

CITY OF EDEN, N.C.

The regular meeting of the City Council, City of Eden, was held on Tuesday, May 16, 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:	John E. Grogan
Council Members:	Ronald H. Reynolds
	Ronald Janney
	Christine H. Myott
	William W. Rorrer
	C.H. Gover, Sr.
	Garry Tudor
City Manager:	Radford L. Thomas
City Attorney:	Charles J. Nooe
City Clerk:	Kim J. Scott
Administrative Staff:	Sheralene Thompson

Representatives from City Departments:

Representatives from News Media:

Reid Baer, The Daily News, Leslie Brown, 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:

Pastor Paul Talley, Hampton Heights Baptist Church, was present to give the invocation.

RECOGNITION:

Mayor Price recognized Mrs. Clayton Nation's fourth grade class.

PUBLIC HEARINGS:

- (a) Consideration of a zoning map amendment request to rezone property at 106 E. Aiken Road from Residential-12 to Business-General. Request submitted by Roena Dehart. ZONING CASE Z-00-06.

Mayor Price explained that Ms. Dehart has asked that this item be continued until the June regular meeting.

- (b) Consideration of a request to close an unopened alley adjacent to the east side of The Boulevard. Request submitted by Bobby Stratton and others. STREET CLOSING SC-00-01

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

Mrs. Stultz explained that Bobby Stratton filed this street closing request and the Planning and Inspections Department recommended in favor of this closing. At their May 2, 2000 regular meeting, the Planning Board voted unanimously to recommend approval of the street closing.

The city has received a petition signed by 100 percent of the abutting property owners requesting that an unopened right of way be closed. The subject portion of the alley has never been opened and the land abutting the unopened right of way has primary access onto a portion of The Boulevard.

The Eden City Code, Chapter 13, Article 3, Division 3, and N.C.G.S. 160A-299 authorize the City Council, upon recommendation from the Planning Board, to consider the closing or

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vacating of a street in accordance with the rules and procedures set forth therein. Furthermore, it permits the City Council to close a street provided that after a public hearing has been held, it appears to the satisfaction of the Council that closing the street or alley is not contrary to the public interest, and that the city has no interest in preserving the dedication of such street or alley for municipal purposes, and that no individual owning property in the vicinity of the street or alley would thereby be deprived of reasonable means of ingress and egress to his property.

She explained that one of the requirements that they have is to contact the public service corporations and they have had no objections. She stated that the required findings before a street or alley could be closed were that the street closing is not contrary to the public interest and that no one would be deprived of their right for ingress and egress to their property. In regards to the required findings, the Planning and Inspections Department issued the following comments: Contingent upon comments from public service corporations this evening, the staff was of the opinion that the street was not required for public utility service for the area. Based upon the fact that the street has never been opened nor was it in the city Thoroughfare Plan or any other transportation improvement plan, staff was of the opinion that the street was not necessary to the general public for travel and traffic circulation in the area. Finally, based upon the fact that all properties in this area have their primary access off The Boulevard, staff was of the opinion that no one would be denied reasonable means of ingress and egress because of the closing. In conclusion, based upon those finding, the staff recommended that this request be approved.

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

Mr. Bobby Stratton, 1214 Forest Road, explained that he had requested it as it split his lot and ran down the middle of his property.

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

A motion was made by Council Member Tudor seconded by Council Member Grogan to close (an unopened alley adjacent to the east side of the Boulevard). All Council Members voted in favor of this motion.

- (c) Consideration of a Historic Landmark Designation of the site of the Leaksville Cotton & Woolen Mill located at the intersection of Church Street and Morgan Road. Request submitted by E.N. "Bud" Stickels, President of the Eden Preservation Society. HPCL-00-01.

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

Mrs. Stultz noted that this was the very first landmark request that they have ever considered. She explained the Planning and Inspections Department recommended approval of the request and at their April 17, 2000 regular meeting, the Historic Preservation Commission held a public hearing on this particular request. After consideration of the request, the commission voted unanimously to recommend in favor of it.

She noted that if they take a look at the report it looked very similar to the zoning case reports that they get with additional documentation as required by the Historic Preservation Office in Raleigh. She stated that one of the requirements that they have is that once the Preservation Commission has given its consideration, it was forwarded on to the State's Preservation Office and they have indicated their support also.

The request is for an historic landmark designation for the site and remaining masonry structure of the Leaksville Cotton Mill and Woolen Mills. The property is now owned by the Eden Preservation Society. This property is located at the intersection of Church Street and Morgan Road and contains approximately 3.36 acres.

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According to the Eden Historic Preservation Commission's publication entitled "A Tale of Three Cities, Second Edition", "The roots of Eden's nationally significant textile industry began in this complex...as one of the oldest major manufacturing sites in North Carolina." This site was the original site for the firm founded by Governor John Motley Morehead in the 1830's. During the Civil War the facilities on this site made cloth for the uniforms of Confederate Soldiers.

In later years, the site was the work place of Charlie Poole the famous recording artist for old time string music. The current owner celebrates the manufacturing and musical heritage of the property with an annual music festival. The long term plans for the property include an outdoor theater and to continue to develop it as a textile park.

Both the City Council of the City of Eden and the North Carolina State Legislature have deemed our historical heritage to be one of our most valued and important assets. This philosophy translates into the designation of properties that have such significant historic importance that they warrant individual protection.

Based upon the history of this site, the individuals involved and the plans for the vibrant new uses planned for the property, staff recommends in favor of the local landmark designation request.

Council Member Grogan asked that in any historic landmark designation given by the city, as he understood it, that they could, at a later date request to pay 50% as far as tax values.

Mrs. Stultz explained that the General Statutes create a process for landmark designation. One of the carrots that was offered to the property owner was that they give the city ability to control how their property was maintained through their landmark guidelines. The carrot for that was that they get a 50% property tax deduction. This particular piece of property that they were considering at the moment was already nontaxable because it was owned by a non profit corporation so there were no taxes being paid on it at the moment.

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

Mr. E.N. "Bud" Stickels, 604 S. Hamilton Street, explained that he thought this was an opportunity to preserve, on behalf of the city and everyone there, the grand heritage of mill life and life as they knew it back then. They were able to save the wall and he thought it was going to be a fine park. He stated that they had big plans for the fulfillment of that park and he was all in favor of it and hoped they would feel likewise.

As no one else came forward to speak he declared the public hearing closed.

A motion was made by Council Member Rorrer seconded by Council Member Reynolds for approval. All Council Members voted in favor of this motion.

- (d) Consideration of a Historic Landmark Designation of the Rhode Island Mill located at 540 Riverside Drive. Request submitted by Murray Gould, Partner in Rhode Island Mill, LLC. HPCL-00-02.

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

Mrs. Stultz explained that this was their second landmark designation request and it was taxable. She noted that on the first page of the report they could see that the ad valorem tax value at the present date was \$298,114, and the estimated tax value after the improvements would be \$6,500,000. She explained that meant that currently at the 57 cent tax rate the Council adopted last year, for this property they would be paying to the City of Eden \$1,699 a year in taxes. She noted that with the \$6,500,000 that would be \$37,050 and 50% of that would be \$18,525. She explained that should all this process work and the city decided to give it a landmark designation, at the end of the renovation, they would have a \$16,826 net gain over what they were getting today in taxes. One of the benefits aside from all the ones for preservation, as their commission had matured and gotten to the point of doing this kind of process, one of the things that was

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offered to the commission and to the city was a certified local government status for its preservation commission. One of the things that does, aside from giving them credit for their hard work was to give the city more opportunity for historic grants.

She explained that this request was for a historic landmark designation for the Rhode Island Mill. The Rhode Island Mill is located on Riverside Drive in the Spray section of Eden. It was an anchor to the surrounding mill village known as Flint Hill. The mill property contains approximately 13.71 acres of land. The mill building was constructed in 1903 and is a pivotal structure in the Spray Industrial National Register District. According to Eden's Historic Inventory, the structure is the last of the textile mills built in Spray by the Morehead family under the auspices of Spray Water Power and Land Company.

The Mill sits along the banks of the Smith River and is located in the Smith River Water Supply Watershed Protected Area. Like many other textile mills, it was built so that the workers could live within walking distance of their jobs. Residents of the early 20<sup>th</sup> century mill villages lived in true "walkable" communities. Those areas had all of the safety, efficiency, and sense of community that they now try to re-create in the Traditional Neighborhood Developments now being constructed across the country and in Eden. The preservation of the mill structures and the residential area surrounding them will serve to promote the efficient use of resources and infrastructure and prevent the further expansion of the city's service boundaries.

Mrs. Stultz stated that the Mill was constructed of standard mill construction with thick exterior walls of brick and interior supports of large timbers. The mill has a gable roof with a very narrow pitch and the building is lined with 12 over 12 windows.

Both the City Council of the City of Eden and the North Carolina State Legislature have deemed their historical heritage to be one of their most valued and important assets. This philosophy translates into the designation of properties that have such significant historic importance that they warrant individual protection.

She stated that based upon the foregoing information, staff recommended in favor of the local landmark designation request.

Council Member Rorrer asked that if the Council passed this and the plans did not materialize, would it be sitting there on half tax base.

Mrs. Stultz replied that it would, unless the Council chose to repeal the ordinance.

Council Member Rorrer stated that in other words, they could approve this and then turn around repeal it if they saw fit later.

Mrs. Stultz replied that they certainly could, unless the City Attorney had something legal about it that she did not know, but it was her understanding it was an ordinance like any other.

Council Member Rorrer explained that his main concern was if they cut the tax rate down in half on it and then it turned back into a warehouse or whatever then somebody would be getting by with half taxes on it.

Mrs. Stultz stated that currently it was zoned residential, so it could not be back to a warehouse unless the Council did a rezoning and at that time they would consider the landmark too.

The City Attorney, Mr. Nooe, added that if the owner did not develop under the guidelines, plans that for the developer that the city had already adopted, then in his opinion it could be repealed. If the project was constructed, with this as an incentive, he would not count on being able to approve it unless they failed to comply with the guidelines and the standards ongoing.

Council Member Rorrer stated that if it was out he was not concerned, even though he was opposed to what was going there, but he just wanted to be sure they did not cut the tax rate in half for something just to be sitting there.

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

Mr. Chris Gould, representative of Rhode Island Mill LLC, the owner of the property at 540 Riverside Drive, explained that he wanted to address a couple of points on what the landmark designation meant to their development project. He stated that they had gotten to the meat of it as it was the 50% tax abatement allowed under NC Statute 105-278A. He stated that one of the things that the legislature was trying to address in enacting this legislation was the fact that it was very challenging to redevelop a historic building as it was more expensive than new construction and that was a big hindrance to adaptive reuse of a lot of historic structures throughout the country and throughout North Carolina.

He stated that they have seen it in their own experience as an affordable housing developer and new construction projects that they have done, the development cost and the final appraised value per unit was much lower than the appraised value of one that they have built into an existing historic building. That barrier was partially overreached by federal and state historic tax credits but in terms of the ongoing operation for affordable housing, they have found that the 50% property tax abatement helps to address the inequity in the appraised values.

Mr. Gould explained that they were planning to build 62 units of affordable housing in the Rhode Island Mill and if they did new construction producing the same functional result, they would certainly see a much lower appraised value than the nearly seven million dollars that their appraisers were suggesting to them was the as-built value that they could expect for their development project. He also pointed out that once the landmark designation was given, the owner of the property could not make any plans for changes on the property without the review of the local historic preservation commission, which of course they (the Council) were the body that had oversight on them.

He stated that their company was committed to affordable housing and historic preservation and they thought it was a great way to combine a lot of goods for a community. There was a need for affordable housing but across the state they would find there were vacant significant historic buildings such as mills and old schools that sit vacant, were not redeveloped and become a detriment to the community and eventually they were lost and you lose part of the historic fabric of your community.

Mrs. Marianne Aiken, 700 Riverside Drive, explained that she wanted to remind them of something that they probably already knew. A hundred years ago when William Jones Gordon came to this community, he chose the known, roughest part of town, to settle and make his home. He married and for a while lived there on Flint Hill. She moved there almost 50 years ago and Flint Hill still had that reputation of being a very rough and needy neighborhood. It was wonderful to think that at last somebody was going to do something to help that situation and they were looking at a massive investment in that neighborhood. She noted that a \$6.5 million property would be there and in addition there was help for other homeowners in the neighborhood. They have a cooperative and open minded developer who was willing to consider other things on the property, an adjacent building, such as a day care or a satellite job training center. So she thought they could look forward to a change that was bound to be for the better. As for the monetary part of it, the tax money that they were now receiving was very little, and this would be \$14,000 plus more that they would be getting.

Mrs. Aiken stated that as soon as they talk about affordable housing and having a good number of units in one place, people think of some unfortunate situations that have happened in this town. She reminded them that there were 8 or 10 other apartment complexes in the town with residents that have assistance in their rent in one way or another and they never hear a word of trouble out of them. She stated that she hoped a few bad instances would not color their decision and she did hope they would look positively on this situation.

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

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

MONTHLY FINANCIAL REPORT:

(a) Finance Department Monthly Reports.

The memorandum presented to Council contained the Financial Reports for the month of April 2000.

Mayor Price asked Mr. Ray Sharp, Finance Director, to come forward for his report.

Mr. Sharp began with the Undesignated Fund Balance for the General Fund and noted that it was up \$10,672. He explained that also meant that their reserve was up by the same amount of money and their cash in the city had increased \$7,276.

He stated that on page 3 of 12 was the computation of the Undesignated Fund Balance for the General Fund. He noted that even though the cash in the General Fund went down \$55,497, their Undesignated Fund Balance increased, due to the fact that the reserve for encumbrances went down, as did the reserve for state statute.

He noted that on page 4 of 12 the Water Fund was down by \$22,370. Their cash in that account was down by \$24,280 and one of the reasons the reserve for encumbrances was up \$8,600.

He stated that on page 5 of 12 was the summary for all the departments. He noted that this was for the 10<sup>th</sup> month of the year and the decimal equivalent of that was 83 1/3%. For the General Fund revenue they have in 87.4% of their revenue. The vast majority of their property tax was in and what was going to follow for the next couple of months was some revenue from the state and some revenue that they were going to generate internally.

He stated that in the Water & Sewer Fund, they have collected 56.83% of their revenue and spent out 52.88% of their expenditures. This would change drastically as of June 1 when they make their bond payment of about \$1.6 million.

He stated that overall on all the funds, and the summary was on page 8 of 12, their revenue was 62.49% of what they have budgeted and their expenditures was 57.95% of what was budgeted for the year.

He noted that for the Cash Flow Statement, their cash was down a little, \$7,276 from the month before, but on page 10 of 12, they began the year this year with \$9,479,000 and at this point in time they have \$11,159,922. This was comparable to where they were last year at this time, which was \$11,166,566.

He stated that on page 11 of 12 was a summary of all the cash they have by fund. On page 12 of 12 was a summary of their Temporary Investments. Their average yield was 5.9% and they were trying to get everything to come due June 30<sup>th</sup> on their CD's and other investments to make an even clean sweep at the end of the year. He stated that their Total Temporary Investments was up \$368,482 over the month before.

REQUESTS AND PETITIONS OF CITIZENS:

Pastor Joel Long addressed Council:

Pastor Joel Long, 1366 Towncreek Road, explained that he was the Minister of the First Presbyterian Church. He stated that he rose at this point on their agenda to ask a question to make sure that they were in the right ballpark. He wanted to know if he was correct in understanding that tonight, on their agenda, they were going to consider approval of some grant monies available to improve some single family dwellings that were in need of rehabilitation in their city. He asked if that was correct to which Mayor Price replied that it was.

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Pastor Long then proceeded to say that he would like to rise as a voice of those voices that he thought need to be heard within the life of their community. He stated that he thought they all received a letter from him regarding this very issue as a person who wanted to speak for those folks who have needs within their community. He stated that he had come not only through that letter but also in person to speak to those issues. He stated that monthly, he received folks in his study who were constantly saying, "My kitchen floor is falling in Preacher, can you do anything for me?" "My roof is leaking and my children are lying in beds wet when the rain falls in, can you do anything for me?" He stated that with that consideration, he challenged his own congregation to put together a task force to do a home mission project where they would send out folks to consider the needs of those folks who come to his study and ask of those folks what it was they could do in their places and if possible in those places to actually nail nails and put up new boards and care for issues right where the greatest needs were.

He stated that he wanted them to know he was not only coming as a voice for them and coming as a voice to encourage Council, but that he was a voice that had risen to help take care of some needs too. He stated that he had pledged his commitment to them in this endeavor as one of the religious leaders in his community.

With those monies available to their community, he wanted to applaud them and their leadership for finding such monies, knowing that they were available to rehab single dwelling family places within the community and noting with them that that leadership was of utmost importance within this community in which they live, especially to those people who do not have resources available to care for those things. He stated that they were both very much aware that a person's worth was not directly tied to the resources they have in their pocketbook or in their IRAs or in their checking accounts or in their savings accounts. He stated that each one of them (Long and Council) was a person needing respect. He stated that it had been said that a community was only as strong as its ability and its willingness to care for the most needy constituency of its presence. Therefore, he simply rose to request the leadership of the City of Eden to look favorably upon those monies that they have found and that were available to rehab those places and do it.

Mr. Paul Allen addressed Council:

Mr. Paul Allen, 1122 Lawson Street, stated that he had two or three issues he wanted to bring up. He stated that he had a neighbor in his back yard who had rabbit cages and dog cages. He presented the Council with pictures and he noted that those cages were right next to his property line. He stated that if they look up under them there were rabbit droppings under them, 16' long, 2" wide and approximately 11" deep. He stated that he was told the other day, if it was not 100' within his back door there was not a whole lot that could be done about it. He asked them to trust him, nature and when the wind blew, it did not have a yardstick (and) it did not measure, it came right on in the back door. He stated that he had spoken to Mrs. Stultz and she was making an attempt next week to try to get something done. He added that he hoped the Council could help do something about it.

He stated that another issue was the junk cars again. He stated that he had been on Council Member Reynolds and the Mayor for a long time about that. He stated that he could not seem to get anything done. He stated that they were next door. One particular vehicle they use it for a shed to put junk in. He stated that if he was not mistaken, they were even keeping a pet in it, in the hot summertime. He stated that he had seen it in there a couple of times and he did not know if it was living there all the time or they were just stuffing it in there occasionally. He stated that he would like to see something done about it if possible. He stated that he knew there was an ordinance against it, (but) for some reason or another it was not working.

Another complaint that he had was that he had called on an individual last week about the grass. He stated that he had actually went in the backyard and measured her grass and the entire yard was approximately 18" but he did find some weeds in there that was 22" tall. He stated that he called (the city) and the response he got was "call us back when it gets 20" overall". He stated that that was ridiculous. He pointed out that the City of Reidsville, as he understood, had an 11" or 12" ordinance, then they had to mow it. The City of Eden has a 20" ordinance and then they

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have to give them 20 days. He stated that it was ridiculous that somebody would let their grass get that tall. He asked that the Council try to get that ordinance changed.

Mayor Price asked Mrs. Stultz if the current rule on the high grass was 24”.

Mrs. Stultz replied that it was 24” and when they send the notice they have 20 days to take care of it.

Mayor Price asked if she had any thoughts on the animal issue before looking at it and Council Member Myott questioned the junk cars.

Mrs. Stultz replied that they would need to get out there and take some pictures and check and see, the PIN numbers and that sort of thing. She stated that their ordinance did have some requirements as to whether it had a valid tag (but) they would need to check it.

Council Member Reynolds asked if they did not have tags could the city have them towed.

Mr. Nooe replied that they could not just because they did not have tags.

Mrs. Stultz added that they have some other requirements and she was trying to remember them. She stated that it would have no valid tag and it had to be where it could not be self-propelled in the way it was intended. She stated that they have some other spots as zoning violations, based on their ordinance not allowing junk yards, and she was not sure exactly whether they could deal with either of them, but she would let them know.

Mayor Price referred back to the grass issue and asked about other communities that she was in touch with. He asked if they had (the same) regulations that Eden did, as it seemed like 24” was in 20 days, (then) they have already gone 30 days by the time folks report it.

Mrs. Stultz offered that they could see how they deal with it and how their ordinances work and bring that back.

Mayor Price asked that she look at some comparable communities to Eden’s size. He asked them how many requests they have for mowing in spring and summer to which she replied hundreds. Mayor Price asked how many had to be done by the City Of Eden.

Mrs. Stultz replied that she did not want to flip out a number, but she did know there were certain yards that they mow and she knew from talking to her counterparts in other jurisdictions that they deal with repeaters a little differently than Eden did. She added that she would try to check on that also.

Council Member Tudor asked about the dog cages. He stated that he had a conversation at City Hall a week or so ago and had asked about a dog cage being close to a property line and in that conversation he was told to check with the Animal Control Officer. He added that the individual he was speaking to, who sounded very knowledgeable, said he understood that a dog cage was not legal but that a dog lot had to be so large, compared to how large the yard was. He asked if that sounded correct.

Mrs. Stultz replied that it was not in any of the things that she dealt with. She stated that the Chief of Police might be able to speak to them about the animal sections of the City Code. She added that there were some instances where animal “debris” could become a public nuisance. She stated that once it reached that stage they had some ability to deal with it, but not always as quickly as folks would like. She stated that she would check into that too.

Council Member Tudor stated that he was told to refer his question to the Animal Control Officer and that might be what this gentleman needed to do also.

Mayor Price stated that the instance with Mr. Allen’s rabbit situation was obviously not being maintained in a reasonable animal husbandry way. He asked where they were with that and if that fell under her jurisdictions or was that in Animal Control or the Health Department.



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Mrs. Stultz replied that it may be in all three of those spots and they would make a better judgement of that after they get out there and she could also take some pictures. She also added that she had made an appointment to meet them out there Monday morning.

Mayor Price asked if it was clearly defined as to what point one department takes over the other one to which Mrs. Stultz replied yes, she thought so. She stated that it was not as black and white as that might sound, there were some overlaps.

Council Member Janney commented that they should each get a report back on her findings to which Mayor Price asked if she would have that for their agenda next month and Mrs. Stultz agreed to do so.

Mr. Allen commented that a gentleman brought up the Animal Control Officer. He stated that he did speak to them. He had called the Health Department to start with because he had seen numerous rats and this stuff also drew snakes and the Health Department referred him to the city Planning who told him the Animal Control Officer takes care of this. He stated that in his opinion that was not an Animal Control problem, but simply owner neglect. He stated that there should be somebody else that could take care of that.

Mayor Price assured him that Mrs. Stultz would address that.

Council Member Janney speaks regarding handicapped parking on Washington Street:

Council Member Janney referred to a letter that each Council Member received from a Ms. Evaline Terrance.

Council Member Grogan asked if this was about parking on Washington Street to which Council Member Janney replied yes. He asked if that was something that they could look at while they (NCDOT) were working on the street down there.

Mr. Thomas replied that while they were re-striping it would be a good opportunity.

Mayor Price asked if that required an ordinance change to which Mr. Thomas replied that it probably would to designate where they were and if the Council added any. He asked the City Attorney if that was correct.

Council Member Grogan interjected that it took a request by the City Council Member from that Ward to have a study done and then it would come back to the Council.

Mr. Nooe commented that he had read the letter, but if they have a space and there was frequently a car parking there with no handicapped placard, then if they had two then they were going to have cars frequently parked in two handicapped places with no placard, (then) it seemed to him like first (of all) it was an enforcement problem and when they find out that they were enforcing it and then they did not have enough spaces then they would add a space.

Council Member Grogan asked if the study could not be done at the same time to which Mr. Nooe agreed.

A motion was made by Council Member Tudor seconded by Council Member Gover to do a study for additional handicap parking on Washington Street.

Council Member Rorrer commented that he would like to see the study and when it was done, to talk to the merchants over there a little bit, because he did not think they have enough parking spaces over there as it was.

Council Member Grogan stated that they had to get their help off of the streets then.

Mayor Price asked the Police Chief to have Sergeant Griffin speak to the merchants also.

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

ITEM ADDED TO AGENDA UNDER UNFINISHED BUSINESS:

Mayor Price mentioned that this item had to do with adding an easement for Gildan.

A motion was made by Council Member Grogan seconded by Council Member Gover to add the easement - Gildan to the agenda as item 7(l). All Council Members voted in favor of this motion.

UNFINISHED BUSINESS:

(a) Consideration of transfer of Time Warner, Inc., to AOL Time Warner, Inc.

The memorandum explained that on February 8, 2000, Time Warner had notified the city that there would be a change in control of Time Warner, Inc., the parent company of the city's franchisee, Time Warner.

The city's current cable television franchise agreement or cable ordinance specifies that the franchising authority must take some action upon transfer of control of the city's franchise agreement. To this end, the city's consultant, Mr. David H. Harris, Piedmont Triad Council of Governments' Regional Cable Administrator, prepared a report to the franchising authority with a proposed Resolution transferring control from Time Warner, Inc., to AOL Time Warner, Inc. The franchising authority may consider the report and approve the Resolution of Transfer of Control.

Mr. Dave Harris, Piedmont Triad Council of Government Consultant, explained that the matter before them was the transfer of Time Warner, Inc., the parent company of the owner of the city's franchise agreement to AOL Time Warner. He stated that he had taken the liberty on the city's behalf to examine the legal, technical and financial qualifications of AOL Time Warner and if they would recall their franchise agreement and their ordinance requires that they take some action concerning the transfer of control. He stated that he would add that AOL Time Warner was qualified to carry out the current franchise agreement that they have with Time Warner. The management of Time Warner would not change. He stated that he would suspect that Time Warner and AOL were trying to figure out all the new technology that they were going to bring to them and all the new products. He stated that he did not know what that was and he suggested to them that they did not either at this time. The matter was to approve or to adopt the resolution, which transfers the parent company. He added that Mr. Bert Kennedy was there from Time Warner if they have any technical questions concerning the cable operations.

Council Member Janney commented that he should have looked at his bill but he did not, but he have had several questions from people who have looked at their monthly bill and they said it went up last month.

Mr. Harris replied that the franchise fee went from 3% to 5% last month.

Mayor Price commented that when they talked about the extension of this contract there was some conversation about another office in town. There were comments that they were looking for some things and he understood now that there was not going to be an office here.

Mr. Harris referred the question to Mr. Kennedy.

Mr. Bert Kennedy, General Manager, Time Warner Cable, stated that basically what they have done over the last several months was to take and consolidate the offices of what was the Eden location and the Reidsville location. He added that he thought he had mentioned it to them previously. He explained the purpose of that was that they were able to put together larger groups of people who were doing the same type of work in other locations which basically gave them a better response time to both service requests and answering the telephone calls. He stated that as an example, they were currently answering 95% of their calls within 30 seconds because they have a bigger pool of people to help all of the people of Rockingham (County) as opposed to segmented groups who were only answering particular areas of the calls. He stated that in order to facilitate that they did have a need to move those people from the Eden location into the Reidsville office and in so doing they opened up a second payment location within the City of Eden. He stated that it was done through a place where most people pay their power bills and it was a convenient location on Kings Highway through the Griffith contract that they have. They could also make payments in the Madison Chamber of Commerce.

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Mr. Kennedy stated that his overall objective was, at the first part of next year, to build a central office where they would house all of their technical and telephone operations. He stated that they were currently running the technical operations out of Eden and the telephone operations out of Reidsville. They were looking in the general area of Wentworth for property on which to do this, primarily because from a distribution perspective for sending out the groups to respond to service calls, outages and things of that nature, it was the most central to reaching each extremity from within that single location.

Mayor Price asked, so there would not be any office other than a third party collection office in Eden to which Mr. Kennedy asked, as far as having a...to which Mayor Price replied, a Time Warner representative.

Mr. Kennedy replied that was correct. There would be a central location in Rockingham basically because part of what they were doing through the upgrade was that all of Rockingham County would begin to receive the same services at the same rate and basically universalizing everything that they receive within Rockingham County. He added that they would obviously continue to look for ways, there was a night drop box at the existing drop box that they could continue to use, but as far as having an additional location for the purpose of coming directly to it no.

Mayor Price asked, there would not be any service response, everything would be in one location to which Mr. Kennedy replied, everything would come out of one location, as far as service responses, they would obviously respond to any and all service requests.

Council Member Gover commented that to get it straight, the hub of operation was going to be in one centrally located area, and that centrally located area would be central of Rockingham County to which Mr. Kennedy replied that was correct.

Council Member Gover stated, so they have lost their operation office in Eden.

Mr. Kennedy replied no not at this point. He stated that it was currently being used as a technical facility and not a customer service facility. Currently all of their technical operations were handled out of there, basically the dispatching for service requests and things of that nature was being handled out of there and any and all phone calls were going into the Reidsville location. He explained that it was a consolidation of two different operations that were in existence in order to be able to respond quicker and better to the consumers with a larger group of people.

He stated that when he first got to Eden there was a situation where they had people sitting in one town not taking any calls while there was a lot of activity in the other and people were being put on hold or getting busy signals. He stated that by combining those groups together and giving a bigger pool they were better able to respond to the customers. The customers were notified two months in advance of the payment office being closed, and they were also advised as to where they would be able to make those payments within the Eden area.

Council Member Gover asked if their weekend service had been discontinued. He stated that he understood from some people that they called and were told, "well we can't do anything about that", on Friday evenings.

Mr. Kennedy replied no, in fact since he arrived they have extended from what they were doing. He explained that he now had somebody at the office until 9:00 at night actually managing both telephones and service locally. He added that they always have people on call 24 hours a day 7 days a week. He stated that they should never have received that response and if they did he wanted to know.

Mrs. Paul Allen commented that they got that response and Mr. Allen agreed that they sure did, two weeks ago on a Saturday. Mrs. Allen added that they have also added services fees and the movie channels have gone up. She stated that they also would not set you any appointment times when you call for repair service like they used to.

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Mr. Allen stated that they said they were not going to send anybody up because they were not completely out.

Mr. Kennedy asked if he could get their information on a card and he would try to find out about that for them.

Council Member Gover expressed his appreciation to the Allen's for speaking up because that was the exact complaint that he had been having since it was negotiated...

Mrs. Allen added that it had not gotten better.

Mr. Kennedy commented to Council Member Gover that if he could have those people to contact him he would be most happy to talk to them.

Mrs. Allen also added that in fact movie channels went up \$10.00 last month.

Mayor Price asked Mr. Kennedy to leave a copy of his business card with the City Clerk.

A motion was made by Council Member Grogan seconded by Council Member Rorrer to approve the Resolution. All Council Members voted in favor of this motion.

A RESOLUTION BY THE CITY OF EDEN, NORTH CAROLINA PROVIDING FOR THE CHANGE IN CONTROL OF A CABLE TELEVISION FRANCHISE

WHEREAS, the City of Eden, North Carolina ("City"), acting by and through its City Council ("Council"), passed and enacted a certain Ordinance, ("Franchise") granting a nonexclusive franchise allowing Time Warner Advance-Newhouse ("Time Warner") the authority to construct, operate and maintain a cable television system within the City; and

WHEREAS, pursuant to provisions of the Franchise, the approval of the Franchising Authority is required to transfer control of the Franchise; and

WHEREAS, pursuant to that certain Agreement and Plan of Merger dated January 10, 2000 pursuant to which AOL and Time Warner established the terms and conditions whereby both AOL and Time Warner would become wholly owned-owned subsidiaries of AOL Time Warner, Inc; and

WHEREAS, pursuant to the Cable Television Consumer Protection and Competition Act of 1992 ("1992 Cable Act"), as amended, Time Warner and AOL have submitted to the Franchising Authority an FCC Form 394 - Application for Franchise Authority Consent to Assign or Transfer of Control of Cable Television Franchise, and other documentary materials required by Federal Communications Commission regulation or state law or as required by the Franchise; and

WHEREAS, the transfer of control of the Franchise shall not alter, affect or otherwise change the terms or conditions of the Franchise; and

WHEREAS, after careful evaluation of the Federal Communication Commission Form 394 and other documentary materials required by Federal Communications Commission regulation or state law or as required by the Franchise it was determined that AOL Time Warner, Inc., has the legal and technical expertise, as well as the financial stability, to operate and maintain the cable television system in accordance with the Franchise; and

WHEREAS, it is in the best interests of the City and its citizens to consent to the above referenced transfer of control of the Franchise.

NOW THEREFORE, be it resolved by the Council acting on behalf of the City that:

1. The Franchising Authority hereby gives consent to the transfer of control of Time Warner, Inc. to AOL Time Warner, Inc
2. The Grantor confirms that (a) the Franchise has been properly granted, is in full force and effect; (b) there have been no amendments or modifications to the Franchise, except as set forth herein; (c) there are no defaults under the Franchise or events which upon the giving or passage of time, or both, would constitute an event of default thereunder;

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3. That consent to and any required approval of the transfer of control of Franchise from Transferor to Transferee, as described in FCC Form 394, is hereby granted; and
4. That following the transfer of control, the Franchisee, may at any time and from time to time, assign, grant or pledge or otherwise convey one or more liens or security interests in its assets, including its rights, obligations and benefits in and to the Franchise, to any lender ("Secured Party") providing financing to Transferee, from time-to-time, and that such Secured Party shall have the rights of a secured creditor with respect thereto; and
5. That the consent to change of control herein provided shall be effective upon and only effective concurrent with the closing of the transactions described in FCC Form 394, and the Franchising Authority shall be notified promptly upon the closing of such transactions; and

BE IT FURTHER RESOLVED AS FOLLOWS:

6. Upon completion of the closing of the transactions described in FCC Form 394, Time Warner will continue to provide the required performance bond and insurance certificates required by the Franchise; and
7. The Franchisee shall remain responsible for all obligations under the terms of the Franchise Agreement and any other obligations under federal, state or local laws or agreements; and
8. This Resolution will become effective upon adoption by the franchise authority.

ADOPTED by the City Council of the City of Eden this the 16<sup>th</sup> day of May 2000.

FOR THE CITY COUNCIL OF THE CITY OF EDEN, NORTH CAROLINA

Philip K. Price  
Philip K. Price, Mayor

ATTEST: Kim J. Scott  
City Clerk

(b) Consideration of contract for Rivercrest Drive Project.

The memorandum explained that at the March regular meeting, the City Council discussed the Rivercrest Drive Project and named the consultant. The designated consultant is Benchmark, Inc. Since that time, Mr. Nooe has been sent a copy of the contract and he has raised questions and asked for some changes.

Mayor Price called Mrs. Stultz forward for comments.

Mrs. Stultz explained that this request was for the Rivercrest Drive relocation project that the Council had been considering for some time. Last month they discussed the provisions of what would happen and the fact that they were going to engage Benchmark. She stated that in the mean time, Mr. Nooe reviewed the contract and had some questions. She added that she thought they now had those answered. She stated that they have also received lots of requests from the residents to go ahead and get started as they were in a state of limbo so they would like to get this done as expediently as possible.

Council Member Rorrer commented that it kind of caught him off guard that they would use Benchmark again on something else, as much trouble as they were having with them. He asked if she could shed any light on that.

Mrs. Stultz replied that there have been some "bumps" in this Single Family Rehab Program. She stated that their experience, other than the last few months, with Benchmark had been very good and they did have a very good statewide reputation. She stated that they have all been doing their best to overcome those hurdles with the other program and with all of the efforts going on in the eastern part of the state, lots of the consultants that were doing this kind of work were overtaxed down there and the city was lucky to get somebody who it had a relationship with and willing to do it. She stated that it was more than her staff could take on.

Council Member Rorrer stated that he understood what she was saying, but he had a point.

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Council Member Janney agreed and stated that he thought that when they go through those next two items there...he stated that he would like to hold this thing as he was not sure that he was comfortable with Benchmark and he may be by himself.

Council Member Rorrer replied that he was not the only one and Council Member Reynolds and Gover both agreed that they were not comfortable with the either.

Mrs. Stultz explained that they have advertised this a number of times. They went through a significant process and last month the Council gave its approval to Benchmark, as was her understanding and they were to get the contract worked out. She explained that they were under some time limitations from the state and feds who have awarded the city those monies. She stated that if they did not get on with it they were at risk with the program and she thought it was important to those folks on Rivercrest Drive. She stated that they knew from the information they have heard from the federal government and information along the way that they have gotten so far was that the city had more repeat flood claims on that street than anywhere in their nation and the program did need to be done.

Council Member Rorrer pointed out that the last three things that he was aware of that they have done with Benchmark, the price had been cut a third on two out of three.

Mayor Price referred to the City Attorney and asked if it was a valid contract.

Mr. Nooe replied that he would only say that this was a different type program. He stated that he thought it was unlikely that they would really have the same problems and dissatisfactions with this particular program as they have had with the Single Family Rehabilitation. He stated that in light of everything, the overall circumstances involved in this program, he would hope that they would approve this contract and let this program go on and hold their feet to the fire on the other program in the next contract. He stated that it did need to move on.

Council Member Rorrer stated to the City Attorney, on his recommendation, which he did value highly, he could go with that, but this other stuff there, Mrs. Stultz's department had put enough time in it that she could have handled it herself and come out a whole lot better.

Mr. Nooe replied that he understood that very well, but in his opinion, they should not fight that battle in this upcoming program at this time.

Council Member Rorrer pointed out that it was the same company.

Council Member Janney commented that it was just putting Benchmark on notice, as they may not be there.

Council Member Rorrer replied that they would not be as far as he was concerned if they have any more trouble.

Council Member Janney stated that he understood what their Attorney was telling them. He stated that he did not mind saying he was unhappy with them and he was going to say some things in a few minutes to why he was not. He added that he could also understand that this program was important and he would take a chance on it, but he guaranteed it would not be another.

Council Member Grogan commented that they have been talking about this program on Riverside Drive for about two years and therefore he made a motion to approve it.

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

(c) Consideration of SFR contract approval - 301 Greenwood Street.

The memorandum explained that Mr. and Mrs. Lawrence Manly, 301 Greenwood Street, have applied to participate in the city's Single Family Rehabilitation Program. The contract was brought to the Council earlier, but was

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removed from the agenda before consideration. Since that time, the Planning & Inspections Department have prepared a formal Standard Operating Procedure for the program.

The original bid was \$28,190 to C&S Quality Homes. Since that time, in accordance the procedures adopted by the City Council, Mr. Bolden and Mr. Roberson, city Codes Inspectors, have reviewed the bid sheets and inspected the premises. After a discussion with the homeowners, several repairs that were first included have been removed and the department is now asking that the contract be awarded to C&S Quality Homes in the amount of \$18,155.

Mayor Price asked Mrs. Stultz to come forward for comments.

Mrs. Stultz explained that over the last several months she and the Council had had a lot of discussion about the Single Family Rehab Program as well as some concerns that some of the Council have had with it. She stated that the Single Family Rehab Program, as it was administered in 1998, the year that the city received those funds, had limitations put on it by the governing bodies that were awarding those funds and that was the state and federal governments. Additionally as the city considered an application for this program the City Council put some restrictions on the program.

Some of the concerns that she has heard were about how the program was administered and how it functioned. She pointed out that this same program was working very well in other parts of this county and administered by Benchmark. She stated that she felt like the city did a reasonably good job the very first time they did it in the 1995 awards with some assistance from the City Attorney and some lessons that they learned that time.

She stated that this program was not designed, unfortunately, to reach the most needy of their citizens. She explained that the programs that reach them were Community Development Block Grant Programs and others that they have not yet applied for. She stated that they did make an application of that type for the Blue Creek and Flint Hill neighborhoods but did not receive those funds. Unfortunately in the 1960s and 1970s this city did a really good job of putting infrastructure in place and because the city's infrastructure needs were not always as great as other communities it has not been successful to this point with those CDBG Funds in the identified areas. Mrs. Stultz stated that those rules change and she hoped that the next time those funds were available, the next cycle that the Council would give them permission to make that application.

Mrs. Stultz stated that very few Planning Departments have enough staff in them in small communities to administer grants of this type and it was fairly common for there to be contractors brought in that the Planning Department oversees to get that done. She mentioned the need of the folks that have applied to the city to have their houses repaired. Those people were all well aware that it was a loan. It would be a no interest (loan) and it would be repaid at their death or if the property was sold. She stated that they knew that. She stated that they were folks that generally could not get loans any other way.

She stated that she really did understand the concerns that several of the Council Members have. This was an important program and this spring has been an adventure for them with this program and she had been on several of the inspections herself. She stated that they did an SOP (Standard Operating Procedures) to get their inspection staff more heavily involved and she was under the impression that the Council had all endorsed that.

She noted that Mr. Bolden, Chief Code Inspector, was there tonight and he had looked over the contracts. She stated that they have tried to do them the best they knew how to get them to them, to be as fair to those people as they could. She stressed that it was an important program and it was important in a lot of ways and not the least of which they knew that housing was a big problem for their community as a whole. She stated that as they try to address that in making applications for other programs, how they administer this one was going to be a part of consideration for them to receive others.

She stated that she was well aware that several of the Council were unhappy and uncomfortable. She apologized to them for whatever role her staff may have played in that. She added that they would do their best not to do it again, but she did implore them to let them go ahead and

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complete this program and before they applied for another grant they would have a lot more discussion and make sure they were all on the same page as they get it cared for.

Council Member Rorrer commented that he did not have the problem with her department. He stated that he had the problem with Benchmark. He stated that when he sat there and looked at this thing where the original price was \$28,190 and now it was cut down to \$18,155, her department happened to put a lot of time in it where they should not have had to, because Benchmark was paid to do the job. He stated that there was no telling how much time had been put in, not only this one, there was another one that failed the same way. He stated that it had already been approved and he intended to pass this one and get it through but they (Benchmark) better be on notice for anything in the future, he could tell them that.

Mrs. Stultz stated that she thought they have learned. She stated that for this particular one, one of the biggest reasons that it came down so far was that this house happened to be in a historic neighborhood. Some of the replacements that could be permitted and the person who was doing the things to begin with, the people who live in the house did not want them done so that was why they were removed. She stated that they have all learned some lessons and they were doing it incredibly differently and it had been labor intensive for them to get those first couple done, but she hoped that it would not be as much as they finish it out. She stated that she thought they have it worked out how to handle it and it was going to work well. She stated that she hoped the Council would forgive them for the stumbles that they had and let them get this cared for.

Council Member Rorrer stated that if someone paid him for a turnkey job they were supposed to get a turnkey job and that summed it up real short in what she had been saying.

Mrs. Stultz replied that she was still responsible to him for it. Any program that they have, no matter what consultant was hired, whatever department was involved in that, that staff was going to have to be a part of it and she would not want not to be. She stated that they would try for it not to be quite so intense as it had been and she did ask that they go ahead and let them do those.

Council Member Gover referred to what extent the property owner had as far as input on it. He asked if they request those repairs or was she suggesting those repairs to those people, which was it.

Mrs. Stultz replied that they were doing a couple of things. She stated that first off, the program as they receive it from the state, there were certain things that they have to do and energy efficiency was among them. Beyond that, the way they have agreed upon when they originally applied for the thing was that the city's inspection staff would make sure that the house would be in compliance with their housing code and the safety standards and meet building code requirements once the repairs were done because the biggest reason to do this was not aesthetic, it was for the safety of the people that live in those houses.

Council Member Gover stated that he knew (that), but were the property owners kept abreast of all of those changes and whatever was taking place at this time and was she suggesting this, energy efficiency and whatever.

Mrs. Stultz replied that from those two forward she could promise them that they were and have been. She stated that she was not going to deny that they did not have a stumble or two early on and she really did believe as they have got it handled, that it had worked out and those kind of problems should not happen again and if they did, she hoped they could certainly deal with them before it got this far.

Council Member Gover asked that in cutting this to \$18,155 did she know what they were going to do for that to which Mrs. Stultz replied no, not off of the top of her head.

Council Member Gover questioned why, as they had a breakdown sheet of the previous bid. He asked why they did not get a breakdown sheet of this.

Mrs. Stultz explained that she would have sent it to them, she just thought they were overrun with paper and she would be glad to share it them.



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Council Member Gover stated that he was never overrun with too much information, some of them may be, but he was not.

Mrs. Stultz stated that they went through there and pulled some things out and Mr. Bolden went through them and she had assumed and perhaps should not have that after they did the SOP and it said that the inspections staff would go through and let them know whether they felt like they were appropriate or not, she thought that would do and save the Council from getting all that paperwork, but they could send it to them.

Council Member Reynolds asked why they did not rebid it when they cut the price, instead of just marking through.

Mrs. Stultz referred the question to Mr. Michael Walser of Benchmark.

Mr. Walser explained that the procurement policy that the Council adopted in the beginning did not allow them to do that. They had to award that to the lowest bidder. Now when they cut it down to \$18,000 and he refused it then they have to go up the next line to the next lowest bidder, but they could not rebid it as it was taking it away from him. They have to award it to the lowest reasonable bid price.

Council Member Janney asked if he was sure, because they rebid Boulevard.

Mr. Walser agreed that was correct and he had told Mrs. Stultz after that happened that it was against the procurement policy and he had a copy of that. They adopted it at the beginning of the program.

Council Member Janney stated that he had some questions for both Mr. Walser and Mrs. Stultz. He stated that number one, the thing that was put in their paper (agenda), it did not have a number on it and he had never seen it and he did not think this Board ever approved it (referring to the SOP).

Mrs. Stultz stated that they did. She stated that she sent it to them and they talked about it in a Council meeting.

Council Member Janney asked the other Council Members if they remembered approving those guidelines to which Council Member Rorrer replied that he remembered seeing them but he did not remember ever approving them. Council Member Janney stated that he did not think they ever approved them. He stated that another thing, if they did approve them then they need to rescind them. He stated that if you take the contract that the city had with Benchmark and you take those guidelines, what he thought that Council Member Rorrer said a while ago was true. They were doing all of Benchmark's work. So why even use Benchmark if they were doing all the work.

Council Member Janney asked which one of them talked to this family, Mrs. and Mrs. Lawrence Manley, and when. He asked who had kept them abreast of what was going on.

Mrs. Stultz stated that she had talked to the person on the phone. She added that she also knew that Mr. Bolden had been to their house.

Council Member Janney replied that he was not talking about Mr. Bolden, he was talking about her and Mr. Walser. He asked her if she was the one who had talked to him on the phone the other day, this week or last week.

Mrs. Stultz replied that she did not know exactly when she might have talked to him. She stated that she did not keep a log of when she spoke to him on the phone to which Council Member Janney suggested that she needed to start keeping a log because he was keeping a log. He asked when did somebody keep this couple abreast of what was going on with their house.

Mrs. Stultz asked if he would tell her what it was he wanted them to do that they did not do.

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Council Member Janney replied that he wanted to know when she did it. He asked when she told them that this house was cut down to \$18,155 and when did she tell them what was taken out of that house that they were going to do before.

Mrs. Stultz replied that since the first time it came forward, she did have a conversation with Mr. Manley and he shared with her the things about the doors and some other things that they did not want do because of the historic nature of the house. She stated that from that, it raised enough questions for her that she went to Mr. Bolden and to Mr. Walser and when they went out there to talk to them they discussed those things and pulled them out. She added that she had not had a specific conversation with Mr. Manley since that time.

Council Member Janney asked Mr. Walser. He stated that he had been in contact with this family since this started. He stated that he wanted to know when they told them they did or did not have to pay the money back. He asked who explained the contract to them.

Mr. Walser indicated he did not to which Council Member Janney asked Mrs. Stultz if she did, as he knew the answer to it, so go ahead and answer it, which was right.

Mrs. Stultz replied that she had no specific memory of telling Mr. Manley personally that they would have to pay the money back.

Council Member Janney pointed out that they did not know it until he (Janney) went over there.

Mayor Price asked if the folks who get this signed a contract to which Mrs. Stultz replied that they did. Mayor Price asked who it was with.

Council Member Janney pointed out that they have not signed a contract.

Mrs. Stultz stated that if they did not want their house repaired then they certainly did not have to do it.

Mayor Price explained that he was questioning this because, when they go to them and explain this to them and go over all the things that were going to be done, he asked did they sign anything.

Mr. Walser replied that up until the point until they have a contractor who was ready to go to work there was no paperwork signed...to which Mayor Price asked, but was there a legal document, never...to which Council Member Janney replied, no and Mrs. Stultz agreed.

Mr. Walser explained that when they were ready to start the house they would go sign an official contract application with the City Of Eden.

Mayor Price asked about the recipient who was going to be paying for this. He asked if that applicant, being the person who received it, if there was a contract between that person and the City of Eden.

Mr. Walser replied that was correct, not now but only at the time that they were ready to start the job.

Mayor Price asked, but everything was drawn out, their responsibilities for repayment, non-payment, everything was drawn out on a legal document before any work was done.

Mr. Walser replied that was correct. There was a number of documents, a loan agreement, an owner's affidavit, a deed of trust, a formal application with the City of Eden as an agent to contract that house to be repaired, a number of things.

Mayor Price asked that when they sign those documents, where was the location.

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Mr. Walser replied that normally it takes place in the home and he took care of that and Mrs. Stultz added that all of that was done before any repairs were made. Mr. Walser agreed. He stated that was before they even sign a contract with the contractor.

Council Member Janney stated that it was (originally) \$28,000. When they got that information to them, he looked at it and he and Council Member Gover went and looked at the house. He stated that he later called Mr. and Mrs. Manley and asked if he could come and look inside their house. He challenged any of them to go look at it as it was immaculate. He asked Mr. Walser if he had been in it to which he replied no.

Council Member Janney asked Mrs. Stultz if she had to which she replied that she had not been in that one, but Mr. Bolden had.

Council Member Janney stated that it was immaculate was it not to which Mr. Bolden agreed that it was pretty much so.

Council Member Janney noted that it was painted real nice. He referred to the doors and they (Manleys) had told him to start with that they did not want the doors down. He stated that he thought the doors came up from him the first time anything was mentioned. He stated that they had told him when he first went over there that all they wanted to do was get their roof fixed and their front porch fixed and somebody walked in there and said, "I'll do this and this", and it ended up \$28,000.

He stated that the first time he went over there they did not understand the contract at all and how it was going to be. They thought it was a gift that would reduce by \$1,000 every year or so and they would never have to pay anything back. He stated that nobody had ever told them anything. He went back over there today and talked to them and asked them if they knew that the repairs on their house had been reduced to \$18,000. He stated that no one had told them anything, anything at all. He asked them if they knew what they have taken out or what they were not going to do and they replied not at all as nobody had contacted them.

Council Member Janney stated that Mr. Manley was in a wheelchair and he had hoped he would be there. He stated that he was saying all this because he wanted the man's house fixed. He stated that he was not going to vote against fixing his house, but they have some serious problems with this program. They were not being kept informed they did not know anything at all about what was going on. He stated that Mr. Manley called City Hall last week or week before last and told them he wanted to get his house fixed. He asked when it was going to be fixed and the person on the other end of the phone, whoever it might have been and he stated he did not know and Mr. Manley did not remember said, "well I do not have time to talk to you right now, I've got something else to do", or made some comment to Mr. Manley.

Council Member Janney stated that he was concerned now because the heating and cooling unit was installed in 1998, about 2 years ago and was put in by the man who put his (Janney) in. There was about \$1,290 to insulate the ducts. He stated that he crawled under the house and he guaranteed them they were insulated. He added that all insulation falls at some point in time, it was not the most beautiful thing they could have but it was up there.

He stated that the reason he was saying all this, nobody, including the city staff or anybody else, and he did not know about Mr. Bolden, but Mrs. Stultz or Mr. Walser, they have not done those people right. He challenged the Council to go talk to any of them. He stated that he had hoped that Mr. and Mrs. Manley would come tonight and she had said if they were able they would. He stated that he was telling them straight, they did not know anything at all about what was going on and there they were going to have \$28,000, if they have not challenged it, it was going to be \$18,000.

Mayor Price asked what was taken out to which Council Member Janney replied that he did not know.

Mrs. Stultz stated that if somebody on her staff told anybody that lived in this community that they did not have time to talk to them, she needed to know that.

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Council Member Janney stated that he was more concerned about what was happening right there than he was in anything else.

Mrs. Stultz stated that she had some personal issues to deal with tomorrow, Thursday and Friday, and she would like to make an appointment in the morning with Mr. Manley and go over and meet with them and make sure that they were comfortable.

Council Member Janney stated that they were going to the beach tomorrow, to which Mrs. Stultz replied that she would try to call them. She noted that they had three special meetings scheduled for next week, but she would see if she could make amends with Mr. Manley and make sure they were comfortable and bring this one back and hope and pray that this thing did not happen this way again.

Council Member Gover pointed out that the old gentleman wanted a roof put on and he was anxiously waiting for a roof. Mrs. Stultz agreed and she desperately wanted it for him too.

Council Member Gover stated that Mr. Manley did not know what he was going to get and that was the whole thing. They did not know what he was going to get and that was a sad situation for the city to be in.

Mrs. Stultz stated that if the Council would continue it to one of the meetings next week, they would do their best to get the Council a list of the repairs, make contact with Mr. Manley and meet with him before the Council got back together. For this particular time she stated that she would do it herself.

Mayor Price asked if she thought it was reasonable that those recipients have something in writing before they get down to contract time, some type of agreement.

Mrs. Stultz replied that she guessed there should be and she just made a note to see that they prepare and get it to all the rest of them from now on.

Council Member Janney stated to the Mayor that was one of his points. He thought they were paying Benchmark to do this. He stated that if anybody thought they voted on this, (then) he would like to rescind it.

Mayor Price stated that it just sounded like a reasonable thing for somebody...to which Council Member Janney stated that it was not reasonable to have the city's staff to go and do work that they were paying somebody else to do.

Mayor Price stated that he would expect Benchmark to do that and that was part of their job to have a sales agreement to do that and he was sure that was no problem.

A motion was made by Council Member Rorrer seconded by Council Member Gover to continue this item (as well as the next item, [d]), until next week's Budget Meetings (4/25/2000).

Mr. Nooe asked if he understood that part of this \$18,000 was to insulate duct work that was already insulated to which Council Member Janney noted that it was on the original but he did not know whether they have taken it off or not.

Mrs. Stultz stated that off the top of her head she did not know. She stated that they would know all of that before next Tuesday.

Council Member Janney stated that the thing that really got him, and he was directing this at Mr. Walser because he was the one who told him, the reason they had to do all those things about the first house he discussed with him was because of state requirements.

Mrs. Stultz replied that there were some requirements that they did make.

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Council Member Janney asked that if there were state requirements to do that house and state requirements to do this house, how could they remove anything if there were state requirements. He stated that something was wrong.

Mrs. Stultz explained that the doors and those kinds of things that were not necessarily state requirements and could be left off were left off.

Mayor Price asked Mrs. Stultz to explain that later next week.

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

(d) Consideration of SFR contract approval - 228 Peter Hill Street.

The memorandum explained that Mr. Hugh Dillard has applied to participate in the City of Eden's Single Family Rehabilitation Program. The contract was brought to the Council earlier, but was removed from the agenda before consideration. Since that time, the Planning & Inspections Department have prepared a formal Standard Operating Procedure for the program.

The original bid was \$28,900 to Ro-Del Enterprises of Eden. Since that time, in accordance with the procedures adopted by the City Council, Mr. Bolden and Mr. Roberson, city Codes Inspectors, have reviewed the bid sheets and inspected the premises. The inspections staff concurs with the contractor's bid.

This item was included in the motion above (item c).

(e) Consideration of a linear chain phosphate bid award recommendation – Wastewater Treatment Plant.

The memorandum explained that Eden participated in the countywide chemical bidding again this year. In a memo dated April 6, 2000, Mr. Asbury, Treatment Plants Director, recommended awarding of all bids except for linear chain phosphate. After further analysis, he recommended that the bid for linear chain phosphate be awarded to the low bidder, Water Guard, Inc. The summary of the bids received for this product is as follows:

LINEAR CHAIN PHOSPHATE BIDS

VENDOR	\$/GAL
Calciquest	\$2.6800
Eshelman Carolinas	\$4,9900
Prillaman	\$2.9800
Southchem	\$2.7950
Sweetwater Tech.	\$2.6330
Water Guard	\$2.5000

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

(f) Consideration of general liability and worker's comp insurance proposals.

The memorandum explained that on March 9, the city requested proposals for General Liability and Worker's Compensation Insurance. Two proposals were received, one from the current provider, the North Carolina League of Municipalities, and one from BB&T Wall Insurance Agency.

After the proposals were received and opened, they were given to Mr. Everette Arnold of the Guilford City/County Insurance Advisory Committee for analysis who has reviewed both proposals.

After due consideration, it was the Finance Director's recommendation that the city renew coverage under the League Insurance pool.

Mr. Thomas explained that the city went out for quotes on the General Liability and Worker's Comp coverage with Mr. Sharp heading up that particular project. In the process of doing that, as they had done about two years ago when they went to the market on it, they brought in Mr. Everette Arnold of the advisory group who had reviewed the bids.

Mr. Sharp noted that on March 9<sup>th</sup>, they requested proposals for their General Liability and Worker's Comp Insurance. He stated that they sent it out to five different firms that and received

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back two proposals. He stated that the first one that was opened was from the current provider, the League (North Carolina League of Municipalities), the second one was from BB&T Wall Insurance Agency. He stated that after it was opened and reviewed by the staff, Mr. Everette Arnold came over and looked at them as it was agreed that they would look at them and compare them and come back to the Council with the best deal for the city. He stated that Mr. Arnold did the analysis for this because he (Mr. Sharp) and his staff did not have the expertise to compare insurance policies.

Mr. Arnold explained that he reviewed it and the prices were very comparable this time, even closer than they were three years ago. The League's plan was slightly cheaper. He stated that he had to compare different deductibles because they allowed them to quote at different deductible levels and they did, so it was not like comparing apples with apples. He stated that he did go back to previous loss data and either add in or subtract, depending on the different deductibles. Since the League's plan was slightly cheaper, they have been with them and were satisfied with their service and he recommended that the city continue.

Mayor Price questioned some concern about flood coverage, which was included in the League's plan.

Mr. Arnold replied that he would still work with Mr. Sharp because they did not know exactly where that treatment plant sits on the flood plain map. He stated that they would probably go out and measure it next week. He stated that he would then recommend that they write to the federal flood and get a determination because it makes a difference as to whether they were in Flood Zone A or not. He stated that they were afraid that part of it was in Flood Zone A. He explained that the Wall quote excludes coverage for anything in Flood Zone A and the League plan provides excess. He stated that if they were in A they were still going to have some primary coverage. He stated that they would look into that and follow whatever the flood association tells them. It was so close, he thought they needed to measure it and get a determination before they ever have a flood.

Council Member Janney noted that Sam Going (BB&T Wall) said he would send additional information concerning flood exposure and coverage. He asked that in looking at this, would that make any difference.

Mr. Arnold replied no, his first recommendation was the plans cost-wise were very similar so his rule of thumb was 10% or \$5,000. The new player has to beat the old one by at least \$5,000 to make it worthwhile to change. The League was actually a little lower than the Wall quote even before that. The second part he wanted to point out was about the flood because both of them looked at Zone A flood coverage differently. He stated that they really need to know if they have anything in Zone A and tonight they really did not know. He stated that they thought that they probably have some but were not sure which part of it and that made a difference so they need to look into that.

Council Member Janney commented that he wished he (Going) had been a little bit lower, as he hated to go out of town and he hoped Mr. Arnold understood.

Mr. Arnold replied that he did and they were actually about 10% under what they were three years ago. He stated that he had looked back at the 97 quotes so it was not going up yet but it was beginning to turn so they would probably see an increase next year.

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

(g) Consideration of truck route study.

The memorandum explained that Sgt. Tommy Griffin received a request to do a study of the existing truck route and to propose new ideas that would make the route easier for drivers to understand and to relieve some of the areas plagued by the current route.

Council Member Gover stated that he would like to make a motion that they accept it as the traffic officer suggested.

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Mayor Price pointed out that they were asking for more time, as they would like to have until the budget was over.

Council Member Gover stated that they wanted to go to Planning. He asked why they wanted to detain it another 60 or 90 days. He stated that he did not understand as the officer went out there and gave them the study. He asked what the budget had to do with it.

Mr. Thomas explained that he could address part of it. He stated that in looking at it and as they often did they discuss items among various departments to make sure that they were covering all the bases. A question was raised and he thought he might have sent them some information to that effect as to whether or not they wanted the Planning Board to provide a review of it just to make sure there were no land use issues that may come out of how they were routing their trucks. He stated that he guessed it could involve residential or commercial areas or whatever it may be, and it was simply a suggestion that if they needed another set of eyes to make sure that they were considering all the issues of which some may be land use related.

Council Member Gover stated that the officers who had been doing their traffic studies for all these years was a very competent person he would think.

Mr. Thomas stated that he was not questioning whether he was competent or not. He did an excellent job in his review of those items but he was a police officer and trained to look at it from that aspect and the question that was raised was more of a planning issue related to land use. He stated that he was not saying that he did not do a thorough job, as he knew that he did. The information was very good. He just wanted to make sure that all the bases were covered and that in trying to resolve one problem they did not potentially create another. That was simply the suggestion.

Council Member Gover asked who made that suggestion to which Mr. Thomas replied that it came from the Planning Department. Council Member Gover questioned the Planning Department on traffic control.

Mr. Thomas explained that their Planning Department was involved in thoroughfare planning throughout the whole city, roads and so forth. He stated that it did fall to some extent within some of the perimeters of planning and land use.

Mrs. Stultz added that the truck routes themselves, as the Council all made those decisions, or ask DOT to make them, have a significant impact on further decisions that they may decide to make on down the road. She used as an example if they change where the trucks were going that was going to change recommendations that the staff might make and the Planning Board might make and decisions that the Council all make about map amendments or changes to the map that they all initiate. Where those trucks go and how they service their existing industries and the impacts that they have to their traditional down towns were significant. She stated that when she saw the information for this coming through she sent Mr. Thomas an email and asked him, as they deal with this issue, did they want to make sure that they did not have to change it again, or just to have somebody look at it from a different perspective. She stated that Sergeant Griffin's information had always been, to what little she knew about traffic, excellent and he was really helpful in the decisions that they do from time to time when she had to ask him questions. She added that traffic and how it moved, they have seen how that was a planning issue as they have dealt with it in the Briarwood neighborhood and Edgewood and new neighborhoods going in and where they put businesses.

Council Member Gover stated that this was a safety issue and she said it, if something comes up they could always change it. He stated that he meant it had always been that way. He stated that he was still not convinced that they prolong this thing another 90 or 60 days. He stated that his motion still stood as Griffin recommended.

Mayor Price asked the City Manager to make the statement as to exactly what his recommendation was so that everybody was clear and understood it.

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Mr. Thomas explained that what was being recommended was different. What was being recommended was to add Fieldcrest Road from Main Street to Meadow Road to the truck route. To add Kings Highway and Bridge Street, to add Washington Street, Boone Road and West Meadow Road to the truck route. To make the south side of Fieldcrest Road a No Parking Zone from Hale Street to Main Street marked as point a and b on the map provided. That is strongly recommended whether or not parts 1, 2 and 3 previously mentioned are adopted.

Mayor Price stated that he understood Council Member Gover's concern with particularly one area there. He stated that he would like to make a recommendation that it be continued to another meeting.

Council Member Gover stated that he had seen those maps and he had witnessed the jams that those truckers get into trying to get in and out of their city. He stated that they were building a large distribution area down on Fieldcrest Road and they were having the truckers where they could not come and go. He stated that this study did not just happen yesterday, it had been ongoing and they delayed it a month already because it was incomplete and he had said if it was not complete then do not present it yet.

Council Member Janney asked if he was most interested in the east end of town to which Council Member Gover replied that he was most interested in the city of Eden, but one particular unsafe situation they were all aware of was on Main and Fieldcrest and they need to do something pronto about it.

Mr. Thomas stated that those four items were the recommendations and then they have the commentary that was included with it to describe some of the situations that were observed that led to those recommendations.

Council Member Grogan commented that with what had happened in the past, to put trucks back on Fieldcrest Road, he had no problem with that.

Council Member Gover stated that was not just it as he had driven all over the city.

Mayor Price stated that he thought there was some deep confusion among Council Members as to exactly what the plan was because some of the people did not get anything in their mail or packet. He asked if he had one area to resolve now.

Council Member Gover replied that of course they needed to resolve the Main and Fieldcrest at this time, but they really need to look at their city throughout. Also it was just as bad for one place as it was the other when it came to dealing with trucks but he would like to resolve the Fieldcrest and North Main.

Mayor Price stated that considering the confusion that they have now would they entertain a motion to resolve Fieldcrest and North Main and have them put the balance on next month's agenda.

Council Member Rorrer asked if they were going to have the Planning Board to look into it, for the whole city. He stated that they could not change any of it as it had to go to the state to which Council Member Janney pointed out that the state has been involved in it.

A motion was made by Council Member Gover seconded by Council Member Rorrer to resolve Fieldcrest Road (Main & Meadow) and to continue the balance of the plan at next month's meeting (June). All Council Members voted in favor of this motion.

Council Member Gover asked how many people did not get their information to which Council Member Tudor replied, just one and Mr. Thomas explained that it came in a separate envelope on Friday.



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(h) Consideration of street maintenance and resurfacing contract for 2000 - request to award contract.

The memorandum contained a copy of the Certified Bid Tabulation for the 2000 Street Maintenance and Resurfacing Contract. The bids were received on April 25, 2000 at 2:00 p.m. A total of three (3) responsive bids were received on the project.

The low bidder for the project is Thompson-Arthur Paving Company, Division of APAC-Carolina, Inc. The low bid amounts for Bid Section A-Resurfacing and Bid Section B-Reconstruction were \$298,309.40 and \$28,015.40. The Engineering Department recommended the award of both Bid Sections to Thompson-Arthur Paving Company for the total amount of \$326,324.80 upon City Council approval.

Council Member Grogan asked if this came as a recommendation from the Street Committee also to which Council Member Janney, a member of that committee, replied that it did.

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

(i) Consideration of Rockingham County School Board approval of Lincoln School Sewer Agreement.

The memorandum contained a draft copy of the Lincoln School Sewer Agreement for Council approval. The agreement is based on accepting a maximum of 8,000 Gallons Per Day (GPD) of sanitary sewage from the school. As part of the agreement, Rockingham County School Board must pay the City of Eden \$10,000 to help eliminate infiltration and inflow (I&I) that is flowing into the Covenant Branch Pump Station. This part of the agreement is stated on page 10 under Article VIII, Available Capacities, B., Pump Station Capacity. As stated in the agreement, the \$10,000 is a proportion based on 8,000 GPD of the total Covenant Branch Pump Station capacity of 300,000 GPD over the estimated cost of the gravity line replacement. This will create available capacity at the pump station so that the 8,000 GPD can be accepted.

Mayor Price asked Mr. Nooe if he had reviewed the agreement to which he replied that it was fine.

Council Member Janney questioned if it would affect anything they were now operating by adding it on.

Mayor Price noted that it should improve it with the improvements of the very antiquated system going into the Covenant Branch system.

Mr. Thomas stated that one of the things that they were requiring as a result of some question in the early going that Mr. Asbury had raised was to require them to provide some funds to the city that could be used to remove some inflow and infiltration (I&I) from some of the lines leading into the Covenant Branch pump station. He stated that the purpose of that was to make sure that they were not continuing to add more to the hydraulic capacity.

Council Member Janney asked Mr. Asbury, Treatment Plants Director, if this was going to create a problem for him.

Mr. Asbury replied that the volume they were talking about would not but I&I was still a problem all over the city and they needed to look at that every time they have the opportunity to which Council Member Janney stated that he understood.

Mayor Price added that the change above that Covenant Branch would resolve a significant problem that they have had in the past, this \$10,000 that they were giving toward the improvements going into that.

Mr. Asbury stated that he thought that that would probably be a good value to be assessed for what they were talking about, but in terms of how much they were contributing to the system, he did not think \$10,000 did very much at all towards what their whole system needed.

Mayor Price explained that he was talking about that area that had already been a problem along that Covenant Branch.

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Mr. Asbury replied that he really could not address what needed to be done there as that was a Collection and Distribution Department. He added that if they would like, he could give them some background on the Covenant Branch pump station and why it was sized as it was. There was a serious I&I problem down there when that pump station was designed, the review by the state suggested that they needed to remove 70% of the I&I if they were going to build a station at its current capacity. He stated that 70% of I&I removal was a lot of I&I removal. He stated that his guess was that they have not done anywhere near that. He agreed, \$10,000 would help, but it was not a drop in the bucket in his estimation of what needed to be done in that area

Mayor Price and Council Member Janney both agreed that they needed to get some details to the Council and Mayor Price asked Mr. Asbury if he would work with Mr. Sexton on that.

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

(j) Consideration of commercial solid waste system survey and recommendation.

The memorandum explained that the Solid Waste Committee met on May 3, 2000. Among several items on the agenda were the results of a recent survey conducted on the Eden Commercial Solid Waste System. There were approximately 280 surveys mailed out by the Solid Waste Division and there were 40 forms returned.

After reviewing the analyzed data resulting from the survey, it was the consensus of the members of the Solid Waste Committee present to amend the current contract for the City of Eden's Commercial Solid Waste System to make it an exclusive franchised system.

It is therefore being recommended that the City of Eden amend the existing contractual agreement for commercial waste services making the contract an exclusive franchise.

The current commercial contract will be up for rebidding or renewal during September of the 2000/2001 fiscal year. The contract ends December 31, 2000 at which time a new contract must be awarded to the successful bidder.

Mayor Price asked Council Member Myott if she would like to add input, as she was the Chairman of the Solid Waste Committee.

Council Member Myott referred to Mr. Jerome Adams, Solid Waste Superintendent, and asked him to explain the commercial solid waste system survey and recommendation.

Mr. Adams explained that the item before them at this time was in reference to an amendment for the agreement for commercial solid waste that was being handled by the City of Eden. He stated that currently they sent out a survey prior to a meeting of the Solid Waste Committee and the data was received back where it was analyzed. He noted that the Council also had a copy of that data in their agenda packet.

He explained that the reasoning behind the recommendation for franchising this particular aspect of services to the commercial community was to be able to provide a comprehensive service to that community and also give the city the tool that was needed to be able to negotiate as well as establish the best possible price rates for their commercial community. He stated that as some of them knew, when the City of Eden opted to get out of the commercial business back in the early 90's, there was quite a bit of turmoil among the commercial community. He explained that the reason behind that was because of the varying pricing and the various companies that were coming in to provide the service, but there was not any stabilization in the rate structure for the services that were to be provided. He stated that the city was asked to get back in that business and they negotiated a contract at that time to provide this service city-wide for those commercial customers that desired to have that service.

Mr. Adams stated that over the duration of time, the city has provided that service and for the past six years it has been primarily only the City of Eden that has provided that service to the commercial community. The reasoning for that was because of the rate structure and the rates that were being maintained during that time, however over a period of time the system was set up to where there was not an exclusive franchise, it was not in a franchise agreement where they exclusively handle all of the services. He stated that they were contracting and negotiated "x" number of commercial customers to get the very best price they could get, in so doing when a

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contractor comes in to look at a contract, the first thing they want to look at was what kind of volume that they were going to have to be able to guarantee that they could come into this area and provide the very best service and make a good business decision to come in and provide that service cost effectively and yet they were guaranteed they were going to be the service provider.

He stated that when they have a system set up that was primarily set up to cover all of their cost aspects of this service and yet provide the best service to everybody, a comprehensive service, that element of the system was very essential to provide quality service throughout the system. That was one of the reasons behind the request that the system be franchised where that in this coming year the city would again be in the process of negotiating a contract.

He stated that they were looking for the very best that they could get to all of their commercial customers, meaning that for pricing of container service, container rental or options on service to upgrade, downgrade, whatever the customer was really needing, they want to have the elements in that contract to provide those services. He stated that in order for the contractor to come in and provide those services he needed a sizeable quantity to be able to provide a very comprehensive and low rate structure to be able to provide that service city-wide. He stated that they have found that when they leave it over for a number of contractors to come in for this particular aspect of service they would see a considerable amount of what they called "cherry picking", which meant they would come in and try to establish contracts or get agreements where that they could pull the "cream" but they want to leave the "roughage". He stated that their objective was to be able to get a comprehensive contract that would benefit all of the commercial customers and provide a very sustainable and stable service for them.

Council Member Myott added that they were hoping to achieve to have one provider of the service and give them the franchise so that no one else could come in and "cherry pick" as Mr. Adams had said.

Council Member Rorrer noted that the questionnaire that went out did not state that. He stated that it did not say "exclusive" to which Mr. Adams replied that it asked that they agree that it be franchised.

Council Member Rorrer agreed that it had said franchised but it did not say "exclusive" franchise. He stated that he knew what he meant, but he did not think the people that got it knew what that meant. He stated that it said exclusive franchise in their cover letter (for Council), but the letter that was mailed out (the survey), did not say exclusive or give a true reading.

Mr. Adams asked that he read that last final statement to which Council Member Rorrer read that it said, "for rate stability and proficiency of service and assured sound waste management, would you agree that services should be managed through a franchise contract?" He stated that it did not say exclusive franchise. They were already in a franchise contract, not exclusive.

Mr. Adams disagreed and stated that they were not in a franchise, as it stands right now...

Mr. Nooe asked if he did understand that all of the city's franchise ordinances were not exclusive franchises. He explained that another cable TV provider could come in there. He stated that the city had granted the one they just approved being assigned to another owner, they have a franchise, but the city could also grant a franchise to another one to run a line right beside of it. He stated that they (Adams/Myott) seemed to think that if they got a franchise, they were the only ones who could do it and that was not necessarily so.

Mayor Price asked if what he was looking for was that the city to approve this commercial rate as a franchise from the city to a qualified vendor to which several Council Members pointed out that it said exclusive.

Mr. Adams explained that what was happening was that if the franchise was set up to where they could have a contractual agreement for "x" number of commercial customers to be serviced and it was not franchised in the manner to what they had, a vendor could come in there and pull those "cream" accounts out from under their system where it was structured based on the "x" number of customers that they have and the city's rate structure with the contractor was set up under

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those terms. He stated that when they come in and deteriorate their contract structure, they were deteriorating their ability to be able to provide those services to everybody at that same rate.

Mayor Price asked how many vendors there were.

Mr. Adams replied that there was primarily one with a secondary in the area, but they have other contractors who were willing to come in and negotiate to provide this service. He explained that it would give the city the tool that was needed to provide the very best service to its commercial community city-wide. He stated that if they did not have that then they were setting up a contract and then had no tool there to protect the contractor.

Mayor Price stated that he understood what he was saying, but Council Member Rorrer had raised an interesting point, to get what he was trying to achieve he had to have an exclusive, one vendor.

Mr. Adams added that whoever that vendor was, they could come in there and say "we can provide this service to the city's commercial community at the very lowest price and provide the very best service", and that was the one they were looking for.

Council Member Rorrer commented that right now they had services being provided from a company from no telling where. They had a local contractor with an office right across the street that was doing business and they were trying to shut him out.

Mr. Adams disagreed and stated that the objective was there to be able to have the contract set up to where that the local vendor and other contractors could come in and look at this contract and what they were looking for was to get the very lowest. He stated that if the local contractor could come in there and provide this service city-wide, then they wanted the local contractor to have it, but he could not do that and negotiate the lowest contract if he did not have this tool to do it with.

Council Member Rorrer stated that he disagreed for the simple reason that if he had another contractor that was going around there picking up customers, evidently they were the lowest.

Mr. Adams explained that what had happened, up until this year, they have been the lowest, and not only that, but in 1996, their local contractor, as well as other contractors, the city was actually contacting all those vendors to let them know basically where the city stood with its commercial system. He stated that none of them made any attempt to even want to come in to try to negotiate a contract to come in and provide this service because each one said there was no way they could do it at that rate.

Council Member Rorrer asked how many potential vendors there were and how many was connected together some way or another.

Mr. Adams replied that actually the ones that they have information on were independent contractors to which Council Member Rorrer asked him to name them. Mr. Adams stated that they were BFI, Waste Management, Waste Industries, First Piedmont...to which Council Member Rorrer asked if BFI and Waste Management were connected.

Mr. Adams replied that it was United Waste and Waste Management as BFI was a different company.

Council Member Rorrer stated, so they really had four different companies to which Mr. Adams replied that he knew of five right now that were in the region. He stated that they have had several who have recently pulled out because they could no longer compete with the rates in this area.

Council Member Grogan noted that according to the survey, 74% of the commercial customers said that they would like to have a franchise to which Mr. Adams agreed.

Council Member Rorrer added that it did not say exclusive franchise.

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Council Member Janney stated that he had heard all his life that competition was great and all of a sudden he was telling him that competition was not good at all.

Mr. Adams asked if he could make one statement and then they could have it. He stated that it was the intention of the Solid Waste Division for the City of Eden to be able to provide the very best and the lowest cost service to its commercial community. He stated that they also hold the tool in place that if either of those contractors could not come in there and provide the service at the rates that they were looking for, for their commercial community, the Solid Waste Division stood ready to move back into this system if they had to get into it.

Council Member Rorrer added that he had to stay that way in order to keep his bid price down and he admired Mr. Adams for keeping it that way.

Mr. Thomas also added that was where the competition came in through a bidding process every three years, whatever the frequency of the agreement would be while Council Member Myott added that the bidding comes up in 2001 and at that time all of those contractors have the opportunity to bid, but the way she felt about it, the low bidder should be given the opportunity to service all the commercial waste and the city should be able to offer that low bidder the service of all that number.

Council Member Rorrer asked Mr. Nooe if they could go with an exclusive contract and be safer staying out of court.

Mr. Nooe replied that he would have to look into that. He stated that he was really not familiar with the statute that authorized this particular function to be franchised (but) it may be possible.

Mayor Price commented that it was pretty obvious they did not have enough information in front of them. He suggested that they continue it until they get Mr. Nooe's background on it and have some more thinking however it was decided that they would vote on it.

A motion was made by Council Member Janney seconded by Council Member Rorrer to deny this request (the exclusive contract).

A substitute motion was made by Council Member Grogan seconded by Council Member Tudor that they allow the Solid Waste Division to get bids from the vendors and have one contract for commercial customers.

Council Member Rorrer stated that if he had understood correctly, what Council Member Grogan said was what they already had to which Council Member Myott added that that was what they were doing and that was what was coming up in 2001.

Council Member Rorrer pointed out that Council Member Grogan did not say "exclusive" bids to which Council Member Grogan replied a bid was a bid.

Mr. Thomas explained that the question was awarding an exclusive franchise to the successful low bidder and Mr. Nooe had suggested that it was something he needed to review.

Council Member Grogan changed his substitute motion to table this until they receive that information.

A motion was made by Council Member Grogan seconded by Council Member Myott to table this request until further information was received. Council Members Grogan and Myott voted in favor of this motion. Council Members Janney, Reynolds, Rorrer, Tudor and Gover voted in opposition. This motion failed.

Action on the first motion (to deny the request as presented): Council Members Janney, Rorrer, Reynolds and Gover voted in favor of this motion. Council Members Tudor, Myott, and Grogan voted in opposition. This motion carried.

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(k) Consideration of financing of air trailer and related equipment for Fire Department.

The memorandum explained that at the April 18, 2000 regular Council Meeting, the Council approved the purchase of a new air trailer for the Fire Department along with the purchase of new air packs to bring the Fire Department up to date on this equipment. It was presented to the Council that the air trailer and the air packs would be financed for approximately \$24,000 to \$25,000 per year for three years.

Attached to this memorandum was a copy of the proposed financing agreement with Government Capital Corporation. The interest rate for this agreement is 6.494%. A copy of this agreement has been forwarded to Mr. Nooe for his review and recommendation. It was the recommendation of the City Manager that the city proceed with the financing of this equipment based upon the recommendations of the City Attorney.

A RESOLUTION REGARDING A LEASE AGREEMENT FOR  
THE PURPOSE OF PROCURING BREATHING EQUIPMENT

WHEREAS, City of Eden desires to enter into that certain Lease Agreement dated as of April 18, 2000, by and between City of Eden and Government Capital Corporation, for the purpose of procuring breathing equipment. The City desires to designate this Agreement as a "qualified tax exempt obligation" of the City for the purposes of Section 265 (b) (3) of the Internal Revenue Code of 1986, as amended. The City desires to designate Ray Sharp, Finance Director, as an authorized signer of the Agreement.

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF THE CITY OF EDEN:

- Section 1. That the City enter into a Lease Agreement with Government Capital Corporation for the purpose of procuring breathing equipment.
- Section 2. That the Lease Agreement dated as of April 18, 2000, by and between the City and Government Capital Corporation is designated by the City as a "qualified tax exempt obligation" for the purposes of Section 265 (b) (3) of the Internal Revenue Code of 1986, as amended.
- Section 3. That the City designates Ray Sharp, Finance Director, as an authorized signer of the Lease Agreement dated as of April 18, 2000, by and between the City of Eden and Government Capital Corporation.

PASSED AND APPROVED by the Board of the City of Eden in a meeting held on the 16<sup>th</sup> day of May, 2000.

Philip K. Price, Mayor

ATTEST:

Kim J. Scott, City Clerk

Mayor Price asked Mr. Sharp if he had any comments.

Mr. Sharp replied that they looked at the interest rate and it was very competitive.

A motion was made by Council Member Grogan seconded by Council Member Gover to approve the financing agreement as presented. All Council Members voted in favor of this motion.

(Amended June 5<sup>th</sup> to approve the above resolution.)

(l) Consideration of Easement for Gildan.

This item was added to the agenda earlier in the meeting and the information was presented to the Council. As there was no discussion a motion was made.

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

NEW BUSINESS

(a) Consideration of purchase for picnic shelter - Mill Avenue Park.

The memorandum explained that several months ago the picnic shelter at the Mill Avenue Park was destroyed by an accidental fire. The insurance carrier was contacted, the North Carolina League of Municipalities, to discuss the

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issue of replacement. After discussing the issue, the City of Eden was awarded \$29,086 to remove and replace the shelter.

A motion was made by Council Member Rorrer seconded by Council Member Gover for approval. All Council Members voted in favor of this motion.

(b) Consideration of purchase for picnic shelter - Peter Hill Ball Park.

The memorandum provided to Council explained that in the 1999-2000 budget, the Parks and Recreation Department was appropriated \$8,200 to purchase a shelter, picnic tables and grills for the Peter Hill Park. Presently the facilities at the park are a paved basketball court, walking track, softball field, and playground. The addition of this shelter should complement the existing facilities and provide the Blue Creek citizens an outstanding family park.

A motion was made by Council Member Rorrer seconded by Council Member Grogan for approval. All Council Members voted in favor of this motion.

(c) Consideration of purchase for playground equipment - Mill Avenue Park.

The memorandum provided to Council explained that in the 1999-2000 budget the Parks and Recreation Department was allotted \$10,000 to purchase a playground at the Mill Avenue Park. In coordination with the construction of the insurance reimbursable picnic shelter, this will create the ultimate family atmosphere at this park.

A motion was made by Council Member Rorrer seconded by Council Member Gover for approval. All Council Members voted in favor of this motion.

(d) Consideration of upgrading of illegal Litter Signs.

The memorandum provided to Council explained that Section 13-5 of the Eden City Ordinance prohibits the depositing of trash refuse upon any street or sidewalk. The existing ordinance has a maximum fine set at \$500 for any person found guilty of violating this ordinance.

The current illegal littering signs being used in Eden state that the maximum fine is \$250. The Solid Waste Committee recommends that the city upgrade the littering signs to the maximum penalty in accordance with the current city ordinance.

Council Member Rorrer asked how many signs and how much money were they talking about.

Mayor Price referred the question to Benny Sexton who replied that he did not even have any idea. He stated that he would say less than 50, but they would do most of the work in house.

Council Member Rorrer asked if they repaint them or make new ones to which Mr. Sexton replied that they remake them in the city's shop.

A motion was made by Council Member Rorrer seconded by Council Member Grogan for approval. All Council Members voted in favor of this motion.

(e) Consideration of annual software maintenance renewal with L&B Computers.

A motion was made by Council Member Janney seconded by Council Member Gover for approval. All Council Members voted in favor of this motion.

(f) Consideration of paving access road at Klyce Street.

The memorandum explained the need for paving the road was the dust factor. During drier months, the city spends a lot of time and money trying to control the dust by applying chemicals, water and stone. The dust causes problems in maintaining the air conditioning system by clogging the cooling coils which have to be cleaned at least four times a year. They also spend a lot of time washing the vehicles to maintain a neater appearance around town and to prolong the looks of the vehicles. If the road is paved the city would save money on chemicals, stone and the time it takes to grade the road and cut down on the washing of vehicles.

The city has received a quote from Thompson-Arthur Paving Company in the amount of \$14,450. The amount could possibly be lowered if Thompson-Arthur was awarded the resurfacing contract and the road worked in with the resurfacing that is located near Public Works.

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A motion was made by Council Member Rorrer seconded by Council Member Grogan for approval. All Council Members voted in favor of this motion.

(g) Consideration of traffic study on Highland Drive and Glovenia Street.

The memorandum explained that a traffic study was requested by Council Member Tudor on Highland Drive and Glovenia Street from Fair Funeral Home back.

Council Member Tudor agreed that they have done a good job with this study.

Council Member Janney noted that everything stayed the same to which Council Member Tudor stated that they would increase the surveillance and Mayor Price expressed the importance of that also.

CONSENT AGENDA:

(a) Approval and adoption of minutes – April 11, 13, 18 and May 4, 2000.

(b) Approval and adoption of a motion to call a public hearing for the June 20, 2000 meeting for the proposed 2000-2001 budget and presentation of the budget message.

A motion was made by Council Member Grogan seconded by Council Member Gover to approve the consent agenda items a & b. All Council Members voted in favor of this motion.

ORDINANCES AND RESOLUTIONS:

(a) Adoption of an ordinance designating the site of the Leaksville Cotton Mill and Woolen Mill located at the intersection of Church Street and Morgan Road as a Historic Landmark. HPCL-00-01.

A motion was made by Council Member Janney seconded by Council Member Gover to approve ordinance (a). All Council Members voted in favor of this motion.

(b) Adoption of an ordinance designating the Rhode Island Mill located at 540 Riverside Drive as a Historic Landmark. HPCL-00-02.

A motion was made by Council Member Grogan seconded by Council Member Myott to approve ordinance (b). All Council Members voted in favor of this motion.

(c) Adoption of a resolution by the City of Eden, North Carolina, providing for the change in control of a cable television franchise.

This item was already approved and adopted

VOUCHERS:

Council Member Janney commented that they paid Rex Rouse some money and he wondered what that was for.

It was mentioned that it was about \$40.00 and Mr. Sharp explained that it was for copies for his work papers of the audit on the Take or Pay to send to Finkbeiner.

Council Member Reynolds questioned #16759 to which Mr. Sharp replied that was an Engineering vehicle 7E that needed cleaning and cost \$90.00.

Mr. Stanley, City Engineer, explained that the vehicle needed to be deodorized.

Mr. Thomas added that it was a vehicle that had been handed down from the Police Department.



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CLOSED SESSION:

For discussion of personnel according to GS 143-318.11(a)(6).

A motion was made by Council Member Grogan seconded by Council Member Gover to go into Closed Session for discussion of Personnel according to GS 143-318.11(a)(6). All Council Members voted in favor of this motion.

OPEN SESSION:

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

ADJOURNMENT:

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

Respectfully submitted,

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Kim J. Scott  
City Clerk

ATTEST:

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Philip K. Price  
Mayor