

**City of New Bern
Board of Aldermen Meeting
April 24, 2018 – 6:00 P.M.
City Hall Courtroom
300 Pollock Street**

- 1. Meeting opened by Mayor Dana E. Outlaw. Prayer by Rev. Robert Johnson of Ebenezer Presbyterian Church. Pledge of Allegiance.**

- 2. Roll Call.**

Present: Mayor Dana Outlaw, Alderman Sabrina Bengel, Alderwoman Jameesha Harris, Alderman Robert Aster, Alderman Barbara Best, and Alderman Jeffrey Odham. Absent: Alderman Johnnie Ray Kinsey. A quorum was present.

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

Consent Agenda

- 3. Consider Adopting a Resolution Calling for a Public Hearing on the Proposed Budget for Fiscal Year 2018-19.**

The City Manager will present the proposed budget for Fiscal Year 2018-2019 later in this meeting. Budget workshops are scheduled for May 1st and 2nd. Following those workshops, a public hearing is to be held as required by state statute. It is proposed that hearing be conducted on May 8, 2018.

- 4. Consider Adopting a Resolution Calling for a Public Hearing on the Rezoning of 900 Broad Street.**

On behalf of One World Company, LLC, Danny Batten has requested the property located at 900 Broad Street be rezoned from a C-4 Neighborhood Business District to C-3 Commercial District. The property is an approximately .44-acre parcel near the intersection of Queen and Broad Streets. It is further identified as tax parcel ID 8-008-151. The hearing is proposed for May 8, 2018.

- 5. Approve Minutes.**

Draft minutes from the March 27, 2018 and April 10, 2018 regular meetings were provided for review and approval.

Alderman Odham made a motion to approve Items 3-5 of the Consent Agenda, seconded by Alderwoman Harris. The motion carried unanimously 6-0.

6. City Manager's Presentation of Fiscal Year 2018-19 Budget.

Copies of the proposed budget for Fiscal Year 2018-19 were distributed to each Board member's seat prior to the start of the meeting. Mark Stephens, City Manager, shared a PowerPoint presentation to spotlight significant areas within the budget. Some of those included:

- Personnel shows a net increase of only one position. An additional Fire Inspector is sought to assist with the growing inspection requirements. Merit-based salary adjustments are proposed for qualifying employees effective July 30, 2018. Alderman Bengel inquired as to why merit increases would not be effective July 1st, and Mr. Stephens explained it's difficult to complete all of the employee evaluations and key the merit increases in the short span between the budget process and July 1st.
- Ten new police vehicles are budgeted.
- Emphasis is placed on maintenance and improvements of parks and recreational facilities with a major renovation at Kidsville and the implementation of the master plan for Martin Marietta Park.
- Utility rates will be stable in FY18, but an electric rate increase will possibly be needed in FY19. Allowances are made for continued infrastructure improvements.
- With respect to ad valorem tax rates, New Bern is significantly lower than its benchmark cities. Mr. Stephens explained how sales tax revenue is distributed based upon ad valorem taxes.
- Three options for revenue changes were presented for Board consideration: moving sanitation from the General Fund, increasing the motor vehicle tax, and increasing the ad valorem tax rate. Mr. Stephens reviewed these options in some detail.
- A list of potential large projects and the cost of each were reviewed, along with possible financing options.

Mr. Stephens anticipated the general fund balance for Fiscal Year 2018 would close out around or above 35%. He announced budget workshops are slated for May 1st and 2nd beginning at 1 p.m. Additional workshops can be added, if needed. The public hearing will be held on May 8th with adoption of the budget scheduled for May 22nd. Alderman Bengel was concerned whether the public hearing on May 8th may be too soon after the workshops and questioned if it could be held later. Attorney Davis stated the hearing could be opened on May 8th and continued to a later date, if needed.

With respect to the large projects, Alderman Aster questioned whether the \$1.3 million cost for Old Airport Road was in addition to the funding the City would receive from the NC Department of Transportation ("DOT"). Mr. Stephens explained the agreement with DOT and confirmed the preliminary estimate of \$1.3 million is in addition to any monies received from DOT. The City will not receive funds from DOT for the Trent Road project, as that was tied to the latest agreement on the Alfred Cunningham Bridge.

Mayor Outlaw stated he did not detect additional revenue from Powell Bill funds in the proposed budget, despite the fact the City has acquired an additional 13 miles in the “bridge swap”. Mr. Stephens stated it is hard to predict the Powell Bill funds. He noted those funds are tied to the gasoline tax, and Alderman Bengel said it was pointed out at the Hwy. 17/64 meeting that the State has indicated their gasoline tax is decreasing. That impact could trickle down to municipalities.

For review at the budget workshops, Mayor Outlaw suggested staff obtain comparisons from benchmark cities on sanitation rates. The Mayor also pointed out the Board has been presented with several budget amendments throughout the year which required the use of fund balance, and he inquired as to whether such amendments are factored into this budget. Mr. Stephens responded a lot of the budget amendments are associated with grant funds to acknowledge awards and associated expenditures. This past year, the Police Department accounted for a large sum of funds that were needed due to attrition, which was somewhat of an anomaly. Alderman Aster relayed concern about the merit-based increases and how they are handled. Mr. Stephens explained the current quartile system and stated he and the Assistant City Manager are studying options for moving away from that system.

7. Consider Adopting a Resolution Approving the Installation of Additional Street Lights.

The Greenbrier Residents Association requested additional street lighting on Greenbrier Parkway, Pine Valley Drive, and Cubhouse Drive. City staff evaluated these areas and determined additional street lighting is necessary in order to meet the City’s standard. The Public Utilities Department has estimated costs associated with the installation of these lights to be \$12,194.00. A monthly cost of \$50.64 will be incurred by Public Works for the utility bill.

Alderman Odham made a motion to adopt a resolution approving the installation of additional street lights, seconded by Alderwoman Harris. Upon a roll-call vote, the motion carried unanimously 6-0.

8. Consider Adopting a Resolution Authorizing the Submission of a Grant Application to the NC Parks and Recreation Trust Fund.

As the Board is aware, staff desires to submit a grant application for 2018 PARTF funds to be utilized for the development of Martin Marietta Park. The amount sought is \$475,000, which requires a dollar-for-dollar match. To meet this match, the land donation will be utilized. The amount to which the land may be used as a match will be dependent upon its appraised value.

Alderman Bengel asked why the City was not seeking the maximum grant amount of \$500,000. Mr. Stephens said City staff has spoken with PARTF staff, who have advised \$350-375,000 is the average range that gets approved. The request of \$475,000 is in the neighborhood of the tax value, although the property appraised for \$1.65 million. The initial PARTF request will allow the City to use the land donation as the match, as noted above. Considering the value of the donation, Mr.

Stephens felt seeking a grant for \$350,000 was low and unfair. Notably, prior to taking acquisition of the land, the City obtained a waiver from PARTF to use the land donation as the match. The City can seek PARTF funding for Phase II of the park, but it would not be allowed to again use the land donation as a match for any award received under a subsequent PARTF grant.

Alderman Best made a motion to adopt a resolution authorizing the submission of a grant application to the NC Parks and Recreation Trust Fund, seconded by Alderwoman Harris. Upon a roll-call vote, the motion carried unanimously 6-0.

9. Consider Adopting a Budget Ordinance to Establish the Garage Relocation Project Fund.

As discussed at the Board's March 27, 2018 meeting, the budget for Fiscal Year 2018-19 includes a proposal for moving the city's garage facilities from its current location to the Water Resources site on Neuse Boulevard. A project of this nature requires a capital project fund. The proposed ordinance will establish a project fund in the amount of \$850,000. It is requested \$30,000 be transferred from the General Fund to cover engineering-related services, and \$820,000 be obtained through debt proceeds.

Alderman Bengel made a motion to adopt a budget ordinance to establish the Garage Relocation Project Fund, seconded by Alderwoman Harris. Upon a roll-call vote, the motion carried unanimously 6-0.

10. Consider Adopting a Resolution for a Declaration of Intent to Reimburse the Garage Relocation Project.

As referenced in the previous item, the upcoming budget proposes funds for the relocation of the city's garage facilities. In addition to establishing a project fund, a declaration of intent to reimburse needs to be adopted prior to or within 60 days of payment of the expenditures to be reimbursed.

Alderman Odham made a motion to adopt a resolution for a declaration of intent to reimburse the garage relocation project, seconded by Alderman Bengel. Upon a roll-call vote, the motion carried unanimously 6-0.

11. Consider Adopting a Budget Ordinance Amendment for the General Capital Projects Fund.

The IT Division has recommended the City's virtual server hosting infrastructure be consolidated to the Police Department's main facility on George Street. Such a consolidation will yield long-term cost savings. The investment to implement this consolidation in FY2018-19 is \$115,000. If the infrastructure is not consolidated and a status-quo approach is maintained, larger capital expenditures will be needed and the cost of annual maintenance contracts will rise. The need for the consolidation and consequences of not proceeding were outlined in a memo from Tony Gatlin, IT Manager.

Alderman Odham made a motion to adopt a budget ordinance amendment for the General Capital Projects Fund, seconded by Alderman Aster. Upon a roll-call vote, the motion carried unanimously 6-0.

12. Consider Adopting a Budget Ordinance Amendment for the FY2017-18 General Fund Operating Budget.

This budget ordinance amendment appropriates \$30,000 to be transferred to the Garage Relocation Project Fund to cover engineering services that have already been incurred. It also appropriates \$115,000 to the General Capital Projects Fund to cover expenses related to the virtual server hosting infrastructure project that is detailed in the previous item.

Alderman Bengel made a motion to adopt a budget ordinance amendment for the FY2017-18 General Fund operating budget, seconded by Alderwoman Harris. Upon a roll-call vote, the motion carried unanimously 6-0.

13. Appointment(s).

Alderman Odham made a motion to appoint George Brake of 515 Metcalf Street to the Historic Preservation Commission to replace Jim Morrison, seconded by Alderwoman Harris. The motion carried unanimously 6-0. Mr. Brake will serve a three-year term to expire on May 15, 2021.

Alderman Odham made a motion to appoint Dr. Joe Klotz to the Historic Preservation Commission to replace James Herring, seconded by Alderwoman Harris. The motion carried unanimously 6-0. Mr. Klotz will serve a three-year term to expire May 15, 2021.

Alderman Odham made a motion to reappoint David Pickens to the Friends of the Firemen's Museum, seconded by Alderwoman Harris. The motion carried unanimously 6-0. Mr. Pickens will serve a three-year term to expire on April 22, 2021.

Alderman Best made a motion to reappoint Bill Frederick to the Friends of the Firemen's Museum, seconded by Alderman Bengel. The motion carried unanimously 6-0. Mr. Frederick will serve a three-year term to expire on April 22, 2021.

Alderman Aster made a motion to appoint Jim Bisbee to the Historic Preservation Commission, seconded by Alderman Odham. The motion carried unanimously 6-0. Mr. Bisbee will fill the remainder of Richard Frye's term, which expires on May 15, 2019.

Alderman Bengel made a motion to reappoint Gary Lingman to the Friends of the Firemen's Museum, seconded by Alderman Odham. Mr. Lingman will serve a three-year term to expire April 22, 2021.

14. Attorney's Report.

The City Attorney had nothing to report.

15. City Manager's Report.

The City Manager had nothing to report.

16. New Business.

Alderman Bengel

Paint Your Heart Out is about 48 days away, and volunteers and sponsors are needed. Those interested can contact Landa Gaskins in Development Services.

Alderwoman Harris

A Community Health Fair will be held April 28, 2018 at the Omega Center from 12 noon to 3 p.m. There will be health screenings, food and entertainment.

Alderman Aster

The status of FEMA reimbursements for Hurricanes Matthew and Irene were requested. Mr. Stephens said he would obtain an update from Lori Mullican, Accounting Manager, and report back.

Alderman Best

Thanks was expressed to Chief Boyd for the installation of a fire hydrant on Jarvis and Raleigh Street.

Thanks was also expressed to Mr. Stephens, Attorney Davis, Mayor Outlaw and Alderman Bengel for helping one of Alderman Best's constituents.

Lastly, thanks was voiced to all city employees. Alderman Best noted the City could not do what it does without its employees.

17. Closed Session.

Alderman Odham made a motion to enter into closed session pursuant to NCGS §143-318.11(a)(3) to maintain attorney-client privilege in the matter of the City of New Bern vs. Kepri Hospitality, seconded by Alderman Bengel. The motion carried unanimously, time being 7:23 p.m.

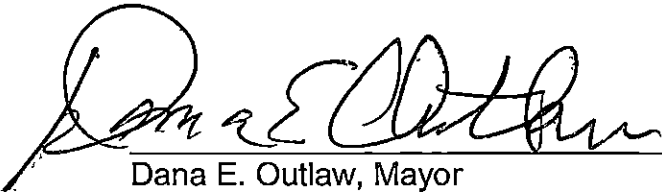
18. Adjourn.

Alderman Bengel made a motion to adjourn, seconded by Alderwoman Harris. The motion carried unanimously, time being 7:37 p.m.

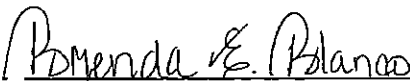
The attached documents are incorporated herewith and are hereby made a part of these minutes.

NOTE: For additional details and information on the Board of Aldermen meetings, please visit the City of New Bern's website at www.newbern-nc.org. Video and audio recordings of the meeting have been archived.

Minutes approved: May 8, 2018



Dana E. Outlaw, Mayor



Brenda E. Blanco, City Clerk