are raising taxes and if you look at the increase on what we are spending the \$.04 tax increase on all of it is not 100% police department. He doesn't want to have the citizens coming up to him and saying yes, all of it went for the crime and safety. We had that instituted and then he hears a young lady that comes up with a plan today on how she is bringing forth from Blackwell Memorial Church and they are looking

forward to coming forth with another camera and will be donating it. Times are tight but yet you are not going to give our citizens any relief. We went down from where we started from. He does not understand how that is gained from this council when we are supposed to be trying to help our citizens during tight times. He does not know why we are rushing it unless you are saying that this is the budget and you accept it and vote on it, no more talk from council members because we are going to rush it through. He can't go for that. He thinks that we can set here and get from \$.04 down to \$.02. If it requires coming here for the next five days at 5:00 to 7:30 then we need to do that before we can pass it on to make our constituents know that we have not just showed up and said that we are going to vote for it. We need to make sure that we cut all of the fat out of the budget. We went from \$.01 to \$.04 and that amazes him because there is no capital increase, just putting money into a reserve fund. We hurt our employees and we can sit around this table and if we know we are worse off today how can you vote for a budget when you were just saying that you are worse off today. Let's sit down and roll up our sleeves and let's make it the best for everybody right now.

Mr. Stimatz said that the police public safety portion of the budget that was put in there is somewhere in the order of \$875,000 now. We gave an unprecedented pay raise two years ago that cost \$400,000 and never bothered to figure out where the money was coming from. We passed 2% COLA this year which is another \$200,000. That is \$1.4 million in extra spending that people will have you believe we can do without raising taxes. The truth is we can. We can do it without raising taxes and the police cars will fall apart and the grapple trucks won't work, and your sewers will fall apart and the streets won't be swept. Excuse him they will be swept because nobody wants to give up the \$750,000 for leaf and limb clean up. So when you offer this stuff up by the way he didn't vote for a council pay raise either. He is consistent. Nothing for nobody. How do people expect? It is like going out and buying a new car and buying a new house when you are already in debt and then expecting to pay for it without getting a better job or more salary. It can't be done. Something gives. Something gives somewhere. Something in your budget has to go away. Maybe you don't---stop painting your house, you don't fix the leaky roof, you don't repair your car and then one day you face the fact that your house is in shambles, you got black mould everywhere, you got to be evicted and your car won't run. You wonder how you got there. And, those are some of the issues this City is facing. We had the public works director come up to us and he didn't even talk about the water treatment plant, the wastewater treatment plant, the electrical system or the wellfield or the waterline transmission from wellfield. Just to fix the pipes underground for water and sewer. Curb and gutter. We should be spending \$2 million a year just for that and we aren't even coming close. So when people say that we taking this money \$800,000 in public safety things some of it is going to the fire department. They have been trying to get

an exhaust fan in the fire stations ever since he can remember because they are breathing carbon monoxide. We are trying to put more cameras out there and we will probably put MDT's so the police will be more affective. We are trying to buy them software so that they can stay on the street and not be in the police station. Understand \$400,000 in 2006-2007 Budget that is annual and that goes on every year. Another \$200,000 plus this year out of the General Fund. \$197,000 out of the General Fund. \$800,000 for fire and police safety items. You people that work in some of these buildings, he means he thinks the comment a couple budget nights ago was when we were talking about this idea of doing the building assessment, Ms Baker asked the question, is everybody comfortable in this room. It is only 85 degrees out here and are you comfortable in here now. He would like to be a little bit cooler. Wait until it is 105. That is part of taking care of people; it is taking care of what they are riding in. When police cars have over 150,000 miles on them and our guys are still driving them you have got to wonder how safe they are. You have to feel for these guys and gals. So, let's put it in context. We spent \$400,000 two years ago. Never made it up. We are spending a lot of money this year but we are down to that level that everybody has said is the most important thing as the Mayor pointed out. Public Safety. People want to feel safe and secure. They do not want to feel afraid. So, let's put that in context.

Ms. Watts said that she has one other comment. She does want to say to every employee God knows she would love to give you 10.1 COLA. She really would. It is her intention and her heart desire that you be happy but the bottom line is reality says that we can't afford it right now and that we are all giving up. We are all giving up and the issue is not totally just those who work here. We are talking about First, Second, Third and Fourth Wards. All the people. The whole community. We need to work together. When she is down she wants to be able to reach out to anybody out here and say listen have you got \$5.00 she can borrow to pay her light bill. She wants to feel like somebody will give it to her. Why because she trusts you and she leans on you just like she wants you to trust her and lean on her. Her vote is for you not to get the zero. My vote is to give you all that we can. We have to pay things back. You all ever had a bad check. Well, she has. Praying on a whim trying to make that bill. Well guess what, it is not very smart of her to write a check that she knows she doesn't have all the money in the bank for. And, she does not want to do that up here and you all shouldn't want us to do it either. So, please don't feel like that she is up here and she has an agenda to hurt anybody. If you know her at all you know that she wants to do nothing but help you. All that she can. Whatever the decision is up here between us it is for the betterment of the City at large. Ok, she is going to say that one more time. Whatever the decision that we make together up here and this is for the Council too, is for the betterment for of the City at large. Let us be ever mindful of that.

Mr. King said that he has said it over and over that he would love to give the employees a 4.1% COLA. It is very important and he said and he will continue to say it having been an employee of this City a 4.1 is a lot in some people's eyes and others it is not. To the tax increase, we set down with the Task Force and yes we came up with a lot of things for the police department. He stated earlier that Elizabeth City Police Department is in the 19th century. That police department needs to come to the 21st Century and the only way that we can do that is the OSSI is a piece of software that the Elizabeth City Police Department needs. He is not pushing the police department because that is where he comes from. But being in law enforcement he knows what these guys need to work with because if you see an officer setting down in that police department he is wasting his money. He is not on the street. He rather for him to be on the street with this piece of software he will not have to come to the police department and he could always be in your community. The next thing is it is the cameras. You know sitting in the Task Force meeting every community wants cameras. We started a trend in Sawyertown and now it is spreading in all four communities. Everybody wants a camera. Cameras are great and he agreed to it in the Task Force. They are great but they are a tool. They do not solve crime. Cameras are not going to solve any crimes. The most important thing he thinks that we got from the Task Force is we are getting four officers. They help solve crime but the officers are the ones that solve the crimes. In the \$.04 that we are coming up with the OSSI, which is \$253,000. That is a lot of money. We are coming up with and paying four police cars this year. Never before have we done that. We always pay it on time. This year we decided that we are going to pay them off. So our \$.04 is going for what you asked for. You asked to be safe. He heard several people come up here and say what are you going to do about our community. We are trying to make the communities safe. It is not cheap. This one piece of equipment is \$253,000. We have got to install the cameras. He thinks this is what you want. You want a quality of life and he believes that everyone in this room wants a good quality of life and being able to sit on their porches and do like they did in the old days. The only way that we can do that is bring the police department to the 21st Century. For the employees of the City, thrust him, he would love to give you a 4.1% COLA. If it is possible for us to do it he would love to see it done. But he is going to say this last thing; the safety of city should be the first thing on our minds.

Mayor Atkinson called for a vote on the motion to approve the 2008-2009 budget.

Those voting in favor of the motion were: Baker, Evans, King, Meggs, Stimatz and Watts. Against: Hummer and Rivers. Motion carried.

7} COMMENTS AND INQUIRES ON NON-AGENDA ITEMS:

Mayor Atkinson called upon the City Manager for comments.

Mr. Olson stated that included on the diaz tonight is the slides that will be presented during the Rate Committee this coming Friday. If you would like to attend the meeting, please contact him.

Mayor Atkinson called for any comments from council members.

Councilwoman Hummer said that she would like to recognize a young man who has really been an achiever. Courtesy Ford named him Athlete of the Week last week. His name is Cordea Riddick. He is a senior at Pasquotank County High School. He excels in football and basketball. He is on the AB Honor Roll. He won the Positive Behavior Award. He was Homecoming King in 2007, Prom King in 2008, Homecoming Prince in 2005, 2006; he was Basketball Team Captain in 2008, Basketball All Albemarle Team in 2008, Basketball Most Valuable Player in 2008, Football Most Valuable Player in 2007, Football All Conference in 2007, and Football Best All Around in 2006. He is a young African-American and the reason that she wanted to bring this out is number one he is very deserving of all of the awards and number two he was a member of Project Voice, better known as the Teen Center from ages 13-17. He had a place to go and he didn't have to pay for it and he had guidance and leadership at the same time he had fun. She is really proud of him and she hopes that his parents are listening tonight because she is sure they are very proud of him too. He was an asset to the Teen Center and to the younger children.

She would also like to answer Ms. Watts's question. She offered some help by suggesting a number of cuts of things that could wait in the budget. She is out of ideas and out of suggestions now. As she said it just appears that some on the Council were not willing to make any cuts. That is the way that she sees it. She can't see voting for a budget that is not even complete. We don't have figures from the County but it is a done deal now. Your taxes are raised; your Council makes a lot more money and your employees have been told to fly a kite. Sorry that she is so outspoken but that is the way that she feels. Everybody else talks about how they feel.

She would like to ask a question of the City Manager. She believes that there are 43 employees that are getting a raise and she doesn't quite understand. Have they already gotten a raise or is this in this years' budget.

Mr. Olson replied that this year's budget reflects increases to 43 separate employees who are out of line with their peers when we did the salary analysis.

Ms. Hummer said that proves her point. There are employees who had they gotten the 4.1 would have been brought within their range and what do you tell them. She doesn't think anybody can answer that.

Councilman King said that he would just like to say that we have passed the thing with Chesterfield Heights to increase the speed. When will the signs be put up and will any type of notification go out to the residents knowing that it is now 25 mph. They all have an idea that it is coming but now that it is official when will they get the signs or some type of notification?

Mr. Olson replied that usually it takes 30-60 days once we send the resolution in to NCDOT for them to get out there and post the neighborhood. They are DOT streets and they are the ones that will post the signs.

Councilwoman Watts said that she just wanted to say congratulations to all the graduates from Northeastern High School and Pasquotank High School. They graduated within the past week. She wanted to say congratulations to them and to their parents as they have obviously done a great job to see your kids graduate from high school as it is a big deal. She congratulates you all. Absolutely wants to say once more to every employee that is listening at this time. It is definitely not a very happy moment and it was not what was brought to council in the beginning and is definitely not what she would have wanted, but it was the best decision that she feels that she made in voting yes for the budget to be passed. She hopes that we can continue to receive the best service because that is what you have always given and she prays that you will not feel that all is lost. Because again there is another budget coming and she does hope that at that time that we will find it in our means to be able to give it back to you. So, she wanted to say thank you very much for all that you do and continue to do the best that you can with what you have and she hopes that God will be with you throughout your endeavors to work and working for the City and for this County. Thank you Mr. Mayor and thank you Council and thanks for everything and she wanted to say thank you one more time to the City Manager for taking time out to speak with her. He has just been a jewel in teaching her a lot and she really appreciates it. Mr. Olson she does have one question and if you can sort of help her out one more time and she knows that she is probably a broken record in this. With the Oak Grove situation we are still looking at now that we are approaching toward the end of June, we are looking at starting that work sometime in August or September.

Mr. Olson replied that the drainage work within Oak Grove will most likely be in September.

The other issue that she has is not least is that stop light in Edgewood. How are we looking with that? Is it coming along nicely?

Mr. Olson replied that we have had multiple conversations with NCDOT in Raleigh and he thinks that they have approved it and it is actually them getting the contracts and installing it.

Councilman Evans said he would like to say that he does realize and it has been over six or seven meetings that we have been discussing the budget. He has heard a lot and of course he is always sitting here quietly because he is still listening and learning but he has heard a lot of ways to cut the budget and to alleviate some of the pressure, however as he said he has been listening a lot. A lot of the things keep recurring in a matter of fact most of the things keep recurring. He feels like as far as the COLA is concerned, we still gave the 2% and he is happy about that. The employees are still not, they didn't go unnoticed because we put money aside for a building. He thinks that is a great thing because that is just like getting a raise, getting a new building to work in. That makes it a much better situation for them to be in.

As far as the police department. He is happy to see that is properly funded so that we now can have the safety that the City needs. In our Rotary Club this morning we had Randy Cartwright and he talked about the gangs. As a matter of fact he thinks that we had the Chief and some of his people in there and talked about the gangs. It is really becoming a problem here and it is something that certainly needs to be addressed. He is glad that it is being addressed and he is glad that we are taking it very seriously as we should. When they ask what are we getting in turn for this that is what we are getting. We are getting a piece of mind. Hopefully we are getting a piece of mind.

As far as the electric rates he thinks that is something that is out of our control at this time and we are making do with what we have. He is glad to be a part of the budget that we just passed because he feels like this budget we are going to make some progress with this and the City is going to begin to continuously make progress. He is happy to be a part of that. He wants to thank these guys sitting around him for helping him to grow and learn and to learn new things and he appreciates that.

Councilman Stimatz said he had a couple or three items. This one is for the attorney. This is a long term pending item. It has to do with our un-enforceable

ordinance as is it relates to political signs. He knows you and June have been working on this and he just didn't know if you had a status update on our ability to create a limited public forum and when can we expect something because right now we really have an un-enforceable ordinance.

City Attorney Morgan replied that certainly there is an opinion to that effect. He does not believe that Ms. Brooks has gotten a response from David Owens as to the information that we sent him. He will ask her and he will try himself to follow up on that this week and have some information at the July meeting.

This one is for Rich and he knows that he is bringing it up again and he knows that the budget has been keeping you pretty busy but we asked earlier about how can we appeal DOT decisions that we don't like. You were going to provide something in May and we got caught in the budget. Does staff have an answer?

Mr. Olson replied that we had provided that to Council in the first part of May. He will resend that out.

This one is for the Mayor. We tabled this item and it should have been on the agenda and it had to do with the Council's Procedure Manual. You made some comments the other night and he thinks that they might have gotten lost while we all were shuffling out. He wanted to ask you what are your expectations of in terms of what we need to provide as input and what time table do you see for us to address this procedures policy manual that clearly Council has on more than one occasion indicated that we really need to have.

Mayor Atkinson said absolutely Mr. Stimatz and he has been an advocate for this for some time now. Ms. Tamplen ordered Fleming Bell's books for us on policies and procedures. He has asked each of you to read that book and if you have any questions, any thoughts, opinions, changes or anything you have any questions about to contact Ms. Tamplen. If you have any suggestions over that book and let her have that information as soon as possible. His plan is now after that is received to hold a workshop where we will all come together and we will go by that book page by page so there is no question about it. Then shortly after that then we will put it on the agenda to have that book to be our procedures.

Mr. Stimatz asked does that include the procedures manual separate from Mr. Bell's book. That has been his expectations and other people's that we need beside what is in there about running a meeting, we need to have decisions about council policy so are we also going to include going through the draft procedures manual that Ms. Tamplen has created many moons ago.

Mayor Atkinson replied that yes and his intention is to number one to have the workshop on the Bell book alone and after we have gotten that done then we will go back and take a look at these other things and add them in there. He thinks we can move quickly if we address the book and then come right back with the procedures manual. That is his attempt to get the book done first and then we will come back and add those items that we think are appropriate from her manual. That is his plan and he is sticking to it.

Councilwoman Meggs said that she just wanted to say to those that have called within the past several days and have asked her to not raise the taxes that much, she tried and she saw the handwriting on the wall. So be it that is what it is this year.

Councilman Rivers said first of all as you look back and say experiences are a teacher he sits back and remembers now when his former colleague Councilman Walton use to sit over here and say that the last reevaluation for the Fourth Ward was not fair. He said that was because you said that it was a revenue neutral but he use to always pointed out that the Fourth Ward had over a hundred and thirty percent in some cases where persons taxes went up. Then you turn around and look this year at the \$.04 tax increase that just escalates what was said when we did that re-evaluation in terms of certain areas that there taxes shot up tremendously so he sits back and he hopes that we remember it next time when we say revenue neutral that all households we hope will be revenue neutral. He believes that is required every seven years.

Also, he is glad that Councilwoman Watts brought up about the stop light. He believes that there was an accident there recently. You know it is real discouraging and he hopes that we send that information to NCDOT in order to expedite the installation of this light. If you need to write a letter he would have no problem signing his name to it.

The third thing that he would like to address is he knows that we pass the issue with the fence and if we could look at that brick house right next to the fence on Brooks Avenue as the young lady that was telling him said that she talked about trimming back those trees. While we are over there looking about the fence perhaps we could look at that.

Mayor Pro Tem Baker said that she wanted to discuss the special budget meeting that was held last Wednesday. The meeting that was supposed to clear up discrepancies in information provided to Council and the public during the previous budget meeting held on June 9th. When I asked for clarification of the

agenda and whether or not it had to show the purpose for the meeting as it was advertised she was immediately called down by council persons saying that they knew that there would be a dedicated effort to shut down that meeting. If there was a dedicated effort to shut down that meeting I can assure you that meeting would never had been held. It very well could have been a boycott of that meeting which she feels sure it would have resulted in there not being a quorum. Also there could have been objection to the meeting being televised as in the vote of a few meetings ago where we had agreed that regularly schedule meetings including regularly scheduled budget meetings would be televised. A special called meeting would not be televised. But there was none of that. Council did show up, everyone that could change their schedules to accommodate the meeting did show up. I am not saying that two council people didn't have the right to call the meeting of course they had the right. I am saying that the meeting didn't have to be a special called meeting. It could have waited until tonight. We just went over the whole absolutely everything that we talked about Wednesday we went over again tonight. There was no notice to anybody about the meeting prior to it being called. No calls to anyone to see if it fitted in with their schedule, including and especially the City Manager who had plans to go out of town which he told us about it a week before the meeting or a week and a half to an event which included his education classes to keep his manager's certificate. Instead we went ahead and held the meeting to be just another forum for council people to rant and rave about how unjust this budget is to our employees. In fact the audience was filled with employees, how convenient. These employees were just told how bad the rest of the council was for voting themselves a raise like we did tonight and yet taking away part of the employees raise. No mention of the fact that it was an objecting council person who made the motion for the raise. No mention of the fact that council had not had a raise for ten years or that city employees had not missed a raise except the one that she mentioned before where the state withheld our money. We always ask the employees that was said, to give. That is false. The employees gave one percent back ten years ago. We had a retreat at the beginning of this council to learn about how to get along. We had another special meeting to further discuss getting along as a council. But she is here to tell you that will never, we will never get along as a council until we have trust among ourselves and as long as we have council people who continually go behind others back to get things to go their way and make themselves look good regardless how impacted the City as a whole, we will never achieved that level of trust. Never.

Councilwoman Hummer asked to say one thing. She did inform the City Manager.

Mayor Atkinson said that he has a couple of things that he would like to say very briefly. Number One he was asked to attend the Juneteenth Celebration this

weekend which he was fortunately enough to be able to do. It was a great event. It was attended by hundreds of people. They had a great speaker, Pastor Barber. We had comments from the Chancellor at Elizabeth City State University and we had comments from Cecil Perry, Chairman of the County plus himself. He was very pleased to be there. It was a great event. It was a full day of events and he thinks it was a well done job. He wants to commend those folks that put it on.

Number two he has good news tonight. He mentioned to Council some time ago that he would approached the County Commissioners about the amount of money that we pay for tax collection. There budget was in the neighborhood of \$190,000 as he recalls and the City was paying \$120,000 of it. With meetings with several of the county commissioners as well as Cecil Perry the chairman he is pleased to report that they will be reducing that fee to \$80,000 a year as opposed to \$120,000. That is a \$40,000 a year that we can put in our pockets. That is a good thing.

One other thing that he has touched on previously and he wants to highlight it again is July 18th at 10:00 a.m. we will have Ken Raber here in Council Chambers to do a presentation to this council as well as it will be televised and certainly anyone that would like to come and hear his presentation he encourages you to do that. He is an expert on this and he has great regard for him and his abilities as well as the entire ElectriCities organization.

8} CLOSED SESSION:

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

A motion was made by Councilman J. A. Stimatz, seconded by Councilman R. E. King to retire into Closed Session for discussion of Personnel as per NCGS 143-318.11(a). Those voting in favor of the motion were: Stimatz, King, Baker, Evans, Hummer, Meggs, Rivers and Watts. Against: None. Motion carried.

Upon the end of the Closed Session.

A motion was made by Councilman J. A. Stimatz, seconded by Councilman E. K. Rivers to return to regular session. Those voting in favor of the motion were: Stimatz, Rivers, Baker, Evans, King, Hummer, Meggs and Watts. Against: None. Motion carried.

9} ADJOURNMENT:

There being no further business to come before the City Council at this time,
Mayor Atkinson adjourned the meeting at 10:00 p.m.

Dianne S. Pierce-Tamplen, MMC
City Clerk

Steven S. Atkinson
Mayor