

**City Council Work Session
November 27, 2017**

The City Council of the City of Elizabeth City met in work session on Monday, November 27, 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
Councilwoman Jean Baker
Councilman Ray Donnelly
Mayor Pro Tem Anita Hummer
Councilman Tony Stimatz
Councilman Michael Brooks
Councilman Rickey King
Councilman Darius Horton (*arrived at 5:46 p.m.*)
Councilman Johnnie Walton

MEMBERS ABSENT: None

OTHERS PRESENT: City Manager Rich Olson
City Attorney Bill Morgan
Finance Director Suzanne Tungate
Chief of Police Eddie Buffaloe
Electric Department Assistant Jason Value
Assistant City Manager Angela Cole
Payroll Analyst Monica Cole
Public Utilities Director Joe Pearce
Parks and Recreation Director Dexter Harris
ECDI Director Debbie Malenfant
Planner Kaitlin Alcock
IT Director Matthew Simpson
Interim City Clerk April Onley

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.

1. Agenda Adjustments and Approval:

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

Motion was made by Councilman King, seconded by Mayor Pro Tem Hummer, to approve the agenda. Those voting in favor of the motion were: Donnelly, Walton, Baker, King, Hummer, Stimatz and Brooks. Against: None. Motion carried.

2. Statement of Disclosure:

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

3. Presentation – City's Annual Audit:

City Manager Olson recognized Finance Director Suzanne Tungate to begin the presentation of the CAFR. Ms. Tungate introduced Lee Grissom of S. Preston, Douglas and Associates, LLP. She advised the Council that Mr. Grissom had spent a week in City offices during the month of September for the purpose of conducting the annual audit.

Mr. Grissom advised the Council that his firm issued a clean audit opinion for the City's financial statements for fiscal year 2016-2017. He noted that a clean opinion was the highest level of assurance that a CPA firm can give, which indicates that the financial statements are considered true and accurate. He highlighted several key points illustrated in the CAFR, including that the City's assets as of June 30, 2017 totaled \$130 million; liabilities totaled \$22.4 million; and net position totaled \$109.8 million. He noted

that the net change in position was on the revenue expenditure report was \$1.1 million, but stated that this was decreased by a \$969,000, which offset the increase. He added that this was related to law enforcement officers' separation allowances, due to an accounting change.

Mr. Grissom stated that the finding shown in this year's audit that had not been seen in previous years was related to a pre-audit requirement. He explained the pre-audit process to the Council; and noted that a few routine and smaller purchases made through "P Cards" were identified as not following the pre-audit requirement. He continued that he believed this problem had been rectified and would not be seen again in the future.

City Manager Olson advised the Council that the two items found as not pre-audited were uniform expenses and the City's monthly telephone bill from CenturyLink. He stated that there were issues with the City's purchase cards; however, staff had spoken with the LGC and believed that they had found a solution to that problem.

Mr. Grissom stated that his firm had placed a notice on the June 2017 billing statements requesting customers who had concerns about the accuracy of their bill contact them; and 52 requests were received. He continued that all 52 requests were turned over to Interim Finance Director Evelyn Benton; and instructed to call him back should they not receive satisfactory answers to their questions. He opined that he felt most of the confusion was regarding the payment plans. He pointed out that after the initial contact, he had very few customers contact him with further questions. Mr. Grissom noted that due to the conversion, gross receivable doubled from \$5 million to \$10 million; and the challenge was to determine how much went into the uncollectable reserve. He added that between his firm and City staff, a conservative estimate was projected for that allocation in the amount of \$510,000.

City Manager Olson advised the Council that \$200,000-\$225,000 was generally put in the bad debt account as uncollectable each year.

Councilman Stimatz asked how what percentage of the \$10 million in uncollectable was projected to be written off; and City Manager Olson estimated it to be five percent.

Mr. Grissom advised the Council that despite the "hiccup" with the utility billing, his firm found the staff to be very competent in all departments; and was impressed that the CAFR was able to be compiled and distributed on time. He praised the City for its diligence in reducing the number of purchase cards so quickly.

Councilman Stimatz asked Mr. Grissom's opinion of the internal controls in regard to the City's "billing fiasco" and how to avoid having it happen again. Mr. Grissom stated that he felt it was more of a failure to implement software than a failure of accounting; although, he opined that "that's out of my realm of expertise."

Councilman Stimatz stressed the importance of the Council receiving weekly updates on the fund balances. He opined that the next Council needed to find a way to better manage internal controls. He pointed out that the MDNA did not reflect the amount of unrestricted funds as a percentage of the operating budget. City Manager Olson advised the Council that staff would provide that number for City Council's information.

Councilman Walton asked Mr. Grissom to elaborate on some of the questions that he received from the customers regarding utility billing. Mr. Grissom responded that they were "pretty general" and most resulted from the customer not understanding their bill. He added that all questions he received were forwarded along to Interim Finance Director Evelyn Benton. City Manager Olson requested that the spreadsheet of customer questions Mr. Grissom compiled during the audit be forwarded to him; and he would distribute it to the City Council.

There being no further questions, Mayor Peel thanked Mr. Grissom and returned to the next item on the agenda.

4. Presentation – Enfield Skate Park:

Mayor Peel recognized City Manager Olson to begin the presentation. Mr. Olson introduced Parks and Recreation Director Dexter Harris and Artisan Skateparks consultant Andy Duck.

Mr. Harris gave a brief background on the skatepark and introduced Mr. Duck of Artisan Skateparks Inc., the winning bidder for the project, to present the design to the City Council.

Mr. Andy Duck advised the Council that a Facebook page had been established for public input on the design of the skatepark, as well as several meetings with local skateboarders and City staff. He pointed out that the final layout design was a result of skateboarders wanting a park that was unique; and not a recreation of a nearby facility. He continued that the design was known as a “street style” or “plaza” skatepark. He added that since Enfield Park was public, many facilities such as restrooms, parking, and lighting were already in place. He noted that the facility was nearly 14,000 square feet inside the fence; and the budget would allow for a concrete interior and resurfacing of the surrounding asphalt, creating additional room. He advised the Council that the design could later be expanded, if the City wished.

Mr. Duck stated that all the structures would be custom-built; and the “manual pad” would be a signature piece, only found in the Enfield Skatepark. He pointed out the facility would be utilized by both novice and expert boarders, alike.

Councilman Stimatz asked Mr. Duck if he felt that the unique characteristics of the Enfield Skatepark would attract tourists to Elizabeth City; and Mr. Duck agreed that he did. He added that this park was for more than learning technical skateboarding tricks than strictly utilizing speed. He stressed that 99 out of 100 skateboarders wanted the style of park that would be built in Elizabeth City.

City Manager Olson reminded the Council that the skatepark financing was on the LCG’s agenda for approval for December 7, 2017. He pointed out that the budget approved by the City Council was \$200,000; and the project was estimated to cost \$180,000.

Mr. Harris advised the Council that the surrounding playground would be replaced and relocated for better utilization by the children visiting the splash pad. He noted the timeline for completion was spring 2018.

There being no further discussion on the matter, Mayor Peel thanked Mr. Harris and Mr. Duck and moved to the next item on the agenda.

5. Presentation / Update – Council’s Goals and Objectives Report:

Assistant City Manager Angela Cole presented a summary of the City Council’s Goals and Objectives. She stated that the current version distributed to the Council was abbreviated; and completed items were hidden from view. She pointed out that previous versions were available for view on the City’s website. Mrs. Cole briefly highlighted several items for the Council’s pleasure.

Councilman Brooks asked whether staff felt the Road Street repairing and repaving project would suffer the same delays as South Road Street. City Manager Olson responded that the project was estimated to be completed by May 15th, 2018; however, dips in temperature could always result in delays with laying asphalt.

6. Committee Reports:

- a) EC-PC Economic Development Commission: Mayor Pro Tem Hummer, Councilwoman Baker, Councilman King and Mayor Peel

Mayor Pro Tem Hummer reported that she was unable to attend the meeting. Councilwoman Baker stated the next meeting would be a joint meeting.

- b) Central Communications Advisory Board: Councilman Brooks

Councilman Brooks had nothing to report.

- c) Fireman's Relief Fund Board: Councilman Brooks

Councilman Brooks had nothing to report.

- d) NC Eastern Municipal Power Agency: City Manager Olson and Mayor Peel

Mr. Olson stated that he had provided an update in his weekly FYI regarding the approval of the NCEMPA budget and the results of the elections to the Board.

- e) Elizabeth City Downtown, Inc.: Councilman Donnelly

Councilman Donnelly commended the Downtown Illumination event. He praised the previous week's Small Business Saturday; and thanked the Daily Advance for their coverage of the event. He reminded everyone about the upcoming First Friday Art Walk and Lighted Boat Parade, as well as the annual Christmas Parade on Saturday evening.

- f) Elizabeth City Area Chamber of Commerce Board: Mayor Peel

Mayor Peel reported that he was unable to attend the previous week's meeting.

- g) Finance Committee: Mayor Pro Tem Hummer, Councilman Donnelly, Councilman Horton and Mayor Peel

Mayor Pro Tem Hummer stated that the Finance Committee had forwarded everything discussed to the Regular Meeting of the Council.

- h) Parks and Recreation Advisory Board: Councilman Walton

Councilman Walton had nothing to report.

- i) Elizabeth City/Pasquotank County Airport Authority: Councilman Stimatz

Councilman Stimatz reported that the next meeting would be a joint November/December meeting on December 13th, 2017. He advised the Council that a presentation of the drafted master plan of the Airport would be given on Thursday.

- j) Storm Water Advisory Board: Councilman Stimatz, Councilman King and Councilman Brooks

Councilman Stimatz stated that the next meeting was not scheduled until the next quarter.

- k) Tourism Development Authority: Councilwoman Baker

Councilwoman Baker reported that the rebranding for tourism had been approved and would be released soon.

- l) Community Relations Commission: Councilman Brooks

Councilman Brooks noted that the Community Relations Commission had honored Julia Robinson at Montero's Restaurant.

7. Adjournment:

There being no further business to be discussed, Mayor Peel adjourned the meeting at 6:53 p.m.

Joseph W. Peel
Mayor

April D. Onley
Interim City Clerk