

CITY OF EDEN, N.C.

The regular meeting of the City Council, City of Eden, was held on Tuesday, January 18, 2000 at 7:30 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:	Ronald L. Janney
Council Members:	Ronald H. Reynolds
	John E. Grogan
	Christine H. Myott
	William W. Rorrer
	C.H. Gover
	Garry Tudor
	Radford L. Thomas
	Charles J. Nooe
	Kim J. Scott
	Sheralene Thompson

(absent)

Representatives from City Departments:  
Representatives from News Media:

Mickey Powell, The Daily  
News, Alex DeGrande,  
Greensboro News & Record

MEETING CONVENED:

Mayor Price called the regular meeting of the Eden City Council to order and welcomed those in attendance. He explained that the Council meets the third Tuesday of each month at 7:30 p.m. and works from a prepared agenda; however, time would be set aside for business not on the printed agenda.

INVOCATION:

Mayor Price introduced Mr. Brian Cockram, Pastor of Draper Baptist Church, who was present to give the invocation.

PUBLIC HEARINGS:

Consideration of a zoning amendment request to rezone property off Briarwood Drive from Residential-20 to Office & Institutional to Residential-20PUD/R. Request submitted by Roy B. Davis, Jr., and wife Doris Y. Davis. ZONING CASE Z-99-19.

Mayor Price called for a public hearing and asked Mrs. Kelly Stultz, Planning & Inspections Director, to come forward for a report.

Mrs. Stultz explained that this was a request to rezone property from Residential-20 to Residential-20/PUDR. At their January 4, 2000 Planning Board meeting the Planning Board voted unanimously to recommend that the City Council approve this request.

She explained that the request was to rezone a 47.25-acre parcel off Briarwood Drive from R-20 and O&I to R-20/PUDR. The R-20 PUDR district, like the R-20 district, allowed only single family site built residential development. No multi-family units would be allowed. The area surrounding the property is characterized by single family development. Already existing in the area is a large lot single family neighborhood and another R-20 PUDR development is underway to the east. The property is surrounded by the Meadow Greens Country Club Golf Course.

The PUDR district was established for the controlled development of a particular project and allowed for more flexible development standards, based upon certain conditions being met. In a PUD, more of the natural environment can be preserved and the property developed more creatively and efficiently.

Recent trends in residential development in North Carolina and the nation have been toward the creation of developments designed like many of our pre-World War II neighborhoods. In those “neo-traditional” neighborhoods, the houses are sometimes placed together on small lots. However, in this particular kind of development the number of units per acre is limited. Small lot sizes mean more space is preserved and not more folks living in that area. This promotes efficiency in the provision of water, sewer, streets and other services and holds cost down for the city over the long haul.

She stated that staff was of the opinion that, based upon the character of the area and the recent development trends to the north, the R-20/PUDR classification for the subject property was appropriate. Additionally, the staff recommended preliminary approval of the PUDR request contingent upon submission of all requirements of the zoning, subdivision and watershed ordinances.

Mayor Price asked if anyone would like to come forward and speak in favor of this request.

Mrs. Doris Davis, 718 Meadow Greens Village, stated that the purpose of this zoning request was twofold. The PUD zoning would allow the owners the flexibility needed to develop the property. Number two the zoning would alleviate the fears of concerned citizens that the land may be used for purposes other than residential.

Mayor Price asked if there was anyone else to come forward to speak in favor or in opposition to this request. As no one else came forward, he declared the public hearing closed and asked the council for their decision.

A motion was made by Council Member Grogan seconded by Council Member Gover to approve this request.

Council Member Janney questioned the statement by Mrs. Stultz that the staff recommended preliminary approval based upon certain requirements. He asked if that was normal.

Mrs. Stultz replied that it was in this particular case when they do a PUD, it required an extra step and they would bring another plan to Council.

Action on this motion was as follows: All Council Members present voted in favor of this motion.

Consideration of a zoning map amendment request to rezone property off Briarwood Drive from Office & Institutional to Residential-20. Request submitted by the City Council. ZONING CASE Z-99-16.

Mayor Price asked that the council to withdraw its zoning request for zoning case Z-99-16. He asked if there was a motion for this.

A motion was made by Council Member Tudor seconded by Council Member Myott to withdraw this request.

Mayor Price asked if there was any other discussion.

Council Member Grogan asked if that was correct to which the City Attorney explained that they could withdraw their request because they had just rezoned the O&I and the R-20 parts of this one tract in the preceding vote so it has already been rezoned R-20/PUDR, so he did not see anything to act on.

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

Consideration of a zoning map amendment request to rezone property on W. Kings Highway from Office & Institutional to Business-Highway #1. Request submitted by W.J. Leffew. ZONING CASE Z-99-15.

Mayor Price called for a public hearing and asked Mrs. Stultz to come forward for a report.

Mrs. Stultz explained that this request from W. J. Leffew was to rezone a 3.1 acre parcel of land on King's Highway from Business-Highway #1 and Office & Institutional to Business-Highway #1 alone. The request would only change the northern portion to B-H#1. The area surrounding the subject property is characterized by a mix of residential, commercial and institutional uses.

The City of Eden zoning ordinance stipulates that the Business-Highway #1 district was established solely for the developing business areas along NC Highway #14 and the intersecting streets in the general vicinity. Kings Highway is one of those streets. This

district was designed to encourage low density development on large lots in the strategically urbanizing areas. The ordinance states that it is important that properties in this district be developed with very high standards and further states that in working toward this objective, permitted uses in this district were limited to those uses compatible to existing uses and that would not be offensive to the contiguous residential and institutional districts.

The northern portion of the subject property was zoned Office and Institutional. This district was designed primarily for low intensity office and institutional uses and residential uses. Like B-H #1, O&I was designed to be compatible with the nearby residential development. This split lot zoning was original in 1968.

The City of Eden's 1977 Land Development Plan recommended medium density residential development and commercial uses for this area. The zoning pattern in this area was virtually unchanged since original zoning and no decisions have been made by the City Council to make a policy change for the development for Kings Highway.

She stated that based upon the foregoing information, staff was of the opinion that B-H#1 for the entire parcel was in keeping with the character of the area and therefore, the department recommended that this request be approved.

Mayor Price asked if anyone wanted to speak in favor or in opposition of this request. As no one came forward, Mayor Price declared the public hearing closed and asked the council for a decision.

A motion was made by Council Member Grogan seconded by Council Member Tudor that the request be approved. All Council Members present voted in favor of this motion.

Consideration of a zoning map amendment request to rezone property on Hubbard Street in the city's extraterritorial jurisdiction from Residential-20 to Residential-Suburban. Request submitted by Lee Roy Dunn and wife Carolyn Dunn. ZONING CASE Z-99-18.

Mayor Price called for a public hearing and asked Mrs. Stultz to come forward for a report.

Mrs. Stultz explained that this was a request to rezone a tract on Hubbard Street in the city's ETJ from R-20 to Residential-Suburban. Residential-Suburban was the zoning district characterized by suburban, residential and agricultural uses. One purpose of the district was to encourage the continued use of land for low-density residential and agricultural uses. The area was characterized by rural large lot residential development and farm uses.

She stated that based upon the character of the area, the staff was of the opinion that a Residential-Suburban rezoning was appropriate and therefore recommended in favor of this request.

Mayor Price asked for those who would like to speak in favor of this request to please come forward.

Mr. Leroy Dunn, 1143 Hubbard Street, stated that he hoped they approve this.

Mayor Price asked if anyone would like to speak in opposition to this request. As no one else came forward, he declared the public hearing closed.

A motion was made by Council Member Myott seconded by Council Member Gover to approve the request. All Council Members present voted in favor of this motion.

#### MONTHLY FINANCIAL REPORT:

##### Financial Reports

The memorandum presented to Council contained the Financial Reports for December 1999.

Mr. Sharp explained that they were \$176,500 better off than last month at this time. He stated that total Cash was down \$184, 019. The Undesignated Fund Balance for the General Fund was basically made up of the following; the Reserved by State Statute was down \$220,098 and the Encumbrances were down \$50,742 and the Reserved for Powell Bill was up \$4,000. He stated that the biggest thing he noticed from the General Fund was at this point and time they were a little behind in their collection of property tax than they were last year at this time and he noted that the reason for that was that they have a business that filed bankruptcy and had not paid its taxes. He stated that other than that the collections on the taxes looked good and hopefully there would be a sell on that piece of property and they would collect a majority of those taxes.

Mr. Sharp continued with the Undesignated Fund Balance in the Water and Sewer Fund was up...

Council Member Janney stated that they show they have \$3,529,000 cash. If they take out their three months reserve, actually, that was money they spend for emergency purposes.

Mr. Sharp explained that the Undesignated Fund Balance was the money that they look at as being available for emergencies. The rest of it was moneys that had to be set aside by state statutes or by general accepted accounting principals as being unavailable for use in the General Fund.

Council Member Janney agreed, but questioned that if they hold the emergency money, they only have about a million dollars that they could use for anything else, in General Funds, other than emergency money.

Mr. Sharp replied that if they hold their emergency money, they have no money.

Mr. Thomas clarified that the remaining million dollars was what was required to be there by state statutes or accounting reasons.

Council Member Janney commented, so they were down to zero.

Mr. Thomas replied no, they have \$2.2 million that would be available if they had an emergency to which Council Member Janney agreed.

Mr. Sharp added, but if they hold that and do not spend it for any reason then they have nothing available because the Undesignated Fund Balance was the emergency fund. That was the reason that they have that there and it was required by statute. He explained that it was for municipalities to have money that they can use if something happens.

Council Member Janney commented that to ask in a different way, if they did not use that for emergency money, they have zero funds, according to what he said. If they hold that for emergencies only, they have zero funds.

Mr. Sharp explained that they have none available.

Mr. Sharp continued that the Undesignated Fund Balance for the Water and Sewer Fund was up \$411,713 over the month before. The total cash in the Water and Sewer Fund was up \$175,000. He stated that at this point in time they were six months into the year, and they should be looking at Departments and Revenue at roughly 50%. The General Fund Revenue was 54%. Over all, the departments inside the General Fund were showing at 47.6% which was below the 50%.

He stated that Water and Sewer Fund was due to the impact of the company that was mentioned before (Pluma). Their Water Revenue was only 34% but on the other hand their Expenditures, they have been kind of holding it down and on a whole it was only 27% of the budget.

He stated that the Garage was 51(%) Revenue and 52(%) Expenditures. He noted that for Debt Service they made their \$403,256 interest payment at the first part of December.

Council Member Janney questioned the Debt Service payment in December.

Mr. Sharp explained that they made their first payment of the year on the debt of the bonds. The next payment would be June 1, and was \$403,256 of interest and it \$1,225,000 of principle.

Council Member Janney asked if that would come of the 4 million dollars they have to which Mr. Sharp replied it would come out of the Water and Sewer Fund.

Mayor Price asked if they continued to monitor the Self-Insurance.

Mr. Sharp replied in the affirmative and stated that if they look at the activities for this

month, it looked like they were \$19,400 in the hole, but he explained that it was a timing difference there, the money was sitting over in Receivables and had just not been transferred over at that point. He stated that if this statement was dated a couple of days later it would show \$6,000 to the good.

He stated that on a whole, on all their funds, their Revenue coming in was 40%, their Expenditures were 37.9%. He stated that their Cash, they were about \$350,000 less than they were last year at this time, but if they looked back they would see that they started the year, a little bit behind where they were last year also. He noted that they were about 1.2 million dollars behind where they were last year and currently they were about \$400,000 behind.

Mr. Sharp stated that they began the \$1,200,000 less money than they did the year before. At this point in the year, they were only \$400,000 behind where they were last year, so they seem to be catching up on their cash. He noted that on page 11 of 12 was their Cash Summary, which listed all of the cash and funds. The last page was their Temporary Investments, which were starting to go up. They were up about \$900 above where they were last month at this time.

Council Member Janney commented that he had a couple of questions and on some of them he would need to get with Mr. Sharp. He asked that they go back to Capital Project Funds, where they have the money set aside for the renovation of City Hall, or moving the Police Department. He stated that they had \$1,700,000, which was what looked like they had budgeted in his report. He stated that they paid out \$48,000 or so to the architect. He noted that it showed \$1,651,000 to which Mr. Sharp explained that was the balance. Council Member Janney stated that he could not get that to match up on the last sheet. He asked that if they would look on pages 11 of 12, it had \$1,671,000. He asked what the difference was as he thought those sheets were supposed to match.

Mr. Sharp replied that they should, but with those funds, the differences in interest, they have a little bit of money left over in the checking account that was added to the funds to the number on page 11 of 12.

Council Member Janney asked that when Mr. Sharp got back to his office to take the voucher sheet and look at the amount of money they spent this month and try to calculate that against their revenues and previous expenditures. He stated that he could not get that to come out right, and it was probably something he (Janney) was doing. He added that he would come by and speak with him (about it).

Mr. Sharp explained that it should (come out right) but he should take into consideration that they were also paying liabilities off, the payroll taxes. He explained that the payroll tax withholding does not enter into an expenditure account. It goes into an escrow account for the governments and they will send the money to the appropriate government agency three to five days after it was withheld. That money does not enter into the expenditures on the expenditure sheet that they had, but they were included in the vouchers because they have to right a check for those.

Council Member Janney stated that he would need to understand it better. He had tried to come up with the right answer but he had been unable to come up with the right answer to which Mr. Sharp noted that they do encumbrances the same way.

#### REQUESTS AND PETITIONS OF CITIZENS:

Ms. Beth Howell and citizens of Pervie Bolick Street to address Council regarding sewer problems and damages.

Mayor Price explained that Ms. Beth Howell, wanted to come forward to represent citizens on Pervie Bolick Street in regard to some sewer problems.

Ms. Beth Howell, 350 Pervie Bolick Street, explained that the citizens of Pervie Bolick Street have a signed petition to replace the sewage lines that are inadequate to accommodate the houses in their area. This request was necessary to prevent any further damage to their homes, their environment and their neighborhood. She presented the petition to the Mayor.

She explained that on October 22, 1999, she came home from work at 6:30, came into her house and as she went down to the basement, the smell was so bad she could hardly stand it as there was 2 ½ inches of raw sewage in her home. She stated that she had passed a city truck as she came in so she knew he had been working on the line. She tried calling and also going to Klyce Street and could not find anyone. She added that there was a nice man at the sewage place (plant) off of 14 who helped get the man back over there. She stated that the next morning, Bob Johnson (Collection & Distribution) came and called Mr. Benny Sexton (Public Works Director). Mr. Sexton could not come by and asked that she make a complaint on Monday morning. She added that she was not told what to do or anything. She stated that she made the complaint on Monday and Mr. Sharp (Finance Director) helped a lot with the insurance. She explained that it took five (5) days to start the cleanup so the sewage smell was awful.

Ms. Howell presented photographs of the first sewage occurrence to the Council.

She continued in that they had been putting the house back to order and the Saturday before Christmas she installed carpet downstairs. The day after Christmas it happened again, but instead of raw sewage the majority of it was urine and water. She added that it also had a little bit of raw sewage, the smell was bad, but she knew whom to call. She stated that she called an environmental group out of Greensboro to clean it up because no one in town would mess with raw sewage. She had also contacted two of the City Councilmen, who had actually seen the problem.

Ms. Howell presented photographs of the second sewage to the Council.

She explained that when the City Councilmen came they noticed the water was still coming up, so they called the city to come back out. She stated that they came and as



they looked they said that the sewage from above and below her house was the same level. She added that one of the gentlemen asked that they go get the truck, as he wanted to see the bottom of it. They brought the sewage truck and when they “blasted” it, it started sucking the sewage out. She stated that one of the gentlemen said “yeah, here’s the clog”.

She explained that she knew that the city man had told her that she needed a clean out valve and a backflow preventor. She stated that she had received a letter from Mr. Sharp about that and had already installed that when she got the letter, she already had a clean out tap, but over the years the dirt had covered it up, so that had been done. She stated that she had put a backflow preventor (on) even though Dyer’s (plumber) did not recommend that. She explained that they said that paper products would not go through the flap very well and she would be having them out there every couple of months to have it cleaned it out, which was a \$100 flat fee.

She stated that however, when they were putting the backflow in, the hole should have been 4 x 6. She stated that as Dyers was putting it in they called the city to find out where the sewage lines came in. She stated that they had to call two or three times because of where it was going to start. She stated that instead of a 4 x 6 hole in her front yard, she had a hole big enough for a swimming pool. She stated that of course the money was coming out of her pocket because it was on her side and she was told to do it and according to the letter “failure to install these items could preclude you from collecting your damages for your sewer backup in your home in the future”. She explained that it had scared her to death because the first sewer problem was \$18,000 and she knew that the city’s insurance company was paying for it, she did not have all the figures for that, but she could not pay for that kind of thing so that was why it scared her and she had put it in there. She stated that instead of a \$300 fee it was \$700, because of the city not knowing where the sewage line was.

Ms. Howell stated that they were requesting to have it looked into because first of all, she wanted to know what the problem was. She stated that no one had ever told her it was just a clog. She asked why have a clog in October and prior to that, Mr. Hale (neighbor) had a problem, and that was why the gentleman was there in the beginning on October 22nd. She asked Mr. Hale if he would like to tell what happened on October 22nd.

Mr. Denny Hale, 338 Pervie Bolick Street, explained that he lived three houses from Ms. Howell. He stated that several years ago they had a similar situation, but not quite as bad. It happened on Christmas Eve and they had raw sewage come into their hall bathroom. He stated that subsequently, over the last couple of years, and during the time that they are talking about, the drains just would not go down. He stated that they had called the city because they knew the history that they have and were told that everything was moving along OK. He stated that they got a plumber who said the lines were okay, but he was billed \$300. He stated that had happened twice over the last year and a half.

Mr. Hale stated that the instance that she was talking about, he had called the city. He stated that they were very responsive and have always been very responsive and the

gentleman kept coming to the front door and asking if it was better and he (Hale) would say it was better, but it was not good. He stated that he came back four or five times and it was an ongoing problem and they lived with it. He stated that they fear going on vacation because they did not know when they come back what they were going to be up against. He stated that there was a problem and they did not know what it was, they were there just to ask for help.

Mayor Price asked if this occurred every month or was this just a recurring type of thing.

Mr. Hale replied that there did not seem to be in any time frame. It started several years and he would go for months without a problem, then after a while it would start again. There did not seem to be any rhyme or reason when it happened.

Mr. Thomas asked Mr. Hale when he first started noticing any problems to which he replied that it started about 6 or 7 years ago.

Ms. Howell commented that they have always had to flush the commode twice for anything to go down and she had been there fifteen (15) years.

Mayor Price questioned that it had never been a real good situation.

Ms. Howell stated that there had never been good water pressure or good commode pressure. If they flushed the commode then they did not count on getting a glass of water from the kitchen.

She stated that the question was, and she knew that they did not have much money but something needed to be done about sewage lines. She had talked to numerous people, realtors, appraisers and attorneys and their concern was of property value loss. She stated that if she wanted to sell her house, was that going to be a problem and everyone says if the city was fixing the problem then she did not have a problem, the value of her home would be the same that it was, fair market value. She stated that she just wanted the city to find out what the problem was and to fix it so that it would not hurt the value of her house.

Council Member Tudor asked if her problem was isolated to the same block to which Ms. Howell replied in the affirmative. Council Member Tudor asked if they knew of a problem at another block of Pervie Bolick or on another street parallel to Pervie Bolick.

A lady in the audience responded that Walter Chambers Street had always had water pressure problems with water coming in and they too, usually have to flush twice.

Ms. Howell added that she had talked to 2 or 3 people from Elam, which crosses over and they have water problems too.

Mr. Westbrook, from the audience, explained that he lived on the upper end and he had problems several years ago. He stated that they claimed it was in the tap on, stuff backed

up. He stated that it did not back up in or underneath his house but there was a problem there. He suggested that it was highly possible that those lines down through there were not big enough. He stated that there was only 3 or 4 houses on that street when those lines were put down there and they may not be big enough to take the sewer away. Now it was fully loaded on both sides of the street all the way down.

Council Member Tudor asked if his house was located on a separate block of Pervie Bolick Street to which Ms. Howell replied that he was on the same block, he was just at the upper end. He asked Mr. Westbrook if, further blocks below him, he thought the lines needed to be larger.

Mr. Westbrook replied that he did not know but it was highly possible that whole line all the way down through there should be corrected. It should be looked into to where the problem would not happen to those people any more.

Council Member Janney asked if they were going to take care of the problem, as far as her house was concerned. He stated that when he had received the City Manager's letter, he had some doubts about where they were on this thing.

Mr. Thomas replied that they would proceed with this one as they would with any other and turn it over to the insurance folks who would come in and investigate and based on the information that they review and come up with, they will make their determination as to whether it will be covered or not.

Council Member Janney commented that it was all well and good but there were two different stories to this thing and he had some doubts that they were going to do what was right. He added that he was not saying they were trying to avoid or tell something wrong, but he was there and knew what had happened. He stated that Council Member Gover was also there and knew what happened and water was flowing from one manhole to the other, but once the hose was put in there, based on where, that they had to go find that line, it was not at her tap, it was below her tap and this lady had a serious problem.

He stated that if it was the city's problem, they were going to need to do something about it and telling their residents that they have got to put in a back flow valve, which he understood the same as Ms. Howell, that they were going to cause problems, to prevent a problem that was their fault, their being the city, was not right, the way he saw it. He stated that he may be wrong and if he was wrong to tell him, but he would not put one at his house because the city had a problem. He stated that if he had a problem he would be glad to do what he had to do but he did not think it was up to the city residents, any citizen in town, to try to work out a solution to solve a city problem that they (city) were not going to address.

Several members of the audience applauded this statement.

Council Member Tudor agreed and stated that was why he was directing comments as to if it was all at one block.

Council Member Gover commented that he was first on the scene that night and had called Council Member Janney because he was in that represented area. He stated that he did not know why the insurance company would even want to question (it). He stated that he was standing there and he would say it was the city's fault, just by the way, the experience that he had in the water, just standing and watching the water flow into the lady's house. He noted that she had not been in there in 3 weeks. He stated that he could go down there and look and the water was coming out of her sewer line and there was no water running in her house, it was running back into it to which Ms. Howell agreed. He stated that it could not possibly be her fault.

Mayor Price commented that in due respect to Ms. Howell and her problem, they have to discuss another problem with the entire block on Pervie Bolick and that would have to be dealt with on a circumstance that the city could look at that entire line.

Ms. Howell stated that the insurance adjuster did come and look and also Mr. Sharp and Mr. Sexton. She stated that she was supposed to be sending bills and that type of thing to them, but she did not want to be in the same situation and have her carpet in and the only thing they had left to do was to hang the doors in the laundry room and this happened again. She stated that she did not want to even start remodeling until the city's problem was corrected.

Council Member Janney asked if she was saying that they have already said they would fix her house again, the insurance company had agreed to do it to which Ms. Howell replied yes.

Mr. Thomas stated that he was not aware of that to which Council Members Janney and Gover indicated that they were also not aware.

Mayor Price asked Mr. Sexton to come forward. He asked if the crew had gone down to camera that entire line.

Mr. Sexton replied that they cameraed between the manholes where the problem was and could not find any problem. He stated that in his opinion, he had looked at it and Bob Johnson, who had been in water and sewer for about 15 years had looked at it, and they did not see a problem at all. He explained that they had to understand that there was a difference in elevation. She lived in a downhill area and the manholes above her were much higher. They had a blockage up there that held a 12' manhole full of water and when that breaks loose it goes into a manhole 3' deep and it surcharges that manhole and it would not push the manhole cover up, it relieved in her house rather than push the manhole cover up. He explained that was what happened the first time. He stated that he could not tell them what happened the second time, or on any sewer blockage out here. He stated that the only thing they could do was do the best they could to try to keep it running. If they receive a call on blockage, they respond, they try to get it open, try to be courteous to the public, and try to work with people who have this problem, but they were just not licensed to do it themselves. He stated that he did have the card from this

company now, and they have agreed to come in and help on those cleanups.

Mr. Sexton explained that they were going to have this as long as they have this difference in elevation of sewer lines. They were going to have blockages and sewer backing into residences, unless the Council elects for the city to start installing back flow preventors on sewer lines.

He explained that the reason she got the letter, their insurance adjuster advised that they send it. They met with him and he had agreed to pay for the cleanup a second time with the understanding that the city would write her a letter telling her that she would be required to put that back flow preventor on. The third time (if it happened), she was not taking preventive measures to keep from backing into her house and they were (the city). He stated that was what the insurance adjuster told them and they were following his orders by sending the letter. He restated that they have cameraed that particular area there and did not find any problem with the sewer line itself.

Council Member Tudor asked if the back flow had been installed prior to the second problem to which Mr. Sexton replied it had not.

Council Member Gover asked Mr. Sexton how long he had known about this information, the adjuster saying that...to which Mr. Sexton replied he had known since the day he came up. He added that he had called Council Member Gover the very same day.

Council Member Gover stated that he did not tell him there was a letter, he added that he did tell him everything would be taken care of by 6:00 that afternoon.

Mr. Sexton explained that the letter was just sent to the resident and he did not get a copy.

Council Member Janney noted that while he was down there, he would not have asked anybody to be any nicer and more courteous than Mr. Mitchell and Mr. Johnson. They were nice as they could be and did everything they could do. He added that he did not expect anything any different out of them.

Council Member Janney then commented that on that subject, he wanted to ask for a closed session right after the meeting to talk to the City Attorney about a legal matter.

Mayor Price read the petition, "we the undersigned who reside on Pervie Bolick Street off Meadow Road petition the City of Eden to replace the sewage lines that are inadequate to accommodate the housing in our area. Over the last five or ten years the housing population has increased on our street. Our request is due to the damage that has occurred over the last six months. This request is necessary to prevent any further damage to our homes, environment and our neighborhood." He added that the petition contained 1 ½ pages of signed individuals who live in that area, 28 names and he then presented it to the City Clerk. He asked if it was the feeling of the Council to direct the City Manager to look at this and give some type of idea as to what the city forces find.

Council Member Janney agreed and stated that they should ask the Engineering Department to go down and really take a look at that line and see if something has happened in the line that they did not see as the camera was supposed to pick up everything.

Council Member Gover pointed out that they just went from one to the other to which Council Member Janney added, one block to the other and maybe they need to look at the whole thing.

Council Member Reynolds commented that they needed to be of the understanding that it would not be put on the backburner and it was agreed that the City Manager would be directing the Engineering Department to look at the whole thing.

Mayor Price thanked Ms. Howell for her time and explained that the city forces would begin to take a look at this problem.

Mrs. Betty Hubbard addressed Council regarding Grant Street:

Mrs. Betty Hubbard explained that with her situation, she was taken off high priority because it was such a high profile case and they just could not discuss it in an open session. They had to go in closed doors and have a closed meeting. She stated that she had been unable to get those minutes from that closed meeting. She explained that she was asking the Council to give her everything that they have, including what they (the Hubbard's) have given them, which included (the fact) that Mr. Nooe, the City Attorney, did not have a signed easement from her or her husband on their Grant Street property. She stated that when she was in a meeting with Mr. Thomas and Mr. Nooe they went out and made a copy of that. She stated that she knew that some records were destroyed when the former City Manager, Steve Routh was there, but she would like access to everything that was in that Grant Street file.

Mrs. Hubbard stated that she had gone down there and taken the minutes and she had them both in writing and on tape, but she needed the rest of the things that were taken out when she went down to look in that folder and it took Mr. Asbury, who was acting City Manager, and Kim (City Clerk), nine minutes to go in Mr. Asbury's office and find that folder. She stated that she would like to know what was removed.

She stated that she had access to something that was sent in on the computer from one of the people involved in this, the people across the street from them, and they sent it to Mr. Asbury, evidently on a Sunday morning and he picked it up on his computer on Monday. She stated that she had asked for that and was denied that it ever came in but she had a copy of it.

She stated that this had been what had happened to her over ten years. A calculated decision was made, in order to save the people on Grant Street money, that they would forego doing the curbing and the drainage in the proper manner and if those people down

on Pervie Bolick, having the problem that they were having, she certainly sympathized with them because they were not going to do this in the next two or three months, they would be lucky to get it done in five years. She added that she felt that they would get it done because there was more than one person there who asked for it to be done and she was the only one that ever came and asked for Grant Street.

She stated that she knew exactly what Ms. Howell was saying, when her property value goes down, (because) when she bought her property in 1984 it was less now than it was when she bought it. She stated that she had had it on the market for a total of about three years. She had one offer and it was less than what she had paid for it in 84.

She stated that if they thought that it was fair to spend the taxpayer's money to take care of the people on Grant Street then why did they not include them (Hubbard's). She asked why they made them pay for their curb and gutter and give them the mistake.

She stated that she spoke with the Mayor and City Manager at the last Council Meeting and they have them against the back of a wall. They have no choice but to take legal action and if they had wanted to take legal action, they should have done it years ago so they knew that they did not want to. She stated that she thought Mr. Nooe was going to help them out at one time. They did not even realize that he was the City Attorney. They went down and talked with him and he would not take a retainer, but he took their information and he put it in his office and kept it for three months. She stated that they ran into a friend at Mitchell's Drug and they told them, "we can't understand why Mr. Nooe is not helping us out on this problem". She stated that the friend said, "don't you know that Charles Nooe is the City Attorney". She stated that he did not even share with them, that he knew the calculated decision had been made to cut back on theirs in order to save the people on Grant Street money. He could have told them then and saved them all of the time, trouble and money that they have gone through.

She stated that if they were going to talk about taking care of some sewage problems down on Pervie Bolick, which they should, then why would they then not give this some priority time and some consideration.

Mayor Price asked what her request was to which Mrs. Hubbard replied that her request tonight was to do the same for everybody. It was the same request that she had come with every time. She asked, time and time again, and he would have to ask her that question, he did not know what the problem was.

Mayor Price asked if it was to have the information released.

Mrs. Hubbard replied that it was to have the information released and to go ahead and do what was the right thing to do for every citizen that pays taxes.

Mayor Price thanked Mrs. Hubbard for her comments to which Mrs. Hubbard commented that she was not through.

Mayor Price asked if she had another request to which Mrs. Hubbard replied no, she was just not through. She stated that she thought that the Council Members needed to go back and look at some of the things that have happened. She stated that she had been accused of lying, stopping up the pipe, of not giving the written easement in order for the proper work to be done, and she had been accused of lying to them about how many times they have had a flood. She stated that they never go back and look in the minutes where it said that Mr. Hafter had to find out where he could cut cost. Then it comes up that Mr. Cox said, "well we did it this way because it was such a large amount of money that we could not put this burden on the rest of the people on Grant Street". She stated that she did not owe the people on Grant Street anything. All she owed was to pay her taxes, keep her property up and that was it. She did not owe them anything. She stated that in talking about this camera, that thing worked both ways. When the camera comes down and cameras that line under Grant Street they always find something. There was always something wrong that was stopping it up. She wished the people on Pervie Bolick good luck because it would end up back in their lap if they were not careful. She asked the Mayor if he would see that she got that file.

Mayor Price replied that he would see that the request be made to the City Council.

Mrs. Hubbard asked if it could be taken care of that night to which Mayor Price replied in the negative. Mrs. Hubbard asked if she had to come back through this again.

Mayor Price explained that due to the severity of the situation it was going to be a matter of the Council having enough time to think about it and ask the questions among themselves and to others about the back ground of this case.

Mrs. Hubbard replied that if they prorate it over ten years it would not be much money and asked for them to think of the money and interest that she had lost over ten years.

Mayor Price closed in saying that he was sorry but they were not going to make a decision that night.

#### UNFINISHED BUSINESS:

(a) Consideration of presentation and approval: Park Master Plan.

The memorandum explained that in 1995 the City Council approved a Park Master Plan Committee to develop a master plan for 123 acres located on Meadow Road and Edgewood Drive. After interviewing several park designing firms, upon the Committee's recommendation, City County approved the firm of Derek Church Williams. On October 15, 1996, the City Council approved the master plan.

In 1999, the 123 acres was divided into two parcels, 65 acres for industrial development and 58 acres for a central park. Upon this decision, the existing 123 acre master plan was considered invalid. In order to apply for the Parks and Recreation Trust Fund grant developed by the State, it was imperative to update a master plan. The Park Committee



interviewed four firms and recommended Woolpert LLP from Charlotte. City Council approved Woolpert LLP as the park consulting firm.

Woolpert LLP would be presenting the master plan for 58 acres to City Council on Tuesday, January 18. Also included in that presentation was the proposed first phase recommendation for a PARTF grant application. The Parks & Recreation Director plans to apply for a \$300,000 grant, (\$150,000 from the City of Eden and matching funds from the State). The grant application is due January 31, 2000.

Upon completion of the presentation from Woolpert LLP, the Committee would like approval of the master plan for use in the PARTF grant application.

Mayor Price explained that item (a) and (b) had been withdrawn and there would be a special called meeting for next Wednesday (January 26th) at 5:30 for the discussion of that.

(b) Consideration of Parks and Recreation Trust Fund Grant Application/Certification.

This item was withdrawn – see item (a).

Consideration of Board and Commissions Appointments and Reappointments.

Council Member Gover nominated Ms. Diana Biggs to the Board of Adjustment. All Council Members present voted in favor of the nomination of Diana Biggs.

Council Member Gover nominated Ms. Dorie Coleman to the Appearance Commission. All Council Members present voted in favor of the nomination of Dorie Coleman.

Council Member Grogan re-appointed Ms. Mary Tulloch to the Appearance Commission. All Council Members present voted in favor of the re-appointment of Mary Tulloch.

Consideration of Sanitary Sewer for Hopkins Court.

The memorandum explained that the Engineering Department has performed the preliminary surveying and design to provide the Hopkins Court area with gravity sanitary sewer service. The preliminary construction cost has been estimated to range from approximately \$150,000 to \$175,000. This estimate was based on providing fifteen existing houses within the Hopkins Court area with gravity sewer service. Easement costs have not been included in the above estimate.

Gravity sewer could serve the northern side of Hopkins Court from the road right-of-way, but the southern side of Hopkins Court (lower side of street) must be served by a separate gravity sewer line behind the homes on this side of the street. The sewer line would be excessively deep in the street right-of-way to serve both sides of the street. The deeper sewer line would cost more and could not be maintained by the Public Works Department.

At this time, the Engineering Department requests direction from Council on how this sanitary sewer construction project would be funded. Once funding for the project is determined, the engineering plans can be finalized and sent to NCDENR Water Quality Section for approval prior to bidding and construction of the project.

This item was withdrawn for further information.

Consideration of traffic study to reduce posted speed limit on Panther Lane.

The memorandum explained that the recommendation was to reduce the posted speed limit from 35 mph to 25 mph.

A motion was made by Council Member Grogan seconded by Council Member Gover to accept the recommendation of Sergeant Griffin to reduce the speed limit from 35 mph to 25 mph. All Council Members present voted in favor of this motion.

Consideration of traffic study to reduce posted speed limit on Caleb Street.

The memorandum explained that the recommendation was to reduce the posted speed limit from 35 mph to 25 mph.

Council Member Janney commented that this was Council Member Rorrer's area.

Mayor Price noted that he was aware of it and it was on the agenda last month.

A motion was made by Council Member Grogan seconded by Council Member Janney to table this item until the February meeting. All Council Members present voted in favor of this motion.

Consideration of traffic study for Short Union Street.

The memorandum explained that the recommendation was to reduce the posted speed limit from 35 mph to 25 mph.

A motion was made by Council Member Myott seconded by Council Member Gover to approve the recommendation to reduce the speed limit from 35 mph to 25 mph. All Council Members present voted in favor of this motion.

Consideration of traffic study for South Avenue.

The memorandum explained that the recommendation was to place this area on roll call and monitor and observe the area.

A motion was made by Council Member Gover seconded by Council Member Tudor that they monitor this and also to have the city code enforced at this location. All Council

Members present voted in favor of this motion.

NEW BUSINESS:

- (a) Consideration Cable Television Franchise Agreement with Time Warner.

Mayor Price noted that the consultant (Dave Harris) could not attend the meeting due to the weather. He asked the Council how they wanted to approach the item.

Council Member Grogan suggested that they make a motion to approve the request as there were two readings and the consultant would be there for the second reading.

A motion was made by Council Member Grogan seconded by Council Member Tudor to approve this request (for first reading).

Council Member Janney questioned the fifteen-year contract and added that he had been experiencing some problems with his.

Mr. Thomas commented that they were hoping that getting the franchise renewed would help them address a lot of those problems and a lot of them were how the system was built, as it was outdated.

Council Member Grogan mentioned that they were changing to fiber optics.

Council Member Janney stated that he understood that, but he had been there about as long as he had and every time they ever deal with a contract, it was always going to get better. He stated that the same question comes up, it was outdated.

Mayor Price commented that he had an opportunity to talk to a computer person, not so much about that but in talking to other communities and they have said that their service and the number of stations they had dramatically went up and he was curious about the hookup of communications for the future, particularly the internet, and the new fiber optics that they were putting in will greatly enhance the ability in the future to tie into the internet with faster service.

Council Member Janney stated that there was one other question. If he lived in an area where there were less than 15 homes in a mile, he had to pay an additional fee. He stated that he thought their contract originally said if they lived inside the city, they were going to get cable TV if they wanted it and he wanted to talk to him about that.

Mr. Thomas, for clarification asked if he wanted the number of homes per mile and inside the City of Eden to which Council Member Janney replied that was correct.

Mr. Nooe interjected that he did not believe that was the way it was and when he gets there to just take it up with him (him being the consultant).

Council Member Grogan added that all the questions could be addressed before the final approval of it to which Council Member Janney stated that he did not have a problem with that.

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

Consideration of a request for legal action for property located at 1309 Rivercrest Drive.

The memorandum explained that the on March 9, 1998 the Codes Inspector declared the building at 1309 Rivercrest Drive unsafe based upon the provisions of the Eden City Code. Melvin Eugene Pulliam and Delores H. Pulliam own the property. The department has completed the administrative enforcement proceedings and the owner has failed to comply with the inspector's order to correct the unsafe conditions.

The department requests that the City Council authorize the City Attorney to initiate legal enforcement proceedings to correct the unsafe building conditions.

Mrs. Stultz explained that this was a piece of property that her staff had spent a large amount of time on. It had been quite tricky for them to get it through the system and with some advice from Mr. Nooe they had gotten it this far. She stated that they wanted to ask that the Council authorize Mr. Nooe to initiate legal enforcement actions so the conditions can be corrected. She noted that this was a house that burned and was sitting in the middle of a neighborhood and needed to be cared for.

A motion was made by Council Member Grogan seconded by Council Member Tudor to approve this request. All Council Members present voted in favor of this motion.

(c) Consideration of single family rehabilitation approval.

The memorandum explained that in the most recent cycle of funding, the City of Eden received \$299,625 under the Single-Family Rehabilitation Program. This program is a combination of State and Federal money. The program is designed to assist single-family homeowners that are elderly, disabled or single-parents. In order to qualify, an applicant must meet the rigorous criteria as set out in the Program Assistance Policy. The income requirements for the project are quite stringent. Ms. Nickerson makes below 30% of median income of Rockingham County or no more than \$8,000 per year.

Mrs. Stultz explained that this was again an item about which there had been much discussion in recent weeks. She stated that in 1995, the City of Eden participated in its first Single Family Rehabilitation program. During that time she and the City Attorney had lots of conversations and realized that it needed tweaking and when time came to make an application again, the next grant cycle, the Council put some additional restrictions to tailor this program more to the keeping of the community.

She explained that this was a program that was associated with federal and state dollars

and when those grant funds were appropriated the state and federal governments put requirements on those.

Mrs. Stultz explained that this was a request to approve a loan. She stated that she realized a few days ago when typing this particular memo that she had typed a big mistake in one that she had recently sent them. She explained that in that memo, what she had cheerfully described was the program as it worked with the 1995 application and not this one and that was a mistake that she sincerely apologized for. She stated that she felt as though it had made some of the discussions a little more stringent.

Mrs. Stultz explained that the way that this particular program worked was that once someone met all of the approved requirements, the property could not be repaired if it required more than \$30,000 to bring it to the standard that the state, the federal, and then this Council requires. She stated that it was required to have some energy efficient restrictions, it had to be energy efficient and it had to meet, for example in this particular one there were some violations that required the electrical system to be repaired. She stated that once that happened, it had to be brought up to state building codes. She explained that was a code that was very different from the time when this house was built as it was in one of the older established neighborhoods.

She stated that they were asking the Council to agree to allow this contract to be let, this house to be repaired, but it was not a grant. She explained that the owner of this property would have to repay the money, as it was a loan.

She stated that the program that they had the first time, after eight years, if a low and moderate income person stayed in the house, or if it was sold to another low and moderate income person that could qualify, then after eight years it was deferred and they did not owe the money. She noted that was the mistake that she put in the first memo. In this particular program at no time was it forgiven. She stated that at the end of thirty years, when this person dies, this money would have to be repaid to the state. At that time it would go back into the fund and be cycled through whatever program was happening then. So this was truly a loan and was not a grant or a gift. She added that it was obviously a no interest loan and the program was designed to assist people who make below 80% of median income in this committee.

Mrs. Stultz noted that she put some figures in there for their review. She explained that this program was also not designed to reach the folks whose homes were in the very worst of shape because of the limitations put on the amount that could be spent for each individual house. She stated that she was hoping that the Council would be willing, as the grant cycle comes around, to consider making some applications to get into some programs that they would reach some of those folks.

Mrs. Stultz closed in saying that there were two Benchmark representatives present who wanted to share some information with them.

Mr. Michael Walser, commented that he mainly just wanted to answer any questions that

they might have concerning the program. He stated that it was not one of the usual programs in the Department of Commerce that stayed continuous and he knew that it was somewhat different and this program did change year to year for funding cycle.

He stated that Mrs. Stultz was right in that it was a zero percent interest loan and it did have to be paid back. He added that most of the time it was not at the end of a thirty year period (but) was when the property owner became deceased and the property was settled up within the estate.

Council Member Gover stated that he had met with Mr. Walser and Council Member Janney in Wentworth, to acquaint himself with this program. He stated that he had related to them a couple of given times there, he mentioned how those prices on that renovation was terribly high and he had agreed that it was to which Mr. Walser indicated that was true. Council Member Gover stated that he had also agreed that this particular program might not meet what they were looking for. He stated that he could not sit there and approve, and he had told Mr. Walser that day, such an enormous figure that the contractor put on this house. He stated that it did not make sense for this lady to request that loan to pay that money back. He stated that if the bid had been lower, he knew that he had a couple of other bids there at \$34,000. He stated that one did not have to be a licensed contractor unless one was up to \$30,000 or over \$30,000. He stated that he just thought that the bid was terribly high for what they were doing to that house and it just did not meet the City of Eden's people to him.

Mr. Walser explained that they were required to put together a cost estimate and their cost estimate involves many aspects. He stated that it was somewhat difficult. They actually send a rehab specialist to building supply places within the area to determine the price of materials. They also actually use state estimates, as far as throughout the state. They also look at other communities, other firms, and other staffs, in surrounding areas and look at their prices and from that they determine an estimate. Their estimate was \$28,500 and compared to the bid it was not that bad. He stated that they did have a 15% threshold kick out. He explained that was with all bids, if bids come in 15% under their estimate, they could kick them out, if they come in 15% above their estimate they could kick them out and this house was within their 15% threshold kick out.

Council Member Gover pointed out that in the last 3 weeks he had two houses wired; similar to this house and they were \$1200 each completely rewired. This house equates to almost \$3300 and that was terribly high.

Mr. Walser explained that the thing with this program, they were required to bid it out to a general contractor. If they could bid all the electrical out to one guy, they could get much better prices. Same thing with the plumbing, the heating, or the insulation, but they were required to put it in one man's hand. He was required to have all the insurance required to cover all his subs. There was also not that many contractors willing to do this kind of work. Most of those guys were traveling so he had to incorporate that into his cost. Those prices were going to be higher, especially with the housing market the way it was today.

Council Member Gover noted that a licensed electrician was a licensed electrician. He was going to wire the code of North Carolina and the City of Eden was going to see that he did it, so wiring a house was not that much different. He stated that the program did not seem to be what he thought the city would look for. He added that he did not want to kill the program, it may be doing some good elsewhere, but this loan, he just could not live with himself to put that type of loan on that lady if it was for him to approve.

Council Member Janney commented that he thought when they first got into this thing that Mr. Walser said it was a loan and then later he said that she would not have to pay it back.

Mr. Walser clarified that no, she did have to pay it back.

Council Member Gover added, that the only way they pay it back was for her to die and they sell the house, was the way...to which Council Member Janney noted that she would never pay it back...and Council Member Gover replied that the lady would not, but her house...to which Council Member Janney continued with his discussion.

Council Member Janney asked if he had those pictures he had shown them, as he wanted them all to look at those pictures and look at the ones in their folder. He stated that they would find that they were totally different.

He stated that he wanted to tell them what had been going on with this house before the Council got the information as there were a lot of unanswered questions. He stated that he, like Council Member Gover, had a problem with a whole lot of things in there. He added that they had a good meeting with Mr. Walser, he was open and shared a lot of stuff with them that helped them.

Council Member Janney continued in pointing out # 21 (on the memorandum), "Install continuous 6-mil vapor barrier to 100%" of the house. He stated that he bought a roll of that stuff because Duke Power had told him to put it under his house. He stated that the roll was (approximately) 20' wide and 100' (long). He stated that he did his house, his neighbor did his house, and he could give them the rest of it and they could do that house. He stated that they had \$575 (on #21) and he gave \$60 or \$65 for that roll. He stated that was ridiculous and Mr. Walser had agreed that it was.

He stated that was just some of them, but he wanted to tell them, if they looked at those pictures, and then looked at what they got in their package, they were going to find that a lot of work had already been done to this house before they (the Council) ever knew about it. He noted the insulation under the floor, they could see it on the pictures there and they would not see it on them. He noted the insulation overhead, they were not going to see it on any of them because he did not see a picture taken from overhead, but the neighbors told him that they had already blown the insulation in the top. He noted that part of the garage had been removed and they could see that if they went up there. He noted that some of the siding was removed off of the home and they could see that from

the outside. He stated that they could ride up there and see a lot of work had already been done on that house before they (Council) ever got any information at all, the man was already working on the house.

Council Member Janney stated that he had some questions that really bothered him and those pictures was one of them. He added that he understood that the inspectors were supposed to go inspect that house for code, he believed that was what he (Walser) told them, before things got in there. He stated that if they did, and according to what he heard from the neighbors, somebody from the city was up there, what did they see or what did they say, and he thought that he had called Mr. Walser back on some of it. He stated that one of the things that bothered him was who authorized all of this work to be done. He stated that he had called Mr. Walser and he said that he did not.

Mr. Walser replied that he was correct.

Council Member Janney stated that one of the other things that he had some information on, he just stumbled over this...

Mayor Price asked if this house had been burned before.

Council Member Janney replied no, this was the house that his wife's mother and stepfather lived in for as long as he could remember. He stated that the house was there at the corner of Boulevard and Manley, Charlie Rakestraw's old homeplace. He stated that before his wife's mother passed away, she had new siding put on and a new top put on and just before Mr. Rakestraw passed away a new heating system was put in. He stated that he thought they were throwing away money. He stated that they were in the wrong program and Mr. Walser alluded to that when they were over there, it may be a program better to help people other than what they had.

Mr. Walser explained that there were other programs that would address the issues that he seemed to be more concerned with. He stated that this grant was not designed for that but there were other grants that were designed to reach those that were severe. He stated that he thought they had come to them last year and asked that they put in for one of those but could not get the Council's approval, but they did ask. He stated that there was another cycle, he hoped, coming up in the fall and there would be an opportunity, if the Council was willing, to put in for an application, but it did require some matching funds. He stated that it was called "Scattered Site".

Council Member Janney asked what they would lose if they did not stick with this program.

Mr. Walser replied that this was a competitive cycle. This year they wrote 13 of them and got 6 funded, which was good. He explained that most consultants did not do that well. He stated that if they put in for an application, and turn a grant back, there was nothing they could do to them, but obviously down the road, this organization, North Carolina Housing Finance Agency had more programs than just this. He stated that Mrs.



Stultz had been in conversation with the director of this agency on yet another type of grant that the city needed assistance on. He stated that if they send a grant back, it did not look good and it could hurt them points wise on other competitive grants, when they look at the city's history of support they give to those types of programs.

Council Member Janney stated that he just thought maybe they could roll this grant over to another program and that was not possible to which Mr. Walser replied no.

Council Member Gover commented that he would like to see it rebid. He added that he was not interested in killing the program.

Mr. Walser stated that they bid it three times and that was the truth. He explained that they bid it three times and the first two times nobody bid on it. He stated that it was simply because the contractors were so covered up, they begged contractors to bid. He stated that it was a statewide shortage and since Floyd came through it was even worse, and there was just not many contractors around.

Council Member Janney asked if he did not bid with licensed contractors to which Mr. Walser replied they would love to have them and most of them were licensed.

Council Member Janney asked if Roy Edwards or Sterling Anders were licensed to which Mr. Walser replied that they were.

Council Member Janney questioned the man who got he bid.

Mr. Walser replied that he was not a licensed contractor so he could only do jobs under \$30,000. He stated that was why his bid was \$29,000 and he would not bid on it if it was over \$30,000 because he knew he could not do the job.

Council Member Gover asked what this lady had to pay back per month if she got this loan.

Mr. Walser replied nothing...to which Mrs. Stultz added unless she died or sold the house, it was paid back.

Council Member Janney stated that he had more concerns and one of them was that a neighbor came to him, and he knew all the people up there and he did not have to go ask questions. The person said, "I'm not going to get involved in this" and Council Member Janney stated that was a shame, because he would like to have that neighbor standing there today. The person said, "there's more people living in that house than that woman", but he said, "I'll tell you right now, I'll never say it to nobody else,". He stated that the person said, "I'll guarantee you they are there" and Council Member Janney stated that the person was close enough to know that something was going on. He stated that Mr. Walser told him that he checked it out twice and he believed that he did.

Mr. Walser stated that they have a signed statement.

Council Member Janney added that he (also) believed the man who told him that.

Mayor Price asked Mrs. Stultz for comments.

Mrs. Stultz stated that Council Member Janney had alluded to an inspection by their Inspections staff. She stated that it seemed that after much discussion in her department that their Chief Inspector was confused and did not understand that he was not only supposed to be checking for building code violations, number one, but nuisances, whether or not there were housing code violations on that premises. She stated that besides that, if there were for example, they knew that there were some building code violations that deal with the electric system and what the building code says was once those things were repaired and the system had been intruded upon, then the whole system had to be brought to today's code.

She explained that she and Mr. Bolden had apparently had a miscommunication and he and Mr. Roberson did go back up there. She added that they did discover the things that had been done and had some of the same concerns that Council Member Janney had expressed, but there were violations there.

She stated that this piece of property did meet the basic requirements that the grant imposed and that the Council imposed upon it beyond that. She stated that the Council adopted a policy about it. She added that she did think that housing was a very crucial issue in this community and it was one that they were all concerned with both in this instance and all the others and he did think this program had the ability to give assistance to some of their folks who were low income.

She stated that Council Member Janney had raised the questions about the possibility that some things were untoward about this and he would like to make sure they did everything they knew how. She asked Council Member Janney if he supposed this person would talk to her to which Council Member Janney replied, no.

Mrs. Stultz asked if he thought he or she could offer any suggestions on how they could get the information that he was sharing.

Council Member Janney replied that he did not think he could drive it out of them because they were not going to get involved. He added that they had to live in that neighborhood. He also added that it was unfortunate.

Mrs. Stultz stated that she thought that if an application was falsely completed, then it was obvious that it had some program implication and would disqualify somebody and they would do their best to see if that information could be obtained. She added that it would be really helpful if somebody would talk to her.

Council Member Janney commented that he would talk to her but they (the person) would not.

Council Member Gover stated that his concern was the prices. He asked if they were opening up a can of worms to their contractors to start charging anything they want to in the city.

Mrs. Stultz stated that if they rebid it, they would send it to everybody that they knew locally and everybody they have had done. She asked if that would make it better.

Council Member Gover stated that he would like to see that.

Council Member Grogan asked what the value of the property would be after the improvements were done.

Council Member Janney commented that Council Member Grogan knew the family that got the money and sold the house, Mildred and Vivian. He stated that they got \$28,000 out of the house and they were going to do \$29,000 worth of work on it that probably did not need to go past something like \$20,000 at the high point. He stated that it was ridiculous to do that. He stated that another problem he had with it, and he added that he was wrong, it was \$28,000 plus whatever the auctioneer got out of it. He stated that it was wrong to do that and if they were going to stay in the program, they were throwing away money for this one that could be put on another dwelling that maybe they had run out of money for. He stated that another thing, they were setting a standard out there for doing this. He stated that he wished he could take every house in town for \$500 and some dollars and put the insulation in and he would find them contractors all day who would put in windows less than that.

Council Member Janney stated that there were some things that he did not have a problem with, but when they start mowing the yards and cutting the shrubbery, which that lady had not cut the shrubbery since she bought the house. He added that the house used to be immaculate inside and out. He stated that he had not been in it, but he did know for a fact, and this person (the person who told him) would tell him that, that she did not hesitate to buy antique furniture. He stated that he could not do it with his salary and he was making a whole lot more money than she was.

Council Member Tudor commented that he had done a lot of listening. He stated that when they get an estimate like that, it was going to throw up a flag for a lot of them. He referred to a charge for installing windows, item # 6, and then noted that they flip over several pages and they would see another charge for caulking around the windows. He stated that he could not help but throw up a flag. He stated that if he had a man install windows for him, he would think that caulking windows would be a part of the installation. If he got another charge on the bottom, "oh I had to go back and caulk those windows and that was not a part of installing them", he stated that he tried to be a gentleman and there may be times that he was not a gentleman and that might be one of those times. He stated that if he saw something like that on there, and he might not be as quick to question as another Councilman simply from lack of experience, but he was going to question that because that looked like they were "getting you coming and getting

you going” and he added he did not mean to put that in a bad context but that threw up a flag.

Mr. Walser stated that it was a very good question. He explained that unfortunately those write ups, as thick as they were, they have rehab standards that was much thicker, that all contractors have and they would notice on this work write up, at the end of a lot of the paragraphs there were section numbers and that referred to that handbook. He explained that when it spoke of installing windows and caulking those windows it was specification required for the installation of those windows. He stated that the caulking that they read a few pages later spoke of re-caulking those windows to the Housing Finance Standards. He explained that meant that, (although) it sounded ridiculous, this was what the state required, that the contractors go back and caulk beside the casing inside and outside. He stated that if it was a painted structure it has to be paintable and if it was paneled, it had to be clear, all the way around the inside and outside. He stated that had nothing to do with specifications on installing windows, so they were actually caulking two different areas and their contractors knew that.

Council Member Tudor stated that it made him think of the \$700 toilet seat on a jet or the \$700 coffee pot on an aircraft carrier that people always talk about. He stated that somebody says, “well this is government so we can get a big charge out of them”. He stated that he agreed with Council Members Gover and Janney, he did not want to be a party to that if they could avoid it and he thought that was what they were all afraid of.

Council Member Janney noted #38, which was to raise the existing wall cabinets to the ceiling. He stated that he had built and put part of those cabinets in that wall. He explained that they wanted the top portion of that cabinet, at the time to stay open, as older people used to sit stuff on top of the cabinets. He stated that the contractor was going to raise them to the ceiling and install a 24” back splash. He pointed out that this woman was handicapped to which Mr. Walser agreed that she had a disability, yes.

Council Member Janney asked that they visualize reaching to the top of that cabinet when they were raising it up, now that was \$565 to raise those cabinets up that wall. He guaranteed that unless there was somebody in there 6 ½ feet tall they were not going to reach the top of that cabinet standing on a stool.

Mr. Walser noted that was her request.

Council Member Janney questioned how she was ever going to use it. He asked if it was requested to pay \$565 to move them cabinets up.

Mr. Walser replied that she did not set the cost and again, he stated that he realized those costs seem high, but asked them to keep in mind that if this program was paying outrageous fees they would have the best contractors in Eden knocking their doors down to bid on them. He stated that they have asked the good contractors to bid and have gotten some and have pulled bids on them, and they were three times as high. He explained that new housing construction cost in this area was running \$65 a square foot

and they could only pay up to \$33 and in most cases were paying \$24 to \$25 a square foot. He added that was including the administrative fees that get tacked on those costs.

Mayor Price commented that he agreed with what Council Members Gover, Janney and Tudor have said and they were valid. He noted that those things did seem high and he personally would like to see a good aggressive re-bidding procedure. He stated that he did not want them to stumble over a good program for people in need because of some procedure that was frankly, he understood what he was saying about the square foot cost and he also understood what Council Member Janney was saying about the existing cost to the house, but they knew they had people in this community in need, who need those programs, and he did not want them to get clogged up into the drain of doubt, because of the market place and that type of thing. He also added that (if) interest rates bump back up at 10 or 12% they could see cost of those projects go down and asked if he was correct.

Mr. Walser replied that was exactly right.

Mayor Price stated that they were in a very aggressive environment now in terms of building. It was hard to get people and their needs were going to be there when interest rates go back up. He stated that everybody was correct on this. He asked if there was a way they could re-bid it to which Mr. Walser replied in the affirmative.

Mr. Nooe asked them to wait just a moment. He pointed out that a comment had been made that the contractor had already gone to work. He asked by whose authority.

Mrs. Stultz replied that it was by his own authority as far as she could tell.

Mr. Nooe noted that owner must have let him on the property to get to the work to which Mrs. Stultz agreed.

Mr. Nooe asked if she was absolutely certain that no employee of the city or agent of the city had authorized this contractor to commence work.

Mrs. Stultz replied absolutely not, or yes she was absolutely sure that nobody in her department did and she certainly had not. She added that he did ask and they told him no that the Council had not approved it. She stated that Mr. Walser called and asked her and she told him she had no authority to warrant that.

Mr. Nooe asked how they were going to re-bid this job with this program if the property owner had decided to let a contractor go in there and do work outside of this program.

Mrs. Stultz replied that to be honest with him, that was a question that, standing flatfooted there, she did not really have an answer to. She added that they would make a recommendation and try to get it back to Council and (also) try to get Mr. Nooe's review of it before the re-bid was done.

Mr. Nooe stated that he did not see how the city could interfere in that lady's business affairs if she had decided, between her and the contractor, to proceed outside of this program.

Council Member Janney asked if he was saying, that this was in addition to the program, forget the program, she had gone on her own and done that to which Mr. Nooe replied that was what they were saying.

Mrs. Stultz asked that whatever that she had allowed him to do, was he suggesting that they remove whatever that was from the re-bid process.

Mr. Nooe replied, no he did not understand and asked how they were going to bid that work for that lady's house when she let the contractor proceed, outside of this program.

Mayor Price asked if anyone had submitted a bill yet to which Mrs. Stultz replied no.

Mr. Walser explained that they have a procurement policy, they were supposed to award the contract to the lowest responsible bidder. This contractor knew he was the lowest bidder, he had no reason to believe this house would not be approved because this lady qualified.

Mr. Nooe asked what led him (the contractor) to believe that it would be approved.

Mr. Walser replied, because he knew that they would have never bid it out if it had been.

Mr. Nooe asked how did that follow, if it had to come to the City Council for it to review the figures and approve it.

Mrs. Stultz replied that she thought that was a risk that he had to take and he took it and now that was a risk he had to absorb, in her opinion.

Mr. Walser added that they have an assistance policy. He stated that first of all, their job was to protect the city, because obviously if there was a mistake, it comes to the mayor, the City of Eden, and to the citizens of Eden. Their job was to protect them and make sure that this program was administered correctly.

Mr. Nooe stated not to go past the point that he was making that he had a right to expect that this bid would be approved. He asked why he had that right.

Mr. Walser replied that he did not know that he had that right, but he (contractor) did expect it to be approved.

Mr. Nooe stated that he needed to be careful of what he said. He stated that he wanted to know why he, working for the city would say that a contractor had a right to think that this job or contract with them would be approved by this City council. He asked who caused him to think that.

Mr. Walser replied that they would not bid a house out to the contractors, they would not go to the expense, Benchmark's expense, and because they did not get paid on this program until a job was finished. He stated that they have been working over a year now, they have made no money on this so they were not going to take a job to the point of bidding it unless it qualified, based on the city's assistance policy and this contractor knew that.

Mr. Nooe continued in questioning what right or what had happened that the contractor should think that this particular contract would be awarded just as a matter of policy, because he was low.

Mr. Walser replied that he did not know what his rights were, he could not answer that.

Council Member Janney asked if the contractor was in the room and if Mr. Walser knew him to which Mr. Walser replied he was not there to his knowledge (but) yes, he knew the contractor as he had worked for them for years.

An additional representative from Benchmark added that the contractor had worked for them in several other towns and not all of those towns do the same way as Eden, as far as approving the houses. He stated that as Mr. Walser was saying, when they bid out and the contractor sees he was the low bidder, he thinks, "hmmm, I've got a job here, I'm gonna take off and do it".

Council Member Janney asked if they did not come back to the board for approval to which he replied no, this was the only place that we did.

He explained that he was the Housing Inspector and he had listened to them talk about the prices being too high and he disagreed on that. He stated that he did not do the estimate on this house, it was \$ 28,500.00 and usually their estimates were way lower than the contractor's bids were. He stated that usually if theirs was \$28,000.00 then the contractor's was usually \$38,000.00. He stated that he was surprised that this one came in that close. He noted that they were talking about the windows being \$300.00 or something to put in. He stated that he thought this one came out to be a little less than three hundred and that was what their estimates were and if he was going to estimate one tomorrow he would estimate \$300.00 a window, simply being it was not a new house, it was not straight it was cock-eyed.

Mrs. Stultz stated that she thought that sometimes when one was in this type of predicament, they did not think as quickly. She stated that if she understood what Mr. Nooe was asking, they were all aware that this contractor had to eat what he had done in that circumstance. It was his mistake and he did it. She stated that it was her understanding of this circumstance, at this point, they re-bid it. She stated that they would re-bid it without that and that was a risk he had to take. She stated that it was not worth it to be repeated if she understood, what they were asking now that she had had a chance to sit down and think about it for a moment. Those things that he had already

done, which he did at his own risk would be removed...

Mr. Nooe suggested that they look at it as a matter of how they would ordinarily go about making a loan that was supposedly going to be a first lien on a piece of property. He asked if there would not be anything in any of the documents, the invitation to bid or specifications, anything that would tell a bidder that he could not start a work until the deed of trust had been recorded and he had received written notification to proceed.

Mrs. Stultz replied that she was not a lawyer but she could tell him that in her wildest dreams it never occurred to her that a contractor would go and start a work before this Council approved the contract

Mr. Nooe stated that she was familiar with the paperwork and he wanted to know if there was anything that advised the contractors that they could not commence work until they were notified that the deed of trust had been recorded.

Mr. Walser replied that they did have a written notice to proceed that a contractor gets when he...to which Mr. Nooe questioned if the contractor knew that.

Mrs. Stultz replied that he never got one.

Mayor Price asked if in Mr. Nooe's opinion they could re-bid this safely.

Mr. Nooe replied that there was no way to say where it may lead, but if he was given written notice and the papers involved in this program that he would not proceed until he was given written notification to proceed then he was comfortable with re-bidding.

Mayor Price asked Ms. Stultz if he was given written notice.

Mrs. Stultz replied that he was not given any written notice but he was given no notice to proceed and he had no contract.

Mr. Nooe asked if that it was in the procedures that the contractor was instructed that he could not proceed until he was given written authority to proceed to which Mrs. Stultz replied yes.

Mr. Nooe explained that he (the contractor) was not given written authority to proceed so he had no problem with the city assuming the risk, at what risk there may be, if any, in re-bidding it.

Mayor Price asked if everybody was comfortable with getting a re-bid.

Council Member Janney replied that he wanted to get a re-bid and asked if they should give the City Attorney a legal statement for protection to which Mr. Nooe indicated they did not need to do that.



A motion was made by Council Member Gover seconded by Council Member Janney to re-bid this request. All Council Members present voted in favor of this motion.

(d) Consideration of application for massage therapist.

A motion was made by Council Member Grogan seconded by Council Member Reynolds to approve this request. All Council Members present voted in favor of this motion.

Consideration of grant request approval for Division of Aging.

The memorandum explained that the City of Eden's Garden of Eden Senior Center has been recognized by the North Carolina Department of Health and Human Services Division of Aging as a full time "Senior Center", thus is eligible for Senate Bill 1366, Section 12.18A funding. The Parks and Recreation Department would like approval to apply for this grant. Also, they would like Council's permission to accept this grant if approved by the DHHS.

A motion was made by Council Member Grogan seconded by Council Member Janney to approve this request. All Council Members present voted in favor of this motion.

(f) Consideration of refinancing proposed water and sewer bonds.

Mr. Thomas explained that they sent each member a package of information on this particular proposal and he knew it was quite involved and a lot of reading. He pointed out that the proposed calendar that was attached to the back of one of the letters showed them starting tonight on January 18th. He explained that this proposed calendar was assuming the best case scenario. He stated that the earliest date that they could do a closing on this would be April 11th. He stated that this schedule gets them in line to do it at its earliest possible date. He stated that if there were questions or other things they would like to have answered about this and bringing this document to them in another fashion, they could always adjust accordingly. He added that they just could not proceed with the refinancing more than 90 days prior to the call date of the bonds. He stated that he said that without making any assumption that they really want to proceed with this at this point in time, but to maybe have a better understanding of how this calendar would work.

He continued that one of things that would be involved was that they would have to retain bond council. One of the first letters that they have, December 21st, addressed to him from Tom Lee with Poyner & Spruill sets out a schedule of fees and charges for retaining their services. He stated that he would like to recommend that if they proceed that they use Poyner & Spruill. He explained that he had some familiarity with them and they have done a large number of those same types of projects and they were very well versed in how to proceed with the refinancing. He stated that he did not know what the interest rates were at this particular date, but when they initiated this and started looking into it, the interest rates that they could gain out of a refinancing and reducing their cost would save them about \$30,000 a year in interest on their bond payments. That was with seven

(7) years remaining on those particular bonds, so they were looking at \$210,000 in interest savings. That savings was net of any of the expenses incurred for legal council, their bond rating agencies and any other types of fees that may go along with that. Interest rates were subject to change and he did not know what those interest rates were today. He added that he knew that they have gone up a little bit so that \$30,000 figure had changed somewhat.

He stated that what they have to make a decision on at this point and time was \$30,000 a year in interest savings enough savings to pursue this refinancing on the 91A's or they have the option of waiting two (2) years on those when the 91B's would also become eligible for the refinancing and do them both at the same time. He stated that they could see some economy of scales in a sense, by they would still have basically the same attorney's fees, bond rating agency fees and so forth associated with that. He added that it was all kind of hit or miss. Interest rates could be such that two years from now it would not be favorable to do either one of them. Interest rates two years from now could be more favorable than they may be at this point in time. He stated that one of the questions that they were asked when they raised this question before was how far along in the process could they get, then make the decision to not proceed because of the current interest rates and what would that cost them. He noted that Mr. Sharp did some checking into that. He stated that they were going to incur some cost down the line if they stop the process at a particular point they were just going to be out of pocket some money by not finishing the refinancing.

Mr. Sharp explained that the firm had quoted the fee plus administrative and out of pocket expenses in order to complete the proposed transaction. He added that this was from Poyner & Spruill. He read, "if the city decides not to issue the bond because the market changes to the point that it does not make economic sense for the city to issue the refunded bonds, our firm will charge the city no fees with the understanding that the city will use our firm for any subsequent bond issue. If the city decides not to issue the bonds for reasons other than a change in the bond market, our firm will in good faith negotiate a fee for services rendered. Such fees will be based on the amount of work that has been done to the date that the city notified us that it will not be issuing bonds".

Council Member Janney asked if they actually did not know what the bottom line was and they would have to guess at what the bottom line was.

Mr. Thomas replied that there was a point and time, as they move closer to the closing that they would be able to lock in and nail down what the interest rate would be but up until that point and time that interest rate was going to change with whatever the market was going to allow it to do.

Council Member Janney stated that he was not just talking about the interest rate but also about the fees that needs to be paid to everyone involved for the work to get done. He stated that once he saw this, he thought that they were going to see a one page thing that might tell them everything, that would say, "OK based on this you could expect this amount of money for fees for whoever fools with this thing", and that would be just about

what they would save out of the whole thing. He stated that he did not want to get into it and back out of it and he did not want to get into it if it was not worth it to them, to go after it.

Mayor Price noted that it looked like a good return based upon those interest rates. He added that of course everyone says that they were going up.

Mr. Sharp stated that with today's rate it looked very good and the people that they spoke with at the Treasurer's office, the LGC, it was within their perimeters of being good for the city.

Mayor Price asked if they gave their graces to it.

Mr. Sharp replied that they would not give them yeah or nay until they decide to go ahead and then they would speak their blessing. He stated that the only thing they would tell them was that it was within their perimeters.

Mayor Price asked if anyone had any question or comments about this.

Mr. Thomas added that he had provided this information to Mr. Nooe and he did not know if he had any comments on it one way or the other to which Mr. Nooe indicated he did not.

Council Member Janney stated that one thing about it was that it would not extend the time, the length of the bond was the same.

Mr. Thomas stated that it would stay the same and they would be paying, based upon the numbers that they have had, somewhere in the neighborhood of \$30,000 less per year in debt service payment towards interest.

Council Member Janney stated that they needed to make that clear, it did not extend the life of the bond.

Mr. Thomas reiterated that this did not lengthen or shorten the life of the bond.

Mr. Thomas stated that he realized after sending this information out to them that he should have done a little better job as far as how he presented it to them. There were a number of documents there that have been forwarded to them as far as resolutions that really started the ball rolling on this process. He stated that the key one at this point in time was the one marked "Resolutions, Making Certain Findings, Ratifying of Prior Filing of an Application with the Local Government Commission and Appointing Bond Council and a Financial Advisor in Connection with the Proposed Issuance of Water and Sewer Refunding Bonds of the City". That was the one, in order to really get this process in the works and would need to be approved by the City Council. There were other documents that would go along with that and it spelled out that it would authorize \$6,850,000 of water and sewer refunding bonds and that was the 91 series A that was

dated on January 1, 1991. Then there was the bond order and there were some sworn statements that go along with that.

He stated that if everyone had the opportunity to review the resolution they would need to approve that as he would like to get it approved by the end of the month so that they could stay as close to this proposed calendar as possible.

Council Member Grogan stated that since they were going to meet on Thursday, why did they not get the City Attorney to look over this and come back with an opinion on Thursday, so that they may vote on it.

Mr. Nooe commented that he had looked at all this. He stated that the first thing that needed to be done was that they needed to engage the bond council so that they could ship them up the documents it had approved for the Council to adopt. So he thought that the thing to do tonight was to employ the bond council according to the terms of this engagement letter, notify them tomorrow so that they could prepare the resolution that needed to be adopted to get it moving.

A motion was made by Council Member Janney seconded by Council Member Grogan to engage the bond council as according to their engagement letter dated December 21, 1999 and for them to proceed with a documentation package to the city. All Council Members present voted in favor of this motion.

#### CONSENT AGENDA:

Approval and adoption of minutes – December 21, 1999.

Approval and adoption of a motion for to hold a public hearing and to consider an ordinance rezoning property on Morgan Road from Residential-6 to Business-General. ZONING CASE Z-99-20.

Approval and adoption of a motion to hold a public hearing and to consider an ordinance rezoning property on Cascade Road in the city's extraterritorial jurisdiction from Industrial-2 to Residential-Suburban. ZONING CASE Z-99-21.

Approval and adoption of a motion for approval of a final subdivision plat for the Indian Hill, Phase V located on River Chase, Fox Run and Deer Run in the city's extraterritorial jurisdiction. SUBDIVISION S-94-06

Approval and adoption of a motion to hold a public hearing and to consider an ordinance rezoning property on Meadow Road from IP-1 to R-20. ZONING CASE Z-00-01.

A motion was made by Council Member seconded by Council Member Gover to approve the Consent Agenda. All Council Members present voted in favor of this motion.

#### ORDINANCES AND RESOLUTIONS:

Adoption of an ordinance rezoning property off Briarwood Drive from Office and Institutional and Residential-20 to Residential-20/PUDR.

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

Adoption of an ordinance rezoning property off Briarwood Drive from Office & Institutional to Residential-20. ZONING CASE Z-99-16.

This item was withdrawn.

Adoption of an ordinance rezoning property on W. Kings Highway from Office & Institutional to Business-Highway#1. ZONING CASE Z-99-15.

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

Adoption of an ordinance rezoning property on Hubbard Street in the city's extraterritorial jurisdiction from Residential-20 to Residential-Suburban. ZONING CASE Z-99-18.

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

Council Member Grogan stated that he was sure that they have said this before but he wanted to reaffirm that when they make a motion like this to be done, could they include in the motion that it includes the ordinance that it be drawn without having to re-approve it every time.

Mr. Nooe replied no as it was two different things.

CLOSED SESSION ADDED TO AGENDA:

Mayor Price stated that there had been some discussion before and the City Attorney had asked for a closed session to discuss a legal matter. He stated that they needed to add that to the agenda.

A motion was made by Council Member Grogan seconded by Council Member Gover to add a closed session to the agenda. All Council Members present voted in favor of this motion.

VOUCHERS:

Council Member Janney noted on the first page of the vouchers, #14144, Exact Machine

Shop. He stated that they had several machine shops in town and that one was in Martinsville, Virginia.

Mr. Thomas replied that he was not sure if that was something specific to that particular...if that was a supplier.

Council Member Janney stated that he did not think so as he knew the people. He continued on the next page, #14188, R&D Lawn Care, trophies, in Recreation, \$62.00. He asked that they tell him what was going on with R&D Lawn Care that they would get trophies.

Mr. Joey Conner, Recreation Director, explained that the gentleman purchased additional trophies for his kids. He stated that the trophy people billed the Recreation Department. He stated that the gentleman had already paid them, so the Recreation Department had to issue a check to him because he had paid them. He had paid cash to the Recreation Department, but they billed him and did not bill them, so they had to write him a check.

Council Member Janney stated that he believed that was said wrong and clarified that the man brought them the money.

Mr. Conner agreed that he brought them the money and they billed him, so the Recreation Department had to pay him.

Council Member Janney stated that made sense. He continued on page 4, Pluma Utility Refund, \$17.63. He stated that he thought they owed the city.

Mr. Thomas explained that was because of the bankruptcy, they could not withhold it.

Mr. Nooe added that bankruptcy was a strange thing. If you owe the bankrupt some money you have to pay it if the bankrupt owes you, you may or may not get part of it.

Council Member Janney continued with the McCrae Bell Associates, Renovation of City Hall, #14519, on page 8.

Mr. Connor commented that he could answer his question on the Exact Machine. That was for weight machine parts as there was a part that went bad, it was a sleeve, and they had to get someone to fix it instead of ordering the part.

Council Member Janney asked why they did not do it locally. He questioned where the Exact Machine Shop was to which Mr. Connor replied that he could not tell him and Mayor Price added that the city did have some local machine shops.

Council Member Janney stated that Exact Machine Shop was in Ridgeway unless they have changed their name and someone else has bought them, because he worked with the owners. He continued with McCrae Bell on page 8. He questioned what that was for.

Mr. Thomas replied that was for architectural services when they went back and made all the changes to the project to do the re-roofing and some screening and some other changes that the Council had authorized. He stated that he had to go in and make some changes to some of the plans.

Council Member Janney questioned the \$48,000 that had been spent.

Mr. Thomas replied that this was over and above what was originally engaged in their contract for re-bidding to the changes on the plans.

Council Member Janney stated that this was a positive one he wanted to tell them about. He noted on #14490, same page, \$119.78 for two plaques. He explained that the plaques were going to cost them about \$160.00 and by buying them in town, finding someone who could do it locally, they got them for \$119.00.

He continued on page 9, #14570, the City of Eden General Fund transferred from City Hall Renovations \$26,000. That was in addition to the other \$21,000.

Mr. Thomas replied that was a check written between funds, moving money from the Capital Reserve Fund...to which Mr. Sharp added that it was written between the General Fund and the Special Projects Fund. He explained that this was the \$26,000 they spent so far this year on the City Hall and was paid through the Recreation's budget because at that time they did not have the Special Projects Fund. This was to put in the fund that it did belong in.

Mr. Thomas explained that they created a construction fund for that project so the money would come out of the Capital Reserve and go in the Construction Fund. The Construction Fund would run the life of the project so they would not have to reauthorize the money at the end of the fiscal year. He stated that the money would already be there. He stated that it runs with the life of the project and it did not become a part of the budgeting project. He said that they had brought that to Council and they had set that up and it was just moving money from the General Fund into that Construction Fund.

Council Member Janney continued with The Challenger Newspaper, and noted it was an ad for City Hall Renovations, page 11, #14655. He asked where that was.

Mr. Thomas replied it was out of Greensboro. He continued that it was a minority owned publication that they used to advertise that project to meet the requirements for minority and women owned business.

Council Member Janney asked if there were some plans or something that showed them what City Hall was going to look like when they get on with it.

Mr. Thomas asked if he meant an architectural rendering or working drawings to which Council Member Janney replied, working drawings, showing the parking lot and everything. Mr. Thomas replied that those plans were done, full sets of them.

Council Member Tudor commented that he would like to see those because he had received questions about the parking lot.

Mr. Thomas stated that was asked about that earlier and had made a note to himself to get in contact with the architect to get some scaled down versions of the floor plans as well as a site plan that showed what the parking area would look like.

Council Member Janney stated that he would like to see what the site plan looked like.

Mr. Thomas stated that he had some old plans, but the parking lot part of that project had not changed.

In a response to a question by the Mayor as to if there were other comments, Council Member Janney stated that he did not have a comment on the vouchers but they had a lot of paper there that they should take some time (in the future) to eliminate some paperwork.

Council Member Tudor commented that he thought that they should say something in the minutes about what a fine job their employees had done about getting ice off the streets.

Mayor Price noted that they were out early this morning and they hit it hard today. They did a fantastic job and he thought that everyone was pleased with the response that the city had given. He thanked Council Member Tudor for bringing that up.

#### CLOSED SESSION:

A motion was made by Council Member Gover seconded by Council Member Tudor to go into Closed Session for the discussion of a legal matter. All Council Members present voted in favor of this motion.

#### OPEN SESSION:

A motion was made by Council Member Grogan seconded by Council Member Reynolds to return to Open Session. All Council Members present voted in favor of this motion.

#### ADJOURNMENT:

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

Respectfully submitted,

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Kim J. Scott, CMC



City Clerk

ATTEST:

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Philip K. Price  
Mayor