

**CITY OF NEW BERN
BOARD OF ALDERMEN MEETING
JUNE 21, 2010
CITY HALL COURTROOM – 7 P.M.
300 POLLOCK STREET**

1. **Meeting Opened by** Mayor Lee W. Bettis, Jr. **Prayer by** Rev. Walter Graves, former pastor of Trinity Methodist Church. Pledge of Allegiance.
2. **Roll Call.** Aldermen Sabrina Bengel; Victor Taylor; Denny Bucher; Johnnie Ray Kinsey; Bernard White; and Dana Outlaw.

Also in attendance: Ed Wyatt, Interim City Manager and Scott Davis, City Attorney.

3. **Public Hearing on the Justice Assistance Grant Proposal.**

This is final public hearing on the Justice Assistance Grant. The public was given an opportunity to be heard. These grant funds enable the Police Department to obtain equipment that the Police Department would not otherwise have funds to purchase. The proposed grant application for the Police Department to received \$16,087 in funds from the 2010 Edward Byrne Memorial Justice Assistance, there is not City Match.

Alderman Bengel made a motion to open the public hearing on the JAG grant application, seconded by Alderman Taylor. The motion carried unanimously.

There was no public comment.

Alderman Bucher made a motion to close the public hearing on the JAG grant application, seconded by Alderman White. The motion carried unanimously.

The board should have adopted the resolution, but the motion to adopt the resolution was never done nor a roll call vote. It has to go back on the agenda for approval.

Tommy Moore, owner of Moore's Barbecue invited the board to attend a Guinness World Records Event. In celebration of New Bern's 300th Anniversary, the World's Largest Open Sandwich Barbecue Bun will be on display Sunday July 4, 2010, 1:00 P.M., at Union Point Park.

4. **Approval of Minutes.**

Alderman Bengel made a motion to approve the minutes for May 25, 2010 and June 1, 2010, seconded by Alderman Outlaw. The motion carried unanimously.

5. Adopt Resolution Supporting MCAS Cherry Point, Fleet Readiness Center East, and the Stationing of the f-35B Joint Strike Fighter.

Allies for Cherry Points Tomorrow requested the elected officials to adopt a resolution showing support of potential F-35B aircraft stationing at Marine Corp Air Station Cherry Point. It is important for Eastern North Carolina to stand together with a united voice.

Alderman Bengel made a motion to adopt the resolution supporting MCAS Cherry Point, fleet readiness center, seconded by Alderman Outlaw. Upon a roll call vote, the motion carried unanimously.

6. Adopt Budget Ordinance for FY 2010-2011.

Mr. Wyatt, Interim City Manager presented the 3rd revised budget ordinance with the requested changes. The board recommended deleting the amounts to zero for Christmas decoration, and Governing Board. It was recommended to increase taxes to .41 cent per \$100, and decrease Special Appropriation by 15%, as well as offer early retirement to employees that qualify. Mr. Wyatt stated the budget has been scaled back as much as possible without affecting the level of service.

Alderman Outlaw stated the city needs to streamline the waste and restructure the enterprise funds. The city is too heavily dependent on the enterprise funds. The city needs to consider selling the Kale Road property.

Alderman White stated the city needs to scale back making sure all requests are needs and not desires. He is not in favor of an increase of insurance premiums nor furlough days for the employees. He is in favor of a .41 cent per \$100 tax increase.

Alderman Bucher stated that he does not like the concept of the enterprise fund allocating revenues to the general fund. The city needs to make some adjustments on how revenues are distributed to the general fund. He expressed to the board that all projects need to be put on hold unless it is absolutely necessary to precede. Alderman Bucher expressed to the board that he hoped the board would vote unanimously on approving the FY2010-2011 budget.

Alderman Taylor thanked the manager and Department Heads for a job well done. Unfortunately, the current board was dealt this deficit but he is in favor of a .41 cent per \$100 tax increase.

Alderman Bengel thanked the manager and Department Heads, but she does not support a .41 cent per \$100 tax increase. The citizens are already overwhelmed with the high electric water and sewer rates.

Alderman Bucher made a motion to adopt the budget ordinance for FY2010-11, with a .41 cent per \$100 tax increase, seconded by Alderman White. Alderman Outlaw made a substitute motion to adopt the budget ordinance with a 40.5 cent per \$100 tax increase, seconded by Alderman Bengel.

After a lengthy discussion, Attorney Davis stated the board could not approve an ordinance that is not correct. Attorney Davis stated the board would have to table the item and prepare a new budget ordinance with the correct information. The current budget ordinance was prepared with a tax increase of .41 cent per \$100. In order to approve the substitute motion a new budget ordinance would have to be prepared with the correct figures for a 40.5 cent per \$100 tax rate increase. Alderman Outlaw **withdrew** the substitute motion. Upon a roll call vote of the original motion, Aldermen Taylor, Bucher, and White voted "Yes". Aldermen Bengel, Kinsey, and Outlaw voted "No". It was a 3/3 tie, Mayor Bettis voted "Yes", the motion passed 4 to 3.

7. Adopt Resolution Approving Schedule of Fees for FY2010-11 for Inspections and Planning Development.

The fee Schedules for Inspections and Planning Development will be implemented effectively July 1, 21010. Mary Muraglia stated the new fee schedule rates have been included in the FY2010-11 budget. Exhibit A is the fee schedule for Inspection, and Exhibit B is the fee schedule for Planning. Mr. Avery can answer any questions as to both of the fee schedules.

Mr. White wanted to know why the fee schedule for building permits only \$2 difference for a residential and commercial, \$15 per sq. feet vs. \$17 per sq. feet. He stated a person that is in business can afford a higher rate than a residential individual. Mr. Avery stated the rates charges are based on what it costs the city to do the work. Also, Mr. Avery explained the development fees, the city did a comparison with communities in the east and the city is below the majority of other municipalities.

Alderman Outlaw and Bengel expressed their concern on the fee schedules figures being included in the budget totals already. They wanted to know the proper procedures for approving fee schedules. They expressed the fee schedules should have been approved before the budget ordinance; it appears this process is backward. We are approving resolutions for fee schedules increases that have already been implemented in this year's budget. Mr. Wyatt stated this was an error and normally the fee schedules are approving before the budget ordinance.

Alderman Bucher made a motion to adopt the resolution approving the schedule of fees for FY 2010-11 for Inspection and Planning Development, seconded by Alderman Taylor. Upon a roll call vote, Aldermen Bengel, Taylor, Bucher, Kinsey, and White voted "Yes". Alderman Outlaw voted "No", the motion passed 5-1.

8. Adopt Ordinance Approving Schedule of Fees for FY 2010-2011 for Refuse.

Mr. Wyatt and Chief Aster stated the proposed budget includes a residential refuse rate increase from \$4 to \$5 per month, with the rate for senior citizens going from \$2 to \$2.50 per month if they qualify. The residential rates have not been adjusted for a length time, but the commercial rates did increase. Chief Aster explained the increases for the Housing Authority Residential monthly fee is \$4,113 based on 540 units, and the Housing Authority Commercial monthly fee is \$4,845 based on 935.26 yards.

Alderman Outlaw stated the residential rates have not been increased due to a long term contract (3 years) by the previous board. The contract was left with the same company because they agreed not to raise the rates. Under the current economy times, it is not prudent to raise the refuse's rates considering an increase in taxes. Chief Aster stated under the former Public Works Director, the city renewed the contract with the same company for one year, because they were willing to honor the same rate. The Tipping Fees have increased 2/3 times over the past ten (10) years, and the city now has to catch up.

Alderman Bengel inquired if the new refuse's rates been included in the budget ordinance, if so it is a moot point to vote on the resolutions. Mr. Wyatt stated the rates have been included, he stated all the fee schedules should have been approved before the budget ordinance.

Alderman Taylor made a motion to adopt the ordinance approving schedule of fees for FY2010-11 refuse, seconded by Alderman White. Upon a roll call vote, Aldermen Bengel, Taylor, Bucher, Kinsey, and White voted "Yes". Alderman Outlaw voted "No", the motion passed 5-1.

9. Adopt Resolution Approving Schedule of Fees for FY 2010-2011 for Parks & Recreation.

On May 25, 2010 the board adopted a resolution approving schedule of fees for Parks and Recreation, but Down East Dog Park and Aquatics were inadvertently not printed. The resolution needs to be adopted and approved, and shall be implemented effective June 21, 2010.

Alderman Taylor made a motion to adopt the resolution approving schedule of fees for the Dog Park and Aquatics FY2010-11 Parks and Recreation, seconded by Alderman White. Upon a roll call vote, Aldermen Bengel, Taylor, Bucher, Kinsey, and White voted "Yes". Alderman Outlaw voted "No", the motion passed 5-1.

10. Adopt Project/Grant Ordinance Amendments.

See the list below of the project funds that need to be adopted to close out FY 2009-2010:

a. **Adopt Ordinance to Amend and Close the Capital Project Ordinance – Elizabeth Avenue Fire Station Project Fund.**

This amendment will close out the Elizabeth Avenue Fire Station Project Fund as of June 30, 2010. The Project was completed for \$37, 856 less than budgeted. The remaining unspent debt proceeds will be used by the 2007 Clean Water Management Trust Fund Grant project fund for the drainage project.

b. **Adopt Ordinance to Amend and Close the Capital Project Ordinance – Swimming Pool Project Fund.**

This amendment will close out the Swimming Pool Project Fund on June 30, 2010. The remaining unspent debt proceeds of \$285,591 will be used by the 2007 Clean Water Management Trust Fund Grant project fund for the drainage project.

c. **Adopt Ordinance extending the Grant Project Ordinance – 2007 Clean Water Management Trust Fund Grant.**

This amendment is to extend the 2007 Clean Water Management Trust Fund Grant to June 30, 2011. This is the Simmons Street/Jack Smith Creek stormwater project. Part of the City's match is funded by debt proceeds. Since we have unspent proceeds from the close out of the Elizabeth Avenue Fire Station and Swimming Pool capital projects, these funds are being added to this fund to apply toward the City's required match. Jordan Hughes reviewed the project estimates with our consulting engineer, and at this time it appears we will have enough unspent debt proceeds to meet our match.

d. **Adopt Ordinance to Amend and Close the Capital Project Ordinance – Industrial Park Project Fund.**

This amendment will close out the Industrial Park Project Fund as of June 30, 2010. The project was completed for \$22,751 less than expected. Remaining unspent debt proceeds of \$23,000 will be available, if necessary for use by the Township 7 Water Improvements fund project on the same installment financing.

e. **Adopt Ordinance Extending the Capital Project Ordinance – Water Treatment Project Fund.**

This amendment will extend the Water Treatment Project Fund from June 30, 2010 to June 30, 2011. The project is nearing completion, but it will not be closed out by June 30, 2010.

f. **Adopt Ordinance Extending the Capital Project Ordinance – Electric Substation Project Fund.**

This amendment will extend the Electric Substation Project Fund from June 30, 2010 to June 30, 2012. Currently, a transformer is on order. Land has not yet been purchased for the site of construction of the new substation.

g. Adopt Ordinance Extending Capital Project Ordinance – Broad Street Project Fund.

This amendment will extend the Broad Street Project Fund from June 30, 2010 to June 30, 2011 as the project is not complete.

h. Adopt Ordinance Extending the Capital Project Ordinance – Kale Road Property Project Fund.

This amendment will extend the Kale Road Property Project Fund from June 30, 2010 to June 30, 2011.

i. Adopt Ordinance to Amend and Extend the Capital Project Ordinance – Trent Woods Sewer Construction Fund.

This amendment will extend the Trent Woods Sewer Construction Fund until June 30, 1011. An agreement will be finalized with the Town of Trent Woods in the coming months. The Town will pay the City the remaining \$150,000 due on the project at that time, until which time the project fund should remain open.

j. Adopt Ordinance Amending the grant Project Ordinance – 2007 PARTF Grant.

This amendment will recognize additional debt proceeds of \$2,844 and anticipated interest earnings of \$500, based on the installment financing completed in March 2010 for the Stanley White Recreation Center.

Alderman Bengel made a motion to adopt the project/grant ordinance amendments, seconded by Alderman White. Upon a roll call vote, the motion carried unanimously.

11. Approve Refund of Taxes.

The following taxpayers are due a refund for payment of taxes. These refunds are due to billing errors made by Craven County Tax Assessor. Gary Helms is due a \$159.50 for 2009 taxes, and The Wireless Company of the Carolinas is due \$160.19 for 2009 taxes.

Alderman Bengel made a motion to approve the refund of taxes, seconded by Alderman White. The motion carried unanimously.

12. Adopt Resolution Approving Agreement with GOGAS Universal.

This resolution allows the city to enter into a four-year agreement with GOGAS Universal, for the city's fuel requirements. This agreement covers the fuel needs at the city garage and generators used by the city for load management. GOGAS will supply fuel at zero percent markups, and they are the low bidder. Bids were sent to fourteen suppliers with six providing quotes. The quotes are based on the suppliers' unit price at the terminal of that date and time. GOGAS can respond within 24 hours of an emergency such as hurricanes. Additional benefits:

- Provide and install Fuelmaster 2550 Plus software upgrade to the current system at no cost, which is a saving of \$4,000 for the software. They will convert our underground storage tanks and permit information and vehicle maintenance to the new system.
- Replacement of all underground storage tank piping as required by June 30, 2011 by the North Carolina Department of Environment and Natural resources inspection, at a cost of \$8,500. We obtained another quote for \$15,000 to do this work. This will reduce the garage budget by \$6,500.
- Under the Renewable Fuels Standards, E10 fuel will replace our premium and regular fuel. GOGAS will complete the conversion of the city gas tanks in July at no cost to the city, saving of approximately \$1,500. This will allow the city to switch to the E10 fuel which is 10 cent cheaper per gallon than regular or premium.

Alderman Bucher had concerns as to the E10 fuel not been compatible for the use of chain saws, weed eater, and outdoor motors. Chief Aster replied he had checked into a product that will stabilize the E-10 fuel for use of outdoor motors.

Alderman Bengel made a motion to adopt the resolution approving the agreement with GOGAS, seconded by Alderman Taylor. Upon a roll call vote, the motion carried unanimously.

13. Adopt Final Budget Ordinance Amendment for Fiscal Year 2009-10.

This budget ordinance allows for final budget revisions for the fiscal year. Expenditures are estimated slightly above what the final amounts should be for the end of year in order to ensure that the budget is adequate to cover all expenditures. Revenue estimates reflect what is expected to be received. Fund Balance has been appropriated in the General Fund as revenues will fall short of expenditures. The General Equipment Fund is being closed out into the General Fund as the city proposed equipment purchases for the New Year in the General Fund. Combined, these funds along with the Municipal Service District will have a deficit in the range of \$915,000-\$995,000. The General Equipment Fund is using part of its reserved fund balance for capital. The Sewer Fund is making a transfer of \$18,760 to the Trent Woods Sewer Construction Fund to cover expenditures that are the city's responsibility. In the Water and Sewer funds, Miscellaneous Revenue has been recognized for reimbursements due from NC

Department of Transportation and NC Department of Cultural Resources for the History Education Center.

Alderman Outlaw made a motion to adopt the final budget ordinance amendment for FY2009-10, seconded by Alderman Kinsey. Upon a roll call vote, the motion carried unanimously.

14. Adopt Resolution Rescinding Resolution Adopted June 5, 2004.

This resolution was adopted June 5, 2004, establishing a method to provide increases in salary to the City Manager of New Bern. The previous Board of Aldermen was sensitive to the appearance of paying salaries for top level staff that could be perceived as being excessive; and the previous board desired a mechanism that will limit the official salary of the City Manager while still allowing him to receive fair compensation. On the effective date of this resolution the previous board discontinues merit raises for the City Manager, but in lieu of merit raises, the City Manager was authorized to receive an annual bonus of \$10,000 at a time of his choosing during the three months following the Board of Aldermen's annual budget work session.

Alderman Outlaw made a motion to adopting the resolution rescinding the resolution adopted June 5, 2004, seconded by Alderman White. Upon a roll call vote, the motion carried unanimously.

15. Approve Closing Union Point Park for the 4th of July Activities.

In the interest of public safety and event management, they are requesting approval to close streets and the boat launch at Union Point Park. The streets and boat launch will be closed Saturday, July 3, 2010, from 12 noon until 11:00 P.M., and Sunday, July 4, 2010, from 6:00 A.M. until 11:00 P.M.

Alderman Taylor made a motion to close Union Point Park, streets and boat launch for the 4th of July Activities, seconded by Alderman Bengel. The motion carried unanimously.

Item # 15 was not a resolution. (Adopt Resolution Closing Union Point Park for 4th of July Activities).

16. Adopt Resolution Approving Sale of 402 Queen Street.

This property is owned by the City and the County as a result of a tax foreclosure. Attorney Davis explained the process, the property was advertised as required by statute and this is the final bid. Carolina Foundation Repairs, Inc offer to purchase the property for \$13,000; an increased bid was received from Ben Parrish and Newsom Williams in the amount of \$13,700, which was the last and highest bid.

Alderman Bengel made a motion to adopt the resolution approving the sale of 402 Queen Street, seconded by Alderman Kinsey. The motion carried unanimously.

17. Discuss Public, Educational, and Government (PEG) Access Channels.

Alderman Outlaw shared the requirements for PEG channels. PEG channel must at a minimum meet the following requirements:

- All of the PEG channels must have schedule programming for at least eight hours a day.
- The programming content of each of the PEG channels must not repeat more than fifteen percent (15%) of the programming content on any of the other PEG channels.
- No more than fifteen percent (15%) of the programming content on any of the PEG channels may be character-generated programming.

Mr. Wyatt explained public access channels to the best of his memory. If he is correct, the state took over a lot of the responsibilities of the cable television. Normally the franchise fees from the cable companies are sent directly to the cities/counties. This is a topic that needs to be researched; he further stated some of the funds must be spent on public access channels.

18. Appointments.

Alderman Outlaw made a motion to appoint Alderman Victor Taylor to the Eastern Carolina Council Board, seconded by Alderman Bengel. The motion carried unanimously.

19. Attorney's Report.

Attorney Davis had nothing at this time.

20. City Manager's Report.

Mr. Wyatt had nothing at this time.

21. Announcements.

Alderman Bucher reminded the board of the Ribbon Cutting at the Water Plant on Tuesday, June 22, 2010 at 11:30 A.M.

Alderman Kinsey thanked the staff and volunteers for the Juneteenth weekend calendar of events.

Alderman Outlaw expressed his concerns for Harold Hardison and the citizens of Cypress Shore in reference to drainage. He suggested the developer should have installed larger pipes than was stated on the review plans. This drainage problem has put a hardship on the residents of Cypress Shore.

22. Executive Session to Discuss Personnel Issues.

Alderman Taylor made a motion to go into executive session under the provision of G.S. 143-318.11 (a) (6). The motion was seconded by Alderman Kinsey and unanimously carried, time being 9:22 P.M.

23. Adjourn.

Alderman Taylor made a motion to adjourn, seconded by Alderman Kinsey and unanimously carried, time being 10:45 P.M.

Mayor

City Clerk