

**City Council Budget Work Session  
May 15, 2017**

The City Council of the City of Elizabeth City met for a budget work session on Monday, May 15, 2017 in Council Chambers, located on the 2<sup>nd</sup> floor of the Municipal Administration Building, 306 E. Colonial Avenue, Elizabeth City, NC.

MEMBERS PRESENT: Mayor Joe Peel  
Councilwoman Jean Baker  
Councilman Ray Donnelly  
Mayor Pro Tem Anita Hummer  
Councilman Tony Stimatz  
Councilman Michael Brooks (*arrived at 5:34 p.m.*)  
Councilman Rickey King  
Councilman Johnnie Walton (*arrived at 5:32 p.m.*)

MEMBERS ABSENT: Councilman Darius Horton

OTHERS PRESENT: City Manager Rich Olson  
Interim Finance Director Evelyn Benton  
Police Chief Eddie Buffaloe  
Electric Department Superintendent Karl Clow  
Assistant City Manager Angela Cole  
Interim Human Resources Director Monica Cole  
Parks and Recreation Director Dexter Harris  
Fire Chief Larry Mackey  
ECDI Director Debbie Malenfant  
Public Utilities Director Joe Pearce  
Community Development Director Matt Schelly  
IT Director Matthew Simpson  
Inspections Director Stanley Ward  
City Clerk Vivian White  
Assistant Public Works Director Larnetta Brothers

The City Council budget work session was called to order by Mayor Joe Peel at 5:30 p.m. Mayor Peel welcomed everyone to the meeting and gave the invocation, after which he led the Pledge of Allegiance.

**1. Agenda Adjustments and Approval:**

Mayor Peel requested the Council's pleasure regarding approval of the prepared agenda.

**Motion was made by Councilman Tony Stimatz, seconded by Mayor Pro Tem Anita Hummer, to approve the agenda. Those voting in favor of the motion were: Baker, Donnelly, Hummer, Stimatz, and King. Against: None. Motion carried. (*Councilors Brooks and Walton had not yet arrived.*)**

**2. Statement of Disclosure:**

The City Clerk read the Statement of Disclosure. No conflict of interest disclosures regarding items listed on the agenda were made.

**3. Discussion – Answers to Councilmember Questions from May 2, 2017 Budget Work Session:**

Mayor Peel recognized City Manager Olson to begin the discussion. Mr. Olson stated that many decisions already made by the City Council were incorporated into this budget. He addressed the \$1.1 Street Resurfacing Program and noted that the Public Works staff had identified 19 streets that did not have an underlying utility problem and could be overlaid. He stated that all streets should be identified by the next budget

meeting. He added that so far costs were estimated at \$564,951 and included 19,516 feet of street section.

Mr. Olson updated the Council on the Laurel Park street repair, stating that there had been no substantial street repair or maintenance performed on it during the last year. He noted that the right-of-way had been cleaned of overgrown vegetation, limbs and weeds. He added that \$2,200 was estimated for the repair of this street.

Mr. Olson stated that the streets within the Debry development are on the Powell Bill map, making the City responsible for their upkeep. Councilman Stimatz thanked Mr. Olson for the rubric, noting the importance in differentiation between streets that need overlay work and those that have underground issues. Mr. Olson noted that some streets may score higher on the rubric, but the City is unable to take action to repair them due to infrastructure problems. Councilman Stimatz questioned where alley maintenance falls, and Mr. Olson advised that it falls within street operation.

Mr. Olson advised that handouts would be made available on the Booth and Associates prospectus, as requested by Councilman Walton. He noted this item would be discussed during the Enterprise Fund presentation.

City Manager Olson updated the Council that Code Enforcement's year-to-date expenses totaled \$23,000 for abatement and 626 citations.

Mr. Olson noted that a maximum of ten in-car cameras could be attached to the current operating system. He added that an unlimited number of static surveillance cameras could be utilized. He stated that the City currently has 32 cameras on the system. He pointed out that the service is expandable. Councilman Stimatz asked if there was a person designated to watch the screens. Mr. Olson responded that there was an individual that monitored them during the day.

He continued by identifying the K-9 units, as follows: Sergeant Bruce Miller and K-9 Duke; P.O. III Benjamin Martin and K-9 Colt and; P.O. I Wendy Mayer and K-9 Karma.

Mr. Olson addressed the public-private partnership that the Council requested for the completion of the dog park. He relayed that he had met with the County Manager who allowed that the County did not have available funds for a dog park in the next fiscal year. He added that the County Manager informed him that they were concentrating on the K-12 school system as priority. Councilman Brooks questioned if the discussion touched on where the park would be located. Mr. Olson stated that it had not progressed to that stage. Councilman Brooks reiterated that he did not feel that the dog park should be located within the city. Mr. Olson noted that there were several grants that the City could apply for to help fund the dog park. Councilwoman Baker asked why Councilman Brooks did not want a dog park. Councilman Brooks declared that he felt there were a myriad of issues that needed to be addressed as priority over a dog park.

Mr. Olson stated that a meeting was held with local skateboarders at Knobbs Creek Recreation Center. He noted that attendees recommended a street park, concrete with metal edges. He added that the skaters are impressed with the size of the proposed park area. He furthered that some of the elements recommended were quarter pipes, pyramids, rails, ledges, manual pads, flat rails, a fly box, as well as smaller apparatus for younger children. He continued that the local skaters recommended a street park because there are other types of parks in the nearby area. He added that the bowl concept is more for pro riders, and that the skaters requested a flatter bowl with everyday street apparatus in it.

Mr. Olson explained that a plan has been prepared for the Manager's consideration regarding the Police Athletic League. He noted that it contains both Police and Parks and Recreation elements. He added that there would be a formal presentation made to the City Council during one of the next meetings.

Councilman Walton requested a diagram of the skate park's location in reference to its surroundings at the next meeting. Mr. Olson presented an illustration of the master plan for his review.

Mr. Olson continued that Coast Guard Park's operation plan had been prepared for his consideration, although he had not had time to review it. He stated the plan proposed a public-private partnership. He added that a formal presentation to the Council would be made in the near future.

City Manager Olson listed the items on the Enfield Park Area Plan, as follows: skateboard park; splash pad; ball fields; playground; basketball courts; restroom facilities; concessions; reduction of on-street parking; defined pedestrian areas and; increased "play area" signage.

Mr. Olson advised the Council that de-annexation of Camden County would require an action by the state legislature. He noted that there would be a forfeiture of sales and property transfer taxes. Councilman Stimatz questioned the total that would be forfeited if de-annexation occurred. Mr. Olson responded that he would compile the numbers and provide them for the Council.

Councilman Brooks pointed out that there are only four swings at Enfield Park, and requested that at least two additional swings be provided. Mr. Olson agreed to provide Councilman Brooks with the cost by the next meeting.

Councilman Stimatz requested that City Manager Olson provide the Council with projections of the impact on property tax increase. Mr. Olson confirmed that he would prepare that for the next meeting.

#### **4. PowerPoint Presentation of Fiscal Year 2017-2018 Recommended Budget for the General Fund:**

City Manager Olson stated that the projected June 30, 2017 Unrestricted Fund Balance is 20%. He added that the Local Government Commission recommends a higher fund balance. Councilman Walton asked what 20% corresponded to in dollar amounts. Mr. Olson advised him that he would gather that information and report to him. Councilman Stimatz requested the Unrestricted Fund Balance on only the operating funds and not any capital expenditures. Mr. Olson stated that he had received the information and would provide the Council with an answer on the following day. Councilman Walton asked if the Electric Fund receivables would become a part of this, and Mr. Olson declared that they would not.

Mr. Olson pointed out that in order to grow the Fund Balance, there must be either a decrease in expenditures or an increase in revenues. He reiterated that revenues are fairly flat this year.

Mr. Olson continued that the new total for property valuation was \$1,138,484,822. He noted that the new total for tax revenue was \$7,233,633.

City Manager Olson reviewed the General Fund Selected Revenues and their corresponding amounts as follows: property tax at \$7,233,633; sales tax from utilities at \$1,161,270; Powell Bill allocation at \$480,000; local option sales tax (1%) at \$1,485,000; local option sales tax (1/2%) at \$1,450,000; sales tax (City Hold Harmless) at \$615,000; ABC revenue at \$181,000; Pasquotank County Recreation at \$935,860; Pasquotank County Fire Protection at \$409,547; state buildings Fire Protection at \$51,000; Pasquotank County Senior Center at \$104,052; in lieu of taxes in the Electric Fund at \$925,000, in lieu of services in the Electric Fund as \$600,000; payment from Water and Sewer ay \$80,000; in lieu of services (Water and Sewer) at \$250,000; Fund Balance from the Powell Bill at \$757,178; financing from other sources at \$1,127,017 and; increase of motor vehicle tax at \$300,000. He notified Councilman Walton that if the motor vehicle tax was increased to \$15, the total would \$156,000 in revenue as opposed to \$300,000.

Councilman Brooks questioned whether the \$1.1 million for street repair would affect South Road Street. Mr. Olson noted that Powell Bill funds were only to be used on city-maintained streets. He added that the City had a wonderful working relationship with NCDOT. He advised that the bid package for Road Street was “on the market” and that there would be a one-year time frame for completion.

Councilman Walton asked if an update on the Rental Housing Program could be added to the next meeting’s agenda. He reminded the Council that it had sent a letter to state legislature asking that the program not be eliminated. Mr. Olson advised that legislators were opposed to the program and it would not be reinstated.

Councilman Donnelly asked if the Council intended to raise motor vehicle taxes to \$30. Mr. Olson stated that his budget reflected \$30, but ultimately it was the decision of the Council. He added that these funds would go directly into the street overlay project, which was estimated at \$1.1 million. He pointed out that eastern North Carolina generally has only two bidders for asphalt work: Barnhill Contracting Company and RPC.

City Manager Olson continued the presentation with the County-run departments, noting Central Communication was budgeted at \$475,053 and Animal Control at \$148,338. He stated that the total was \$623,391.

Mr. Olson stated that there was a total reduction in debt payments in the amount of \$130,306. He pointed out that payments were at \$739,685 during the 2016-2017 fiscal year, and estimated to be \$609,379 during the 2017-2018 fiscal year. He added that most of the City’s debt is connected to five-year installment purchases.

Mr. Olson listed the proposed budget corrections and changes, as follows: an increase in property taxes in the amount of \$53,742; an additional \$22,000 required for the fire truck purchase; a COPS grant in the amount of \$28,577; \$30,000 required for the Fire Department Staffing Study; deletion of the \$15,000 allotted for the dog park; an additional \$5,000 earmarked for the Food Bank, which would be removed from the Community Support grants and; two security cameras with a cost of \$7,830. He noted the total net change was \$37,489. He added that including the \$16,000 from contingency, the Council had about \$50,000 that it could allocate as it wished.

Councilman Stimatz questioned what would be done to increase the Unobligated Fund Balance. Mr. Olson stated that by June 30, the balance should be at 20%, which he felt was a comfortable amount.

Councilman King confirmed that one of the additional security cameras would be located at the splash pad. He opined that the Council should consider placing another at the skate park, as he felt it would not be fully supervised. Councilman Stimatz interjected that a stable camera should suffice for those purposes.

Mr. Olson noted that Legislative Services were budgeted, as follows: Personnel Services Expenditures at \$79,223 and; Operating Expenditures at \$67,895. He indicated that the total was \$147,118. He noted the number of budgeted positions was nine. He pointed out the Personal Expenditures had increased from the previous year due to the 10.5% salary increase adopted in November of 2016. He added that if City employees received a COLA, the City Council would receive one as well. He continued that operating expenditures had increased in anticipation of the 2018 Inauguration Ceremony. He furthered that the travel allocation would remain at the \$15,000, as adopted in the 2016-2017 fiscal year. He also noted that each Councilor will be allocated \$1,700 and the Mayor will be allocated \$3,400 for expenditures.

On the Administrative Service level, Mr. Olson listed the Personnel Services Expenditures at \$364,924 and the Operating Expenditures at \$40,395; a total of \$405,319. He noted the increase was tied to the additional costs for health insurance. He stated that this proposed budget did not include a Deputy City Clerk position.

Councilman Stimatz stated that the Council voted to include a Deputy City Clerk position and it should be put into the budget. Mr. Olson stated he would rework the

budget to reflect the position. Councilman Donnelly questioned where the funding would come from. Councilman Stimatz suggested the Council's travel budget could be scaled back. Mr. Olson stated that he would consider doing that.

City Manager Olson listed the expenditures for the Finance Service level Administration and Accounting, as follows: Personnel Services at \$340,947; Operating Expenditures at \$48,679 and; Capital Expenditures at \$5,000, for a total of \$394,626. He added that there were five full-time positions and one part-time position budgeted. He explained that the Capital Expenditures for the Finance Department included a heavy-duty scanner, office chairs and a printer.

Mr. Olson noted the Operating Expenditures for the Finance Department's Tax Division were \$140,000. He explained that \$120,000 of these funds went to Pasquotank County for collection of property taxes and the other \$20,000 went to NCDOT.

Mr. Olson stated the Operating Expenditures for the Legal Service level was \$70,800; an increase based on the City Attorney's legal fees rising from \$115 to \$125. He noted that outside legal counsel ranged from \$150 to \$200 an hour.

City Manager Olson explained that the Zoning Code Enforcement Division has been transferred from the Police Department's budget to the new Community Development Department. He declared that the estimated total was \$161,633 and noted that the number of budgeted positions was two. He noted that Code Enforcement's \$35,000 Abatement fund was separate from Inspections' \$35,000 Abatement fund.

Councilman Brooks questioned if any headway was made regarding abatement for the dilapidated property on Oak Grove. Assistant City Manager Cole noted that Code Enforcement Officer Antonio Williams had cited the out-of-town property owner, and a demolition and clean-up would be taking place in the near future.

Mr. Olson stated the Capital Expenditure for Code Enforcement was \$1,200 for semi-rugged laptops. Councilman Stimatz expressed concern that the current Comcate system did not allow citizens to see violations, adding that if citizens had the ability to see the violations, it would reduce instances of the same property being reported multiple times. He asked the City staff check on "tweaking" the system.

City Manager Olson stated the total budgeted for the Planning Service level is \$415,432. He noted the \$7,200 Capital Expenditure is related to the High-Tech conference room, which will be located on the first floor of the Midgett Building. He noted design was still being finalized.

Mr. Olson stated the largest portion of the Administration Public Buildings Division's budget would be the \$168,000 Capital Expenditure for exterior renovation and weatherization of the A.P. Midgett Building. He added that the metal "grate" needed removal, and expressed concern that the anchor points may have affected the brick work over the years.

Mr. Olson noted that \$17,000 was being designated to new signage at City Hall. He stated he felt the current signage obstructed the sight triangle.

Councilman Walton questioned if the billboard in front of the entry signs from Camden into Elizabeth City could be removed, as he felt the billboard blocked them. Mr. Olson responded that he would look into it.

Mr. Olson estimated the Police Service level budget expenditures to be \$6,528,459. He stated that there was a reduction from last year's total due to the Code Enforcement Officers moving from the Police Department to Community Development. He listed the "highlights" of the Police budget, as follows: \$237,528 for 911 contractual services; \$148,338 for Animal Control; \$7,830 for two additional surveillance cameras and; \$226,000 for five vehicles. He opined that the City should not engage in installment purchases for police cars, although he noted since they have been purchased this way for years, it would be a "hard cycle to break." He pointed out that if Senate Bill 126

passes, it would create ideal circumstances for the City to make the move away from the installment purchases.

Councilman Stimatz questioned what the long-term advantage would be from moving away from purchasing the police cars on installment plans. Mr. Olson responded that the debt capacity would improve. He added that police vehicles have an average life expectancy of seven years; the savings could be invested in street improvements or other projects with a longer life expectancy.

Councilman Stimatz asked if police officers were given driving lessons. Mr. Olson verified that courses were provided for both high-speed chases and defensive driving.

City Manager Olson stated that the Animal Control hours of operation were 8 a.m. to 5 p.m., seven days a week. He noted that Animal Control officers are on call seven days a week for bites and emergency calls for service. He furthered that the Sheriff will consider schedule changes made by the City. Councilman King stated he felt Central Communication needed to be advised of the hours.

Mr. Olson noted that the two surveillance cameras for \$7,830 were "high-tech" cameras, and not the same type that would be purchased for areas such as the splash pad.

Mr. Olson stated that the budget included funding for ten Mobile Data Units (MDTs) for the Police Department. He noted that 26 MDTs were potentially obtainable through grants, which would give the City a total of 36 new MDTs.

City Manager Olson stated that a total of seven in-car cameras are included in the budget; three with new vehicles and four would be replacements. He pointed out that the City intended to purchase two new unmarked vehicles and three marked vehicles. Councilman King inquired if the City would be acquiring any SUVs for police purposes. Mr. Olson indicated that the option would be evaluated. Councilman King opined that the K-9 units should be in SUVs, as opposed to cars. Police Chief Eddie Buffalo advised that K-9 units will be in SUVs.

Mr. Olson advised that adding five fully outfitted vehicles with a two percent inflation rate would total \$1,176,113 over the course of five years. He elaborated on the costs incurred from the police vehicles that had either been crashed or totaled, over the course of the last fiscal year. Councilman Brooks inquired if the accidents occurred during a chase, and whether or not they were the fault of the police officer. Chief Buffalo stated that only one of the accidents resulted in the City being at fault; the other four were the result of the officer being hit.

Mr. Olson identified the budgeted non-profit earmarks as \$15,000 for Albemarle Hopeline, Inc. and \$50,000 for the Police Athletic League. Councilman King asked if the \$50,000 included a full-time position he had previously requested. Mr. Olson indicated that those funds would be included under personnel services. Councilman Donnelly pointed out that a full-time position had not been voted on by the Council. Mr. Olson stated that the \$50,000 only included the expenses to run the program.

Mr. Olson continued the presentation with the expenditures for the Fire Service level. He stated that the \$2,534,433 proposed for personnel services had increased from the previous fiscal year due to health insurance costs. He noted that the primary capital expenditure would be replacing the fire truck. He stated the original plan was to replace the fire truck in two years' time, but when the City was unable to retain parts, the replacement was needed earlier. He added that Scott air bottles would cost \$30,000, air packs would be \$24,000 and the "Jaws of Life" cutters were estimated at \$5,000. He continued that \$8,5000 was proposed for a thermal imaging camera. He also noted \$30,000 would be allotted for a personnel study.

Councilman Stimatz questioned if a process mapping and improvement project for Planning and Inspections would be included in the budget. Mr. Olson stated that it was not in the budget at this time.

Councilman Brooks asked if the National Guard Armory building was still being vacated. Mr. Olson stated that the building would be undergoing \$4.5 million in improvements rather than being vacated. He added that the windows were considered historic, which limited their options for replacement and restoration. He continued that the Amory would become regional during this process; a number of outlying armories would be closed and moved to Elizabeth City.

Mr. Olson stated that Camden County will pay \$36,141 toward the Fire Inspections expenditures. He pointed out that the Council allowed a vehicle allocated for the Fire Inspections Department.

City Manager Olson stated that the Inspections Department expenditures dropped significantly, from \$335,767 to \$214,190 due to the elimination of the Rental Inspection Program. He noted that the department was allocated \$35,000 for condemnation and demolition of houses.

Assistant City Manager Cole indicated that the proposed expenditures for the Public Works Administration remained consistent. She added that the same was true of GIS. She pointed out that there was \$750 allocated for a conference room computer.

Mrs. Cole continued that the Garage Service level “zeroed itself out” with the exception of two capital items: a heavy-duty lift and a vehicle diagnostic tool. She indicated that purchase for resale included a budgeted amount of \$38,000. She added that labor charges are budgeted at \$356,299 and parts charges at \$39,589. Mr. Olson noted that these charges would be allocated to the appropriate department.

Mrs. Cole stated that the Street Division had an increase in personnel costs due to health insurance costs. She stated that \$36,934 in Capital Expenditures would be for the purchase of a Ford F250. Mr. Olson noted that the City would pay for this item in cash, and not as an installment purchase. Mrs. Cole stated that the older street signs would continue to be phased out and replaced with new signs. Councilman Stimatz inquired whether the streets would be “touched up” prior to the Potato Festival. Mr. Olson and Mrs. Cole confirmed that this process was underway. Councilman Brooks announced that he had seen some of the work and was impressed.

Mrs. Cole stated staff remained flat for the Powell Bill expenditures. She noted that Neighborhood Initiatives was a program being funded by \$100,000 of the City’s Powell Bill funds. She pointed out that Powell Bill funds must be used for local roadway-related projects, and added that planning, construction and maintenance are all considered eligible projects. Mrs. Cole indicated that suggested neighborhood projects included sidewalk construction and improvements, street lighting, bikeway and greenway paths and curbing and gutter. Mr. Olson advised the Council that state legislature was discussing disallowing salaries to be paid from Powell Bill Funds. He expressed concern with the limitations that new state mandates would place on the City.

Councilman Stimatz pointed out changes would likely be funded by a property tax increase. He advised the public to express their opinion to the state if they did not wish taxes to be raised.

City Manager Olson stated that the Parks and Recreation budget was funded by both the City and the County, 55/45, respectively. He pointed out that this budget contains no “county only” projects. He noted that Parks and Recreation’s capital expenditures were the Enfield Skate Park at \$200,000 and the Coast Guard Park improvements at \$320,000 with \$160,000 coming from a CAMA grant.

Councilman Brooks questioned when the City and the County would be having another joint meeting. He opined that the City carried burdens that the County was able to benefit from. He asked City Manager Olson for his opinion on holding a joint meeting between city and county. Mr. Olson responded that joint meetings were productive if the “right topics” were discussed. He stated that several county commissioners did not feel that they should be paying 55% of the Parks and Recreation budget. He noted that the citizens of Elizabeth City ended up paying 65%.

Councilman Stimatz pointed out that the City collects 85% of the sales tax that's generated in the county and only receives 23.6%.

Councilman Brooks reiterated his question about the prospect of a joint meeting. Mr. Olson noted the fifth Monday of the month was usually reserved for city-county meetings. Mayor Peel advised the Council that if they had items to be discussed to let Mr. Olson know.

City Manager Olson stated that a SUV was budgeted at \$27,000 and a pickup truck at \$27,000. He added that the Toro Sand Pro budgeted for \$25,057 would only cause a budget impact of \$11,276. He pointed out that it was the same case for the Toro Groundmaster and the Toro Workman. He noted that \$17,140 was allocated for Coast Guard Park equipment, and included \$9,000 for kayaks; \$7,341 for paddles; \$3,140 for paddleboards; \$4,000 for a ducky boat and \$1,500 for life jackets.

Mr. Olson stated the Senior Center is funded 50/50 by the City and the County. He explained that the capital expenditures included \$23,750 for a HVAC system and restroom renovations for ADA compliance.

Mr. Olson indicated that the Cemeteries Service level budget totaled \$54,400. He pointed out that \$42,000 was allocated for mowing the cemeteries; the remaining \$12,400 was for fixing the stones and various improvements. Councilman Stimatz questioned if the cemeteries were finished being mapped. Mr. Olson responded that they were not, although he noted that there were still individuals working on them.

Mr. Olson stated that \$255,780 is budgeted for group insurance for retirees. He noted that the Economic Development contribution is \$52,586 and contribution to ECDI is \$35,000 from MSD tax, as well as an additional \$25,000. Councilman Walton questioned what the \$52,586 for Economic Development covered. Mr. Olson responded that it paid for the salaries for Wayne Harris, his secretary and office expenses. Councilman Walton asked if there were projects Mr. Harris had recently completed. City Manager Olson stated that he could have Mr. Harris attend a meeting and respond to the Council's questions in depth.

Mr. Olson continued that Community Support grants have been decreased to \$30,000. He indicated that the Downtown Improvement Grant (DIG) would remain at \$80,000. Councilman Walton asked when people would be eligible to apply for the DIG program. Mr. Olson advised that the next group of applications would begin to be accepted on July 1, 2017.

City Manager Olson indicated that \$85,000 is budgeted for Inland Tanglewood Parkway. He noted that under the BIP guidelines, the City agreed to refund a portion of Thompson Thrift's property taxes back to them, which are estimated at \$85,000. He added that this was given in the form of a grant, stating that in the state of North Carolina cannot perform property tax abatements. He added that the terms of the BIP allowed a refund for either 15 years or \$2.2 million. Councilman Stimatz interjected that as all of the parcels were not completed yet, no taxes were being paid on them at this time.

Mr. Olson stated that \$25,000 was budgeted for Arts of the Albemarle. He advised that \$72,000 was allocated to the 2017-2018 election. He added that the Contingency Fund was estimated at \$16,124.

Mr. Olson stated that Elizabeth City Downtown, Inc. was budgeted for \$74,591 in expenditures.

He noted that Human Resources had three full-time employees and one part time employee. Councilman Walton asked for an update on the opening for the Human Resources Director. Mr. Olson stated that the position would be re-advertised. Councilman Walton opined that it had been "a long time" and that "we need to bring this to a close."

Mr. Olson pointed out that the capital expenditure of \$35,500 listed under Human Resources was for timesheet software. Councilman Stimatz requested a copy of the return on investment (ROI) for the upgrade. He asked if the ROI would allow staff to be repurposed. Mr. Olson declared he would provide the ROI for the Council. Councilman Walton expressed concern that the Information Technology Department only contained one budgeted position. He stated he felt it was a big job for one individual.

City Manager Olson stated that \$50,900 was being allocated under IT for the Dark Fiber Project. He noted that this project would include replacing cabling, eight new desktop computers, a back-up server and an 18TB NAS unit. Councilman Stimatz asked for clarification on what an 18RB NAS unit was. IT Director Matthew Simpson stated that it was a system that would be used for the cameras and data storage.

Mr. Olson declared that was the final item on the presentation.

#### **5. Questions/Discussion By Councilmembers:**

Mayor Peel called for any questions or further discussion by Councilmembers. Councilman Stimatz questioned if the Public Building Superintendent was under Building Inspections. Assistant City Manager Cole responded that position was for janitorial and maintenance service.

Mr. Olson advised the Council that if Senate Bill 126 passes, the City could receive \$322,000 in additional revenue. Councilman Walton asked which projects could be funded with the money. Mr. Olson recommended that the City use it to pay cash for items that were currently being debt-financed.

Councilman Stimatz requested statistical data on performance measures for Inspections since 2006. He asked if the weekly update on the Enterprise Fund Balance had been received. Mr. Olson indicated that he would get it to him as soon as possible.

Councilman Walton asked what would happen regarding Accounts Receivable if the City did not receive payments for electric bills by June 30, 2017. Mr. Olson stated the cash on hand would be light and the accounts receivables would be long. He reiterated that he felt the Electric Fund would be around \$5,000,000. He added that he expected billing to be approaching normal cycles during the month of June.

Councilman Brooks noted that the City usually receives \$500,000 in reconnection fees and penalties. He questioned since the City was not engaging in disconnections, what would happen with the loss of revenue. Mr. Olson stated that the City would be taking a "hit," adding that he believed there was only about \$80,000 in the fund, currently. He added that losing that revenue could result in rates being raised to an effort to offset the loss.

#### **6. Adjournment:**

There being no further business to be discussed, Mayor Peel adjourned the meeting at 7:04 p.m.

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Joseph W. Peel  
Mayor

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Vivian D. White, CMC/NCCMC  
City Clerk