

**City Council Recessed Session
June 30, 2021**

The City Council of the City of Elizabeth City reconvened from the previously recessed hearing from Monday, June 28, 2021 on Wednesday, June 30, 2021 in Council Chambers, located on the 2nd floor of the Municipal Administration Building, 306 E. Colonial Avenue, Elizabeth City, NC.

MEMBERS PRESENT: Mayor Bettie Parker
Councilman Billy Caudle
Mayor Pro Tem Johnnie Walton
Councilman Michael Brooks
Councilman Gabriel Adkins
Councilman Darius Horton (*Arrived at 5:36 p.m.*)

MEMBERS ABSENT: Councilman Chris Ruffieux
Councilwoman Jeannie Young

OTHERS PRESENT: City Manager Montre' Freeman
City Attorney Bill Morgan
Finance Director Evelyn Benton
Deputy Chief of Police James Avens
Interim Electric Superintendent Bob Vannoy
Human Resources Director Montique McClary
Public Utilities Director Dwan Bell
Fire Chief Chris Carver
Grants Administrator Jon Hawley
Community Development Director Debbie Malenfant
ECDI Director Debbie Malenfant
Parks and Recreation Director Sean Clark
IT Director Matthew Simpson
City Clerk April Onley
Deputy City Clerk Doris Walton

The City Council regular session was called to order by Mayor Bettie Parker at 5:30 p.m. Mayor Parker welcomed everyone to the meeting and recognized Councilman Spence to give the invocation, followed by the Pledge of Allegiance.

1. Agenda Approval:

Mayor Parker asked the Council's pleasure on the presented agenda.

Motion was made by to approve the agenda as amended by Councilman Gabriel Adkins, seconded by Councilman Billy Caudle. Those voting in favor of the motion were: Spence, Brooks, Walton, Caudle and Adkins. Against: None. Motion carried.

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. Consideration – Approval and Adoption of FY 2021-2022 Budget Ordinance:

Mayor Parker asked City Manager Freeman to begin the final discussion. Mr. Freeman stated that the Council had instructed him to bring back an 8.5-cent tax increase in this last round to address employee salaries, which was what was presented in front of each of them this evening in a balanced format.

Mayor Pro Tem Walton asked where the changes in the budget were made and how did we get to this point? Manager Freeman said the homeless shelter was cut to \$50,000, and we still had

to borrow from the fund balance to balance the budget. As presented, we were still able to address the pay study as presented by the management group.

Councilman Horton noted that with the 8.5-cent increase, the employees would still all receive the same raise that was being considered with a 10-cent increase. Mr. Freeman confirmed that was the case. Councilman Horton said there had been much discussion within the community as to whether the City Manager would be getting a raise. Manager Freeman said he would not be receiving a raise due to his contract, which tied his raises to evaluations, the next of which would occur on July 30th. Councilman Horton said he thought it was important to note that all employees were being brought up, including department heads with this increase. He said, "This is why it's so important for us to go through the budget process and not just throw numbers out at people to get political clout because we could have had a 10-cent increase ... which wasn't even necessary, but we're always so quick to try to do things." He said he felt this budget was for the employees and it was important that they got what they need. He pointed out that we had managed to save the taxpayers money and still get the employees the necessary raises because the Council worked together.

Mayor Pro Tem Walton asked if every full-time worker would be brought to at least \$15 per hour under this 8.5-cent increase. Mr. Freeman said he had not looked at the hourly wages personally, and the pay study looked at a market and brought everyone to a "market minimum." Mayor Pro Tem Walton said he understood that, but that's not what he'd been asking for over the last two meetings. He noted that he'd been staunch on his stance that every full-time employee should be making \$15 an hour, in spite of the pay study. Mr. Freeman said he wasn't aware of the request from two meetings ago and he apologized. Mayor Pro Tem Walton said he and Mayor Parker were asked to attend a meeting to "get things started" by the directors. He said, "during that meeting, we thought of a different plan. We've got a plan here that might work for everybody. I haven't heard from it since. I was wasting my time coming to that meeting. I came to that meeting so people could do something with me. I don't like to be used. We definitely came up with a different plan." He said he couldn't make the special meeting on Wednesday, but regardless, the plan was not brought up. He added, "I don't know what the directors are doing or what you're doing with the directors or what they're telling their workers, but somebody's hearing something that isn't right, and that isn't good for any organization." He expressed concern that people were doing things just because they could instead of what was good for the organization. He reiterated that all full-time employees needed to be at \$15 an hour, stating that "if we didn't do that, we didn't do our job."

Councilman Brooks said he thought the conversation happening tonight was good. He said he believed the budget would pass with 8.5 and we didn't need to discuss it too much longer. He thought we should discuss a living wage as opposed to a minimum wage. He noted, "This Council can't fix it overnight because it didn't happen overnight." He noted that since the pay study took place, we needed to hold true to it, even though he did not necessarily agree with the tactics that took place after. He referred to this as a battle between the "haves" and the "have-nots." He said, "All the haves call me and tell me why you shouldn't and the have-nots tell me why you should." He worried that eventually the people who can afford to live inside of Elizabeth City will escape to the suburbs and their money will escape with them. "Growth should support growth."

Councilman Adkins thanked the City Manager and the Finance Director for saving the taxpayers a cent-and-a-half and still make everything work with the pay study for the employees. He said that just as he stood with our community after the death of Andrew Brown, he had stood alongside our employees as well. He said he wanted to put on record that he would not be seeking re-election, so he was not standing with them for political clout or gain; he did it because he wanted to stand for what he believed was right. "If any guilty conscious of others feels a certain way, you've got to deal with that with your god."

Motion was made by Councilman Gabriel Adkins to approve the Budget Ordinance with the 8.5-cent tax increase. Councilman Kem Spence seconded the motion.

Councilman Horton said he was for passing the budget, but he also thought that Mayor Pro Tem Walton's statement about all City employees making at least \$15 an hour was extremely important as well. He asked Director Benton if the 4% increase in the budget would bring all employees to \$15? Director Benton replied that she was not sure at this time. Councilman Horton said that was something he'd like to see happen in our City. He stated that he'd like to see that on our next meeting's agenda, reiterating Councilman Brooks' statement that there is

a difference between a living wage and a minimum wage. He asked Attorney Morgan if he could make a motion on that matter while there was already a motion on the floor. Attorney Morgan replied that the body should deal with the motion on the floor first, provided that Councilman Horton's motion was not being made in a desire to amend the original motion.

Councilman Spence advised that he would be running for re-election but that's not why he stood with the employees. He said he encouraged them because it was the right thing to do, and was not done in the interest of political gain. He noted that the 4% was across the board for all employees.

Mayor Pro Tem Walton said he hadn't slept well the previously evening because he was worried and wanted to make sure he said the right thing. He said if you look at Elizabeth City as a business, you have internal customers and external customers, and both need to be looked out for equally. The City's product is its services, and if we don't have good services, we won't have good business. He noted that the last two days were rather drastic and worrying, and we needed to address them instead of putting blinders on and ignoring them. "How can you protest your own business? What kind of sense does that make?" He noted that there was no form to fill out to say you weren't going to run for Council again; there's only a form to fill out saying you are going to run. Attorney Morgan confirmed that declaring you aren't running is not binding.

Mayor Parker interjected that the discussion was veering from the topic of the budget and she'd like to redirect the Council's attention. Mayor Pro Tem Walton said that everyone else's comments had been allowed and his should be as well. He advised that he had stopped into the Clerk's office prior to the meeting to call for a Special Meeting, which would be held on Friday, July 2nd, and he'd be happy to continue this conversation at that time.

Mayor Parker asked the Council's pleasure on the motion on the floor.

Those voting in favor of the motion were: Spence, Brooks, Walton, Horton and Adkins. Against: Caudle. Motion carried. A roll call vote followed, which yielded the same results.

FY 2021-2022 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, 2021 through June 30, 2022.

<u>General Fund</u>	
Current Year's Property Taxes	\$8,798,765
Delinquent Property Taxes	402,500
Sales Taxes	1,442,266
Powell Bill Funds	400,000
Local Option Sales Tax	3,639,850
Investment Earnings	25,000
Licenses and Permits	552,082
Sales and Services	2,130,322
Payments in Lieu of Taxes and Services	1,775,000
Other Revenues	4,640,063
TOTAL GENERAL FUND REVENUES	\$23,805,848
 <u>Electric Fund</u>	
Energy Sales	\$32,637,600
Other revenues	1,019,071
TOTAL ELECTRIC FUND REVENUES	\$33,656,671
 <u>Water and Sewer Fund</u>	
Water Sales	\$5,416,200
Sewer Sales	4,562,000
Other revenues	1,870,777
TOTAL WATER AND SEWER FUND REVENUES	\$11,848,977
 <u>Stormwater Utility Fund</u>	
Residential Revenue	\$220,000

Commercial Revenue	363,000
Other revenues	7,000
TOTAL STORMWATER AND SEWER FUND REVENUES	\$590,000

Solid Waste Fund

Residential revenue	\$1,674,485
Other revenue	92,000
TOTAL SOLID WASTE FUND REVENUES	\$1,766,485

SUBTOTAL	\$71,667,981
LESS INTERFUND PAYMENTS	(1,875,000)
TOTAL	\$69,792,981

SECTION 2. It is hereby appropriated for the operation of the City of Elizabeth City and its activities for the fiscal year beginning July 1, 2021 and ending June 30, 2022; the General Fund is budgeted by departments as listed below, and the Enterprise Funds are budgeted by function (fund). The detail provided is for internal use only.

General Fund

Legislative	\$159,371
Administrative	604,528
Finance	544,359
Tax	145,000
Legal	68,000
Code Enforcement	177,555
Planning	398,103
Public Building	634,956
Police	7,725,667
Fire	5,365,177
Fire Inspections	332,545
Building Inspections	277,734
Public Utilities	2,089,681
Parks and Recreation	3,333,793
Non-Departmental	1,071,769
Human Resources	452,692
Information Technology	424,917
TOTAL GENERAL FUND	\$23,805,848

Electric Fund

Data Processing	\$156,448
Warehouse and Purchasing	265,868
Non-Departmental	27,025,972
Customer Service Department	475,445
Electric Distribution	4,485,235
Energy Management	1,247,704
TOTAL ELECTRIC FUND	\$33,656,671

Water and Sewer Fund

Data Processing	\$156,298
Non-Departmental	1,038,768
Customer Service Department	445,107
Water Supply and Treatment	4,664,672
Wastewater Treatment	2,086,560
Water and Sewer Maintenance	3,457,572
TOTAL WATER AND SEWER FUND	\$11,848,977

Stormwater Utility Fund

Stormwater Utility	\$590,000
TOTAL STORMWATER FUND	\$590,000

Solid Waste Fund

Solid Waste	\$1,766,485
TOTAL SOLID WASTE FUND	\$1,766,485

SUBTOTAL	\$71,667,981
LESS INTERFUND PAYMENTS	(1,875,000)
TOTAL	\$69,792,981

SECTION 3. There is hereby levied a tax at the rate of \$.74 per \$100 valuation of property as listed for taxes as of January 1, 2020 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 \$15.00 per vehicle.

The tax rate is based on an estimate total valuation of property for the purpose of taxation of \$1,152,760,750 and an estimated rate of collection of 97 percent.

SECTION 4. There is hereby levied a tax that at the rate of \$.085 per \$100 valuation of property listed for taxes as January 1, 2021 located within the Municipal Service Tax District.

SECTION 5. That the City water rates be increased by 2% and the sewer rates by 28% effective with the

SECTION 6. That the compensation study be implemented for the City's personnel.

SECTION 7. That a holiday bonus of \$300 be given to all FLSA non-exempt employees in November.

SECTION 8. That a longevity payment be continues at the rate of \$125 per year of employment.

SECTION 9. That the health insurance coverage be authorized with Cigna and employees and eligible retirees shall pay \$39.72 per month towards their health insurance coverage.

SECTION 10. That the parking rental fee remain \$25 monthly for City-owned parking lots.

SECTION 11. That the City of Elizabeth City fee schedule be adopted by reference.

SECTION 12. That the City of Elizabeth City Capital Improvement Program be adopted.

SECTION 13. The Budget Officer shall be authorized to reallocate departmental appropriations among the various expenditures within each department.

SECTION 14. Outstanding purchase orders and projects as of June 30, 2021, are hereby re-appropriated to this budget.

SECTION 15: All ordinances or parts of the Ordinances in conflict herewith are hereby repealed.

Adopted on this 22nd day of
June 2020.

on this 28th day of June 2021

Bettie J. Parker
Mayor

April Onley
City Clerk

Motion was made by Councilman Darius Horton directing staff to present a report during the next Council meeting showing what it would take to bring all employees up to \$15 per hour in pay. The motion was seconded by Councilman Gabriel Adkins. Those voting in favor of the motion were: Spence, Brooks, Walton, Horton, Caudle and Adkins. Against: None. Motion carried.

Councilman Brooks said the issue was never whether employees needed a raise; the question was where would we get the money? He noted that the employees are citizens of Elizabeth City and the Council serves them; if the Council had not done the study and armed them with the information in the first place, they wouldn't have had the first important step in moving toward making a living wage. He noted that some of the employees who spoke during the last meeting spoke with eloquence and were very professional. He thanked the Council and those who voted for helping the employees move toward a living wage. He pointed out that this wasn't a one-time thing; we had to keep the employees in pace inflation.

Mayor Pro Tem Walton said he hoped the internal customers were listening and that's one of the reasons he'd called for the special meeting. He said he didn't like to analyze things until it was over with, but now the budget was over, so we needed to go back and look at what happened so it didn't happen again. He instructed Manager Freeman to ensure that both he and the directors attended the special meeting. Mr. Freeman stated that July 2nd was the City's Independence Day celebration, and many of the directors would be unable to attend due to working the event. Mayor Parker noted that she would also be engaged at that event and unable to attend a special meeting that day. Mayor Pro Tem Walton said he would look into re-planning the meeting. Manager Freeman told Mayor Pro Tem Walton that he had an after-budget briefing with directors planned for July 15th. Mayor Pro Tem Walton said that was good, but he wanted a meeting with them himself because the directors had pulled him into a meeting and used him and he did not like that.

Councilman Horton said he was glad when he heard that Mayor Pro Tem Walton was calling for a meeting because he felt there'd been a breakdown in communication with our budget process. He said he felt that the department heads and the manager needed to understand the process. "It's disturbing to think that the people who work for the City would think that the Council, after spending \$30,000 to do a pay study would not want to implement that. That's where correct information needs to be put out there." He agreed with Mayor Pro Tem Walton that the special meeting definitely needed to happen.

4. Adjournment

There being no further business to be discussed, Mayor Parker adjourned the meeting at 6:03 p.m.

Bettie J. Parker
Mayor

April D. Onley, NCCMC
City Clerk

