

**City of New Bern
Board of Aldermen Work Session
October 06, 2020 – 4:00 P.M.
City Hall Courtroom
300 Pollock Street**

Mayor Outlaw opened the meeting with prayer. The pledge of allegiance was recited.

Roll Call: Mayor Dana Outlaw; Aldermen Sabrina Bengel, Jameesha Harris (via telephone), Robert Aster, Johnnie Ray Kinsey (arrived at 4:01 p.m.), Barbara Best, and Jeffrey Odham. Absent: None. A quorum was present.

Also in Attendance: Mark Stephens, City Manager; and Brenda Blanco, City Clerk.

1. FEMA Update (Expenditures vs. Reimbursements)

Mr. Stephens shared a PowerPoint presentation to review the actual expenditures and reimbursements associated with Hurricane Florence. To date, the City's costs associated with the storm totaled approximately \$15.5 million. At this point, FEMA has reimbursed the City around \$9 million, and roughly \$2 million in insurance proceeds have been received, for a total recovery of \$11 million. Mr. Stephens provided a brief update on the Stanley White Recreation Center, drainage ditches, and the BP building. FEMA has obligated an additional \$46,176,771 for these projects, plus management costs and payment to the enterprise funds.

2. Financial Update:

- a) Revenues Actual vs. Revenue Projects/Budget**
- b) Expenditures to Date vs. Budget**
- c) FY20-21 Personnel and Capital Requests Removed from Budget Due to COVID-19 Uncertainty**

Noting the FY20-21 budget was prepared conservatively, Mr. Stephens provided a comparison of first quarter revenues from 2019 to the present. The figures shared were as of September 30, 2020. This year's first quarter was basically in line with the first quarter of FY19-20.

Alderman Best asked about the COVID-19 funds that were to be received. Mr. Stephens explained there were multiple funds that would be received, including CDBG funds and Coronavirus Relief Funds from the Craven County.

If the City basically continues this fiscal year on the same track with no additional major revenue sources or major additional expenses, then approximately \$2.2 million would go into the General Fund.

The FY20-21 approved budget eliminated requests for 24 new positions and 8 reclassifications with associated pay increases. Mr. Stephens reviewed the salary and benefits costs for the proposed positions, comparing the costs for a full year versus 70% for the remainder of the fiscal year.

The approved budget for FY20-21 included slightly more than \$3.5 million for capital purchases. Items that were not funded totaled \$701,063, and Mr. Stephens provided a list of those items by department. One of the items listed under Police was surveillance and building cameras, and Alderman Bengel questioned where that system was to be installed, noting the need for surveillance at City Hall was extremely important. Police Chief Toussaint Summers responded the cost was solely associated with the Police Department's facility.

Inclusive of FEMA reimbursements, fund balance as of September 30, 2020 was estimated at 55%. Without the FEMA reimbursements, fund balance as of that date was estimated at 44%, which would equate to \$16 to \$17 million, according to Mary Hogan, Director of Finance. Mr. Stephens projected fund balance at the end of the year to be around 56% with the FEMA reimbursements, and he expressed confidence that the City was in a good financial position.

Mayor Outlaw questioned anticipated operating expenses associated with the pandemic, future pandemics, or health-related items. He suggested a public relations campaign to make citizens more aware of additional options for paying their utility bills, instead of sitting in the drive-thru at Fort Totten. Mrs. Hogan stated the Customer and Payments Service ("CAPS") office was open to assist customers, although payments were not being accepted in the office. Alderman Best expressed concern that a payment window was not open inside the office. Mr. Stephens stated the Board needed to set the tone for the culture it desired to provide to its customers, specifically whether that was more of an electronic and offsite option versus in-person options.

Prefacing Alderwoman Harris' request in September, Alderman Best asked about the possibility of allocating \$50,000 from the COVID relief funds to nonprofits. Alderwoman Harris suggested the nonprofits could use the funding to help offset the costs of feeding people, providing daycare or internet service, etc. Alderman Bengel questioned the process, including the application requirements, who would administer the program and make decisions, etc. Alderman Odham asked Mr. Stephens to explain the difference in the COVID relief funds and the CDBG funds. Mr. Stephens said two allocations of CDBG funds had been established, one for around \$150,000 and the other around \$190,000. Criteria was established for receiving utility and rent assistance from these funds, with the program being administered by RCS. Funding from the COVID CARES Act required a plan to be submitted to Craven County detailing the intended use of the monies. That plan could be amended should the Board choose to use the funds in a different manner than proposed in the plan.

Alderman Bengel made a motion to appropriate \$50,000 to a fund for nonprofits that is to be administered by BEFCOR (a third party) with the Board assisting in setting the criteria for awards of \$1,000 each, seconded by Alderman Kinsey. Mayor Outlaw suggested a sunset be established for the program. In response, Alderman Bengel amended her motion to include a provision that the funds are to be used by December 31, 2020 and are to be appropriated from the CARES funds, seconded by Alderman Kinsey. Alderman Odham asked what would be removed from the submitted plan to free up the \$50,000. Mrs. Hogan said she reached out to departments to ask how they could utilize the funds, and she would have to see what could be removed from their list of items. Alderman Aster expressed concern that he did not want the funding to interfere with providing staff with personal protective equipment ("PPE"), etc., and he asked if only nonprofits in the City of New Bern could apply, to which Alderman Bengel responded that was her desire. Alderman Odham asked how any unspent funds would be handled, and it was noted those funds would need to be returned to Craven County. Knowing that, Alderman Aster suggested a November deadline be established for the nonprofits to apply for funding. Alderman Bengel asked if it would be reasonable to bring back to the Board details of the program at the next meeting, and Mr. Stephens said staff would put something together for the next agenda. After this discussion, the motion on the floor carried unanimously 7-0.

(Alderman Kinsey momentarily stepped out of the room at 5:10 p.m.)

3. Discussion of City Hall Annex Project.

Noting the options for City Hall had previously been reviewed, Alderman Bengel suggested the Board discuss the project and make a decision without re-reviewing the options in detail. Expressing some hesitation about the cost of Option C, Alderman Bengel said she tended to favor Option B.

(Alderman Kinsey returned to the room at 5:13 p.m.)

Tripp Eure, an architect with MBF Architects, suggested restrooms be included if Option B were selected. A brief discussion took place about the need to add a sprinkler system to the building as well. Mr. Eure noted the cost estimates that were provided to the City considered the elevation in material costs, which is anticipated to continue for at least another year. The projected financing options included in the agenda package were based on loans with an interest rate of 3%, according to Mrs. Hogan.

Mr. Eure stated there were a number of reasons as to why he would discourage the Board against Option A. Mr. Stephens noted Option B would necessitate a need to discuss facility security because of the additional ingress and egress to the building. That concern could potentially be addressed with interior modifications. While recognizing it was the Board's decision, Alderman Bengel asked Mr. Stephens for his opinion with respect to the three options. Mr. Stephens did not feel Option A was a good idea, but stated Option B would satisfy the need

of equipping the building with an elevator. However, Option C would provide some efficiencies by having more departments located in one building. He did point out that if the CAPS office were in the City Hall annex that it would not be able to offer customers drive-thru service.

Alderman Bengel asked about the possibility of paying cash for half of the cost of Option C, and Mr. Stephens stated that would equate to roughly 10% of the fund balance, not including any proceeds from the sale of properties at 606 Fort Totten Drive and 303 First Street. Alderman Odham expressed concern about pursuing Option B and there being a need to make more changes in 10 years. Mr. Eure stated it was possible to design Option B in such a way that it would be conducive to the future addition of a full annex.

Alderman Bengel made a motion to move forward with Option B for the addition of an elevator with drawings to come back that would include a full complex, but only build at this time the necessary construction of an elevator needed to get into the building, seconded by Alderwoman Harris. After additional discussion about the cost of design fees and potential concerns with the design plans, Alderman Bengel said she could rephrase her motion to have the design flexible enough that an addition could be added in the future. Or, she could make a motion that did not include design plans for a future expansion.

Alderman Bengel withdrew her motion and made a new motion to build the tower per Option B, seconded by Alderwoman Harris. Upon a roll-call vote, the motion carried unanimously 7-0.

(Alderman Aster momentarily stepped out of the room at 5:49 p.m.)

4. Discussion of Racetrack Road Project.

Matt Montanye, Director of Public Works, reviewed the options for Racetrack Road.

(Alderman Aster returned to the room at 5:51 p.m.)

Kyle Compton and Dewayne Alligood, engineers with the firm of Vaughn Melton, provided a PowerPoint presentation detailing their analysis of the road, the options, and cost estimates. Mr. Alligood noted the road was built in 1936 as a graded road and was later paved in 1962. The road is designed for a speed limit of 55 mph and currently consists of 9-foot lanes with 2-foot paved shoulders. In February of 1986, the City requested the speed limit be reduced to 35 mph. The City subsequently assumed maintenance and ownership of the road in June of 1995. After reviewing the options, Mr. Alligood cautioned that wider roads make motorists drive faster. He recommended the City repair the existing pavement, which is failing, regardless of which option it chooses to pursue. The cost estimates that were provided did not include right-of-way acquisitions or utility relocations.

Alderman Aster asked whether traffic counts or an analysis had been performed on the road. Mr. Montanye replied no and agreed that the number of cars on the road would play into the desired width of the road. Alderman Aster suggested counts be obtained once school is back in session. He also suggested neighborhood children be encouraged to walk on the sidewalks in Colony Estates. Mr. Montanye noted the sidewalks in Colony Estates led to a crosswalk on Elizabeth Avenue that came out in front of the school.

Mr. Compton did not recommend a traffic count as he felt it would not be beneficial with respect to the pavement design. He felt it would only be beneficial if intersections were to be modified. While a traffic count from an engineering and design perspective may bring little to no value, Alderman Odham said the study would help the Board from a political standpoint determine if it was a wise investment of taxpayers' dollars to make improvements to that particular road. Alderman Odham also felt a determination was needed as to the issue along Racetrack Road: was it simply that the condition of the road needed to be repaired, was it a matter of traffic width, was it an issue with pedestrian traffic, or was it all of these matters. Alderman Odham felt a decision needed to be made based on the issue, not the cost of the various options. A traffic count would help the Board determine the need. The likelihood of a connection being made from Derby Park to West New Bern (formerly known as Craven 30) was also discussed, as that would have an impact on the traffic.

Alderman Kinsey made a motion to pursue Option 1C, after which he withdrew the motion and made a motion to pursue Option 1B to widen the road and not install sidewalks, seconded by Alderman Best. Discussion ensued after the motion. Upon a roll-call vote, the motion carried unanimously 7-0.

Upon questioning, Mr. Montanye stated the costs were only estimates. Once the project is further pursued, it may be determined that costs will exceed the estimates. At the time when a contract is presented to the Board, the Board could decide whether to pursue the project and enter into a contract. The cost of Option 1B was estimated at \$810,000, plus pre-construction costs. However, at this point, staff would only be moving forward with the design portion of the project.

5. New Business, if any.

Alderman Bengel said the one thing that was not discussed which she would have hoped to hear about was information on a bond. She questioned whether the City would be better to lump several projects into a bond. Mr. Stephens felt the Board would be wasting its time if it were to pursue a bond that was less than \$6 million to \$8 million. He stated bonds provided a great opportunity to take advantage of interest rates and lump projects together. Mr. Stephens said arrangements could be made for a bond counsel to make a presentation before the Board to explain the options. Interest was voiced in pursuing a presentation, and Mayor Outlaw suggested the information detail the type of items that could be included in a bond.

(Alderman Kinsey left the meeting at 7:05 p.m.)

Alderman Aster asked at what point the City would pursue naming rights for the amphitheater at Martin Marietta Park. Foster Hughes, Director of Parks and Recreation, provided a brief update on the park noting the main gate, two parking lots, restrooms, a kayak launch, and a shelter were now open. He announced staff had been working on naming rights and would soon be presenting that information to the Board.

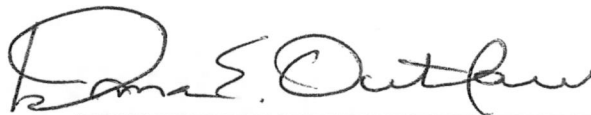
6. Adjourn.

Alderman Odham made a motion to adjourn, seconded by Alderman Bengel. The motion carried unanimously 6-0, time being 7:07 p.m.

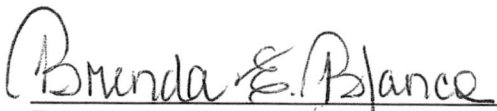
The attached documents are incorporated herewith and are hereby made a part of these minutes.

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. Video and audio recordings of the meeting have been archived.

Minutes approved: October 27, 2020



Dana E. Outlaw, Mayor



Brenda E. Blanco, City Clerk