

**City Council Work Session
August 22, 2022**

The City Council of the City of Elizabeth City met in work session on Monday, August 22, 2022 in Council Chambers, located on the 2nd 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 Rose Whitehurst
Councilwoman Katherine Felton
Councilwoman Barbara Baxter
Councilman Johnnie Walton

MEMBERS ABSENT: None

OTHERS PRESENT: Interim City Manager Montique McClary
City Attorney Bill Morgan
Interim Chief of Police J. Phillip Webster
Deputy Chief of Police James Avens
Interim Electric Superintendent Bob Vannoy
Interim Human Resources Director Monica Cole
Assistant Public Utilities Director Ryan Howell
Parks and Recreation Director Sean Clark
Grants Administrator Jon Hawley
Community Development Director Kellen Long
Fire Chief Chris Carver
ECDI Director Debbie Malenfant
IT Director Matthew Simpson
IT Systems Analyst Pedro Holley II
City Clerk April Onley

Mayor Rivers called the Work Session to order at 5:30 p.m. The invocation was delivered by Councilman, and everyone joined for the Pledge of Allegiance.

1. Agenda Adjustments and Approval:

Mayor Rivers asked that the consideration of fire radios from ARPA funds be moved from Finance Committee to Public Safety Committee for consideration, along with a discussion on Speed Bumps. Motion to approve the agenda by Spence, seconded by Felton. Those voting in favor of the motion – unanimous.

Motion was made by Mayor Pro Tem Kem Spence, seconded by Councilwoman Katherine Felton to approve the agenda with the noted amendments. Those voting in favor of the motion were: Biggs, Peel, Gibbs, Whitehurst, Spence, Felton, Baxter and Walton. Against: None. Motion carried.

2. Committee Reports / Updates:

a. Finance Committee

i. Greg Isley Firm / P.B. Mares

Councilman Biggs recognized representatives from the Greg Isley Firm, who are the accounting firm helping the City get our financials up-to-date and assisting the auditors and Finance Department. Also present were the City's auditors, P.B. Mares and Beverly Stroud, a CPA with the Greg Isley Firm and managing director of rural government

division. They explained their job is to assist anyone who needs financial assistance. Their initial understanding of the project they were recruited for was for bank reconciliation, which branched into audit help. They do have a rep on site to help get the auditors everything they need, including fixed asset reports, A&R reports, and acting as an intermediary. Ms. Stroud explained that there was a discrepancy in the City's fixed assets, so one of their personnel did have to perform an on-site review to verify inventory, which has now been completed. There is also an expert in debt on-site. She noted that bank reconciliations have been done through April 2022. She stated that they were asked by the previous interim city manager to turn the reconciliations back over to staff, but due to lack of training and a newly on boarded hire, they've been given back to their company until staff can become completely trained. Bank recons need to be done nearly daily to keep from falling behind, as they are cumbersome. They will help train our staff on how to keep it caught up. She pointed out that the fixed asset report will be tested shortly. The 2022 audit is not expected to be as difficult because we know what the auditors will ask for since we're working on 2021, and a proactive file is being compiled now.

Councilwoman Felton asked if we knew how long the process might take. Ms. Stroud said that we don't. Once the audits are current, their company will just exist as maintenance only or as called, such as if finance needs reports prepared. They will not need to be here on-site several days a week.

Robbie Bittner from P.B. Mares explained that his company was contracted in April to come in and begin on the 2021 audit. There were various setbacks with capital assets and OPEB that are just now getting caught up. They are the independent auditor and do not make management decisions. They perform statistical testing to determine if our numbers align with accounting principles. He explained that the Greg Isley Firm gets our books in order so their company can perform the actual audit. There is a separation between decision making and their purpose. A few things are still being waited on, including utility samples and grants. Once that information is cleared up, they can finish the testing. The entire process is somewhat behind. They believed it would be completed in May prior to some of the larger hiccups being discovered. The primary focus in next two weeks will be FY 2022 audits. He noted that an issue is that all "audit" people are booked solid, which is not saying that nothing here will be done, but two people will not necessarily be set aside for us at all times.

Mayor Pro Tem Spence asked if there was anything we can do as the City to expedite this process? "If you're saying you are booked for the coming time, we won't be getting as much help as we are now, so what can we do to make it run smoother?" Mr. Bittner said we should get anything on the outstanding audit list in as quickly as possible." Anytime we have that kind of info, we turn that back and put it back onto the city staff to get us that info. The quicker that comes in, the quicker we can get things done." He noted we're still missing six or seven items right now.

Councilman Walton agreed that it's been a long process. He said he'd as former interim manager Mr. Clark in February about our status and he'd been told at that time that it would be 40 more hours, but that was clearly not the case as that was five months ago. He noted that we can't catch up until we find the information that we don't have. He asked if there was specific information that will make it all work faster. Mr. Bittner replied that certain things, such as the issue with fixed assets and inventory in elected and water/sewer funds. Their company was not able to observe those because they were not engaged and part of the team. Typically, when you have those items, the auditing company would come in on those days and make sure that those items exist and are appropriate. He explained that what they're now having to do now is almost perform work for 2022 and then roll it backwards to verify that the balance is right. Councilman Walton wondered if we would be able to ever "fill in the puzzle." Mr. Bittner said he believed it's getting filled in, just backwards. Some of the things they've had to do for the 2021 audit will be used for 2022, so that will be helpful.

Councilman Walton asked if he had any idea of where the problem started. Mr. Bittner said, "I can't answer because it was before we were engaged and came out here, so that may be better a question for the Greg Isley Firm or Alicia, but it's been several years back."

Councilman Biggs said he believed part of the problem is the auditor that performed the 2020 audit, the data that they passed off was not great. No one had a high level of confidence in it, so they've had to go farther back to confirm it was right. "That's where the problem begins with the \$4 million in fixed asset discrepancy and why we had to start this process in July. It's been one issue after another and it's continued to delay."

Councilman Walton said he felt we needed to start somewhere and move forward. If there's something back there, there should be a finding and it should be told to us. Mr. Bittner explained that's the purpose of the physical inventory, to trace it back and make sure that we have what we're supposed to. He said that from a fixed asset perspective, the 2022 number is going to be on point. Councilman Walton asked if he'd read the previous auditor's findings in their reports. Mr. Bittner replied that there were no findings in 2020, but noted he would have to check to verify it because that's something they do have to look at. Councilman Walton asked how much more they expected it to cost us to finish this process. Mr. Bittner said he couldn't tell us a cost between what his company is finishing up and the Greg Isley team is finishing up. He added that he did feel comfortable that they are far along in the process and the gaps have been found and corrected. Councilman Walton asked if he predicted it would be more than 40 hours until completion; and Mr. Bittner confirmed that it would.

Councilman Walton asked if we are teaching the process to our staff now. Mr. Bittner said that we are, and the Greg Isley Firm will help with that. He added that his firm can be another sounding board, they just can't make decisions. Councilman Walton asked if he know how much the City has now paid for auditing. Mr. Bittner said he couldn't tell him off the top of his head. Finance Director Steward said the first invoice she saw was for \$25,000, but would check if there are other invoices.

Councilwoman Felton asked if all of the people on the staff paid by the hour or is it an overall contract? Ms. Stroud replied that it's individual and by the hour.

Mayor Rivers added that when we finish with our 2021 audit, we will start on 2022 and we will be late. We're a year behind now. Councilman Biggs said he did not think it would be realistic to think the 2022 audit will be done by the October 31st deadline. However, once the 2021 audit is done, we do have high confidence that 2022 will move along much faster. Mr. Bittner concurred, and said their biggest issue is starting balances. Once they have audited a starting balance, they'll have confidence in what they've done and be able to move faster. Councilman Biggs asked what's a normal time frame? Mr. Bittner replied that they usually begin in April or May. In late August to early September, they'll begin the final piece of the audit. The report is then presented to the board within 45 days of issuance.

Councilman Biggs noted that going forward, we will have monthly reports so we can continue to get updates. Mayor Pro Tem Spence added that this mess that we have did not start last year or the year before last. This is years of ongoing things that have happened. He concurred that it's a process.

ii. Financial Reports / Budget to Actual

Councilman Biggs stated that he'd sent out a budget to actual report earlier today. He noted that there was not a lot of movement in the report right now. A check register went out as well, which was quite large and later distributions will probably be dialed back.

iii. Update on Closing of Satellite Office and Contract with TASCO

Councilman Biggs said that Interim Manager McClary had already addressed this matter in the FYI and asked if there was anything anyone else would you like to further address. Councilwoman Whitehurst asked about the satellite dish on top of the building, which wasn't there when we leased it. She asked that we look into that. Councilman Biggs said he'd relayed those concerns to Attorney Morgan so we will be checking into that situation. Attorney Morgan noted that he'd spoken with the attorney for the landowners twice and was not aware that the satellite dish was on the roof, nor was the landlord until we vacated. We've been told that when we remove it, we just need to make sure that there's no leak caused by the removal. He said the property owners have had inquiries about renting and they may do so to help mitigate the process. IT Director Simpson explained that the satellite is a radio antenna used for transmission and will be removed this week. Finance Director Steward stated that TASC services will end on August 31st. At this time, they are verifying that all phone numbers are operational and prepared for the changeover.

iv. Lobbyist

Councilman Biggs stated that some members of the Council have been approached by former Senator Steinburg about providing lobbyist support to the City. We will not be able to contract until February, which is the start of the new session. He would be providing us with access to budget writers and leaders and a means to additional funding, as well as getting appointments we might not be able to get otherwise. There would be no budgetary impact before February 2023.

Mayor Rivers said it's always good to make sure we have representation in Raleigh. We have a lot of needs that we want to make sure get into the long session and we need to have someone constantly in Raleigh that we can call, so I am in favor of looking for a lobbying service. We still have to follow up and go up once every two months and constantly contact our legislators.

Councilman Walton asked if the City has ever had a lobbyist. Councilman Peel replied that we haven't, but he said he didn't think we ever felt like we needed one as the people that represented us were fairly local and we felt like we knew them and that has now changed. Councilman Walton agreed that we need "someone at the table now" although the biggest concern would be the cost. Councilman Biggs said don't have an exact number, but he'd expect about \$3,000 a month or \$36,000 a year to provide the services of an individual to be in Raleigh and here to meet with the Council on an ongoing basis and review our needs and priorities and guide us on different avenues and funding in the General Assembly. It would also be a partnership where if the Council needed to go up to Raleigh, it would give us better access than if a member just picked up the phone and tried to get in. The chief budget writers on both sides of the aisle are not from our area like they once were.

Councilman Walton noted that we still have time to talk about it more. He's been touching shoulders with a lot of the people in Raleigh, so that would be an asset. We need to do it early rather than waiting because he may lose contacts. Councilman Biggs stated that next year is the long session and you'll see more funding, so that's where we could see more opportunities, so it's more pertinent to do it in the coming year. Councilman Gibbs said that Steinburg's work and commitment has spoken for itself. Sometimes you have to spend money to make money. He said he felt this would be a good investment overall for us to consider. Councilman Walton agreed, and said if we want to transform, we need that influence. He opined that Steinburg is the "second-best talker beside our mayor."

Councilman Johnson Biggs made a motion to approve placing this item on the consent agenda to consider in February. The motion was seconded by Mayor Pro Tem Kem Spence. Those voting in favor of the motion were: Biggs, Peel, Gibbs, Whitehurst, Spence, Felton, Baxter, Walton. Against: None. Motion carried.

b. Public Safety Committee

i. Purchase of Fire Radios with ARPA Funds (Moved During Agenda Adjustments and Approval)

Mayor Pro Tem Spence said he met with Chief Carver and he was adamant that his department needed these radios to help their safety and productivity. Chief Carver said he asked to replace 14 radios during the budget. Since then, they've had several break. Since we have ARPA funding, and this is an allowable expense, they would like to replace all 36, including allowing a mobile repeater. This increases the total to \$259,782.61 based off state contract and discount. He noted that for the discount, the item would need to be approved this evening because it had to be in by the end of August and would not have time to go to the September meeting.

Councilman Peel asked if the radios were good; what was their life expectancy? Chief Carver said these have a proven track record and are military grade. Councilman Peel asked about the ones they have now, are they not able to use the ones that still work? Chief Carver said they're just piecing together what they've got so they have a few that function. They would surplus all of them and let someone else piece them together. Another option would be taking the better ones and allowing the officers not on duty to use them to know what was going on because they still respond to calls. He noted that at this time, there was nothing definitive in place. Councilman Peel opined that we probably need to think about some sort of way to gradually start a replacement plan. Chief Carver agreed, and said that once we get these in place, we can start doing that. He said that we have assurances from Motorola that these will work for the next 10 years or so. As they begin to wear down, we can replace a handful at a time. Councilman Walton asked what the price was on the radios. Chief Carver explained that no capital was approved in the budget, which is why they were asking for ARPA funding for this. Councilman Walton agreed that safety is important so the Council needed to consider it.

Motion was made by Councilman Joseph Peel, seconded by Mayor Pro Tem Kem Spence to bring this item forward for consideration during the Regular Session at 7:00 p.m. Those voting in favor of the motion were: Spence, Peel and Felton. Against: None. Motion carried.

ii. Speed Bumps

Councilwoman Whitehurst said she'd received an email asking if the speed bumps were designed for roads and vehicles crossing over the speed bumps. She asked if we can verify that is the intent of those. Director Bell said these speed bumps were recommended and are used in other cities and states. We were told by the distributor that these were fine and they were mainly chosen due to their ability to be moved. Councilwoman Whitehurst asked if Director Bell would provide some literature for her on this and he said that he would.

Mayor Pro Tem Spence said he thought it was important to understand what the process was supposed to be. "We had a crowd of people from those streets that wanted speed bumps. The people who are complaining are not usually people who live on those streets. We were supposed to see if those speed bumps really slowed down traffic and if they did, we were going to pull those up and put "permanent" ones down, which is where I think we should go now and move those to other areas of the city". Director Bell noted that he had brought forward to the last Council the cost of asphalt traffic tables. The traffic study would tell us the proper method to calm traffic.

Councilman Biggs asked if we had looked at speed humps. Director Bell said they are like what you see at the ball park, but you can also use them as a crosswalk. Councilman Biggs said he'd asked Interim Chief Webster about the ones in Nags Head and found they'd had some success with them. He'd also advised on speed monitoring equipment in addition to a traffic study that can be mounted to a pole which will tell you if you have a speeding problem and at what time. People don't like the speed bump that's there, but

they don't like that you have to come to an almost complete stop to go across it. Director Bell noted that we brought the actual speed bump in and this is the lowest pitch, so it's not very high, but if you do have a lower car, it could be an issue. He said he hadn't received any calls other than the gentleman they had previously spoken about.

Mayor Rivers said "people still go across the humps fast at the ball park, but people are coming to a stop on Church Street. The study, if you look at the two of those, it's working. It has cut the cars because people now travel different routes to get to 7-11 and we didn't have to pay anyone to do this study. I think it has served its purpose for what the residents are asking. I would ask that your committee look at other streets that would like the same type of process brought to theirs because you can pick these up and move them. We don't want to move these though and start the problem back. I think we should make it available for all streets that have a problem. We don't need to necessarily have a black and white policy, but maybe an informal policy of some sort and between Director Bell and the Police Department. We can see what they can make work. We don't need to change what's working on that street."

Councilman Gibbs said that constituents are concerned about Harney Street. He'd received a call about putting speed bumps on the 7-11 end as well because people are speeding through the light. Director Bell said that's one of the reasons they were put before Griffin Street because people were running that intersection. He noted that he felt we should also redo our traffic calming policy because it's very dated.

Councilman Walton opined that the speedbumps are not going to fit all situations and we can try to supply each community as much as possible. Councilman Peel said that maybe at the next meeting we could talk about the "informal process", otherwise we might run into some issues. Director Bell said that's why he would like to have the Council look at the traffic calming policy. Councilman Gibbs said he felt that Director Bell would have insight from his position and would know what might work and what wouldn't, so maybe he could help tweak or guide them with what to go by. He agreed that we need a procedure or else anyone could come up and say they want a speed bump.

c. Human Resources Committee

Councilman Felton said they have been very active with the employees and meeting with various departments. They met with the Public Works Department and encouraged the employees to speak candidly about their concerns. A major concern was that a previous city manager had been holding payroll input forms, which had not been processed, but they have all now been taken care of. She said that the Rhodes Scholar Program was discontinued by a previous city manager and asked that we please look back into that and see if it benefits both the City and employees. It may need changes to make it well-rounded for both the City and the employees. They are still visiting various departments, and have done all except Public Safety.

d. Planning Committee

i. Text Amendment for Right-of-Way Signage

Director Long advised the Council that this text amendment was initiated by City staff in the Planning Department and has been worked on for several months. There are two types of public right-of-ways in Elizabeth City: DOT and city-maintained. City-maintained are on shoulders of City-maintained roads and DOT on DOT-maintained roads. Staff did require the support of DOT for this text amendment. They have received a response from division engineer, David Otts. They asked him if DOT has any sort of agreement with any other municipality about right-of-way signage. In GS 136-132, no commercial signage is allowed except political signage for a specific number of days in DOT right-of-ways. Code Enforcement can pull signs on utility poles, but nothing else. They bring them back to the office and call the numbers on them to let the owners pick them up. DOT is not enforcing

the statute in their right-of-ways and we are not able to enforce it ourselves. She explained that we've created a version that will be approved by UNC SOG based on their blogs and in accordance with general statute. This does not restrict political signage in any way. City ordinance was not clear on where political signage can and cannot be. If you are a municipality, you can specify where you want political signage. If your ordinance is not clear, which ours was not, you have to defer to DOT signage laws. This amendment will further define commercial signage versus other signage. It also added definitions for non-commercial. Prohibited signs are defined and it gets us beyond "political signs." She said that she's contacted several other cities, including Southern Shores and Nags Head who have clear rules for signage and enforcement.

Mayor Rivers asked if the Planning Committee was ready to consider moving it to the next meeting for further discussion and a call for a public hearing.

Motion was made by Councilman Johnson Biggs, seconded by Councilman Johnnie Walton to forward this item to the September 12th meeting for a call for a public hearing. Those voting in favor of the motion were: Biggs, Walton and Peel. Motion carried.

3. Adjournment:

There being no further business to be discussed, Mayor Rivers adjourned the meeting at 6:58 p.m.

E. Kirk Rivers
Mayor

April D. Onley
City Clerk, NCCMC