

**City of New Bern
Board of Aldermen Meeting
May 28, 2019 – 6:00 P.M.
City Hall Courtroom
300 Pollock Street**

- 1. Meeting opened by Mayor Outlaw. Prayer given by Victor Salgado, a City employee in the Utility Business Office. Pledge of Allegiance.**
- 2. Roll Call.**

Present: Mayor Dana Outlaw, Alderman Sabrina Bengel, Alderwoman Jameesha Harris (entered the room at 6:04 p.m.), Alderman Robert Aster, Alderman Barbara Best, Alderman Johnnie Ray Kinsey and Alderman Jeffrey Odham. Absent: None. A quorum was present.

Also Present: Mark Stephens, City Manager; Michael Scott Davis, City Attorney; and Brenda Blanco, City Clerk.

Alderman Odham momentarily stepped out of the room at 6:02 p.m.

Consent Agenda

- 3. Consider Adopting a Resolution to Call for a Public Hearing on Rezoning 2409 Oaks Road.**

Nasr Algaradi, owner of 2409 Oaks Roads, requested that the ¼-acre parcel be rezoned from R-6S Residential District to C-3 Commercial District. The property is further identified as Tax Parcel ID 8-019-008. The hearing will be held on June 11, 2019 at 6 p.m.

- 4. Approve Minutes.**

Minutes from the April 14, 2019 meeting were provided for review and approval.

Alderman Bengel made a motion to approve Items 3-4 of the Consent Agenda, seconded by Alderman Aster. The motion carried unanimously 6-0. Alderman Odham had stepped out of the room, thus technically yielding an affirmative vote. Alderwoman Harris had not yet entered the room or taken her seat at the dais.

5. Conduct a Public Hearing and Consider Adopting a Resolution to Finance the City Market-Workforce Development Center Project.

As part of the City's match for the EDA grant for the City Market-Workforce Development Training Center Project (also known as the "VOLT Center"), the Board previously approved funding in the amount of \$619,407. A Request for Financing Proposal was sent to 17 banks. Upon reviewing the responses, BB&T offered the lowest finance charge for the life of the loan. The proposed financing is for 10 years at an interest rate of 2.78% and loan fees of \$5,900.

Mayor Outlaw opened the public hearing, but no one came forward to speak.

(Alderman Odham returned to the room at 6:04 p.m., and Alderwoman Harris entered the room and took her seat at 6:04 p.m.)

Alderman Aster made a motion to close the public hearing, seconded by Alderman Best. The motion carried unanimously 7-0.

Alderman Bengel inquired about a breakdown of the project costs. J.R. Sabatelli, Director of Finance, explained the overall construction costs for the project were budgeted at \$2.431 million. Some of the costs, such as inspection fees and contingency, were combined into the construction contract.

Alderman Odham made a motion to adopt a resolution to finance the City Market-Workforce Development Center Project, seconded by Alderwoman Harris. Upon a roll-call vote, the motion carried unanimously 7-0.

6. Conduct a Public Hearing and Consider Adopting a Resolution to Finance Roadway Improvement Projects.

To fund roadway improvements to Oaks Road and a portion of Trent Road, the City will utilize proceeds from debt financing. A Request for Financing Proposal was sent to 17 banks. Upon reviewing the responses, BB&T again offered the lowest finance charge for the life of the loan. The amount to be financed will not exceed \$1,600,000, and the proposed financing is for 10 years at an interest rate of 2.78% with no loan fees.

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

Alderman Best made a motion to adopt a resolution to finance the roadway improvement projects, seconded by Alderwoman Harris. Upon a roll-call vote, the motion carried unanimously 7-0.

7. Update on Stanley White Recreation Center.

The City contracted with MBF Architects to review and evaluate City-owned buildings that were substantially damaged during Hurricane Florence. The

evaluation for Stanley White Recreation Center has been completed. Tripp Eure, an Architect with MBF Architects, reviewed the results of the Damage Restoration Evaluation, a copy of which had been provided to the Board. MBF evaluated the property for three scenarios:

- Repair of the center as it is now, still below flood elevation and remaining at risk for future flooding: \$1.5 million
- Demolition: \$630,000
- Replacement: almost \$7.4 million

Mr. Eure confirmed the building met the definition of substantially damaged, as defined by FEMA.

Corey Spaulding, FEMA Consultant, offered explanation regarding funding and the status of FEMA eligibility. With reference to insurance pay out, he stated he did not see any reason that the City would not receive the full \$1 million policy limit. Alderman Aster suggested the City forward a strong letter to the insurance company demanding payment of the policy limits.

As a result of the flooding, Mr. Eure noted there were many stress cracks observed in the foundation of the Stanley White Recreation Center. The repair estimate is to rebuild the building as it is with the same amenities; not bigger, better or more resilient. Mr. Eure stated simply repairing the building means it would still remain at risk in his opinion, and he did not think FEMA would cover the \$1.5 million repair cost. Alderwoman Harris suggested the former Days Hotel site be reviewed for an alternate location with renderings prepared to show what additional amenities and improvements could be incorporated for an investment of \$7.4 million. Alderman Best pointed out the community has been adamant that the facility stay in its current location. Alderwoman Harris responded additional information is now available for consideration, and that information sheds a new light on the situation. Mr. Stephens felt it appropriate to wait to discuss alternatives with the community until the time when the City knows what dollar amount it will receive. Several members of the Governing Board voiced a desire for the name of the facility to remain the same, no matter where it is situated.

8. Consider Adopting an Ordinance Amendment Changing the City's Election Method from Nonpartisan with Runoff to a Nonpartisan Plurality Method.

At the May 14, 2019 meeting, a public hearing was held to receive comments on an ordinance amendment to change the City's election method from nonpartisan with runoff to a nonpartisan plurality method beginning with an election to be held in November 2021. With that hearing having now been conducted, the proposed ordinance amendment could be considered.

Alderman Bengel asked if the vote were delayed this evening whether the Board had 60 days from the date of the public hearing to adopt the resolution. Mr. Davis confirmed that was correct. However, if it were not adopted within that timeframe,

it would be easy to restart the process in a few months. Additional discussion ensued about potential options.

Alderman Odham made a motion to table this item to a future date to allow the Board to further discuss it and the options, seconded by Alderman Aster. After additional discussion, Alderman Aster called the question. The motion carried unanimously 7-0.

9. Consider Adopting a Resolution Approving the 2019 Street-Resurfacing Contract.

After seeking bids, six qualified bids were received for the 2019 Street-Resurfacing Contract. Tripp Bro's, Inc. submitted the lowest bid at \$989,450. The Board was asked to consider a resolution authorizing the City Manager to execute a contract with this vendor, including all change orders within the budgeted amount. The project is scheduled to begin in the next 30-45 days. Matt Montanye, Director of Public Works, provided information on the detail of work to be included in the resurfacing. He noted some streets would be fully milled, while others would not.

Alderwoman Harris made a motion to adopt a resolution approving the 2019 street-resurfacing contract, seconded by Alderman Bengel. Upon a roll-call vote, the motion carried unanimously 7-0.

10. Consider Adopting a Resolution Approving an Audit Contract for Fiscal Year Ending June 30, 2019.

A request for proposal was advertised for services to perform the City's annual audit. Five proposals were received and scored based on costs, qualifications and experience, with more emphasis placed on the latter two factors. Mauldin & Jenkins, LLC, the City's auditor for the last three years, received the highest score and was the recommended vendor by Finance staff. Their proposed cost to perform the audit for Fiscal Year Ending June 30, 2019 is \$40,000, which includes one major program. Each additional major program is at a cost of \$5,000 each. Joseph Sabatelli, Director of Finance, explained what would constitute a major program.

Alderman Bengel voiced concern about the cost of additional major programs. Alderman Odham questioned the scoring mechanism, noting Thompson, Price, Scott & Adams offered a lower cost with more hours put into the process. He voiced a desire to change auditors every three years or so, noting the likelihood that a new auditor may identify areas that should be addressed. Each of the auditing firms provided a list of references, and the lists were reviewed, but references were not checked, according to Mr. Sabatelli.

Alderman Odham made a motion to award the contract to perform the audit for Fiscal Year Ending June 30, 2019 to Thompson Price Scott & Adams, seconded by Alderwoman Harris. Concern was expressed about selecting a firm for which references had not been checked, and Alderman Odham replied that was not a concern to him since the firm is on a list of auditors approved to audit North Carolina

municipalities. It was suggested that in the future, references be checked prior to presenting information to the Board. Upon a roll-call vote, the motion carried unanimously 7-0.

11. Consider Adopting an Ordinance to Establish the City Hall Elevator Project Fund.

At its May 14, 2019 meeting, the Board provided direction to establish a project fund for the City Hall Elevator project. The proposed ordinance establishes the project fund with a budget of \$1,000,000 that will be funded through proceeds from borrowing.

Alderman Bengel made a motion to adopt an ordinance to establish the City Hall Elevator Project Fund, seconded by Alderwoman Harris. Upon a roll-call vote, the motion carried unanimously 7-0.

12. Consider Adopting a Resolution Approving a Declaration of Intent to Reimburse the City Hall Elevator Project Fund.

This resolution relates to the previous item that establishes a City Hall Elevator project fund. Pursuant to IRS regulations, a Declaration of Intent to Reimburse must be adopted prior to or within 60 days of payment of the project expenditures that are to be reimbursed.

Alderman Bengel made a motion to adopt a resolution approving a declaration of intent to reimburse the City Hall Elevator Project Fund, seconded by Alderwoman Harris. Upon a roll-call vote, the motion carried unanimously 7-0.

13. Consider Adopting a Resolution Approving the Classification Pay Plan for Fiscal Year 2019-20.

Annually, the Board adopts a Classification Pay Plan. In the past, the pay plan was adopted as part of the annual budget ordinance. After conferring with the City Attorney, it was determined the pay plan should be adopted in the format of a resolution and separate from the budget ordinance. Last year was the first year that the plan was adopted separately.

Alderman Odham made a motion to adopt the resolution approving the classification pay plan for Fiscal year 2019-20, seconded by Alderwoman Harris. Upon a roll-call vote, the motion carried unanimously 7-0.

14. Consider Adopting an Ordinance Amending the Schedule of Fees and Charges.

As part of the budget process, the Board annually adopts an Amended Schedule of Fees and Charges to, in part, identify in one place all of the fees charged by the City. The fees identified in the schedule are included in the revenue projections for Fiscal Year 2019-20 and will be effective July 1, 2019.

Alderman Kinsey made a motion to adopt the Ordinance amending the Schedule of Fees and Charges for Fiscal Year 2019-20 effective July 1, 2019, seconded by Alderman Odham. Upon a roll-call vote, the motion carried unanimously 7-0.

15. Consider Adopting the Budget Ordinance for Fiscal Year 2019-20.

After presentation and review of the Manager's recommended budget for Fiscal Year 2019-20, holding a budget workshop, and conducting a public hearing, changes expressed by the Board have been incorporated into the final budget ordinance for Fiscal Year 2019-20.

Alderman Aster made a motion to adopt the budget ordinance for Fiscal Year 2019-20, seconded by Alderwoman Harris. Upon a roll-call vote, the motion carried unanimously 7-0.

16. Consider Adopting a Resolution to Approve the 2018 Local Water Supply Plan.

NC General Statute §143-355(1) requires each unit of government that provides public water service to annually prepare and submit a Local Water Supply Plan ("LWSP") to the NC Department of Environmental Quality ("NCDEQ") for review and approval prior to April 1st. NCDEQ has recently completed its review of the information contained in the City of New Bern's 2018 LWSP and has indicated that the plan is complete and contains all of the information needed to satisfy the statutory requirements. The final step of compliance is adoption by the Governing Board.

Alderman Best made a motion to adopt a resolution to approve the 2018 Local Water Supply Plan, seconded by Alderman Bengel. Upon a roll-call vote, the motion carried unanimously 7-0.

17. Appointment(s).

Alderman Bengel stated she and the Mayor have had appointments to make to the New Bern Appearance Commission for a while now. She stated she and Foster Hughes have discussed the difficulty of finding candidates to serve on the Board.

Alderman Aster made a motion to reappoint Jim Bisbee to the Historic Preservation Commission, seconded by Alderman Odham. The motion carried unanimously 7-0.

18. Attorney's Report.

Mr. Davis had nothing to report.

19. City Manager's Report.

- Several comments have been made by the Board about permanent placement of some items and artifacts in City Hall. A portrait of Leander Morgan, New

Bern's first African American Mayor, was recently hung in the courtroom to honor Justice Michael Morgan on his visit in May. Ella Bengel was the City's first female Mayor, and it has been suggested her portrait be hung on the opposite wall. Alderwoman Harris made a motion to recuse Alderman Bengel from the discussion about hanging her mother-in-law's picture, seconded by Alderman Kinsey. The motion carried unanimously 6-0. By a show of hands, the remaining members of the Board expressed direction to hang a picture of Ella Bengel.

- Noting in the past that Alderman Best had expressed concern about employees working in excessive heat, Mr. Stephens noted this week is supposed to be very hot. Staff has been reminded of precautions to take during extreme weather.
- Jeff Ruggieri, Director of Development Services, was called forward to provide an update on the inspections that took place at Craven Terrace. He shared a PowerPoint depicting a timeline of complaints and the findings from the inspections. Noting that a smoke detector had not been in a unit for more than four months, Alderwoman Harris voiced a desire to have a joint meeting with Preservation Management. Matt Boswell, Chief Building Inspector, noted that there were other working detectors in the two affected units, all of which were hard wired. One of the units missing a detector was vacant, and a detector had been physically removed from the other unit. Alderman Aster asked for a follow-up report after the compliance visit on May 30th. Alderwoman Harris reiterated her desire to have a special meeting with Preservation Management.

(Alderwoman Harris momentarily stepped out of the room at 7:48 p.m.)

Mr. Davis explained the nature of ownership does not drive the standards for minimizing housing; the state statute drives the standards. He described the process for complying with an order issued by the Building Inspector.

(Alderwoman Harris returned at 7:50 p.m.)

Mr. Davis also pointed out the City does not have jurisdiction over issues between landlords and tenants, and he voiced caution about elected officials getting involved in disputes or complaints between the two parties. For the record, Alderwoman Harris said when she gets calls from tenants, she refers the tenant to their landlord. Troy Smith, an attorney with Ward and Smith, was in attendance, and the Board agreed to allow him to speak. Mr. Smith stated he has been involved in the redevelopment of Craven Terrace. He confirmed the City does not have jurisdiction over the units, just as it does not have jurisdiction over any other rental property in the City. He noted the property sustained over \$6 million in damage from Hurricane Florence, \$5 million of which is being paid by insurance and the remaining \$1 million paid by the private owner. Mr. Smith stated the complaints made to the Governing Board at a recent meeting was nothing short of a Jerry Springer show. He suggested the Board get facts before it allows things to run amuck in front of a television

audience, which ultimately hurts the City with respect to businesses and people who desire to move here. Alderman Bengel briefly explained the procedure of allowing citizens to speak under Request and Petition of Citizens. She stated it was her job to listen to citizen complaints. Mr. Smith offered to meet with members of the Board at any time they had questions.

(Alderwoman Harris stepped out of the room momentarily at 8:10 p.m., returning at 8:11 p.m.)

- A hurricane-preparedness expo is planned for June 15, 2019. Multiple industry representatives will be invited to participate and share ways in which citizens can prepare for hurricane season. Foster Hughes, Director of Parks and Recreation, announced the event would be held at West New Bern Recreation Center from 2 p.m. to 6 p.m.
- At Mayor Outlaw's request, Mr. Stephens provided a brief update on the status of the community-rating system.

20. New Business.

Alderman Best

The Memorial Day service held Monday at the National Cemetery was well attended. She and Police Chief Toussaint Summers represented the City. In response to Troy Smith's comments, Alderman Best welcomed citizens to voice their concerns or comments to the Board.

21. Closed Session.

Alderman Odham made a motion to go into closed session pursuant to NCGS §143-318.11(a)(3) to maintain attorney-client privileges and NCGS §143-318.11(a)(5) to discuss potential acquisition of real property, seconded by Alderman Kinsey. The motion carried unanimously, time being 8:18 p.m.

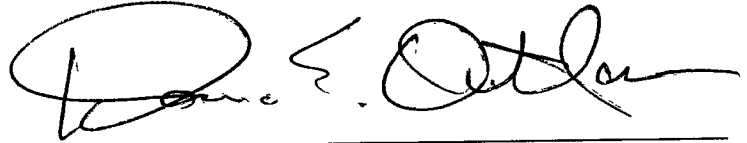
22. Adjourn.

Alderman Bengel made a motion to adjourn, seconded by Alderman Aster. The motion carried unanimously 7-0, time being 9:06 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: June 11, 2019

A handwritten signature in black ink, appearing to read "Dana E. Outlaw". The signature is fluid and cursive, with a large initial "D" and "O".

Dana E. Outlaw, Mayor

A handwritten signature in black ink, appearing to read "Brenda E. Blanco". The signature is cursive and elegant, with a large initial "B".

Brenda E. Blanco, City Clerk