

**Minutes  
Kinston City Council  
Monday, June 19, 2017  
Work Session and Regular Meeting**

Mayor Murphy called the Work Session to order at 5:32 pm.

Those present: Councilmembers Sammy Aiken, Wynn Whittington, Felicia Solomon, Joseph Tyson, and Mayor BJ Murphy

Those absent: Mayor Pro Tem Robert Swinson

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

**Adoption of the Agenda**

Councilmember Tyson made the motion seconded by Councilmember Solomon and upon a unanimous vote (Mayor Pro Tem Swinson was absent.) the agenda was adopted.

ITEMS FOR DISCUSSION
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**1. FY 2016-17 Operating Budget Amendment.....Catherine Gwynn**

Catherine Gwynn, Budget Administrator, stated the main portion of the amendment is for Hurricane Matthew. I have been working with FEMA to complete the work sheets for twelve different projects and it has been a slow and painful process. Because we don't have official project work sheets written, we don't have an official funding source, so we cannot appropriate federal or state funds to fund the project. We will finish the work sheets in July, and we will amend the budget and return the transfers to the funds that are having to participate. The other part of this amendment relates to the Municipal Service District (MSD) and occupancy tax. They are trending higher so to avoid a budget violation, we need to appropriate additional funds so we can make payments upon receiving them. If the money is not received, we will not spend it or pay it out. Because the MSD is a property tax, the law restricts how much we can budget, so we have to budget conservatively, usually 95-96 percent. Even with Hurricane Matthew and hotels being out of business for several months, the occupancy tax has an increase. The money passes straight through to the Tourism Development Authority.

**2. Hurricane Matthew Special Revenue Project Amendment.....Catherine Gwynn**

Catherine Gwynn, Budget Administrator, stated the only appropriation is for contracts and material, but force labor is not included because we don't have a good estimate at this time. It includes \$1.5 million for contracts and materials so that departments can charge to this fund instead of their operating budgets. We will charge only to this particular fund as of July 1st.

Mayor Murphy confirmed that the total may be around \$4.3 million. Mrs. Gwynn stated her last number was \$4.268 million, but includes a lot of mitigation work. There will be quite a few adjustments, and it will take multiple repetitions. FEMA is going to try to get us our money as quickly as possible and we should see about 75% of the money within the next 45 days.

**3. South Queen Street Electrical Improvements Project .....Catherine Gwynn**

Catherine Gwynn, Budget Administrator, stated this is a downtown revitalization grant that is going to be used towards the lighting on South Queen Street. It is \$94,340 and the money has been received.

Mayor Murphy asked when the project will start. Tony Sears, City Manager stated possibly by fall. Steve Miller, Assistant Public Services Director, stated we could do the bulk of the work, but we want to make sure we work along with the road diet. We just need to make sure we meet the grant’s deadline and spend the dollars by when they should be spent.

**4. Ballistic Vest Partnership Grant .....Catherine Gwynn**

Catherine Gwynn, Budget Administrator, stated this is FY 2016 Ballistic Vest Grant that we receive from the Department of Justice. It’s \$9,351 and a 50/50 match which has been budgeted.

**5. Seizure and Restitution Special Revenue Fund.....Catherine Gwynn**

Catherine Gwynn, Budget Administrator, stated we created this fund in September 2016 so it could be pulled from the General Fund and have more accountability. We have received \$25,000 in additional revenues, and we have to appropriate the revenue in order to appropriate the expense so the Police Department can use it with its restrictions.

Mayor Murphy asked if all officers wear body cameras. Alonzo Jaynes, Police Chief, stated all patrol officers are equipped with body cameras. Investigators have cameras to share amongst the division. Tony Sears, City Manager, stated the body cameras in Investigations could possibly inhibit individuals who may want to share information. Councilmember Aiken confirmed that dash cameras are in certain cars. Mayor Murphy confirmed that there are restrictions on the funds. Chief Jaynes stated yes there are restrictions, but the funds can be spent on anything that supports police functions.

**6. Proposed Electric Rate and FY 2018 Proposed Budget.....Tony Sears**

Tony Sears, City Manager, stated when we last met, we were at a \$.04 increase on the tax rate and no other rates would be changed. The original budget has a 2.9% electric rate decrease which equates to \$3 to the average residential bill and \$1.5 million annual revenue. We discussed burying power lines and addressing other items on Heritage Street. City Council asked for more options, and we have provided four options, and each option builds off the other.

**Option A** was presented and includes a \$.04 property tax rate increase, reduces the retail electric rate 2.9%, has no fee increases, has an appropriation of \$1.1 million of Fund Balance, street resurfacing at \$200,000, demolition at \$65,000, employees go from 378 to 380 [2 Pride of Kinston employees], no COLA or merit, health insurance with a 3% increase and service levels remain the same. **Option A** is the most fiscally sound of the four options. This budget will not have the ability to grow due to the use of Fund Balance. We will have to take any additional revenues and back out the appropriated fund balance. **Option B** removes the 2.9% electric rate decrease and adds it to a Capital Reserve Fund specifically to examine what needs to be done on Heritage Street to bury power lines and replace the water and sewer lines. This is also a financially sound model. **Option C** is the same as Option B, plus street resurfacing is increased by \$300,000 and demolition is increased by \$60,000. **Option C** is not sustainable because we are increasing the use of Fund Balance from \$1.1 million up to \$1.4 million. We want to maintain, but that cannot be done with the continuous appropriation of Fund Balance. It may affect future decision on how much money will be spent on the Queen Street redesign. If you go with **Option C**, you need to reexamine the \$.04 tax rate and look back at the \$.07 [revenue neutral] to keep this sustainable. If City Council wants to do it one time, it is fine, but for long term the tax rate needs to be reexamined. **Option D** is essentially Option C, but includes cuts in other portions of the General Fund. It has the same sustainability problem as Option C.

Councilmember Solomon asked about the money for Queen Street. Mr. Sears stated upon completion of the water and sewer we will get into the road diet which reduces Queen Street from four lanes to two lanes and other enhancements. It will probably cost plus or minus \$1million and it will have an effect on Fund Balance. Citizens expect Queen Street to go through a transformation. It will be a multi phased project and we will need additional funding sources and investments. And it will be a process.

Councilmember Solomon confirmed the average cost for demolition will be \$5,000-\$7,000 per property. Her primary concern is the dilapidated houses. Mr. Sears stated that is an estimate for the average house. The property across from Southeast School will cost about \$15,000-\$20,000.

Mayor Murphy stated if the City invests \$125,000 in demolition each year, there should be significant change and that would be a significant contribution to cleaning up blight. Mr. Sears stated staff has identified 172 houses that should be easy to remove. We will work with Mr. Cauley's office to speed up the process.

Councilmember Tyson referred to Options A & B. His concern is the electric rate being held by the City and not letting it go back to customers. Mr. Sears clarified that Option A returns the 2.9% to the citizens. Councilmember Tyson asked about adding \$100,000 to street resurfacing and \$25,000 to demolition and the cost to repave Heritage cost. Mr. Sears stated about \$1.5 million for just the street paving. Rhonda Barwick, Public Services Director, stated we only have ball park estimates from staff. With water, sewer and no electric it would be \$3.9 million. We don't know the cost for just the electric work.

Mr. Sears stated it will take 12-18 months to figure out the costs to address the electric on Herritage Street. By the time we will figure out the cost, have a public hearing, obtain bids, select contractors and begin the work, we would have \$3 million in the bank before the shovel hits the ground. If the engineering report says it is a \$10 million project then it is unfeasible, and you cut the electric rate at that time and the money in the fund is used to offset future rate increases. The 2.9% decrease could be given back in two years.

Councilmember Solomon asked if it would include the portion of Herritage at Vernon Avenue. Mr. Sears stated it would not go that far.

Councilmember Tyson stated his concern is that they are being asked to vote on something now that the next City Council may change. The future City Council could decide to do something else with the money. He supports what staff wants to do. He confirmed that there are no assurances three years from now the future City Council could vote to do whatever they want to do with the money. Mr. Sears stated a future City Council could change any decision.

Mayor Murphy stated Herritage Street is a street that we maintain, and we don't have a plan on how to fix it. This is the first time that there has been a creative solution.

Mr. Sears stated we could play a lot of scenarios, including HB900 [municipal sales tax]. Bonding to pave a street would tie up the City's finances. Davenport's analysis showed our additional debt capacity was less than \$2 million, so bonding is not the best way.

Councilmember Solomon confirmed that Option C is doable but not sustainable. Mr. Sears stated if Option C is chosen, we will have the same conversation next year. There are two cornerstones to this budget. If you give back the 2.9% you have lost the option on the table, and no one wants to adjust the tax rate again next year. The decision made tonight will determine how future budgets are constructed. Next year we may be back at \$200,000 for street resurfacing and \$65,000 for demolition. We either have to increase revenues or decrease expenditures.

Mayor Murphy referenced rate parity with Duke Energy and asked where do we project the City to be in the next three to four years. Mrs. Barwick stated that she does not have the exact numbers. Before the 10% reduction in October 2016, we were 30-35% higher than Duke Energy, so we would assume we are around 20-25%. With their proposed increase we are getting closer. Two ways to reduce cost is by reducing the rate and the other is to increase the load. More people paying the bill will reduce the rate over time.

Councilmember Solomon asked how to tell citizens where we are in comparison to Duke's rates. Mrs. Barwick stated we can research Duke's rates. Their rates aren't as open as ours because they are private-investor owned, but we can get the current residential rate. Mr. Sears stated we project that Duke Energy will go to the NC Utilities Commission for increases before 2021. They are trying to license another nuclear plant which is extremely difficult.

Mr. Sears stated for so many years the Electric Fund took a beating and capital projects were extremely limited because of the rate parity issues with Duke Energy. The reason we gave back 10% and not more was because we had to reinvest in our system. It is important to keep the money over the 10% for as long as possible so that we can continue to do capital projects that are necessary for the reliability of our system. If the electrical system isn't sturdy, we would be challenged in recruitment and expanding.

Councilmember Whittington asked if we didn't do a tax increase, how much of Fund Balance would be used to balance the budget. Mrs. Gwynn stated that it would be around an additional \$550,000 of Fund Balance.

Mayor Murphy confirmed that would be a one-time occurrence that is not sustainable.

Mr. Sears stated we need to cap the General Fund at \$24 million in order to pare down the use of Fund Balance so other revenues can increase and this will sustain services for a couple of years.

CLOSED SESSION
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Councilmember Aiken made the motion, seconded by Councilmember Whittington and upon a unanimous vote the City Council entered into closed session pursuant to North Carolina General Statute 143-318.11(a)(3); Consultation with the Attorney a 6:40 pm.

Councilmember Solomon made the motion, seconded by Councilmember Whittington and upon a unanimous vote the City Council returned to open session at 7:07 pm.

Mayor Murphy called for a recess at 7:07 pm.

REGULAR MEETING
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Mayor Murphy reconvened the regular City Council meeting at 7:13 pm.

Mayor Murphy led the prayer followed by the Pledge of Allegiance.

CITIZEN COMMENT
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**Pastor Nancy Wade, 113 N. Rochelle Blvd**, stated we will have a Prayer March for the City to combat some of the violence, injustices, inequalities and other social ills. She asked that the special events permit fee be waived. We have had several marches and have not seen community leaders participate. She encouraged the City Council to attend. The march will start at Jack Rountree and end at Carver Court on Saturday June 24<sup>th</sup> starting at 9:00 am.

Councilmember Solomon stated even if some have not been physically present during the marches, they have been and are supportive of the work.

**CONDEMNATION APPEAL**

**1. Consider approval or denial of an appeal of the Condemnation Order for 603 East Gordon Street.....Don Crawford**

Don Crawford, Fire Chief, stated this appeal was submitted by Dr. Joseph Askew. In July 2016 we posted a condemnation order on this property. A notice of hearing was sent to the property representative on May 5, 2017, and the hearing was conducted on May 24<sup>th</sup> and at the hearing the property representative was given an order to demolish or repair. The order is generally a sixty day notice. At the hearing we granted a 15 day waiver, so he has been given 75 days. The notice to demolish or repair expires on August 8<sup>th</sup>. We also have photos of the property.

Greg Dempsey, Chief Inspector, described each photo that was shown.

Tony Sears, City Manager, asked how long has the structure been in this condition. Chief Crawford stated the original condemnation notice was posted on July 8, 2016, but the property was blighted before that time.

Dr. Joseph Askew, property representative, stated this is historical property and I have presented why I would like to preserve it. It is registered with the State. This property sits where there is approximately four acres that he controls. It sits on Greenville Highway/NC 11. It appears to be an eye sore, but it can be rehabilitated, renovated and restored. I am not opposed to demolition, but it is in a black community. The whites have moved out and these are properties we have left. He quoted President Lincoln, "If we don't preserve our history, then we will be forgotten". I have found funds available and we should take the time to pursue those funds. I would like to see the property rehabilitated, but in the event it cannot be rehabilitated then it should be torn down. The real issue is the source of the money and time. There is grant money for homeless veterans. The proposal presented calls for housing the homeless veterans who don't have anywhere to go. A program like this could create housing for approximately 30 veterans and provide employment opportunities. There is money available through the VA and through HUD. The City will get more money for demolition and to improve the community on the East side of Kinston. We need approximately 180 days, and when the 180 days expire we will say that we have done the best that we can do. This is a project that is needed in that area. We need to do more in East Kinston

Councilmember Tyson stated the proposal for a veterans' homeless center sounds good, but we are here to talk about the building. The appeal letter did not address the plan of how the building will be repaired. The request was for 180 days to get money for the program, but there isn't anything as far as the structure. We are voting on whether or not to maintain the structure, not whether or not we are supporting homeless veterans. I would say 30 days to come up with a plan for the structure.

Dr. Askew read highlights from his proposal and noted that the grant will cover construction, renovation or acquisition. He noted that the photo in the proposal was sourced from the University of North Carolina's 2009 Study. His plan addresses construction and renovations and he will make 100% effort to target money for rehabilitation. If this can't be done, it can't be done, but we need time.

Mayor Murphy confirmed the photo was from 2009 and that the house has been boarded up since that time. He asked Dr. Askew when he acquired the property. Dr. Askew stated he did not own the property in 2009. Upon acquiring the property, he was not concerned about the homeless shelter for veterans, but acquiring the entire block of Gordon Street. It was acquired in 2016.

James Cauley, City Attorney, stated for a point of clarity the property is owned by Dr. Askew's son. We have asked repeatedly for some sort of Power of Attorney or evidence that Dr. Askew has the authority to speak on behalf of the son, and we have not been provided that as of today. Dr. Askew stated that is partially correct. The property is owned by the Askew family and he is in control. The property is owned by the Askews through a non-profit corporation which is a 501(3)(c).

Councilmember Tyson asked if he had the power of attorney and asked to see it. Dr. Askew provided a document to the City Attorney. Mr. Cauley stated in his opinion the power of attorney does not give Dr. Askew authority to speak on behalf of the property.

Councilmember Tyson stated based on the attorney's recommendation, he would advise that the hearing be terminated at this time.

Mr. Cauley stated he would suggest that City Council move forward with the appeal.

Councilmember Solomon asked if there has been any work done to the property since it was acquired. Dr. Askew stated the most work done has been keeping the grass cut and maintaining. It has been boarded up so it isn't a threat to anyone at this point and time. The weeds and hedges also keep people out. We were going to rehabilitate it. Ultimately, if we could not preserve it then we would naturally be willing to have it demolished. Because it is historical property we did not want to do so. He also has a letter of recommendation for the North Carolina History Museum and he would like for it to be part of the record. He presented the letter to the City Attorney.

Mayor Murphy clarified that Dr. Askew is Sr., not Jr. The Lenoir County tax card says Joseph Askew, Jr. as the owner. Dr. Askew stated that was correct, but it is now owned by Askew Daycare Incorporated, and he is the president. Mayor Murphy asked when did that occur. Dr. Askew stated several months ago.

Mr. Cauley asked if he had records of the corporation. Dr. Askew stated he does not have it with him, but the information is available online and is on record with the State of North Carolina and it shows that it owns the property, not Joseph Askew, Jr. and he should have a right to speak on the property.

Councilmember Aiken asked if anyone offered him money for demolition. Dr. Askew stated he is acquiring bids now and that is also the reason he is asking for time. It takes time to find a good contractor. The city said they would tear down the building some time ago, but Jason Baker stated the city could not. Jackie Rogers stated if the city had known, the city could have torn it down without additional cost because 510 East Gordon Street was in question to be torn down. I suggested transferring the funds from 510 Gordon Street to 603 Gordon Street. We would also like to get the historical materials and put them in another historical property that is in the vicinity. We would like to preserve it if possible. We just want more time to try.

Councilmember Aiken stated being a former member of the Historical Association, a lot of time when buildings are demolished they would like to acquire some of the historical pieces, anything that is salvageable. We could give him 30 days to get the salvageable materials.

Mr. Cauley stated the existing order is open until August 8, 2017.

Councilmember Tyson stated he has not heard anything that addresses how the house will be refurbished or rehabilitated in the 180 day time frame. Due to there being no data describing how the facility will be rehabilitated, he will have to make the *motion to deny the appeal*.

Councilmember Solomon stated one of her major concerns is that if the possibility existed that the historical landmark could be preserved it would be the right thing to do, but the fact is the building has been dilapidated for several years. One of our concerns has been to get rid of a lot of the dilapidated housing in East Kinston because it is sad to ride through our neighborhood and see houses that speak to desolation. The house is in bad condition.

Councilmember Tyson made the motion to deny, seconded by Councilmember Solomon and with no further discussion, the appeal was unanimously denied (Mayor Pro Tem Swinson was absent).

Councilmember Aiken introduced the following Consent Agenda:

CONSENT AGENDA

**1. Consider adoption of an Ordinance to amend the FY 2016-17 Operating Budget**  
.....**Catherine Gwynn**

2017-05

**AN ORDINANCE AMENDING THE FY2016-2017 ANNUAL  
OPERATING BUDGET**

**WHEREAS**, the City Council adopted the annual operating budget on June 20, 2016 authorizing appropriations for the General Fund, Water Fund, Wastewater Fund, Electric Fund, Environmental Services Fund, Stormwater Fund, Public Services Fund, Fleet Maintenance Fund, and Facilities and Property Management Fund, and

**WHEREAS**, amendments by the City Council may become necessary during the year as conditions change, and

**WHEREAS**, it is necessary to appropriate funds in the General Fund Police division for hosting the “Pizza with a Cop” campaign for the purpose of promoting good community relationships between law enforcement and the community it serves. This will be funded with donation revenue received from Woodmen Life, and

**WHEREAS**, it is necessary to appropriate funds in the General Fund Organizational Support division for anticipated additional payouts of Municipal Service District tax to the Pride of Kinston. This will be funded with an increase in Municipal Service District tax revenues, and

**WHEREAS**, it is necessary to appropriate funds in the General Fund Organizational Support for anticipated additional payouts of occupancy tax to the Tourism Development Authority. This will be funded with an increase in Occupancy Taxes revenue, and

**WHEREAS**, it is necessary to appropriate funds in the General Fund Transfers division to fund expenditures of materials, contracts and equipment related to the Hurricane Matthew disaster. This will be funded with General Fund appropriated fund balance, and

**WHEREAS**, it is necessary to appropriate funds for salary and fringe expenditures in the General Fund related to the Hurricane Matthew disaster in the City Clerk, City Manager, MIS, Finance, Streets, Cemetery, Planning, Police, Fire, Code Enforcement, and Recreation departments related to the Hurricane Matthew disaster. This will be funded with a transfer from General Fund appropriated fund balance, and

**WHEREAS**, it is necessary to appropriate funds in the Water Fund Transfers division to fund expenditures of materials, contracts and equipment related to the Hurricane Matthew disaster. This will be funded with Water Fund appropriated fund balance, and

**WHEREAS**, it is necessary to appropriate funds for salary and fringe expenditures in the Water Fund related to the Hurricane Matthew disaster in the Water Production and Water Distribution divisions related to the Hurricane Matthew disaster. This will be funded with a transfer from Water Fund appropriated fund balance, and

**WHEREAS**, it is necessary to appropriate funds in the Wastewater Fund Transfers division to fund expenditures of materials, contracts and equipment related to the Hurricane Matthew disaster. This will be funded with Wastewater Fund appropriated fund balance, and

**WHEREAS**, it is necessary to appropriate funds for salary and fringe expenditures in the Wastewater Fund related to the Hurricane Matthew disaster in the Sewer Treatment Plant division related to the Hurricane Matthew disaster. This will be funded with a transfer from Wastewater Fund appropriated fund balance, and

**WHEREAS**, it is necessary to appropriate funds in the Electric Fund Transfers division to fund expenditures of materials, contracts and equipment related to the Hurricane Matthew disaster. This will be funded with Electric Fund appropriated fund balance, and

**WHEREAS**, it is necessary to appropriate funds for salary and fringe expenditures in the Electric Fund related to the Hurricane Matthew disaster in the Electric Operations department related to the Hurricane Matthew disaster. This will be funded with a transfer from Electric Fund appropriated fund balance, and

**WHEREAS**, it is necessary to appropriate funds for salary and fringe expenditures in the Environmental Services Fund related to the Hurricane Matthew disaster in the Commercial Solid Waste, Residential Solid Waste and Recycling divisions related to the Hurricane Matthew disaster. This will be funded with a transfer from Environmental Services Fund appropriated fund balance, and

**WHEREAS**, it is necessary to appropriate funds for salary and fringe expenditures in the Stormwater Fund related to the Hurricane Matthew disaster in the Stormwater operations division related to the Hurricane Matthew disaster. This will be funded with a transfer from Stormwater Fund appropriated fund balance, and

**WHEREAS**, it is necessary to appropriate funds in the Public Services Fund Transfers division to fund expenditures of materials, contracts and equipment related to the Hurricane Matthew disaster. This will be funded with Public Services Fund appropriated fund balance, and

**WHEREAS**, it is necessary to appropriate funds for salary and fringe expenditures in the Public Services Fund related to the Hurricane Matthew disaster in the Administration, Billing and Customer Service and Meter Services divisions related to the Hurricane Matthew disaster. This will be funded with a transfer from Public Services appropriated fund balance, and

**WHEREAS**, it is necessary to appropriate funds for salary and fringe expenditures in the Fleet Maintenance Fund related to the Hurricane Matthew disaster in the Fleet Maintenance operations division related to the Hurricane Matthew disaster. This will be funded with a transfer from Fleet Maintenance appropriated fund balance, and

**WHEREAS**, it is necessary to appropriate funds in the Facilities and Property Management Fund Transfers division to fund expenditures of materials, contracts and equipment related to the Hurricane Matthew disaster. This will be funded with Facilities and Property Management appropriated fund balance.

**THEREFORE BE IT ORDAINED** by the City Council of the City of Kinston, North Carolina that the annual operating budget ordinance be amended as follows:

<b>General Fund</b>	<b>Current Budget</b>	<b>Amended Budget</b>	<b>Increase (Decrease)</b>
<b>Revenues:</b>			
Municipal Service District Tax	\$ 59,156.00	\$ 69,956.00	\$ 10,800.00
Occupancy Tax	185,000.00	239,250.00	54,250.00
Donations	25.00	125.00	100.00
Appropriated Fund Balance	905,773.98	1,390,626.29	484,852.31
Total Other General Fund Revenue	23,152,351.88	23,152,351.88	-
<b>Total Revenues</b>	<b>\$ 24,302,306.86</b>	<b>\$ 24,852,309.17</b>	<b>\$ 550,002.31</b>
<b>Expenditures:</b>			
<b>City Clerk</b>			
Salaries and benefits	\$ 64,643.00	\$ 65,148.78	\$ 505.78
Other expenses	14,510.00	14,510.00	-
<b>City Manager</b>			
Salaries and benefits	367,134.00	370,005.91	2,871.91
Other expenses	131,400.00	131,400.00	-
<b>Management Information Systems</b>			
Salaries and benefits	326,507.00	328,169.95	1,662.95
Other expenses	411,095.00	411,095.00	-
<b>Finance Warehouse</b>			
Salaries and benefits	148,102.00	148,127.45	25.45
Other expenses	18,600.00	18,600.00	-
<b>Streets</b>			
Salaries and benefits	493,118.00	512,260.69	19,142.69
Other expenses	1,115,594.77	1,115,594.77	-
<b>Cemeteries</b>			
Salaries and benefits	288,480.00	295,111.40	6,631.40
Other expenses	180,527.00	180,527.00	-
<b>Planning</b>			
Salaries and benefits	99,015.00	99,622.19	607.19
Other expenses	262,719.00	262,719.00	-
<b>Police Administration</b>			
Salaries and benefits	742,223.00	748,930.91	6,707.91
Other expenses	215,049.00	215,049.00	-
<b>Police</b>			
Salaries and benefits	4,701,675.00	4,751,626.37	49,951.37
Miscellaneous supplies	2,000.00	2,100.00	100.00
Other expenses	1,168,483.00	1,168,483.00	-
<b>Fire &amp; Rescue</b>			
Salaries and benefits	2,901,431.00	2,946,817.79	45,386.79
Other expenses	905,083.00	905,083.00	-
<b>Code Enforcement</b>			
Salaries and benefits	216,344.00	221,149.34	4,805.34
Other expenses	41,951.00	41,951.00	-
<b>Engineering</b>			
Salaries and benefits	530,203.00	544,600.24	14,397.24
Other expenses	51,547.00	51,547.00	-
<b>Recreation - Administration</b>			
Salaries and benefits	237,982.00	244,536.64	6,554.64
Other expenses	35,700.00	35,700.00	-
<b>Recreation - Programs</b>			
Salaries and benefits	826,027.00	827,017.14	990.14
Other expenses	185,800.00	185,800.00	-
<b>Recreation - Parks</b>			
Salaries and benefits	756,715.00	758,309.82	1,594.82
Other expenses	788,679.19	788,679.19	-
<b>Recreation - County</b>			
Salaries and benefits	704,855.00	705,990.14	1,135.14
Other expenses	236,400.00	236,400.00	-
<b>Recreation - Stadium</b>			
Salaries and benefits	65,945.00	65,993.07	48.07
Other expenses	407,300.00	407,300.00	-
<b>Transfers</b>			
Transfers to Special Revenue Funds	55,900.00	377,733.48	321,833.48
Other expenses	1,038,635.90	1,038,635.90	-
<b>Organizational Support</b>			
Municipal Service District	56,200.00	67,000.00	10,800.00
Tourism Development Authority	175,750.00	230,000.00	54,250.00
Other expenses	361,000.00	361,000.00	-
Total Other General Fund Expense	2,971,984.00	2,971,984.00	-
<b>Total Expenditures</b>	<b>\$ 24,302,306.86</b>	<b>\$ 24,852,309.17</b>	<b>\$ 550,002.31</b>

<b>Water Resources Fund</b>	<b>Current Budget</b>	<b>Amended Budget</b>	<b>Increase (Decrease)</b>
<b>Revenues:</b>			
Appropriated Fund Balance	\$ -	\$ 121,881.77	\$ 121,881.77
Total Other Water Resources Revenue	10,768,991.00	10,768,991.00	-
<b>Total Revenues</b>	<b>\$ 10,768,991.00</b>	<b>\$ 10,890,872.77</b>	<b>\$ 121,881.77</b>
<b>Expenditures:</b>			
Water Production			
Salaries and benefits	\$ 362,607.00	\$ 380,426.89	\$ 17,819.89
Other expenses	922,900.00	922,900.00	-
Water Distribution			
Salaries and benefits	1,224,647.00	1,296,986.35	72,339.35
Other expenses	1,531,400.00	1,531,400.00	-
Transfers to Other Funds			
Transfers to Special Revenue Funds	-	31,722.53	31,722.53
Other expenses	2,314,420.00	2,314,420.00	-
Total Other Water Resources Expense	4,413,017.00	4,413,017.00	-
<b>Total Expenditures</b>	<b>\$ 10,768,991.00</b>	<b>\$ 10,890,872.77</b>	<b>\$ 121,881.77</b>
<b>Wastewater Fund</b>	<b>Current Budget</b>	<b>Amended Budget</b>	<b>Increase (Decrease)</b>
<b>Revenues:</b>			
Appropriated Fund Balance	\$ 1,264,050.00	\$ 2,136,926.84	\$ 872,876.84
Total Other Wastewater Revenue	6,373,826.00	6,373,826.00	-
<b>Total Revenues</b>	<b>\$ 7,637,876.00</b>	<b>\$ 8,510,752.84</b>	<b>\$ 872,876.84</b>
<b>Expenditures:</b>			
Wastewater Treatment			
Salaries and benefits	\$ 810,757.00	\$ 831,013.66	\$ 20,256.66
Other expenses	1,637,350.00	1,637,350.00	-
Transfers to Other Funds			
Transfers to Special Revenue Fund	1,200,000.00	2,052,620.18	852,620.18
Other expenses	2,699,967.00	2,699,967.00	-
Total Other Wastewater Expense	1,289,802.00	1,289,802.00	-
<b>Total Expenditures</b>	<b>\$ 7,637,876.00</b>	<b>\$ 8,510,752.84</b>	<b>\$ 872,876.84</b>
<b>Electric Fund</b>	<b>Current Budget</b>	<b>Amended Budget</b>	<b>Increase (Decrease)</b>
<b>Revenues:</b>			
Appropriated Fund Balance	\$ 243,525.50	\$ 502,840.79	\$ 259,315.29
Total Other Electric Fund Revenue	56,472,766.87	56,472,766.87	-
<b>Total Revenues</b>	<b>\$ 56,716,292.37</b>	<b>\$ 56,975,607.66</b>	<b>\$ 259,315.29</b>
<b>Expenditures:</b>			
Electric - Operations			
Salaries and benefits	\$ 1,436,305.00	\$ 1,520,572.20	\$ 84,267.20
Other expenses	3,441,025.50	3,441,025.50	-
Transfers to Other Funds			
Transfers to Special Revenue Fund	-	175,048.09	175,048.09
Other expenses	12,526,746.87	12,526,746.87	-
Total Other Electric Fund Expense	39,312,215.00	39,312,215.00	-
<b>Total Expenditures</b>	<b>\$ 56,716,292.37</b>	<b>\$ 56,975,607.66</b>	<b>\$ 259,315.29</b>
<b>Environmental Services Fund</b>	<b>Current Budget</b>	<b>Amended Budget</b>	<b>Increase (Decrease)</b>
<b>Revenues:</b>			
Appropriated Fund Balance	\$ 225,792.00	\$ 244,980.55	\$ 19,188.55
Total Other Environmental Services Revenue	4,642,282.00	4,642,282.00	-
<b>Total Revenues</b>	<b>\$ 4,868,074.00</b>	<b>\$ 4,887,262.55</b>	<b>\$ 19,188.55</b>
<b>Expenditures:</b>			
Commercial Solid Waste			
Salaries and benefits	\$ 284,232.00	\$ 289,252.44	\$ 5,020.44
Other expenses	557,900.00	557,900.00	-
Residential Solid Waste			
Salaries and benefits	759,771.00	773,375.49	13,604.49
Other expenses	1,528,400.00	1,528,400.00	-
Recycling			
Salaries and benefits	38,744.00	39,307.62	563.62
Other expenses	32,500.00	32,500.00	-
Total Other Environmental Services Expense	1,666,527.00	1,666,527.00	-
<b>Total Expenditures</b>	<b>\$ 4,868,074.00</b>	<b>\$ 4,887,262.55</b>	<b>\$ 19,188.55</b>

<b>Stormwater Fund</b>	<b>Current Budget</b>	<b>Amended Budget</b>	<b>Increase (Decrease)</b>
<b>Revenues:</b>			
Appropriated Fund Balance	\$ 219,998.81	\$ 234,000.20	\$ 14,001.39
Total Other Stormwater Revenue	906,367.19	906,367.19	-
<b>Total Revenues</b>	<b>\$ 1,126,366.00</b>	<b>\$ 1,140,367.39</b>	<b>\$ 14,001.39</b>
<b>Expenditures:</b>			
Stormwater			
Salaries and benefits	\$ 441,014.00	\$ 455,015.39	\$ 14,001.39
Other expenses	283,800.00	283,800.00	-
Total Other Stormwater Expense	401,552.00	401,552.00	-
<b>Total Expenditures</b>	<b>\$ 1,126,366.00</b>	<b>\$ 1,140,367.39</b>	<b>\$ 14,001.39</b>

<b>Public Services Fund</b>	<b>Current Budget</b>	<b>Amended Budget</b>	<b>Increase (Decrease)</b>
<b>Revenues:</b>			
Appropriated Fund Balance	\$ 172,625.24	\$ 341,043.04	\$ 168,417.80
Total Other Public Service Fund Revenue	2,014,095.76	2,014,095.76	-
<b>Total Revenues</b>	<b>\$ 2,186,721.00</b>	<b>\$ 2,355,138.80</b>	<b>\$ 168,417.80</b>
<b>Expenditures:</b>			
Administration			
Salaries and benefits	\$ 683,900.00	\$ 730,495.99	\$ 46,595.99
Other expenses	89,000.00	89,000.00	-
Public Services Billing & Customer Service			
Salaries and benefits	681,512.00	702,697.45	21,185.45
Other expenses	255,550.00	255,550.00	-
Public Services Meter Services			
Salaries and benefits	381,016.00	383,612.15	2,596.15
Other expenses	89,800.00	89,800.00	-
Transfers to Other Funds			
Transfers to Special Revenue Fund	-	98,040.21	98,040.21
Other expenses	-	-	-
Total Other Public Services Fund Expense	5,943.00	5,943.00	-
<b>Total Expenditures</b>	<b>\$ 2,186,721.00</b>	<b>\$ 2,355,138.80</b>	<b>\$ 168,417.80</b>

<b>Fleet Maintenance Fund</b>	<b>Current Budget</b>	<b>Amended Budget</b>	<b>Increase (Decrease)</b>
<b>Revenues:</b>			
Appropriated Fund Balance	\$ -	\$ 12,358.85	\$ 12,358.85
Total Other Fleet Maintenance Revenue	663,451.00	663,451.00	-
<b>Total Revenues</b>	<b>\$ 663,451.00</b>	<b>\$ 675,809.85</b>	<b>\$ 12,358.85</b>
<b>Expenditures:</b>			
Fleet Maintenance			
Salaries and benefits	\$ 476,262.00	\$ 488,620.85	\$ 12,358.85
Other expenses	133,000.00	133,000.00	-
Total Other Fleet Maintenance Expense	54,189.00	54,189.00	-
<b>Total Expenditures</b>	<b>\$ 663,451.00</b>	<b>\$ 675,809.85</b>	<b>\$ 12,358.85</b>

<b>Facilities &amp; Property Mgmt.</b>	<b>Current Budget</b>	<b>Amended Budget</b>	<b>Increase (Decrease)</b>
<b>Revenues:</b>			
Appropriated Fund Balance	\$ 35,550.00	\$ 82,288.04	\$ 46,738.04
Total Other Facilities & Property Revenue	315,050.00	315,050.00	-
<b>Total Revenues</b>	<b>\$ 350,600.00</b>	<b>\$ 397,338.04</b>	<b>\$ 46,738.04</b>
<b>Expenditures:</b>			
Transfers to Other Funds			
Transfers to Special Revenue Fund	\$ -	\$ 46,738.04	\$ 46,738.04
Other expenses	-	-	-
Total Other Facilities & Property Mgmt. Exp.	350,600.00	350,600.00	-
<b>Total Expenditures</b>	<b>\$ 350,600.00</b>	<b>\$ 397,338.04</b>	<b>\$ 46,738.04</b>

**2. Consider adoption of an Ordinance to amend the Hurricane Matthew Special Revenue Project .....Catherine Gwynn**

2017-09

**AN ORDINANCE AMENDING  
A SPECIAL REVENUE FUND FOR  
HURRICANE MATTHEW FEMA-4285-DR-NC DISASTER RECOVERY**

**WHEREAS**, Council approved the creation of the Hurricane Matthew special revenue fund on October 10, 2016 as a result of Hurricane Matthew which struck the City on October 8, 2016 causing widespread damage to the City of Kinston, and

**WHEREAS**, there were significant costs to the City for emergency rescue, evacuation and repair as well as substantial damage to water, sewer, electrical, streets and sidewalk infrastructure, and city owned facilities due to the storm and flooding, and

**WHEREAS**, it is necessary to appropriate funds to pay for materials, contractors, vendors and equipment that responded to effect repairs during the emergency and in the months following the disaster, and this will be funded with an appropriation of transfer revenue from the General Fund, Water Fund, Wastewater Fund, Electric Fund, Public Services Fund and the Facilities and Property Management Fund, and

**WHEREAS**, staff will continue to diligently pursue reimbursement of these costs from all available sources such as insurance, FEMA and from public assistance offered by the State of North Carolina.

**THEREFORE BE IT ORDAINED** by the City Council of the City of Kinston, North Carolina that the following Special Revenue Project Budget Ordinance for associated revenues and expenditures be amended as follows:

Hurricane Matthew FEMA-4285-DR-NC

	<b>Current Budget</b>	<b>Amended Budget</b>	<b>Increase/ (Decrease)</b>
Revenues:			
Insurance Proceeds	\$ -	\$ -	\$ -
FEMA Reimbursements	-	-	-
Transfer from General Fund	50,000.00	371,833.48	321,833.48
Transfer from Wastewater Fund	1,200,000.00	2,052,620.18	852,620.18
Transfer from Water Fund	-	31,722.53	31,722.53
Transfer from Electric Fund	-	175,048.09	175,048.09
Transfer from Public Services Fund	-	98,040.21	98,040.21
Transfer from Facility & Property Management Fund	-	46,738.04	46,738.04
<b>Total Revenues</b>	<b>\$ 1,250,000.00</b>	<b>\$ 2,776,002.53</b>	<b>\$ 1,526,002.53</b>
Expenditures:			
Emergency response, recovery and preservation for Hurricane Matthew	\$ 50,000.00	\$ 50,000.00	-
Tower Hill Road 30" Forcemain Repair/Replacement	1,200,000.00	1,200,000.00	-
Category A through F work materials, contract and equipment	-	1,526,002.53	1,526,002.53
<b>Total Expenditures</b>	<b>\$ 1,250,000.00</b>	<b>\$ 2,776,002.53</b>	<b>\$ 1,526,002.53</b>

**3. Consider adoption of an Ordinance to establish the South Queen Street Electrical Improvements Special Project (G9139) .....Catherine Gwynn**

2017-10

**AN ORDINANCE ESTABLISHING THE SPECIAL REVENUE FUND  
FOR THE SOUTH QUEEN ST. ELECTRICAL IMPROVEMENTS DEPT. OF COMMERCE DOWNTOWN  
REVITALIZATION GRANT (G9139)**

**WHEREAS**, the City Council of the City of Kinston desires to provide safe and modern streets, sidewalks and infrastructure for its citizens, businesses and visitors, and

**WHEREAS**, there is a need to extend the electrical conduit from King Street running south on both sides of the road terminating at the African-American Music Park, and

**WHEREAS**, by improving the roadway corridor with electrical outlets, the City will be able to improve the aesthetics by creating greater visibility and a sense of safety in the area, and

**WHEREAS**, this project will be funded by the North Carolina Department of Commerce through an award of the Downtown Revitalization Grant to the City of Kinston to improve downtown and help encourage investment around this area.

**THEREFORE BE IT ORDAINED** by the City Council of the City of Kinston, North Carolina that the following special revenue project budget ordinance is hereby adopted:

**SOUTH QUEEN ST. ELECTRICAL IMPROVEMENTS (G9139)**

Revenues:	
Rural Center Grant	<u>\$ 94,340.00</u>
Total Revenues	<u>\$ 94,340.00</u>
Expenditures:	
Capital Outlay-Electrical	<u>\$ 94,340.00</u>
Total Expenditures	<u>\$ 94,340.00</u>

**4. Consider adoption of an Ordinance to amend the Special Revenue Project accepting the 2016 Ballistic Vest Partnership grant award .....Catherine Gwynn**

2017-11

**AN ORDINANCE AMENDING THE SPECIAL REVENUE FUND FOR THE BALLISTIC VEST PARTNERSHIP GRANT (BVP) (P9129)**

**WHEREAS**, the City Council created a special revenue fund on March 5, 2012 to account for the restricted federal funds from the U.S. Department of Justice Ballistic Vest Program, and

**WHEREAS**, the City of Kinston must provide for the safety of its law enforcement officers that watch over the safety of the community and in order to offset the cost of providing necessary personal protective equipment City staff actively seek grant funding sources, and

**WHEREAS**, the Kinston Department of Public Safety has applied for and been awarded a grant by the U.S. Department of Justice Bureau of Justice Assistance for the FY2016 granting period to purchase 12 ballistic vests, and

**WHEREAS**, it is agreed the City of Kinston will match the grant with a local match of \$4,675.68 for the purchase of the ballistic vests. The local match will be funded with a transfer from the General Fund.

**THEREFORE BE IT ORDAINED** by the City Council of the City of Kinston, North Carolina that the following special revenue project budget ordinance is amended as follows:

<b><u>Ballistic Vest Partnership (BVP) Program</u></b>	<b><u>Current Budget</u></b>	<b><u>Amended Budget</u></b>	<b><u>Increase (Decrease)</u></b>
Revenues:			
Federal Grants (BVP)	\$ 32,312.67	\$ 36,988.35	\$ 4,675.68
Transfer From General Fund	<u>32,312.67</u>	<u>36,988.35</u>	<u>4,675.68</u>
Total Revenues	<u>\$ 64,625.34</u>	<u>\$ 73,976.70</u>	<u>\$ 9,351.36</u>
Expenditures:			
Capital Outlay-Other Equipment BV - 2015	\$ 64,625.34	\$ 73,976.70	\$ 9,351.36
Total Expenditures	<u>\$ 64,625.34</u>	<u>\$ 73,976.70</u>	<u>\$ 9,351.36</u>

**5. Consider adoption of an Ordinance to amend the Seizure and Restitution Special Revenue Fund (P9136) .....Catherine Gwynn**

2017-12

**AN ORDINANCE AMENDING THE SPECIAL REVENUE FUND FOR SEIZURE AND RESTITUTION ACCOUNTS (P9136)**

**WHEREAS**, the City of Kinston Police Department receives revenues from various restitution and seizure programs to help provide safety for the citizens and community and reduce criminal activity, and

**WHEREAS**, a special revenue fund was established on September 19<sup>th</sup>, 2016 to account for the seizure and restitution monies obtained through these sources to provide more accountability, transparency and a more efficient means to track and manage these funds, and

**WHEREAS**, funds from the State of North Carolina through special court allocations and drug forfeiture sources have been received by the City and require appropriation in order for the funds to be made available to the City’s law enforcement division to expend for law enforcement purposes.

**THEREFORE BE IT ORDAINED** by the City Council of the City of Kinston, North Carolina that the following special revenue project budget ordinance is hereby amended:

<u>Seizure and Restitution Fund (P9136)</u>	<u>Current Budget</u>	<u>Amended Budget</u>	<u>Increase (Decrease)</u>
Revenues:			
Storage Fees Revenue	\$ -	\$ -	\$ -
Drug Forfeiture Revenue	820.00	820.00	-
State Forfeiture Revenue	3,400.00	20,700.00	17,300.00
Special Court Allocation Revenue	230.00	5,530.00	5,300.00
ABC Board KPD Revenue	6,175.00	6,175.00	-
Federal Forfeiture Revenue	85,060.00	87,460.00	2,400.00
Total Revenues	<u>\$ 95,685.00</u>	<u>\$ 120,685.00</u>	<u>\$ 25,000.00</u>
Expenditures:			
Federal Forfeiture Expenditures	\$ 85,060.00	\$ 87,460.00	\$ 2,400.00
Drug Forfeiture Expenditures	820.00	820.00	-
State Forfeiture Expenditures	3,400.00	20,700.00	17,300.00
Special Court Allocation Expenditures	230.00	5,530.00	5,300.00
Storage Fees Expenditures	-	-	-
ABC Board KPD Expenditures	6,175.00	6,175.00	-
Total Expenditures	<u>\$ 95,685.00</u>	<u>\$ 120,685.00</u>	<u>\$ 25,000.00</u>

**6. Consider approval of the minutes of the City Council meeting held on Monday, June 5, 2017.....Monique Hicks**

Councilmember Tyson made the motion, seconded by Councilmember Whittington and upon a unanimous roll call vote (Mayor Pro Tem Swinson was absent.) the Consent Agenda was approved.

**ACTION AGENDA**

**1. Conduct a public hearing and consider proposed electric rate change.....Tony Sears**

Tony Sears, City Manager, stated the proposed budget had an average \$2.9% rate reduction which equals \$1.5 million. We are required by law to conduct a public hearing any time we change our electric rate so that customers have an opportunity to speak for or against the change.

Rhonda Barwick, Public Services Director, stated residential customers using 1,100 kilowatt hours currently pay \$142.70, and with the retail reduction of 2.9% the same customer would pay \$138.36. The amounts are different for commercial rates.

Mayor Murphy declared the public hearing open.

**James Perry, 3504 Lakeview**, stated he wanted to support maintaining the current electric rate. For years we have failed to maintain our streets in order to maintain the 40 year repaving cycle. We have to take care of what we have today. Investment in streets and removing blighted homes is important. You have to have resources and money, and it is a short term fix. You face a declining population with the 17% loss of residents since 2000. You have to do things to make the city more attractive if you want people to move into the city limits, and ad valorem taxes is

the source of sustainable revenue. Sales tax is a nice thing and additional revenue resources are helpful. It is staggering what you need in retail sales even to move the needle on your portion of the sales taxes. I don't think you have to have a rate reduction now. A future City Council could choose to either reduce or increase the rate three times. We do know what we face today and it is a tough burden that City Council has to bear. You have to invest in options. I don't know of any financial problem ever made better by giving away [reducing the rate]. The decision does not have to be made today, and you should take time to weigh the options. There are other options and ways to find money. When you can't maintain what you have today, it is tough to add new things to that list. Being able to maintain, getting the roads right, getting rid of some of the blighted houses are immediate wins you see in the community instead of betting on something you hope comes in the future. I am in favor of pausing. To use money in the Electric Fund to bury power lines and repave is a decent option, and you need to consider going that route versus the other option.

After no one else wishing to speak in favor or against the rate change, the public hearing was closed.

**2. Conduct a public hearing and consider adoption of the proposed FY 2017-18 Annual Operating Budget .....Tony Sears**

Mayor Murphy declared the public hearing open and after no one spoke in favor of or against the budget, the public hearing was closed.

Councilmember Solomon asked Mr. Sears to give a quick overview.

Tony Sears, City Manager, stated that Lenoir County had a property revaluation and the City loss approximately 15% of our total valuation. The average residential customers saw a decrease in their property valuation, but business held their valuation. Our current rate is \$.66 and has been for the last nine year. With the property devaluation the City loss \$159 million in valuation. The City's valuation was \$1.5 billion, now it is \$1.2 billion and the revenue loss is over a \$1 million. In order for the City to get back the \$1 million, we would need to increase the tax rate by \$.07 to get to revenue neutral. We are proposing a \$.04 tax rate increase, but the average homeowner will pay less than they paid last year. We are moving from \$.66 to \$.70. We have a singular tax rate for everyone.

Councilmember Whittington confirmed the average homeowner will pay \$49 less this year, based on a house valued at \$102,000.

Councilmember Solomon stated she wants to consider option C.

Councilmember Whittington confirmed that Option C is not sustainable. Mr. Sears stated that is correct. We are making up the \$.03 gap with an appropriation of Fund Balance. We normally use \$500,000-\$600,000 of Fund Balance to balance the budget but we typically don't use it at the end of the year. We are proposing using \$1.1 million of Fund Balance. We will increase Street Resurfacing from \$200,000 to \$500,000 and increase demolition from \$65,000 to \$125,000, but

this model is not sustainable and it would put a burden on our Fund Balance if we repeat it. We have 12 months to evaluate.

Councilmember Tyson confirmed that to finish Queen Street, we still need another \$1 million from Fund Balance, and Option C does not include that \$1 million. Mr. Sears stated that is correct, and he will not know what the options and cost will be for Queen Street until the fall.

Councilmember Solomon asked Mr. Sears to discuss how Fund Balance can be used for one time expenditures and the 2.9% proposed rate change.

Mr. Sears stated Fund Balance is the city's savings account. Because we have known there are issues that need to be addressed, we have increased the Fund Balance so that the issues can be addressed with cash, such as the fire truck and improvements on Queen Street. Fund balance ebbs and flows. \$1 million is a best guess for an effective change on Queen Street. The 2.9% rate decrease for the electric rate which equals \$1.5 million annually and is \$3 a month, \$36 a year on the average utility bill.

Councilmember Aiken asked why should the investment be made on Herritage Street aesthetics. Mr. Sears stated this is an option for the 2.9%. The budget originally presented has the 2.9% decrease. Herritage Street was chosen because that is a project that has been talked about in the past. You want to spend money where it is beneficial. Putting money into Queen Street and Herritage Street is important, but the City Council could choose another project, but the decision does not have to be made today.

Councilmember Whittington confirmed that the 2.9% could be placed in a Reserve Fund for future electric projects and not specified for Herritage Street. It gives any future City Council the opportunity to spend the money on any other electrical project. With Queen Street's project and the road diet going from four lanes to two lanes, there will be more traffic on Herritage. Plus, there is growth on Herritage due to the business growth. The road is already in terrible shape and it is not going to get any better. In Option C, street surfacing has been increased and the streets to be chosen will not necessarily be those prioritized on the street survey list.

Mr. Sears stated every five years the City does a road study and the streets are evaluated and ranked. If City Council is going to increase street resurfacing, the street resurfacing survey should be used as a guide. Councilmember Solomon stated based on the study, we should push a survey out to citizens. Councilmember Tyson stated he has concerns with the study. There are resident who streets don't have trucks, but are in bad condition. If we go solely on traffic patterns, there are residential streets that will never get paved. Mayor Murphy stated even though staff provides a list of streets, we always have discretion, and we will be given more discretion moving forward with options to consider.

Mr. Sears stated we will work on what to do with the additional funds. City Council will have a more active role in choosing how we spend the additional funding.

Councilmember Aiken made the motion to approve Option C, seconded by Councilmember Solomon and upon a roll call vote (Mayor Pro Tem Swinson was absent.) the FY 2017-18 Annual Operating Budget was adopted by a **MAJORITY** vote (Councilmember Tyson voted no.).

**2017-13**

**ANNUAL BUDGET ORDINANCE  
FOR FISCAL YEAR 2017-18**

**BE IT ORDAINED** by the City Council of the City of Kinston, North Carolina in regular session assembled:

Section 1: The following amounts are hereby appropriated for the operation of the City’s government and its activities for the fiscal year beginning July 1, 2017 and ending June 30, 2018 according to the following summary and schedules.

**Section 1**

<u>SUMMARY</u>	<u>REVENUES</u>	<u>APPROPRIATIONS</u>
General Fund	\$ 24,918,876.00	\$ 24,918,876.00
General Capital Reserve Fund	145,611.00	\$ 145,611.00
Community Development	8,400.00	\$ 8,400.00
Woodmen Community Center Fund	1,743,000.00	\$ 1,743,000.00
Water Fund	10,414,579.00	\$ 10,414,579.00
Water Resources Capital Reserve Fund	414,883.00	\$ 414,883.00
Wastewater Fund	6,097,100.00	\$ 6,097,100.00
Wastewater Capital Reserve Fund	233.00	\$ 233.00
Electric Fund	48,839,189.00	\$ 48,839,189.00
Electric Capital Reserve Fund	2,383,743.00	\$ 2,383,743.00
Environmental Services Fund	3,701,881.00	\$ 3,701,881.00
Stormwater Fund	1,036,784.00	\$ 1,036,784.00
Public Services Fund	2,355,378.00	\$ 2,355,378.00
Employee Health & Insurance Fund	690,369.00	\$ 690,369.00
Fleet Maintenance Fund	631,242.00	\$ 631,242.00
Inventory Fund	591,100.00	\$ 591,100.00
Facilities & Property Management	483,700.00	\$ 483,700.00
Temple Israel Perpetual Care Fund	200.00	\$ 200.00
Subtotal	<u>\$ 104,456,268.00</u>	<u>\$ 104,456,268.00</u>
Less: Internal Service Funds	<u>(4,751,789.00)</u>	<u>(4,751,789.00)</u>
<b>TOTAL BUDGET</b>	<u><u>\$ 99,704,479.00</u></u>	<u><u>\$ 99,704,479.00</u></u>

Section 2: That for said fiscal year there is hereby appropriated in all funds:

**REVENUES**

<b>GENERAL FUND</b>		
Property Taxes	\$	10,133,768.00
Other Taxes		6,947,490.00
Intergovernmental		1,181,604.00
Sales & Service		1,684,055.00
Shared Services Reimbursement		1,857,438.00
Other Revenues		180,500.00
Proceeds From Borrowing		426,012.00
Interfund Transfers		1,020,200.00
Appropriated Fund Balance		<u>1,487,809.00</u>
<b>TOTAL GENERAL FUND</b>	<b>\$</b>	<b><u>24,918,876.00</u></b>
<b>GENERAL CAPITAL RESERVE FUND</b>		
Interfund Transfers	\$	145,611.00
Appropriated Fund Balance		-
<b>TOTAL GENERAL CAPITAL RESERVE FUND</b>	<b>\$</b>	<b><u>145,611.00</u></b>
<b>WOODMEN COMMUNITY CENTER FUND</b>		
Sales & Services	\$	1,743,000.00
Appropriated Fund Balance		-
<b>TOTAL WOODMEN COMMUNITY CENTER FUND</b>	<b>\$</b>	<b><u>1,743,000.00</u></b>
<b>COMMUNITY DEVELOPMENT FUND</b>		
Investment Earnings	\$	100.00
Other Revenues		<u>8,300.00</u>
<b>TOTAL COMMUNITY DEVELOPMENT FUND</b>	<b>\$</b>	<b><u>8,400.00</u></b>
<b>WATER FUND</b>		
Water Sales	\$	8,658,600.00
Investment Earnings		4,400.00
Other Revenue		297,100.00
Shared Services Reimbursement		1,454,479.00
Interfund Transfers		-
Proceeds From Borrowing		-
Appropriated Fund Balance		-
<b>TOTAL WATER FUND</b>	<b>\$</b>	<b><u>10,414,579.00</u></b>

**WATER RESOURCES CAPITAL RESERVE FUND**

Investment Earnings	\$	1,200.00	
Interfund Transfers		413,683.00	
Appropriated Fund Balance		-	
<b>TOTAL WATER RESOURCES CAPITAL RESERVE FUND</b>			<b>\$ 414,883.00</b>

**WASTEWATER FUND**

Sewer Charges	\$	5,600,000.00	
Investment Earnings		6,500.00	
Other Revenue		490,600.00	
Interfund Transfers		-	
Appropriated Fund Balance		-	
<b>TOTAL WASTEWATER FUND</b>			<b>\$ 6,097,100.00</b>

**WASTEWATER CAPITAL RESERVE FUND**

Investment Earnings	\$	233.00	
Interfund Transfers		-	
Appropriated Fund Balance		-	
<b>TOTAL WASTEWATER CAPITAL RESERVE FUND</b>			<b>\$ 233.00</b>

**ELECTRIC FUND**

Electric Sales	\$	45,505,173.00	
Investment Earnings		5,000.00	
Other Revenue		3,329,016.00	
Appropriated Fund Balance		-	
<b>TOTAL ELECTRIC FUND</b>			<b>\$ 48,839,189.00</b>

**ELECTRIC CAPITAL RESERVE FUND**

Investment Earnings	\$	1,700.00	
Transfer from Electric Fund		2,382,043.00	
Appropriated Fund Balance		-	
<b>TOTAL ELECTRIC CAPITAL RESERVE FUND</b>			<b>\$ 2,383,743.00</b>

**ENVIRONMENTAL SERVICES FUND**

Sales & Services	\$	3,577,404.00	
Investment Earnings		1,000.00	
Other Revenue		39,000.00	
Proceeds From Borrowing		-	
Appropriated Fund Balance		84,477.00	
<b>TOTAL ENVIRONMENTAL SERVICES FUND</b>			<b>\$ 3,701,881.00</b>

**STORMWATER FUND**

Utility Fees	\$	1,011,420.00	
Investment Earnings		1,000.00	
Other Revenue		24,364.00	
Proceeds From Borrowing		-	
Appropriated Fund Balance		-	
<b>TOTAL STORMWATER FUND</b>			<b>\$ 1,036,784.00</b>

**TEMPLE ISRAEL PERPETUAL CARE FUND**

Investment Earnings	\$	200.00	
<b>TOTAL TEMPLE ISRAEL PERPETUAL CARE FUND</b>			<b>\$ 200.00</b>

<b>EXPENDITURES</b>		
<b>GENERAL FUND</b>		
General Government	\$ 4,365,260.00	
Planning	387,214.00	
Public Safety	11,361,649.00	
Infrastructure	2,380,495.00	
Engineering	597,016.00	
Parks & Recreation	4,325,798.00	
Interfund Transfers & Shared Services Reimbursement	882,221.00	
Organizational Support	<u>619,223.00</u>	
<b>TOTAL GENERAL FUND</b>		<u>\$ 24,918,876.00</u>
<b>GENERAL CAPITAL RESERVE FUND</b>		
Transfer to Fund Balance	<u>\$ 145,611.00</u>	
<b>TOTAL GENERAL CAPITAL RESERVE FUND</b>		<u>\$ 145,611.00</u>
<b>WOODMEN COMMUNITY CENTER FUND</b>		
Woodmen Operations	<u>\$ 1,743,000.00</u>	
<b>TOTAL WOODMEN COMMUNITY CENTER FUND</b>		<u>\$ 1,743,000.00</u>
<b>COMMUNITY DEVELOPMENT FUND</b>		
Community Development	<u>\$ 8,400.00</u>	
<b>TOTAL COMMUNITY DEVELOPMENT FUND</b>		<u>\$ 8,400.00</u>
<b>WATER FUND</b>		
Water Operations	\$ 8,468,272.00	
Interfund Transfers & Shared Services Reimbursement	1,627,672.00	
Debt Service	<u>318,635.00</u>	
<b>TOTAL WATER FUND</b>		<u>\$ 10,414,579.00</u>

<b>WATER CAPITAL RESERVE FUND</b>		
Transfer to Fund Balance	\$ 414,883.00	
TOTAL WATER CAPITAL RESERVE FUND		<u>\$ 414,883.00</u>
<b>WASTEWATER FUND</b>		
Waste Water Operations	\$ 1,973,176.00	
Interfund Transfers & Shared Services Reimbursement	2,680,749.00	
Debt Service	<u>1,443,175.00</u>	
TOTAL WASTEWATER FUND		<u>\$ 6,097,100.00</u>
<b>WASTEWATER CAPITAL RESERVE FUND</b>		
Transfer to Fund Balance	\$ 233.00	
TOTAL WASTEWATER CAPITAL RESERVE FUND		<u>\$ 233.00</u>
<b>ELECTRIC FUND</b>		
Electric Operations	\$ 39,256,436.00	
Interfund Transfers & Shared Services Reimbursement	8,763,254.00	
Debt Service	<u>819,499.00</u>	
TOTAL ELECTRIC FUND		<u>\$ 48,839,189.00</u>
<b>ELECTRIC CAPITAL RESERVE FUND</b>		
Transfer to Fund Balance	\$ 2,383,743.00	
TOTAL ELECTRIC CAPITAL RESERVE FUND		<u>\$ 2,383,743.00</u>
<b>ENVIRONMENTAL SERVICES FUND</b>		
Environmental Services Operations	\$ 2,433,597.00	
Interfund Transfers & Shared Services Reimbursement	957,484.00	
Debt Service	<u>310,800.00</u>	
TOTAL ENVIRONMENTAL SERVICES FUND		<u>\$ 3,701,881.00</u>
<b>STORMWATER FUND</b>		
StormWater Operations	\$ 660,305.00	
Interfund Transfers & Shared Services Reimbursement	299,679.00	
Debt Service	<u>76,800.00</u>	
TOTAL STORMWATER FUND		<u>\$ 1,036,784.00</u>
<b>TEMPLE ISRAEL PERPETUAL CARE FUND</b>		
Transfer to General Fund	\$ 200.00	
TOTAL TEMPLE ISRAEL PERPETUAL CARE FUND		<u>\$ 200.00</u>

Section 3: There is hereby levied for the fiscal year ending June 30, 2018, the following rate on each \$100 of assessed valuation of taxable property as listed as of January 1, 2017 for the purpose of raising revenue from current year's property tax as set forth in the foregoing estimate of revenue, and in order to finance the foregoing appropriations.

TOTAL RATE PER \$100 VALUATION \$ .70

The rate is based on an estimated total appraised value of property for the purpose of taxation of \$1,377,663,000 with an assessment ratio of 100% of appraised value. An estimated collection rate of 97.75% is based on the previous year's collections.

Section 4: There is hereby levied for the fiscal year ending June 30, 2018, the following rate of taxes on each \$100 of assessed valuation of property in the Municipal Service District listed as of January 1, 2017 for the purpose of raising revenue from current year's property tax as set forth in the foregoing estimate of revenue and in order to finance the foregoing appropriations.

TOTAL RATE PER \$100 VALUATION \$ .27

The rate is based on an estimated total appraised value of property for the purpose of taxation of \$26,154,000 with an assessment ratio of 100% of appraised value. An estimated collection rate of 97.75% is based on previous year's collections.

Section 5: There is hereby levied for the fiscal year ending June 30, 2018, the following rate of taxes on each \$100 of assessed valuation of property in the Global Transpark (GTP) Fire Tax listed as of January 1, 2017 for the purpose of raising revenue from current year's property tax as set forth in the foregoing estimate of revenue and in order to finance the foregoing appropriations.

TOTAL RATE PER \$100 VALUATION \$.045

The rate is based on an estimated total appraised value of property for the purpose of taxation of \$209,595,000 with an assessment ratio of 100% of appraised value. An estimated collection rate of 97.75% is based on previous year's collections.

Section 6: Privilege licenses and franchise taxes for the privilege of conducting specified businesses and professions within the City of Kinston are hereby levied at the rates previously established, authorized and adopted by the City Council of the City of Kinston and outlined in the Manual of Fees and Charges.

Section 7: Department of Fire and Rescue-Code Enforcement and Inspections building permit and inspection fees are hereby levied at the rates previously established, authorized and adopted by the City Council of the City of Kinston and outlined in the Manual of Fees and Charges.

Section 8: Miscellaneous fees and charges are hereby levied at the rates previously established, authorized and adopted by the City Council of the City of Kinston and outlined in the Manual of Fees and Charges.

Section 9: The budget approved by this ordinance may be reviewed by the City Council after the end of each quarter and shall be subject to modification by ordinance if the actual revenues and necessary expenditures are found to differ substantially from the estimates contained herewith.

Section 10: The City Manager is hereby authorized to increase the line item appropriation in the attached budget to cover those purchase orders which were issued prior to June 30, 2017, but not filled prior to that date, and is authorized to pay for all goods or services received pursuant to such purchase orders from all funds so appropriated. The City Manager shall report to the City Council all such purchase orders.

Section 11: The City Manager shall have the authority to transfer appropriations from one line item to another line item within a departmental budget so long as the total departmental appropriations shall not be increased. Funds cannot be transferred from one department to another without prior approval of the City Council.

**PUBLIC SERVICES FUND  
INTERNAL SERVICE FUND FINANCIAL PLAN  
For the Fiscal Year July 1, 2017 - June 30, 2018**

Section 1: The following are the estimated expenditures for the Public Services Internal Service Fund operations:

**Section 1 Expenditures**

Administration	\$	785,068.00	
Business Office		900,488.00	
Meter Reading		489,279.00	
Transfers to Fund Balance		174,600.00	
Debt Service		5,943.00	
<b>TOTAL PUBLIC SERVICES FUND EXPENDITURES</b>		<b>\$ 2,355,378.00</b>	

Section 2: The following are the estimated revenues for the Public Services Internal Service Fund operations:

**Section 2 Revenues**

Interdepartmental Charges	\$ 2,180,778.00	
Investment Earnings	4,600.00	
Appropriated Fund Balance	170,000.00	
<b>TOTAL PUBLIC SERVICES FUND REVENUES</b>		<b><u>\$ 2,355,378.00</u></b>

Section 3: The financial plan approved by this ordinance may be reviewed by the City Council after the end of each quarter and shall be subject to modification by ordinance if the actual revenues and necessary expenditures are found to differ substantially from the estimates contained herewith.

Section 4: The City Manager is hereby authorized to increase the line item appropriation in the attached financial plan to cover those purchase orders which were issued prior to June 30, 2017, but not filled prior to that date, and is authorized to pay for all goods or services received pursuant to such purchase orders from all funds so appropriated. The City Manager shall report to the City Council all such purchase orders.

Section 5: The City Manager shall have the authority to transfer appropriations from one line item to another line item within a departmental budget so long as the total departmental appropriations shall not be increased. Funds cannot be transferred from one department to another without prior approval of the City Council.

**RISK MANAGEMENT FUND  
INTERNAL SERVICE FUND FINANCIAL PLAN  
For the Fiscal Year July 1, 2017 - June 30, 2018**

Section 1: The following are the estimated expenditures for the Risk Management Internal Service Fund operations:

**Section 1 Expenditures**

Employee Health	\$ 194,983.00	
Worker's Compensation	378,200.00	
Risk Management	117,186.00	
Transfers to Fund Balance	-	
<b>TOTAL RISK MANAGEMENT FUND EXPENDITURES</b>		<b><u>\$ 690,369.00</u></b>

Section 2: The following are the estimated revenues for the Risk Management Internal Service Fund operations:

**Section 2 Revenues**

Appropriated Fund Balance	\$ 2,177.00	
Investment Earnings	3,400.00	
Interdepartmental Charges	684,792.00	
<b>TOTAL RISK MANAGEMENT FUND REVENUES</b>		<b><u>\$ 690,369.00</u></b>

Section 3: The financial plan approved by this ordinance may be reviewed by the City Council after the end of each quarter and shall be subject to modification by ordinance if the actual revenues and necessary expenditures are found to differ substantially from the estimates contained herewith.

Section 4: The City Manager is hereby authorized to increase the line item appropriation in the attached financial plan to cover those purchase orders which were issued prior to June 30, 2017, but not filled prior to that date, and is authorized to pay for all goods or services received pursuant to such purchase orders from all funds so appropriated. The City Manager shall report to the City Council all such purchase orders.

Section 5: The City Manager shall have the authority to transfer appropriations from one line item to another line item within a departmental budget so long as the total departmental appropriations shall not be increased. Funds cannot be transferred from one department to another without prior approval of the City Council.

**FACILITIES AND PROPERTY MAINTENANCE FUND  
INTERNAL SERVICE FUND FINANCIAL PLAN  
For the Fiscal Year July 1, 2017 - June 30, 2018**

Section 1: The following are the estimated expenditures for the Facilities and Property Maintenance Internal Service Fund operations:

**Section 1 Expenditures**

Building and Grounds/City Hall	\$ 259,100.00	
Miscellaneous Properties	61,100.00	
Building and Grounds/Public Service Complex	163,500.00	
Transfers to Fund Balance	-	
<b>TOTAL FACILITIES AND PROPERTY MAINTENANCE EXPENDITURES</b>		<u>\$ 483,700.00</u>

Section 2: The following are the estimated revenues for the Facilities and Property Maintenance Internal Service Fund operations:

**Section 2 Revenues**

Interdepartmental Charges	\$ 350,600.00	
Investment Earnings	1,200.00	
Appropriated Fund Balance	131,900.00	
<b>TOTAL FACILITIES AND PROPERTY MAINTENANCE REVENUES</b>		<u>\$ 483,700.00</u>

Section 3: The financial plan approved by this ordinance may be reviewed by the City Council after the end of each quarter and shall be subject to modification by ordinance if the actual revenues and necessary expenditures are found to differ substantially from the estimates contained herewith.

Section 4: The City Manager is hereby authorized to increase the line item appropriation in the attached financial plan to cover those purchase orders which were issued prior to June 30, 2017, but not filled prior to that date, and is authorized to pay for all goods or services received pursuant to such purchase orders from all funds so appropriated. The City Manager shall report to the City Council all such purchase orders.

Section 5 The City Manager shall have the authority to transfer appropriations from one line item to another line item within a departmental budget so long as the total departmental appropriations shall not be increased. Funds cannot be transferred from one department to another without prior approval of the City Council.

**FLEET MAINTENANCE FUND  
INTERNAL SERVICE FUND FINANCIAL PLAN  
For the Fiscal Year July 1, 2017 - June 30, 2018**

Section 1: The following are the estimated expenditures for the Fleet Maintenance Internal Service Fund operations:

**Section 1 Expenditures**

Fleet Maintenance	\$ 629,117.00	
Transfers to Fund Balance	-	
Debt Service	2,125.00	
<b>TOTAL FLEET MAINTENANCE FUND EXPENDITURES</b>		<u>\$ 631,242.00</u>

Section 2: The following are the estimated revenues for the Fleet Maintenance Internal Service Fund operations:

**Section 2 Revenues**

Transfers from:		
Shared Services Reimbursement	\$ 473,262.00	
Labor Sales Fleet Maintenance	20,980.00	
Sales of Surplus Property	1,000.00	
Repayment of Unallocated Fleet Maint Costs	-	
Appropriated Fund Balance	136,000.00	
<b>TOTAL FLEET MAINTENANCE FUND REVENUES</b>		<u>\$ 631,242.00</u>

Section 3: The financial plan approved by this ordinance may be reviewed by the City Council after the end of each quarter and shall be subject to modification by ordinance if the actual revenues and necessary expenditures are found to differ substantially from the estimates contained herewith.

Section 4: The City Manager is hereby authorized to increase the line item appropriation in the attached financial plan to cover those purchase orders which were issued prior to June 30, 2017, but not filled prior to that date, and is authorized to pay for all goods or services received pursuant to such purchase orders from all funds so appropriated. The City Manager shall report to the City Council all such purchase orders.

Section 5: The City Manager shall have the authority to transfer appropriations from one line item to another line item within a departmental budget so long as the total departmental appropriations shall not be increased. Funds cannot be transferred from one department to another without prior approval of the City Council.

**INVENTORY FUND  
INTERNAL SERVICE FUND FINANCIAL PLAN  
For the Fiscal Year July 1, 2017 - June 30, 2018**

Section 1: The following are the estimated expenditures for the Inventory Internal Service Fund operations:

**Section 1 Expenditures**

Fuel Purchases	\$ 579,300.00	
Transfers to Fund Balance	<u>11,800.00</u>	
<b>TOTAL INVENTORY FUND EXPENDITURES</b>		<u><u>\$ 591,100.00</u></u>

Section 2: The following are the estimated revenues for the Inventory Internal Service Fund operations:

**Section 2 Revenues**

Reimbursement of Fuel Purchases	<u>\$ 591,100.00</u>	
<b>TOTAL INVENTORY FUND REVENUES</b>		<u><u>\$ 591,100.00</u></u>

Section 3: The financial plan approved by this ordinance may be reviewed by the City Council after the end of each quarter and shall be subject to modification by ordinance if the actual revenues and necessary expenditures are found to differ substantially from the estimates contained herewith.

Section 4: The City Manager is hereby authorized to increase the line item appropriation in the attached financial plan to cover those purchase orders which were issued prior to June 30, 2017, but not filled prior to that date, and is authorized to pay for all goods or services received pursuant to such purchase orders from all funds so appropriated. The City Manager shall report to the City Council all such purchase orders.

Section 5: The City Manager shall have the authority to transfer appropriations from one line item to another line item within a departmental budget so long as the total departmental appropriations including capital outlay shall not be increased. Funds cannot be transferred from one department to another without prior approval of the City Council.

**3. Conduct a public hearing on the removal of traffic signals at six City intersections**  
 .....Clarice Bryant

Clarice Bryant, Civil Engineer, stated we are conducting a public hearing on the proposal to remove the traffic signals at McLewean and Peyton, Washington and East, Caswell and Independence, Bright and East, Caswell and Adkin and Adkin and Tower Hill Road. Letters and public hearing notices were mailed to the property owners within two blocks of each location based on information obtain from the Lenoir County Tax records. Signs indicating the date, time, and purpose of the public hearing were installed at each location. The public hearing notice was

published in the Kinston Free Press on June 9, 2017. Of the approximately 270 letters mailed, 15 were returned and marked as undeliverable. We have received 3 calls, one for general information, one from Deacon Jarvis Pridgen from Best Chapel Church who was in favor of leaving the traffic signal at Independence and Caswell and one from Hattie Spruill who was in favor of leaving the traffic signal at Caswell and Adkin.

Councilmember Tyson stated he received a call about the traffic signal at Adkin and Tower Hill Road and he explained the issues for that location was just taking it down since it has been bagged for several years, and the citizen was agreeable. Councilmember Aiken stated he received the questions about the need for the change and the savings associated.

Steve Miller, Assistant Public Services Director, stated as long as it is working there is only the maintenance cost which is around \$2,000 a year, but if anything major occurs replacement could cost around \$80,000. The reason the signals were recommended for replacement is none of the intersections had the traffic counts that warranted the signals. We found that the intersections could be served better with two-way or four-way stop signs. The public hearing is just one step. No action has been taken to require that the signals be taken down. Based on City Councils comments, we will come back with a resolution with the signals that should be removed. After that approval we would turn the power off, install stop signs and study the traffic patterns for a minimum of 90 days. After that period we would come back with a formal recommendation to remove the traffic signal if things were working well, and if they weren't we could turn the signal back on.

Mayor Murphy asked if another public hearing would be held after the 90 days. Mr. Miller stated a public hearing is not required, but we could have another one.

Mayor Murphy declared the public hearing open.

**Mr. Quinton Baker, 814 E. Caswell Street**, stated he cannot understand the removal of the traffic signals. He is concerned about the safety of children and the bus traffic. The first priority should always be safety. We can always find money but we cannot find another life. Will it be budget over safety?

**Ms. Tiffani Koonce, 3200 Carey Road**, stated her first concern is that the area is predominately minorities. Even though the intent may not be negative, there is a perception in those particular areas. The area that personally affects her is the corner of Bright and East Street. As a bus driver she uses that intersection every morning at approximately 7:05, along with two other buses. She would not want a bus driver to have to decide what to do. The stoplight provides comfort. Also parents are sending their children to neighborhood stores and they cross that intersection. Just because it makes dollar sense does not mean it is the right thing to do. She suggested that some of the locations be reconsidered and possibly partner with the bus garages to see how bus traffic flows.

**Melba Hobgood, 1607 Cedar Lane**, stated she is concerned about stoplights and the blind spots. She goes to St. James Church every day and she has witnessed people run the traffic lights. An 18 wheeler delivery truck blocks your sight and you cannot see around the intersection [Bright and East]. Someone will get hurt. She has personally been in an accident at the intersection. There is also a lot of traffic on Washington Street. She is opposed to those two signals being removed.

**William Glenn, 2175 Fox Run Drive**, stated everyone has hit the points. He is concerned about children walking and riding bicycles in the area. It is there, let's use it, don't take it away and protect our people lives.

After no one else wishing to speak in favor of or in opposition, the public hearing was closed.

Mayor Murphy clarified that there is no action to be taken at this time and there could be future discussion or debate on this item. Lights can be removed from the list or the list can remain as is.

Councilmember Solomon stated that it is clear that the intersections of Bright and East and Washington and East should be considered for removal from the list.

Councilmember Aiken stated there is a blind spot at Caswell and Adkin. He appreciates people coming out to voice their opinion and more of that is needed.

Councilmember Whittington stated he would remove Caswell and Independence from the list.

Councilmember Tyson stated it appears that citizens want to keep all of the lights except for the one at Adkin and Tower Hill Road which has not been in service for several years.

Councilmember Whittington stated as he understands the presentation, there is a 90 day period before they are turned off, but citizens are concerned about incidents that could take place within the 90 days.

Councilmember Tyson stated that the City only operates and controls 15 traffic lights.

Councilmember Solomon stated it is good to hear the community come out. There are things that we had not considered, so that is why it is important for the community to understand that there is a responsibility to let your voices be heard. There are things that citizens can share that we don't know that would allow us [City Council] to lend an ear and give consideration. Your coming out means everything and on behalf of everyone, thank you.

City Council will remove all the intersections except McLewean and Peyton and Tower Hill and Adkin. Staff will continue with a study for McLewean and Peyton for 90 days.

Mr. Miller stated a resolution will have to be adopted to formally change the traffic pattern and we will bring it back for the July work session.

**4. Consider acceptance of a bid for a .27 acre parcel directly behind 615 Girl Scout Road and authorize staff to initiate the upset bid process .....Adam Short**

Adam Short, Planning Director, stated we have a request from Mr. and Mrs. Parker to acquire property to the rear of their property. The property is owned by the City and is a wooded area.

James Cauley, City Attorney, confirmed that the parcel is a portion of a larger tract.

Mr. Sears stated they would like to clear the area for safety concerns.

Mr. Cauley stated he would have though the City would sell the entire parcel intact.

Councilmember Tyson asked if when the property was acquired if the City gave property owners the option to purchase the lot behind their property.

Councilmember Whittington made the motion to table this item until July, seconded by Councilmember Tyson and upon a unanimous vote (Mayor Pro Tem Swinson was absent) the item was tabled.

**INFORMATION AND UPDATES**

**1. Lawrence Heights Sewer Replacement.....Steve Miller**

Steve Miller, Assistant Public Services Director, stated we have been seeking funding for the Lawrence Heights subdivision to replace sewer infrastructure. The last time we applied to the Community Development Block Grant Infrastructure Program, they liked the project, but they took exception to the way we determine what percentage of the neighborhood was low to moderate income. They are requiring a community survey for the project area. This is the only option we have.

Councilmember Whittington asked for the specific location. Mr. Miller stated it is the neighborhood behind the House of Esther on the northeast corner of the intersection and it stretches back from Old Snow Hill Road and Highland Avenue. It includes Charlotte, Joyner, William, Hyman and Stroud.

Tony Sears, City Manager, stated the survey is not a friendly or easy survey. It is going to be difficult for them to complete. We will send employees out to assist citizens with completing the survey. The more surveys we receive the better the chance to fund the project.

Mr. Miller stated the City is eligible for up to \$2 million in grant funds for infrastructure if we can get the surveys completed. This project is estimated to cost \$3.3 million. We will set up a

public meeting to invite the citizens to come out to explain and show them the project and we will have staff there to help with the surveys. Hopefully, we will get the surveys completed and we will reach out to homeowner to fill in the gaps. We have to have a response from 75% of the residences, and mailing surveys will not get us a very high percentage.

Councilmember Whittington asked if surveys have to be completed by the homeowner or resident. Mr. Miller stated it could be either, but it needs to reflect the person staying in the home. Vacant properties do not count against us.

**2. Doctors Drive Extension to Airport Road.....Steve Miller**

Steve Miller, Assistant Public Services Director, stated we discussed the future development, and there were concerns about Doctors Drive being looped to Airport Road. We applied for funding through Golden Leaf. They have a disaster program related to Hurricanes. They are funding any type of projects to establish new residential housing outside of the flood plain. Golden Leaf has awarded us the grant funding for the project. The cost for the water line and the road is estimated at \$833,000 and the grant funds are almost \$600,000. We have the grant package and we will meet with them in Rocky Mount tomorrow to talk about the requirements. They want the project to be completed in 9 months. The first step will be to go back to the developer who applied for the Conditional Use Permit to work out the terms.

Mayor Murphy stated during the flash flooding of Hurricane Matthew there were citizens who we were not able to access. Even though they were not experiencing flash flooding, we could not get to them. Having the alternate road alleviates that issue and gives us a second access.

Mr. Miller stated this will install a new water line and a paved road all the way out to Airport Road.

James Cauley, City Attorney, stated the Conditional Use Permit may need to be amended once all the terms are agreed upon.

Mr. Miller stated the terms of the Conditional Use Permit were that the developer would pay all cost of the gravel access road above \$93,330 and the estimate was \$188,000. Mr. Short stated the City was paying 50% with a not to exceed amount.

CITY MANAGER’S REPORT

CITY ATTORNEY’S REPORT

COUNCILMEMBER REPORTS

Councilmember Solomon stated there are about 100 TAF Corps member in Lenoir County for the next six weeks as they prepare to be classroom teachers. Many are staying in homes in Mitchelltown and they are very happy with the location. They are here to put their hands to work, and they are ready to make a contribution to our community this summer.

Mayor Murphy stated Governor Cooper was in town last week regarding Hurricane Matthew relief funds. The conversation is still moving forward about the implementation of flood control measures, and we are building a good coalition throughout the Neuse River basin. Tomorrow we will send a letter to Governor Cooper, President Pro Tem Berger and Speaker Moore regarding the North Carolina State Highway Patrol helicopter unit. Several years ago we had a unit at the NCGTP and throughout the State, now they are only in Salisbury, NC.

ADJOURNMENT

Councilmember Aiken made the motion, seconded by Councilmember Tyson and upon a unanimous vote (Mayor Pro Tem Swinson was absent.), the City Council meeting adjourned at 9:09 pm.

Respectfully submitted,

Monique Hicks, City Clerk