



CITY OF
ELIZABETH CITY
HARBOR OF HOSPITALITY *North Carolina*

TO: Mayor and Members of the City Council
FROM: Rich Olson, City Manager
REF: City Manager's Weekly FYI ~ July 31, 2020
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1. Earlier this week, The North Carolina League of Municipalities updated and distributed its memo detailing COVID-19 related revenue losses on cities and towns, with conservative estimates, based on a variety of sources, covering the remainder of the fiscal year. The total projected lost revenue through June 30, 2021 is \$599 million, including sales tax, occupancy tax, utilities and property tax. To read the entire report, [click here](#). Closer to home, I reported previously that the State informed us that our April sales tax allocation would be \$301,639.98, reflecting a small 1% increase from April of last year. This is converse to the anticipated decrease projected in the League's report. The City electric utility has been significantly impacted by the pandemic and Executive Orders 124/142. After months of suspended collections mandated by the orders, the City Electric Utility was granted a waiver from Executive Orders 124 / 142 on July 1st by the Attorney General's office and immediately resumed our normal utility billing collections process. Since July 6, we have 286 customers executing "COVID Arrangements" totaling \$223,569.00. I reported this information to the AG's Office earlier this week. All four of the City's cycles have received notice that arrangements must be made for arrearages created during the March through July time period. The City dipped below our \$3,000,000 minimum cash balance in the Electric Fund after paying our June electric bill to the North Carolina Eastern Power Agency. The current cash balance is \$2,723,006.61, having deducted our June payment of \$ 1,960,780.44. In addition, the City has not received \$147,743.09 in penalties. I have advised that the City will remain below the \$3,000,000 cash balance in August and into the foreseeable future. Elizabeth City Electric Utility, like many others serving economically challenged communities, will need relief funds to overcome the after effects of the pandemic. Regarding occupancy tax specific to COVID-19 impact, the travel and tourism industry is among the hardest hit industry in the U.S. and locally. For almost five months now the message has been stay home

to stay safe. The resulting significant decrease in visitation is hurting our small restaurants, shops, hotels, bed and breakfasts, attractions and frankly the City's economy overall. Our Tourism Development Authority reports that since March, the region has seen year-over-year losses in occupancy tax collections ranging from 30% to almost 60% per month. The losses indicate total travel expenditure losses will also be significant, although that data will not be available until sometime next year. Lastly, the Office of State Budget & Management has announced distribution of the second \$150 million allocation from the Coronavirus Relief Fund (CRF). The first allocation, HB 1043, did not mandate any distribution to municipalities, but the second bill makes the 25% share retroactive to that initial disbursement as well as the second distribution. In the second allocation, the city will receive an additional \$192,713. To complete the second distribution of funds from the County, the City is required to submit a plan signifying the use of the money. Staff's proposal will be drafted for City Council consideration during their August meeting. The U.S. Treasury provided early guidance stating that relief funds cannot be used for revenue replacement, but "may be used for subsidy payments to electricity account holders to the extent that the subsidy payments are deemed by the recipient to be necessary expenditures incurred due to the COVID-19 public health emergency." The School of Government is also providing guidance to municipalities on plan development and expenditure allowances. The City's efforts will focus on safety, solvency, and subsistence of the organization, its employees and our citizens.

2. At the beginning of July, we asked customers who needed time to pay the balances billed between the end of March and the end of June to make an appointment to meet with a customer service representative at our Griffin location. We are in our fourth week and have made payment arrangements with 278 customers for bills totaling \$218,721.64. The average balance per customer is \$787. I expected that we would meet with 100 customers a week with an average of \$1,000 in arrears. The Customer Service division has had a few changes due to the COVID-19 virus – we have closed the lobby of City Hall except for appointments for new service and have encouraged customers to use the kiosk and drive-thru lanes at the City Hall location. If you are a City utility customer needing to enter into a COVID agreement, please make an appointment to see a Customer Service Representative at the satellite location, 407-B S Griffin Street. You can also [CLICK HERE](#) to submit an online request for an agreement.
3. In partnership with the City of Elizabeth City, the Fair Housing Project (FHP) will offer a free Fair Housing Webinar on August 26th, from noon to 1:30 p.m. This webinar is open to all local residents. It will cover the basics of Fair Housing law including examples of unlawful discrimination and how to respond to them and will also discuss special Fair Housing

considerations due to COVID-19. We will also take audience questions. Our speakers will include Jack Holtzman, FHP co-director, and Bettina Roberts, a staff attorney for Legal Aid of North Carolina. The FHP is an initiative of Legal Aid. The webinar is free, but attendees must register in advance. Please [CLICK HERE](#) to register.

4. In the coming weeks, Public Utilities staff will be surveying the Ray Street neighborhood to help us win grant funding for water and sewer work there. For several months, City staff have been preparing to request a Community Development Block Grant to replace Ray Street's old, leaky, and, in some cases, undersized water and sewer lines. If we win this grant, we will receive more than \$900,000 for this work. However, the CDBG Program must serve communities of "low to moderate income," so we must conduct income surveys to verify Ray Street is an eligible neighborhood. The City's surveyors will be out over the next few weeks, and will carry their employee badges for identification. We also fully acknowledge that, due to COVID-19, this is not the best time to go door-to-door. Surveyors will also wear masks and gloves to ensure everyone's safety.
5. On Thursday, the Public Utilities Department received comments from the State on the July 1st submission of the bid and design package for the Upgrades to Raw Water Reservoir and Water Treatment Plant project. Staff will work with our engineering firm, AECOM, to make the necessary revisions and resubmit. With this prompt feedback from the State and the minimal nature of the comments staff is hopeful approval will be issued prior to the November 2nd deadline. Regardless, the project will be out for bid towards the end of the year with award anticipated in January or February in advance of the March 1st deadline. Staff is pleased to continue the forward progress of this project which brings increased water quality and water supply for the citizens of Elizabeth City.
6. Planning Commission will hold its regularly scheduled meeting on Tuesday, August 4, at 4:00 p.m. in Council Chambers. There will be two items on the agenda. The first item to be considered is the rezoning of a portion of a 34-acre tract at the northwest corner of Thunder Road and Halstead Boulevard Extension. Approximately three quarters of the site is zoned Highway Business (HB) while the northeastern portion is zoned Apartment District (AD). The rezone request to have the AD portion of the site rezoned to HB to allow for the development of a medical facility. The second item on the agenda is a text amendment, TA 02-20. This amendment is to bring the Unified Development Ordinance (UDO) into compliance with the new State Statues, Chapter 160D. This new chapter in the State Statues consolidates both the county and city enabling statues into one unified chapter. The intent of this consolidation was to modernize the regulations, provide clarification, and to have a uniform set

southeastern Bahamas later this morning into this afternoon. Late afternoon forecast models show the storm slowing down and coming very close to the Florida coast Saturday and Sunday before getting near the Carolinas on Monday and Tuesday. In contrast, others curve the hurricane away from Florida and directly toward the Carolinas. Either way, the storm is expected to affect much of the eastern seaboard -- potentially bringing winds of tropical-storm strength to our area by early Monday. First impacts from this system will likely be increased swell/rip current risk arriving this weekend into early next week. The threat for tropical storm force winds is increasing, especially along the immediate coast, through Monday evening. Track and intensity forecast and impacts beyond rip current risk remain highly uncertain at this time as the system is still organizing. Forecast details will continue to be refined over the coming days and expected impacts will become clearer. City administration and public safety personnel will continue to monitor the forecast over the coming days as confidence in the forecast timing, intensity, and track remain low for now. The current forecast suggests that the Monday commute and workday will be impacted. For now, normal City operations will be maintained. Isaias is the Atlantic's earliest storm on record to begin with an "I." The previous record was set on August 7, 2005, part of the busiest season to date. This continues the record-breaking pace of the 2020 Atlantic hurricane season. Families are advised to complete their hurricane preparedness as soon as possible by Sunday evening. Inspect your supply kits, update emergency contacts, and review emergency evacuation protocols, including the [Know Your Zone](#). Visit the North Carolina Department of Public Safety website for more information, [CLICK HERE](#).

11. Storm preparations are underway within Public Utilities. The Solid Waste Division is out working to make sure all solid waste items are picked up before Hurricane Isaias is predicted to impact northeastern North Carolina on Monday. Public Utilities is asking residents if they have not already placed out to refrain from placing them out until after the storm has passed. In addition, please be courteous and if you must trim dead tree limbs, consider taking your items to the landfill. We may not be able to service each and every area before the storm comes. If you have questions or concerns, please give them a call at 337-6628.
12. Tonight at 11:00 p.m., Executive Order 153 issued by Governor Roy Cooper, will go into effect. Executive Order 153 stops the sale of alcoholic drinks in restaurants, breweries, wineries, and distilleries at 11 p.m.; North Carolina bars that are currently closed will remain closed. Governor Cooper, in a press release, stated "Slowing the spread of this virus requires targeted strategies that help lower the risk of transmission. This will be particularly important as colleges and universities are scheduled to

start, bringing people all over the country to our state. We have seen case numbers increase among younger people, and prevention is critical to slowing the spread of the virus.” Executive Order 153 does not apply to grocery stores; convenience stores or other entities permitted to sell alcohol for off-premises consumption. Also, local governments that have implemented orders that end alcohol sales before 11 p.m. or that apply to other entities remain in effect. For more information on this matter, you can go to <https://files.nc.gov/governor/documents/files/200728-Alcohol-Cut-Off-FAQ.pdf>.