

CITY OF EDEN, N. C.

A special meeting of the City Council, City of Eden, was held on Wednesday, December 13, 2000 at 4:00 p.m. in the Council Chambers, 338 West Stadium Drive. Those present for the meeting were as follows:

Mayor:	Philip K. Price
Mayor Pro Tem:	John E. Grogan
Council Members:	Ronald H. Reynolds
	Ronald L. Janney
	Christine H. Myott
	Garry Tudor
	William W. Rorrer
	C. H. Gover
	Jerry Cox
	Charles J. Nooe
	Kim J. Scott
Interim City Manager:	
City Attorney:	
City Clerk:	
Representatives from staff:	
Others:	Representatives from Rouse, Rouse, Penn and Rouse
News Media:	Richard Baer, <u>The News and Record</u> , Leslie Brown, <u>Greensboro News and Record</u>

MEETING CONVENED:

Mayor Price called the meeting to order and welcomed those in attendance.

Presentation of 1999-2000 audit report:

The auditors had provided the Council with a copy of the City of Eden Financial Statements, June 30, 2000 prepared by Rouse, Rouse, Penn and Rouse, LLP, Certified Public Accountants. Mrs. Judy Rouse began the presentation by explaining that they have audited the accompanying general purpose financial statements of the City of Eden, North Carolina, as of and for the year ended June 30, 2000. Those general purpose financial statements were the responsibility of the City of Eden's management.

The audit was conducted in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

She explained that, in their opinion, based on their audit, the General Purpose Financial Statements referred to above, present fairly, with all material aspects, the financial position of the City of Eden as of June 30, 2000 and the results of its operations and the cash flows of its proprietary fund types for the year then ended in conformity with generally accepted accounting principles. She explained that the city had a clean opinion and this audit was prepared on the single audit act.

Referring Council to Page 2, Consolidated Balance Sheet, Mrs. Rouse explained that this was a consolidated balance sheet for all of the funds of the city. She noted that this also included the financials for the Eden ABC Store which is a component unit of the city.

General Fund:

Beginning with the General Fund, Page 41, the Fund Balance of the General Fund increased from \$2,974,177 to \$3, 681,763., an increase of \$707,586. Also on that page was the Fund Balance Available for Appropriation or called the Undesignated which was \$2,682,762.

On Page 59, the total actual General Fund Expenditures amounted to \$8,861,593 and that was the total expenditures for the city for the General Fund, plus \$140,000 which was transferred to other

December 13, 2000

CITY OF EDEN, NC

Minutes of the special December 13, 2000 meeting of the City Council, City of Eden, continued:

273

funds out of the General Fund for a total of \$9,001,593. One twelfth of that amount was \$750,133.

Mrs. Rouse explained that the Council back in 1998-99 voted to keep a fund balance, undesignated, for three months operating expenses. So, three months operating expenses would be \$2,250,399. The amount undesignated at June 30, 2000 was \$432,363 above the three months operation expenses. The average statewide level of available fund balance maintained by comparable size municipalities was 38.34 percent of the General Fund expenditures, or in this case \$3,450,661. Eden's Undesignated Fund Balance as of June 30, 2000 amounted to 29.80 percent up from 22.70 percent last year.

In response to a question as to where the 38 percent came from, Mrs. Rouse explained that it was from the Local Government Commission.

The Council was referred to Page 44, Revenues for the General Fund. The budget revenues were \$9,627,250 and the actual revenues were \$9,566,545 for an favorable variance of \$60,705. The revenues were up from the prior year which was \$9,122,853. Referring to Page 42, Mrs. Rouse explained that the budgeted Ad Valorem taxes were \$3,587,100 and the actual taxes received were \$3,712,852 for a favorable variance of \$125,752.

Mrs. Rouse continued with the Unrestricted Intergovernmental Revenues (page 42). Payments in lieu of taxes were budgeted at \$700,000 and actually received \$446,236 for an unfavorable variance of \$253,764. Mrs. Rouse explained that the payment in lieu of taxes from Duke Power was received after the year end whereas in the prior year, it was received before year end which makes up the difference and has now been collected. If the city had received that before year end, then the Undesignated Fund Balance would have been approximately \$200,000 higher.

Referring to Page 59, Mrs. Rouse noted that the Budgeted Operating Expenditures totaled \$9,870,200 and the actual expenditures were \$8,861,593 for a favorable variance of \$1,008,607 so they were quite a bit under budget there. This compared with the prior years expenditures of \$8,118,502. Also, the Water and Sewer Department reimbursed the General Fund for utility service, users fees, the amount of \$504,559 and that was divided out within the General Fund and not shown on that sheet. This was treated in the General Fund as a reduction of expenses of the various general government departments.

In response to a question by Council Member Grogan as to why that was done, Mrs. Rouse explained that the Finance Department, for instance, all of it is shown in the expenditures for the General Fund, but yet, they were spending probably 50 percent of their time in Collections related to the Water and Sewer Fund; therefore, there should be some reimbursement to the General Fund. Just like the Engineering Department is performing services for both, some of those services relate to the water and sewer and so the last several years they have compiled a spread sheet where they have tried to allocate time. She stated that she knew, in the Finance Department, Linda Jeffries had a very sophisticated allocation of where they have tried to take time and have actually counted checked prepared. She explained that years ago the collection department of the city was located in the Water and Sewer Fund but was moved to the General Fund. A lot of that billing was related to the Water and Sewer Fund because they were doing the water bills for residential as well as lots of things that were going out that were related to it. She added that she was more familiar with the Finance Department and saw the time involved there.

Page 59, under Operating Transfers, she noted that the budgeted amount of transfers was \$10,000 in comparison with actual transfers of \$140,000. In the prior year, it was \$1,721,900. Last year the General Fund transferred \$587,800 to the Capital Reserve Fund and that was to put that money there to do the renovations to the City Hall.

Mrs. Rouse pointed out that this year \$130,000 was transferred to the Self-Insured Insurance Fund and \$10,000 was transferred to the Single Family Rehabilitation Fund.

December 13, 2000

CITY OF EDEN, NC

Minutes of the special December 13, 2000 meeting of the City Council, City of Eden, continued:

274

Council Member Janney stated they were still transferring a lot of money from the Water and Sewer back into the General Fund.

Mrs. Rouse explained that the \$140,000 was transferred to the Single Family Rehabilitation and \$130,000 was transferred into the Self-Insured Insurance Fund, but the Water and Sewer had transferred into the General Fund \$504,559 that was disbursed throughout reducing the expenditures in the various departments.

Page 55, Mrs. Rouse noted the expenditures in the Street Department were \$296,304 less than the budgeted. Turning to Page 54, Vehicle Maintenance and Repair was \$22,171 and that was more than budgeted and an unfavorable variance there. Page 55, the equipment was \$73,634 less than the budgeted amount and the vehicles were \$50,000 less than the budgeted amount so those things just were not purchased and that was why they have such a favorable variance in that.

Council Member Janney explained that when the Council started talking about the pay plan, they did not do some things they said they would do.

Mrs. Rouse, referred Council to Page 56 and noted that Solid Waste was back in the General Fund. She noted that the budgeted amount was \$1,569,550 and the actual amount was \$1,427,609 with a favorable variance of \$141,941.

Page 58, Recreation Department, the Capital Outlay was \$110,959 less than the budgeted amount so that was part of the positive variance that expenditures ended up for the whole year.

Special Revenue Funds:

The Special Revenue Funds were found on Page 60 and 61. The Single Family Rehabilitation Fund was the ordinance the Council adopted middle of 1999 and that was the balance sheet for that fund.

Next was the Flood Mitigation and Community Development Grant which was barely started at June 30. In addition she mentioned the Capital Reserve Fund and the Historic Preservation Commission.

Mr. Rouse pointed out that the Historic Preservation Commission had a cash balance on June 30th at \$4,776 and the Reserve for the City Park was \$150,986 that was left in Capital Reserve; reserve for Economic Development was \$157,670 and reserve for the Education Access Channel was \$6,560. She also noted some interest earned on the City Hall money reserved before that remained at \$1,764. That was a total balance of \$317,200 that remained in the Capital Reserve Fund at June 30th.

Mrs. Rouse explained that there was a new fund this year which was the Capital Projects Fund that accounted for the renovations of City Hall. The details of that were found on Pages 68 and 69. Page 69 was the project authorization and the actual from the inception of this project to June 30th. Investment income, \$97,726 was received. The expenditures and accounts payable of the Capital Projects Fund at June 30th totaled \$850,880. At the end of the year, June 30th, they had remaining in this fund \$934,898. Of that amount, only \$23,975 was not encumbered at this point.

Proprietary Funds

Mr. Rex Rouse began with the Proprietary Funds of the City and those consist of the Water and Sewer Fund, Garage Fund and the Self-Insured Insurance Fund.

The Water and Sewer Fund were found on Page 70. Mr. Rouse noted that the Debt Service Fund was a sub-fund of the Water and Sewer Fund since all of the bonded debt of the city were related to the Water and Sewer Improvements. The Unrestricted Cash Balance decreased from \$3,358,206 to \$2,804,710. The Cash Restricted for Retirement of Debt, there was \$6,204 at the

CITY OF EDEN, NC

Minutes of the special December 13, 2000 meeting of the City Council, City of Eden, continued:

275

beginning of the year and only \$59 left at the end of the year. The Cash Restricted for Construction decreased from \$1,186,853 to \$926,066. The fixed assets, net of accumulated depreciation, decreased from \$32,617,000 to \$32,161,469. Very importantly, the total debt in the Water and Sewer Fund decreased from \$12,206,000 (actual figure \$12, 206,724) to \$10,992,000 (actual figure \$10,992,154).

The Water and Sewer income statement was found on page 71. The Total Operating revenues were \$5,900,469 compared to \$6,119,177 last year, a decrease of \$718,708 – almost all of which could be attributed to the loss of Pluma, which was in there for most of last year. On page 71, the Total Operating Expenses decreased from \$6,019,219 to \$5,961,926.

The Bad Debt Expense increased from \$247,663 to \$687,387 and the Bad Debt Expense from the prior year was due to the bankruptcy of one of the City's large consumers, Pluma, and then this year, the addition buildings to the large industrial customers, near the end of the year as a result of the Water and Sewer Study, had not been collected at the date of the report and so they were treated as bad debts. He explained that the receivables remaining on the Gracie Street project were written off during 1999 and 2000 and being uncollectable and so that accounted for the \$687,387. The Non-operating Income decreased from \$369,000 (actual figure \$369,079) to \$282,000 (actual figure \$282,900), a decrease of \$86,179 and that was due to the reduction in the interest income and the insurance proceeds being more this year. The interest expense decreased from \$887,200 to \$644,000 (actual figure \$644,096) for 1996. The net results of all that activity was that the Water and Sewer Fund realized a net loss this year of \$443,826 compared to a Net Income of \$35,237 last year – and that was a decrease of \$479,063.

The Comparative Balance of the Garage Fund was shown on Page 87. The Fund Equity in the Garage Fund decreased from \$110,652 to \$48,702.

The Statement of Revenues, Expenses and Changes was found on Page 88. The Operating Revenue amounted to \$585,917 up \$60,000 over last year, last year it was \$525,113. The Operating Expenses amounted to \$644,000 (actual figure \$644,436) this year compared to \$551,204 last year. The City Garage reported a loss of \$63,600 this year, compared to a net loss of \$32,315 for the prior year. He stated that it appeared that something like a 10% increase in the rates that the Garage Fund charges to the departments may be in order here. He noted that the goal was that the fund should just about break even.

The Self-Insured Insurance Coverage Program was shown on Page 93. On July 1, 1995, the City began a self-insured insurance coverage program. The City carries a reinsurance policy for payment of all specific claims above \$35,000. The excess above \$35,000 claimed on any individual was reimbursed by the reinsurance carrier. The Self-Insured Insurance Fund was carried as an Internal Service Fund. The fund ended the year with a deficit of \$108,953 compared with the deficit last year of \$8,294. The Income Statement appeared on Page 94. Revenues total \$691,765 this year compared with \$651,422 last year. The revenues were up approximately \$40,000. The expenditures (operating expenses) were up \$813,000 (actual figure \$813,694) to \$971,000 (actual figure \$971,051) this year. This year there was a loss of \$279,286 compared with a loss last year of \$162,272. Other financing sources of \$178,000 was transferred from the General Fund, the Water and Sewer Fund and the Garage Fund to reduce the net loss for the year, whereas, \$200,000 was transferred from the prior year. That accounted for the \$100,659 bottom line loss after the transfer of \$178,000 to the Self-Insured Insurance Fund.

On Page 97, the Combining Balance Sheet for the Trust and Agency Funds was shown. Those funds consisted of the Police Special Separation Allowance and the Runabout Travel Club. The Fund Balance in the retirement fund was \$317,454 and the agency fund, the Runabout Travel Club Fund was a holding fund for its members, contributing monies for scheduled activities and trips.

Mr. Rouse referred the Council back to Page 24, General Fixed Assets. At the beginning of the year, the General Fixed Assets totaled \$10,576,664 and at the end of the year, they totaled \$11,305,265. The additions total \$730,251.

CITY OF EDEN, NC

Minutes of the special December 13, 2000 meeting of the City Council, City of Eden, continued:

276

The details of the Long Term Debt appeared on Page 35, which included the General Obligation Bonds (Water and Sewer Bonds), Capitalized Leases, and installment purchases. The total long term principal debt at June 30th was \$11,245,827. The legal debt margin was 8% of the assessed evaluation. Referring to Page 102, Mr. Rouse explained that the first column was the total assessed evaluation which was \$647,567,875 and 8% of that amount is the legal debt that the City could have, and that was \$51,805,000. He explained that the city was only now a little over 20% of the total legal debt margin and that was not bad. The Schedule of Cash Balances appeared as a supplemental schedule which he presented to Council. On Page 2 of the supplemental schedule, the total cash balance was \$9,285,592. That figure compared with a balance of \$9,532,153 last year.

On Page 102 of the audit report was an analysis of the current year's tax levy. The current year tax collection rate was 96.46%. He noted that last year, it was the worst ever, it was 95.49% last year, which was due to Pluma. Mr. Rouse explained that this was in line with the five years before that – the 95.49% improved this year to 96.46%. In 1998, it was 96.61% - in 1997 it was 96.24% - 1996 it was 96.33%, and 1995 it was 96.23%. He explained that this was based on the performance of the Rockingham County Tax Department. The total Interest Income (found in the supplemental schedule) was \$602,463; last year it was \$554,706. The \$602,463 generates the same amount of revenue as nine (9) cents of additional property tax.

Referring back to the Operating Expenses, the Insurance Claim, \$781,938, Mr. Cox asked if that took into account the specific reimbursement as far as claims that were reimbursed after. . .

Mrs. Rouse replied that this was up to the \$35,000 and was not what was paid by the re-insurer.

Mr. Cox asked, so they do not advance, that is, if a claim goes over, the re-insurer picks up immediately and pays that claim. Mrs. Rouse replied not to her knowledge, this was just the first \$35,000. She stated that there were a lot of accounts payable out there, June 30th, and referred the Council to Page 93. She stated that when they were doing budget amendments at the end of the year, they did not realize how much in accounts payable was out there and it was \$162,000 as compared to \$60,000. So there were a lot of claims pending that had not been paid.

Mr. Cox asked about the aggregate insurance to which Mrs. Rouse replied she was not sure.

Mayor Price asked Mrs. Jeffries for the time in paying the medical bills to which she replied the problem at that time was that they had moved their office and some of their claims were behind and then they had a City Manager who thought he had to get it approved by the Council before he could pay for the claims so the check was held and that was what caused a lot of it.

Mayor Price asked if it was on time now to which Mrs. Jeffries replied absolutely.

Mrs. Rouse added that she believed the city had changed its year and the year for the insurance renewal was May 1st to May 1st rather than June 30th to June 30th (the year of the city). She noted that was one thing she had discovered in trying to verify the accounts payable.

In response to a question by Council Member Janney as to if that was a change by the insurance company or the city, Mrs. Jeffries replied it was a change by the insurance company.

Mr. Rouse explained that those statements were presented from July 1st to June 30th so they were not picking up an extra month's expenses in there.

Management Letter:

Budget Revisions:

Referring to the management letter, Mr. Rouse stated the first item was the Self-Insured Insurance Fund (Page 90). The Self-Insured Insurance Fund experienced another year with claims much greater than the budgeted amount. The budget should be amended to more

CITY OF EDEN, NC

Minutes of the special December 13, 2000 meeting of the City Council, City of Eden, continued:

277

accurately reflect the premiums and claims that were being paid. Mr. Rouse stated going one step further than that, with all of the losses the city probably does choose to absorb some of the loss, but he asked if they really wanted to absorb the \$100,000 bottom line plus the \$178,000 (total \$278,000). He asked if part of that should be passed on to the employee. He asked when the city hired an outsider to come in and do a salary survey, was he considering this as additional compensation. They have so much of those insurance claims the city was paying, one way of looking at it was that it was compensation to the employees, and asked if they were competitive with the other cities that they were comparing Eden with when doing the salary rate study, and considering that factor. He stated he thought the answer was probably no, but Mr. Rouse stated he thought that was something the Council should be aware of and should impress upon the person doing the rate study that the city was absorbing a lot of this cost that maybe other towns were not absorbing.

Council Member Myott mentioned the rates going up for the employees to which Council Member Grogan mentioned that most of it (increase) went to help cover the insurance costs.

Mr. Rouse explained that it was a political/Council decision as to how much of it the Council wants to pay and how much they want to charge the employees. He wanted the Council to be aware of how much they are not only absorbing, the \$178,000., but also another \$100,000. The other point was that he thought it would be well for the city to be sure the person who comes in and does the salary rate study. . . adding he thought the city was absorbing extra costs that maybe other towns were not absorbing and that should be factored in as part of the compensation. If the city was going to absorb this costs then it seemed to him that it should be factored in when making comparisons with other towns about the salary rates because it is additional compensation.

Council Member Grogan stated a phone call by the clerk or manager to other municipalities in the county could answer that question very quickly. Mr. Cox mentioned that also important was for the administrator of the plan to do a detailed claims analysis to look at who was receiving the benefit, was there "x" number of employees incurring the larger claims. He suggested looking at the last two or three years of the claims history and what had happened to which Mr. Rouse replied he agreed.

Audit Adjustments:

Mr. Rouse noted that until this year, the number of audit adjustments were coming down on a straight line basis, they had a large number in 1994, there was a straight line base to 1999 and this year it went up somewhat. The main reason for that was that the Personnel Department had a lot of salary accruals that had just not been made and that was accounting the extra adjustments they had to make this year and why the number in the General Fund was up from 27 to 33 and the Water and Sewer Department was up from 14 to 19, and Garage Fund from 6 to 9.

Council Member Janney asked Mr. Rouse to explain the salary adjustments to which he explained that if the year ends and there are some people being paid on a weekly basis and the year ends June 27th, there are three more days of salary and related payroll taxes and things that pertain to those three extra days to accrue the salaries from June 27th to June 30th. Mrs. Rouse also added the vacation pay and just a lot of adjustments.

Fixed Assets and Depreciation Schedule:

Mr. Rouse explained that the city of Eden should have a fixed asset program in place that is integrated with the General Ledger to record fixed asset additions. Recording the acquisition of the fixed assets should go on to the spreadsheet that keeps up with the fixed assets so that it stays in balance and that would make it integrated, the fixed asset records with the general ledger and reduce the problems they were having with the fixed assets.

The infrastructure (streets, sidewalks) assets will become a required part of the fixed asset records due to GASB4 and will be subject to depreciation. Retroactive reporting of all major

December 13, 2000

CITY OF EDEN, NC

Minutes of the special December 13, 2000 meeting of the City Council, City of Eden, continued:

278

general infrastructure assets for the City of Eden must begin by fiscal year 2006-2007. It is being phased in by the size of the town and Eden was not in the first group to come under this, but will be in the second group. He noted this would be a massive undertaking and require some work by the engineers to determine the number of miles of city streets and reporting these assets. It will mean a lot of continued education that the finance office will have to go to between now and then.

Mr. Rouse next noted that the depreciation schedule in the proprietary funds should be updated by City personnel and provided to the auditors within a reasonable time period after year end. He explained that they did not get the depreciation schedule at all this year and they had to do it themselves.

Water and Sewer Fund:

Mr. Rouse noted that the industrial billings sent out at the end of the year had not been paid and they thought the City of Eden management should consider negotiating a payment agreement with the large industrial consumers who received additional water and sewer billings due to the recent water and sewer study. At the date of this report none of these monies had been collected.

Now that the audited financial statements for the city have been released, the contracts provide that the rates are based on the audited financial statements. The Finance Department should adjust the current water and sewer rates for the industrial consumers based on the audited expenditures in the Water and Sewer Fund. The auditors suggested that the engineering firm which performed the water and sewer study review these adjustment for completeness and accuracy.

Communication between Council and Department Heads:

The city needs to actively pursue employing a competent permanent City Manager. The City Manager should in turn hire a competent Human Resources Office and a Finance Officer. The auditors suggested that the Finance Officer's position be filled by a CPA with experience in local government accounting. These key people must work to improve communications between the City Council, City Attorney, and the Department Heads on monitoring grants, contracts, performance agreements and to implement other directives of the Council.

Copies of portions of minutes and contracts which are applicable to the various departments of the City should be distributed to departments after being transcribed by the Clerk and approved by Council. This will help ensure that actions taken by the Council are implemented.

Mr. Rouse explained that on May 12, 2000 the Single Family Rehabilitation Program received an extension of time from June 18, 2000 in December 18, 2000 to complete the twelve units approved in the 1998 contract. At June 30, 2000, only one unit had been completed. Under the extension all rehabilitation fixed costs must be obligated to specific rehabilitation jobs by December 18, 2000. Recipients then have 90 additional days in which to complete all project activities, submit a certification of completion and financial cost from the North Carolina Housing Financing Agency and return any unused program funds including interest earned on Single Family Rehabilitation deposits. Mr. Rouse expressed concern that the city was in danger of losing this funding.

In response to a question by Council Member Grogan as to a ballpark cost for a CPA with government background financing, Mr. Rouse replied approximately \$50,000 and a city the size of Eden should have one.

Consideration of calling a public hearing for a Local Law Enforcement Grant:

A motion was made by Council Member Rorrer seconded by Council Member Grogan to set the date and time of December 28, 2000 at 5:00 p.m. for a public hearing for a Local Law Enforcement Grant.

December 13, 2000

CITY OF EDEN, NC

Minutes of the special December 13, 2000 meeting of the City Council, City of Eden, continued:

279

Mr. Cox explained that this grant money of approximately \$20,000 was earmarked for in-car video equipment and also some radar equipment.

Council Member Janney asked where the money was coming from to which Mr. Cox replied the State Crime Commission. Council Member Janney explained that he was referring to the city's part to which Mayor Price explained that the question had been asked and that he thought the Chief had it in his funds that he had.

Action on the motion: All Council Members present voted in favor of this motion.

Consideration of recycling Drop Port Site No. 5

Mr. Jerome Adams, Sanitation Superintendent, was present and explained that they had been pursuing a drop port site in the Boulevard area. The location they had originally targeted was being leased by the city. They have learned that the parcel of property was dropped as a lease from the city in recent years so; therefore, they had to look for other properties and found that the city owned property directly in front from the location they had originally looked at. In that parcel of property was a facility there called Save Time Convenient Market. On that property is a sizeable parcel of property that is tied to that parcel of property that the city owns that is not being utilized. They have acquired information from the records of the City Attorney in reference to this. They have searched the information as far as the footage involved and the area that is available. . . After reviewing that information, checking the footage, there is adequate property for this facility in that location. The only opposition they have come into was from the current tenant at the Save Time Convenient Market that it would intensify a rodent problem at her facility. That was not a problem, according to Mr. Adams, in fact the type of material that they collect at those locations is recyclable material that does not attract rodents because the material does not include food. Another concern was that it would create a dump site for others to bring trash in. They have not experienced any problems whatsoever in the sites they are currently operating. They have assured the property owner and tenant at that location that the sites would be monitored daily and also they service them as needed to removed the material that is brought in. They felt this would be a strong asset to that community in terms of intensifying Eden's waste reduction efforts and also they believe it would enhance her place of business. They currently have one at the mall and one at one of the JMart's and they have assured her that it would not be a downgrade of her operations but an asset.

Mayor Price asked if they would be infringing on her rent from the city or what she thinks she has to which Mr. Adams replied no, sir. According to the deed information he received from the attorney, the city retained in their agreement the right to use that parcel of property and also the entrance area going into that parcel of property that she or the tenant could not block the actual egress or ingress of that property to get over to the parcel they were talking about and north of the city, block it to where she could not. . .

Council Member Rorrer stated that the city had acquired some more property since she rented that. The little alley strip. . . to which Mr. Adams replied that was all shown and in fact, the area they were looking at was actually included in part of that closed alley area. They have approximately 97.71 feet of frontage that could be dedicated to this recycling site according to the deed or the property that is being leased by Mildred's kitchen, there is approximately 66 ½ feet of frontage from the corner of Oak Street north on The Boulevard and it corners and goes straight back to a newly established point which kind of blocks her in the corner of Oak Avenue and the rest of that property north of that is clear property that the city could utilize.

Council Member Janney stated if they could do that and not create a problem for her or anyone in that vicinity then he did not have a problem with it, but they would probably have to change the contract if she is leasing that.

Mr. Adams replied according to the lease, what they would do there would not impact her operation whatsoever. Council Member Janney stated that as long as the attorney could say that it would not infringe on anything with her contract then he personally did not have a problem.

December 13, 2000

CITY OF EDEN, NC

Minutes of the special December 13, 2000 meeting of the City Council, City of Eden, continued:

280

Mr. Nooe explained that her lease had expired and the city should look into it to see if they want to increase the rent, but at any rate, she is holding over on a lease that has expired.

Council Member Rorrer and Janney stated that while they were into it, they needed to cover the entire thing.

A motion was made by Council Member Janney seconded by Council Member Rorrer to update the lease of Mildred's kitchen and if it posed a problem with her then the Council needed to take a look at it, and also to approve the drop port at that site. All Council Members present voted in favor of this motion.

Closed Session for discussion of personnel according to GS 143-318.11(a)(6). Closed session to consult with the City Attorney relating to matters concerning economic development according to GS 143-318.11(a)(4).

A motion was made by Council Member Grogan seconded by Council Member Janney for a closed session for the discussion of personnel according to GS 143-318.11(a)(6). Also, for a closed session to consult with the City Attorney relating to matters concerning economic development according to GS 143-318.11(a)(4).

Open Session:

A motion was made by Council Member Myott seconded by Council Member Grogan to return to open session. All Council Members present voted in favor of this motion.

Consider approving economic incentives to an industry according to GS 158-7.1:

(This item was listed on the agenda, but was not considered).

Adjournment:

A motion was made by Council Member Grogan seconded by Council Member Myott to adjourn. All Council Members present voted in favor of this motion.

Respectfully submitted,

Kim J. Scott
City Clerk

ATTEST:

Philip K. Price
Mayor