

**City Council Work Session
January 23, 2023**

The City Council of the City of Elizabeth City met in work session on Monday, January 23, 2023 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
Councilman Johnson Biggs
Councilman Joseph Peel
Councilwoman Rose Whitehurst
Mayor Pro Tem Kem Spence (*Arrived at 5:35 p.m.*)
Councilwoman Katherine Felton
Councilman Johnnie Walton

MEMBERS ABSENT: Councilwoman Barbara Baxter
Councilman Javis Gibbs

OTHERS PRESENT: City Manager Montre' Freeman
City Attorney Bill Morgan
Finance Director Alicia Steward
Interim Chief of Police J. Phillip Webster
Deputy Chief of Police James Avens
Human Resources Director Montique McClary
Public Utilities Director Dwan Bell
Parks and Recreation Director Sean Clark
Grants Administrator Jon Hawley
Fire Chief Chris Carver
ECDI Director Debbie Malenfant
IT Systems Analyst Pedro Holley II
City Clerk April Onley

Mayor Rivers called the Work Session to order at 5:30 p.m. Mayor Rivers provided the invocation, after which Councilwoman Whitehurst led the Pledge of Allegiance.

1. Agenda Adjustments and Approval:

Mayor Rivers requested the Council's pleasure on the prepared agenda.

Motion to approve the agenda as presented was made by Councilman Joseph Peel, seconded by Councilwoman Rose Whitehurst. Those voting in favor of the motion were: Biggs, Peel, Whitehurst, Felton and Walton. Against: None. Motion carried.

2. Committee Reports / Updates:

a. Community Development – (*Whitehurst, Felton, Walton*)

i. Presentation – Food Bank

Liz Reasoner, Executive Director of the Food Bank of the Albemarle advised that she would be providing a presentation to the Council. She explained that for the last seven years, the Food Bank of the Albemarle had been using the Hugh Cale Center as their facility, which they currently share usage of with River City CDC and Legal Aid. They are getting ready to move their office space, but realize that one of the barriers that inhibits people from accessing food is lack of transportation. A lot of foot traffic to the Food Bank comes from the surrounding neighborhoods and moving the location could create difficulty for people who need to be able to access food. She stated that they're interested in setting the location up as a "client-choice pantry model" for citizens to go in and actually "shop" for their food. They would like to use the Hugh Cale Community Center as a client

hub and would like to ask the City to allow the agency to support the new model at that location. The Hugh Cale Center sits on the line of two of the poorest wards in our community, and these individuals in these communities would be able to walk to the Food Bank and shop from a stocked pantry. She asked on behalf of the Food Bank, could the City allow them to utilize the space for the client hub?

Councilwoman Felton noted that the building was built as a “community building” and from time to time agencies have had meetings in that building. If we allowed this, would they still be able to do that? Mrs. Reasoner said they would leave the board room available for community meetings, which is the smaller room and would hold about 30 people. They would also make available to teaching kitchen at their other location as well. They would continue to provide sanitation and maintenance as the lead agency.

Mayor Rivers stated that he had yet to sign any of the updated leases for the current occupants as of this time. The City is responsible for utilities, maintenance, grass cutting, and so on, and we need to decide which way we’re going to go in terms of how we move forward with this building. At this time, we’re just receiving presentations to help us decide how to best move forward with this. Mrs. Reasoner pointed out that the Food Bank had not been charged the \$1 fee for sub-recipients as they were the lead agency and maintained the calendar for the entire building. She said she believed the City would find value in allowing community partners to utilize the space because it would show in-kind assistance with nonprofits since we were unable to offer them monetary assistance. The cost associated with the Food Bank having the pantry off-site would be much more expensive.

Mayor Pro Tem Spence asked if they provided their own cleaning supplies or if the City provided them. Mrs. Reasoner replied that they usually went about half and half. She noted that they were already moved out of the center, but they still had a member there prepared to greet people and offer assistance if anyone happened to go in looking for help. Councilman Biggs stated that if we’re going to be hearing presentations, he’d like to see a breakdown of our actual expenses, as well as our projected expenses and capital outlay expenses. What’s the cost of ownership, plus the impact to our budget? Manager Freeman advised that he and Director Clark were working on pulling those numbers together for them. Mayor Rivers mentioned that the Food Bank would be having a gala on February 4th. He felt the kitchen that Mrs. Reasoner mentioned was a great idea, which would be where they would offer classes and instruction on teaching healthy habits and hold cooking classes.

ii. **Report from Grants Department**

Councilwoman Whitehurst stated that one of our issues as a City was not being able to providing emergency shelter to those in need. As such, she’d asked Grants Administrator Jon Hawley to start the conversation by seeking grants in that area. Mr. Hawley said that nonprofits have ever-increasing needs in many ways across the board right now, from food assistance to housing assistance. There are many ways that City staff engages nonprofits, but from his particular position, he regularly researches grant databases for potential grants that may not necessarily fit the City’s criteria, but may fit a nonprofit in our area, which he will draw their attention to, if possible. He is working on a compilation of active grant opportunities in 2023, which he will share with the related groups. In terms of moving forward for emergency shelter assistance, he felt that might need to be a longer conversation so we know the level of service we’re providing, and what the obligations of City staff and the obligations of the nonprofit partner would be. He wanted the Council to appreciate that grants are more than just writing and overseeing a proposal; they are also implementation and require a team of individuals to pull off. There may be options, but we need to well-define our projects, the scope and how many we could serve with each one. Any grant you may look at would need to delve into those metrics.

Mayor Pro Tem Spence asked in terms of looking for an emergency shelter, has the City started the process or researched it at all? Mr. Hawley asked if he was asking about short-term housing or trying to get someone into emergency housing or a homeless shelter? Mayor Pro Tem stated that short-term was probably what they did before with the cold weather vouchers. He pointed out that as far as the shelter, we had other entities who were interested in coming in and helping us, but they needed City assistance. He said he wanted us to look into what we could do to help with that. Manager Freeman said this conversation started over the Christmas break and Knobbs Creek, from a structural standpoint, is set up to be an emergency shelter. He started conversations with the Salvation Army to see what to do if we had another emergency like that, but they had most of what we needed to serve as a shelter there. Now, we're pushing forward to see how we can complete the process. The Salvation Army has said they will come in and do the training and ECSU has said they will partner with us, as well as the Sheriff's Department. He said he was hopeful it wouldn't be much of a budget impact to make it a certified emergency shelter and would be possible to get it done without too much pain.

Mayor Rivers said he felt the Council wanted to make sure we were attempting to seek funds to help our partners to ensure we help the homeless, but the City did not want to run or operate a shelter. He said he thought there was money allocated at one point at the state level for a homeless shelter, but since we did not utilize it, it was likely that it was dropped or rolled into something else. He asked if our matching would be different because we are now Tier 2 instead of Tier 1? Mr. Hawley said that change does lead to some differences with state grants, primarily.

Councilwoman Whitehurst noted that there's a difference between a homeless shelter and a transformation shelter, which does a lot more than just providing emergency housing. She said we may be able to get a grant and then oversee it while the other entities run the shelter itself and take the initiative to transform lives. Councilwoman Felton said she felt there was also a need for remodeling a CDBG-type grant for families who can't necessarily go to a bank and get a loan; people who need to get their homes up to code. She would like Mr. Hawley to look into those funds to see if they could start doing that again. Mr. Hawley explained that those sorts of CDBG would fall under the Department of Commerce, and agreed that there are opportunities out there. He pointed out that the City would definitely need to find a strong nonprofit partner, similar to what we did with the coronavirus grant and partnering with the Albemarle Area United Way. We would need to make sure that we have nonprofit partners who are prepared for what they're getting into, particularly with very involved state and federal grants because there are a lot of moving pieces and a ton of requirements and red tape. Councilwoman Felton requested that Mr. Hawley please start looking into that.

Mr. Hawley advised the Council that whatever grants might be secured, it's unlikely that grant funding will continue at a high level in the subsequent years of the project. Grants often help start up a new initiative, push things forward, but after the "dust settles" there is a question of how something is sustained. He reminded the Council they would need to paint a compelling picture to get funding because if it appears to be a cause that may fizzle out after a year or two, the funding sources may not agree invest at all.

Councilman Peel clarified that what's being said is that the Council wants Mr. Hawley to look into grants along the lines of what's been discussed this evening and bring back information to the Committee about who may be good community partners for the City. Mr. Hawley said he would try to bring back a few prospects, and then we would have to identify the partners fairly quickly in terms of who would be the project driver. City staff have many different areas of expertise, but nonprofits often have specialized areas of expertise that we'll need. Councilwoman Whitehurst thanked Mr. Hawley and said they will await a report back in the near future.

b. Finance Committee (All)

i. Consideration – Enterprise Fleet Contract

Manager Freeman stated that he spoke with Doug Reville of Enterprise about this topic back in 2021, and believed that this will save the City a lot of money in the long-term. An Enterprise contract would allow the City to eventually turn the entire fleet into a contract. Mr. Reville said he'd been on a Zoom call with the Council sometime back in May or June when they first tentatively discussed this. His team have about 80 cities and counties they partner with around the state, and it's something that makes sense for government agencies. The safety concerns, recruitment and retention, particularly on the police side boosts morale and cost-savings. The fleets are aging and we're putting a lot of money into older vehicles and having to run them until the wheels fall off. He noted that this company is actually a sister company of Enterprise. The first thing they look at is resale. Their team will meet with us several times a year to come up with a plan on when it makes the most sense to replace our vehicles, although it will ultimately be our decision. Currently, the vehicle market is very stringent and it's not getting better any time soon. There is a struggle to get vehicles for everyone, especially on the police side.

Councilman Peel noted that there weren't any dollar amounts shared with the Council prior to the meeting. He said he remembered hearing some money being discussed back in June. Mr. Reville pointed out that things had changed a little bit since that time and he had some updated numbers for them tonight. He said he felt it would be too late if the Council waited until the budget was passed in June because sometimes these things only open for a day and they have to act quickly. Councilman Biggs said he still had the item from the June presentation and it looked like we had 132 vehicles in the fleet, but he was showing 135. He didn't remember us buying any vehicles between now and then so he wasn't sure where those extra three were coming from. He also pointed out that the maintenance cost has gone from 8 cents per mile to 22 cents per mile. Mr. Reville stated that maintenance costs are up across the board and since our fleet is so old, 22 cents per mile might even be a little bit low for us. It's hard to get parts, and it's hard to get people to work on cars.

Mayor Rivers asked what the actual steps were for this. Mr. Reville said he knew there was some money out there from his understanding. Once the vehicles come in, you start paying on them. If we start a partnership now, we'd probably only have four or five months of payments and not too much cash outlay. With the budget for 2024, they'd work with the Finance Department to decide what that amount looked like. They would work with us yearly to figure out what needed to be replaced.

Councilman Biggs asked if Mr. Reville could provide him with the updated slide deck that he was showing. He clarified that he was telling them that his team would come in and look at our overall fleet, probably for everybody, even though the Police Department has the major need and Public Utilities as well. After checking the fleet out, they'd basically say, "Sell these vehicles" and then we process them through their company, was that right? Mr. Reville confirmed that was correct. He said that he can help us make money on our vehicles and they will do all the sales for us.

Mayor Pro Tem Spence said it sounds good, but there's always a downside to everything. Mr. Reville offered that the downside is change and a lot of places want to pay cash and later sell the vehicles through a governmental auction. You're going to have more capital expense, but less maintenance and downtime. Councilman Biggs asked how many did he expect would we flip out the first year? Mr. Reville stated that in Year One, we'd rotate 58 out. Councilman Biggs noted that we could look at "right sizing" the fleet as well.

Mayor Rivers asked if they needed a vote, or what do they need to do? Councilman Biggs said the manager identified some funding, so maybe they could put it on the agenda for next month because he wanted to see where it was coming from, how much it was, what the budget impact was for this year, next year and so on and then he'd feel comfortable about getting involved with it. With the cost of fuel and maintenance rising, he felt they were wasting a lot of taxpayer dollars. He pointed out that Mr. Reville said he was working

with Chowan and Bertie Counties as well and felt it might be beneficial to ask them about their experiences. He requested information on our outstanding loans on vehicles; do we have installment purchases or anything else? Mr. Reville stated that if we provided his company with the payoff statements, they could also do that for us. Manager Freeman said he'd already asked these questions and had looked at Roanoke Rapids and Bertie as well. He felt that if the Council waited until next month, they may miss the window to get in. Mr. Reville agreed and told them that police vehicles in particular are hard to get, so it might be another year on those, and the order banks are closed right now. Mr. Freeman said he's identified an amount so we can go ahead and get into a contract immediately. Councilman Biggs advised that things needed to move a little slower than that because we're going to have to have LGC approval before we do this. He did not want to initiate any contracts without getting their approval. He reminded the manager that session law passed last year that any leased or purchased rolling stock must go through the LGC first for approval if you are on the UAL.

Mayor Rivers asked the manager and Mr. Reville to gather everything that we needed so we could have a hard number of what we had to have to move forward with the contract so it can be presented back to the Council. Councilman Peel said he was a fan of this idea, but he wanted to have some firm data before voting. Councilman Biggs stated that if we miss an order bank window, we're not going to be in any worse position than we are today, but if we move without proper authorization, we could get set back even further. Councilman Walton said what he was hearing about the LGC was they may need to be here to hear the presentation and it didn't even matter what we think. Councilman Biggs said he thought it would be hard to argue against something making us more efficient because we're buying something we desperately need. Councilman Walton agreed that we need to know what our restrictions are to be able to do the job as Council. Councilwoman Felton asked what the turnaround time with the LGC would be? Councilman Biggs felt they could probably verify it tomorrow; it may have to go to their next board meeting, but it wouldn't slow us down as far as putting it on our agenda for next month either way. Councilman Walton reiterated that he wanted to know our restrictions. Manager Freeman stated that we would not be borrowing money because this was money he'd already identified in the budget.

Mayor Rivers told Manager Freeman that the Council will need actual cars identified, hard numbers, the values and what those identified funds are and where they're coming from for the next meeting. He explained that the item will come back to the Regular Agenda and not the Finance Committee because it will need to be formally voted upon. Mayor Pro Tem Spence asked if we will switch these out every three years? Manager Freeman replied they'd be exchanged as quickly as we're able. His intent was to use a phased approach. Mayor Pro Tem Spence asked what happens if we go over mileage? Is there a specific mileage allocated to the cars? Mr. Reville noted that it's not like a regular lease or rental, so we can up-fit and use the vehicles as much as we need without an additional charge.

ii. Consideration – Green Saves Green

Mayor Rivers stated that this item was going to be removed from consideration because the contractor walked the trail beside Knobbs Creek Recreation and ran into a few issues. Green Saves Green approached the City about helping with the project, but we figured total costs of about \$60,000 to \$100,000. Unfortunately, the costs went to about \$200,000, which changed the scope altogether. He said they may discuss phasing later, but for right now, it's off the table. The area in question used to be a nature trail but was damaged during a hurricane and Green Saves Green is trying to revitalize it. The trail takes you out to the water and the bridges have been destroyed, so we'll be discussing if possibly this could be a grant or a phased approach sometime down the road.

iii. Consideration – River City Skippers

Councilman Biggs said this was an item that he and the Mayor had discussed. One of the River City Skippers reps had reached out and they are interested in submitting a TDA

grant for marketing in the amount of \$2,500, which would need to pass through the Council. Mid-Atlantic Christian University has been helpful with assisting them through the process and they contacted us about this potential grant. He didn't have a lot of the data right now, but knew the funding would come out of the City's TDA allotment, and would be a one-time grant. There were some conversations about them potentially doing a capital grant through Tourism where it would flow back to the Parks and Recreation fields and facilities, but right now, it's just for the \$2,500. He noted they did not have the application as of yet, but it would be forthcoming and he wanted to put it on the Council's radar. Mayor Rivers said the Skippers are a pro-am baseball team that will be utilizing Knobbs Creek Park and it's great for our residents to be able to go and watch good baseball during the summer. It's exciting to have the Skippers in our town and he felt it would be a good investment in terms of the return that we'd receive. They wanted to do special events and make sure children could come watch games for free and things like that. They'd also be doing a tour where everyone could go out and see that the field was right on the water. Bringing the item up this evening was mostly just to make everyone aware of it and find out if anyone had any opposition or not. If there is not opposition, it will be up for a vote during the next regular Council meeting. The general consensus of the Committee was that it was a good idea and agreeable use of the City's TDA funds.

iv. Discussion – Water and Sewer Rates

Manager Freeman reminded the Council that they'd requested their individual water bills to be pulled with the current rates, with the 4.06% rate and the 2.35% for sewer to show how much those totals would be. He noted that Councilman Peel had also asked for a 1% proposed amount, which was also displayed. He'd also had Assistant Finance Director Lewis prepare a control group of 10 bills from each ward, which when added to the nine Council and Mayor bills gave them 49 to look at. Councilman Peel said based on the numbers, it looked like commercial customers were getting a better deal. Mayor Pro Tem Spence wanted to know why they were getting better rates than the residents. Manager Freeman said that's something the Council would have to decide. Mayor Rivers said we often offer an incentive package for companies that we don't offer to residents. Councilman Peel stated that he didn't want to gouge commercial customers, but they also needed to pay their fair share. Councilman Biggs noted that in the letter they got from Ms. Edmundson, and maybe he didn't understand it all, but she mentioned having a base plus usage or a tiered amount for commercial usage where the playing field would be more leveled. He asked if Director Steward could go into what that would look like. Manager Freeman stated that he had a response from Ms. Edmundson that he would present in his manager's report this evening.

Manager Freeman pointed out that today's Elizabeth City is fundamentally different than when these policies were originally put in place. They attracted businesses here, but it's time to pivot. Councilman Peel said he was thinking about what Councilman Walton said about how commercial usage is up and residential usage is down and he'd like to know what other areas are doing about that. Councilman Biggs said given the amount of commercial growth we've seen with the expansion of the hospital campus and other industries out there, we've got to start looking at our fee structures to make sure that we're getting adequately compensated for the amount of infrastructure we have to put in and maintain. He said he was not a fan of doing an across-the-board rate increase for consumer and commercial the same and thought we should look at it in two different ways and there are different classifications there. We need to look at who is putting the most burden on the system. If we're going to do it, I think now is the time to do it. This Council has inherited a lot and this is another piece of that, but we're going over it and we want to do it in a manner that's going to work. Manager Freeman agreed, and noted that what was provided was from the Raftelis study, but they could always reevaluate from a different angle.

Councilman Peel directed the Council's attention to the first page of their packet because there was a chart and he believed those numbers were incorrect where they reflected the increases. He said the math did not make sense to him. Director Steward said the first report is subtracting what we've received currently. She said in order to get an estimate, we had to bill what we estimated through June times two. She said she was subtracting from the budgeted total and had to look at what we currently received right now. Councilman Peel said it still doesn't equal \$429,000 because it should be based on what we took in and not what we budgeted. Director Steward stated the question was based off of how much was budgeted. Councilman Peel said it wasn't; it was based off of how much we were actually collecting.

Mayor Rivers interjected that they were approaching the time for commencing the 7:00 p.m. Regular Session, so the remainder of the discussion and any other Committee Reports would have to carry forward to the Regular Session.

3. Adjournment:

There being no further business to be discussed, Mayor Rivers adjourned the meeting at 6:59 p.m.

E. Kirk Rivers
Mayor

April D. Onley
City Clerk, NCCMC