**City Council Work Session**
**January 27, 2025**

The City Council of the City of Elizabeth City met in Work Session on Monday, January 27th, 2025 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 Javis Gibbs *(Arrived at 6:05 p.m.)*
Councilwoman Rose Whitehurst
Councilwoman Katherine Felton
Councilman Ronnie Morris
Councilman Johnnie Walton

MEMBERS ABSENT: None

OTHERS PRESENT: Interim City Manager Reggie Goodson
City Attorney Bill Morgan
Chief of Staff Monica Cole
Deputy Finance Director Brian Lewis
Minimum Housing Inspector Todd Henry
Interim Chief of Police James Avens
Public Utilities Director Dwan Bell
Assistant Public Utilities Director Raymond Staten
Electric Superintendent Donnell White
Human Resources Director Aresta Johnson
Human Resources Manager Anna Spence
Interim Parks and Recreation Director Stacy Williams
Fire Chief Chris Carver
Deputy Fire Chief Thomas Brooks
Grants Administrator Jon Hawley
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. He provided the invocation, after which Councilwoman Whitehurst led the Pledge of Allegiance.

1. **Agenda Adjustments and Approval:**

Mayor Rivers directed the Council's attention to the prepared agenda. He requested the addition of *Consideration – Update to City of Elizabeth City Banner Policy* under the Community Development Committee. He advised that if all items on the Work Session agenda were covered with time remaining, the\ Council would enter Closed Session.

> **Motion to approve the agenda as amended was made by Mayor Pro Tem Kem Spence, seconded by Councilman Johnson Biggs. Those voting in favor of the motion were: Biggs, Peel, Whitehurst, Spence, Felton, Morris and Walton. Against: None. Motion carried.**

2. **Committee Reports / Updates:**

**a. Community Development Committee *(Whitehurst, Felton, Walton);***

**i. Presentation – Minimum Housing;**

Interim Manager Goodson introduced Inspector Todd Henry to provide a briefing on Minimum Housing, a position the Council recently reintroduced and funded. Prior to the

hiring of Inspector Henry, the City's Building Inspectors had been relegated to performing Minimum Housing as an "extra" duty. Minimum Housing does oversee condemnation and demolition of dilapidated structures, both residential and commercial. The current year's budget initially proposed $75,000; however, the department was only approved for $45,000 of that funding. Three properties have already been demolished this year. Aside from working with demolition, Inspector Henry performs research and outreach to determine who owns which properties in town. Ideally, we would like the owners to demolish their own properties instead of putting the burden on the City. It is generally better when property can be rehabbed instead of demolished, and Inspector Henry has been working with Habitat for Humanity and others to try to make that happen more often.

Inspector Henry provided several examples of properties cleared this fiscal year, including 1605 Lark Street ($8,700, finished in January), 1318 Highland Avenue ($8,500, finished in January) and 905 South Martin Street, a home in such poor shape that a tree was the only thing keeping it upright ($15,191). He'd recently looked into a house on Richardson Street and realized that the bank actually still owned the house. When he contacted them, the bank decided to move forward and demolish the home themselves. The Code Enforcement Officers do fall under his purview and they had recently written up 111 Harrell Street, which was scheduled for demolition in April. The cost would have fallen to the City, but the owners ultimately decided they would proceed with the demolition. There were also two properties situated side by side that were in such a state that they had to be pulled over rather than knocked down.

The first property he dealt with after being brought on was 1113 Herrington Road, and he was called to the site after the front of the house fell off. The home is scheduled for demolition in the near future. There was a home at 304 Davis Avenue under investigation by the Fire Marshal. After it was cleared, he spoke with the owner, a New York resident, who will be coming down to have the structure demolished. There are three more properties scheduled for demolition on his agenda, one of which is the former funeral home across from CVS at 504 Road Street. A real estate company owns the property and demolition is expected to cost $34,000. Thankfully, the real estate company determined they would proceed with the demolition, as the City does not have enough money in the budget to demolish that particular building. After the house on Brown Street is demolished, Inspector Henry said he believes the demolition budget will be exhausted although it will likely only be March.

He shared that recently he and one of the Code Enforcement officers attended a training where they learned a bunch of information they were not aware of, including the fact that they cannot enter homes without a search warrant. He met with the magistrate and they were able to put a very simple process in place for them to be able to enter properties in order to perform their duties. The magistrate advised him that no one from the City had ever gotten a permit like that in the past to his knowledge. Now when he gets the permit, he is allowed to enter within 24 hours if no one is available to grant him entrance.

Councilman Peel noted that the old funeral home on 504 Road Street is a historic home and was the former residence of a judge. There should be a contractor or someone in town who may be willing to salvage some of the internal woodwork. Mayor Rivers said the front porch was in terrible shape, but much of the interior was still intact. Mr. Henry stated that he had a contact with the Historical Society and they would be going to look through it in the near future.

Councilman Peel asked Inspector Henry if he dealt with commercial properties often. Mr. Henry replied that the Building Inspectors were usually the go-to for those, but he did have to coordinate with them. Mayor Rivers pointed out that many times when the City tears homes down, we often end up getting them back from the County as surplus somewhere down the line. Is there a way to track this so we make sure if we are selling one of these later, we get back what we put in for demolition? Either that or when we sell the property, the money could be repaid to the demolition fund. We should see if there is some way to earmark those particular funds for demolition so we would be reusing instead of the Council having to re-appropriate or reallocate. Instead of just tossing the money in the General Fund, we could move it specifically to the Demolition line. There are so many

eyesores and dangerous structures throughout the community, but when we run out of money to tear them down, we're stuck until the next budget year. Mayor Rivers requested that Interim Manager Goodson and the Finance Department investigate whether it would be possible to transfer the money from the sale of these particular surplus properties into the Demolition line.

**ii. Update – Quarterly Report on Development Fees;**

Interim Manager Goodson reported that in the past, multiple departments were collecting fees, which led to chaos. All fees are now collected within the Development Services Department. Mrs. Tammie Spence was present to provide the quarterly report for October, November and December 2024.

Mrs. Spence advised that in the prior fiscal year, $1.9 million was collected in Building Fees alone. This year, the collections are as follows: Electric Availability - $15,069; Water - $29,585; Sewer - $19,805; Building Long Form - $607,530; Building Short Form - $52,095; Mechanical - $6,720; Gas - $2,750; Electrical - $10,471.40; Plumbing - $17,390; and Insulation - $50.

Councilman Biggs inquired if the Electric Availability and Water & Sewer were Development Fees like the ones that used to be referred to as impact fees. Interim Manager Goodson explained that the Electric Availability fee is charged by the Electric Department in order to install the infrastructure. Previously, for residential, the fee was $2,000 per lot and commercial was $5,000 per lot, but the problem was the fee was the same whether the lot was large or small. We changed that with the most recent fee schedule. Councilman Biggs asked if those numbers were in addition to the ones that had just been listed. Interim Manager Goodson replied that they were, and he would have those totals provided for the Council as well.

Councilman Biggs asked where the Development Fees go. He said he was under the impression they were supposed to go into a Capital Improvement Budget. Interim Manager Goodson reported that he knew the Electric Availability fee in particular was supposed to go back into the Electric Department. Mrs. Spence concurred that the fee was meant to go to Electric. Manager Goodson noted that the Stormwater fee had a special note beside it that it was supposed to go to Capital Improvement. Electric Superintendent White stated that he had not seen the fees return to his budget and he would like to see that rectified. Deputy Finance Director Lewis interjected that although the fees do go into the Electric budget, they are just lumped in each year. Superintendent White pointed out that they should be reported separately because they desperately needed to begin working toward a new substation.

Councilman Biggs asked about the $2,000 per lot fee for residential, is that reimbursing the City for any upfront expense or is that similar to a System Development expense on the Water and Sewer side? Director White explained that when a developer comes in, they are required to pay half of the total fee for their site upfront in order for the Electric Department to begin the work. They pay the other half when the work is complete. One fee charges the developer and one charges the contractors when they want to get power. Councilman Biggs noted that if the Development Fee were removed, they would effectively be removing the Electric Department's income to buy the materials to power these developments. The Electric Availability fee should be going into Capital Improvement. He understood Director White's concern. We probably need to look at what other municipalities are doing for these larger developments. Every time you put a new development on, you have to have additional capacity that has to be funded somehow. Manager Goodson confirmed that staff would research how other municipalities are handling this process**.**

Councilman Biggs stated that he knew the Council did not really like studies but when we did the water study, we found out that we were letting people have things for free and losing money everywhere. We probably need to have some kind of study performed on these fees and policies so we can see exactly how much we're letting slip right out the door that we're not even charging for. Mayor Rivers asked that individual line items be

created for the fees the City collects because he too sees the problem with just dumping them in the General Fund. They're just being lost in the shuffle when we do it that way. We need to start earmarking things to go into the Capital Outlay. When we get ready to upgrade substations, these accounts should be growing. New development should be paying for new development. For the next meeting, can we see which funds these things are going into or where they can be earmarked to go? We want Electric Availability fee to go into Electric Capital Improvement and Water fees should go into Capital Outlay so those funds are growing. We can see how many new houses, lots and so on at the end of the year.

Councilman Biggs reiterated that if they took the Electric Availability fee away, they would take away Superintendent White's ability to purchase the materials upfront. We realize that expense when we collect the money. We may want to collect all of it upfront. What's our protection if we're only collecting half up front and then the developer goes belly up? Mrs. Spence advised that they did intend to start collecting all Development Fees at the time of final plat. They will not get a final plat from us without paying all of their fees.

Mayor Rivers recalled that the City was eating the costs for transformers at one point. Superintendent White stated that they had luckily changed that in the last year, but they had been absorbing those fees up until that point.

Councilman Walton asked if we have compared with ourselves against what the County is doing. Don't they do similar things to us? Interim Manager Goodson explained that the City is much denser than the County. The County has larger lots and they usually have septic tanks. Councilman Walton believed that the County probably had something similar to the City. Manager Goodson did not know if the County had any lots that were 6,000 square feet. Councilman Walton directed that we should compare whatever the County has and see if it works for us. He felt that it would be bad to have something different than they do if we both have the same things. Manager Goodson stated that he would include Pasquotank County in the analysis. Councilman Walton continued that he had asked many times why we have not met with the County. I want you to set up a meeting with them. Manager Goodson explained that the Council as a whole would have to authorize a meeting, but if the Council wanted to authorize that, he would definitely set it up. Councilman Walton said that we are over here looking like the bad guys with setting fees on everything. If we don't have a relationship with the County, things might go south. We don't want citizens to think we're serving them one way and the County is serving them in another way.

**Motion was made by Councilman Walton to direct the Interim City Manager to set up a joint meeting with the County.**

Councilman Peel pointed out that he would need to know what the agenda would be before he would vote on that. Councilman Walton replied that they could set that up. Councilman Peel stated that we need to know what we would talk about before we just say that we will have a meeting. Mayor Pro Tem Spence suggested that the Council could agree to have a meeting and then both managers could get together and decide what everyone should discuss. Maybe the first thing we should do is ask that the managers get together and bring us a suggested agenda and then we can vote on having a joint meeting and schedule it at that time.

**Councilman Walton accepted the friendly amendment to direct the Interim City Manager to meet with the County Manager about a list of suggested agenda items for discussion during a joint meeting.**

Councilwoman Felton felt that they needed to see if the County Manager was willing and available to do these things before making other decisions. Mayor Pro Tem Spence concurred. He suggested that Manager Goodson could meet with the County Manager and report back to the Council. We can just take a consensus for now since it's Work Session. Manager Goodson agreed that if he had the consensus from the Council, he was fine with proceeding.

**Councilman Walton restated his amended motion to direct the Interim Manager to meet with the County Manager about holding a joint**

**meeting and any potential agenda items if the County Manager agreed. Councilwoman Felton seconded the motion. Those voting in favor of the motion were: Walton, Felton and Whitehurst. Against: None. Motion carried unanimously by committee vote. The item will be carried forward for a full Council vote once the City Manager returns with a report.**

**iii. Consideration – Update to City of Elizabeth City Banner Policy** *(As Added During Agenda Adjustments)***;**

Manager Goodson reminded the Council that several months prior, someone approached the Council about putting up various banners in the City. The request was extensive and staff was asked to perform additional research. An existing Banner Policy applies to event-specific banners. He provided several highlights from the City's existing policy. The proposed modifications would prohibit the roadway banners, which are the ones that hang across the streets. The State stopped allowing banners across all State streets for safety reasons some time ago and the City will mimic that policy. For non-event banners, staff recommends that those banners be approved by the City Council because our existing policy does not speak to those.

Councilman Biggs pointed out that the Council approved some banners for that one company to install up and down Ehringhaus Street, and he agreed that that should have been a Council decision, but he also felt they needed to establish a policy around that too or else we may be bombarded with requests. I imagine putting one up every so often is a kind thing for the City to do, but if people are going to ask to have them installed all the time, that's labor intensive. I want to support people who want to put banners up, but I don't know if we should just let people put up whatever they want to, whenever they want to. I don't think it is fair to our staff. Manager Goodson noted that there is existing hardware on some of the light poles now and one option would be to limit installation to those poles only. For example, when ECSU has Homecoming, they use the poles that week and no one else can use them. It may be beneficial to continue operating on a first-come first-served basis.

Councilman Biggs said that he did not want to block out community partners but we have to have balance. One banner is one thing but I would imagine some of these requests could get too involved and time-consuming. Manager Goodson inquired if Councilman Biggs was a proponent for going with the roadway banners on City streets instead. Councilman Biggs pointed out that he just did not want to over burden City streets with banners or City staff with additional work. He asked Superintendent White why they stopped hanging the roadway banners. Director White explained that they'd stopped hanging them some time ago after something happened. He believed the banner might have broken and fallen into traffic. If the banner is across the road, when it falls, it falls into the road, which can be dangerous.

Director Malenfant added that the transition is we have traditionally hung banners to advertise community events and now people want to use our poles to hang banners that they have sold or to advertise. It is free advertisement. It's like giving away free billboard space. The ones on Ehringhaus are advertising banners. The Hometown Heroes banners are honoring specific people, but sponsorships are still being sold. You are transitioning from allowing people this space to notify of their once-in-a-while community events to advertising for free.

Councilwoman Whitehurst asked if the sponsors were the ones who end up covering this financially. Director Malenfant explained that under the existing policy, the banners are provided by whatever entity would like them put up. If ECSU wants banners put up for Homecoming, they have to provide the banners for us. The cost of putting the banners up is absorbed by the Electric Department because they install them on the poles that have attachments. There was an additional labor cost to the City when they had to put the ones on Ehringhaus Street up because they had to put the hanging mechanisms up too.

Mayor Pro Tem Spence asked how much time it takes for an install if the hanging mechanisms are already in place. Director White replied that it takes about half a day. When it comes to ECSU and the Coast Guard, it doesn't take that long because we just alternate them. The ones on Main Street have a connector, but it's all worn out so we really need to look into new hardware. Mayor Pro Tem Spence clarified that if it takes three people on each side a half day, the City just eats the cost. Director White confirmed that was correct. The Electric Department has been tasked with doing it for years and years.

Councilman Biggs said he did not want to discriminate against any people asking for this, but the Coast Guard and ECSU are huge partners. If we just pass this and we don't consider the labor and the time, we're going to have a group of linemen who are stuck hanging banners for days. The more that these banners are going up on Ehringhaus, the less and less it's appealing to me. I don't know if we need to constrict the use of our light poles and maybe come up with a different policy for these non-event based banners or people seeking to advertise. Mayor Pro Tem Spence concurred and said he would be interested in finding out the true cost to the City. How much are we spending for half a day's labor? That could be a big hit every time we have to do this. I know the Coast Guard and ECSU are important, but do we have to give everything away free? Director Malenfant noted that most non-profits did not use banners because they could be somewhat cost prohibitive. Each banner is between $75 and $100 usually. However, the ones that are now being sold and used for advertising, that's something else.

Councilwoman Felton opined that the City may have done this for a long time, but with everything increasing, it's likely time to put a price on it too. We should have a cost that goes right along with that application. If they aren't willing to pay it, okay. And that's ECSU included. Councilwoman Peel felt the banners on Elizabeth and Main Street for local entities are fine, particularly since they only happen three or four times a year. It enhances the community, it looks good and it recognizes those that are here. The issue is that we are now providing services for people making money on this deal and advertising. I do not think we should do this anymore and if we do, we should be charging for it big time. We should also designate certain areas for that, like only on Ehringhaus. Downtown is for our local entities, such as ECSU and so on.

Councilman Walton felt that this was one of those sticky slopes again. He believed ECSU and the Coast Guard needed to be considered differently. It costs a lot to put up a banner, but it costs the people coming from out of town a lot to stay in our hotels. It adds up fast. Our hotels sell out for Homecoming. One in-kind service deserves another. There are certain entities you should never even talk about unless you're trying to be the bad guy. We should do the best we can as much as we can. Alumni could complain. They did one time 10 or 20 years ago and they took the Homecoming to Virginia. We need to try to get along and move forward instead of going backwards. It's hard to drive backwards as fast as you can drive forwards. You need to consider whom it's going to impact before you make fast judgements.

Councilman Gibbs felt that in the grand scheme of things, ECSU and the USCG are a true testament to community organizations and events and the City benefits from them. I would think whatever it costs for climbing the pole in those instances comes out in the wash because we are reaping the benefits. Now it does seem like there has been some circumventing the proper order with people trying to get free advertisement and revenue for themselves or organizations that are not the City. I have no problem with us continuing to work with the community partners as we do now, but for anybody coming along trying to advertise and we're just giving them the service, I do have an issue with that. I think it's an around the dais consensus that we benefit from those four-time a year changes and we can deal with those.

Councilman Biggs said he agreed with Councilman Gibbs completely. We need to look into that contract for the ones we signed on with for whatever reason. Did we say they had to stay on Ehringhaus Street? We need to pull that out and really look into it. Councilwoman Felton asked if ECSU and the Coast Guard had contracts. Manager Goodson replied that they did not, as their banners were event-based and complied with

the existing policy. The ones on Ehringhaus were different and they were part of a contract.

Mayor Rivers thought the policy with the few revisions for the event-based banners was good. He was personally okay with that one and believed it sounded like the rest of the Council was too. What we are looking at now is specifically the banners that aren't for events. We have these popping up for advertisement because we have people selling to everyone all of a sudden. We're being hit with more requests to hang these banners and we're not getting anything out of it except a lot more work for our staff. He reiterated that he did like the policy for our event-based things like COA, ECSU, Potato Festival and whatever else. From listening to the Council, I believe the advertisement banners and non-event based ones need to be assessed with a fee of however much if they expect them to be hung. Figure up how much that cost is for us. An advertisement is not an event.

Director Malenfant said her suggestion was that the City not allow non-event banners at all. Mayor Rivers asked if the Council wanted to come back with a policy for advertisement and non-event banners or just prohibit them altogether. Councilman Biggs felt they needed to make sure they were comfortable with where the banners are aesthetically so we don't become littered with banners all over the place. We don't want them on every street, whatever we do.

> **Motion was made by Councilman Johnnie Walton to take the discussion to the full Council.**

Mayor Rivers asked what exactly was being taken to the full Council. Councilman Walton clarified that he would like more information on the non-event / advertisement banner policy to come forward at the next meeting and approve staff's recommendation on the event-based policy.

> **The motion was seconded by Councilwoman Katherine Felton. Those voting in favor of the motion were: Whitehurst, Felton and Walton. Against: None. Motion carried unanimously by committee vote. The item was carried forward to the February 10, 2025 Regular Session for action by the full Council.**

**b. Public Safety Committee *(Spence, Peel, Felton)*;**

**i. Consideration – Call for a Public Hearing – Combustible Landscaping Material Restrictions;**

Chief Carver advised that the Fire Department is proposing an ordinance they would like to see put into effect to ensure a proactive approach rather than a reactive approach to combustible materials. The ordinance will dictate that no pine straw, mulch or similar material may be within 16 inches of a structure unless it is constructed of something like stone. This will prevent fires from starting in the flowerbeds and entering the buildings.

Councilman Biggs asked if this would only apply to new construction. Chief Carver replied that was correct.

> **Motion was made by Councilman Joseph Peel, seconded by Councilwoman Katherine Felton to call for the Public Hearing. Those voting in favor of the motion were: Spence, Peel and Felton. Against: None. Motion carried unanimously by committee vote. The item was carried forward to the February 10, 2025 Regular Session for action by the full Council.**

Councilman Biggs requested that before the item appeared on the next Consent Agenda, could staff make sure it is notated that the ordinance goes into effect for any new construction and will not apply to existing. Manager Goodson confirmed that he would make the note.

**ii. Consideration – Budget Amendment for Cameras;**

Mayor Rivers stated that this budget amendment did not require a Council vote. The funding could be moved and approved at the discretion of the department director and City Manager.

**c. Public Utilities Committee *(Walton, Biggs, Spence)*;**

The Public Utilities Committee had nothing to report.

**d. Parks and Recreation Committee *(Gibbs, Morris, Whitehurst)*;**

**i. Consideration – Budget Amendment for Capital Equipment;**

Mayor Rivers believed the manager could sign off on this amendment. It did not appear that it would require Council approval. Councilman Gibbs stated that it looked like the funding was approved just placed in the wrong line item. Manager Goodson confirmed that he would handle it administratively.

**e. Finance *(All)*;**

**i. Update – Quarterly Financial Report;**

Financial Consultant Susan Tezai reported that she had Deputy Finance Director Lewis compile information through December 31st for her to share with the Council. Typically, after six months, you would like to see that things are reporting at or close to 50%. Anything over 50% was highlighted for the manager to review with the respective departments. There were very few items over the 50% line and she made the manager aware so he could investigate why that happened. She noticed that a few lines do appear extremely under budget. Most of those are associated with Capital Outlay, and since nothing has been spent, it is much lower than expected. There was one line that was at 79%, but that was due to a single annual payment for the Boys and Girls Club. One of the items was at 73% from Capital Outlay. In the Electric Fund, there was Capital Outlay approved at $1.5 million, yet only 2% of the budget has been expended there because the Capital Outlay has not been utilized yet. She did not see anything that caused her any great concern and the manager seemed to feel the same way.

Deputy Director Lewis provided the breakdown of the Proprietary Funds. He explained that there was a loss in one of the funds because of the rate riders. We were being charged for the true-up payback, but had only just started passing the fee over to recoup. Water & Sewer are operating in line.

Councilman Walton stated that he'd asked the manager to provide an itemized balance of the ARPA funds and how those were spent. He asked Susan if she could give that to him. Susan replied that the only thing purchased with ARPA in 2023 was the radios for the Fire Department. The plan was to spend for lost revenues. Any entity awarded less than $10 million could take a one-time loss of revenue sources. That is what that money was used for. The journal entries were done and the money was allocated based on Council's appropriations. Of the $5.3 million, $320,000 reimbursed the General Fund for Finance salaries; $447,000 for Police salaries; $365,000 for Parks and Rec; $150,000 for IT; Fund 30 about $1.1 million; Water and Sewer about $2.9 million; Stormwater was $102,000; and Stormwater Services was $36,000. She said she could also put those in an email to the Council so they could have the exact amounts. Those totals are transferred to the General Fund when closed out because the interest earnings are not restricted. She reiterated that she would put everything she had just stated into an email because it was a lot of information. An annual report is filed in March of each year, so that will go out in a few months and then it is officially done. Councilman Walton asked if that report went to the local government or the federal government. Deputy Director Lewis replied that it would go to the LGC. Councilman Walton asked why that would be, when the money came from the federal government. Who sends a report to them? Susan stated that in the past, the Finance Director would send a report. Councilman Walton asked that that information be provided to him too.

Councilman Biggs noted that they were now pushing up onto their start time for the Regular Session. Are we good on this item? Mayor Pro Tem Spence felt that they were. Susan advised that they are on the final item for the 2024 audit and expect to finish that and get it there this evening.

Mayor Rivers stated that the remaining items on the Work Session would carry over to the Regular Session.

**3. <u>Adjournment:</u>**

As the time for the Regular Session was approaching, Mayor Rivers declared the meeting adjourned at 6:59 p.m.

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E. Kirk Rivers
Mayor

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April D. Onley
City Clerk, NCCMC