

**City of New Bern  
Board of Aldermen Retreat  
January 26, 2019 – 8:00 a.m.  
Development Services' Conference Room  
303 First Street**

**Board Members in Attendance:** Mayor Dana Outlaw; Aldermen Sabrina Bengel, Jameesha Harris, Robert Aster, Johnnie Ray Kinsey, Barbara Best, and Jeffrey Odham. A quorum was present.

**Also in Attendance:** Mark Stephens, City Manager; Brenda Blanco, City Clerk; and J.R. Sabatelli, Director of Finance.

Mayor Outlaw opened the meeting at 8:40 a.m. Mr. Stephens reviewed the agenda. In addition to stormwater and a City Hall elevator, he noted a need to discuss the utility rates, as Duke would be passing along a rate increase this year.

**City Manager's Overview of Retreat and Update on Strategic Goals and Objectives**

Mr. Stephens noted the Board adopted six goals and objectives last year, and he provided an update on each:

*1. Recruit, train and retain qualified staff across all departments*

A salary study has been completed, and staff has been executing against that study. The Board had expressed views about the evaluation process, and that has been modified. Performance evaluations are in the process now, and there is appropriate scoring for those who are doing a better job. The new evaluation is also easier for employees to understand. Should the Board desire to entertain salary increases this budget year, the evaluations are performance based.

Opportunities are provided to employees for training and growth. This increases their knowledge skill, which allows the employees to provide better service to the citizens.

A consultant evaluated the City's health insurance. There were no increases in the employee's cost. Prescription benefits were renegotiated, saving the City around \$72,000.

*2. Provide Public Safety Through Enhanced Training, Efficient Services, and Expanded Infrastructure*

There was a desire to improve response time, thus providing a better service to citizens. Six new firefighters and two telecommunicators were added in this current year's budget. The Fire Department's strategic plan has been completed and will continue to be focused on during the next budget.

### *3. Enhance and Diversify Parks and Recreation Opportunities*

Foster Hughes was brought in as the new Director of Parks and Recreation. Martin Marietta Park has gained momentum. Grants have been received for use in developing the park, and Mr. Hughes will start focusing on implementation schedules for utilizing the funds and maximizing the dollars. Staff is looking at other issues such as Kidsville and Stanley White Recreation Center ("SWRC"). Money is budgeted for some improvements to Kidsville, and fundraising efforts will be amped up within the next couple of weeks, with updates provided to the Board. FEMA funds are being utilized to restore the properties and amenities that were damaged during the storm, such as the docks, bathroom facilities, etc.

### *4. Maintain Fiscal Responsibility*

This year's hurricane really points out the need to have a healthy fund balance. The City has weathered Hurricane Florence while retaining a decent financial condition.

Alderman Bengel asked if questions could be posed now or if they should be held until the departments provide their summaries. Mr. Stephens said they could be asked at any time. Alderman Bengel then asked about the six firefighters and the additional telecommunicators and whether they were actually funded in this year's budget, if they had been hired, and how it would affect the budget going forward. Police Chief Toussaint Summers announced an Animal Control Officer was hired two weeks ago, and Fire Chief Robert Boyd said the six firemen are undergoing training. The new positions are in the budget and will be in the budget next year.

Alderman Kinsey expressed concern that sometimes when the Board calls staff for information, they do not respond promptly. He stated department heads need to be efficient themselves in responding, as some do not return phone calls. This should be taken into account when raises are being considered.

Joseph Sabatelli, Director of Finance, stated fund balances are obviously being impacted by the hurricane. As of June 30, 2018, the General Fund balance was at 39.5%. The Board adopted a policy to keep the fund balance range at 25-35%. There was \$2 million budgeted in the current year for fund balance. When it comes to enterprise funds, there are 381 days on hand in the Water Fund, 192 days on hand for the Sewer Fund, and 151 days on hand for the Electric Fund. All funds have a positive fund balance for June 30, 2018. The numbers are obviously down now because of the hurricane, but these funds should be reimbursed. Aldermen Bengel asked about the date associated with those enterprise fund balances, and Mr. Sabatelli stated they too were as of June 30, 2018. She pointed out that was six months ago. Mr. Sabatelli stated yes, noting those are the official numbers from the audit.

Alderman Aster asked if there is an estimated cost for Hurricane Florence. Mr. Sabatelli stated it would be around \$14 million. That figure could increase or decrease depending upon the outcome of the 428 mitigation. Alderman Aster then asked how long it would be before funds are received from CAT A and CAT B. Mr. Sabatelli responded he did not yet have an estimate. The consultants are working on compiling that information, after having received a lot of information from the departments. Some documentation has been uploaded, but Mr. Sabatelli did not have an idea as to when reimbursements would be received. Alderman Aster asked whether anything had been submitted yet, and Mr. Sabatelli stated there had not yet been enough documentation submitted to get reimbursement. Alderman Kinsey asked why all of the documentation had not been submitted, and Mr. Sabatelli stated documentation is still being gathered. Mr. Stephens explained there is a lot of documentation involved, and the City has not yet paid some of the other municipalities for mutual aid as it is awaiting information from them. He explained the information the municipalities must provide not only included their employees' salaries, but fringe benefits, etc. While dealing with the hurricane was tough, Mr. Stephens stated it is the months after the hurricane that are the worse. Mr. Sabatelli stated City staff is meeting with the FEMA representative weekly. Alderman Aster said that at some point, the City would need to talk with its Congressmen about it. Alderwoman Harris asked if the delay also included the 428-grant money, and Alderman Aster said he felt that funding would come quickly. Alderwoman Harris questioned whether the City needed another consultant or needed to put pressure on the other municipalities to submit their information. Mr. Stephens stated the lack of submission was due to more than just waiting on information from the other municipalities, and he did not want to put the blame on them. Estimates are also needed from contractors, etc. Mr. Sabatelli said FEMA has implemented new procurement policies, which slow down the process. There are restrictions, and the City must make sure it is being very careful and complying with those policies.

5. *Invest in City Infrastructure to Ensure Long-Term Sustainability*

Mr. Stephens stated the Board had previously allocated significant capital dollars toward stormwater improvements and street resurfacing. He was happy to report a good portion of Oaks Road had been repaved, and a new paving cycle would start soon. There are many capital improvements being made, including water and sewer enhancements in the Ghent area. Charlie Bauschard, Director of Public Utilities, has been trying to identify improvements with respect to resiliency. Staff has been meeting with Duke to address that issue.

6. *Promote Economic Development and Redevelopment in Housing and Commercial Areas*

The Redevelopment Commission has been established. Jeff Ruggieri, Director of Development Services, has been very pleased with how the Commission has been progressing. The sub-goals of the Commission have been to drive redevelopment and the Choice Neighborhoods Initiative. There has been good commercial

activity at Five Points. Ward 6 has had a lot of growth, and the hospital continues to grow. Alderman Bengel pointed out while the hospital is buying a lot of property for expansion, it is not positively impacting the tax base as it takes property off the tax books. Mr. Stephens pointed out it does bring people to the area, however. Craven 30 is working with a national builder on implementing some new housing opportunities, and that project should start up soon. Neighborhoods are growing, especially in the area of Hwy. 70. Alderman Kinsey said that with growth there is a need to pay attention to drainage issues and the sizes of pipe that are being used.

### **Departmental Overview and Vision for Next Fiscal Year**

Mr. Stephens noted the Board had requested from each department their vision, goals, and objectives for the upcoming year with respect to their budgets. Mayor Outlaw said he would like to see a means of checks and balances in the coming year with respect to the Board complaints that are submitted to the City Manager, who in turn forwards them to the Department Heads. He asked that a formal reply be given to the citizens about the resolution and that the Board be kept abreast of the situation and outcome. Alderman Bengel said she thought the Mayor was talking about the bigger overall issues where groups of citizens come in, and they fall by the wayside. She felt everyday issues would be too burdensome to track. Recently, she has had questions about the cemeteries, the graves and the resolution with the group from East Carolina University. This has fallen by the wayside, and she suggested a log be kept. Mr. Stephens responded he was aware of the status with East Carolina University, but did not have knowledge of the complaints voiced to her about the cemeteries. He felt something could be worked out, and he noted Munis has a workflow system that can be utilized. He also noted Public Works has a work order system. Mr. Stephens stated he could follow up on items as long as he knows about the situation, but if complaints are voiced directly to the Department Heads, then he has no idea. Mr. Stephens stated he had instructed Department Heads to copy him on their responses and on actions they have taken. Most of the time, they do that. Alderman Kinsey stated this is what he was referring to earlier. The Board can call staff, but do not get a response from them. Weeks can go by with nothing done. There are a couple of people he can call who will get right on the issue.

Alderman Aster asked if Mr. Stephens had an opportunity to find someone contractually who could come in and answer questions about Hurricane Florence relief. Mr. Stephens stated comments had been made to him and some emails had been received. However, anytime it takes a significant amount of money to do something, he needs the Governing Board to take action on the issue. Aldermen Bengel and Aster said they thought action had been taken with respect to getting a consultant. Alderman Aster expanded by saying he thought the City Manager had received an email from the Mayor asking him to begin looking for a consultant. Mr. Stephens said he did receive that email, but Alderman Odham was the only one who responded back to indicate he concurred. Alderman Aster asked what needed to be done to get the ball rolling. Mr. Stephens said he had already done some preliminary work, having called the League of Municipalities to obtain a couple of names of potential candidates. Alderman Bengel said the City needs someone who has flood mitigation background and can answer the citizens' questions. Mr. Stephens

said he would be happy to find whomever the Board wanted him to find. Mayor Outlaw reiterated the Manager was seeking a paper trail or emails providing direction in writing, so if the Board approached him in 30 days questioning why he hired someone, he would have a paper trail to support that decision. Alderwoman Harris said she supported the idea of hiring a consultant, but would want to know the price tag beforehand. Alderman Bengel asked if a consultant would be reimbursable by FEMA, and Alderman Aster was not sure. Mayor Outlaw said the price tag would be the benefit of the mental health of the citizens, and he suggested the consultant be an all-encompassing person who could assist New Bern's citizens with post-Hurricane Florence problems. Alderwoman Harris stated that while she supported everything the Mayor said, she still wanted to know the cost. The City Manager suggested a budget not to exceed \$100,000 for a person to work 9-12 months. Alderman Bengel said she would provide names of potential candidates this week to Mr. Stephens. Alderman Aster said he did not like to approach anything from the standpoint that it might be reimbursed, but there was language in the documents to suggest that a consultant could be funded. Therefore, he felt FEMA would provide a consultant to provide that type of service, or if they could not, they would provide for contractual help to be available. Alderwoman Harris asked if the City could find out if FEMA would provide a consultant or reimburse the cost of one before the City proceeded with securing someone. Mr. Stephens suggested the City approach it assuming the costs would not be reimbursable. If they are not, funding would come out of the General Fund balance. Mr. Stephens said staff and the City's current consultants would do everything they could to maximize the City's recovery. Mayor Outlaw expressed the long-term benefit would be worth the expense and the rebound of the City over the next one to three years. Alderwoman Harris voiced a concern that the consultant not only be able to assist residents, but also support the businesses. Mayor Outlaw stated he was just concerned as anyone else about the cost, but was also concerned about the overall lateral damage by not getting an expert to assist the residents. Alderwoman Harris stated she supported that, but expressed a need to have that same position holistically, citing the situation with SWRC. Alderman Bengel stated the consultant would be able to answer the citizens' questions, and Alderwoman Harris questioned the price tag of \$100,000 for someone to answer questions. Alderman Bengel stated in addition to answering questions, the consultant would direct and assist the citizens with the different resources available. Alderwoman Harris asked if the City had looked at the private organizations, specifically the one Steve Tyson is associated with, and Alderman Bengel stated that was different, noting the CCDRCA is mostly to channel monies and find resources for people. Alderman Best said she would feel good if someone from FEMA could be utilized, as she felt they would have the skills needed. Alderman Aster said if a person were hired, an Emergency Operations Center ("EOC") would need to be opened up as their workspace, and they would need to be paid from an EOC fund. Alderwoman Harris asked if this conversation could be held with the County and the costs shared, since county residents are asking the City questions. Alderman Aster said the first thing that needed to be done is the Board needed to give the City Manager authorization to locate a person, see what it would cost, and then report those findings to the Board. Alderman Bengel stated this was the number one issue facing the City, and Alderman Aster felt it was delaying the rebuilding of homes. Alderman Odham questioned needing a consultant for 9-12 months, stating he felt 90-120 days would be more appropriate.

Alderman Odham made a motion to authorize the City Manager to find someone to provide support to the citizens regarding flood mitigation assistance and any other FEMA issues that they may have with rebuilding and authorize up to \$50,000 ending on June 30, 2019, seconded by Alderwoman Harris. Alderman Bengel suggested the motion be amended for a longer period, and Alderman Odham stated the City Manager could always approach the Board if he felt the consultant needed to be extended. The motion carried unanimously 7-0.

Mayor Outlaw asked about the community rating system, the availability of grant funds, and if there was a way to fast track through the last 10 homes. Mr. Stephens said the remaining structures are individual homes that need some kind of work, and the owner has private property rights and can say yes or no as to whether they want the work performed. That means the ability to bring the last 10 homes into compliance has to be at the willingness of the property owner. There is also the need for availability of funds, which the City may be able to secure through local resources, grants, etc. Mayor Outlaw asked if the system allowed for a margin of error and if five homeowners held out and did not want their homes to be improved, whether that would preclude the City from achieving its rating. Jeff Ruggieri, Director of Development Services, said the community-rating system requires 100% compliance within a 10-year window. The only recourse would be to wait for those project permits to age out of the 10-year window. Mr. Ruggieri explained the process in some detail and described some of the situations with the properties. He also noted there are 12 houses that require structural modification to be compliant with the flood ordinance. His impression is the property owners are okay with the improvements, as long as they do not have to pay for them.

(Alderman Bengel momentarily stepped out the room at 9:08 a.m., returning at 9:09 a.m.)

Alderman Aster asked how much money it would save citizens if the City were 100% compliant. Mr. Ruggieri responded every point is 5%. The City is currently at a 10, being unrated. No matter how many great things you do in the first year, you are bumped down to a 9. It takes a long time and is a lot of work to get down to a 3 or 4. One point is about \$40,000 to \$45,000 across all premiums in the City. The estimated cost of bringing the 12 homes into compliance is about \$50,000 to \$80,000. Alderman Aster asked how other cities handled similar situations, and Mr. Ruggieri said he would have to check. Mayor Outlaw asked the Board to consider making a motion that time is of the essence to adopt the community rating system and to have staff expedite that item.

Alderman Bengel made a motion to adopt the community rating system and have staff expedite the process, seconded by Alderman Aster. The motion carried unanimously 7-0. Alderman Aster asked Mr. Ruggieri to check with other cities to see where they got funding to address this scenario.

- **General Government (includes General Administration, Governing Board, PEG and IT)**

Mr. Stephens said he did not foresee significant changes in the Governing Board or General Administration budgets, unless the Board desired changes. The City

Attorney will not be requesting an increase in his budget. Mayor Outlaw wanted to make sure the public was aware that March 1<sup>st</sup> is the cutoff for the waiver of inspection fees for hurricane-related damages. Alderman Bengel stated she wanted to stop fooling citizens by having a separate line item for the \$1,000 the Board receives as a car allowance and travel around the City. Mr. Sabatelli asked her if she wanted it moved from the taxable benefits to salaries, and Alderman Bengel said yes. Alderman Bengel stated the allowance was put into a separate line item years ago to make citizens think their salaries were a different amount. Alderwoman Harris expressed concern that citizens would think they got a raise, when they did not. Alderman Aster asked for the breakdown of the car allowance, and Mr. Sabatelli said each alderman gets a certain amount and the Mayor gets slightly more. This is a non-accountable plan, which means the Board is not held accountable for its mileage; thus, it is taxable. Otherwise, the Board would have to track every mile it drives and submit that for reimbursement. Mr. Stephens explained it is a contractual payment that recognizes the Board has to travel throughout the City for meetings, etc.

(Alderman Kinsey briefly stepped out of the room at 9:17 a.m.)

Mr. Sabatelli said throughout the budget, any employee who receives a vehicle license is paid through a taxable benefits line item. Mr. Stephens stated by combining the allowance with salaries, it would mix up the monies, and the City did not want that mixed up. Mr. Sabatelli stated staff is happy to take direction, but he needed to make sure the Board understood if the changes were made, that they would not be able to seek reimbursement for local travel.

Alderwoman Harris stated she wanted the Board to get a raise of \$1,000 to \$2,000, and she wanted to make a change in travel and training. She feels she attends training and is able to bring back valuable information. She suggested each person have a budget of \$1,000 and then the rest of the money placed in a pot. She stated she might be the only one who travels to certain events and needs extra travel funds, and if there were a pot of money available, she would not have to ask others to allow her to use their funds to cover part of her expenses.

(Alderman Kinsey returned to the room at 9:20 a.m.)

Alderwoman Harris stated she utilized the travel and training because it is effective for what she does and allows her to bring back valuable information. Mr. Sabatelli suggested if the Board's budget provides \$1,000 for each member with the remaining \$7,000 in a pot, that the funds in the pot be on a first-come, first-serve basis. Alderman Aster said that is not fair, questioning what would happen if someone else has used all the money in the pot and another alderman wanted to travel. Alderman Best suggested keeping the travel funds as they are and continue the process of asking to use others' funds if they will not be utilizing them. Alderman Odham said each Department Head had to produce in the budget a list of conferences and training events they wanted to attend. He suggested the Board should do the same to have an idea of the funds desired. Aldermen Bengel and

Harris concurred with that idea. If an individual board member did not submit anything for the budget, Mr. Stephens questioned if their travel budget should be \$0, and the response was no. Alderman Odham explained he was just suggesting a list be compiled to determine the need. The list may reveal, for example, that the board members only need \$500 each and the rest could go into a general pool. Mr. Stephens asked the Board to send him and Mrs. Blanco a list of the travel they anticipated for next year from the period of July 1, 2019 to June 30, 2020. Alderman Bengel asked if there was a list of annual conferences, etc. from the League of Municipalities and others. Mr. Stephens stated a list could be provided of what the Board has attended over the last three to five years. From the Board's responses about training they wish to attend, he and Mrs. Blanco could formulate the budget. Mr. Sabatelli stated the average travel expenditure for the entire Board from Fiscal Year 2015 through Fiscal Year 2018 has only been about \$6,000 a year.

Information Technology's ("IT") budget is relatively flat. The City's technology continues to grow every year, and IT supports the entire City including the PEG channel, 911 Center, mobile-data units, etc. The division is asking for one additional position, a Senior IT Technician. The IT budget is supported through percentage contributions from the general and enterprise funds. Alderman Bengel questioned whether all of the city buildings had security cameras. Mr. Stephens answered not all have cameras, including City Hall. Alderman Bengel suggested in this day and time that all of the buildings have a camera.

Alderwoman Harris asked how many positions were currently in IT, and Mr. Stephens responded seven. She then asked for the range of paygrade 17. Mr. Stephens said 17 is roughly \$43,000 to \$70,000. Alderman Odham noted that since his tenure on the Board, the City has invested a lot in structure, upgrades and improvements. Usually, when those expenditures are pitched to the Board for approval, future savings are referenced. He expressed a need to capture on the frontend any future requirements associated with improvements and any savings that will occur on the backend.

Alderman Aster asked if the cameras at the railroads and some intersections were still up, running and in good condition. Chief Summers confirmed the cameras are operable. Chief Boyd said the cameras were upgraded a couple of years ago. Mr. Stephens reviewed IT's capital requests. Alderman Bengel asked for a list of buildings with and without cameras and the cost of adding cameras to those buildings that do not have them. She stated City Hall should really have cameras. Alderman Kinsey asked if the Utility Business Office had cameras, and Matt Montanye, Director of Public Works, confirmed that building had cameras.

The PEG division will have no new budget requests. That budget should actually decrease because a new video camera and equipment were purchased in this year's budget. It is anticipated some PEG equipment will be at end-of-life and need to be replaced in Fiscal Year 2020-21.



- **Development Services**

Mr. Ruggieri stated his budget would be consistent with the last few years and would remain relatively flat. The first few years he was on staff, vehicles were replaced and the department's technology needs were met. He reviewed his departmental goals for next year, noting there would be fees associated with converting the current permitting system to the Munis system. The VOLT Center project will be completed in September. The interior of the Center should be somewhat visible in the next 3-4 weeks. A new CDBG five-year consolidated plan is coming up and will be paid for with CDBG funds. The plan will include community engagement. Alderman Bengel asked about the CDBG funds that are specifically geared to flood recovery, stating she had spoken with Mike Sprayberry, Director of the NC Emergency Management and Office of Recovery and Resiliency, about those. Mr. Ruggieri said it is not yet known what the funds are for and how to get them. Alderman Bengel said she would be having a meeting with Director Sprayberry, and Alderwoman Harris suggested Mr. Ruggieri attend.

The new Redevelopment Commission is moving along at a brisk pace and developing a plan. The plan should be complete by the end of this year.

Mr. Ruggieri stated his department has 17 full-time, funded positions. There are two vacancies, and interviews have just been held for those positions. The department will request \$15,000 for temporary staffing because of the volume of permits associated with the hurricane and to cover the cost of a clerk that has been hired to take minutes for all of the boards. The detailed minutes are time consuming and frees up staff, which are otherwise set back by the minutes. Alderman Odham asked if the temporary help is reimbursable, and Mr. Ruggieri stated the assistance for Inspections is potentially reimbursable. Alderman Bengel asked if the person taking minutes is a full-time employee, and Mr. Ruggieri responded it is a temporary worker that costs about \$9,000 a year. Alderman Bengel stated that was an awesome move to hire a temporary position to do that task. Mr. Ruggieri stated he had been looking for someone for years, but it was difficult to find someone to do that task. If the City gets into the community rating system, it will require the addition of a full-time Flood Plain Manager to monitor the system, as current staff will not be able to handle the extra workload.

Alderman Kinsey asked about goals to address blighted housing and plans to work with Habitat for Humanity to build new homes. Mr. Ruggieri said essentially staff continues to monitor blighted housing. He said there is a backlog right now of about six houses that need to be demolished. The Redevelopment Commission will dictate how those are handled. Mr. Ruggieri stated he is meeting with Habitat to talk about additional buildable lots the City may have available. He is also looking for more opportunities to partner with other groups that want to assist with providing affordable housing. Alderman Kinsey asked about goals for the gateway area. Mr. Ruggieri said he is working with the Redevelopment Commission to create a plan that is based a lot on the Choice Neighborhood Initiative and Gateway Plan. The hope is to assist with creating more economic development and create housing in

the Greater Five Points area. Many problems in that community result from absentee landlords. A policy will address that to bring the conditions of housing up to a higher standard. Alderman Kinsey asked how many employees are active on the street each day, and Mr. Ruggieri responded seven. Alderman Kinsey asked if they could report back when they see street lights out, a broken sign, trash on the street, etc. Alderman Odham asked about the backlog of houses and whether they were legally ready for demolition. Mr. Ruggieri said yes and explained he had just not pulled the trigger on them. Noting the City usually performs the demolition internally, Alderman Odham asked if it would be beneficial to outsource that work. Mr. Ruggieri stated he was not sure, and noted Public Works does a great job and is cheap. Mr. Montanye noted Public Works has two in line to demolish now, which does not include the six Mr. Ruggieri referenced. Prior to adopting a plan, Alderman Best asked at what point the Redevelopment Commission would come before the Board to present the plan. Mr. Ruggieri said the Commission would update the Board when an update is available, and he noted the Commission had discussed that last week. There are two planned community meetings that will probably coincide with a Board presentation. By community meetings, Alderman Bengel explained the Redevelopment Commission would actually meet in the community in June and October, with one of the meetings being held at Clinton Chapel Church and the other at the Omega Center. These meetings will solicit community input.

- **Finance**

(Mayor Outlaw stepped out momentarily at 9:45 a.m.)

Mr. Sabatelli noted the Finance Department is comprised of three divisions: Accounting, the Utility Business Office (“UBO”), and Purchasing/Warehouse. Accounting has nine staff meetings. One staff change that would be made in the current year is the Budget Analyst position will be replaced with an Administrative Assistant. This will yield a decrease in cost. The third year of the current audit contract has just been completed, and the contract may be sent out for new bids. The current contract waives travel costs, as the auditing firm was trying to establish business in the State of North Carolina. Now that they have done that, the firm may not continue to waive those costs. Alderman Odham asked if that contract is always bid out, and Mr. Sabatelli stated since he has been with the City, it has been bid twice. Alderman Odham then followed up by asking if there is an escalation clause that if a bid comes in 10% higher, staff would automatically rebid those or, instead, would take them to the Board for a decision. Mr. Sabatelli stated they would be taken to the Board, unless he and the City Manager deemed they were too high to consider.

A temporary person in the Warehouse has been brought on as a permanent employee. No other major changes are planned. The UBO has 27 full-time employees, and their budget will include a \$50,000 increase. The division will be asking for a replacement vehicle and implementation of prepay. Alderman Bengel asked if staff is working toward getting in the “real world”. Mr. Sabatelli said that currently the City is using a third-party provider to accept credit card payments. The

City would now begin to do that themselves, but would need to absorb the processing and merchant card fees. Currently, the third-party provider charges a merchant fee of \$4.95, which the provider receives, and the City receives 100% of the bill. When the City begins accepting credit card payments through Munis, the City would absorb those fees. Mr. Sabatelli stated it is "touchy" as to whether a municipality can charge a convenience fee. Alderman Bengel pointed out when the City begins processing credit card payments, it would not receive 100% of the bill; the bill would be decreased by the amount of the merchant fee, which could range from 1-3%. Alderman Bengel noted that could potentially be a large decrease for the City. Alderwoman Harris questioned the new vehicle, asking about the vehicle to be replaced and its mileage. Mr. Sabatelli said the current vehicle is a passenger-type van, which is inefficient for the work the employee is doing. A cargo-type van is desired instead. Alderwoman Harris also asked for an update on when pay-as-you-go would be rolled out, noting it was supposed to happen last year. Mr. Sabatelli stated they had been pushing for the program, but because approximately 1,500 AMI electric meters were damaged during the storm, the focus has been on replacing those meters. The replacement cost of the meters is reimbursable by FEMA. Alderman Bengel asked about implementation of Munis and expressed concern it may not communicate with the electric side, and she feared staff would be asking for additional funds to make it work. Mr. Sabatelli said a discussion would be held with Tyler Technologies. He also stated Mark Trail, the SCADA/Control System Supervisor, had spoken with Manassas about their experience. Alderman Bengel stated it did not work for Manassas, and Mr. Sabatelli stated it was working, but not going as well as they had hoped. However, they are making progress. Alderman Bengel asked if next year's budget would request additional funds for the Munis project, and Mr. Sabatelli stated staff did not yet know.

Alderman Kinsey asked how many Finance employees are on the street who could report lights out, etc. Mr. Sabatelli said there are more than 10 employees who are out, and they are supposed to report those issues.

(Mayor Outlaw returned to the room at 9:56 a.m.)

Alderman Aster said the City Manager should direct all employees who are out at night to make these observations, as the employees who work during the day would not be able to detect lights that are out. Mr. Stephens said he had asked Charles Bauschard, Director of Public Utilities, to adjust electric employees' schedules, if needed, so they could be out at night and determine where there are outages. Alderman Odham asked if the Police Department could gather this information over the next 30-60 days. Alderman Odham said many of the street lights that are out belong to Duke. Mr. Bauschard said the street light rates do not include funding for over-time to fix these things. The other constraint with streetlights is once someone drives by and confirms a light is good, the light could go out. There are automated systems that could be put in, but that would really complicate the method. Currently, the City relies on customers to call in and report outages. As of Friday, the backlog of streetlights that are out was five. After the storm, there were 300-400 lights out. Alderman Bengel said the 200 block of Pollock Street has

two lights out. Mr. Stephens said the Police Department would be on a regular review basis.

Alderman Best said during the power outage involving Duke, citizens did not feel like they were getting good information from the UBO, but instead were getting a runaround. Those calling about the outage were told by employees to call Duke. She said Mr. Bauschard previously confirmed his staff notified the UBO of the issue. Alderman Best asked if employees have now been directed on the proper information they should be giving out to customers. Mr. Sabatelli stated he was not familiar with the problem. Alderman Bengel questioned why the UBO was not under Mr. Bauschard instead of Finance. Mr. Sabatelli stated that during outages, he shifts some of his customer service personnel over to Kale Road to assist Utility Control with answering phones. Calls for outages go through the outage management system, which is under Mr. Bauschard.

Alderman Aster said he gets complaints about the phone line always being busy, and people cannot get through to the UBO. Mr. Sabatelli responded he personally tests the line periodically. If a caller selects option 2, they will get a live person. Mr. Sabatelli said he is not as familiar as he should be with the phone system. Alderman Aster asked about calls that come in during the middle of the night and whether those callers would get a live person. Jordan Hughes, City Engineer, explained there are two controllers on duty, but even on small outages, those two people could be tied up with calls.

- **Fire**

Chief Boyd noted an additional Fire Inspector has been put in place, which has made a difference. Noncertified firefighters have been hired and are going through the academy. They should be on shift shortly. In 2017, a strategic plan was developed for the department. Chief Boyd reviewed the goals of that plan, as well as the statistics for last year on the numbers of calls received and responses. Alderman Bengel asked if the Thurman Road station responded to accidents on Highway 70, and Chief Boyd confirmed it did. Although six firefighters were added this fiscal year, the City is still below the average. The department exceeds the average and is almost double with respect to square miles covered per station. A need analysis includes a request for an additional fire station, six more firefighters, a Training Captain, an additional Office Assistant II, and replacement of a fire engine. Chief Boyd reviewed the timeframe for filling these requests. He suggested the additional firefighters be hired in January of 2020, after noting his request last year was for 12 firefighters with only six actually approved. A piece of property has been identified for the additional fire station, and Weyerhaeuser has verbally committed to donating the property. He stated an option for offsetting the cost of the Office Assistant II and Training Captain would be to cover the cost through attrition from retirements, which is estimated at \$130,000. Additionally, the Office Assistant II could initially be part-time, if needed. Alderman Bengel liked the idea of that position being part time, noting it would save on the cost of benefits.

(Alderman Kinsey stepped out momentarily at 10:25 a.m.)

Alderman Bengel inquired about the cost to replace the fire engine, and Chief Boyd stated it is about \$500,000. She then asked about the cost of the additional firefighters. She asked if it would be helpful to hire two firefighters or if the department could only hire in segments of six. Chief Boyd explained why he could only hire in sets, stating the need for two companies of four firefighters. Mr. Stephens remarked the cost for six more firefighters would be \$500,000-\$600,000 per year, plus the cost to upgrade the facilities to accommodate the additional staff, and the cost of an additional fire engine for them to use.

(Alderman Kinsey returned to the room at 10:29 a.m.)

Alderman Aster asked everyone to look at the benchmark cities and note the differences. He then asked which engine would be replaced, and Chief Boyd responded engine one, which is a model 2000 or 2001. That unit would then be moved into a reserve status, and the oldest engine now on reserve (a 1993) would be sold. Noting the department uses an Office Assistant to handle the hydrant information, Alderman Aster asked if that position is still funded through the enterprise fund, and Mr. Sabatelli confirmed this.

Alderman Odham said the chart was extremely helpful, and he asked if Alice Wilson could provide something similar showing the increase in tax revenue. He also asked if there is a charge for repeat false alarms. Chief Boyd confirmed there is a fine, and the City does enforce it. Alderman Odham said EMS calls at Thurman Road seem to be the trend, and he asked if four people respond to EMS calls. Chief Boyd said not currently because there is inadequate staff. Alderman Odham questioned the use of a quick response vehicle instead, and Chief Boyd concurred. Alderman Odham suggested a volunteer program, similar to the Police Department's program, be utilized to assist with clerical work. Alderman Aster asked for the response time to Evans Mill from Thurman Road. Chief Boyd said it is 4-5 minutes for first due and 10-12 minutes for second due.

Alderman Best asked about the West New Bern residential project and when development would begin. Mr. Ruggieri said the first building permits should be issued in April. Knowing the development is slated to begin soon, Alderman Best questioned why the Fire Department was suggesting to wait five years to locate a new station in that area. Chief Boyd said that even if the Board approved a new station today, it would take three years to build. Alderman Aster recommended the Board tell the City Manager and Fire Chief to pursue the land donation from Weyerhaeuser. Alderman Bengel made a motion to immediately work with Weyerhaeuser to get the track of land, seconded by Alderman Kinsey. The motion carried unanimously 7-0. Alderman Odham asked if staff was 100% sure the subject track of land is where a new fire station needs to be built. Alderman Aster said Weyerhaeuser would stipulate that the land would revert to them if a structure was not built within a couple of years. Chief Boyd said he was 90% sure the land being considered now would be a perfect location. Mayor Outlaw asked what the

response time would be near Ben Quinn. Chief Boyd said the new station would be the primary responder, and he explained anticipated response times. Alderman Aster requested that the Board be provided a map showing the projected run times.

- **Human Resources**

(Alderman Odham stepped out momentarily at 10:38 a.m.)

(Alderman Aster stepped out momentarily at 10:39 a.m.)

Sharon Koprowski, Assistant Director of Human Resources, said no additional personnel or capital was requested, and the budget should remain flat. Human Resources would focus on the implementation of Munis and completing the implementation of NEOGOV, which is the online applicant-tracking software. Kickoff for Munis will occur February 13<sup>th</sup>. This will offer employee self-service that is not available through the current program.

(Alderman Odham returned to the room at 10:40 a.m.)

Mrs. Koprowski explained the ease of using NEOGOV for applicants, noting they can apply for a position 24 hours a day, 7 days a week. Recruitment videos are also utilized with the system.

(Alderman Aster returned to the room at 10:41 a.m.)

The second phase of NEOGOV will allow department managers to have direct access to applications. NEOGOV will communicate with Munis, and staff will no longer have to enter new hire information, as it will download from NEOGOV into Munis. The efficiencies offered by these two software programs will eliminate data redundancy and provide savings to the department.

Alderman Bengel said the only complaint she hears is the City does not respond to applicants. She suggested a letter be sent to keep the applicants informed of the status of their application, etc. Mrs. Koprowski announced NEOGOV has the ability to respond to applicants, and applicants are now receiving emails to indicate when positions are filled. Noting applicants feel lost in the process, Alderman Bengel asked if applications are acknowledged, and Mrs. Koprowski responded no. Alderman Bengel said it would be good Customer Service to do that, and Mrs. Koprowski said Human Resources could implement that.

Alderwoman Harris asked about the minimum requirement for management positions. Mrs. Koprowski explained it is dependent on the position; some require associates degrees, while others may require a bachelor's degree and experience. Alderwoman Harris said she is a big proponent of the Second Chance Act, and the Governor is big on Ban the Box. Some of her colleagues will be bringing to the Board information regarding the interview process and requesting that applicants with a record not be excluded from the interview process. She would like the City

to reevaluate its hiring process, stating people's mistakes from 10-15 years ago should not be held against them. Mrs. Koprowski said the City does consider that when it reviews applicants, stating it would not hold criminal charges against them that happened many years ago, depending on the position for which they applied. Alderman Best asked for clarification as to whether the City would now not hire someone who has been incarcerated. Mrs. Koprowski said the City does have employees who have records.

Alderman Kinsey asked if the City works with other agencies that have people who are ready to go to work and who may be available at no cost to the City. He said Green Lamp had contacted Human Resources, but never got a response. Alderwoman Harris said one of her colleagues is doing research and has asked about diversity. She wanted to know how many of the six new firefighters were minorities. Chief Boyd responded two. Alderman Kinsey again asked about Green Lamp, and Mrs. Koprowski said the City is always looking for free labor.

Alderman Bengel said diversity is not only about black and white, but it also encompasses women. She expressed the need to make sure qualified people are being hired, instead of just looking at the numbers to meet diversity. Alderwoman Harris stated the City has 454 employees and only 99 of those are minorities, with the rest being Caucasian. She expressed concern that employees who have earned degrees are not being promoted to department head positions. She also voiced the need to support employees in obtaining an education, so they can rise above. Alderman Best concurred with Alderwoman Harris and said many people have expressed a need for more African Americans in the Police Department to better interact with their neighborhoods. Alderman Odham asked whether information about applicants is public record, and Mrs. Koprowski responded no. Alderman Odham said he would be interested in seeing the numbers of how many applicants are women, minorities, etc. Mr. Stephens said the City wants diversity in the organization, and staff does a good job with advertising in minority locations. Department Heads do not know the race of an applicant when they receive applications. That is confidential information that only Human Resources knows. Alderwoman Harris asked if Human Resources determines which applications make it through to the Department Heads, and Mr. Stephens and Mrs. Koprowski stated all applications are forwarded to the departments with confidential information redacted. Alderman Bengel asked if Human Resources attends job fairs, and Mrs. Koprowski stated the Police Department has a recruitment officer who attends job fairs, and Human Resources attends the local job fair. Alderman Bengel asked whether the City goes to college fairs, and Mrs. Koprowski said no. Alderman Bengel suggested the City may want to reach out to colleges. Mr. Stephens noted there is difficulty in finding females to work in several departments because of the job functions, such as Fire and Electric.

- **Parks and Recreation**

Foster Hughes, Director of Parks and Recreation, reviewed his PowerPoint handout. It is anticipated that no additional staff would be request this year, but as

Martin Marietta Park is developed, there will most likely be a request for more maintenance positions. Reaccreditation through the Commission for Accreditation of Park and Recreation Agencies ("CAPRA") will be sought in the next fiscal year. Out of the thousands of national Parks and Recreation departments, only 174 are accredited, and only 12 in North Carolina are accredited. New Bern is one of those, which says a lot about what New Bern has done in the past and is doing now to move forward. The 5-year Comprehensive Master Plan will also be updated in the next fiscal year, with the focus on the development of the first phase of Martin Marietta Park. The City has been fortunate to receive \$605,000 in grant funds to do some of that. The river walk expansion will also be finished, taking it from New Bern Towers to Country Club Road. A \$70,000 grant was received for this project.

Parks and Recreation has stepped up and is more involved with partnership activities, such as involvement with the Chamber, Beary Merry Christmas and Swiss Bear. There have been opportunities to improve upon the implementation of special events. The concert series and New Year's Eve block party were successful events. The department still has a lot of work to do because of Hurricane Florence and will have to work through the 428-mitigation program with respect to the SWRC. A summer camp program will still be offered for the Henderson Park/Duffyfield area, but there is a need to locate an indoor facility. Programs that were at SWRC have transferred to West New Bern Recreation Center ("WNBRC") and participation is still at 100%. Any repairs to docks, the stage, bridge and handrails at Union Point Park that are not completed this fiscal year will carry over to next fiscal year. One of the new employees hired by Mr. Hughes was skilled enough to put the floating docks back in place with the assistance of part-time help. That employee also made the bear for the New Year's Eve celebration. Several improvements have been made in the parks, including a turf-management system.

Alderman Odham asked whether the stage at Union Point Park would be covered by FEMA, and Mr. Hughes confirmed it is on the list. Alderman Aster suggested the stage be mitigated to concrete so there are no future problems. Noting the Housing Authority will be demolishing 12 buildings, Alderman Bengel asked about the possibility of utilizing the buildings' historic medallions in the river walk fencing and using some of the bricks in the river walk.

Cemetery improvements will continue according to Mr. Hughes. He stated the main gates at Cedar Grove have been replaced. The fountain at Cedar Grove has been down for several years, but staff will work to get it functioning again. There is a plan to put wayfinding signage in cemeteries. For years, a lot of focus has been on Cedar Grove, but moving forward the plan is to spread the focus to all of the cemeteries. The City has 25 parks in its system, which will continue to be upgraded with signage and landscaping. Parks will have a geo-tracking system to tell staff how many people are using the parks and facilities. Staff is also planning to provide for ADA accessibility in all facilities. Kidsville will be completed this budget year. Staff is working to maintain and improve upon the landscaping all around the City, including in the parks and cemeteries. Mowing was contracted out, but it has been pulled in house with the use of temporary employees. After noting tremendous



damage had been caused to headstones in the past, Alderman Bengel asked if employees continue to receive training about the proper way to mow in the cemeteries. Mr. Hughes said he has spoken with State personnel about training. In historic cemeteries, there should be no use of heavy equipment unless there are wide-open spaces. Otherwise, weed eaters should be utilized. There will be a request to replace three vehicles that are 15-16 years old with 130,000 to 160,000 miles. The replacement cost is estimated at \$120,000. There will also be a request for a skid steer and mini excavator, costing approximately \$120,000.

Alderwoman Harris expressed a desire to initiate recreational ball this year for the inner-city kids. Temporary and inmate labor will continue to be utilized for mowing services. Alderwoman Harris asked about the possibility of implementing Alderman Odham's earlier suggestion to utilize veterans or homeless people, and Mr. Hughes agreed. Alderman Best asked if the department would be seeking to hire additional staff, and Mr. Hughes said not at this time.

Alderman Best then asked about the sponsors for the New Year's Eve event, and Mr. Hughes said Toyota of New Bern was the main sponsor with a sponsorship of \$10,000. The sponsorship did not pay for the entire event. The City paid for approximately \$7,000 in excess expenses, not inclusive of labor. Alderwoman Harris announced the sponsor thought they would be the title sponsor for several years. Alderman Bengel thought the sponsorship was for one year, and she suggested full sponsorships be obtained for all City events including the egg hunt, etc., and she requested a list of events and their cost. Alderman Odham said the sponsor for the New Year's Eve event had expressed a desire to enter into an agreement for an extended period. In order to do that, the City Attorney has advised a contract must be presented to the Board for approval. He noted Mr. Hughes has held a debrief on the event and could put together a list of recommendations to present to the Board. Mr. Hughes stated the City has such a good track record that he did not think there would be a problem gaining additional sponsorships for all of the events that are held.

Mr. Stephens said the Water Resources overview would be provided after Police's review, since Jordan Hughes, City Engineer, needed to attend a funeral.

- **Police**

Chief Summers said the department's budget would basically be flat. The number one issue the department faces is the opioid crisis. As a result, there will be a request for additional "buy" money. With respect to diversity, Chief Summers said he was in 100% agreement that the department should be diverse. He stated he has a great partnership with the community churches and civic organizations, but often hears people say they do not want to be police officers, especially the minorities. The last telecommunicator hired by the City only lasted a week because of the stress. Alderwoman Harris questioned whether the job was paying well enough to compensate for the stress.

(Alderman Aster stepped out momentarily at 11:16 a.m.)

Mrs. Koprowski confirmed the pay scale was in line with other municipalities. Chief Summers noted the costs associated with Animal Control would be increasing. As noted earlier in the meeting, a part-time Animal Control Officer ("ACO") has now been hired. Once that person is fully trained, Chief Summers expressed a desire to see that position become fulltime.

(Alderman Aster returned to the room at 11:18 a.m.)

Due to a tremendous amount of retirements over the last two years, most of the current sworn staff is inexperienced with less than three years of experience. The turnover rate in sworn officers is usually 12-15 per year. Last year, it was only eight; four retired and four left for other employment. The department will be going through the full accreditation process this year, probably in June. The overtime budget may have a slight uptick, but it can sometimes be compensated for through salaries. Chief Summers expressed concern about special events and the need to have more security than less. He explained it is off-duty officers who handle the special events; thus, they are paid overtime. They are also paid overtime in other scenarios, such as testifying in court. Alderman Bengel asked if it is possible to use mutual aid or someone else instead of paying overtime. Chief Summers stated the department does use mutual aid for city-sponsored events. In return, the City of New Bern also assists other municipalities in their times of need, which leads to overtime for the City's officers. Alderman Bengel questioned whether other cities pay for our officers when we provide mutual aid. Chief Summers explained they do not and that New Bern does not pay other cities when their officers assist us. Alderwoman Harris expressed concern about having to pay overtime for city-sponsored events, such as MumFest.

Chief Summers stated the department's budget is 80-85% personnel driven, with technology being the second highest expense. He explained cameras are in the process of being upgraded and described some of the technology that is now available. The department is researching available grants to help cover the cost of the new technology. The CAD system that was recently approved by the Board may be reflected in the immediate budget as an increase in cost, but overall it will yield cost savings. The current radio system is being upgraded with viper-capable radios, which allows officers to communicate with state police, the County and others. Alderman Bengel questioned whether the department would be able to communicate with the County, as she stated Sheriff Hughes has indicated their radios have some issues. Chief Summers stated the County's radio system is not as advanced as the City's current system, and the County would be the one that needs to come up to the City's level. Alderman Bengel urged Chief Summers to have a meeting with Sheriff Hughes before new radios are ordered, and she suggested there may be a cost savings if the departments could order together. Alderman Odham said he thought Sheriff Hughes had requested a new viper system, and the County would be discussing it at their February work session. Alderman Aster asked if the viper radios would be handheld, mobile or both, and

Chief Summers responded both. Alderman Aster asked if the Highway Patrol ("HP") would be updating their system, and Chief Summers was unaware, but did state the HP would be upgrading to the same Tyler record management system that the City just approved. The budget will also include requests for safety vests and helmets that have reached their lifespan. A request will be included in the budget for 10 vehicles, which includes a new ACO vehicle. The current vehicle is a 2008 model with more than 90,000 miles. Command Center improvements were discussed and the reason for their need.

Alderman Best asked for confirmation that a full-time ACO had been hired, and Chief reiterated a part-time ACO had just been hired. Therefore, the department currently has one full-time and one part-time ACO. The hope is to transition the part-time position to a full-time position.

There has been some discussion that the school board will ask for all schools to have School Resource Officers ("SRO"), which means the City would need three more SROs and one more sergeant to supervise the nine SROs. Chief Summers stated he met with other major city Chiefs two weeks ago, and they are having the same issue as New Bern with respect to funding. Most school districts supplement the money it gets from the states. Craven County is one of the few counties that does not supplement the state funds. Greenville receives around \$87,000 per officer, and Kinston receives around \$68,000 - \$70,000 per officer. He reiterated the importance of having SROs from the City Police Department, instead of deputies from the Sheriff Department. Chief Summers stated he would be asking for a Civilian Unit Supervisor upgrade, after conferring with Human Resources to review the position.

Alderman Kinsey asked how often the Police Department met with other area departments and how well they communicate. Chief Summers said he felt there was very good communication among the "worker bees", more so than upper management. However, he recognized opportunities with the new Sheriff of Craven County. The smaller agencies reach out when they have a need, although it is rare that the City needs their assistance. Some agencies have asked to be on the City's radio system so they can monitor the City's channel and help respond, if needed. The Chief stated he had given them permission, and they have purchased a radio. Alderman Kinsey asked about training, and Chief Summers said the City's training is done through the community college. The majority of those instructors are New Bern Police officers.

Alderwoman Harris asked about a combined meeting with the county commissioners and at what point pressure would be put on them to hold that meeting. Noting an urgency to address some issues, Alderwoman Harris stated she had no problem showing up at one of their meetings and petitioning for the sit-down meeting. Alderman Aster asked if it was possible for Chief Summers to provide a list of some of the surrounding or benchmark cities and how much county funding they receive for SROs. Alderman Bengel asked about Havelock and how those schools are handled, since that city voted down the SROs.

(Alderman Kinsey momentarily stepped out of the room at 11:36 a.m.)

Chief said he was not sure and noted that the Sheriff's Department is short on manpower too. Alderman Aster asked about the Fire Department's body armor and if it had been updated. Chief Boyd stated the inspectors and investigators armor had not been updated, but the rescue team has hand-me-downs that are still in date. Alderman Aster said he thought the armor was custom fitted, and Chief Summers said they should be. Chief Summers said that his department's monthly report provides crime stats. He reviewed the stats, explained what the descriptions mean, and noted areas of decreased crime.

Alderman Bengel thanked Chief Summers for working with the Sheriff's Department and acknowledged the assistance they provided the City during the electrical blackout caused by Duke. She also noted the Sheriff had expressed appreciation for the Police and Fire Departments' assistance in the recent search of the missing three-year old. She asked that collaborative efforts continue and suggested a weekly meeting, since working together will save resources. She also suggested a group be organized consisting of departments with River Bend, Trent Woods, etc. Chief said that has already been established, and the group meets once a quarter. Alderman Bengel then asked about the change of command and expressed a desire to know when those changes take place. Chief Summers explained sergeants and lieutenants rotate, but it would be difficult to communicate that because changes could happen nightly. He suggested Board members reach out to the lieutenants when they need to know about the change of command, as the lieutenants are static and would have that information.

Alderman Best asked about the additional SROs and questioned the concern with having Sheriff Deputies fill those roles.

(Alderman Kinsey returned to the room at 11:43 a.m.)

Chief explained the benefits and efficiencies associated with having a Police Officer in the schools. Alderman Bengel said the City does not want to bear the burden of the additional response and said she would not want to pay more tax money when the County has no more skin in the game.

Alderman Best said constituents are asking what the Board is doing to work on the opioid issue. She asked if all officers carry Naloxone, and Chief Summers responded yes and that they use it quite frequently.

Mayor Outlaw asked Chief Summers to share information on the group that can assist with juveniles. Chief explained it takes three to four weeks for a juvenile to get an appointment with a group of experts in Greenville, known as Teddy Bear, to conduct interviews, counseling, etc. Scott Thomas, the District Attorney, has found a group from the western part of the state that will come here to help Carteret and Craven Counties, and their services would be provided free of charge. They are a

nonprofit with a need for office space. Mayor Outlaw said he thought the City should look into assisting them with this need.

With respect to the opioid crisis, Alderman Aster stated he had been appointed to a crisis committee. That committee, however, has probably not met in the last six to eight months. Chief Summers said those committees sometimes lose steam.

- **Water Resources**

Jordan Hughes, City Engineer, stated Water Resources is made up five divisions, four of which are located in one facility now. Being in one facility has been beneficial to day-to-day operations. The main goal is continued investment in rehabilitation and replacement of aging water and sewer infrastructure.

(Alderman Best stepped out momentarily at 11:51 a.m.)

The annual budget has been around \$23.5 million and has remained flat over the last four or five years. Another goal for next year is to fix some operational gaps by restructuring the organization. The organization chart for Water Resources is rather fluid, allowing positions to shift based on community needs.

(Alderman Best returned to the room at 11:54 a.m.)

When he took over the operation about 10 years ago, there were 102 positions. It is now down to 77 after recognizing some efficiencies that could be made. That being said, there is now a need to fill in a couple of gaps with 1-2 new positions. For approximately 18-24 months, the City has been working on two large-scale projects. Those include a large-scale water improvement project on the western side of town and improving the transmission capacity of the sewer capacity in Township 7 area. Continued growth and development is expected in Township 7, as well as the western side of town in the next 5-10 years.

Although there is continued growth, revenues remain flat due to conservation, etc. Keeping a flat rate is challenging as the City continues to move forward. Another challenge is infiltration and inflow, and supply and demand of contractors who perform the type of work needed by the Water and Sewer Division. There is also a potential resource impact from several large-scale, upcoming North Carolina Department of Transportation ("NCDOT") projects planned for over the next five years that will require infrastructure relocation. Almost all of these will involve water, sewer and electric infrastructure, which Charles Bauschard, Director of Public Utilities, will discuss further during his overview. In some cases, the State and NCDOT will pick up the bill, but in some cases, the City will have to pick up the tab. Mr. Hughes explained that is because the City's infrastructure is located in the State's right of way.

Mr. Hughes reviewed charts depicting growth and development. He also explained the revenue and treatment trends. He noted a plant expansion is not needed at

this time. Investment was made in the water plant around 2009 or 2010, and that expansion will last for a long time. However, the sewer plant capacity is inching upwards. Rather than build a plant expansion, Mr. Hughes stated he would rather target the issue, which is ground water. Therefore, they will focus on aggressively addressing the infiltration and inflow over the next few years. Rate increases are not projected.

Mr. Stephens announced the Facebook live feed was now off because it had reached the maximum of four hours. Alderman Aster asked if the Department Heads who had already spoken could leave, and the Board agreed.

(A lunch break was taken from 12:06 p.m. to 12:35 p.m.)

- **Electric**

Charlie Bauschard, Director of Public Utilities, stated in the past the organization had achieved an RP3 designation, but it is without that designation at this time. Alderman Bengel asked why the City no longer had that designation. Mr. Bauschard replied the application is to be submitted every three years, but it was not submitted two years ago. He believes he has gotten the designation back, but it is at the lowest possible designation, and he is challenging it. Mr. Bauschard announced he became involved with the long-range planning study that was initiated prior to his arrival. He completed that last fall and is in the process of integrating the study.

Wholesale power costs are up 1.2% this year, and they are expected to go up next year 2.4%. Staff is in the process of repairing damages from the last outage that was caused by Duke's contractor. The City is under a full-requirements contract. Some of the debt service on that agreement will roll off in 2025, and the contract expires in 2028. Now is the time to think about 2028. Mayor Outlaw asked if the City had to give notice 10 years in advance if it was not going to renew. Mr. Bauschard said no one had contacted him yet to try to renew the contract. He stated he would focus on the options and what is best for the community.

A cost-of-service study was also initiated before Mr. Bauschard's arrival to New Bern, but he has completed it. He will discuss that in more depth this afternoon, including recommendations on rates. With the support of ElectriCities, Mr. Bauschard stated he was kicking off a marketing campaign that would communicate to the community the perception and value of public power. This ties back to the strategic plan.

With respect to safety, Mr. Bauschard stated he would like to see the OSHA incident rate down from 7.7 to below 5, noting the rate of 7.7 is not good. The OSHA rate is based on the number of work-related incidents per 100 employees. He will focus on strengthening the safety programs. Alderman Aster asked for confirmation that there was only one employee out of the department's 47 who missed a day from work last year because of a work injury, and Mr. Bauschard said that is what he had been told. Alderman Bengel stated that did not make sense and questioned why

the incidence rate was so high. Mr. Bauschard agreed it did not make sense, and he thought it was due to poor record keeping. He stated there was some work to do in that area.

With respect to the workforce, it appears most employees leave for better-paying jobs. Mostly, all are leaving to accept positions as a contractor for Duke. Based on his research, Mr. Bauschard felt the top end of the City's pay scale is at the average of market value. ElectriCities and American Public Power Association ("APPA") indicate they will have new fresh data later this year, and those organizations asked that Mr. Bauschard hold off on looking further at New Bern's salaries until he could review the fresh data. Once that is available, Mr. Bauschard expressed a plan to meet with Human Resources to make sure the salaries are competitive. Alderman Odham noted Duke is a private organization and the difference may be in benefits, but it would be helpful to know that information and see the numbers for their total. Mr. Stephens said ElectriCities or APPA might be able to help with obtaining that information. Mr. Bauschard stated he has been reminding his staff about the quality of life, noting there is a difference in working for the City and other organizations. Those organizations have a lot of travel and life in hotels, whereas City employees have pretty much set hours and are home each evening. Contractors are dispatched across the state, work weekends, and never know when they will be home. City employees have a good work environment and receive decent pay. Alderman Aster asked how many employees had been lost in the last couple of years because they left for other employment. Mr. Bauschard did not have that information, but stated six had probably left since he has been with the City. Those employees left for work with Duke, a contractor, or for employment on base. Alderman Bengel expressed concern that the more money the City may put into salaries, the more money the private sector would put into salaries as well. This means the City would just be spinning its wheels. Mr. Stephens felt the City would often run into this trend. Utility workers may exit for a quarter or dollar more an hour, and they sometimes forget about the overall compensation package as their focus is on the dollar.

Alderman Bengel asked Mr. Bauschard if he could speak with the NC Eastern Municipal Power Agency ("NCEMPA") about offering training for linemen through Craven Community College. This would mean the City would get local, trained workers who are likely to stay here in the area. This would also provide a revolving resource. Mr. Bauschard announced he is meeting with the community college next week to try to get skilled trades as part of their program for non-college-bound students. Most people do not think about becoming a lineman or working in utilities. Mr. Bauschard is trying to bring awareness, and he has the support of ElectriCities, which arranged for a lineman to speak at a local high school for a half day. The job is not for everyone, according Mr. Bauschard, because it is up in the air, in the middle of traffic, in a dangerous situation, etc. Alderman Bengel mentioned Golden Leaf is funding more and more money into workforce development and jobs that are different from traditional jobs.

Mr. Bauschard noted a need to increase some of his staffing levels and stated his overall plan is to develop from within. He again referenced the City as being a breeding ground for competitors and how he wanted to create a plan to retain employees. This is a healthy plan and the right investment. This plan would require some changes in how the department is aligned, and the Board will see those requests during the budget presentation. The department is having difficulty recruiting senior level people with advanced skill sets. This leaves him no choice but to develop from within; however, as he stated before, that is a healthy plan. However, to do this, the department needs to be organizationally aligned a little differently.

Mr. Bauschard discussed system improvements, noting there are capacity and resiliency issues. One million dollars has been funded to replace a transformer at the Trent Road substation this year, although he is holding off on the replacement until this can be further discussed. In addition, he desires to begin engineering and design work on a new substation on the southeast side of town. While these are the right things to do, Mr. Bauschard stated he would like to go one step further and buy an additional transformer for the Trent Road substation. The existing transformer would then be moved to the Lewis Farm substation to increase capacity and supply redundancy at that substation, which services County Line Road. He will be proposing a revenue bond to accomplish this. He would like to use the \$1 million allocated for Trent Road and the \$125,000 for County Line Road as seed money to start the project as the City goes through the bond process. The substations and controls need a lot of attention and maintenance. Through attrition and cash, streetlights are being converted to LEDs, which is the new standard. The difficulty is the City does not have a rate for LED lights, which it needs to establish.

Earlier, Jordan Hughes alluded to the NCDOT projects and the possible need to relocate some infrastructure. Mr. Bauschard did not yet know where things would be positioned for the roundabout at Taco Bell. The NCDOT Hwy. 70 project will be a big project. The City may have to pay for the moving of electric, fiber, water and wastewater infrastructure that falls within the State's right of way. Alderman Aster asked why the City would have to pay to have some of the infrastructure moved if it is the State's project, and Mr. Bauschard explained it is because the infrastructure is in the State's right of way. It is not yet known where the conflicts will lie, as the final project design is not available. This expense is not expected to impact the City this coming budget year, but it is something that will need to be watched.

The advanced metering infrastructure ("AMI") operation is substantially complete, although Mr. Bauschard did not think the City would get to the point where 100% of water or electric meters are on AMI. These meters are installed based on strategic need and through attrition. There is so much more that can be done with the AMI system that the City is not doing. Therefore, he will be making some recommendations during the budget season. He is asking ElectriCities to assist with a study that will identify areas for optimizing the City's investment with load management. One of the questions is whether it makes sense to give load management credits. ElectriCities and NCEMPA take exception to removing load



management devices, but Mr. Bauschard stated he disagreed and questioned whether it was more beneficial to handle heavy loads with a generator. The goals are to maximize on the investments already made with the AMI system and to find an easier, more economical way for load management.

Mayor Outlaw asked if Mr. Bauschard was looking at historical data on the way the lines were drawn for Duke, Duke Choice, and some of the City's customers. Mr. Stephens said he would like to sit down with Duke, Mr. Bauschard, and a couple of aldermen to talk about the grey areas. Mr. Stephens explained it would behoove the City's interest if it did not have to wait for a developer to come in, and the developer has the advantage of playing between Duke and the City. The alternative is to have a predetermination as to which utility will serve specific properties. This would optimize the City's efficiencies and its ability to serve its citizens within the corporate limits. He referenced the recent situation with Columbia Development, noting that was actually a win for the City, in his opinion. From a strategic standpoint, Mayor Outlaw said it would also help the City decide where to locate electric substations. Mayor Outlaw questioned whether Lewis Farm Road was the ideal location for a substation, and Mr. Bauschard voiced some of the issues with that location. Mr. Stephens stated the building of a substation near County Line Road would provide some redundancy, as well as afford the opportunity to pull a lot of the infrastructure underground because of the impending large-scale project.

Alderman Kinsey said he first thought AMI would benefit many people and would pay for itself. Now, a different light is being shed on the system. He asked Mr. Bauschard to provide an assessment on AMI. Mr. Bauschard said the system is very beneficial, but he would never propose it as cost savings. Instead, it is thinking about tomorrow and positioning the utility to where it needs to be tomorrow. Not only does it benefit citizens, but also the City can use it on the wholesale side to better understand its load profiles. The City's investment in AMI was the right thing to do, although Mr. Bauschard again said he did not suggest it was intended to save money. It is an enhancement. With the AMI system, workers are able to roll out to homes when there is an outage even before the customer has a chance to report it. Mr. Stephens said for New Bern, AMI was a financial decision. He explained the City's rate structure offers customers discounts based on load management. Other than sending staff to a customer's home and assuming the customer would allow staff to enter the home, there was no way to determine if the load management device was working. There is now the ability to remotely detect whether the load management device is functioning. The City was giving people discounts on their utility bills when only about 50% of the devices were still connected. HVAC contractors who worked on heating and air units were often disconnecting the systems.

Mr. Bauschard announced there are still 22,000 one-way load management devices that are installed. The City does not know whether they are working. Everything that is installed now is a two-way device. To convert the one-way devices to two-way devices, the City would have to invest in buying the equipment and labor to install them. Mr. Stephens said he thought Mr. Bauschard was

questioning where to do the load management; is it worth doing it in all the individual homes, or should it be provided in the substation where it benefits all customers? The City has asked ElectriCities to answer this question, and they have yet to do so. Alderman Odham asked whether the plan had changed, stating he was under the impression that by the end of last year everything would be completely switched to the AMI system, and all the new meters would be installed. Mr. Bauschard said the strategic plan revealed a goal to finish the system by December 2018, and he thought the City had exceeded that. In his opinion, the project was complete. Probably 80-90% of electric meters have been converted, although water is dragging behind for several reasons. In light of those numbers, he felt the City was in essence complete with the project, although he was not aware of the expectation from the Board. Alderman Odham said the City spent \$11 million on the project, and his understanding was every meter in the City would be replaced. There was concern that the older water meters were less accurate. Where there is leakage, the City is not being reimbursed for that water. He expressed concern that the Board receives a pitch to invest and spend money, but on the backside, it is not as beneficial. Mr. Stephens said some of the problem has been the availability of contractors to perform the installations. Mr. Stephens stated this issue could be brought up at a future Board meeting for discussion with Jordan Hughes, who had already left this meeting. Electric meters are 89% installed, and water meters are 55% installed according to Mr. Stephens.

Alderman Kinsey asked how well load management worked with the AMI system. Mr. Bauschard said the software used for load management has not been performing very well. There is more work to do with the advanced applications. Alderman Bengel asked what other efficiencies Mr. Bauschard thought he could make, and he suggested a meter data management system to reside between the AMI and billing systems. Alderwoman Harris asked if that was included with the Tyler and Munis software, and Mr. Sabatelli stated no, it is a completely different world. Mr. Bauschard said the City has many very intelligent and smart applications: a customer information system, a value management system, interactive voice response system, a GIS system, an electric model, and two SCADA systems. They all work together through accidental architecture. The system was built and evolved, but they need to be integrated for the City to get the most out of its investment. The AMI system automates a meter read and puts the data in a database, which can be retrieved on demand. This information is granular, which the billing system does not like. The billing system just wants to know how much was used so it can apply dollars to the usage. That information needs to reside in a data management system. With such a system, all of the other applications can be tied to the data and more effectively used. This will result in efficiencies.

Mayor Outlaw asked if Mr. Bauschard felt the City was competitive with respect to Duke Choice. Mr. Bauschard said he would look into this. Mayor Outlaw thanked Mr. Bauschard for all he was doing and expressed appreciation for the work during recent events.

(Alderman Kinsey stepped out momentarily at 1:22 p.m.)

Alderman Bengel asked if the City was making any progress about Duke picking up the line, and Mr. Bauschard responded yes, stating their planning department thinks they will have something for him to review in February. In the meantime, focus is on permanent repairs to the damaged line. Feedback has also been received on capital improvement plans for that line.

(Alderwoman Harris stepped out momentarily at 1:23 p.m.)

Alderman Bengel asked if the Board wanted to talk about electric rates while Mr. Bauschard was at the table.

(Alderwoman Harris returned to the room at 1:24 p.m.)

Mayor Outlaw said he and a couple of aldermen could sit down with staff to discuss the rates. Mr. Stephens stated he would like to have a working group review this prior to the budget. Mayor Outlaw said the aldermen would like as much background information as possible. Alderman Aster suggested a work session to discuss it, and Alderwoman Harris noted today's agenda allotted time to have the discussion today. Mr. Stephens said if there is a working group that could sit down with him and Mr. Bauschard, that would help with the Board's understanding, especially if they did not want to discuss it in a formalized meeting. Alderwoman Harris did not feel a working group would be as efficient and expressed concerns that people would come back with their opinions.

(Alderman Kinsey returned to the room at 1:26 p.m.)

With respect to the two projected rate increases, Mayor Outlaw felt the City could probably absorb the first one, but could not absorb the second one. Alderman Bengel asked if the first increase of 1.2% happened last year. Mr. Stephens explained that is proposed to begin April 1<sup>st</sup> of this year. He expressed concern that even though there are 159 days of cash on hand, once you get down to that level it is gone. Rate adjustments are increases that accumulate yearly. Once the finite amount of the days' cash on hand is exhausted, you could be looking at an increase that does not align with the wholesale increase, or you will have to look at an increase that will be greater than the wholesale rate increase. Therefore, the concern is if an increase is not adopted now, next year to accommodate the 2.4% increase, the City would have to pass on an increase of more than 2.4%, unless it can find some operational savings.

Alderman Best asked what the 1.2% would cost annually, and Mr. Bauschard estimated \$416,000 this year; next year would be \$832,000. On a good year, the normal contingency in the electric fund is about \$1.5 million per Mr. Sabatelli. Mr. Stephens said if the rate stabilization fund is utilized, the City could sustain the increase for three years, if Mr. Bauschard's estimates are correct. That means on the third year, the Board would have to look at a rate increase that does not coincide

with the wholesale rate increase. Alternatively, on the second year, it would have to look at an increase that is a little more than the wholesale rate increase. Mayor Outlaw asked if the rate structure had been reviewed and is where it should be, and Mr. Bauschard stated he had reviewed the rates. He would recommend some of the rates be consolidated. He has looked at a cost increase for the rate class. Alderman Bengel stated this year, she would be very hard pressed to pass along any type of increase, whether utility rate or tax, because of the impact of the hurricane. She thinks there has to be some recovery under everyone's belt first. Alderwoman Harris questioned how long an increase would be pushed off and expressed concern with kicking the can down the street. She mentioned the benefits of pay-as-you-go and the need to have people on that program. She did not feel the City should have to absorb the rate and expressed concern about putting off an increase for two to three years, noting it would be a great increase at that point. Alderman Odham said in the City's history, rarely are the savings passed on to the customer as quickly as the increases. Mr. Bauschard said factoring in the anticipated wholesale rate increases, overall since 2004 to 2020, the wholesale power costs have gone up about 7.6%. Unfortunately, he did not have retail cost history dating back to 2004. However, he did have the retail history dating back to 2015, which showed the wholesale cost was reduced about 23%, and retail cost was reduced about 16%. If he looks at 2015 to 2020, factors in the wholesale increases and puts in what he recommends as the appropriate rate increase, wholesale costs would drop 20%, and retail rates would drop about 13%. The current cost to purchase power per kilowatt-hour ("kWh") is .02494/kWh. However, the biggest demand of the bill is \$21.88/kWh, according to Mr. Sabatelli. That increases on April 1, 2019 from \$21.88 to \$22.46, and the energy charge rate goes up to .0253/kWh. Alderman Odham asked if that is the QP rate, and Mr. Bauschard replied no.

Mayor Outlaw reiterated his recommendation for an ad hoc group of three alderman and staff to review the rates. In the alternative, he suggested a workshop be held. He did not think the Board could make rational decisions today. Mr. Stephens said an annualized increase of \$400,000-\$500,000 could be weathered until a July 1 implementation, which allows time to incorporate this into the budget. He did not want the Board to feel pressured by the April deadline. The \$125,000 that would be needed to weather the storm until July 1<sup>st</sup> could be covered by the rate stabilization fund. Mayor Outlaw stated when and if there is a wholesale rate increase, he would have to vote for it. He did not think there was a need to exhaust the topic today. Alderwoman Harris expressed concern about an ad hoc group and not everyone having the opportunity to hear the information. Since Mr. Bauschard has a presentation, she again questioned why not let him present it since it is on today's agenda. The conversation needs to be held, and the retreat is scheduled until 5 p.m. She questioned the purpose of putting it on the agenda if the Board was not ready to talk about it now. Alderman Aster said he personally felt there should be a work session dedicated to the rate increase, especially since stormwater still has not been covered today. Just as solid waste rates were passed on to customers last year, he felt the electric rate increase needed to be passed on too. Mr. Stephens asked the Board to keep in mind the budget is in the very

preliminary stages, as budget requests have not been presented yet, and revenue information is not yet available. When questioned, Mr. Bauschard felt it would take between two to three hours to discuss the rate increase.

Alderman Aster made a motion to schedule a work session to discuss the potential electric rate increases on February 12, 2019 at 3 p.m. at City Hall, seconded by Alderman Best. The motion carried unanimously 7-0.

(Alderman Odham momentarily stepped out at 1:48 p.m.)

- **Public Works**

Matt Montanye, Director of Public Works, provided an overview of the Public Works department. The department has a \$13 million budget, seven divisions and 47 employees. Administration does not anticipate any personnel, operational or capital increases for next fiscal year.

(Alderman Odham returned to the room at 1:49 p.m.)

Insurance is managed with internal staff. Annually, \$40,000 to \$50,000 is budgeted for in-house claims. One of the goals is to reduce the number of those claims. For the last two to three years, there has been a decrease in the City's insurance rates.

In the next year, the Garage will move to its new facility. The budget will include the transfer of one heavy equipment mechanic from the Streets Division to the new garage, as the expansion of bays will allow him to function better and meet the needs of all departments. Public Buildings will rebid janitorial services and repurpose the old water resources building on Neuse Boulevard. Their third goal is to complete the repairs to City-owned buildings following Hurricane Florence. About \$500,000 in insurance money has been received for hurricane damage. All checks have been received from Volunteer Firemen's Insurance Service ("VFIS") for damage to the fire stations. There will be no proposal for new personnel in the Public Buildings Division, nor any real increases. There will be a capital request to replace one vehicle and a 100-foot boom lift.

The Streets Division will focus on utilizing street personnel to help assist stormwater with maintenance of rights of way and ditches, which will help with stormwater drainage. The budget will continue to propose \$1 million for street resurfacing projects. Mr. Montanye said he thought there would be a need to fund the Old Airport Road improvements project, but Mr. Sabatelli has informed him the budget has been established. The cost of the project is \$1.4 million, which will be financed less the \$600,000 received from the State. Capital requests will include the replacement of three vehicles and the purchase of a sign machine and snow removal equipment. Alderman Bengel asked if the snow equipment could be utilized for anything other than snow, citing concern about the investment when the City has little snow. She stated if something has to be cut, she would cut that. Mr. Montanye responded the equipment really could not be used for anything else.

Mr. Montanye reviewed the Solid Waste Division next. Alderman Bengel asked about the possibility of having someone else perform the garbage pickup.

(Alderman Aster momentarily stepped out of the room at 2:00 p.m.)

Mr. Montanye said the problem is there has only been two vendors in the eastern part of the state, and now there is only one. In a year, the City will have to bid out the contract as the current one will expire. The last time this was bid out, bids came in from out-of-state companies wanting to get their foot in the North Carolina market. Their costs were much higher because of being from out of state. Waste Industries' communication has gotten a little better, but the problem is with training of employees. Alderman Bengel voiced complaints about the current vendor dropping trash, leaving it, and not replacing dumpsters, as they should. Mr. Montanye said the businesses are leasing their dumpsters and should be making sure the dumpsters are being replaced. Mr. Stephens stated he would push for the next bid to include aggressive penalties. He also stated he felt fines should start accruing now with the current vendor. Alderman Odham asked how many benchmark cities perform this service internally. Mr. Montanye responded it is less than 50%, but noted it is very costly to provide this service. Mr. Stephens said Statesville handled their own, and he confirmed the equipment is expensive.

(Alderman Aster returned to the room at 2:03 p.m.)

Alderman Odham said while he is not for bigger government, he felt like there was almost no other choice at this time. He voiced a need to explore alternatives. Mr. Montanye reminded everyone the solid waste utility was created in 2019 and rates were increased to \$14.75 a month. A rate increase is not projected for FY20. He reviewed the division's goals and pointed out there would be a capital request for one vehicle. He explained the plan to implement a system that would notify drivers about white goods that need to be picked up. The software costs about \$5,000, and Mr. Montanye thought he could cover it in this year's budget. Alderman Odham expressed concern about items that may be put out after a street has been reviewed and the pickup locations logged.

(Mayor Outlaw stepped out momentarily at 2:09 p.m.)

Mr. Montanye said he would look at efficiencies with respect to routes and will possibly rework the routes, noting the development and growth in Township 7 has increased the time it takes to service that area.

Stormwater goals were reviewed by Mr. Montanye. Other employees within the Public Works Department will be utilized to assist with drainage. The budget will include no requests for additional personnel, but will seek the replacement of one vehicle.

(Mayor Outlaw returned to the room at 2:11 p.m.)

Alderman Aster said he was surprised there would not be a request for additional personnel. Mr. Montanye stated he did not include that in his overview, as he knew the Board would discuss stormwater this afternoon, and he was waiting to see what that discussion yielded. Alderman Kinsey asked about the goal for catching up on issues and addressing the small pipes. Mr. Montanye said he has tried to reallocate several staff members from other areas to look at ditch maintenance, although this will cause other parts of the department to suffer and create a catch 22 situation. He implemented this shift in personnel two weeks ago and believes that over the last two weeks, they have done a good job tackling some of the drainage. Mayor Outlaw said his gut feeling is the new Craven 30 development will happen in the near future, and the departmental review process is driven more by Development Services than Public Works or the City Manager. He did not think anyone knew the collateral effects of where the Craven 30 water would go. Originally, it was going to go across the street and out by Bachelor's Creek. The Mayor has since heard that it is not going that way. Time after time after time, cascading water from one development that is already maximized is inundating additional waters and being put on totally inadequate culverts, ditches and drainage basins that are not being properly monitored nor maintained. He stated he did not think Public Works or the City Manager were on top of what is happening in the dynamics of future developments. He stated he had to sign off on the plans and that he would be violating the duties of his Mayor's office if did not sign off on the plans. He thought the engineer and alderman for the respective ward should sit in on the process. Almost any area of New Bern is stressed with drainage and putting more on it is adding to an existing problem. Alderman Kinsey described some issues that have occurred or been observed. Mr. Montanye said many of those problems are from developments and infrastructure that were constructed or installed back in the 1960's, 1970's or 1980's.

(Alderman Bengel momentarily stepped out at 2:19 p.m.)

The State stormwater rules came into effect in the late 1990's, and the City's stormwater rules came into effect in the early 2000's. Developments built since then do not tend to have the problems that are seen with construction or infrastructure installation that took place prior to the implementation of the stormwater rules. Mr. Montanye said there are at least 25 projects that have been identified that are in need of work.

(Alderman Bengel returned to the room at 2:22 p.m.)

Mr. Montanye reviewed the projects on slide seven of his stormwater presentation, detailing some of the issues. Alderman Kinsey described the flow of the water around the City, noting certain ditches that have never been cleaned out. Based on the work he has seen in his ward and because of reassigning 20 employees to the drainage crew, Alderman Aster felt the job could be done once boots are placed on the ground. In the past week, there have been more ditches cleaned and blockages removed in Ward 3 than there has been in the past year, stated

Alderman Aster. Mr. Montanye said stormwater has gone from a two or three-man crew to six crews. He suggested it should maybe be a wintertime goal to reallocate those employees from the Street Division, since the amount of patching, asphalt and concrete work is less in the winter due to cold weather. The other alternative would be to hire more employees. Mayor Outlaw said the Board should look at a policy to set aside a certain amount of money annually based on projections by staff as to how much funding would be needed to install oversized pipe for future developments in a particular given area. Noting drainage has been discussed for years, Alderman Aster said if the City was going to fix the issue, it needed boots on the ground with people cleaning the ditches. The Board is hearing complaints that citizens never see anyone cleaning the ditches. Alderman Aster asked Mr. Montanye what was needed to take care of the problem. Mr. Montanye said if the City wanted to develop a policy providing that if a developer proposed a particular size pipe, then the City could pay the difference to enlarge the pipe. The other option is the City could require the developer to design the drainage system to something larger than the current 25-year storm policy - maybe design it for a 100-year storm. Mayor Outlaw stated the City would be taking up new construction pipe four years from now, so to pay \$10,000 to upsize the developer's pipe would be cost effective. Alderman Bengel asked why the developer would not pay for the cost of larger pipes. Mayor Outlaw explained the developer should not have to pay for more than what the State clean water requirements dictate. Alderman Aster said the City needed to pay attention and make sure an engineer, other than the developer's engineer, was looking at plans to make sure the plans are in the best interest of the City and its drainage policy. Mr. Montanye said that currently the City sends the plans to a consulting engineer in Raleigh, who reviews the plans to make sure they meet the City and State's policies. Alderman Aster asked how long that had been taking place, and Mr. Montanye stated that practice has been in place since Public Works' former engineer, Amanda Boone, left the City's employment.

Alderman Aster asked about the problems in Brices Crossing and Hardee Farms. Mr. Montanye said that had nothing to do with the engineering design or pipe size, but was due to poor pipe. Alderman Aster said he is most concerned with routine maintenance and the need to put people on the ground cleaning out ditches. Since the manpower has been increased, constituents are commenting that problems have been addressed that existed for years. Alderman Aster again asked what kind of manpower would be necessary to continue to address the issues. He noted last year, Mr. Montanye requested additional manpower, but this year he is not making that request. Mr. Montanye said currently the drainage crew is utilizing the assistance of two employees from the asphalt crew, two from the concrete crew, a supervisor and three inmates from the litter crew, a driver from Leaf and Limb, and two other Street Division employees. None of these have been permanently assigned to drainage.

Mayor Outlaw commented there were five or ten different drainage issues; some of the drainage is 300 years old, and some of the drainage was already in place and not to City code when the areas were annexed into the City. The Mayor felt some of his comments had been taken out of context, noting he had never stated to Mr.



Montanye that he intended to violate clean-water standards' design developments for professional engineers. He stated there is a culvert behind the Aquatic Center that is about half the size of what it should be, and that culvert is eliminating large sums of water from getting to the Trent River. When someone is developing and the City knows it suffered a 500-year storm about seven years ago or a 200 or 800-year event, the probability factor in today's world, based on empirical weather sources, is that for a new development to come on, the culvert behind the Aquatic Center will flood a lot of houses that are located in areas of 14 and 15 feet elevation. That culvert has to be replaced.

Alderman Aster agreed with the Mayor about paying the developer or contractor the difference to increase the culvert or pipe size. He expressed concern that if that cost is passed on to the developer, they would develop elsewhere besides the City of New Bern, because it would be too expensive to develop here. If the City needs developers to exceed the standards, it needs to be at the City's expense.

Based on the roughly 20 heads that were allocated to help with cleaning ditches, Alderman Odham asked about the daily cost for that group of employees and what amount of work they are able to get done. Mr. Montanye stated he has asked the crews to start keeping detailed logs of where they are working and how much they have completed. The additional help has been utilized for two weeks, but Mr. Montanye has not pulled the logs to review them.

(Alderman Aster momentarily stepped out at 2:41 p.m.)

Mr. Montanye also said it was more like 10 employees that have been reallocated. Therefore, the cost would be the salary of those 10 employees. Alderman Odham asked Mr. Sabatelli for an estimated cost. Mr. Montanye suggested an average employee with a salary of \$30,000 plus \$20,000 in benefits. The weekly cost is probably \$10,000 a week, according to Mr. Sabatelli. Noting \$1 million had been spent on stormwater projects and \$500,000 is still left, Alderman Odham questioned halting any further stormwater projects and using the \$500,000 to pay for labor for a year. Mr. Sabatelli explained the money could only be used for capital projects, not for operational clean up. Alderman Odham suggested getting rid of the stormwater fee and putting it back in the tax base.

(Alderman Aster returned to the room at 2:43 p.m.)

Alderman Kinsey asked how much it would cost to contract out the work. Mr. Montanye previously called a contractor for a quote to clean 80 miles of ditches, and the response was ridiculous – possibly \$15 million. Alderman Odham said that was a contractor who had plenty of work, and the City needed to get a quote from someone who was qualified, could do the work, and saw it as an opportunity to hire help for a year to clean out the ditches and get the job done. The concerns with adding personnel is what to do with them the year after the work is complete and possibly having to say to them that you no longer need them. Alderman Odham felt it was very restricted to have stormwater in an enterprise fund. Alderman

Bengel commented stormwater could be handled through the Street Division with street personnel. Alderman Aster asked about the amount of the stormwater fee, and Mr. Montanye replied it is \$2.10 per month. He then asked if contractor help could be paid out of those funds if they are cleaning ditches. Mr. Sabatelli and Mr. Montanye responded yes, and Mr. Sabatelli noted the \$1.5 million funding was approved by the Local Government Commission and allocated for projects such as pipes under the ground. The bank may not reimburse the City for other types of expenditures from those funds. The monthly fee of \$2.10 generates \$665,000 annually, which is 2 cents on the tax rate. Alderwoman Harris recalled at last year's retreat this topic was argued for hours, but no one wanted to raise the stormwater fee to address the issue. She stated the Board just needed to raise the fee. Alderman Bengel asked about the monies still in the enterprise fund, and Mr. Montanye referred to the 25 projects listed on slide eight of his presentation, indicating the monies could address some of those projects.

Alderman Odham made a motion to eliminate the stormwater enterprise fund and raise the ad valorem tax rate equivalent to where it is revenue neutral, seconded by Alderman Kinsey. The Mayor commented that would be approximately 2.3 cents. Alderman Aster noted by eliminating the enterprise fund, it moves the stormwater to the General Fund, thus providing flexibility. Alderman Aster said he recalled Mr. Stephens having concerns about funding stormwater in the General Fund, but Mr. Stephens stated he could make it work. Alderwoman Harris stated if taxes are being raised, then they need to be raised to a level where the City can get other things done. Alderwoman Harris stated she was not in agreement with the change since the cost would not be spread across the City to everyone. Currently, renters pay the stormwater fee, but taxes are only paid by property owners. Mr. Montanye explained the commercial stormwater fee is charged to the property owner, and residential is charged to the dwelling occupant. Alderman Bengel said that in many cases that is not the property owner. By making the change, taxes are being raised on the property owners, when before, the owners' tenants were paying the fee, which spreads it out a little bit. Alderwoman Harris referenced money that was allocated by a previous Board in which things did not get done, and the concern that the Board has not proven to the citizens that it is capable of keeping the ditches clean. Alderwoman Harris reiterated her desire to raise the taxes a couple more cents in order to accomplish other things. Alderman Aster asked Alderman Odham to repeat the motion. Instead of repeating it, Alderman Odham explained the premise, stating that currently the people with City of New Bern utility billing accounts are billed \$2.10 per month ERU for stormwater. His recommendation is to eliminate that charge, do away with the enterprise fund, take the dollar amount determined by Finance and allocate that amount back to the tax rate to get it where it was before, since that rate was never lowered when the stormwater fee was put into place. A couple of years ago when the Board saw the need to improve streets, the Board was able to make a decision to spend \$2 million on street improvements and did not have to raise a particular fee since the monies come from the General Fund. This is the same premise. Alderman Bengel said the City had not been doing anything with stormwater drains, and no one was cleaning ditches. People would call when there was a problem, and the problems were being

addressed on demand. The money was put there so the issues could be addressed. It became evident during Hurricane Irene that the City was not maintaining ditches. That is when the fund was set up for the purpose of having an additional source of revenue. Alderman Odham stated that was correct; the Board added additional revenue without lowering the tax rate. Mayor Outlaw stated Public Works put some capital improvement projects in the stormwater fund that were questionable to him. They also probably moved some of their expensing.

Alderman Best asked when the stormwater fee was last raised, and Mayor Outlaw said never. Alderman Best voiced opposition to raising taxes, but noted she was in favor of raising the stormwater fee. Alderwoman Harris said last year she suggested taking out a loan to pay for one sweep to clean out ditches, after which, staff should be able to maintain the drainage system. She then commended Mr. Montanye for creating a plan, and she suggested using the Green Labor group and more inmates to get the job done. Alderman Best asked why the Board was opposed to raising the stormwater fee. Mayor Outlaw said that while many cities have a stormwater fee, it is a regressive fee that discourages developments and investment. Many cities do not have a stormwater fee. While New Bern learned a lot from the stormwater fee, he felt stormwater should be put back in the General Fund. He also stated he would not increase the stormwater fee. Alderwoman Harris expressed concern that the action under the motion would not make the same impact across the board; whereas now, the stormwater fee is the same for everyone. Alderman Bengel asked if this was a year for property revaluation, and Alderman Odham replied 2020 is the year for that, but the County indicated at their recent meeting they might delay the revaluation because of the storm.

Alderwoman Harris called the question. Upon a roll-call vote, the motion carried 4-3 with Aldermen Bengel, Harris and Best voting against it. Alderman Bengel noted this action would be part of the overall budget, and the Board could vote the budget down.

Alderman Odham asked how much had been spent out of the \$2 million budgeted for this year's paving, to which Mr. Montanye replied none. Alderman Odham noted if the Board wanted to, it could direct that half of the \$2 million be spent on cleaning ditches. Alderman Aster asked for clarification that the \$2 million did not include the funds that would be needed to repave Old Airport Road, and Mr. Montanye confirmed it did not include that.

If the stormwater fee is eliminated, Alderman Bengel asked what would happen with the \$500,000 that is in the enterprise fund. Mr. Montanye proposed it be put toward the 25 identified projects that need to be completed. It will not cover them all, but it will cover some of them. Mr. Sabatelli said the remaining balance would have to be spent on projects. Alderwoman Harris asked for clarification on the \$2.10 stormwater fee that was being put in the enterprise fund. With the dissolution of the enterprise fund and monies now being put in the General Fund, she questioned the flexibility of being able to use stormwater money on projects that were not stormwater related. Mr. Stephens explained the Board had dissolved a utility that

was generating \$600,000 a year. He and Mr. Sabatelli will evaluate what the equivalent neutral rate would be and apply it to the tax rate. This way the same funding will go into the Public Works budget for utilization for stormwater. There is \$2 million in the General Fund that was allocated for resurfacing that now is up for discussion for potential reuse in whatever way the Board desires without having to worry about whether it can be used for stormwater. Following Hurricane Florence, Mayor Outlaw said he felt residents would rather see \$1 million in drainage improvements than resurfacing.

The Mayor asked about the issues at Brices Creek Subdivision, Ticino Court and the East Rose pump station. Mr. Montanye stated Brices Creek and Ticino Court were pipe failures, and the East Rose issues resulted from a sinkhole. Mayor Outlaw pointed out all of this infrastructure is less than 20 years old, and \$200,000 to \$300,000 needs to be spent because something was not done right. That is money that can be used on clean out, infiltration, or meeting other needs. The Mayor questioned what could be done, so another Board is not sitting here 20 years from now and having the same problem. Mr. Montanye said the City would need to inspect infrastructure when it goes in the ground, which was not done in the past. However, the City is now doing that and will continue to do so. Alderman Kinsey asked about the problems on Neuse Boulevard and Elizabeth Avenue. Mr. Montanye explained the Neuse Boulevard issue was the pipe at the Public Works facility, which accommodated the water that came off Neuse Boulevard. That issue has now been handled, but Elizabeth Avenue has not been completed.

Alderman Best expressed concern about knowing pipes are failing and inadequate, but still allowing new developments to install the same pipe size. Alderman Odham asked if staff could come back with a list of the most recent 5-10 projects and the required pipe size, so the Board could go out and view these sites. Noting the Board had talked about reassigning money, Alderman Aster said it is an excellent idea to use the \$2 million to address drainage. The City has already addressed a lot of paving. He stated he was willing to make a motion to reassign \$1 million from the paving projects to drainage, if the Board felt that was the direction in which to proceed. He questioned whether contract help should be utilized. Alderman Odham said his concern with hiring employees is letting them go once the task is complete to the point where it needs to be. Alderman Aster stated the \$1 million could address the most problematic ditches, and Alderwoman Harris said she thought all of the ditches would be cleaned. Alderman Aster said it would take \$10 million to address all of the ditches. He noted the possibility of FEMA and USDA funds to assist with the drainage issue. Mr. Stephens pointed out any grant assistance from USDA would require a 25% match, and Alderman Aster stated part of the \$1 million could assist with that. Alderman Odham questioned whether the \$1 million could be utilized now considering the enterprise fund exists this fiscal year. Mr. Sabatelli said he could prepare a budget amendment to transfer \$1 million from the General Fund to the Stormwater Fund, if the Board wanted to begin the work this fiscal year. Mr. Sabatelli noted the action taken by the Board with respect to the stormwater fee would not be effective until July 1, 2019. Alderman Odham asked if Mr. Sabatelli was comfortable with moving the money since the enterprise

fund goes away July 1<sup>st</sup>, and Mr. Sabatelli responded yes. Alderwoman Harris asked for confirmation that if the budget is not approved that the enterprise fund would still exist, despite the passing of today's motion to eliminate the fund. Mr. Sabatelli pointed out the City would still have to bill the stormwater fee from now until the end of the fiscal year, as changes would not take place until July 1<sup>st</sup>. Mr. Stephens said the only way to get around that would be if the Board directed him to bring before them at their next meeting an effective tax-rate change, and several said no. Alderwoman Bengel asked if the enterprise fund could be suspended at the Board's next meeting and the remaining funds put in the General Fund. Mr. Sabatelli said he would rather do it "clean". Mr. Stephens cautioned that suspending the enterprise fund would eliminate the revenue generation collected from stormwater fees for the rest of this fiscal year.

Alderman Aster asked whether \$1 million of unencumbered money could be reallocated from paving projects to drainage, and Mr. Sabatelli said yes. Alderman Aster made a motion to reallocate \$1 million of unencumbered funds from paving projects to be moved to drainage, seconded by Alderman Odham. Expressing a desire to make sure everyone heard the motion, Mayor Outlaw asked Alderman Aster to restate his motion. Alderman Aster stated his motion was to remove \$1 million from Public Works' paving project fund and reallocate it to the Public Works stormwater fund for contractual help to clean out ditches and canals inside the city limits, seconded by Alderman Odham. Alderman Bengel said she was still unclear as to how this could be done, since it involves an enterprise fund. Alderman Odham said it is because the enterprise fund is being dissolved, and Mr. Sabatelli is aware of that. Alderwoman Harris questioned whether it was official, and Alderman Bengel questioned what would happen if the budget were voted down. Alderman Aster said ditches could be cleaned with General Fund money, and Alderman Bengel suggested leaving the money in the General Fund budget under Public Works. Mr. Stephens said that out of the \$2 million in Public Works' repaving line, the Board desires to take \$1 million of that and apply it toward ditch clearing, which will protect the street assets. Alderman Aster stated that was his motion, just as stated by Mr. Stephens. Alderman Odham seconded the motion. The motion carried 6-1, with Alderwoman Harris voting against it.

### **Electric Utility Rate Discussion**

See above. This was discussed under the Public Utilities review with Mr. Bauschard.

### **Stormwater and Drainage**

See above. This was discussed immediately following the Public Works overview.

(Mayor Outlaw momentarily stepped out of the room at 3:15 p.m., returning seconds later at 3:15 p.m.)

### **City Hall Elevator**

Mr. Stephens said there would have to be external modifications to City Hall to accommodate an elevator. Additionally, approval from the Historic Preservation

Commission would be required. Alderman Bengel said she did not understand why an interior elevator could not be considered. She stated there was damage inside of City Hall, and the City would be receiving insurance funds. This is a good time to look at the whole package. Alderman Bengel said she would be glad to lead a committee on making City Hall a place of interest. She suggested moving the Swiss flags to the wall behind the dais and displaying other artifacts in the room.

Mr. Montanye shared a PowerPoint presentation on the elevator options. He reviewed the access options, including a ramp or lift at the front of the building, the location of the elevator, and the type of elevator. GoArchitec was hired to provide some renderings of the possibilities, which were shared in the PowerPoint. Alderman Bengel asked why not consider the backside of the building instead of looking at just the front. If it is placed on the backside, Mr. Stephens questioned what would happen with the Mayor's office and the accessibility to other areas. Alderman Bengel suggested the area of the Mayor's bathroom and the office used by Public Information Officer. If the area of the bathroom is chosen, Mr. Stephens noted that would mean removing the second floor bathroom as well. Alderman Bengel suggested the space to the right of the bathroom.

(Alderman Kinsey momentarily stepped out at 3:22 p.m.)

After seeing the renderings, Alderwoman Harris said she liked the option for the front entrance. Mayor Outlaw said the problem with adding onto the back of the building is the future security of City Hall would be more of a concern than it is now. Locating the elevator on the back would create another ingress and egress that would need to be secured. In today's world, City Hall is a very insecure and unsecure building. Alderman Odham said he thought it was good to start talking about this today, but he did not think a decision would be made today. He asked if staff had explored the possibility of going underneath the sidewalk into the basement and then going up. Mr. Montanye said one of the challenges is the interior height, noting the maximum for an elevator is 12 feet and the distance from the first to second floors is 14 feet. A variance would be needed. Alderman Aster stated the maximum variance would probably be 2 feet.

Mr. Montanye said the other option is a rendering from the 1990's to build a corridor along the side of City Hall to create a commercial elevator shaft. This cost would be substantially higher than a vertical lift. As noted earlier, the challenges are obtaining approval from the Historic Preservation Committee, funding, matching the architect of building, and the design and build. Cost estimates for a standard, commercial elevator shaft outside of the building are around \$800,000 to \$1 million. A vertical lift with all modifications would cost approximately \$250,000 to \$300,000.

Alderman Aster questioned whether a vertical lift would serve well, especially in light of the anticipated use.

(Alderman Kinsey returned to the room at 3:27 p.m.)

Alderman Aster said the vertical lift at the Firemen's Museum is constantly having issues, and it is hard to get service. He and Alderman Bengel said they would be very concerned

about installing a vertical lift. Mr. Montanye asked how often the lift at the museum is used, and Alderman Aster replied not very often. Alderwoman Harris expressed concern that a lift or elevator in City Hall would not be used often.

Alderman Bengel announced other things she is trying to pursue:

- With the assistance of the Preservation Foundation and Historical Society, a "Save Our Historic Structures" grant through the National Trust for Historic Preservation;
- Working with the Americans for Disabilities Act through the federal government for funding or grants from any foundations that could help make City Hall comply with ADA requirements; and
- Having a discussion with the County about constructing a building that would be two to three stories in height with a breezeway that would walk you into either building.

Alderman Aster said the problem with the latter option is it would take years to get the County onboard. Mr. Stephens said before involving the County, he would suggest constructing a building with an elevator in the City Hall parking lot and on the green space that could be occupied by Human Resources and Development Services and that would connect to City Hall. The structure at 303 First Street could then be repurposed or potentially used for expansion of the workforce development center.

Mr. Stephens said the problem always has been and continues to be the cost. It is going to be expensive, regardless of the method chosen. Alderman Best asked if the City had a grant writer on board, and Alderman Bengel replied yes and said she was also asking other people to look at the possibilities. She suggested the Board and staff look at Goldsboro, which is a good example of utilizing a breezeway. They had the same situation: an old building which was not accessible. They built a building next door and incorporated a breezeway.

Referring to the blueprint Mr. Montanye shared, Alderman Odham asked how many square feet were in the side building to accommodate the exterior elevator. Mr. Stephens responded not much and noted it was consumed by a stairwell, elevator, and a reception space. People would not necessarily come in through that addition. Instead, things would be repurposed on the first floor. Alderman Odham then asked if the elevator with a price tag of \$1 million would reach to the third floor, and Mr. Stephens said yes and that it would require major modifications. Alderman Bengel said the earlier design was for a metal cage elevator, which left the staircase intact. She commented City Hall is probably one of the most elegant structures in the City and the eastern part of the state. She stated she was not advocating for the City to pay for the entire project out of its pocket. She suggested using insurance funds and determining how much money could be found and then report back with that information. Alderman Aster suggested remodeling downstairs and conducting the meetings on the first floor. It was noted there would still need to be access to the City Manager's office, and Alderman Best said his office could be left downstairs. Alderman Odham said to make the first floor a meeting space would cost at a minimum \$500,000. Alderman Aster said he was in favor of an elevator, not a lift. Alderman Odham offered the suggestion to put an elevator where the City Manager's office is located, which would bring it up in the back of the courtroom. Concern was

expressed about the disturbance that would cause in the middle of a meeting. Alderman Aster said if an exterior elevator is utilized, he suggested bringing it into the conference room on the second floor. Alderman Bengel stated she needed to know the cost to investigate funding options.

(Alderman Best stepped out of the room momentarily at 3:36 p.m.)

Jerry Hobbs, a New Bern citizen who was in attendance, expressed the need to think about who wants to come in the building. A lift can only hold a wheelchair and one person. An elevator would accommodate more people. Mayor Outlaw pointed out Mr. Hobbs was a retired architect. Mr. Hobbs said the exterior elevator should be on the Heritage Park side of the building. He noted the bathrooms are turn of the century, and they could be relocated anywhere. It was his recommendation that the elevator be situated beside of the Mayor's office.

Mayor Outlaw asked for a show of hands of everyone who felt an elevator was needed instead of a lift.

(Alderman Best returned to the room 3:40 p.m.)

Everyone raised his or her hands in support of an elevator, except Alderman Kinsey who did not indicate.

Mayor Outlaw expressed a need to look at funding and financing the project. Alderman Bengel voiced a desire to work with the City Manager to put together information for a regular, commercial elevator that is located on the exterior back of the building. Mayor Outlaw said in the 1990's, part of the problem was there were so many people in City Hall. Now, staff is more spread out, and City Hall has more flexibility to accommodate an elevator. Alderman Bengel suggested the topic be brought back before the Board at the last meeting in February or the first meeting in March with some ideas. Alderman Aster stated he was in favor of placing an elevator in the back near Heritage Park, which eliminates the need to build a ramp in the front. Alderman Odham asked about locating it in the center of the foyer. Alderman Bengel said it would disrupt the staircase; the original design from the 1800's was for a cage elevator in the center. Alderman Odham asked about the possibility of still getting a cage elevator. Mr. Stephens responded the exit of the elevator would be different on each floor, and a ramp would still be needed on the exterior of the building to get people inside.

#### **Other Topics from Board**

- Alderwoman Harris wanted to discuss a plan for SWRC, financing it and then repaying the City back when funds are received. She did not want to wait two years to address the situation, stating that community was suffering. If the Board is working on other plans and finding money for everything else, it can do the same for SWRC. She asked for a consultant to start looking at the elevation process or for Foster Hughes to go out into the community to obtain views from the citizens on whether they want to move the facility or keep it at its current location. If the center is to stay at the current location, the City should have a consultant prepare plans



and cost estimates for demolition and elevation to standards. She expressed hope that the Board would support her, as she has supported other members in the past for things they desired in their wards.

Alderman Aster said part of the 428 program requires public input and that those grant funds come rather quickly. Once the funds are awarded, the next step would be public comment and hiring an architect and engineer. Mr. Stephens stated staff already has a Request for Proposal ("RFP") ready to seek architectural and engineering bids. Alderman Aster said at this time, the City needs to wait and see if it will receive 428-grant funds, which he anticipated would be announced in 30 days. Alderwoman Harris asked if it took longer than 30 days whether Alderman Aster would be okay with her coming back to the Board to ask for funding. Alderman Aster responded no, not until he hears about the 428 funds. He noted even if a project starts today, it will still take 18-24 months to build. Alderwoman Harris said the City is putting the community on hold, and the citizens feel like they are being put on hold. Alderman Aster said he is in favor of building back at the current location, but he was also in favor of giving the grant program a shot. He agreed the community was being put on hold, but that was so the City could make the proper decisions about what would be built and how.

Mr. Stephens said he knew there was a lot of public outcry. He noted Foster Hughes pulled him aside after the last Board meeting to tell him that immediately after the hurricane, Mr. Hughes had repositioned all of the programs to West New Bern Recreation Center ("WNBRC"), and there is 100% participation. He, like Alderman Aster, wants the City to maximize the amount of potential benefit. A gymnasium could be built with three classrooms, or something much better could be built. He expressed concern about rushing things. Alderwoman Harris said she understood that, but wanted to work on it now instead of waiting on the FEMA process. It is great the programs were moved over to WNBRC, but that is not comfortable for the community. They should not be misplaced to another location. She questioned why the Board was not willing to borrow money or raise taxes. She stated the community feels like it is being neglected because it is black.

(Alderman Aster momentarily stepped out at 3:54 p.m.)

Mr. Stephens stated staff could not allocate money; that is a Board decision. However, staff can put together a RFP, and he reiterated the RFP has already been drafted. Alderwoman Harris asked when the City Manager would bring it to the Board for a vote. Mr. Stephens and Mr. Sabatelli explained the RFP has not yet been issued, as some revision is needed. Alderwoman Harris said the situation is frustrating, and she understands the citizens of that ward. She keeps hearing the City does not care. If the Board figures out stuff for every other ward and every other project, the Board should do it for this community too. She said two years for a rebuild is not good enough, noting she was thinking about the children. If the City does not do something, there will be more things happening to the children that no one wants to happen. The SWRC is a pillar in that community, whether it is

underutilized or over utilized. The park and drainage issues in that area need to be fixed.

(Alderman Aster returned to the room at 3:56 p.m.)

Alderman Best said the City is now waiting on the 30-day process to hear something, and she asked Mr. Stephens where he was. Mr. Stephens said staff has worked with the consultants and has an RFP prepared that has been reviewed by the City Attorney. He stated he did not control FEMA and could not guarantee any time frame. He stated staff is doing everything it could to expedite things to submit to FEMA. Alderwoman Harris said she has heard Alderman Aster say several times the City still does not have money from Hurricane Matthew, so she questioned why anyone thought this money would come any faster. She again suggested the City fund the rebuild and reimburse itself later. She voiced the need to preserve the historic history in that area. Alderman Aster said whichever direction is pursued, everyone had decided public input would be sought, and he noted that process could begin right now.

Alderman Best asked if this is the first time the City has been involved with 428 mitigation, and Alderman Aster said yes and noted it is actually grant money, not mitigation. Alderman Best said if the City did not get 428 funding, she would be behind Alderwoman Harris 100%. Alderman Bengel said another resource for additional funds might be Golden Leaf's Repair and Replace, but the City must have cost estimates. There are many places that have funds, but all will need to know cost amount. Alderman Aster explained that is why there is a need to hire an architect and engineer, and he noted that quote would be used to negotiate the 428.

Mayor Outlaw asked what else needed to come before the Board. Alderwoman Harris made a motion to adjourn, seconded by Alderman Kinsey. Noting there was no time for others to respond to the Mayor's question, Alderman Best asked if the Board could go back to address others' issues. The Board agreed to hear additional topics from others.

- Referencing the list of properties that sustained substantial damage and noting some of those may be demolished instead of repaired, Alderman Best asked if the insurance funds for those properties could be used to build a community center in Pleasant Hill. Alderman Bengel expressed support of that, and Alderman Aster said he would be in support of building something. Alderman Best said there was no damage in the Pleasant Hill area during the hurricane, and a community center could have served as a distribution center and a shelter. She noted the impending new development on the west-end of town. Alderwoman Harris asked about the estimate for a center, and Alderman Best said she did not know the cost. Alderwoman Harris thought the estimate last year was \$100,000 to \$150,000. Alderwoman Harris asked if those funds were lying around and could be allocated now.

Mr. Stephens asked if that was the desire of the Board to put the cost of a center in the budget. Alderman Aster said four buildings would be submitted for 428

mitigation, and he suggested some of those funds be utilized toward a shell building for use as a community center. Mr. Stephens said he thought the City would have to put back to some extent what it had lost, so the two storage buildings could possibly be incorporated into a community center. Alderman Aster said he did not think the City had to rebuild the structures, but could demolish the building and sell the property. Alderwoman Harris questioned whether it is ethical to get funds through 428 and not put the buildings back. Alderman Aster said buildings do not have to be put back in their current locations. He further said it was his understanding you could build back what you want, but he suggested staff ask the consultant for a proper answer.

- Noting there was a request in the General Fund alone for 14½ new positions, Alderman Odham asked Mr. Stephens and Mr. Sabatelli if they wanted direction regarding the budget. Mr. Stephens said if the Board wanted to provide direction now that would be great. Alderman Bengel said the Board did not have to go through hearing from each Department Head during the budget process since the Board heard from them today.

(Mayor Outlaw stepped out momentarily at 4:06 p.m.)

Alderman Bengel said she thought she heard the budget would stay flat. That means empty positions could be filled in or the funds reallocated. She questioned the savings of \$70,000 or \$130,000 in the Fire Department, and Mr. Stephens stated the \$70,000 would cover a Fire Captain. Alderman Aster cautioned those savings are just a one-year occurrence, unless the department hires in someone cheaper. Mr. Stephens said the numbers from the departments had not been submitted yet, and he did not know where the revenues stood. Ronnie Antry, the County Tax Collector, has expressed concern as to where assessments will fall. Mr. Stephens said his recommendation is this is not the year to add a lot. If the Board is willing to raise the rates and revenues, then they can do whatever they want. He will approach the budget as he normally would, because he has not heard other direction from the Board. It will be up to him and the Director of Finance to figure out how to balance the budget.

(Mayor Outlaw returned to the room at 4:08 p.m.)

Alderman Bengel said she would like to see the City Manager run the numbers showing the requests, the amount of funding needed, and a list of the additional items. Mr. Stephens said he presented a balanced budget last year, and the Board added items back in after listening to the Department Heads' requests. Alderwoman Harris commented a retreat should not be like this. Instead, the Board should look at their four-year goals, mark them off the list as they are completed, and have a game plan with respect to its focus. Alderman Odham said his vote today would be to take the current fiscal year budget, figure out the revenues, not add personnel, review debt service rolling off to see how much money is available to work with, and then wean down the capital requests. The

Board is working on a lot, including stormwater, SWRC, and 428 mitigation. In his opinion, the Board is losing sight of the big picture by nitpicking.

- Alderman Bengel mentioned the trash along Hwy. 70 and questioned how it could be resolved and whether it was a NC Department of Transportation problem. Mr. Montanye said in early December, his entire department cleaned up Highway 70 from Glenburnie to the bridge. They plan to do that again next week. The highway is a NCDOT road, and NCDOT cleans it quarterly. Mayor Outlaw stated the Highway Patrol, City of New Bern, and the County are obviously not writing litter tickets. Unless the Board directs him to do so, Mr. Stephens said he could not direct Mr. Montanye to clean up the James City trash, as that is not in the city limits. Alderwoman Harris said she would not direct him to do that unless James City wanted to be annexed by New Bern.

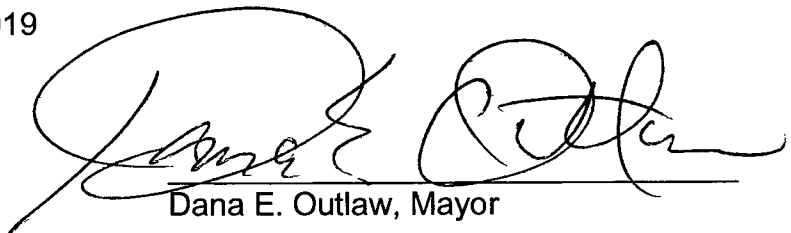
### **Adjourn**

Alderwoman Harris made a motion to adjourn, seconded by Alderman Kinsey. The motion carried unanimously 7-0, time being 4:12 p.m.

The attached documents are incorporated herewith and are hereby made a part of these minutes.

NOTE: For additional details and information on the Board of Aldermen meetings, please visit the City of New Bern's website at [www.newbernnc.gov](http://www.newbernnc.gov). Video and audio recordings of the meeting have been archived.

Minutes approved: February 12, 2019



Dana E. Outlaw, Mayor



Brenda E. Blanco, City Clerk