

**City Council Special Work Session  
July 29, 2024**

The City Council of the City of Elizabeth City met in a Special Work Session on Monday, July 29, 2024 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 Kirk Rivers  
Mayor Pro Tem Kem Spence  
Councilman Johnson Biggs  
Councilman Joseph Peel  
Councilman Jarvis Gibbs  
Councilwoman Katherine Felton  
Councilman Ronnie Morris  
Councilman Johnnie Walton

MEMBERS ABSENT: Councilwoman Rose Whitehurst

OTHERS PRESENT: City Manager Montre' Freeman  
Deputy Finance Director Brian Lewis  
Data Processing Manager Heather Corbett  
Interim Chief of Police James Avens  
Electric Superintendent Donnell White  
Interim Human Resources Director Anna Spence  
Public Utilities Director Dwan Bell  
Public Utilities Deputy Director Raymond Staten  
Development Services Director Reggie Goodson  
Parks and Recreation Director Sean Clark  
Fire Chief Chris Carver  
IT Director Matthew Simpson  
ECDI Director Debbie Malenfant  
IT Systems Analyst Pedro Holley II  
City Clerk April Onley

Mayor Rivers called the Special Work Session to order at 5:00 p.m. Mayor Pro Tem Spence provided the invocation, after which Councilman Biggs led the Pledge of Allegiance.

**1. Discussion – Employee Raises:**

Mayor Rivers reminded those present that the only topic of discussion slated for the special meeting was employee raises. He advised the Council that they could offer suggestions and opinions as they saw fit. Mayor Pro Tem Spence opined that the Public Works Department had been overlooked in the past, only receiving minimal increases, and he wanted people in that department to receive a 5% increase and \$1,500 bonus. He suggested that other employees could receive a 3% increase if they did not get a raise otherwise in the year. Councilman Peel asked if Police and Fire would receive raises under this proposition. Mayor Pro Tem Spence pointed out that both Police and Fire recently received raises Mayor Rivers asked how much money in total was set aside in contingency for the purpose of pay increases. Manager Freeman replied that it was \$462,729; however, it had been accounted for in 3% increments across each fund.

Councilman Walton asked how many people were in the Public Works Department. Director Bell relayed that they have just under 90 positions. Councilman Walton asked how many of those positions were vacant. Director Bell believed there might be seven or eight. Councilman Peel verified that Mayor Pro Tem Spence was asking for the \$1,500 to be paid as a bonus. Mayor Pro Tem Spence confirmed that was his request.

Councilman Biggs requested the total amount of contingency set aside for Fund 10. Assistant Director Lewis advised that it was \$323,838.

Mayor Rivers noted that Public Works is comprised of two divisions. How many active employees are there right now? Director Bell stated that he was having Director Lewis pull that information to confirm.

Councilman Gibbs shared that he liked to try to put weight on jobs, but the cost of everything has gone up. Our staff in higher positions are maybe able to deal with some of those increases, but the ones in lower positions are feeling the strain. I am a firm believer in taking care of the little man. The workers are the ones who run the City, not the ones with the titles. There have been a lot of issues in the City that have been kicked down the road for years and we have to do what we can to ensure that people who are being paid less than others have their money moved up. We are in a position to make that happen and we need to do that.

Councilman Peel stated that he didn't have a problem with the suggestion on the table, but he did have a problem with not giving Police or Fire anything because we'd find ourselves right back in the same position we were in before. He mentioned the end-of-year amendment that was comprised of a significant amount of money. We were told that probably not all of that would be spent, but we haven't heard where we stand with that. If there's funding left there that might be a potential place to pull from.

Mayor Pro Tem Spence pointed out that he was a staunch Public Safety supporter and he didn't want anyone to take it the wrong way, but we can't continue to neglect other people because the Police and Fire Departments talk about leaving. We can maybe revisit discussion about giving other departments money at some other time. The image for a long time has been that anyone can dump trash or work on the pipes, but that's not right. The mentality of the City is that anyone can do that job, and that's wrong.

Councilman Morris was in agreeance with the 5% increase and \$1,500 for Public Works. He believed that everyone had been given raises except Public Works. He wanted to thank Chief Carver and Deputy Chief Brooks for the stance they took in not taking a raise and instead pushing that money down to their personnel. He wanted to make sure the selflessness the Fire Chief and Deputy Fire Chief had shown was rewarded and looked out for later on, but right now, it's time to take care of Public Works.

Councilwoman Felton stated that all 260 of our employees are vitally important and they all have bills to pay. Public Works has been overlooked for so long, so they should lead the line in getting increases. They have been more patient than many people would have been. They should be increased first and then whatever else we choose to do after is fine. All the departments are important and all of our employees are important, but the ones that are overlooked need to be attended to.

Mayor Rivers inquired what the cost would be for this proposition. Director Bell advised that there were 64 employees if they did not include the Electric Division. If they included Electric, Load Management and the Meter Readers, it drove the number over 80. Calculating for 64 employees, the \$1,500 bonus would be \$96,000. Councilman Biggs figured \$139,913 for a 5% increase across both divisions of Public Works based on the information that he had available. Councilman Walton felt that it should amount to more than that.

Manager Freeman pointed out that although Load Management and the Meter Readers fell under the Electric Division, they were not included in the previous increase that the Electric Division received. Mayor Rivers stated that they would come back to that conversation. He requested a total for a 3% increase for the rest of the employees, minus those aforementioned 64. We can back out from there.

Mayor Pro Tem Spence asked if the Garage and administrative personnel were considered part of Public Works. Director Bell confirmed that they were. Mayor Rivers asked what our total staff count is right now. Interim Director Spence replied that it was 299, including part-time personnel. Mayor Rivers stated that they did not need the part-time count and only needed active positions. Councilman Biggs suggested they consider vacant positions because the salary schedule is changing for those new positions. Mayor Rivers pointed out that they include a range when they hire someone. We only have so much money for raises and we need to use that for our current employees. Councilman Peel said if we do a COLA across the board, we've already changed the range, so we have to have that money somewhere to cover these new people coming in. Any time you

do an increase across the organization, the ranges change. The positions won't all be full so there will be some savings, but you need to plan. If you don't need everything you budget, great, but the money should be in there.

Councilman Biggs asked if he could also have the total for Fund 30, 31 and 34. Director Lewis advised that Fund 30 was \$62,469; Fund 34 was \$940; and Fund 31 was \$56,845. Additionally, we have 52 part-time employees, so our total full-time employee count is 247.

Manager Freeman announced that a 5% increase for Public Works was \$195,000.

The 3% increase for the remaining full-time employees totaled \$355,990 and was broken down into \$274,233 for the General Fund, \$68,559 for Electric, and \$13,198 for Water and Sewer. The addition of the \$96,000 to account for the \$1,500 bonus brought the total to \$451,990. The \$195,000 for the 5% increase in Public Works makes the total roughly \$646,000.

Mayor Rivers pointed out that there is a shortfall of \$183,000 for the proposed plan, as only \$462,729 was available in contingency. A possible exclusion would be to remove anyone who had already received a raise in 2023-2024. There were people in the last year who had received raises outside of normal increases. Can we take away those employees from the 3% increase? The Council previously received a spreadsheet from HR with all salary increases outside of 2% performance raises. Manager Freeman said he had not seen that spreadsheet so he was not certain what they were looking at. Mayor Rivers asked if Councilwoman Felton could calculate that total from the spreadsheet. Councilwoman Felton replied that she could; however, there were a significant number of people who'd received raises and the sheet did not detail the fund information. Manager Freeman asked if they should pull out anyone who received a 2% increase. Mayor Rivers said no, the normal 2% performance increases were fine and were not their concern. Councilman Peel asked if Brian and Heather understood what the mayor was asking them to look for. Mayor Rivers didn't think they did because they didn't have the sheet with the information the Council received that detailed the people who'd received raises.

Manager Freeman asked if they should keep Fire and Police in the calculation for now. Mayor Rivers said yes; it would be up to the Council to determine whom they wanted to include or exclude. He inquired as to the number of people in the City who make over \$90,000. Assistant Director Lewis replied that 14 people make more than \$90,000 annually. Councilman Walton worried that they were approaching a slippery slope and might need to enter closed session to continue some of these discussions. Mayor Rivers noted that salaries were an open session matter. He added that he wasn't trying to encourage the Council to go any certain way, he was just putting ideas out there as options. Councilman Biggs suggested that they needed to break the raises down to the fund level because you may have some funds where no one is making \$90,000. Most of your department heads are in the General Fund. Mayor Rivers noted that we also have various employees who are paid from two funds.

Councilman Peel inquired about how close we were to finding out how much money was actually used from the June budget amendment concerning salaries. Manager Freeman replied that he had not checked into that yet, as he was under the impression the Council wanted to return to the conversation in August. He said he would look into it next week. Councilman Peel asked the manager if he had any suggestions on how to make these increases work. Manager Freeman stated that there was about \$300,000 remaining in the earned interest account, but he hadn't had a chance to really think about it.

Councilman Gibbs asked if there was a request to exclude people making more than \$90,000. Mayor Rivers advised that it was only a suggestion. The Council can vote to find the \$183,000 that's lacking from the current plan or they can start excluding specific departments or whatever. Councilman Gibbs pointed out that everyone's household was set up differently. Your household may run based on a certain income that you bring in, but your expenses still go up when everything goes up. We're making this issue about Public Works and our people. We're saying it's Public Works' time to be taken care of, but I think we can make it happen where everyone is getting a bit of something.

Councilman Walton was concerned that they'd come to the table without a game plan. They should have had something in place already or at least an idea of how they wanted

to do this. Councilman Gibbs agreed that these numbers should have been out there before this meeting. Now we're just throwing things in the dark and going in blind. We dropped the ball with this. Brian and Heather are not prepared because we didn't prepare them to be prepared. We said we would discuss employee raises, but they weren't given any information prior to now. We're giving them all of this on the spot and asking them to calculate it. It's not good business and that's how you make mistakes. The focal point is Public Works and that crew, but I think staff needed more direct information prior to coming in here tonight. Not everybody works well under pressure. I don't think it's fair that we're throwing it at them and telling them to give us all the answers right now. We dropped the ball.

Councilman Walton stated that he would have misgivings about not giving raises to people based on their salaries. People that came into the organization making \$90,000 or worked their way up to that point aren't working here just assuming that they're never going to get a raise again. We don't want to demoralize people and telling someone "you make enough" does that. We know we want to help the bottom, but we can't demoralize the top. They work hard too. He agreed with Councilman Gibbs that the Council dropped the ball and as such, may not be able to make any firm decisions tonight beyond confirming that Public Works will receive a 5% raise and \$1,500 bonus, and everyone else will receive 3% except for people who already got a raise for whatever reason. We may have to remove Fire and Police from those increases, and we did talk about that. We need to get some firm numbers with a plan of how we're going to do it. We probably need to have a special meeting next week to get this done.

Councilwoman Felton pointed out that they had to do things this way because they couldn't have a meeting before the meeting, but tonight was for discussion so that's what they were doing. Mayor Pro Tem Spence agreed with Councilman Gibbs in a sense because they are here to discuss the increases; however, he wanted to apologize because he made the original motion. He didn't change his mind about the decision. He asked if staff needed to have some time to sit down to get the numbers together. Director Lewis confirmed that they did. Mayor Pro Tem Spence felt the Council needed to continue this discussion as quickly as possible. Whatever we come up with, it's going to be retroactive to July 1st. He asked that the Council allow the manager and his team to have a few days to pull the numbers together with the suggestions that were made.

Manager Freeman asked if the Council would consider dropping the increase to 2% for the rest of the employees. He didn't know what that would look like, but he wasn't sure how they could make it work otherwise. Mayor Rivers stated that when they were working through the budget, the manager proposed a 3% increase for employees. Throughout the whole process, the Council was very vocal about not liking that 3%. When it came down to budget time, we said we'd have a meeting so everyone could put everything on the table and discuss our concerns and offer suggestions. That's what this meeting was for. Staff gave their opinion and we wanted to do things differently. In the spirit of talking it out and coming up with a solution on how to spend just under \$463,000, now we're saying we dropped the ball. The manager made the original presentation, so we could have accepted the 3% COLA and not have been here tonight. We all said that we wanted something different for Public Works and for those positions that were getting mid-year raises. Now we're saying we're going to turn it back over to staff. We spent an hour and a half and every councilor has some close numbers to where we have a skeleton of a plan here. It has to be fine-tuned. Staff has to come back and make sure it's right. All I'm saying is let's put all of our ideas out there, see what we've got and spend this money how we feel is best. If the total is over, we have the choice to raise or reallocate if we feel that's right. There are no meetings before the meetings. We get the information at the same time. Are we going to add to the pot of money or keep it where it stands? We don't have to make a decision tonight but we need to be close. We keep saying we'll wait, but we're coming out of July now. We can't keep pushing it off. We have to make a decision. I think we need to use the rest of the 15 minutes here and decide whom to exclude if that's what we're going to do so we have all the plans and possible options on the table. We don't want to push this off for another 30 days. We don't have a meeting in August until the end of the month. We have to roll up our sleeves and get this done.

Councilman Gibbs said it appeared that everyone was in agreement with 5% and \$1,500 for Public Works. We need to give staff time to figure out whether we can give that along

with a 3% increase for everyone else. For me, that includes looking out for all ends of the scale. I do not want to exclude people based on their salary.

Councilman Morris asked the manager to explore not including Fire, Police and Electric. He also asked that he explore a 2% increase and what those numbers would look like. He was not concerned with the salary range. He cared that there were people who received significant raises and then there were people who did not. He intended to address the problem as long as there was a problem. We had six months of budget meetings. Everybody else was ready, but we're still technically on the budget now, and it's almost August. He encouraged the manager to explore the ideas he heard the Council express tonight and come back with the requested information. Let's come up with three or four different game plans and go from there.

Councilman Biggs knew we kept talking about the whole number, but everyone needed to remember that we could only allocate raises based on what's in the fund. He understood everyone may not realize that when we say we have \$463,000, that's not exactly what that means. The total is divided up by fund. People in the Enterprise Fund are paid based on revenue received from those funds. We have to drill down into each of the funds. If we want to give Public Works raises and we didn't budget anything except 3% in those funds, we can't do that without giving staff direction about where to go to find those amounts. It is not efficient to do that. Taking away increases from Police and Fire doesn't help Solid Waste because they are completely different funds. We need to be aware that pulling back and forth on certain people may not ultimately help the ones we're trying to help.

Councilman Walton felt that we were doing things in order and fairly well. The manager now knows how we are operating and he should be able to bring back a game plan that fits what the Council has requested. We don't need to talk about it anymore. He noted that Councilman Morris expressed that he wanted to help the employees at the bottom of the pay scale move up. He reminded them that Mayor Pro Tem Spence made the motion and everyone agreed with it. We were stuck when we went into the \$90,000 conversation. Let the manager put the plan together so we can come back and vote.

Councilwoman Felton pointed out that as this meeting was being held for discussion and looping back to the original conversation, she only had a problem because the manager had been giving some employees additional money throughout the year outside of policy. She had no issue not giving someone an additional increase if they'd already received money this year. She wanted to ensure that Public Works was fairly compensated because they had often been overlooked in the past.

Councilman Peel reiterated that we have \$463,000 total and we have to be able to allocate that to each area. We need \$291,000 for Public Works. That leaves us with \$172,000. His suggestion to the manager was to see where we are at the end of that. Do we have money left in other funds? He didn't know if what remained would be in the right place. He requested the manager have a plan of what we can do for the rest of the employees after that. If we decide we want to give anyone anything after Public Works, we can discuss that. That will be something you come back with a plan for us on.

Mayor Pro Tem Spence asked the manager if he understood what the Council was looking for and would expect at the next meeting. Manager Freeman confirmed that he did. Mayor Rivers stated that as the Council had reached a consensus for the time being, they would need to recess the meeting for about a week so staff could prepare the requested information.

## **2. Recess:**

At 6:49 p.m., with there being no further business to be discussed, Mayor Rivers declared the meeting recessed until August 5, 2024 at 5:30 p.m.

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E. Kirk Rivers  
Mayor

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April D. Onley  
City Clerk, NCCMC

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