

**City Council Regular Session
August 14, 2017**

The City Council of the City of Elizabeth City met in regular session on Monday, August 14, 2017 in Council Chambers, located on the 2nd floor of the Municipal Administration Building, 306 E. Colonial Avenue, Elizabeth City, N.C.

MEMBERS PRESENT: Mayor Joe Peel
Councilwoman Jean Baker
Councilman Ray Donnelly
Mayor Pro Tem Anita Hummer
Councilman Tony Stimatz
Councilman Darius Horton
Councilman Johnnie Walton

MEMBERS ABSENT: Councilman Michael Brooks (*Excused*)

OTHERS PRESENT: City Manager Rich Olson
City Attorney Bill Morgan
Interim Finance Director Evelyn Benton
Police Chief Eddie Buffaloe
Electric Department Superintendent Karl Clow
Interim Human Resources Director Monica Cole
Parks and Recreation Director Dexter Harris
Fire Chief Larry Mackey
ECDI Director Debbie Malenfant
Deputy City Clerk April Onley
Public Utilities Director Joe Pearce
Assistant Public Utilities Director Larnetta Brothers
Community Development Director Matt Schelly
Interim City Clerk April Onley

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 gave the invocation, after which he led the Pledge of Allegiance. He included a moment of silence for those who lost their lives in Charlottesville, Virginia.

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 Anita Hummer, seconded by Councilwoman Jean Baker, to approve the agenda with any necessary adjustments.

Councilman Horton requested that a discussion on Charlottesville be added to the agenda, prior to the presentation by Raftelis.

Councilman Stimatz requested clarification from Mayor Peel if a change to the order of the agenda would require a change in the procedural rules. Mayor Peel verified from City Attorney Morgan that a super-majority vote by two-thirds of the Council would be needed to allow the discussion to be held prior to the presentation.

Motion was made by Councilman Darius Horton, seconded by Councilman Johnnie Walton, to allow the Charlottesville discussion to be held prior to the Raftelis presentation. Those voting in favor of the motion were: Stimatz, Horton, Hummer, King, Baker and Walton. Against: Donnelly. Motion carried.

Mayor Peel requested a vote on the motion to approve the agenda with the addition.

Those voting in favor of the motion were: Baker, Donnelly, Hummer, Stimatz, King, Horton and Walton. 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. Discussion: Charlottesville (Added by Councilman Darius Horton)

Mayor Peel recognized Councilman Horton to lead the discussion. Councilman Horton noted that most were already aware of the events that transpired in Charlottesville, and that he felt the “leaders of our City have a duty to certainly speak against those types of actions.” He stated that the City should seek to promote peace, unity and harmony. He advised the Council that a group had requested to hold a candlelight vigil in front of City Hall during the meeting and subsequently was denied. He noted that the vigil was being held at Mariners’ Wharf Park instead. Councilman Horton questioned City Manager Olson to provide explanation for why the request was denied.

Mr. Olson stated that requests for vigils generally require five-day notice; and this request was received by the City at 11:30 a.m. that day. He advised the Council that members of the City’s management team met with the individual; and that she was in agreement to move the vigil to Mariners’ Wharf Park, where a security plan was already in place. He stated that although the Police Department did not expect any problems, they must have an action plan at any gathering. He continued that Mariners’ Wharf was a better location with more parking, should the turn-out be large. He added that the City code would have required the gathering to be held across from City Hall, which had narrow pathways, traffic and visibility restrictions. Mr. Olson stated that this event was a “flash” vigil; and City staff had no way to determine how large the crowd might be. He pointed out that the individual who he granted the permit to, understood and was fine with the new location.

Councilman Horton stated that he brought the item up because he wanted to insure that it did not appear that the City did not want to embrace acts of harmony and peace.

Councilman Stimatz stated that he was shocked upon seeing the news on television. He continued that he could not “comprehend that level of intensive hate for people just because they’re different.” He added that he hoped something might be done, as a City, to show compassion.

Councilman Walton noted that he was saddened by the events, but “wasn’t surprised.” He pointed out that people who were not peaceful should never have been invited to attend the event. He opined that “if it’s not stopped now, it’s going to get worse.” He continued that if people would “start loving one another, all the rest would take care of itself.”

Mayor Pro Tem Hummer stated that the NENC Progressives were a highly respected group within the community. She thanked them for holding the vigil and stated that, “it shows that Elizabeth City cares.”

Mayor Peel agreed with the comments of the Councilors. He stated that unifying as a community was of utmost importance. He thanked Councilman Horton for addressing the issue.

Being no further discussion on the item, Mayor Peel advised that the first presentation would begin.

(Clerk’s Note: The following section is in modified verbatim per Councilman Walton’s request made during the meeting of August 28, 2017.)

4. Presentations:

a. Keith Readling – Raftelis – Utility Billing Audit

Mayor Peel: The next item ... I’m not sure we have time for it. Where did Mr. Olson go?

City Attorney Morgan: He stepped out Mr. Mayor and I’ll be happy to handle this, if you’d like. We’re pleased to have with us tonight Ms. Jill Woo, Senior Consultant and Mr. Keith Readling, Professional Engineer and Executive Vice President of Raftelis Financial Consultants. This is the company that has performed the audit of our utility system. I need to apologize in advance to Jill and to Keith because at 7:30 we’re going to ask you to stop what you’re doing. There are four public hearings on tonight’s agenda and we are required, by law, to start those at 7:30. With the Councilors permission, we will get started on the report and then we’ll stop, of course, as close to 7:30 as we can.

Mayor Peel: I’d like to welcome you both. Thank you for being here.

Keith Readling: Thank you Mr. Mayor. Thank you City Councilmembers to have us here. As mentioned by the attorney, my name is Keith Readling. I am Executive Vice President with Raftelis Financial Consultants. I'm here tonight to present on our findings from the utility billing audit that we've done over the past five and a half weeks. I'm going to cover three things: what we were hired to do, which is our project scope; how we did it and what we found. First on the scope, the goals of this audit were ... It says engaged June 2017. We actually were engaged July 3rd. The goals were to find inaccuracies in Edmunds and Logics utility bills and to the extent possible, identify problems or process failures that led to the problems, which I believe we've done. We covered a 10-month period from August 2016 to May 2017. We have about 12,000 customers; many of them are customers of all four services, but not all. We have a number of electric customers who are not water, wastewater, solid waste customers. We also have some water customers who are not wastewater customers; they are on septic tank. They are not exactly the same number of each kinds of customers. During that entire period of August 1 to May, the Logics billing system, which was your legacy system that was in place before Edmunds, and which came back in recently, ran and computed things. Although there was a period there where Edmunds was the billing system that actually calculated bills and sent the bills out. So, we audited both for the entire period that we were able. This slide is a little bit hard to read. Basically, what it shows is that your Itron system is responsible for collecting utility meter reads. That system passes those reads to Logics, your legacy billing system, which calculates bills and sends out bills. During the period that Edmunds was being used, the Itron system still hands the meter reads to Logics, which then turned around and handed the reads to Edmunds, which calculated and sent out bills.

Keith Readling: The second piece is how did we do it. The first thing we did was we acquired and manipulated all the data we could from the City. That includes the meter reads from Itron, which is a separate system, the Logics system data, which were text files and utility billing registers, and then the Edmunds system data, which was comprised of sequel-server data, as well as PDFs of all the bills that Edmunds sent out. We got all this data from the City and we converted all the data into similar formats to get into a relational database. The Itron data, we ended up getting about 76,000 reads and 66 text files. We evaluated the format of that data and pulled it all into a database. The Logics data were bill register text files. We converted those into a sequel-server database so that we could operate on the data en masse. That's 316,000 charges in 40 bill register files. Then the Edmunds data, we've got two different kinds of data on Edmunds. We've got the Edmunds database, which we exported from your own server. The other thing we did, and maybe one of the more complicated things we did was, we have PDFs of the Edmunds bills as they were sent out. In other words, a file that was printed to make a piece of paper. 64 files that had 103,000 bills in them. We reverse engineered the PDFs to create a digital database with that data, as well. On our audit method, once we got all that source data in one place in a format where we could make it talk to each other; we took your utility rates that I believe were adopted July 1, 2016. We looked at all the rate codes and what the base charges are, and what the rates per unit used are, and we built an engine that would apply those rates to usages to recreate, from the data we acquired, whatever the charge would have been, following your own rates. That's the recreated charges for Logics and Edmunds.

Keith Readling: At that point, what we did was, we said, "Okay, we got all this data, we got it into a form. We got your rates, we got it into a form." We applied your rates to the usages we calculated from the meter reads to calculate a bill for somebody. Let's say it was \$55.10. Then we go and look and see did Logics have \$55.10? Did Edmunds have \$55.10? If they both did, we said, "That's what I expected. Good." If they didn't, we tried to figure out why. We called an "unexpected event" when we could not recreate a charge based on the usage and the rate code. We tried to take into account everything we could figure out that could have explained it. Like, they had a bad meter read and they did a re-read; or somebody overpaid and they had a credit applied to their bill; or the account characteristic changed mid-cycle; or we had a move in, move out. All these different things. Every way we were able to figure out, if we had an unexpected answer, we would try to figure out what happened. If we could figure it out, it became expected. The definition of unexpected was, the difference couldn't be explained by an account balance, an adjustment, a penalty, budget billing, or any other kind of known transaction we could reverse engineer from the data. To evaluate the billing discrepancies, we just basically said, "After we've run those to ground, everything left is unexpected. Then we need to look at those, enough of those, one at a time, to try to figure out if there were patterns." That's basically what our findings are in our report is, the three main kinds of things we found with Edmunds and the two main kinds of things we found with Logics.

Keith Readling: Couple of thoughts, right here. One is that Itron meter read database faithfully talks to Logics. If Itron says, "Previous read was 2, current read is 10." Logics also says "2 and

10.” That data faithfully gets into your legacy billing system over and over again. We confirmed that Logics could import that data correctly, 100% of the time. We never found one mistake with that. The other thing I wanted to point out was that there are constraints on what we could do. The first is, we’re not looking at a period of record longer than a certain period. So, the maximum period we had was August 1 to the end of May. 16 to 17. For the Itron readings, we didn’t even get that whole period because it’s hard to get the data. But, since I never found one case where it didn’t speak faithfully to Logics, I wasn’t worried about that. We also couldn’t validate source meter reads independently. What I mean by that is if there’s a meter out there that’s not working right, and it reads 10 when it should have read 5, I can’t figure that ... That’s not a thing we can deduce. I don’t believe that’s your issue here, but it is a limitation of the study. We’re not looking at meters. If the meter said 10, we said, “Okay, it’s 10.” Then we had 282 unconvertable bills from Edmunds, but that’s out of 100,000 records. I found that to be fairly inconsequential. So, let me get to the findings. The first findings is: Most of the time, Logics computed to the same thing we calculated. On the water front, we had 228 bills we that couldn’t replicate, unexpected. 218 sewer, 74 electric, 46 solid waste. You can see we looked at many, many thousands of each kind of bills. You can see that the percent of Logics bills where we found unexpected, ranged from 0.36% to 0.06%. About 1 in 300 to a lot less than 1 in 300. If you go to Edmunds, we looked at a different number of bills because they were the billing system for less than the whole period. We found 411 unexpected on water, 493 on sewer, more than 1,000 on electric, 49 on solid waste. If you look at the percentages, those first three run around one percent and on solid waste, one-tenth of a percent. Still quite low.

Mayor Peel: Mr. Reading, could I interrupt you for a moment?

Keith Reading: Yeah.

Mayor Peel: Karl? Karl? I think we only have sound and no video.

City Manager Olson: That’s correct. We’re working through it right now. It’s a cable issue. We’re working through it right now.

Mayor: Okay. Thank you. Go ahead, sorry.

Keith Reading: Okay. One of the things is, because we looked at a different number of bills in Edmunds and Logics, and all of these are big thousands and thousands ... Boiled it down to, on this slide, how many unexpected bills we got per 10,000. On the water front, in Logics, the error rate, 35 per 10,000. On Edmunds, the error rate 87 per 10,000. Edmunds about two and a half times as often we get an unexpected result. On sewer, 36 unexpected for Logics, 111 per 10,000 on Edmunds. Edmunds wrong about three times as often. On electric, a big difference, about 22 times as often, Edmunds reporting unexpected much more often. On solid waste, about a wash. This is my last slide. No, almost my last slide. So, what did we find on Logics? Well, on Logics, this is to the point, “Well, okay, you found some errors. Can you figure out generally what was causing them?” In Logics, the two most common things we could find when we started looking at them one at a time and saying, “Well, okay. What was that? Why did I not get the expected result?” We had charges less than the base charge in Logics, and there should never be a charge less than base, and we had charges exactly two times the base charge. I thought on that one, “Well, I know I’ll be able to run that to the ground. Maybe that’s where there was a move in, move out, we had two customers? No. Maybe that’s where we had two meters? No.” Not many of them, but those were the two top cases on Logics. On Edmunds, we had three main things. The first one was that Edmunds had negative usage and zero usage, when the meter reads were not zero and not negative. That was common. The second kind of error we found with Edmunds was we had compound electric meter reads that didn’t get handled correctly in terms of the way the rates were applied to the compound read, with an electric demand meter. And then, the third one was we had cases where people were on budget billing. So, on budget billing, you’re supposed to get charged the same amount every month with a periodic true up, and the equal payment charges on the bill didn’t match what was in the system for those. So, those were our top three on that. Happy to answer any questions. That’s the findings.

Mayor Peel: We have about two and a half minutes.

Councilman Walton: Oh, it’s going to last longer than two and a half minutes. We just as well wait ‘til that’s over with. Or somebody else can go, because it’s going to last more than two and a half minutes.

Councilman Stimatz: You know what I thought it was? I’m one of those last people on budget billing where the numbers didn’t add up. It was basically like having two balances that you

carry forward, and for some reason Edmunds carried the wrong balance into the next period in the wrong slot. Don't know why.

Keith Readling: We saw exactly that a number of times.

Councilman Stimatz: So, one question I have, this is from customers now, can we I.D. the accounts that had unexpected results and notify those account holders? I don't know if you can or not.

Keith Readling: We were able to establish a hook between Logics and Edmunds ... The answer to that is our ability to take all those PDFs and reverse engineer the printed data on the PDF into a database allows a hook between Edmunds and Logics that never did exist at the City before. Therefore, I believe that what you wish for could be done.

Councilman Stimatz: I just think it would be good, Rich, if we could identify those accounts where we found those errors. At least send a letter, if they're explainable, how they were explained. If not, tell people to come in and we'll work it out. Just a thought.

Councilman Walton: You said that some of those PDFs with Edmunds, you could not even open them?

Keith Readling: Yes. Some of those PDFs were made as an image file instead of a traditional PDF. We had 282 Edmunds bills that we could not reverse engineer out of 103,066. So, there were 282 that we could not get in the database.

Councilman Walton: On April 10th, it was stated why they were going to use Raftelis audit system, as you previously stated. It was to find inaccuracies, rectify problems, processes, failures. The one to me, it hasn't happened for me yet, I hope it does occur tonight, is to ultimately, in turn, to restore customer confidence in the City's utility billing. So, that is your goal?

Keith Readling: That is my goal by reporting the facts, but I agree that I can't control that outcome.

Mayor Peel: I need to stop both of you because it's 7:30. We'll come back to you, Mr. Walton when we finish public hearing. Mr. Readling, if you'll just have a seat, we'll be back to you shortly.

(Clerk's Note: At this time, Mayor Peel advised the Council that it was 7:30 and further discussion pertaining to the matter must be held until after the public hearings.)

Mayor Peel: Okay, Mr. Readling, back to you. Mr. Walton, I think you were asking a question.

Councilman Walton: Yes, as I said previously, one of your goals is to ultimately, in turn, to restore customer confidence in the City's utility billing. You used the word "fact" and I think it should be included in that goal. You know, I expected a longer list for \$35,000. I thought five sheets was kind of ... kind of spare bone, spare rib, type thing. \$7,000 a sheet and the information still hasn't gotten me where I want to be with this. There are some things in here I'd like to have clarified. On page two, could you turn there please, sir? About middle of the second paragraph, it said it could not directly unload to Edmunds the Logics meter reads, I guess. Logics sends flat files to Edmunds with the meter read data. The Edmunds system did not always calculate bills as expected. I'm just picking out some of the phrases in there, paraphrases that stuck out to me, in my mind. You showed the flow chart and it says the Itron meter reads ... Mr. Olson, can you explain how this is done anyway?

City Manager Olson: Well, what you would do is you take the meter reading file, that's a software version of Itron that we've had for 25, 30 years, and that is exported into ...

Councilman Walton: But how do you gather the meter reader? From the meter readers?

City Manager Olson: From the meter readers.

Councilman Walton: How many do we have?

City Manager Olson: We have three meter readers right now.

Councilman Walton: What happened to the other two?

City Manager Olson: I'm not sure.

Councilman Walton: So, we're losing meter readers and we have a billing problem?

City Manager Olson: It has nothing to do with that because most of our meters are read electronically. We drive by, we pick up the reading via an RF signal that's sent from ERT either in an electrical meter or in a water meter. All of our electrical meters have ERTs, which means we drive by, the system connects with the radio read that's coming out of the meter. It checks the serial number and then exports that data directly into the Itron meter reading system. Water meters, we have about 4,000 water meters with ERTs. That's a very ugly environment for ERTs to be in. We do have a high failure rate, so the meter readers have to go in and read manually.

Councilman Walton: And that could create an inaccuracy, couldn't that Mr. Reading? Could that create an inaccuracy, do you think?

Keith Reading: Could an incorrect meter read create an inaccuracy?

Councilman Walton: Yes.

Keith Reading: If Itron passes an incorrect meter read to Logics, then everything downstream relies on that read and it would be incorrect.

Councilman Walton: Could it happen?

Keith Reading: Yes.

Councilman Walton: Okay. Okay, where does it go from there, Mr. Olson?

City Manager Olson: Basically, then it goes in the Logics system, and then Logics, when we had the Logics system, would generate the bill using our rate tables that we have programmed into the Logics system.

Councilman Walton: So, the flat file, which is the meter reads ...

City Manager Olson: The flat file goes from Logics into Edmunds. We had four different attempts to directly download the Itron data into ...

Councilman Walton: How do we get the flat file into Logics?

City Manager Olson: It's a data-transfer file, is what it is.

Councilman Walton: How do we get it done though?

City Manager Olson: We send the file via the ...

Councilman Walton: Who sends the file? We just send it through the electrical reading?

City Manager Olson: No, it's a software process where we send this group of data directly into the Edmunds system.

Councilman Walton: How does it get there though, the flat file?

City Manager Olson: We send it electronically, just like you would send an email or something to someone else.

Councilman Walton: Is that verified before you send it, though?

City Manager Olson: Well, I think the best way for me to answer that question is when we were billing under Logics, what we'd do is we'd generate an exception file, just like they did for their software. If something does not make sense, then an exception report is generated once we download that data. Then the meter readers or the data processing people review that data and make a determination whether or not a reread needs to be done or that we had high usage.

Councilman Walton: Well, who finds that information out? Data processing?

City Manager Olson: Data processing and we have standard deviations ...

Councilman Walton: How many data processors do we have?

City Manager Olson: We have two.

Councilman Walton: So, that's how many we had then or how many we have now?

City Manager Olson: That's how many we've had since I've been here.

Councilman Walton: Okay, and those two people deal with 12,000 bills each month?

City Manager Olson: An exception report generates those exceptions outside of standard deviation. It's all done electronically using statistical logarithmics.

Councilman Walton: Electronically. But someone has to put it in to send it to Edmunds? Someone had to validate it. Didn't you use the word validate?

City Manager Olson: The flat file is sent to Edmunds, okay?

Councilman Walton: But who validates it?

City Manager Olson: The validation is done in Edmunds.

Councilman Walton: How can it be done in Edmunds and you collected ... It doesn't make sense for me to validate something and I didn't collect it. I'm receiving. I'm trying to use logic.

City Manager Olson: Let me try to explain it to you this way. The source data, the Itron goes to Logics. Logics creates a flat file.

Councilman Walton: The meter readers put it on the flat file.

City Manager Olson: No, no, no. That is created within the Logics operating system. That data is then transferred via, the best way for me to describe it, is like an email to Edmunds. Edmunds then uses that consumption data. Consumption, that's your usage.

Councilman Walton: Consumption or assumption?

City Manager Olson: Consumption.

Councilman Walton: It doesn't have to be factual though, does it? You just told me there could be inaccuracies.

City Manager Olson: That's why we run an exception report, Councilman.

Councilman Walton: So that means it's a fact when it gets to the other end?

Councilman Stimatz: Yes.

City Manager Olson: I believe that's correct. I'm not understanding your logic.

Councilman Walton: My logic is somebody had to put the meter reads into Logics to be sent to Edmunds.

City Manager Olson: The meter readings are put into Itron. Itron automatically sends that information to Logics.

Councilman Walton: Which could be inaccurate on the way there.

City Manager Olson: Well, it would have had to have been ... The base data that Keith referred to ...

Keith Readling: When Logics receives reads from Itron, it created a flat file with those same readings in it for Edmunds. There were no changes in those in between the two. That was one of the things we checked for. In other words, what went into Logics came back out and went to Edmunds the same. So, if we had a reading of 10 ...

Councilman Walton: It didn't have to be factual though.

Keith Readling: Now, wait a minute. That's two different things. So, one thing is the reading is 10. This is a read, 10 units. So, the first question is, is 10 correct or not?

Councilman Walton: Exactly.

Keith Readling: I have no idea. If the meter is broken, I don't know it. If the meter is fast, I don't know it. Nobody knows it.

Councilman Walton: You can't blame Edmunds on that end.

Keith Readling: That gets audited in other ways, but it is not a part of our algorithmic trying to figure out the process. If the reading is 10, 10 goes into Logics. Logics says what was the last reading? Well, it was 2. Logics knows 2 is what it was last time. 10 then goes to Edmunds. Exactly 10. Logics doesn't send 11. It doesn't send 9. It always sends 10 if it got 10 from Itron. We check that. Then Edmunds has got the 10 and it goes from there.

Councilman Walton: Well, go to your fifth page for me, if you will. Now, in this one, at the bottom you have figure six. Are we in the same location?

Keith Readling: Yeah.

Councilman Walton: Okay. Electric, you have a serial number. Previous read was 99650 on 12/13. On 1/12/17 you have 143. A minus 99507. Where did the 143 come from, you think?

Keith Readling: Those are the reads that were passed from Logics.

Councilman Walton: How you think it got to that point though?

Keith Readling: I think the meter flipped back to zero at 100,000.

Councilman Walton: Flips back, right?

Keith Readling: Yeah, just like an odometer used to be when we were 16.

Councilman Walton: Right. Right. But I know when we had flip phones, flip phones don't carry some of the things that the number eights or number nine phones carry now. We are so ... Our initial statement was April 10, 2017. For the past six months, City staff has struggled with the process of converting our utility billing software from Logics to Edmunds. The use of Edmunds software was the choice made by the user group consisting of Customer Service and Finance Department employees, which was created three years ago. Three years ago. At that time, it was determined that the existing Logics software was grossly inadequate. If it was grossly inadequate and we've done got right back to where we started. Something's not right with that picture. Okay, in several accounting areas, including the general ledger, accounts payable, fixed assets and utility billing, specifically Logics would not allow the City to customize utility billing dates, which is a priority of the City Council. After about two years discussing these deficiencies, Logics refused to make the changes to our existing software. Logics had just rolled out a web-based system and was not willing to fix Elizabeth City's issues with their software, in an effort to force us to migrate to their new system. The City started the conversion to Edmunds software in 2014. That's like if you take off in a sailboat and say you're going to Edenton. We get to Hertford and find out we going the wrong way. We turn right around, come back, start all over again and go the same route. Something's not right with that. You're going to end up with the same result. If our system only has four digits, that's 9,999 and it flips again. Is that what I'm hearing?

Keith Readling: Different meters are different.

Councilman Walton: It flips, though?

Keith Readling: Yeah, that's right.

Councilman Walton: 9,999. That's those four digits. Edmunds can handle seven. That's 9,999,999. That's a big system, and complex. If we're sending them meter reads that are so off the charts, I can understand why the machines up there wouldn't capture that.

Keith Readling: Is your question that is the reason that they handled it wrong is because we only had a four-digit meter?

Councilman Walton: Oh, they handled it wrong? It's not a fact that we could have also handled it wrong.

Keith Readling: Well, the readings that they had are the same readings that Logics had and Logics calculated the bill correctly, recognizing that it flipped.

Councilman Walton: Why are we changing it? Why did we have a reason to change it in the first place?

City Manager Olson: Keith, that's a policy decision that the Council made at a number of retreats, years ago. The Council made the decision that you wanted to offer our customers customized billing cycles, where an individual could come in here and choose that they wanted their bill sent to them on the third, the tenth, the eighteenth. Right now, we just have four cycles.

Logics does not have that capability under the legacy system. I do not believe it has that capability on some of the newer versions they have right now. The reason for the migration from Logics to Edmunds is because it was grossly inadequate when it came to our financials, the fixed assets, and other areas of the City's ... Pardon?

Councilman Walton: What has made it better?

City Manager Olson: What we have, is we have multiple modules that we have purchased from Edmunds. All those modules are working as we have designed. The only module we are having problems with is the utility billing module. The decision was made four years ago that we wanted one software vendor because of the ability for data to be transferred from the general ledger to the utility billing and so on and so forth.

Councilman Walton: Right back to where we started. On page three. Page three, Mr. Raftelis. We were constrained by some data limitations for the audit. We were only able to collect Itron read data from August 2016 to January 2017. That's only six months. What's happened to the other five months?

Keith Readling: Extracting that data from the Itron system was somewhat time consuming. We were able to get this much from staff who was able to do it. I decided after we got this piece of data and worked with it that it was sufficient, because 100% of the time, the data within Itron moved to Logics faithfully.

Councilman Walton: But it didn't have to be factual. They said you were going to do the whole time period. That's what was said.

Keith Readling: Well, we also couldn't read 282 out of 103,000 bills. The nature of this ...

Councilman Walton: Is that a fact?

Keith Readling: It is, yeah. The nature of this type of work is that we work with incomplete data every time.

Councilman Walton: And then you assume after that.

Keith Readling: No, we use statistics and data analytics to figure out the error rates.

Councilman Walton: Did we have any inaccuracies in the new ... what system is that we were trying to put in? Nexgrid.

Keith Readling: I didn't do anything with Nexgrid. I don't even know what Nexgrid is. I just did a 15-minute presentation on ...

City Manager Olson: Councilman Walton, we have a pilot project that's been going on for two years. It only covers 100 meters out of 12,000 meters.

Councilman Walton: That's a different sample. If you have a different sample, why wouldn't you sample that also?

Keith Readling: It's not within the scope of our study. As I said, I don't even know what Nexgrid is.

Councilman Walton: That's what we're trying to push everything toward. And, to me, if that's not 100% sound, we should know. There's no need of us pushing it toward that location if it's not sound and it's no way for us to find out if it's a fact, unless you had done an audit on it to find out. Mr. Donnelly is on that system. It comes directly from the house to the file. Am I right, Mr. Olson?

City Manager Olson: That is correct. Then it goes into the utility billing file as we would any other transfer.

Councilman Walton: But you don't even know anything about it.

Keith Readling: Correct.

Councilman Walton: We got clients that you don't even know anything about. That's bad sampling. You should sample everything that we talked about.

City Manager Olson: Councilman Walton, they did. Whether he realizes it or not, he did review, if he looked at all those files, all the Nexgrid files.

Keith Readling: Well, if Nexgrid was a data feed into the Itron meter database, then we looked at all of it.

City Manager Olson: It was.

Councilman Walton: Well, at first you didn't know anything about it. Now he has helped you to remember.

Keith Readling: No, I never knew. I still don't know. The truth is, for this type of audit, it's not required that I know because I work with source data to recreate what happened. It's actually an advantage to you from an independent evaluation point of view that I'm not focused on the things outside this piece.

Councilman Walton: But I want facts. The piece of the puzzle is all the citizens, not just a sample, selected group. I'm sure you did a good job for what you were trying to accomplish.

Councilman Stimatz: It's one of these things where, to clarify this for the public, Rafetlis' job was to check and make sure that the math was done correctly.

Keith Readling: Right. We pulled all the source data that was available from the City, whether it was a meter read, or a -

Councilman Stimatz: Your job was to make sure the ability to calculate a bill was done correctly in both systems, and the way you did that was ...

Keith Readling: We replicated what should have happened and we compared it.

Councilman Stimatz: You basically had three things to look at: the independently created bills that you created, versus what Logics said, versus what Edmunds said.

Keith Readling: Correct.

Councilman Stimatz: As long as you use the same entering data for all three of those math problems, it doesn't matter where it came from. It doesn't matter if it was right or not. The point of the drill was to find out which three of the little calculators, if you will ... I have three calculators, I have a Scientific Instruments, I've got a \$10 from Walmart and a 58 cent from the Dollar Store. The question is, if I put the same entering arguments into each one of them and press the calculate button, do I get the same answer? That's all they were doing. If you want to go back and determine how accurate Itron is or if there's problems there, that's a separate job by somebody different. So the public understands what's going on, we were checking to see, do the three calculators give us the same numbers? When you divide 12 by 2 do you get 6 on all three calculators? If you don't, you say to yourself, "What's wrong?" And they say, "Unexpected result. It didn't come out to be 12 divided by 2 was 6. It was 6.1 or 6.005 or ... Wait a minute. Why did that happen?" That's what Raffetlis was working on and the report reflects what they found of Edmunds versus Logics. They're both pretty good, but Edmunds has issues. One of the areas they pointed out correctly was if you're on level pay billing like I am, you had the most errors with that group with it handling it correctly.

Keith Readling: That is correct.

Councilman Stimatz: So, that's all it says. My question would be, you know, this wasn't the first time we tried to roll out Edmunds. After five times, why didn't they have it straight? One has to wonder why the calculator didn't work right after five times, but that's another story.

Mayor Peel: One of the issues I had early on, and this is was an issue Mr. Walton raised a few minutes ago, is how do we know the Itron meter reading are accurate? What I found out was what you said earlier, Mr. Olson, was that if there is an abnormality that they are caught and the meter readers are sent back out to read the meters again. The other thing that happens is that once a year, and I think I'm correct in this, is that all the meters are read manually to double check that the Itron meter readings and the manual readings match. Is that accurate?

City Manager Olson: That is correct.

Mayor Peel: So, we have two checks to make sure that what is being read by the Itron ... two ways of checking to make sure that those readings are accurate. Is that correct?

City Manager Olson: That is correct.

Councilman Walton: Well, if it was as simple as what Tony said, we could have taken three calculators and done that. A fifth grader could have done it. We spent that much money ... No,

something's not right with that one, Tony. I could take a number and divide it, subtract, but if it's a wrong number, I'm always going to come up with the wrong answer. And Edmunds kind of ... Did you ever talk to Edmunds at all?

Keith Readling: No sir. It was purposefully not a part of our scope to talk to Edmunds or Logics folks. We get the data, recreate what happened, try to find exceptions.

Councilman Walton: Okay, they did write us today. Mr. Morgan, maybe you could give us a summary, if it's not above what you're supposed to do.

City Attorney Morgan: Mr. Walton, I'm not comfortable talking about that in open session, based on the threat of litigation that Edmunds has initiated.

Councilman Walton: Yeah, because I do feel like there's going to be some litigations. We're saying something about Edmunds and we're not giving them an opportunity to respond. What we're finding is what Tony easily states. He says, "I want the public to realize this." Ya'll can believe Tony or you can believe me. To me, if you don't use the right data, you're going to come up with the wrong answers. I don't care if it started on this end. And if we couldn't factually show it didn't start on this end, then we're not giving Edmunds the benefit of the doubt.

Councilman Stimatz: Mr. Walton is correct in one sense. A fifth grader with enough math training can take your electric bill from one month to the other and calculate what it ought to be. It's a pretty simple math problem. But, I wonder how long it would take him, in essence, to calculate 300,000 bills, which is what you did, and then compare those 300,000 bills to each other to see what the differences are? That's a lot of man power, and if you're not going to use people then you need to have computers that can crunch it. And that costs you money. The answer to the question is could a fifth grader do it? Sure. But the real answer is, at that scale, in that complexity, in trying to make these three different calculators ... understanding why, why the calculators gave you what they got. A fifth grader's not going to be able to tell you if it comes 12 divided by 2 is 5.99. He's not going to be able to tell you why that was. He's going to scratch his head, throw it away and ask his mom for a new calculator. So, you know, that's the reality.

Mayor Peel: Any other questions for Mr. Readling? Thank you sir, for being here.

Keith Readling: Thank you very much.

(Clerk's Notation: End of modified verbatim section.)

b. Proclamation for Recovery Month:

Mayor Peel invited three representatives from the Heroin Task Force to join him at the podium as he gave the proclamation: Ms. Ashley Stoop, Ms. Tracy Webster and Ms. Huyla Coker.

PROCLAMATION RECOVERY MONTH

WHEREAS, preventing and overcoming mental and/or substance use disorders is essential to achieving healthy lifestyles, both physically and emotionally; and

WHEREAS, we must encourage relatives and friends of people with mental and/or substance use disorders to implement preventative measures, recognize the signs of a problem and guide those in need to appropriate treatment and recovery support services; and

WHEREAS, substance abuse is a major public health problem that impacts society on multiple levels, with an estimated 24 million or 9% of Americans age 12 or older are current illicit drug users and more than half of Americans 12 or older report alcohol use; and

WHEREAS, the City of Elizabeth City is working with the Albemarle Health Service to create a Heroin Task Force known as the Albemarle Overdose Prevention Coalition to engage in preventative and recovery measures against opioid abuse; and

WHEREAS, to help more people achieve and sustain long-term recovery, the U.S. Department of Health and Human Services (HHS), the Substance Abuse and Mental Health Service Administration (SAMHSA), and the White House Office of National Drug Control Policy (GNDCP) invite all residents of the City of Elizabeth City, North Carolina to participate in National

Recovery Month:

NOW, THEREFORE, I, Joseph W. Peel, Mayor of the City of Elizabeth City, do hereby proclaim the month of September 2017 as National Recovery Month and commend its observance to all citizens.

DATED, this the 14th day of August 2017.

Joseph W. Peel, Mayor

April D. Onley, Interim City Clerk

5. Comments from the Public:

Christopher Revelle – Samantha Walker – Caleb Elsbury – Shawn Barrington – Tre Hampton –Destiny White –Detrick Sawyer –The group spoke together on behalf of the ECPD Junior Police Academy. They expressed gratitude for the ECPD Junior Police Academy and the insight they gained from it. They added that they hoped the City would continue the program.

Mayor Peel commended the group for speaking on behalf of the program and thanked them for their participation.

Paul Riggs – 114 Whitehurst Street, Elizabeth City stated that he was attending to speak on behalf of those who could not speak on their own. He opined that the City needed “civil discourse.” He called for equality for all people.

Chrissy Riggs – 114 Whitehurst Street, Elizabeth City questioned why citizens at Morgan Pointe still had not received a utility bill. She opined that the City should have a 30-day period in which to pay late bills. She asked if the flooding issues could be addressed.

Terra Fox – 409 West Church Street, Elizabeth City thanked the Council for signing the resolution for the Equal Rights Amendment. She invited the Council to a “movie night” at Loft Gardens. She advised the Council that “Meet a Suffragette” day would occur on August 26, 2017 at the Waterfront Market.

Faith Long – 205 East Burgess Street, Elizabeth City advised the Council that Morgan Pointe and Woodstock had not received bills. She opined that the City should have done a “receipt” audit, as she claimed that several customers had made cash payments and not kept receipts. She continued that she felt the City should “do something to the people that did this to us.” She chastised the “ladies that put in the software.”

John Bannow – 106 Tiara Court, Elizabeth City advised the Council that he was representing the group Enough is Enough. He read from emails between former Enough is Enough group leader, Bridget Colbert and City Manager Olson. He opined that, “you and your staff could not handle a software conversion” and “you and your staff attempted to sugarcoat and belittle this major crisis.” He chastised the City for not having enough staff to handle the increased call volume.

Sarah Ownley – P.O. Box 1213, Elizabeth City read the email received by the City Council and Attorney Morgan from Bob Edmunds. She questioned why City Attorney Morgan declared that he was unable to discuss the email when asked previously.

6. Consent Agenda:

(Note: Items “a” through “l” recommended for approval by the Finance Committee during their meeting of August 9, 2017)

Mayor Peel recognized City Manager Olson to read the items on the Consent Agenda into the record. Mr. Olson recommended approval of all items, as follows:

BEGINNING OF CONSENT AGENDA:

- a. Consideration – Approve Amendment of Water and Sewer Maintenance Capital Outlay Equipment for FY 2017-2018 budget;
- b. Consideration – Approve ECBC, LLC’s Request for Extension for Expenditure of DIG funding;
- c. Consideration – Authorize City Manager to Execute CAMA Grant Agreement and Attached Resolution for Charles Creek Flooding Mitigation Plan;

**RESOLUTION # 2017-08-01
AUTHORIZING THE CITY OF ELIZABETH CITY
TO EXECUTE A CAMA LOCAL PLANNING AND MANAGEMENT
GRANT AGREEMENT FOR THE CHARLES CREEK
FLOODING MITIGATION PLAN**

WHEREAS, during a regular meeting of the City Council of Elizabeth City was held on the 2nd floor of the Gardner Municipal Building, the regular meeting place, on August 14, 2017; and

WHEREAS, the City Council was advised that a proposed contract between the City of Elizabeth City and the North Carolina Department of Environmental Quality (DEQ) for the provision of Planning and Management grant funds was presented for the project known as Elizabeth City Charles Creek Flooding Mitigation Plan; and

WHEREAS, the City Council discussed that, under the terms of the said contract, the City of Elizabeth City will pay a total of \$1,750 as its local share of the total project costs.

NOW THEREFORE BE IT RESOLVED, BY THE CITY COUNCIL OF THE CITY OF ELIZABETH CITY:

- 1. That the contract between the City of Elizabeth City and the North Carolina DEQ be and the same is hereby approved.
- 2. That the City Manager and the Clerk be and they are hereby authorized to sign and execute the said contract for and on behalf of the City of Elizabeth City and forward the same to the North Carolina DEQ.
- 3. That upon final execution, a copy of said contract be filed with the minutes.

ADOPTED, this the 14th day of August, 2017.

Joseph W. Peel
Mayor

April D. Onley
Interim City Clerk

- d. Consideration – Adopt Resolution for Financing of Solid Waste Refuse Truck;

RESOLUTION# 2017-08-02

**Resolution for Solid Waste Refuse Truck
Funded by Five Year Installment Purchase Financing**

WHEREAS, the FY 2017-2018 Budget was approved by the City Council of Elizabeth City during its June 26, 2017 meeting; and

WHEREAS, in that budget, funds were appropriated for a solid waste refuse truck to be funded by five-year installment purchase financing;

WHEREAS, the total funding required for this purchase is \$270,000; and

WHEREAS, of the two banks approached for financing, First Citizens Bank offered the best proposal with a fixed rate of 1.86%.

NOW THEREFORE, be it resolved by the City Council of the City of Elizabeth City that five-year financing for the solid waste refuse truck be established with First Citizens Bank.

ADOPTED, this the 14th day of August 2017.

Joseph W. Peel
Mayor

April D. Onley
Interim City Clerk

e. Consideration – Adopt Resolution for Various Equipment Financing;

RESOLUTION# 2017-08-03

**Resolution for Various Equipment Financing
Funded by Five Year Installment Purchase Financing**

WHEREAS, the FY 2017-2018 Budget was approved by the City Council of Elizabeth City during its June 26, 2017 meeting; and

WHEREAS, in that budget, funds were appropriated for the following equipment to be funded by five-year installment purchase financing;

1. Five (5) Police Vehicles
2. One (1) Parks and Rec SUV
3. One (1) Parks and Rec Pickup Truck
4. One (1) Parks and Rec Sand Pro Field Rake
5. One (1) Parks and Rec Groundmaster Mower
6. One (1) Parks and Rec Workman Heavy-duty Cart

WHEREAS, the total funding required for these purchases is \$359,017; and

WHEREAS, of the four banks approached for financing, First Citizens Bank offered the best proposal with a fixed rate of 1.86%.

NOW THEREFORE, be it resolved by the City Council of the City of Elizabeth City that five-year financing for the above referenced equipment be established with First Citizens Bank.

ADOPTED, this the 14th day of August 2017.

Joseph W. Peel
Mayor

April D. Onley

Interim City Clerk

- f. Consideration – Award of Bid for Purchase of Refuse Truck;
- g. Consideration – Authorize Mayor Peel to Execute CDBG-ED Grant Agreement for Funding Approval for The Southern Hotel;
- h. Consideration – Adopt Capital Project Ordinance for Dawson Street Pump Station Gravity Sewer Improvement Project;

ORDINANCE #2017 – 08-01

DAWSON STREET PUMP STATION GRAVITY SEWER IMPROVEMENT

CAPITAL PROJECT ORDINANCE

BE IT ORDAINED by the City Council of the City of Elizabeth City, North Carolina, that pursuant to Section 13.2 of Chapter 159 of the General Statutes of North Carolina, the following capital project ordinance is hereby adopted:

SECTION I. The project authorized is the Dawson Street Pump Station Gravity Sewer Improvement Capital Project.

SECTION II. The officers of this unit are hereby directed to proceed with the project within the terms of the project documents and the budget contained herein.

SECTION III. The following revenues are anticipated to be available to complete this project:

(483490.1000)		DENR	\$
	995,000		
(483970.1000) Transfer from Water & Sewer Fund			346,385

SECTION IV. The following amount is appropriated for this project:

(486616.7300) Capital Improvements	\$ 1,341,385
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SECTION V. Copies of this capital project ordinance shall be made available to the Budget Officer and **ADOPTED**, this the 14th day of August, 2017.

Joseph W. Peel
Mayor

April D. Onley

Interim City Clerk

- i. Consideration – Authorize City staff to Apply for Firehouse Subs’ Bulletproof Vest Grant;
- j. Consideration – Authorize Mayor Peel to Execute N.C. Forest Service Grant Agreement for Charles Creek Park Educational Trail and Approve \$10,000 Match;
- k. Consideration – Adopt Resolution to Accept FY 2017-2018 Grant Funding from Governor’s Highway Safety Program;

BUDGET AMENDMENT

BE IT ORDAINED by the City Council of the City of Elizabeth City that the following amendment be made to the annual budget ordinance for fiscal year ending June 30, 2018:

SECTION I. That the Governor’s Highway Safety Program Grant Revenue (103490.5118) be increased by \$40,875, the General Fund Balance Appropriated (103990.0000) be increased by \$13,625, and the Police Capital Outlay Governor’s Highway Safety Program Grant (105100.7409) be increased by \$54,500.

(To record Governor’s Highway Safety Program Grant.)

This Amendment will decrease Fund Balance by \$13,625.

ADOPTED, this 14th day of August 2017.

Joseph W. Peel
Mayor

April D. Onley
Interim City Clerk

Resolution # 2017 – 08- 04
North Carolina Governor’s Highway Safety Program
Local Government Resolution

WHEREAS, the Elizabeth City Police Department (herein called the “Agency”) has completed an application contract for traffic safety funding: and

WHEREAS, the City Council of Elizabeth City (herein called the “Governing Body”) has thoroughly considered the problem identified and has reviewed the project as described in the contract:

NOW, THEREFORE, BE IT RESOLVED by the City Council of Elizabeth City in open meeting in the City of Elizabeth City, this 14th day of August 2017, as follows:

1. That the project referenced above is in the best interest of the Governing Body and the general public; and

2. That Richard C. Olson, City Manager, is authorized to file, on behalf of the Governing Body, an application contract in the form prescribed by the Governor's Highway Safety Program for federal funding in the amount of \$40,875 to be made to the Governing Body to assist in defraying the cost of the project described in the contract application; and
3. That the Governing Body has formally appropriated the cash contribution of \$13,625 as required by the project contract; and
4. That the Project Director designated in the application contract shall furnish or make arrangement for other appropriate persons to furnish such information, data, documents and reports as required by the contract. If approved, or as may be required by the Governor's Highway Safety Program; and
5. That certified copies of this resolution be included as part of the contract referenced above; and
6. That this resolution shall take effect immediately upon its adoption.

ADOPTED, in open meeting by the City Council of Elizabeth City this 14th day of August, 2017.

Joseph W. Peel
Mayor

Attest:

April D. Onley
Interim City Clerk

- I. Consideration – Authorize Community Support Grant FY 2017-2018 Application Process;
- m. Consideration – Waive Waterfront Park Closing for a Single Event;
- n. Consideration – Authorize Execution of 2017 American Red Cross Shelter Agreement;
- o. Consideration – Approval of Minutes
 1. City Council Work Session – January 23, 2017
 2. City Council Regular Session – January 23, 2017
 3. City Council Planning Retreat – February 10, 2017
 4. City Council Regular Session – February 13, 2017
 5. City Council Work Session – February 27, 2017
 6. City Council Regular Session – February 27, 2017
 7. City Council Regular Session – March 13, 2017
 8. City Council Work Session – March 27, 2017
 9. City Council Regular Session – March 27, 2017
 10. City Council Regular Session – April 10, 2017
 11. City Council Work Session – April 24, 2017
 12. City Council Regular Session – April 24, 2017
 13. City Council Regular Session – May 8, 2017
 14. City Council Regular Session – July 10, 2017

END OF CONSENT AGENDA.

Mayor Peel requested the Council's pleasure regarding the Consent Agenda.

Motion was made by Mayor Pro Tem Hummer, seconded by Councilman King, to approve the Consent Agenda, as presented. Those voting in favor of the motion were: Stimatz, Horton, Hummer, King, Baker, Walton and Donnelly. Against: None. Motion carried.

7. Public Hearings (to begin at 7:30 p.m.)

Mayor Peel called the Public Hearings to order at 7:30 p.m.

a. Hold a Public Hearing – to Receive Comment Regarding Adoption of the Brunch Bill;

Mayor Peel asked City Manager Olson to provide background on the Brunch Bill. Mr. Olson advised the Council that the State Legislature and the Governor made changes to the Alcohol Beverage Control laws in the state of North Carolina. He stated that the law allowed City Councils to pass an ordinance, which would allow alcohol sales to begin at 10:00 a.m. on Sundays instead of at noon. He pointed out that the purpose of the public hearing was to gather citizen input on whether the community felt that the Brunch Bill should be adopted.

Mayor Peel declared the Public Hearing open; and inquired of the City Clerk if there were any speakers. City Clerk Onley advised the Mayor that there were four.

Joseph Persico – 406 West Church Street:

Mr. Persico stated that he saw no reason, other than religious ones, to not pass the Brunch Bill. He added that he was "a firm believer in the separation of Church and State."

Mike Hindenach – 502 East Ehringhaus Street:

Mr. Hindenach advised the Council that he was the President of the Elizabeth City Area Chamber of Commerce. He supplied the Council with a letter from the Chamber of Commerce, which he also read into the record; and the letter stated that the Chamber was in full support of approving the Brunch Bill. He added that the businesses the Chamber contacted were "excited about the opportunity" to allow alcoholic beverage sales beginning at 10 a.m.

Dean Schaan – 1218 Little River Drive

Mr. Schaan stated that he believed that City Council adopting the ordinance would be good support for local businesses. He noted that he did not believe this should be used a way to judge "morality" based on the time an individual chose to purchase alcohol on a Sunday.

Deborah Malenfant – 4 Gardner Point

Ms. Malenfant advised the Council that she was representing a downtown business owner who was unable to attend the meeting. She read from a memo prepared by Jim Nye, owner of Hoppin' John's restaurant; and the memo declared full support for the Brunch Bill and the increase in business it would bring.

Having no further speakers, Mayor Peel declared the Public Hearing closed. He inquired of the Council if there was a motion.

Motion was made by Councilman Ray Donnelly, seconded by Councilman Tony Stimatz, to adopt the Brunch Bill ordinance to allow the sale of alcohol

at 10 a.m. on Sundays. Those voting in favor of the motion were: Donnelly, Walton, Baker, King, Hummer and Stimatz. Against: Horton. Motion carried.

ORDINANCE #2017 – 08-02

**AN ORDINANCE ADDING A NEW SECTION
TO THE CITY OF ELIZABETH CITY CODE OF ORDINANCES
UNDER TITLE XI “BUSINESS REGULATIONS,”**

**CHAPTER 110 “GENERAL LICENSE, REGULATION AND TAXATION”
SECTION “SPECIFIC BUSINESSES,”
SUB-SECTION 110.40 TO AUTHORIZE THE SALE OF MALT BEVERAGES,
UNFORTIFIED WINE, FORTIFIED WINE, AND MIXED BEVERAGES
BEGINNING AT 10:00 A.M. ON SUNDAYS**

THE COUNCIL OF THE CITY OF ELIZABETH CITY HEREBY ORDAINS:

Section 1. Pursuant to authority granted to the City pursuant to N.C. Gen. Stat. § 160A-205.3 (Session Law 2017, Chapter 87, Senate Bill 155, Section 4)), the City of Elizabeth City hereby enacts a new City Code Sub-Section 110.40, to be titled and to read as follows:

110.40 Malt Beverages, Wine, Fortified Wine, And Mixed Beverages On Sunday Mornings. The sale of malt beverages, unfortified wine, fortified wine and mixed beverages shall be allowed within Elizabeth City’s corporate limits at any premises licensed pursuant to N.C. Gen. Stat. 18B-1001 on Sundays beginning at 10:00 a.m.

SECTION II. CODIFICATION. The provisions of this Ordinance shall be published as appropriate in the City of Elizabeth City Code of Ordinances as soon as practicable after its adoption.

SECTION III. SEVERABILITY CLAUSE. If any section, or part or provision of this Ordinance is declared unconstitutional or invalid by a court of competent jurisdiction, then it is expressly provided and it is the intention of the City Council of the City of Elizabeth City in passing this Ordinance that its parts shall be severable and all other parts of this Ordinance shall not be affected thereby and they shall remain in full force and effect.

READ, CONSIDERED, AND ADOPTED at a regular meeting of the City Council of the City of Elizabeth City, North Carolina, during which a quorum was present, held on the 14th day of August 2017.

Joseph W. Peel
Mayor

April D. Onley
Interim City Clerk

b. Hold a Public Hearing – to Receive Comment on Sub 02-17 Preliminary Plat for Elizabeth City Centre;

Mayor Peel introduced the topic of the next public hearing and requested background information from Mr. Olson. Mr. Olson advised the Council that Sub 02-17 was for the Southgate Mall location. He stated that the new owners had satisfied all the questions and concerns of the Technical Review Committee. He pointed out that prior to the final plat approval an Owner's Association would need to be formed to insure maintenance of sewer lines within the mall.

Mayor Peel declared the public hearing open and inquired of the City Clerk if there were any speakers. City Clerk Onley declared that there was one.

Eddie Hyman –133 US Hwy 158 W Suite E

Mr. Hyman stated that he was attending on behalf of the development company and was present to answer any questions that the Council may have.

Having no further speakers, Mayor Peel declared the Public Hearing closed.

Motion was made by Councilman Tony Stimatz, seconded by Councilman Ray Donnelly, to approve the Sub 02-17 preliminary plat for Elizabeth City Centre.

Councilman Stimatz asked how the City could insure that the covenants and restrictions of the Owner's Association were complied with, prior to final plat approval. City Attorney Morgan stated that the final plat would not be approved without satisfaction from both himself and the planning staff. Councilman Stimatz asked for clarification on which items would staff be looking for. City Attorney Morgan stated that a Commercial Owner's Association must be formed through the Secretary of State's office. He advised that covenants must also be in place.

Councilman Stimatz asked if the business would be shut down without proper sewer and water line maintenance. City Manager Olson confirmed that would be the case. Councilman Stimatz questioned whether language declaring compliance with City code would be listed within the covenants; and Mr. Morgan declared that it would.

Councilman Donnelly stated that he noticed that the former Kangaroo gas station was gone; and he inquired whether the banks and Captain D's restaurant would be staying at their present locations. Mr. Hyman confirmed that both banks and the restaurant would remain where they were.

Councilman Stimatz asked if there were landscaping requirements made by the Technical Review Committee; and Mr. Olson confirmed that there were requirements for both landscaping and signage.

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

c. Hold a Public Hearing – to Receive Comment on the CDBG-DEQ Raw Water Transmission Project;

Mayor Peel asked City Manager Olson to lead the discussion on this matter. Mr. Olson stated that this particular grant had been applied for several times in the past, but with no success. He advised the Council that one of the requirements of the grant was to read a list of items into the record; and that Grants Management Specialist Dawn Harris would be reading the list into the record, as follows:

This public hearing on August 14, 2017, is to provide an explanation and description of the 2017 Fiscal Year North Carolina Department of Environmental Quality (DEQ) Community Development Block – Infrastructure Grant (CDBG-I).

We are present to discuss the purpose of the public hearing for the City of Elizabeth City's CDBG-I funding application. The purpose of the public hearing is to obtain citizen's views and to allow response from the public to funding proposals and answer any questions posed by citizens. This public hearing will cover the City of Elizabeth City's community development needs, development of the proposed activities, and a review of program compliance before the submission of the City's CDBG-I funding application to the state of the North Carolina.

The City proposes to request funding from North Carolina Department of Environmental Quality's CDBG-I program for the Raw Water Transmission Main Replacement. The purpose of the CDBG-I grant program is:

To improve the quality of life for low to moderate income people by providing a safe, clean environment and clean drinking water through water and sewer infrastructure improvements and extensions of service.

- To benefit a residential area where at least 51% of the beneficiaries are low to moderate income as defined by the United States Department of Housing and Urban Development.
- To perform eligible activities.
- To minimize displacement, and
- Provide displacement assistance as necessary.

North Carolina receives approximately \$44 million annually from the U.S. Department of Housing and Urban Development. It is expected that the State of North Carolina CDBG-Infrastructure Program will have allocated to it \$26 million dollars. The available funds are allocated in one grant application round in September. Applications for funding will be received September 29, 2017.

The CDBG program is able to fund a wide variety of community development activities. The State of North Carolina has chosen to fund two activities: water and sewer infrastructure, and economic development projects that lead to job creation or retention. The infrastructure program, or CDBG-I program can fund a range of water and sewer infrastructure activities, including, but not limited to the, following:

Water:

- Projects that resolve water loss in distribution systems.
- Projects that extend public water to areas with contaminated wells.
- Projects that extend water lines to areas with dry wells.
- Projects that assist with low water pressure in public water systems.
- Projects that regionalize two or more water systems.
- Project that rehabilitate or replace a water treatment plant.

Wastewater:

- Projects that resolve inflow and infiltration to collection systems and surcharges from pumps stations and manholes.
- Projects that extent public sewer to areas with failed septic tanks.
- Projects that rehabilitate a wastewater treatment plant to allow for greater efficiency/compliance with regulations.

The City is seeking an amount in CDBG-I funds not to exceed \$903,581 for the Raw Water Transmission Main Replacement Project. The purpose of the City's request is to ensure continued supply of potable water to the water customers of Elizabeth City. These customers include approximately 17,000 residents, over 100 commercial businesses, a few light industrial facilities, and the largest Coast Guard base in United States (approximately 6500 Coast Guard and civilian personnel). The project is to replace approximately 9000 linear feet of pipe which transfers groundwater from the well field to the water treatment plant with a pipe which can withstand the acidity of the groundwater. The existing pipe is a 10-inch cast iron pipe and more than 70 years old. The existing pipe is deteriorated due to both erosion and corrosion. The replacement pipe will be a 14-inch polyvinyl chloride (PVC).

The project proposed by the City of Elizabeth City was identified in the 2015 Asset Management Plan.

A total of 100% of the CDBG- I funding will be used to benefit Low to Moderate Income (LMI) people. The project area in the City of Elizabeth City has been determined to have an area-wide LMI of 55.8%.

The range of activities covered by the CDBG-I funds for the Raw Water Transmission Main Replacement Project includes:

- Construction.
- Environmental Review
- Engineering Design
- Construction Administration and observation.
- Legal activities.
- Surveying.
- Grant Administration.

If the City of Elizabeth City is awarded a CDBG-I grant, the town is required to adhere to federal procurement requirements and other federal regulations which include:

- American with Disabilities Act/Section 504 Survey
- Davis-Bacon & Related Labor Acts
- Adoption/Submittal of a Citizen's Participation Plan
- Adoption/Submittal of an Equal Opportunity Plan
- Adoption/Submittal of a Fair Housing Plan
- Adoption/Submittal of a Language Access Plan
- Adoption/Submittal of a Relocation Assistance Plan
- Adoption/Submittal of a Section 3 Plan
- Excess Force Provision

The State of North Carolina requires if the City of Elizabeth City receives CDBG grant funding that the town will certify that they will comply with the requirements of the general displacement and relocation policy for CDBG grant funding. This policy assists low to moderate income people with costs associated with relocation or displacement, should such relocation become necessary due to the project activities. CDBG funds can be used for those costs, if necessary. If no displacement and relocation will occur as a result of the proposed CDBG grant activity, then the City of Elizabeth City confirms that during this public hearing.

In the past, the City has applied for and received funding for the following completed CDBG project:

- List Name of Projects and Outcomes/outputs of the projects:

2012 Pearl and North Road Street water and sewer improvements

2014 Elizabeth City Middle School Renovations

2015 Road Street water and sewer improvements

The City will submit its CDBG-I application for the Raw Water Transmission Main Replacement Project on September 29, 2017. The CDBG-I application will be available for review during normal business hours in the Community Development Office located at 302 East Colonial Avenue, Elizabeth City. Additional information is available from the Grant Management Specialist in the Community Development Office. Should you have any complaints or grievances regarding the subject public hearing, they should be addressed to the addressee mentioned above within 10 business days or by August 28, 2017 and a written response to the written complaints and/or grievances will be sent by the City within 15 business days, where practicable.

This concludes my report. Our Public Works Director and our Community Development Director are present to answer any questions you may have regarding the project.

Mayor Peel declared the public hearing open and asked of the City Clerk if there were any speakers. There being none, he declared the public hearing closed.

Councilman Stimatz asked when the City anticipated grant award. Mr. Olson stated that should the City receive grant award, it would most likely be in December or January. Mr. Olson pointed out that although engineering plans were completed, CDBG projects required a lengthy environmental review process, which could take between six and nine months. Councilman Stimatz asked if it would be realistic to assume the project's earliest start date would be September 2018; and Mr. Olson confirmed that was what he believed. Councilman Stimatz noted that the project "has been on hold for five years."

d. Hold a Public Hearing – to Receive Comment on the Naming of the Enfield Splash Pad

Mayor Peel introduced the topic of the next public hearing and recognized City Manager Olson to lead the discussion. Mr. Olson stated that Councilman Brooks had requested possibly naming the City's new splash pad at Enfield Park after former Mayor Roger McLean.

Mayor Peel declared the public hearing open; and inquired of the City Clerk whether there were any speakers. Being none, Mayor Peel declared the public hearing closed.

Motion was made by Councilman Darius Horton, seconded by Mayor Pro Tem Anita Hummer, to name the splash pad at Enfield Park after former Mayor Roger McLean.

**Resolution # 2017 – 08-05
Officially Naming the Splash Pad at Enfield Park
“Roger A. McLean Splash Pad”**

WHEREAS, a long-time goal of the City Council had been to provide a splash pad for the enjoyment of the City's children, and that goal was achieved on June 15, 2017; and

WHEREAS, policy dictates that the City Council will consider the naming of a public property for an individual or an organization only when the individual(s) or organization has made exceptional contributions to the City and/or the community at-large in the form of money, land, time, or overall service to the community; and

WHEREAS, former Mayor Roger A. McLean, who served the City from 2009-2011, was a champion of building a splash pad and fought tirelessly to see it to fruition; and

WHEREAS, in keeping with the City of Elizabeth City Public Property Naming Policy adopted on April 23, 2012, the City Council held a Public Hearing to gather citizen input regarding the official naming of this property as “Roger A. McLean Splash Pad.”

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Elizabeth City that the splash pad at Enfield Park is hereby officially named “Roger A. McLean Splash Pad” effective immediately in honor of former Mayor McLean and his significant contributions to Elizabeth City.

ADOPTED, this 14th day of August 2017.

Joseph W. Peel
Mayor

April D. Onley
Interim City Clerk

Councilman Horton noted that it was part of Mayor McLean's dream to develop a splash pad, and wondered if it would be appropriate to add the word “Mayor” under his name on the sign. City Manager Olson agreed that it could be done.

Councilman King inquired whether there would be an official dedication, as he felt that the family of Mr. McLean should be notified. Mr. Olson stated that the formal dedication had taken place already, but if the Council wished to have something further, it could be arranged.

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

8. Regular Agenda:

a. Consideration – Appointment to Storm Water Advisory Board

Mayor Peel advised the Council that staff recommended the appointment of David Harris to the Storm Water Advisory Board.

Motion was made by Councilman Stimatz, seconded by Councilman King, to appoint David Harris to the Storm Water Advisory Board. Those voting in favor of the motion were: Stimatz, Horton, Hummer, King, Baker, Walton and Donnelly. Against: None. A roll call vote followed, which facilitated the same votes. Motion carried.

b. Consideration – Re-Appointment to Storm Water Advisory Board

Mayor Peel advised the Council that staff recommended the re-appointment of William Hiemer to the Storm Water Advisory Board.

Motion was made by Councilman Stimatz, seconded by Councilman King, to re-appointment William Hiemer to the Storm Water Advisory Board. Those voting in favor of the motion were: Stimatz, Horton, Hummer, King, Baker, Walton and Donnelly. Against: None. A roll call vote followed, which facilitated the same votes. Motion carried.

c. Consideration – Appointment to the Community Relations Committee

Mayor Peel advised the Council that staff recommended appointment of L.P. Hornthal VI to the Community Relations Committee.

Motion was made by Councilman Rickey King, seconded by Councilman Ray Donnelly, to appoint L.P. Hornthal VI to the Community Relations Committee. Those voting in favor of the motion were: Donnelly, Walton, Baker, King, Hummer, Horton and Stimatz. Against: None. A roll call vote followed, which facilitated the same votes. Motion carried.

d. Consideration – Designation of Voting Delegates for 2017 NCLM Business Meeting and Conference

Councilman Stimatz advised the Council that only two members would be present: himself and Councilwoman Baker.

Motion was made by Councilman Tony Stimatz, seconded by Councilman Ray Donnelly, to appoint Councilwoman Baker as the voting delegate and Councilman Stimatz as the alternate. Those voting in favor of the motion were: Donnelly, Walton, Baker, King, Hummer, Horton and Stimatz. Against: None. Motion carried.

e. Consideration – Request to Reschedule October 23, 2017 City Council Work Session and Regular Meeting

Mayor Peel advised the Council that the regularly scheduled October 23, 2017 meeting needed to be rescheduled to October 30, 2017, due to both City Managers being at a conference in San Antonio, Texas.

Motion was made by Councilman Tony Stimatz, seconded by Councilman Ray Donnelly, to reschedule the City Council meeting to October 3, 2017.

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

f. Update/Discussion – Utility Billing Update and Disconnection Information

Mayor Peel recognized City Manager Olson to lead the discussion on this matter. Mr. Olson provided the Council with a presentation detailing the number of customers on Cycle 2 who could potentially suffer service disconnection for non-payment.

Councilman Walton asked if City Manager Olson had information on the other cycles. Mr. Olson noted that he did not have information yet, since those cycles did not have bills due. He added that he would provide analysis on the other cycles as the due dates got closer.

Mayor Pro Tem Hummer noted that many accounts with delays, such as Morgan Pointe, were new construction; and the process to set up those accounts was more in-depth and involved multiple departments. She expressed pleasure that the City was “catching up.”

Councilman Stimatz pointed out that customers had nearly 40 days between the meter reading date to the date the bill was due. He added that extensions were also available.

9. Comments and Inquiries on Non-Agenda Items:

Councilman Donnelly had no further comments.

Councilman Walton had no further comments.

Councilwoman Baker had no further comments.

Councilman King thanked everyone that prayed for him during his illness.

Mayor Pro Tem Hummer had no further comments.

Councilman King had no further comments.

Councilman Stimatz had several questions for staff, including: could a write-up be provided by staff on the Pelican Marina?; could an update on the Weatherization Audit be provided?; when could a presentation by John Leidy on personnel retirement obligations of the City be expected?; and when could an update on roadside vendors be expected?

10. Closed Session – As allowed by NCGS 143-318.11 (a)(6) to discuss personnel matters and by NCGS 143-318.10(e) Approval of Closed Session Minutes.

There being no further comments, Mayor Peel declared a five-minute recess at 9:25 p.m. prior the Council retiring into closed session.

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

The Council returned to regular session at 9:51

Motion was made by Councilman Tony Stimatz, seconded by Councilman King, to accept the appointment of Montique McCleary as the City’s new Human Resources Director. Those voting in favor of the motion were: Stimatz, Hummer, King, Baker, Walton and Donnelly. Against: Horton. Motion carried.

Motion was made by Councilman Tony Stimatz, seconded by Councilman King, to accept the appointment of Suzanne Tungate as the City's new Finance Director. Those voting in favor of the motion were: Stimatz, Horton, Hummer, King, Baker, Walton and Donnelly. Against: None. Motion carried.

10. Adjournment:

There being no further business to be discussed, Mayor Peel adjourned the meeting at 9:51 p.m.

Joseph W. Peel
Mayor

April D. Onley
Interim City Clerk