

**City Council Regular Session  
April 10, 2017**

The City Council of the City of Elizabeth City met in regular session on Monday, April 10, 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 (*arrived at 7:10 p.m.*)  
Councilman Ray Donnelly  
Mayor Pro Tem Anita Hummer  
Councilman Tony Stimatz  
Councilman Michael Brooks (*arrived at 7:14 p.m.*)  
Councilman Rickey King  
Councilman Darius Horton  
Councilman Johnnie Walton

MEMBERS ABSENT: NONE

OTHERS PRESENT: City Manager Rich Olson  
City Attorney Bill Morgan  
Police Chief Eddie Buffaloe  
Electric Supervisor Jason Value  
Assistant City Manager Angela Cole  
Interim Human Resources Director Monica Cole  
Parks and Recreation Director Dexter Harris  
Deputy Fire Chief Chris Carver  
ECDI Director Debbie Malenfant  
Public Utilities Director Joe Pearce  
Public Utilities Director Paul Fredette  
Community Development Director Matt Schelly  
IT Director Matthew Simpson  
Inspections Director Stanley Ward  
City Clerk Vivian White

The City Council regular session was called to order by Mayor Joe Peel at 7:00 p.m. Mayor Peel welcomed everyone to the meeting and recognized Councilman Darius Horton to give the invocation, after which Mayor Peel 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 Mayor Pro Tem Hummer, seconded by Councilman King, to approve the agenda with any necessary changes.**

Mayor Peel announced that Item 8C "Placement of World War II Memorial Monument at Coast Guard Park" needed to be removed from the agenda.

**Those voting in favor of the motion were: Donnelly, Hummer, Stimatz, King, Horton, and Walton. Against: None. Motion carried. (*Baker and Brooks 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. Proclamation/Presentations:**

a. Proclamation: 2017 Earth Day:

Mayor Peel read and presented a proclamation proclaiming April 22, 2017 as EARTH DAY IN ELIZABETH CITY. The proclamation urged all citizens and businesses to

participate in healthy and sustainable activities on that day as well as throughout the year to make our community a healthy, wholesome and environmentally-friendly place.

Present to accept the proclamation representing Elizabeth City State University were Dr. Scott Bradshaw, Russ Haddad and student, Ashlan Tann. Mr. Tann thanked the City Council for the recognition and invited everyone to attend the University's Earth Day Celebration on April 22, 2017.

b. Presentation: Introduction of Public Utilities Director Joe Pearce:

Mayor Peel recognized City Manager Olson for his comments. Mr. Olson invited Mr. Joe Pearce to stand. Mr. Olson stated his pleasure in introducing him as the City's new Public Utilities Director. Mr. Olson provided a brief education and work history for Mr. Pearce and welcomed him to his management team.

c. Presentation: Update on Conversion of Utility Billing Software:

Using a PowerPoint presentation, Mr. Olson provided an update on the status of the City's utility billing conversion. He began his presentation by assuming responsibility for the problems and the situation being experienced by the City's utility customers and apologized to them, to City staff and to the City Council. He noted that it had been a trying time at the staff level to make the conversion and admitted that a number of mistakes had been made. He complimented the City's employees for their commitment to professionalism during this trying time. Mr. Olson stated that he could hear the interactions from the Customer Service Department from his office; and stated that he felt a great deal of sympathy for the City's employees and the City's utility customers.

Mr. Olson stated that in retrospect, he should have terminated the utility software conversion months ago, but was optimistic that the issues being experienced could be solved based on the information he was provided. He said that once the billing function got behind, issues snowballed and staff was unable to get the bills out in a timely manner. He noted that because of that, customers would receive multiple bills in a short period of time. He announced that consumption calculations were correct.

Mr. Olson stated that for decades, the City had used the Logics software platform for utility billing and financial functions. He reported that several years prior, the City began to experience difficulties with the financial module of Logics. He said that although the City requested that Logics make changes to the old platform, they elected not to do so because they were working on a new web-based software platform. He said that it was concerning to staff that the Logics platform was not being supported any longer, hence the decision to look for a new software provider.

Mr. Olson pointed out that there were limited billing options available with the Logics platform; and reminded the Council that a goal of the Council was to be able to offer customers a choice for their billing date. He noted that an additional consideration was being able to utilize the Nexgrid system.

City Manager Olson reported that a user group comprised of City staff members was formed in 2014 to evaluate a new software system. He noted these employees visited several cities that utilized various platforms; and in addition, various companies provided a number of demonstrations for their products. He said that the City's user group chose Edmunds software, based on other users' recommendations; and subsequently the Edmunds software modules were implemented in phases.

Mr. Olson noted that Edmunds' general ledger and fixed assets modules were implemented in a one-month time period and payroll and personnel functions were implemented over a three-month period. He stated that very few conversion issues were experienced with those deployments.

Mr. Olson reported that City staff started in earnest to implement the Edmunds utility billing software in August 2016. He said that the City processed parallel runs of both the Logics system and the Edmunds system at that time. He stated that having to run dual systems added to the workload of staff and the billing functions got behind. He

said that in an effort to eliminate the backlog, City staff stopped processing bills in Logics in December 2016.

Mr. Olson explained that as meters were read using the Itron equipment, the information had to be input into the Logics platform and transferred to Edmunds because the Edmunds software could not read the codes. He explained that this issue arose because of local customization of the Itron program that had occurred over the years. He noted that issues were experienced with compound meter readings because of this problem. Mr. Olson stated that the Edmunds and Logics software could not reconcile the billings; and he noted that a lot of the problem stemmed from applying penalties.

Mr. Olson advised that his plan moving forward was to convert back to the Logics system unless the Council directed otherwise. He said that a data extract of the two systems was being performed in order to combine the data into one file. He reiterated that the meter reading data was correct.

Mr. Olson reported that the City is currently six weeks behind in getting utility bills out, which means that customers will receive three bills within a 45 day period. He said that billing frequency was unavoidable if the City is to get back on track.

Mr. Olson stated that in an effort to minimize any adverse impact on citizens, he wanted to propose that the City Council waive penalty assessments until July 1 and perform no disconnections until after July 1. He said that should provide citizens an opportunity to get caught up on their bills and allow the City to get the billing system back in order.

Councilman Brooks stated that the City Council was just as responsible, because they had not done their jobs. He said that when the public comment period was completed, he wanted to be able to explain why all the responsibility could not be put on one person. He said that the City's Charter requires a Council-Manager form of government and it is the Council's responsibility to direct the City Manager regarding what needs to be done. He said the City Manager accomplishes that through his department heads. Councilman Brooks stated that the Council had talked about "this mess" several times and were repeatedly told "it's going to get better." He said that it is the City Manager's job to inform the Council that it was not getting better and what the issues were. He opined that "this mess should have been stopped a year ago."

**Motion was made by Councilman Walton, seconded by Councilman Horton, that "we resume this conversation after public comments."**

City Attorney Morgan advised that a super majority vote would be required. Councilman Stimatz pointed out his opinion was that the Council was only tabling the discussion until later in the meeting, which did not require a super majority vote. The City Clerk concurred.

Mayor Peel called for a vote on the motion.

**Those voting in favor of the motion were: Baker, Donnelly, Hummer, Stimatz, Brooks, King, Horton and Walton. Against: None. Motion carried.**

Mayor Peel announced that the discussion was tabled until after completion of Public Comments.

#### **4. Comments from the Public:**

Mayor Peel explained the process for Public Comments to those present.

John S. Gebia, III, 914 West Church Street, Elizabeth City, NC stated that the citizens of the community are not responsible for the City Manager's mistake in selecting an untenable computer program to run utility billing. He said that he was thankful that all records had been maintained in order to reinstate the old system. He suggested that all late fees assessed since the establishment of the failed billing system should be waived. He recommended that the totals of all back bills be accurately calculated and

divided into twelve equal parts to be paid over a twelve-month period. He stated that to require large payments for back bills would unduly harm the elderly and those on fixed incomes within the community. He also suggested that the convenience fee charged for use of the online payment system be waived. He contended that the City is assessing unreasonable charges on bills in the hopes that citizens will not notice them and pay them; and he alleged that meter readings are incorrect. He stated that the City should schedule meter readings in advance to allow customers to be aware and have an opportunity to verify accuracy. He stated that he expected his suggestions to be given serious consideration and implemented as soon as practical.

Michelle Aydlett, 684 Oak Stump Road, Elizabeth City, NC stated that although she lives in Pasquotank County, she had the City's "high utility bills, but not any City services." She stated that the contract for the new billing software should have included enough training to insure a smooth transition for the billing conversion. She stated that she agreed that full responsibility belonged to the City Manager and the City Council. She pointed out that retirees and citizens living paycheck to paycheck could not afford the stacking of bills. She said "three bills within 45 days is ridiculous." She encouraged the City Council to "drop the rates as soon as possible" to make up for the controversy and inconvenience to the citizens.

Alice Redding, 914 Riverside Avenue, Elizabeth City, NC said her only comment on the utility billing issue was "why did it take so long to handle this?" She stated that her other concern was the fact that she had sent several communications to the City Council regarding her desire to develop several of her downtown waterfront properties. She said that she had received back information from Mayor Peel that she deemed inaccurate, as well as a response from Councilman Stimatz, which she said also relayed incorrect information. She said that at no time had she ever tried to deal with property when the owner was not present, was there to support the project or she had a signed statement giving her permission to represent them. She stated that she wanted the City's records corrected to reflect that. She opined that 13 years is too long for City Administration to hold up progress on the waterfront. She suggested that the attitude in the past has been "you can't do that," rather than "how can we help you." She requested that if she needed to work with the Planning Department she was willing to do so; and if her plans required modification of City Code, she hoped the Council would be willing to do that.

Joseph Persico, 406 W. Church Street, Elizabeth City, NC complained that he moved in November 2016 from a house in Oxford Heights and was still receiving a utility bill for that location. He advised that he had not yet received a utility bill for his new home. He stated that he guessed how much he had to pay each month and thought that was ridiculous. He said that the economics of the area could not afford three bills in 45 days. He asked if the City could take its rate fight to the state, because a bad deal was made and the citizens were still paying for it.

Kate Carpenter, 313 Selden Street, Elizabeth City, NC stated that she had retired to Elizabeth City because she thought the cost of living would be better than living in the State of Virginia. She quoted a post from the Facebook page of the Enough is Enough group that she thought was important to be heard. Even though she acknowledged that it was hearsay, she opined that citizens were receiving conflicting information from City staff regarding when they would be required to pay. She stated that she had lived in Elizabeth City for six months and had received only three utility bills, all containing the charges for basic services. She noted that her usage was shown as "zero." She noted that she had been paying an estimated amount each month hoping to keep her account current; but worried that the payments were not being credited because they did not appear on her statement. She asked that the Council consider immediately sending out a letter to all utility customers explaining why they are receiving the bills and how they are being computed. She requested that instruction be provided to people who do not know how to read their meters so they can compute their actual usage. She asked for assurance that payments are not being lost and requested that penalties and disconnections be waived. She stated that she thought twelve months or some reasonable alternative should be given to pay back bills.

Ernest Askew, 1405 W. Main Street Ext., Elizabeth City, NC said that he was sick of the City Manager's estimates for projects funded by the taxpayers. He said that he was tired of paying high utility bills for Dominion's infrastructure projects, while they keep making billions in profits. He said he was "tired of the lies." He said that the City had lost the trust of its residents. He called for the City Attorney to request that the State Auditor's Office audit the City's finances. He said the City should drop its rates to "free" for a couple years and see how the City grows.

Ron Lowe, 625 S. Hughes Blvd., Elizabeth City, NC stated that he moved to the new Morgan Pointe Apartment complex in January and had not yet received a utility bill. He said that he just received a late notice from his previous address. He stated that for four months, he had been visiting the Customer Service Department to pay on his account without having a meter reading. He spoke on behalf of an elderly friend, who he stated was afraid she will be unable to pay her bills once she receives them. He noted that there was a side of the problem of which the Council may not be aware, which was the mental distress of the City's customers.

James Stokes, 2922 W. Main Street Ext., Elizabeth City, NC said that he prides himself on paying his bills on time, but the City's utility billing issue was making that very difficult. He said that citizens must support their families and stated that the twelve-month plan suggested by Mr. Gebia would provide the citizens an opportunity to pay for the City's mistake. He said that there was no possible way he could keep up with the stacking of the bills.

Sarah Ownley, 705 S. Adams Landing Road, Elizabeth City, NC stated that many people had said what she had planned on saying, but her comments were more of disgust and disappointment. She said that she "despised people being thrown under the bus." She stated that everyone involved with the utility billing issues must be held accountable. She stated: "eight months have gone by – eight months have gone by – and it took all of these people having to take time out from their days, hire baby sitters to come down here and beg ya'll to lower our utility rates." She said "make a payment plan for us." She opined that the City Council should already be discussing the matter and the citizens shouldn't have to "come here begging you for it." She stated "yes, I'm mad. My bill isn't that screwed up, I'll be honest with you." She continued "I'm here because I see elderly, disabled, people that cannot pay their bills – there are two apartment communities in Elizabeth City – my heart bleeds for these people." "They are low income; they cannot afford what you guys are doing to them." She stated "when I say that, I mean all of you." "You were hired on City Council, City Manager; please don't give me that 'we did this behind closed session, crap.' It's a bunch of crap." "You are all in it together; you go down with the sinking ship together. You all put holes in the ship." She said that there were a lot of things the citizens were asking "actually we are demanding them – twelve months minimum payment plans for these people – your citizens – the people you say you care about – that you got on City Council for – that you became the City Mayor for." She said "you're irrelevant to me when you do nothing to help the people here." She said "people have security deposits they've put down – they're not getting them back. Why?" "They've paid their bill on time for twelve months." She alleged that staff had told citizens they would have to come in and prove they were due the deposit back. She pointed out that some citizens cannot drive or have to take taxis in order to come to the customer service department. She stated "illegal, illegal penalties. Illegal, illegal fees that you're charging these people - that you guys are banking, the City is banking. Because a lot of people don't realize that they need to dispute these charges." She announced that she "had been told" that thirty cities had problems with the Edmunds software. She asked "Who researched it? Who picked out this software? Who was responsible for the software change?" She asked "Why wasn't IT brought in? \$30,000 to pay for this software system? Why in God's name didn't you have IT in this?" She stated "I don't think anybody here would have done anything about it if it hadn't been for us fussing about it. That's really sad." She stated that she believed an audit was needed of all bills, because they are not correct. She said that she thought a lot more things would be uncovered that needed to be known. She stated that she found it odd that the Finance Director was fired at the time the Enough is Enough group started. She suggested that the City Council needed to "dig a little deeper." She said "more people need to be held accountable for this."

Paul Riggs, 114 Whitehurst Street, Elizabeth City, NC read a statement written by his wife expressing her concerns regarding electric service provided by the City of Elizabeth City as well as her concerns about the utility billing issue. He expressed compassion for the elderly who were being impacted. He pointed out that Elizabeth City is located in a high poverty area, and that poverty is experienced by people of races. He suggested that the City notify citizens when their meters will be read to allow them to verify the readings. He asked for accurate, on-time bills, a stated grace period, and for the City to stop late fees. He said that he came to be a voice for people who did not want to talk.

Valerie Troll, 810 Kyler's Way, Elizabeth City, NC stated that she and her husband moved to Elizabeth City on November 8, 2016 and had only received one utility bill on March 20, 2017, which was a shut-off notice. She said that she was really concerned about the situation and suggested that it needed to be fixed.

Jeff Troll, 810 Kyler's Way, Elizabeth City, NC stated that his wife had summed up his feelings. He thanked the Council for their time.

Bridget Colbert, 1002 Asbury Lane, Elizabeth City, NC stated that she had started the social media group, Enough is Enough, and had been joined by Sarah Ownley fairly quickly. She stated that she felt that every good manager should know what's going on with his company; and indicated that she believed more could be done and said about that. She said that through the social media group she was hearing stories; and alleged that Coast Guard personnel are warned before coming to Elizabeth City not to move into the City because of the utility rates. She noted that the citizens should not have to suffer the 5% rate decrease that had been put on hold because of the software issue. She stated that the Manager and Council had taken responsibility for the problem and asked why the decrease would be delayed. She stated that she did not believe utility bills were correct and alleged that the City had lost \$300 that she had paid on her account. She stated that the payment had been applied to a deposit amount erroneously and found by staff four weeks earlier, yet she had not received the credit she was due. She said that if that had not happened, she would not have "posted her problems," would not have seen all the other stories and the Enough is Enough movement would not have occurred. She said she was due to also receive credit for penalties applied to her account. She stated that some members of her group had paid consistently every month, but were still receiving bills for the months already paid - only in higher amounts. She urged members of the City Council to visit the Customer Service Departments and listen to the complaints being expressed. She said "this is BS and these bills are not right."

Angela Young, 722 Richardson Street, Elizabeth City, NC stated that her problems with the utility billing began prior to the software change. She said that she had moved from one address to another and had been cut off, even though she had a credit balance. She stated that she had her receipt and was able to have the problem corrected the same day. She stated that the stacking of bills was a real problem for her, because she was a stay at home mom with two children with heart conditions and lived on a limited income. She stated that her family conserves energy, but she had "never seen electric bills this high."

Jesse Harmon, 702 Parsonage Street, Elizabeth City, NC stated that he had paid his utility bill on time every month and could not understand how he could be two months behind as he is being told. He said it's "like somebody is trying to get me and I'm not going to let it happen." He stated "ya'll need to get it right." He said he did not run his heat during the winter to prove a point, and his electric bill went up \$150. He stated "tell me where that is." He commented "there's some crookedness going on." He said "the citizens of Elizabeth City won't stand for it no more and I'm one of them."

**Motion was made by Councilman Stimatz, seconded by Councilman Brooks, to bring the item tabled previously off the table. Those voting in favor of the motion were: Baker, Donnelly, Hummer, Stimatz, Brooks, King, Horton and Walton. Against: None. Motion carried.**

Mayor Peel stated that the discussion “Update on Conversion of Utility Billing Software” would resume.

Councilman King stated that he knew the utility issues had been a hardship on a lot of people. He suggested that the City Council should come up with a way to assist customers to pay off the high back bills within twelve months. He stated that he knew that customers on fixed incomes could not afford to pay more than one bill each month.

Councilwoman Baker stated that she would like to correct a couple things said by citizens during public comment. In response to the comment made about Coast Guard personnel moving into the City because of high electric rates, she noted that the City’s “kilowatt rate is the lowest in northeast North Carolina.” She pointed out that if utility bills are high, it is a result of housing and the problems the City had with slumlords not taking care of properties. She advised that was why the City got an ordinance together to force landlords to take care of their houses. She stated that she understood the billings problems, because she was a customer too. She asked that the citizens not propagate the rumor about electric rates and the Coast Guard not moving here. She stated that during his command Commander Brown had tried to put that rumor to rest. She encouraged the citizens to listen to what they were saying without having the truth.

Councilman Walton commended all the citizens for coming to the meeting. He said “if you don’t complain, there will not be a change.” He stated that the citizens would be surprised regarding how the Council carries on the business of the City. He said that he thought the Councilors should have had an extensive briefing of the utility presentation before the meeting, because it was his first time hearing it. He asked how he could make a decision on something that he had not heard. He stated that he wanted to tell the people how it goes in closed session – “same people vote the same way all the time.” He said “we can’t make a difference that way.” He continued: “People got to be truthful to what they talk about when they run for office and what they are going to do.” He said that The Daily Advance didn’t want Councilors Brooks, Horton and himself on Council “because they don’t go along with everything.” He said he wouldn’t throw anyone under the bus like the newspaper had done to the former Finance Director. He said “she didn’t go out there and say let’s put Edmunds out there. It wasn’t her.” He stated “you can’t solve a problem if you don’t know what the problem is.” He continued “it’s too much money been involved – we have lost too much money with this City.” “It will affect your budget, trust me.” He said that he would weigh things the way they should be weighed and tell things the way they are and didn’t care who it affected.

Councilman Donnelly thanked the citizens for coming out and sharing their displeasure with the City in dealing with the electric problems. He said that the City would drop the late fees and would drop the cut-off fees. He noted that someone had mentioned the fees for using credit cards to pay their bills. He pointed out that those fees do not come to the City, but are paid to the third party vendor. He said that he agreed with Councilman King that the Council should work on trying to come up with a twelve-month plan to make the citizens’ lives easier. He pointed out that the City wanted customers to pay their bills, because the City receives its bill a month before the citizens do. He noted not paying could cause the City a cash flow problem. He reported that the City’s audits are publicly accessible just by request. He said that although the citizens might not want to hear it, the City’s rates are very competitive with Albemarle Electric and Dominion. He noted that the City’s rates may also be going down again. He stated that many citizens may be living on past history when the rates were high, but the electric rates had gone down substantially. He offered to speak with anyone after the meeting if they wanted to stay.

Councilman Horton thanked the citizens for coming to the meeting and apologized because he did not feel the citizens should have had to come out. He said that he had not realized until Sarah Ownley spoke that “none of us can point fingers, because it’s our problem.” He stated that Council was the problem because it was their job to make sure that the City Manager and his staff effectively run the City. He said that no one should be “thrown under the bus when this was a collective effort of what’s taking place.” He stated that he was appalled to see so many concerned citizens at the meeting in addition to receiving emails, text messages, phone calls, and Facebook messages about this problem.” He said that when people lose trust in the City and the City’s management, it’s a problem.” He stated that the Council needed to make sure

that the trust of the citizens was restored in the City's government and the way business is conducted. He made the point that when citizens come out to meetings to express their concerns, the Councilors should not criticize them.

Mayor Pro Tem Hummer asked to correct something that had been said regarding the Council members not caring. She said "I care." She said that she had been very concerned and had asked that the presentation be placed on the agenda in order to inform the citizens. She said that she had responded promptly every time she had been contacted by a constituent. She said that from the beginning she felt that Edmunds should have been called back in and held more responsible. She noted that she did not feel the staff in Customer Service should be blamed if other cities were having the same problems. She pointed out that there had been a multitude of problems, including staff not being able to answer the phone due to high call volumes. She apologized for the inconveniences caused and stated that she hoped the City would move forward in the right direction.

Councilman Walton requested that the City Manager further explain how the process had been working. Mr. Olson reported that the meter reading information is correct and was being applied to the Logics Software. He said that the problem arose when trying to export the data into Edmunds. He noted that since December 1, all customer payments had been credited in Edmunds and did not show in the Logics system. He explained that staff is having to place all the payments into the Logics system in order to determine what everyone's balance is. He reiterated that the meter readings in Logics are the correct meter readings.

Councilman Donnelly noted that the modified coding of the Itron system prevented the data from being loaded directly into the Edmunds system. Mr. Olson agreed and said the changes had been made over a number of years and staff did not have records for those particular coding changes to provide to Edmunds. Mr. Olson noted that there were also problems with budget billing and the application of penalties that were strictly Edmunds-related.

Councilman Horton inquired of the City Manager if something could be worked out to provide more time for citizens to pay over a twelve-month period. Mr. Olson said that it would require research, but he would advise against a twelve-month period because it would create a severe cash flow problem for the City. He noted that the cash balance had dropped from \$7.5 million to about \$3 million because the City had not been able to bill properly. He pointed out that the City receives its power bill on the 15<sup>th</sup> of each month and citizens do not pay for that power until 45 days later. Mr. Olson stated that the LGC had very specific rules on how low the City could take its balances.

Councilman Walton stated that the City Manager had provided a memo stating that the ultimate goal would be to have ElectriCities provide billing services. He said he didn't trust ElectriCities to do that. Mr. Olson responded that ElectriCities provides billing services for numerous cities using a number of different software packages, many of whom are larger than Elizabeth City. Councilman Walton said "32 cities were with them before and we are slowly going back with them." Mr. Olson said "You are not buying ownership in a power plant, you are buying a service from them."

Councilman Brooks stated that he had spent over \$8,000 trying to protect the citizens of the City, often times fighting against "this Council right here." He said that he understood what the citizens were going through and applauded them. He said "this is Christmas for me." Councilman Brooks asked the City Manager how long he had been trying to initiate the Edmunds system. Mr. Olson responded "since August." Councilman Brooks asked if he was correct that the City brought in an IT person from ElectriCities to see if they could fix the Edmunds problem. Mr. Olson responded "no, we did not." Councilman Brooks asked Mr. Olson to explain how that went. Mr. Olson said that the City had been consulting with the ElectriCities people. Councilman Brooks asked "did you pay them anything?" Mr. Olson responded "no, we have not."

Councilman Brooks stated that he wanted to give a "panoramic view" of "what goes on on Council and behind closed doors." He said that Elizabeth City is a Tier One County – "that means we are poverty stricken." He stated that having to double up on bills was hard for people to pay.

Councilman Brooks again talked about the Council-Manager form of government and pointed out that the Mayor cannot make a motion or vote unless there is a tie vote. He said “basically, the only one not responsible for this mess is the Mayor.” He advised that the City Council directs the City Manager what to do and the City Manager gets it done through his department heads. He pointed out that the City Manager is responsible for bringing things to the Council. He opined that the City Manager had used someone else as a scapegoat, when it was his responsibility. He stated that apologies weren’t good enough when the City Council had not taken care of the utility billing problem in eight months. He said that he had never seen “this many citizens show up with the same problem.” He stated that “when the City was under Electricities” we were receiving \$250,000 in late fees off the backs of poor people. He said “rich people ain’t paying no reconnect fee – not too often.” He said he had been trying to figure out when people would get mad; and commented “I guess ya’ll mad now.”

Councilman Brooks stated that from 2010 to 2013, the City had lost 680 residents. He said that the thing that people will try to tell you is that the loss was due to Elizabeth City State University. He said that was the “biggest lie that’s ever been told.” He continued “ride through the City in poor neighborhoods and rich neighborhoods and see how many homes are for sale. They’re getting up out of here.” He said “when we’re in Closed Session the conversation don’t come out like this.” “Ya’ll will have these people vote this way - and these people vote this way” noting that the same people normally vote the same way. He said “this Council could have fixed this problem eight months ago if we agreed to work with each other.” He said he needed to tone down his comments, because he had been through “some stuff” fighting against the same Council he was supposed to be a part of. He said he didn’t have a problem telling the public when “they (Councilmembers) do something wrong – so they come after me.” He said that he had been arrested for quoting scripture and pointed out that he had been on Council for eight years and an ordained-licensed minister for thirty years, “so there was no way that should have gone to Court.” He said “when you have people that know people that’s in place, that’s what they do to try to shut you up.” He said it didn’t matter to him and he would continue to speak out until he leaves Elizabeth City or “death do me part.”

Councilman Brooks said that he didn’t want to dig up old dirt, but he had been bothered when some members of the Council told people in his Ward not to vote for Councilors Walton, Horton and himself during the last election. He spoke of an article that had been published on November 1, 2015 in The Daily Advance that read that “he had no intention of putting behind him the acrimony from the campaign.” He said that he was the highest vote-getter in the Third Ward and accused the newspaper of writing a lie. He said “that’s what you see all the time. We’re so busy trying to duck and dodge lies, we can’t help the citizens like we should.”

Councilman Stimatz thanked the citizens for coming out and acknowledged that the situation had been bubbling below the surface for some time. He noted that the Council had been getting “little pieces of it.” He acknowledged that the Edmunds system should not have been rolled out in August and opined that the bills were fine before then. He noted that his personal bills were also incorrect. He said that the reality is that the billing situation is bad and that the Edmunds system is not working. He said that the decision about moving ahead with Edmunds was in large part under the direct control of the employee who was let go. He said he did not know what interaction that employee had with the City Manager; nor did he know what information the Manager had at the time or didn’t have. He promised that information would come out. He said that the point is that the City is at a crisis and acknowledged that the Council heard the citizens’ concerns. He noted that there were problems within the Edmunds system that had caused huge problems for the staff. He pointed out that the staff had put up with a horrendous work situation; because the workload dumped on them because the Edmunds system did not have the same functionality as the Logics system was unbelievable. He agreed that the City has a significant cash flow problem because of the billing issues. He said that he had been working on the situation for some period of time; and had presented some information about things going on in the system to the City Manager. He opined that the City Manager was stunned by some of the information he presented. He said it was clear to him that the manager had not been informed by the person who should have been telling him. He opined that the City Manager may have trusted her too much, but his dependence on her was another issue. He said that the bottom line was that, however the City got to this point,

something had to be done. He said the City Manager had started down that path, but how it ended up remained for the City Council to decide overall. He said “there will be accountability; there will be an after report.”

Councilman Stimatz stated that he thought the right thing to do was move back to Logics, clean up the files and then consider bringing in someone else to do the billing. He stated that he believed the City’s IT Director should have been involved because it was a software integration issue. He noted that the City Manager did not say that three bills would have to be paid in 45 days. He said that the reality is that three bills would be received during that time, but the City would give customers time to pay the bills. He said he would like to accommodate the twelve-month payback, but the City may not be able to do that, but would extend it as far as it could to help the citizens. He said that the Council would do everything they could within legal boundaries to give as much relief as possible. He suggested that penalties and fees should be left off until “we figure out what is going on.” He reiterated “we will fix this problem.”

Councilman Brooks responded to Councilman Stimatz by saying “these people don’t want you to baffle them with your brilliance. What they want you to do is tell them how they are going to be able to pay their electric bill, put food on their table and pay for their medicine.” He said he was tired of hearing everyone talk about “cash flow.” He said the word “cash flow” did not come up when “they gave the City Manager a \$15,000 increase that he said he didn’t want.” He said “all this sounds good and fine and dandy, but you better read between the lines.” He stated that the Council could not hold the person under Mr. Olson accountable for the problems and use them as a scapegoat, because as he had pointed out from the Charter, the City Manager is responsible. He said “I will not stand for it and you, as citizens, should not stand for it either.”

**Motion was made by Councilman Horton, seconded by Councilman Stimatz, to direct City staff to come up with a plan for a twelve-month payback or extended time for these residents to pay their bills and for the City Manager to come up with other options that we may have if that is not feasible.**

Councilman Horton stated that he wanted the City Manager to come up with a plan as soon as possible.

Mayor Peel gaveled the audience and directed the citizens present to observe proper decorum. Sarah Ownley did not comply with Mayor Peel’s directive and he requested that the Sergeant at Arms remove her from the meeting.

Councilman Walton commented that he was one-ninth of the Council and he stated that he thought the Council should have some input. He said that the City Manager should give the Councilmembers the information before the next Council meeting. He said all Council members need to know what going on.

Councilman Horton stated that he wanted to add to his motion:

**that Council will be notified via email what your prospective plan or plans are as soon as possible.**

Councilman Walton requested the information in a week.

City Manager Olson stated that he would not be able to come up with a plan until staff is able to clean up the utility billing database. He said that staff is still working with the Logics and Edmunds people on getting the data extraction completed. He said that it would probably take more than a week to complete.

Councilman Horton stated that his motion directed that the information be provided “as soon as possible.”

Mayor Peel called for a vote on the motion;

**Those voting in favor of the motion were: Baker, Donnelly, Hummer, Stimatz, Brooks, King, Horton and Walton. Against: None. Motion carried.**

Mayor Peel requested to wrap things up regarding this matter. He said that he, too, wanted to apologize to the citizens and acknowledged that it is a serious issue. He

stated that the Council would do their best to resolve things in as quickly a manner as they could and in a way that will hopefully not cause any more hardship to those already experiencing it. He stated "I know what you're going through because my bills are as messed up as yours are."

Mayor Peel thanked the citizens for coming to the meeting.

## **5. Regular Agenda:**

### **a. Consideration – Appointment to Historic Preservation Commission:**

Mayor Peel requested Council's pleasure regarding the appointment of William S. Caudle, III to the Elizabeth City Historic Preservation Commission.

**Motion was made by Councilman King, seconded by Mayor Pro Tem Hummer to appoint William S. Caudle, III to serve a three year term beginning May 1, 2017 on the Elizabeth City Historic Preservation Commission and expiring April 30, 2020.**

**Mayor Peel called for a roll call vote, which revealed the following.**

**Those voting in favor of the motion were: Baker, Donnelly, Hummer, Stimatz, Brooks, King, Horton and Walton. Against: None. Motion carried.**

### **b. Consideration – Adoption of Resolution Authorizing Submission of Division of Water Quality Infrastructure Application for Funding for Disaster Recovery Act of 2016 for Herrington Road Gravity Sewer Replacement: *(Recommended for approval by the Finance Committee during their meeting of April 6, 2017.)***

Mayor Peel recognized City Manager Olson for his comments on this matter. Mr. Olson stated that the City had received notice of the award of a DENR grant to do the Herrington Road Gravity Sewer Project. He said that funding for this project had been applied for over several years; but had been rejected previously by the CDBG program.

Mr. Olson noted that this funding is being provided due to Hurricane Matthew recovery efforts. He said that the City submitted the application under the unmet needs category through DENR and had been successful. He pointed out that GoldenLEAF had also funded the project, but the better funding source was the DENR grant.

**Motion was made by Councilman Stimatz, seconded by Councilman Horton, to adopt the following resolution authorizing staff to submit an application to the Division of Water Infrastructure in the amount of one million dollars to be used for the Herrington Road Gravity Sewer Replacement Project. Those voting in favor of the motion were: Baker, Donnelly, Hummer, Stimatz, Brooks, King, Horton and Walton. Against: None. Motion carried.**

### **RESOLUTION # 2017-04-01 Authorization to Submit Division of Water Infrastructure Application for Funding for Disaster Recovery Act of 2016 Herrington Road Gravity Sewer Replacement Project**

**WHEREAS**, the Federal Clean Water Act Amendments of 1987 and the North Carolina Water Infrastructure Act of 2005 (NCGS 159G) have authorized the making of loans and grants to aid eligible units of government in financing the cost of construction of wastewater collection system; and

**WHEREAS**, the City of Elizabeth City has need for and intends to abandon 2,400 linear feet of sanitary sewer line crossing at Herrington Road and Charles Creek and re-route 1,785 linear feet of sanitary sewer line, which serves the Herrington Road/Massachusetts Avenue neighborhood; and

**WHEREAS**, this project is an effort to repair and replace existing public infrastructure; and

**WHEREAS**, the City of Elizabeth City intends to request state grant assistance for the project.

**NOW THEREFORE**, be it resolved by the City Council of the City of Elizabeth City that the City of Elizabeth City (the Applicant) will arrange financing for all remaining costs of the project, if approved for a state grant award; and

Further, that the Applicant will provide for efficient operation and maintenance of the project on completion of construction thereof; and

Further, that Dr. Joseph W. Peel, Mayor, the Authorized Official, and successors so titled, is hereby authorized to execute and file an application on behalf of the Applicant with the State of North Carolina for a grant to aid in the construction of the project described above; and

Further, that the Authorized Official, and successors so titled, is hereby authorized and directed to furnish such information as the appropriate state agency may request in connection with such application or the project: to make the assurances as contained above; and to execute such other documents as may be required in connection with the application; and

Further, that the Applicant has substantially complied or will substantially comply with all federal, state, and local laws, rules, regulations, and ordinances applicable to the project and to federal and state grants and loans pertaining thereto.

**ADOPTED**, this the 10<sup>th</sup> day of April 2017.

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Joseph W. Peel  
Mayor

*ATTEST:*

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Vivian D. White, CMC/NCCMC  
City Clerk

**c. Consideration – Placement of World War II Memorial Monument at Coast Guard Park:**

This item was removed from the agenda during approval of the agenda.

**5. Comments and Inquiries on Non-Agenda Items:**

Councilman Brooks had no further comments.

Councilman Stimatz stated that there were three specific reports that the Council has requested on a monthly basis: the status of the cameras in the Police Department; the Monthly Travel Report and the unobligated fund balance for all funds the City has. He said that the City Clerk had been faithful in sending the travel report, but the Council had not received the fund balance report for some time.

Councilman Horton had no further comments.

Mayor Pro Tem Hummer had no further comments.

Councilman King had no further comments.

Councilwoman Baker had no further comments.

Councilman Walton asked why "Placement of World War II Memorial Monument at Coast Guard Park" had been removed from the agenda. Mayor Peel responded that the City did not yet have enough information from the representatives from Washington, DC to discuss it at this time. Councilman Walton stated "you can approve or disapprove it and then get your information." He continued: "Right now it was on the agenda to be talked about." "We don't want a Russian monument associated with Elizabeth City." "It should have been discussed like it was on the agenda." "But because there was a truckload of people here, we take it off the agenda." "That's not right." "That's how we do business though." Mayor Peel responded: "Mr. Walton, that wasn't the reason for taking it off."

Councilman Donnelly stated that he thought it was important to check out assumptions before speaking. He said that he had no further comments.

Councilman Stimatz stated: "Never ascribe to malice that which can be explained by stupidity." He said "sometimes people do stupid things."

**7. Closed Session as allowed by NCGS 143.318-11(a)(3) Consultation with City Attorney and NCGS 143.318-11(a)(6) Discussion of Personnel: (Requested by Councilman Stimatz)**

Mayor Peel requested a motion to go into Closed Session.

**Motion was made by Mayor Pro Tem Hummer, seconded by Councilman King, to go into Closed Session as allowed by NCGS 143.318-11(a)(3) Consultation with City Attorney and NCGS 143.318-11(a)(6) Discussion of Personnel. Those voting in favor of the motion were: Baker, Donnelly, Hummer, Stimatz, Brooks, King, Horton and Walton. Against: None. Motion carried.**

Mayor Peel declared a recess at 9:14 p.m. after which the Council convened in Closed Session.

**Motion was made by Mayor Pro Tem Hummer, seconded by Councilman King, to come out of Closed Session. Those voting in favor of the motion were: Baker, Donnelly, Hummer, Stimatz, Brooks, King, Horton and Walton. Against: None. Motion carried.**

The Council returned to Regular Session at 10:16 p.m.

**8. Adjournment:**

There being no further business to be discussed, Mayor Peel adjourned the meeting at 10:17 p.m.

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Joseph W. Peel  
Mayor

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Vivian D. White, CMC/NCCMC  
City Clerk