

**City Council Work Session
August 28, 2017**

The City Council of the City of Elizabeth City met in work session on Monday, August 28, 2017 in Council Chambers, located on the 2nd floor of the Municipal Administration Building, 306 E. Colonial Avenue, Elizabeth City, NC.

MEMBERS PRESENT: Mayor Joe Peel
Councilman Johnnie Walton
Councilman Ray Donnelly
Mayor Pro Tem Anita Hummer
Councilman Tony Stimatz (*Arrived at 5:55 p.m.*)
Councilman Darius Horton (*Arrived at 6:00 p.m.*)

MEMBERS ABSENT: Councilman Michael Brooks
Councilman Rickey King (*Excused – Illness*)
Councilwoman Jean Baker

OTHERS PRESENT: City Manager Rich Olson
City Attorney Bill Morgan
Interim Finance Director Evelyn Benton
Police Chief Eddie Buffaloe
Electric Department Superintendent Karl Clow
Assistant City Manager Angela Cole
Interim Human Resources Director Monica Cole
Public Utilities Director Joe Pearce
Deputy Chief Chris Carver
ECDI Director Debbie Malenfant
Interim City Clerk April Onley
Community Development Director Matt Schelly
IT Director Matthew Simpson

The City Council work session was called to order by Mayor Joe Peel at 5:30 p.m. Mayor Peel welcomed everyone to the meeting and gave the invocation, after which he led the Pledge of Allegiance.

(Clerk's Notation: As there was no official quorum until 5:55 p.m. when Councilman Stimatz arrived, the agenda approval and statement of disclosure were deferred until that time. The Council allowed the first presentation to begin, but withheld from making any motions until a quorum was present.)

1. Agenda Adjustments and Approval:

Mayor Peel requested the Council's pleasure regarding approval of the prepared agenda.

Motion was made by Councilman Tony Stimatz, seconded by Mayor Pro Tem Anita Hummer, to approve the agenda as presented. Those voting in favor of the motion were: Donnelly, Hummer and Stimatz. Against: None. Motion carried.

2. Statement of Disclosure:

The Interim City Clerk read the Statement of Disclosure. No conflict of interest disclosures regarding items listed on the agenda were made.

3. Presentation/Discussion – Committee of 100 Senior Recruitment Project;

(Clerk's Notation: The presentation by the sub-committee of the Committee of 100 began prior to establishment of a quorum of the Council. The present members of the City Council recognized that no motions would be made or heard until a quorum gathered.)

City Attorney Morgan advised the present members of the Council that an informal presentation by the committee would be allowable, providing that no motions were made without a quorum.

Mayor Peel introduced the members of the sub-committee of the Committee of 100 as Mr. Peter Thomson, Mr. Paul Able, Mr. Sidney Rabon and Mr. Wayne Harris. He recognized Mr. Rabon to begin the presentation.

Mr. Rabon thanked the Council and introduced himself as the chairman of the initiative. He stated their purpose was to recruit seniors and retirees to the City of Elizabeth City. He introduced Paul Able to direct the power point.

Mr. Able stated that his research projected only a 1% population growth in Elizabeth City over the next 10 years; and he considered this stagnation. He advised the Council that 1880-1920 saw major economic developments in Elizabeth City; and these years reflected large population growth. He added that based on these projections, Elizabeth City was once expected to be the largest city in North Carolina by 1975. He provided a brief synopsis on the history of profitable exports from Elizabeth City, including cotton and timber. He noted that many of the businesses that are here today were established during the "timber years." Mr. Able continued that the City was once able to "leverage its strengths" and he believed it could do so again.

Mr. Able identified weakness in Elizabeth City as the perception of the school system; lack of skilled labor; rural location; dependency on metro market in another state; and lack of modern amenities. He stated that these weaknesses, whether real or perceived, prevent Elizabeth City from becoming a technological hub, manufacturing mecca, and attracting younger families. He advised the Council that a great number of people retire to Elizabeth City with no marketing whatsoever. He continued that the City has many attractive facets, including the waterfront, accessibility to larger cities, the climate and recognizable amenities from the north. He added that the housing is relatively inexpensive. He pointed out that attracting retirees to the area would create demand for downtown businesses, create side businesses, property value appreciation, and relieve some of the burden on the school system.

Mr. Able stressed the importance of cooperation and coordination between local entities for success. He noted that New Bern, a city similar to Elizabeth City, went through major population growth by dedicating time and resources to attracting retirees. He opined that bringing retirees to the city would also attract development companies interested in building retirement communities.

Mr. Rabon noted that "everybody has an interest" in attracting retirees, although as of yet, no entity is making strides in attracting new residents. He stated that his group had been speaking with the Visitor's Bureau and the Chamber of Commerce, amongst others; and all indicated that this project would be ideal for Elizabeth City. He pointed out that the committee has been seeking financial support; and \$12,000 is already in place for the informative video. He noted that an additional \$14,000 in funding was "close" and several businesses had been in contact regarding offering financial support for the project. He added that the initiative hoped to start targeted advertising by the beginning of the year.

Mr. Rabon advised that the goal was tentatively to get 25-30 of every 120 couples who visit to retire in Elizabeth City. He stated that the group planned to organize an ambassador program, which would be comprised of trained locals who could share a common experience with the visitors. He pointed out the importance of establishing a personal connection. He noted that although Elizabeth City doesn't have a retirement "developer," it does have the same amount of available homes.

Mr. Peter Thomson stated the initiative intended to offer a discounted "package" to attract couples to Elizabeth City, including a stay at a hotel or B&B, two dinners and two breakfasts. In addition, the couple would have the opportunity to meet one of the ambassadors from the group. He added that a large retiree database would be accessed through Carolina Living magazine, newspapers and websites. He noted this type of advertising has been successful all over the country; however, this would be the first time a town itself had utilized it.

(Clerk's Notation: Councilman Stimatz arrived at 5:55 p.m., establishing a quorum.)

Mr. Wayne Harris pointed out that he was not convinced the population growth would be as slow as originally projected. He cited "unusual circumstances" with ECSU enrollment may have been responsible for some of the data. He added that much of the information that would be beneficial for attracting retirees is "scattered about" and it would be ideal to create one website to encompass the external links. He stated that Southern Magazine recently named Elizabeth City as one of its "15 Favorite Affordable Towns." He opined that it was hard to get visitors to determine that Elizabeth City was a destination; and this initiative should help change that.

Councilman Walton pointed out that there was a difference between statistics and reality. He stated that he didn't feel that bringing a single couple to Elizabeth City could be considered equivalent to \$800,000, which the Daily Advance had previously stated.

(Clerk's Notation: Councilman Horton arrived at 6:00 p.m.)

Councilman Walton opined that creating a business was a more important investment. He expressed concern that no one was looking into methods for keeping ECSU graduates in the area. He stressed the importance of creating attractive jobs in the area. He questioned how retirees would benefit ECSU.

4. Discussion/Consideration – Proposed utility billing audit:

Mayor Peel called on City Attorney Bill Morgan to lead the discussion on the proposed utility billing audit. Mr. Morgan expressed pleasure in being able to report that a firm was identified and able to perform the audit for the City. He presented the name of the firm as Raftelis Financial Consultants and noted that two representatives met with the Customer Service Department, Mr. Olson and himself on June 16, 2017. He opined that the meeting went extremely well. Mr. Morgan explained that as long as the contract price is kept under \$50,000, the City is not required under state law to receive competitive bids. He reminded the Council that Raftelis is the company that helped the City during the water lawsuit with Pasquotank County. He pointed out that Raftelis has done major audits for cities such as Baltimore and Atlanta.

Mr. Morgan explained that the audit process has between three and five steps, depending on the amount of analysis requested. Acquiring the data, manipulating the data, and developing and applying logic for bill recreation are mandatory steps. He stated that this process will include all 12,000 customers in the City. Mr. Morgan noted the optional steps included parsing accounts into cases and determining what was causing any deviations. He explained the three options available, with the most in-depth costing \$85,000, the second \$50,000, and the third at \$35,000. He opined that he didn't feel the City would find a better firm than Raftelis, although he noted that he would be happy to seek others, if requested.

Councilman Donnelly asked what the disadvantage was for not choosing an option with the last two steps. Mr. Morgan responded that the lower-level option would identify the problems, but not determine why they exist.

Councilman Stimatz thanked City Attorney Morgan for his presentation. He stated from communications he had received, he does not feel that the citizens think all accounts need to be audited. He opined that a postcard should be put in every bill, offering Raftelis' services. Mr. Morgan interjected that he mentioned that to Raftelis and was told that it would be easier to audit all accounts instead of picking and choosing accounts.

Motion was made by Councilman Tony Stimatz, seconded by Councilman Ray Donnelly for Raftelis to perform the lower-level case study at a cost not to exceed \$35,000.

Councilman Horton praised the presentation, but declared that he couldn't support Raftelis due to lack of "transparency." He stated that since the company has represented the City before, he felt that it looked "buddy buddy."

Councilman Stimatz reiterated that Raftelis should deliver the data in the requested format for the City's auditors to check behind. He added that the documentation of key processes should also be delivered as a work product.

Councilman Horton asked City Attorney Morgan if the findings would be public knowledge, and Mr. Morgan confirmed that they would.

There being no further discussion on the matter, Mayor Peel called for the vote.

**Voting in favor of the motion were: Stimatz, Hummer, Baker and Donnelly.
Against: Horton. Motion carried.**

5. Discussion – Update on utility billing:

Mayor Peel recognized City Manager Olson to give the utility billing update. Mr. Olson stated that first and second cycle bills would be caught up during the month of July, and that third and fourth cycle bills are current. He noted that roughly 214 work orders will be updated in the coming week, as well as 124 new construction orders. He added that the "big item" that remained was adjustments. Mr. Olson stated that 614 adjustments to individual accounts needed to be completed, with 70% of those resulting from reading corrections due to work order updating delays. He estimated that this process should be finished by mid-July.

Councilman Stimatz requested an update on the Customer Service manual, as he felt it contained "grievous errors" due to being out-of-date. Mr. Olson stated he hoped to have it updated by October 1, 2017. He noted that Rocky Mount's manual is older than the one from which the City operates. Councilman Stimatz asked if the customers would be involved in the creation of the new manual. Mr. Olson noted that the manual contains operational-related procedures. Councilman Stimatz countered that the manual's purpose demonstrates how the City and citizens must work together, and recommended focus groups to help compile it. He continued that a note on the utility bill asking for customers' input on the manual would be beneficial.

City Manager Olson reminded the Council that although it does not fall under NCUC Policies and Procedures, the City's Customer Service manual parallels theirs heavily. Councilman Stimatz questioned if the NCUC held focus groups during the writing of its manual.

Councilwoman Baker asked if there was a plan in place to move away from Logics. Mr. Olson stated that there was, as the legacy software did not meet the goals and objectives that the City Council dictated to staff. He added that contracting out utility billing with ElectriCities was an option, albeit an expensive one. He explained that these decisions would hopefully be made within this calendar year. Councilwoman Baker stated that there were many other companies that performed utility billing functions. City Manager Olson noted that there were five or six software platforms successfully used for utility billing. He pointed out that the advantage of ElectriCities is that they have had many successful conversions in the past.

Councilman Stimatz noted that a long-term goal of the Council is to allow the customer to choose any billing date they wish. He opined that it's a critical issue to grant the customer the ability to pick their due date. He furthered that the problem with Edmunds was that the "hand-off" was not done well enough.

Councilman Stimatz requested that the Electric Fund balance have a "dashboard light" on the City's website. He added that setting up a dashboard light would provide necessary notifications earlier. He discussed historic data comparisons and suggested they also be made available.

6. Presentation – Pelican Marina fuel sales progress:

Mayor Peel recognized Deputy Chief Chris Carver to lead the presentation on the Pelican Marina fuel sales matter. Mr. Carver advised the Council that things were progressing, and the project would be able to move forward based on a few conditions. He reminded the Council that a problem with the fuel tank's location with respect to the property line was an initial problem. He stated that the biggest concern was the location of the dispensing unit. Mr. Carver reminded the Council that the project was denied in May because state building code dictates that a fuel dock must be a separate structure from the boat dock to minimize fire hazards. He continued that the Fire Code stated that dispensing devices must be located away from boating slips. He noted that some of the slips adjacent to the proposed dispensing site were privately owned. Mr. Carver furthered that dispensing units must not be within 25 feet of property lines, as well as 25 feet away from private property.

Mr. Carver stated that his department contacted the Department of Insurance, and representatives agreed with the City's interpretation of the code. He noted that these codes are state codes, and not created by the City. Mr. Carver advised the Council that after notifying the property owners of denial, he and Chief Mackey met with them and discussed options. He continued that three options were identified: adding a floating dock and extending it on an aluminum gangway; extending one of the docks or removing four slips and creating a floating dock in place of them. He noted the property owners found the third option agreeable.

Mr. Carver illustrated with a series of slides where the floating dock would be established. He noted that placement would satisfy both Building and Fire Codes. He stated that once more detailed engineering drawings and plans were in place, the City would be able to move forward. Mr. Carver added that the Planning Department had indicated that the four slips that would be lost could be relocated.

Councilman Stimatz thanked Mr. Carver for moving so quickly and addressing the issue. He commented on an article in the newspaper accusing the City of not being helpful in assisting businesses to grow. He noted that the City is bound by certain rules and procedures and must operate according to those guidelines. He stated that he takes great offense at anyone who alleges that City staff is not helpful and does not operate according to rules.

Councilman Ray Donnelly commented that he was pleased with City staff's efforts and diligence in establishing a viable option for the Pelican Marina

7. Committee Reports:

Due to the lateness of the hour, Mayor Peel suggested that the Council move the Committee Reports to the agenda for the Regular Session at 7 p.m.

Motion was made by Councilman Tony Stimatz, seconded by Councilman Darius Horton to move the committee reports to the regular session agenda. Those voting in favor of the motion were: Baker, Donnelly, Hummer, Stimatz and Horton. Against: None. Motion carried.

8. Adjournment:

There being no further business to be discussed, Mayor Peel adjourned the meeting at 6:49 p.m.

Joseph W. Peel
Mayor

Vivian D. White, CMC/NCCMC
City Clerk