

**CITY OF NEW BERN
BOARD OF ALDERMEN SPECIAL MEETING – ANNUAL RETREAT
FEBRUARY 06, 2024 – 9:00 A.M.
CITY HALL COURTROOM
300 POLLOCK STREET**

Board Members in Attendance: Mayor Jeffrey Odham; Aldermen Rick Prill, Hazel Royal, Johnnie Ray Kinsey (arrived at 10:37 a.m.), Barbara Best (arrived at 9:05 a.m.), and Robert Brinson. Absent: Alderman Robert Aster. A quorum was present.

Also in Attendance: Foster Hughes, City Manager; Marvin Williams, Assistant City Manager; and Brenda Blanco, City Clerk.

Mayor Odham opened the meeting. Alderman Royal provided prayer, and the pledge of allegiance was recited.

City Manager’s Overview of Retreat

A very brief overview was provided of the retreat and steps leading up to it. After receiving input from the Governing Board at the end of last year, there was a consensus to pursue three projects: economic development, increased paving of streets, and a fishing pier at the Broad Street terminus. The timeline for the budget process was revealed.

Departmental Overview and Vision for Next Fiscal Year

Mr. Hughes reviewed the general government budgets.

- **General Government (includes General Administration, Legal, Elections, Special Appropriations, and PEG)**

Administration

Potential renovations of City Hall may be included in the budget to maximize unused space.

Special Appropriations

Funding for Highway 17/64 was not approved in the FY24 budget. The association is requesting funding for next year and has offered to make a presentation before the Board. Mayor Odham noted the organization is a lobbyist for improvements along the 17/64 corridor, and the Board had decided against funding since there is now a Metropolitan Planning Organization (“MPO”) and projects are determined on a grading scale. Alderman Brinson was not in favor of funding for the reasons outlined by the Mayor, and he noted Craven County also pulled its funding. Alderman Prill was in favor of a presentation from the association’s Executive Director. While others stated they would be amenable to a presentation, they were not in support of reinstating funding.

PEG

Funding is sought to upgrade the PEG channel equipment from analog to digital and implement closed captioning in both English and Spanish. The City receives about \$22,000 from the State to offset the PEG expenses, but that does not cover all expenses. Mayor Odham asked if there is a way to gauge the number of viewers, and Colleen Roberts, Public Information Officer, responded it is very difficult to track that number from a non-revenue-generating channel. Mayor Odham felt the viewership of the PEG channel was trending down as fewer people have cable service, and he suggested the Board may want to start thinking about the future of the PEG channel and how long it will be around. Mrs. Roberts stated the most popular among viewers is Facebook, and the ROKU platform was initiated about a year ago. While he understood the Mayor's comments, Alderman Prill was hesitant to step away from the PEG channel due to criticism. Although he does not like to waste money, he felt there was a responsibility to provide as much information as possible and let the community decide if they want to take advantage of the resource. Alderman Best was supportive of the PEG channel as she felt older citizens would watch the channel more than they would utilize other electronic platforms.

Total capital requests for PEG was \$66,500, with an ongoing annual cost of \$7,000 for closed captioning. Mr. Hughes indicated the website would also be upgraded this year.

Legal

The City Attorney is requesting an increase from \$306,822 to \$337,566, which equates to a 10.02% raise. An increase is typically sought every two years and is based on the Consumer Price Index ("CPI"). While he appreciated the comparison to other cities, Alderman Prill preferred to see a breakdown of services being provided to the City and the cost. He felt the Board needed a procedure in place to review professional services. Alderman Brinson was interested in seeing the increases given over the last few years. Alderman Royal agreed with both Aldermen Prill and Brinson's requests and suggestions.

Elections

There have been discussions to move the City's election from odd years to even years. The last election in 2023 cost approximately \$28,000. If the Board desires to extend its current term to 2026, now is the time to make that decision, per Mr. Hughes. Aldermen Brinson, Prill and Royal were supportive of placing this topic on a future agenda to review the associated costs and options. The Mayor felt this was the most logical time to consider the change. Alderman Best was not supportive of extending the current Board's term.

Governing Board

The Board was asked about their support to redesign the courtroom area where the Manager, Attorney, and Clerk sit. The redesign would incorporate safety features. A desire was expressed to see a proposed plan and the cost estimate.

- **Development Services**

Jessica Rhue, Director of Development Services, reviewed the functions and divisions of the department. Increased funding will be requested for training, as some employees have never received training on supervision or communication. Funding was sought to add a Planner I position. Additional personnel changes included several title changes. A brief discussion ensued about the Community and Economic Development Manager transitioning to a Special Projects Planner. The pay grade for this position was downgraded so it is no longer the same grade as that of the department's assistant director, and the position will no longer supervise an employee. Mayor Odham provided history on the position and how it seemed to shift from economic development to community development and grant work following Hurricane Florence. He felt the position should travel to trade shows, meet with businesses, and promote economic development, which is different from the proposal, and he felt the Board should have a discussion about the role. Alderman Brinson's vision was also for the position to promote the City. If the position takes this new route, Mrs. Rhue suggested it should report to the City Manager and be part of Administration instead of Development Services. Alderman Prill was uncomfortable with the City taking reactionary roles, and he asked if the title changes were reactionary instead of proactive. He suggested staff, specifically Department Heads, should be much more proactive instead of stating they would do whatever the Board wanted them to do.

Mrs. Rhue reviewed minor building renovations and capital requests for vehicles. All additional requests totaled \$181,325.

(Alderman Best momentarily stepped out of the room at 10:10 a.m.)

- **Redevelopment Commission**

Zeb Hough, Executive Director, reviewed the redevelopment boundary and functions of the Redevelopment Commission ("RDC"). He provided an update on the Commission's initiatives and progress.

(Alderman Best returned to the room at 10:19 a.m.)

A draw of \$10,000 for land acquisition was requested from the Commission's fund balance. The desired acquisition is that of a parcel attached to the West A Street tract and the other is attached to a First Avenue tract that the RDC already owns.

Alderman Best asked about the progress of the health and wellness clinic, and Mr. Hough stated he felt the response had been positive overall. The appraised values of the homes on Walt Bellamy range between \$150,000 to \$165,000 per unit. Alderman Royal questioned how the footprint of the boundary kept enlarging, and in response it was noted the boundary reflects the area identified in the Choice Neighborhood Initiative. As redevelopment takes place, the boundary will decrease according to Mr. Hough.

Alderman Prill asked to see a map depicting how many of the 910 residential properties on the RDC map were rental units versus owner occupied. Mayor Odham cautioned that it would require a survey to determine which homes are rentals. Mr. Hough stated GIS stats are based on the census and would only provide estimates. Alderman Prill was attempting to point out that the RDC could only assist homeowners, not renters, within the redevelopment boundary.

Alderman Prill noted there had been a large uptick in the sale of surplus properties, and he thought it would be interesting to see which properties had actually been developed after they were sold. Mr. Hughes stated it was possible to provide that information, and he announced two homes had been constructed on parcels sold along Martin Luther King Boulevard.

(Alderman Kinsey arrived at 10:37 a.m.)

Alderman Brinson made a motion to take a 5-minute break, seconded by Alderman Best. The motion carried unanimously 6-0, time being 10:38 a.m. The meeting resumed at 10:49 a.m. with Aldermen Prill, Kinsey, Brinson, and Mayor Odham at the dais.

- **Finance**

Kim Ostrom, Director of Finance, provided an overview of the department.

(Alderman Royal returned to the meeting at 10:50 a.m., and Alderman Best returned at 10:51 a.m.)

Goals and initiatives were briefly reviewed. A position was sought for a Budget Administrator. While this position is new to the classification plan, it will have no impact to the budget since it is essentially a reclassification.

Alderman Prill noted the presentation referenced a 3-to-5-year budget plan. He asked about the distinction between that and the annual budget, noting the Board has never received information on the difference. Mrs. Ostrom explained a multiyear budget looks at capital improvements, grants, and special revenue funds, and she suggested the City start looking at multiyear budgets.

- **Fire**

The department's goals and initiatives were reviewed by Fire Chief Damien Locklear. It was proposed that a fee be added for open burning and land clearing. Three additional Fire Engineers were sought to operate a quick-response vehicle to respond to EMS and service calls. The Board previously voiced a desire to have small vehicles available to react to these types of calls, thus reducing the use of and wear and tear on a fire truck.

Public building requests included modifications and renovations to the training grounds and headquarters, Elizabeth Avenue and Thurman Road stations. Jim McConnell, Fire Division Chief of Training, described the need to mitigate water issues that are causing damage to the training facility. Capital requests included land acquisition for a fourth fire station, a fire engine, a service vehicle, and six self-contained breathing apparatus. Total of additional requests from Fire equaled \$1,775,576.

Mayor Odham asked the City Manager to provide a list of all City-owned vehicles with year and mileage. Alderman Prill asked if follow-up meetings with the Manager would include a list of priorities where each department ranks its requests, and Mr. Hughes responded yes. Mr. Hughes also noted service records for vehicles are pulled and reviewed when considering vehicle requests. Mrs. Ostrom pointed out today's presentation lists the departments' requests by priority.

- **Human Resources**

Sonya Hayes, Director of Human Resources, noted changes for next year will include the conversion of exit interviews to an electronic platform versus paper, and the production of a comprehensive employee benefit guide. Neither of these will require additional funding in the budget.

Alderman Kinsey asked about turnover, whether the volume is concerning, if certain departments have a higher turnover rate, and if the City Manager shares that information with the Board. Mr. Hughes stated the statistics are provided in the monthly and weekly reports. He reviews exit interviews and has not seen a common concern about any one department. However, when an employee has listed an issue upon their exit, Mr. Hughes has asked if he could speak with the employee to gather more information so he could address the issue as needed. During COVID, a lot of employees left because of the ability to work remotely or receive more pay. Mrs. Hayes did not feel there was an alarming turnover trend. In Fiscal Year 2021-22, turnover was 18.3%. That had reduced to 14.0% as of last June.

(Alderman Royal momentarily stepped out of the room at 11:31 a.m.)

- **Information Technology**

Ernest Simons, Director of Technology, reviewed the investment the City has already made in technology and its dependency on that technology.

(Alderman Royal returned to the room at 11:37 a.m.)

Personnel requests include the addition of an Administrative Assistant, the reclassification of the Senior Systems Analyst to an Assistant Director of Information Technology, and the addition of an IT Technician and IT Systems

Analyst. Funding of \$10,000 was requested to replace carpet, and capital requests totaled \$123,000 for an internet failover appliance and wireless network firewall. The total of all additional requests was \$191,022.

Alderman Kinsey asked how much money would continue to be spent on upgrading City Hall, especially considering the recent expenditure of \$5 million to add the annex. He was concerned about “sinking” more money into an old building and favored a centralized location for all departments. Mr. Hughes said maintenance dollars would always be spent as long as the City Hall building exists. The old water resources building on Neuse Boulevard is being analyzed to determine which department would be best suited to that location. Available space at City Hall is being reviewed, as well as the impact additional employees would have on parking.

The threat of cybersecurity was discussed.

Alderman Royal made a motion to take a 30-minute break for lunch, seconded by Alderman Kinsey. The motion carried unanimously 6-0, time being 11:56 a.m. The meeting resumed at 12:32 p.m. with Mayor Odham and Aldermen Brinson, Best, and Prill at the dais.

- **Parks and Recreation**

Kari Warren, Director of Parks and Recreation, reviewed the services provided by the department and each division. Additional funding was sought for three new full-time positions and four part-time positions.

(Alderman Royal returned to the room at 12:37p.m.)

With respect to fees, it was requested that cemetery opening and closing fees increase by \$200, general admission to the aquatic center increase by \$0.50, and pool party fees increase by \$50.

(Alderman Kinsey returned to the room at 12:40 p.m.)

Mayor Odham inquired as to the positions that were at Stanley White Recreation Center (“SWRC”) when the facility closed. Mr. Hughes stated all positions were vacated except one, and the City stopped budgeting for those positions. Alderman Best stated if there was employee interest, she would like to see positions filled inhouse before being filled from the outside. Mr. Hughes stated once SWRC opens, operations at West New Bern Recreation Center will need to be reevaluated.

Capital requests were reviewed in order of highest need. The top priority is to upgrade restrooms in the parks. Some piers are currently closed due to safety concerns and are in need of repair. Three of those are piers that were inherited

from New Bern Towers. After reviewing all personnel and capital requests, the total cost of additional requests was calculated at \$1,220,385.

- **Police**

The Police Department currently has 120.5 employees according to Police Chief Patrick Gallagher. When he came aboard, sworn staff was down by 13%. It is now down by only 3%. A new position for a Cold Case Investigator was requested. The department has had a total of 22 cold case homicides since 1990. Capital requests include the replacement of 14 cruisers and one climate-controlled vehicle for animal control, replacement of a K9 dog, mobile shelving, a hydraulic ram to breach doors in tactical situations, and two traffic data boards. The cost of reaccreditation has increased by \$5,356. An increase of \$10,000 will be requested for travel and training. All additional requests totaled \$1,288,500.

- **Public Works**

The divisions of Public Works were reviewed by George Chiles, Director of Public Works. The City maintains over 200 miles of sidewalks. Six new positions were requested for the department: Equipment Operator I, two Construction Maintenance Workers for streets, two Construction Maintenance Workers for stormwater, and a part-time Senior Accountant. Mayor Odham asked if the accountant position were to be approved if it would report to Public Works or Finance. Mrs. Ostrom stated the current temporary employee is working as a liaison between both departments, reporting to Finance but assisting Public Works. If the position were approved, the Senior Accountant would not be working in Public Works per Mrs. Ostrom and Mr. Chiles. In addition to reviewing requests for capital items, Mr. Chiles announced insurance premiums are estimated to increase by \$368,000. The total of all additional requests for added positions, building maintenance, capital purchases, and sidewalk and roadway improvements was \$2,034,750.

- **Solid Waste**

Mr. Chiles also reviewed Solid Waste. A small rate increase is proposed for services.

(Alderman Kinsey left the meeting at 1:51 p.m.)

An additional position was sought for an Office Assistant III. Capital requests were reviewed and included a concrete pad for containers at the solid waste facility, replacement of a barn roof, and replacement of a vehicle. The total of all additional requests was \$167,220.

- **Public Utilities - Water Resources**

Jordan Hughes, Director of Water Resources, stated the department is full service and does not outsource procurement, water treatment, distribution, sewer collection or sewer treatment. This takes a robust staff and budget to accomplish.

(Alderman Royal momentarily stepped out of the room at 2:02 p.m., returning at 2:11 p.m.)

Capital requests were reviewed as outlined in the PowerPoint and totaled \$1,796,000. No personnel changes were sought.

Noting the presentation indicated customer growth had slowed, Alderman Royal questioned why the City appears to be growing. While the City is still growing, Jordan Hughes noted it is not at the same pace. Growth peaked in 2021 and has now leveled off to the average seen over the last decade or so.

(Alderman Prill momentarily stepped out of the room at 2:17 p.m.)

Alderman Brinson made a motion for a 5-minute recess, seconded by Alderman Royal. The motion carried unanimously 6-0. Of note, Alderman Kinsey had left the meeting and Alderman Prill had momentarily stepped out, thus technically yielding a vote in the affirmative. The meeting resumed at 2:23 p.m.

- **Public Utilities - Electric**

Charlie Bauschard, Director of Public Utilities, reviewed proposed rate changes as well as personnel requests. Eight capital requests were discussed. The total of all additional requests for salary adjustments and capital totalled \$3,583,000.

To wrap up the budget overview, Mrs. Ostrom summarized the requests as shown on slides 197-200 of the PowerPoint. Mayor Odham asked about the General Fund debt that would expire this year. Mrs. Ostrom indicated she would need to pull that information.

Mr. Hughes announced upcoming dates that had been established for the remainder of the budget schedule.

Mrs. Ostrom reported there is an inconsistency in sales and use tax revenue, and she was trying to predict where this would end up. Collections from July through October averaged about 3%. November revealed an 11% increase. Other municipalities are commenting that depending on projections, it may be necessary to look at a reduction or loss in collections. Some are calculating between 5-10%. New Bern budgeted 7% but is looking at about a 3% shortfall of \$360,000. Fund balance reflected \$15.5 million available after restricted and committed funds were set aside. That resulted in a 40%

fund balance after Fiscal Year 2023 expenditures. After pulling \$1.4 million to balance the Fiscal Year 2024 budget and considering the estimated \$360,000 shortfall, fund balance will drop to about \$13.7 million per Mrs. Ostrom. On a positive note, preliminary estimates from the county show a 12% increase in the 2025 property valuation.

Discussion of Board's Rules of Procedure

It was the consensus of the Board to place this item on the February 13, 2024 agenda. Alderman Royal asked that the rules of procedure be cross referenced with a list of supporting statutes.

Adjourn

Alderman Royal made a motion to adjourn, seconded by Alderman Brinson. The motion carried unanimously 6-0, time being 2:49 p.m. Of note, Alderman Kinsey had left the meeting, thus yielding a vote in the affirmative.

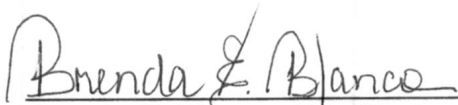
The attached documents are incorporated herewith and are hereby made a part of these minutes.

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: February 27, 2024



Jeffrey T. Odham, Mayor



Brenda E. Blanco, City Clerk