

Minutes
Kinston City Council
City Hall · 207 East King Street
Monday, June 4, 2018
5:30 pm

REGULAR MEETING

Mayor Hardy called the regular City Council meeting to order at 5:34 pm.

Councilmember Joseph Tyson led the prayer followed by the Pledge of Allegiance.

Those present: Councilmembers Robert Swinson, Sammy Aiken, Joseph Tyson, Kristal Suggs, Mayor Pro Tem Felicia Solomon and Mayor Don Hardy

Also present: Tony Sears, City Manager and James Cauley, City Attorney

Adoption of the Agenda

Tony Sears, City Manager, stated that Councilmember Suggs would like to add a presentation by NC Democracy to the agenda.

Councilmember Swinson made the motion, seconded by Councilmember Tyson and upon a unanimous vote the agenda was adopted.

CITIZEN COMMENT

Jerry Kanter, 1007 Harvey Circle, expressed his support in the City accepting the Woodmen's property donation of the Woodmen Center. It is the only certified pool in Eastern North Carolina. Hopefully something can be done reasonable and quickly. It is important to a lot of young people and older people. The pool was built costing around \$513,000, and that money would be hard to find for recreation in Lenoir County. It has been used a lot. It is vital to have in this community. Two things are dear to him, swimming and aviation.

Melvia Thompson, 1001 Liberty Hill Road, expressed her opposition of accepting the Woodmen's offer. Woodmen came to Kinston six years ago. There is another waterpark off of Highway 70. Why would Kinston take on a burden that they cannot afford. Taking on Woodmen would not help at all. Kinston needs decent jobs for people who have to work. City Council should not vote for it without explaining it. She referenced to an article in the Free Press written by Jimbo Perry [article was written by James Perry, not Jimbo Perry]. City Council will have to prove to her that she is wrong.

Angel Howard, 13 Mitchell Wooten Court, stated her son was killed in a double homicide last May while visiting her from Goldsboro. She would like for the City to consider a Fun Day, preferably in the housing developments with police officers. She would like for the event to include spacewalks, cotton candy, fire trucks, and a meet and greet with the officers. If these

events are taking place, they are not publicized enough. She would like to see events in the projects [public housing]. 99% of the time the crime committed in low income neighborhoods are done by people who do not live there. Tenants are not afraid to befriend police officers. When her son was killed, the entire community spoke up to help officers, and she would like to see that continue. We want a day when children can have a day with officers in their community.

John Nix, 3003 Hillman Road, expressed that he is concerned about the Woodmen deal. He loves the facility, but he wishes City Council would wait to vote after a public meeting. He was promised a public forum. He doesn't think the decision making body can be good stewards of the money if the City Council votes tonight. He is respectfully asking City Council to delay the vote and give the citizens enough time to understand what exactly is going to take place. He wants to see Kinston succeed. If City Council votes, vote no.

Carolyn Dawson, stated she wanted to reminded City Council of the forum, "Renewing of the Mind", on Wednesday, June 6th at Fairfield Recreation Center at 6:30 to address Kinston's youth problems. It takes a village to raise a child. We will discuss parenting, finances, drugs and violence. We will have mental health advisors, social workers, pastors and others to address various topics.

Mr. Dorian Edwards, 2111 Sparre Drive, expressed his opposition in the City accepting the Woodmen's offer. We are taking ownership without considering the extra expenses. If there is an opportunity for a public forum, he would love to be present.

PRESENTATIONS AND RECOGNITIONS

1. NCAMES Employee Award Recognition.....Rhonda Barwick

Rhonda Barwick, Public Services Director, introduced electric staff who won the award, Scott Hardison, Derek Browning and Angel Valdavenos and their coaches Todd Rhodes and David Stock. John Michael Smith had a family emergency and could not attend. They won 4 of the top 5 awards.

Earl Botkins, Part-time Electric Manager, stated the program has been around quite a while and is a very competitive rodeo. Only the best come through, and we had the best in the State. These guys will be the future crew leaders for Kinston's electric services.

David Stocks, Electric Superintendent, stated they did a lot of hard work and had a lot of practice. Their goal is to work quickly and safely. We have a line crew development program, and they do this every day through job training. Last year we competed and came in last. We worked hard and studies hard and they finished in the top 40-50 out of 150 in the APPA National Rodeo competition. For NCAMES, Brown was in the top 5 overall, Angel was 2nd overall in the State and Hardison finished number one in the State. Kinston had the highest percentage in the State. 95 was the team's overall average.

2. American Public Power Reliable Public Power Provider (RP3) Award.....Rhonda Barwick

Rhonda Barwick, Public Services Director, asked the entire electric staff to come forth. The Electric Division received a platinum award for the first time this year. Reliability, safety and work force development and system improvements are the key factors.

Earl Botkin, Part-time Electric Manager, stated the City has received 5 Gold awards and this is the 6th award. This was the first platinum. The Diamond designation is a lofty goal.

3. Retirement of Marty Jones.....Rhonda Barwick

Rhonda Barwick, Public Services Director, stated Marty Jones is retiring after 28 years of services. He will return part time to help with the smartgrid project.

Marty Jones, Electric Retiree, stated he is glad that he left Charlotte to come to Kinston at age 14 because it was a good place for him to grow up. The City is a good place to work. Money isn't everything, but it does help. If you want the employees to stay around, you better take care of them.

4. NC Democracy.....Chris Suggs

Christopher Suggs stated this summer, he and Kinston Teens will work with Democracy North Carolina which is a non-profit, non-partisan organization focused on civic engagement, voter registration, voter advocacy and related topics. He is an intern with the organization. This summer they will work in Eastern North Carolina to register voters, advocate for fair voting, voting rights laws and educating voters on issues on the ballots in the upcoming elections.

Intern, Democracy North Carolina, stated our campaign is Fair Courts, Fair Votes and Fair Maps. Something that goes against fair votes is voter id laws. Vote id laws do not help against voter fraud. It disproportionately disenfranchises students and African American votes, and costs taxpayers money.

Mae Ross stated she will address Fair Courts because the justice system has been somewhat impartial to people of color and women. Judges aren't looked at as red or blue, they should be united and that is why they wear one robe. The judicial system is the last line of defense for equality. We want to make sure that our courts stay fair and partial for all of our citizens.

Marques Thompson, Northeastern Organizer, stated we have spoken to several elected official asking for resolutions to support good voting practices. We will ask for the City's support in the future.

MINUTES

Consider approval of the minutes of the City Council meeting held Monday, May 21, 2018
.....**Monique Hicks**

Councilmember Suggs made the motion, seconded by Councilmember Tyson and upon a unanimous vote (5-0) the minutes were approved.

ACTION AGENDA

1. Consider adoption of a Resolution supporting the Comprehensive Transportation Plan for Lenoir County.....Chris York, Community Planner
Eastern Carolina Council of Government

Andy Bailey, North Carolina Department of Transportation (NCDOT), stated these projects were presented in April and we received comments during the public meetings. Some of the major recommendations include the upgrade of US 70 to an interstate which includes the Kinston bypass, widening 258 from Tyree to the bypass and widened 258 from the Global TransPark to Greene County. There is an upgrade to Highway 11 from the Harvey Parkway north to Greenville to complete the Quad Four Interstate system in Eastern North Carolina. There are the extensions for the Harvey Parkway to Carey Road, Cunningham Road, and Spine Road north of the airport. NC 55 and Paul Paths will be widened. The Square Loop Design at US 70/258 may not be needed. We will fix the bad site lines on Airport Road, realign Highland and Heritage and the Secrest Street bridge will connect to Forrest. Connection of CSX and NCRRC connecting major places of employment. Bike routes will be added through stripping and signage. Lenoir County will adopt this at their July 16th meeting once the towns have adopted the resolution. Eastern NC rural development will adopt a plan and in August the NCDOT Board of Directors will adopt it.

Councilmember Swinson made the motion, seconded by Councilmember Aiken and upon a unanimous vote (5-0) the following Resolution was adopted:

Resolution
Adopting a Comprehensive Transportation Plan
For Lenoir County, North Carolina

WHEREAS, Lenoir County, the Eastern Carolina RPO and the Transportation Planning Division, North Carolina Department of Transportation have actively worked to develop a comprehensive transportation plan for Lenoir County and its municipalities for the next thirty years; and

WHEREAS, the County, Towns and the Department of Transportation are directed by North Carolina General Statutes 136-66.2 to reach agreement for the highway, transit, rail, bicycle, and pedestrian system that will serve present and anticipated growth in and around the County; and

WHEREAS, it is recognized that the proper movement of traffic, the provision of transit opportunities, and the safety of bicycle and pedestrians within and through Kinston is a highly desirable element of the comprehensive plan for the orderly growth and development of the City and County; and

WHEREAS, after full study of the plan, and following a public comment period, the City of Kinston City Council considers it to be in the best interests of its citizens and of Lenoir County to adopt the comprehensive transportation plan pursuant to General Statutes 136-66.2;

NOW THEREFORE, BE IT RESOLVED: that the Lenoir County Comprehensive Transportation Plan dated March 7, 2018, and shown on maps, be approved and adopted as a guide in the development of the highway, transit, rail, bicycle, and pedestrian system in Lenoir County, NC and the same is hereby recommended to the North Carolina Department of Transportation for its subsequent adoption.

2. Consider adoption of a Resolution authorizing Electronic Payments per NC General Statute 159-28.....Donna Goodson

Donna Goodson, Finance Director, stated in 2015 the statute was modified to allow the Local Government Commission to adopt rules of the pre-audit and disbursement process related to electronic transactions for local governments. This requires multiple steps. After the resolution has been adopted, policies and procedures must be adopted for electronic obligations and payments.

Mayor Pro Tem Solomon made the motion, seconded by Councilmember Tyson and upon a unanimous vote (5-0) the following Resolution was adopted:

**RESOLUTION
AUTHORIZING THE CITY OF KINSTON TO ENGAGE IN ELECTRONIC PAYMENTS AS DEFINED
BY GENERAL STATUTE 15-28**

WHEREAS, it is the desire of the City Council of the City of Kinston to authorize the City to engage in electronic payments as defined by General Statute 159-28, and

WHEREAS, it is the responsibility of the Finance Officer to adopt a written policy outlining procedures for use, to include pre-auditing requirements, by means of electronic payments in accordance to NC Administrative Code 20 NCAC 03 .0409, and

WHEREAS, it is the responsibility of the Finance Officer to adopt a written policy outlining procedures for disbursing public funds by electronic transaction as required by NC Administrative Code 20 NCAC 03 .0410.

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Kinston that:

Section 1. Authorizes the City of Kinston to engage in use of electronic payments as defined by G.S. 159-28.

Section 2. Authorizes the Finance Officer to prepare and the City Manager to approve policy outlining procedures for use, to include preaudit requirements and ensure compliance with NC Administrative Code 20 NCAC 03 .0409.

Section 3. Authorizes the Finance Officer to prepare and the City Manager to approve policy outlining procedures for disbursing public funds by electronic transaction to ensure compliance with NC Administrative Code 20 NCAC 03 .0410.

Section 4. This resolution shall take effect immediately upon its passage.

3. Consider adoption of a Resolution to accept the donation of real property.....

.....**James Cauley**

James Cauley, City Attorney, stated he understood that someone from Woodmen would be present to introduce this item. He will include their statement in the record and is prepared to answer questions about the contract documents or any issues the City Council may have.

Mr. Cauley read the following statement from Woodmen:

“WoodmenLife and the Woodmen Foundation would like to thank the people of Kinston and Lenoir County for giving us the opportunity to work with you through the Woodmen Community Center and Lions Water Adventure Park for the past six years. As we get ready to donate the facility to the community, we wanted to take a minute to share our thoughts on this project and its evolution.

WoodmenLife and the Woodmen Foundation are separate entities, and both have a long history of supporting families and communities. As part of this mission, in 2011 the Woodmen Foundation entered into a Cooperation and Development agreement with the city of Kinston and Lenoir County to build a community center. This was a pilot project for the Woodmen Foundation, and we worked closely with the local municipality. Our plan was to build the center and test the concept for a five year period to see if this model could be duplicated in other parts of the country.

At the end of the evaluation period, we determined that the Community Center was not something we could duplicate in other markets. During that five-year time period, WoodmenLife underwent a re-structuring of our Fraternal benefits and programs, and the concept of a Community Center no longer fits in with our offerings.

In order to initially build the Woodmen Community Center, the Woodmen Foundation secured a loan for \$9.7 million. In addition, the county, city and private parties donated \$5.1 million for the project. Over the years, the Community Center has been profitable and has brought in a net income of more than \$2,465,000 since its inception. While the net income was enough to pay the mortgage payments, the center would clearly be better situated for the future if there were no mortgage responsibilities.

To that end, WoodmenLife plans to acquire the property from the Woodmen Foundation, absorb the \$9.35 million debt still remaining on the mortgage, and transfer ownership of the facility to the community free and clear of that debt. This will remove the responsibility of those payments from the city, and allow the Community Center to remain profitable going forward.

WoodmenLife believes that the Community Center belongs with the people of Kinston and Lenoir County. We want to protect the city and county’s investment in the facility by keeping the money that was raised there in the community. By donating the center back to the people that funded it, we are protecting their investment.

The Woodmen Foundation has enjoyed being part of the Woodmen Community Center and working with the city of Kinston and Lenoir County. We are happy to be able to transfer ownership of the facility to local hands, where it belongs. We know that it will continue to serve the community as a profitable venture and a great place for citizens to spend time.”

Tony Sears, City Manager, stated in November 2017, the City and County were approached about the opportunity to have this facility donated to the City. Woodmen indicated that they no longer wished to continue this program and that initially it was a five year exploratory program even though we have a 30 year agreement, it had exit options. There were hurdles and issues that need to be resolved, and we have gotten to a document that is fair and equitable. Mr. Cauley and

I were instructed to bring forth documents that would secure the City's position without certain liabilities moving forward. The City, County and Woodmen have controlled the property together. To move forward, we would have to dissolve the development agreement. This is a donation directly to the City from Woodmen.

Mr. Cauley stated he has not been a part of the financial analysis. The conveyance would be free and clear of all liens. It would require the County to consent to the termination of the cooperation and development agreement, so it is good that we have a County Commissioner present [Commissioner Mac Daughtey]. There are existing leases on the property, and they would be assigned and the City would become the landlord. There is a time period for the name change on the facility. A closing date has not been determined, and it will depend on the City Council's action and matters of title and survey examination as well as other factors.

Councilmember Tyson stated paragraphs 4 and 5 have basically answered all of his questions. He would like to see the letter published in the newspaper.

Mr. Cauley stated it should also be placed on the City's website.

Mayor Pro Tem Solomon asked if there is another municipality that runs a community center as a business where we can see their model. Mr. Sears stated several communities have community centers, but we don't know how they are operated. I don't know any that have a waterpark, but we will be happy to take a look.

Councilmember Swinson asked for more details on the leasee. Mr. Cauley stated that Woodmen Life and an agent have space in the building, and they would like to stay. They have an existing lease with the foundation.

Mayor Pro Tem Solomon asked if the City can vote before the County agrees to dissolve the existing contract. Mr. Cauley stated yes, somebody has to go first. The City Council's vote would not have any affect if the County decided it was not the right thing for them to do. The issue does not get to the County until the City takes action on the resolution.

Mayor Pro Tem Solomon stated personally, she would like to see this item tabled. She would like to see what other municipality models look like and to hear the community at large think, outside of social media. This is a huge decision to make and it is important for us to know what this looks like.

Councilmember Tyson asked when the decision has to be made. Mr. Sears stated that he does not know that there is a hard deadline.

Councilmember Tyson stated accepting the property is one thing and running it is a totally different thing. We are either going to accept the property or not. Those who have been against the Woodmen have beat us up in the public opinion. If the City assumes the property, keep it for three years, we could still sell it. We have been debating this for four or five months, and we have had the opportunity to ask every question possible. In his personal opinion, City Council

should make a decision. We can have a public forum, answer the questions, but that isn't going to give us anything.

Mayor Pro Tem Solomon stated when you have a situation such as this, which is a large decision, it is worth making an informed decision with a thought partner to put out the pros and the cons. We will need to discuss what happens to Parks and Recreation [administrative staff]. We need to ask as many questions that can be answered about it.

Councilmember Tyson stated that City Council needs to make the decision to accept the property or not. If we accept the property, staff stays, but if we do not, then those decisions will have to be made. He suggested, if it is legal, to have a public meeting within the next two weeks and vote at the last meeting [June 18, 2018]. We can advertise the letter in the newspaper. Some of the issues cannot be discussed until we make a decision on if we are going to own it or not. I do not want to go pass the month of June without voting on this.

Mayor Pro Tem Solomon stated she thinks the conversations can be held to make an informed decision on whether we want to accept the property. Is there a guarantee if we don't accept the property that Woodmen will close the center? Mr. Cauley stated he has heard that comment and some people would like for us to keep the arrangement like it is currently. The Woodmen has an option to terminate the agreement by repaying the initial grant funds that were paid by the City and County on a pro rata basis. The total grant funds were around \$1.5 million, divide it by 30 [years of contract] and multiply it by 24 [number of years remaining of the original 30 years] and that is what they would pay to the City and Council and cease operation of the facility. They have an exit. There is no public hearing legally required for accepting property donations, so it could be done in whatever time frame City Council decides. Mr. Sears stated based on his conversations over the past six months, continuing the agreement is not an option. It is his belief that if the donation is not accepted, they will close the facility.

Councilmember Swinson asked how long can we continue to operate without accepting it. If we don't find a model for Mayor Pro Tem Solomon, then what. Mr. Sears stated the Woodmen could start the closure process tomorrow, but he does not have a number of days. Mr. Cauley added that Woodmen would have to render payment obligation to start that clock.

Mr. Sears stated the Woodmen owns the facility and the City is the operator of the business.

Mayor Pro Tem Solomon stated for a center that means so much to our community, I don't want to see the facility close, but I think this decision is worthy of meaningful dialogue and have members of the community have the opportunity to express their feelings and a sense of ownership. It would be a great loss to the City.

Councilmember Tyson stated we are allowing people to think this is going to be a white elephant for the City of Kinston, yet we have the people to make this the crown jewel. We need to vote at the next meeting.

Mayor Pro Tem Solomon stated this is a situation that the City Council is being forced to make a decision. It would have been a nice venture if we had all come to the table with Woodmen representatives. Do they have that much power to force our hand?

Councilmember Tyson stated yes because they own the building. The attorney and City Manager have kept the City Council informed for months.

Councilmember Tyson made the motion to table this item, in two weeks have a public hearing and vote at the next [June 18, 2018] meeting. We are talking about operating a facility that has generated over \$2 million. We are not using tax money, but money generated by the facility.

Councilmember Swinson stated he will be out of town for the June 18, 2018 meeting.

Councilmember Suggs stated that since it is not required, the public hearing could be held next week.

Councilmember Aiken stated he received phone calls, and he is in favor of more public input.

Councilmember Tyson asked that City Council write down any and all questions and give them to the City Manager so that they can be answered at the meeting.

Councilmember Swinson made the motion to postpone the vote for two weeks and he will cut his APPA conference short to return for the meeting [June 18, 2018], seconded by Councilmember Tyson.

Councilmember Tyson recommended having the public meeting within the next two weeks so that the City Council can vote at the June 18, 2018 meeting.

Mayor Pro Tem Solomon stated if the City ends up taking ownership of the Woodmen, she will support it 100%. Woodmen has not definitively said that they will close the center. There is nothing wrong with allowing citizens to share their feelings.

Councilmember Suggs stated during the retreat in April, she suggested a Town Hall meeting for this matter. It is imperative to get input from the community. She asked the citizens to reach out to City Council with their concerns so that they can be properly addressed. She suggested the public comments could take place on June 12th.

Councilmember Swinson stated he would like to have the meeting on the 11th and have the vote at the June 18, 2018 meeting at 5:30.

Mr. Sears suggested that the meeting be held at the Woodmen Community Center, and asked the Mayor for a five minute recess for the Interim Parks and Recreation Director to confirm the availability of the banquet room for that date.

Mayor Hardy called for a five minute recess at 7:25 pm, and reconvened the meeting at 7:36 pm.

Mayor Hardy stated the amendment to the motion is to have the public hearing for the Woodmen Center donation on Tuesday, June 12, 2018 at the Woodmen Community Center at 5:30 pm and the vote will take place on June 18, 2018, and upon a unanimous vote (5-0), the motion was approved.

CITY MANAGER'S REPORT

1. Presentation of the Fiscal Year 2018-2019 Annual Operating Budget ...Tony Sears

Tony Sears, City Manager, stated this will be the shortest budget presented in six years. The current fiscal year budget is unsustainable and was difficult to produce in the upcoming budget. Approximately \$1.2 million was used to balance the budget, there was a property revaluation and in order to receive the same revenue we received in 2016, we needed a .07 tax increase, City Council only approved .04, approximately \$548,000. The proposed budget does not include a tax increase.

Mr. Sears stated that the proposed budget is \$116,900,875. \$51.1 million is the Electric Fund, \$25,973,746 is the General Fund, \$10,500,000 is the Water Fund and \$6.8 million is the Wastewater Fund. Our current tax rate is \$.70 and there is no proposed tax rate increase. There is no proposed increase in the Municipal Service District tax rate which is currently \$.27. The North Carolina Global TransPark fire tax is \$.045 and there is no proposed change. There is a proposed fee structure change for the Lions' waterpark from \$9.95 to \$10. The total use of Fund Balance is \$674,000. There is a proposed sewer rate increase. There is a 15% proposed increase in the Environmental Services fee. There will be a new Health Self-Insured Fund. There is not a COLA or any proposed pay increases for employees. There is \$180,000 for street resurfacing and \$50,000 for demolition. The Police Department's funding is for 84 full-time employees and 55 for the Fire Department. There will be a transfer from the Electric Fund to the General Fund to assist with the Queen Street redesign and improvements in the amount of \$1.5 million. This is money that was placed in the Electric Fund Capital Reserve fund for Herritage Street. We will also transfer \$1.6 million next year and this will provide us with approximately \$3 million funding for Queen Street [redesign]. We are projecting Fund Balance to be at 15.3% at the end of this year. If we get below 15%, we start getting into cash flow issues which is why we only used \$674,000 to balance the budget. We have tightened our belt. There are no raises for employees. We are not getting all of the vehicles that we need.

Councilmember Tyson expressed concerns about future unanticipated expenditures throughout the year. Mr. Sears stated that is how fund balance was reduced. We had repairs at Mock Gymnasium, we made some repairs at Grainger Stadium for the arrival of the Wood Ducks, we reopen Lovitt Hines Recreation Center, grant matches and these types of projects cannot happen in the future because we don't have the resources. The ladder truck for the Fire Department has been included in the budget. It will replace the 1986 truck. We are looking at a low interest USDA loan for 20 years.

Councilmember Aiken asked how much was loss in the property revaluation and the de-annexation of Hillcrest. Mr. Sears stated approximately \$550,000.

Mr. Sears stated in the dollar breakdown \$.24 goes to the Police Department, \$.15 goes to Recreation, \$.15 goes to Fire and Rescue, \$.13 to general government, \$.11 to streets, cemeteries and Engineering, \$.09 to transfers, \$.09 for Economic Development, \$.03 for Organization Support and \$.01 for Planning and Community Development. \$9.4 million is from property taxes and the rest is excise tax, sales tax and other state taxes that are redistributed to the City. Our property taxes do not even cover the Police Department.

Mr. Sears stated we do not borrow money every year, but every other year for rolling stock and 2019 will be our next cycle for borrowing. Part of the equipment that we purchased last year, we will borrow money and pay ourselves back a percentage of it. No additional burden is being placed on the General Fund. Grainger Stadium's debt will be the same and is self-sustaining. The loan for the 18 month Queen Street project was almost \$8 million, and it is funded in 2 cycles. We have a State Revolving Fund loan for \$2.5 million with \$500,000 forgiveness. There is \$2.05 million for the Briery Run Sewer Rehab Phase IV. There is \$2.6 million from the State Revolving Fund for the bio-solids dryer. Once it is up and running, we will charge other communities to collect, dry and sale their waste along with ours.

Mr. Sears stated the total capital request was \$4.9 million, but the Manager's recommendation is \$2.5 million to help balance the budget. There are several requests that the departments requested that have not been funded. All of the enterprise funds are self-sustaining.

Rhonda Barwick, Public Services Director, stated we are eager to have the biosolids dryer in operation [to generate revenue]. We are currently paying over \$270,000 a year to pick up waste.

Mr. Sears stated we have loss revenue from franchise agreements and privilege licenses over the past few years. The library has requested a \$5,000 increase to offset the cost of off duty officers for security. For the SPCA, we pay a percentage based on the number of animal. The City and County jointly maintain the library, Chamber of Commerce and some recreation facilities.

Rhonda Barwick, Public Services Director, stated our water employees perform both water and sewer work. We are working to repair some well pumps, we will update our SCADA system, we are asking for a water quality study for one of our tanks, we are requesting a Thompson pump with a 12" bypass which is a key capital improvement for the Water Fund for industrial customers. There is a 10% rate increase in the Sewer Fund. We will clean and televise the lower Neuse outfall from Spring Hill to Forrest Street. We hope to have the biosolids dryer by early 2019. There is no rate increase proposed for the Electric Fund, and there are funds being set aside for rate stabilization. The municipal rate is \$.07. We will continue the pole replacement project along with Suddenlink. We have \$50,000 to replace customer area lights with a more efficient light. We will rebuild 2-1/2 miles of Circuit 516, we will rebuild one mile of Circuit 521 and we will extend Circuit 510. We will replace a 1999 bucket truck for \$250,000. We will make the final incentive payment to Sanderson Farms. There will be a 15% increase in Environmental Services fees, around a \$4 increase for residential customer. We will have a one man leaf machine year round. One side loader and one front loader will be replaced. Stormwater Fund does not have a rate increase.

Mr. Sears stated we need to have a public hearing for the budget on June 18, 2018.

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| CITY ATTORNEY'S REPORT |
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The City Attorney had no report.

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| MAYOR AND COUNCILMEMBER REPORTS |
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Councilmember Swinson stated that on Sunday, June 10th there will be a baseball game at Holloway Park for “Enough is Enough, Let’s Stop the Violence” at 6 pm.

Mayor Hardy stated this past weekend the East Carolina Classic was held in Kinston with approximately 68 teams showcasing their talents through sports. We hope to grow the event.

Councilmember Aiken asked the status of the Fairfield Inn behind Aldi’s. Councilmember Tyson stated through the Tourism Development Authority, he found that the organization is building three different hotels in three different communities, and Kinston does not seem to be their number one priority.

Councilmember Suggs stated there is a Deaf and Blind event at the Woodmen Center Friday, June 8th at 11:30.

Mayor Hardy stated “We must continue to build on what we have in order to get where we want to be.”

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| RECESS |
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At 8:45 pm, Mayor Hardy recessed the City Council meeting until Tuesday, June 12, 2018 at 5:30 at the Woodmen Community Center.

Respectfully submitted,

Monique Hicks, City Clerk