

Town of Hertford
Regular Session Meeting (In Person/Facebook)
Monday, April 10, 2023 – 6:00PM
Horace Reid Community Center, 305 W Grubb Street

The Council of the Town of Hertford held a Regular Session Meeting at the Horace Reid Community Center (also by Facebook) on Monday, April 10, 2023, at 6:00 PM.

COUNCIL MEMBERS PRESENT

Earnell Brown, Mayor
Jerry Mimplitsch
Connie Brothers

Ashley Hodges, Mayor Pro Tem
Sandra Anderson

STAFF PRESENT

Janice McKenzie Cole, Town Manager
Gina Durante, Town Clerk
Doris Walton, Assistant to the Town Manager
Ashley Eure, Financial Specialist
John Leidy, Attorney

A quorum was present.

CALL TO ORDER

Mayor Brown called the meeting to order.

INVOCATION & PLEDGE OF ALLEGIANCE

The invocation was given by Mayor Brown, followed by the Pledge of Allegiance.

APPROVAL OF AGENDA

A motion was made by Mayor Pro Tem Hodges to approve the agenda with the addition of 7d) Winfall Rates under Continued Business. Councilman Mimplitsch seconded the motion. It passed unanimously, 5-0.

CONSENT AGENDA

Councilman Mimplitsch made a motion to approve the Consent Agenda and it was seconded by Councilwoman Anderson. It passed unanimously, 5-0.

CITIZEN CONCERNS

None

SCHEDULED PRESENTATION

Mayor Brown introduced Larry Sandeen, the chairman of the HCAT, Hertford Community Action Team. Mr. Sandeen has been working for the Town for six months

overseeing the progress of the work for the approximately \$16 million grants the Town has received. Mr. Sandeen stated that he has been working closely with Manager Cole, Harry Sanchez, and Jeremy Haislip, until Mr. Haislip left the Town of Hertford. Withers Ravenel was selected as the lead contractor for this work. Withers Ravenel has qualified people, resources, and the knowledge to handle the complexity and extent of the work needed in Hertford. They are working very closely with the Town. Mr. Sandeen assessed the conditions of our wastewater treatment plant and waterlines. His reports were given to Withers Ravenel as those are vital to the health and safety of the citizens of Hertford and the environment. Those reports were used in the scope documents of their work for the \$14.9M infrastructure grant, focusing on water lines, water treatment plant, sewer plant, and the collection system. Their reports with surveys and engineering data are pending state approval, which is expected July 1st. Upon approval, they will work on detailed engineering to prepare bid packages for submittal at the first of 2024. That work has been linked/overlapping with the AIA grants for assessing plants and systems, developing an asset management plan, rate study, and developing GIS maps that will give the engineers detailed underground information on a tablet. Mayor Brown asked about the sewer lines and Mr. Sandeen stated that 17,000 feet of sewer lines will be replaced. Future capital funds will be needed to reinvest in and to maintain our infrastructure. There are grants for our waterlines that have very specific language and guidelines, but we have been told some of that is being relaxed and some funds may be available for other waterlines. Mr. Sandeen discussed the progress of the STRAP Grant in cleaning out Jennie's Gut, the AIA merger grant with Winfall, the Golden Leaf Grant, and the HRCP Grant. Mr. Sandeen is impressed with the work of Withers Ravenel. Over the past 6 months, Mr. Sandeen has also been going through available documents, drawings, and plans. All this information is being scanned so that it can easily be found by Withers Ravenel, engineers, and anyone who might need it. Currently about 6,000 documents and 350 drawings have been scanned. The value in organizing this information will save thousands in our grant money and allow the Town to do more with those grants. Mayor Brown asked Mr. Sandeen to provide a (hardcopy) report of the progress of our grants.

CONTINUED BUSINESS

- a) **Harbor Town Resolution** – Mayor Brown asked for any discussion on the Harbor Town Resolution and there was none. Mayor Pro Tem Hodges made a motion to approve the Resolution for Participation in the Regional Golden Leaf Grant Application by Harbor Towns, Inc. Councilwoman Brothers seconded, and the motion passed unanimously, 5-0.

- b) **Episcopal Church Run/Walk Ordinance** – Council approved an ordinance in March for the Holy Trinity Run/Walk to benefit the Open Door Food Bank. Manager Cole explained that ordinance is no longer needed as no state roads are involved in the event due to a route change for safety issues. Mayor Brown asked for a motion to rescind the ordinance. Mayor Pro Tem Hodges made the

motion and Councilman Mimplitsch seconded to rescind the ordinance. It passed unanimously, 5-0.

- c) Budget & Utility Rate Discussion** – Manager Cole informed Council that the budget is not ready to present. She wanted to discuss the COLA with Council. Using the consumer price index, Social Security Administration has determined the inflation rate to be 8.7%, and they are issuing raises for that amount. The NC governor is recommending an 8% COLA increase for employees to be issued over two years, at 5% the first year and 3% the second year. Council discussed that Hertford historically has paid low compared to neighboring municipalities and residents do get frustrated over the impact high turnover creates. Mayor Pro Tem Hodges discussed how turnover is very expensive in terms of personnel vacancies, overtime of other staff, training new staff. Council would like to issue a minimum of 4% COLA increase to staff wages. Manager Cole will prepare two separate budgets: one reflecting a 4% COLA increase, and the other reflecting a 5% increase. Mayor Pro Tem Hodges discussed the advantages of retention bonuses versus sign-on bonuses which were a topic at the Council Retreat and working to see if those would fit into the town budget.

Mayor Brown asked that the FY23-24 Budget include a donation to the Open Door Food Bank, along with the already discussed donations to Perquimans Art League, Tourism Development Authority, and Perquimans County Chamber of Commerce.

Manager Cole addressed the Utility Rates for the budget. She is still waiting for information from the NC Rural Water Association, but due to some confusion in numbers they have, their results may not be factored into the budget this cycle. Manager Cole recommends a base charge increase for electricity to all customers. She also recommends an increase in the demand rate for small commercial businesses. The Town has been notified that there will be annual increases in the electricity we purchase each year 2024 through 2027. The Town's system is past its recommended depreciation rate, and we will be incurring costs for that as well. Council discussed the increase including spreading out the increase over time, the unfeasibility to resell electricity for less than what the Town is paying, the Town's transparency in justification for the increases, costs recommended by ElectriCities just to operate, and the accurate readings of the Smart Meters. The budget will be built using the base rate increases recommended by ElectriCities. No rate changes have been made since 2019 other than reducing residential rates, but there are areas where the Town is not recouping their costs, specifically in demand charges for small commercial usage. A balanced budget with these increases is expected in two weeks at the April 24th Work Session.

- d) Winfall Rates** – Manager Cole presented and explained the proposed letter to be sent to Winfall regarding the Wastewater Treatment costs for FY 23-24.

Hertford entered into a contract with Winfall in 2001, which allows the seller (Hertford) to modify the terms. Those terms have not been modified since FY11-12. Calculations made using Winfall's usage and items from Hertford's current budget, FY22-23, Hertford is proposing to raise Winfall's monthly fixed rate by 53% and variable costs by 66%, as no cost adjustments have been made to Winfall in 11-12 years. The justification for these increases includes, increase in Hertford salaries, repairs and maintenance of our aging equipment and systems, and the continued rise in the cost of chemicals, over the period of 11-12 years. Manager Cole provided graphs that represent the usage of Hertford and Winfall and to clarify the percentages in calculations of the proposed increase. Mayor Brown asked for a motion to approve the proposed letter to Winfall. Councilman Mimplitsch made a motion to approve the letter and Councilwoman Brothers seconded. The motion passed unanimously, 5-0.

Following the approval of the motion, Mayor Pro Tem Hodges commented that we are in partnership with Winfall, and future budgets cannot overlook this contract and the costs. A large sum of money was overlooked for 11-12 years as the rising costs were paid by Hertford. Those funds could have been allocated to significant needs in Hertford. The intent of partnering with Winfall was to spread the costs evenly and we want to evaluate that data during future budget seasons to ensure that is happening.

NEW BUSINESS

Managers Update

Manager Cole updated Council on the progress of abandoned and dilapidated homes. The issue is on the calendar and being addressed. Owners have been contacted and asked to respond and fill out title work. Depending on the results of the judgements, some houses will be sold, some will be listed on the Town's condemnation work.

Harbor Town contacted Manager Cole in response to an inquiry by Mayor Brown regarding job openings with Harbor Town. Harbor Town informed Manager Cole that they will be hiring two people to work on the boats and one captain. The boats are expected to be ready in early May. Harbor Town would like each town on its itinerary to plan a celebration of the boats for the week of May 15th. Council chose May 19th, May 18th, and May 16th at 6PM as their preferences for the Hertford Celebration.

A Public Works Director has been hired. Mr. David Forsythe will be starting May 1st. He comes to us after retiring from the Navy with 31 years of civilian service.

An error was made beginning July 1st, 2022 when keying in the additional kWh rate, causing a significant reduction in rates charged over 3,000 kWh usage to Small Commercial customers. The error has been corrected for the current billing cycle and going forward. Manager Cole discussed the matter with Attorney Leidy and the Town has the legal right to recoup the lost revenue for usage by those customers. Manager

Cole will include a letter with those impacted customers of the error and the total amount they were underbilled. She is asking those businesses to contact us to work out an arrangement for repayment. Attorney Leidy confirmed that Manager Cole has the discretion to work with affected customers for repayment schedules. Measures have been put in place to avoid such an error in the future by requiring two staff members to verify a rate change in our systems.

COUNCIL REPORTS/CONCERNS

Mayor Brown, Manager Cole, Mayor Pro Tem Hodges, Perquimans County Manager Heath, Perquimans County Board of Commissioners Chairman Wallace Nelson, and Perquimans County School Superintendent Dr. Tanya Turner travelled to Raleigh together on April 4 to meet with members of NC State Congress. They submitted budget requests and justifications for both Hertford and Perquimans County. As a team, they were able to meet with several officials and support one another.

Mayor Pro Tem Hodges added that they were able to meet with Representative Goodwin, Senator Sanderson, Mike Hager, and representatives from other parts of the state. He noted that Republican Chairman Heath and Democratic Manager Cole were well received and respected by officials across the state. Mayor Pro Tem Hodges shared that the County has received a grant for the new intermediate school, but more funds will be needed due to inflation and there is a cap on the grant for elementary, middle, or high schools. Perquimans County is building an intermediate school and currently there is no exception for combining two schools into one. Other items requested include a radio upgrade for Emergency Services, funds for a building at the Marina Industrial Park, \$5M for the Waterfront Development effort, water maintenance work for the County, and funds for a wellness center that would include a public competition-grade pool that could also be used by Perquimans and Chowan County students for practice and swim meets.

Councilwoman Brothers announced that on Tuesday, April 11, there is an American Spirits of Eastern North Carolina will meet to discuss Civil War Trails signage and historical cemeteries and graveyards. April 4th, senior students at Perquimans High School were each given \$25 gift cards by the Goodwill of Eastern North Carolina and went shopping at the Food Lion, as part of the No Child Shall Go Without Food Program. Councilwoman Brothers thanked Councilwoman Anderson and the staff at the Food Lion for their dedication and assistance. Councilwoman Brothers received notification today that the Goodwill will be sending another \$2500 in gift cards to support the program. She thanked Sara Winslow and Rhonda Waters for their attendance.

Councilman Mimplitsch stated that the Indian Summer Festival is accepting applications for business sponsors. Those interested in sponsorships need to contact Stacey Layden at TDA or Councilman Mimplitsch before the May 15th deadline.

Mayor Brown commented on the Perquimans County Chamber of Commerce for hosting the First Annual Dog Festival on April 1st. It was a great event for a great cause. Also, the Chamber of Commerce will be hosting a golf tournament on May 11th. Information to register or sponsor is available on the Chamber's and the Mayor's Facebook pages. HHI held an awards ceremony for Volunteer of the Year. Lynne Raymond and Susan Cox were awarded in recognition of their efforts. The award ceremony was catered by four local businesses: TNT, Brew 2 Rescue, Carolina Moon Bakery, and 'Bout Thyme.

Clerk Durante read the announcements.

Mayor Brown asked for a motion to adjourn. Mayor Pro Tem Hodges made a motion to adjourn the meeting and Councilman Mimlitsch seconded. It passed unanimously, 5-0.

The meeting was adjourned at 7:57PM.