

**CITY OF NEW BERN  
BOARD OF ALDERMEN MEETING  
JANUARY 25, 2022 – 6:00 P.M.  
CITY HALL COURTROOM  
300 POLLOCK STREET**

- 1. Meeting opened by Mayor Dana E. Outlaw. Prayer by Mayor Outlaw. Pledge of Allegiance.**
- 2. Roll Call.**

Present: Mayor Dana Outlaw, Alderman Sabrina Bengel, Alderwoman Jameesha Harris (arrived at 6:03 p.m.), Alderman Robert Aster, Alderman Johnnie Ray Kinsey, Alderman Barbara Best, and Alderman Jeffrey Odham. Absent: None. A quorum was present.

Also Present: Foster Hughes, City Manager; Marvin Williams, Assistant City Manager; Michael Scott Davis, City Attorney; and Brenda Blanco, City Clerk.

Alderman Bengel noted additional information was needed to discuss the topic of the extraterritorial jurisdiction ("ETJ" - Item 9), and Alderman Odham suggested the item be tabled until the February 22, 2022 meeting. Alderman Bengel made a motion to table the discussion of the ETJ until the February 22, 2022 meeting, seconded by Alderman Odham. The motion carried unanimously 6-0 (Alderman Harris had not yet arrived).

Foster Hughes introduced Al Cablay, the new Director of Public Works, who started in his position yesterday. Mr. Cablay introduced his wife and said he was glad to be on board and looked forward to "getting to work". Mr. Hughes thanked George Chiles for serving as Interim Director, and a round of applause was given to Mr. Chiles.

At the request of Alderman Bengel, the Board stood and gave a round of applause to the leaders and staff who helped the City through the winter storm this past weekend.

Alderman Best expressed condolences to Alice Wilson, GIS Coordinator, on the passing of her husband.

**Consent Agenda**

- 3. Consider Adopting a Resolution to Close Specific Streets for the Black History Parade.**

Victor Taylor with Vision Forward requested streets be closed to vehicular traffic on Saturday, February 19, 2022, from 10 a.m. until 2 p.m. for the annual Black History

Month Parade, which will commence at 12 noon. Those streets are the 400-600 blocks of Fort Totten Drive, 1300-1600 blocks of Trent Boulevard, 400 block of First Street, 700-1200 blocks of Broad Street, and 400-800 blocks of George Street. In the event of inclement weather, a rain date of February 26, 2022 was requested.

**4. Approve Minutes.**

Draft minutes of the January 11, 2022 regular meeting were provided for review and approval.

Alderman Odham made a motion to approve Items 3-4 of the Consent Agenda, seconded by Alderwoman Harris. The motion carried unanimously 7-0.

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**5. Administer Oath of Office to Director of Finance.**

At the January 11, 2022 meeting, Kimberly Ostrom was appointed as Director of Finance. The City Clerk administered the oath of office to Mrs. Ostrom.

Alderwoman Harris made a motion to take a 10-minute recess, seconded by Alderman Best. The motion carried unanimously 7-0, time being 6:09 p.m. The meeting resumed at 6:26 p.m.

**6. Presentation of Annual Comprehensive Financial Report and Audit for Fiscal Year Ending June 30, 2021.**

Copies of the Annual Comprehensive Financial Report ("ACFR") and Auditor's Discussion and Analysis were distributed to the Board prior to the meeting. Stuart Hill, a CPA with the firm of Thompson, Price, Scott, Adams and Company, P.A., reviewed the findings of the June 30, 2021 ACFR and audit. Three findings were noted for negative fund balances, untimely reconciliations, and the untimely submission of the audit report. The Local Government Commission will require the City to submit a letter within 60 days from today to set forth its plans to address these findings.

The City's General Fund balance has been trending upward. Available fund balance available as of June 30, 2021 was 34.21%. This does not reflect anticipated FEMA reimbursements, as those funds cannot be considered until actually received. The average fund balance of similar-sized cities is 44.06%. The unassigned fund balance as of June 30, 2021 was 30.34%. Mr. Hill explained the difference between available and unassigned fund balances, noting unassigned is restricted by state statute as well as any funds the City has earmarked. New Bern's tax rate is slightly lower than the weighted average of similar cities, and the collection rate was at 99.44% for the year end, which is excellent.

Mayor Outlaw asked Mr. Hill if he had any recommendations from a fiduciary standpoint. Mr. Hill responded that it would be a good idea to perform internal auditing throughout the year, as the annual outside audit could only review so much.

Alderman Odham noted significant growth in the OPEB liability and asked if that was normal. Mr. Hill said the City has an actuary, and the numbers are derived from that report. Alderman Odham noted the liability grew from \$35 million the previous year to \$44 million in the current audit, and he expressed concern about the City's inability to sustain that growth annually. Mr. Hill pointed out the possibility that there were more retirees than previously.

Mayor Outlaw voiced a desire for next year's audit process to involve a meeting between the auditors and a couple of the elected officials to hear concerns from officials that are outside of the questions posed on the survey letter sent out by the auditors.

Numerous other questions were posed, including, but not limited to:

- Alderman Odham inquired as to whether negative fund balances that were waiting for FEMA reimbursements caused an audit finding. Mr. Hill confirmed that was correct.
- Noting page 27 showed a restricted amount of \$376,471 for streets, Mayor Outlaw questioned that number. Alderman Bengel thought it represented the annual payment for the streetscape project, but Alderman Odham did not think so and said that would mean the heading was incorrect. Alderman Bengel suggested a review of that section.
- Alderwoman Harris reiterated the Mayor's earlier request to meet with the auditors, and she suggested a meeting take place two weeks prior to the presentation. Mayor Outlaw then voiced concerns about reviewing the audit electronically versus the print version. He also stated the information the Board receives from staff does not flow with the information received from the auditor.
- Mayor Outlaw asked if it would be in the City's best interest to pay off or consolidate some of the loans referenced on pages 47 and 48. Mrs. Ostrom replied staff was looking at that, but had not yet dived deep into the analysis.
- Referencing page 83, Mayor Outlaw questioned the negative revenues. Mr. Hill suggested any hurricane or storm projects that were completed should be closed out by transferring fund balance. Mrs. Ostrom explained that could have been accomplished by preparing a budget amendment as of June 30, 2021 to close out the project funds. However, staff did not have time.
- A questioned was posed about the \$2.9 million deficit shown on page 100 for nonmajor capital projects. Mrs. Ostrom stated that was a problem with timing at the end of June, but would not be a problem moving forward. Mayor Outlaw asked if there was a need to hire Mr. Hill or someone else to review things that need to be cleaned up. Mrs. Ostrom replied while that could be done, she felt staff could now handle everything. Alderman Kinsey commented that there were issues that needed to be nipped in the bud going forward.

- Clarification was sought for page 157. Mr. Hill explained that schedule was a required report; the “no” responses are good, and the “yes” items may need some work. The “yes” items are due to the audit findings that were pointed out.

**7. Conduct a Public Hearing and Consider Adopting an Ordinance to Establish Electric Rate Schedules for Electric Vehicle Charging Stations.**

The electric rate schedules need to be amended to establish rates for commercial vehicle charging stations and utility-owned electric vehicle charging stations. The new changes, if approved, would be effective January 26, 2022. Mr. Bauschard reviewed the changes reflected on Schedules 14 and 15. Both rate schedules are designed to provide a service for the growing electric vehicle market and to allow consumers a choice for charging electric vehicles.

Mayor Outlaw noted some cities were allowing vehicles to charge for free to entice the drivers to visit restaurants and businesses within the area. He suggested if the City were to obtain two more charging stations through another Volkswagen grant that a location such as the new Stanley White Recreation Center be considered to lure people to visit other areas of the city.

Mayor Outlaw also felt the City did not want to be in the charging business more than it had to since private enterprises could offer that service. Mr. Bauschard explained the grant was designed for the City to review that and decide in a year or so. Users of the charging stations utilize an app or a program built into their vehicle. A third party collects the funds, serves the user, and remits the collected funds to the City. Upon inquiry from Alderman Odham, Mr. Bauschard confirmed there is no profit margin. The City would only recover the cost of service. Alderman Odham pointed out the more electric vehicles there are, the less Powell Bill funds the City would receive since that funding is based on gas taxes. Thus, he questioned why not factor that loss into the rates. Mr. Bauschard replied no one was collecting road taxes on the sale of electricity, but the ability to collect all applicable taxes had been factored into the rates. Rates also include a charge for vehicles that sit idle at the charging station for more than 10 minutes. Alderman Odham suggested that amount be reviewed to ensure it compensates for the actual revenue loss when compared to a vehicle that is plugged in for a charge.

Mayor Outlaw opened the public hearing, but no one came forward to speak. Alderman Bengel made a motion to close the public hearing, seconded by Alderwoman Harris. The motion carried unanimously 7-0.

Alderman Odham made a motion to adopt an ordinance to establish electric rate schedules for electric vehicle charging stations, seconded by Alderman Kinsey. Upon a roll-call vote, the motion carried unanimously 7-0.

Mr. Hughes announced the charging stations would open on the following date.

**8. Consider Adopting a Resolution Authorizing City Manager to Execute a Letter Requesting Increased Funding from the NC Division of Water Infrastructure Clean Water State Revolving Fund (“CWSRF”) for the Duffyfield Stormwater Enhancement Project.**

Amanda Ohlensehlen, Community and Economic Development Manager, reminded the Board that in March of 2021 the City was awarded a \$855,000 loan at a rate of 0.1% for the Duffyfield Stormwater Enhancement Project. At the time of the award, Phase 1 of the project had already received funding and work was under way. Thus, the Division of Water Infrastructure agreed for the grant funds to be used for Phases 2-4. It was understood that this would increase the loan amount. Now that the engineering report and environmental information for Phases 2-4 have been received, the cost of those phases have been projected. The Division of Water Infrastructure has asked the City to submit a formal request to increase the loan funding from the initial award of \$855,000 to \$3,171,202. The total project is more than that, but the park amenities are not eligible costs. The requested letter is for planning purposes only, and the State encourages the City to also apply for other funding options.

Alderman Bengel asked if any of the stormwater funding that was discussed in the American Rescue Plan (“ARP”) workshop would be eligible. Mrs. Ohlensehlen replied that may be a possibility, and she reminded the Board that submission of the letter for increased funds is not binding and will give the City some flexibility.

Alderwoman Harris made a motion to adopt a resolution authorizing the City Manager to execute a letter requesting increased funding from the NC Division of Water Infrastructure Clean Water State Revolving Fund for the Duffyfield Stormwater Enhancement Project, seconded by Alderman Bengel. Upon a roll-call vote, the motion carried unanimously 7-0.

**9. Discussion of Extraterritorial Jurisdiction.**

As indicated at the beginning of the meeting, this item was tabled until the February 22, 2022 meeting.

**10. Appointment(s).**

Alderman Bengel made a motion to appoint John Meehan to the Friends of New Bern Firemen’s Museum Board, seconded by Alderman Aster. The motion carried unanimously 7-0. Mr. Meehan will serve the remainder of Michael Markham’s term that expires on April 22, 2022.

**11. Attorney’s Report.**

The City Attorney had nothing to report.

## **12. City Manager's Report.**

- The Board previously called for a budget retreat to be held on February 11<sup>th</sup> at 12 noon. The availability of a location has now been determined, and it is necessary for the Board to make a new motion to establish the location as the Development Services' conference room.

Alderman Odham made a motion for the February 11, 2022 retreat to be held at 12 noon at Development Services' conference room, seconded by Alderman Kinsey. The motion carried unanimously 7-0.

- In October, the Board adopted a resolution closing specific streets on January 22, 2022 for the Shriner's annual winter ceremonial parade. Due to the snow and ice this past weekend, the parade could not be held. It was requested the Board make a motion to allow the parade to be held this Saturday, January 29<sup>th</sup>, with the same street closures and times as previously approved.

Alderman Aster made a motion to allow the street closure for the Shriner's annual winter ceremonial parade to be conducted on January 29, 2022 at the same time and location as previously approved, seconded by Alderwoman Harris. The motion carried unanimously 7-0.

- The New Bern Police Department started its Noble Knights Chess Club last evening. There was a great response with 24 participants. Because of that number, future classes will be held at West New Bern Recreation Center on Mondays from 5 p.m. to 7 p.m.
- At the Mayor's request, an update was provided on Martin Marietta Park. Mr. Hughes announced a new entrance is in place with various new signs. A grand opening will be held in February.
- Alderman Best asked for an update on the Pleasant Hill Community Center. Mr. Hughes stated he spoke with the contractor today. The shelter will be removed next week, and construction permits will soon be pulled.

## **13. New Business.**

### Alderman Kinsey

Condolences were expressed to the family of Allen Toler. In the 1960's, his father was the New Bern Police Chief

### Alderman Bengel

Gratitude was again expressed to staff for work performed during the ice and snow. Downtown fared well, and communication during the event was excellent.

Condolences were expressed to the family of Jerry Walker, who passed away on Sunday.



Mayor Outlaw

Shriners will be in town Friday and Saturday. The Mayor encouraged those who see a Shriner and appreciate what they are doing to tell them that.

**14. Closed Session.**

Alderman Bengel made a motion to go into closed session pursuant to NCGS §143-318.11(a)(3) to maintain attorney-client privilege, NCGS §143-318.11(a)(5) to discuss potential acquisition of real property, and NCGS §143-318.11(a)(4) to discuss a potential economic development agreement, seconded by Alderman Aster. The motion carried unanimously 7-0, time being 7:54 p.m.

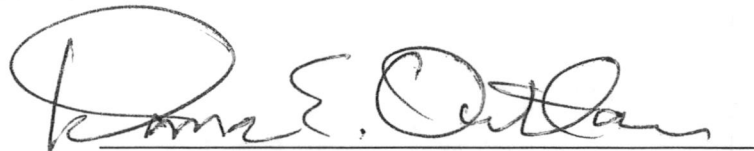
**15. Adjourn.**

Alderman Aster made a motion to adjourn, seconded by Alderwoman Harris. The motion carried unanimously 7-0, time being 8:43 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 08, 2022



Dana E. Outlaw, Mayor



Brenda E. Blanco, City Clerk