

CITY OF EDEN, N. C.

A special meeting of the City Council, City of Eden, was held on Thursday, May 25, 2000 at 4:30 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 L. Janney
		Christine H. Myott
		William R. Rorrer
		C. H. Gover, Sr
		Garry Tudor
City Manager:		Radford L. Thomas
City Attorney:	(absent)	Charles J. Nooe
City Clerk:		Kim J. Scott
Representatives from Departments		
Representatives from News Media:		Leslie Brown, <u>Greensboro News &amp; Record</u> , Reid Baer, <u>The Daily News</u> .

MEETING CONVENED:

Mayor Philip K. Price called the special meeting of the Eden City Council to order and welcomed those in attendance. He explained that this session was to discuss the proposed budget. He stated that the first order of business would be consideration of adding four items to the agenda.

ITEMS ADDED TO AGENDA:

1. Closed session for discussion of personnel according to North Carolina General Statute 143-318.11(a) 6.
2. Consideration to call a public hearing for Community Development Grant for June 20<sup>th</sup> regular meeting in regard to the Rhode Island Mill project.
3. Addition of Bridge Street tennis court and walking track resurfacing project.
4. Appointment to Historic Preservation Commission.

A motion was made by Council Member Rorrer and seconded by Council Member Gover to add those items to the agenda. All Council Members voted in favor of this motion.

Consideration of Single Family Rehabilitation Contract for 301 Greenwood Street:

Mayor Price explained that this item was continued from the May 16, 2000 regular meeting.

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

Council Member Janney stated that he was going to vote for this, but his concern was that when he met with the representative from Benchmark, he insisted that some of those items that they deleted must be done in order to meet the state requirements. He explained that once you go into a place you have to do certain things to make that home meet all the standards that the state required. He noted that representative had taken out some things that he (Janney) questioned. He stated that he deleted the exit door, which the homeowner said they did not need anyway.

Mrs. Stultz, Planning & Inspections Director explained that the homeowner said they did not need it and their building inspector said that the one they had would meet the requirements for the grant.

Council Member Janney stated that he had said early on, when they first started discussing it, they needed to look at, what they required as a city, versus the contract that they have. He stated that he had some real problems between what they were doing and what they (Benchmark) were

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trying to do. He asked, with those houses, they had about \$300,000, to which Mrs. Stultz replied that they did.

Council Member Janney pointed out that if Benchmark went out and did 10 houses, they would have spent the \$300,000 at the rate they were going. He stated that the way that the contract reads they did not have to do \$30,000 for every house. There was a minimum and there was a maximum. He stated that they needed to start really looking at what they were doing because Benchmark could do 10 houses and then walk away. He pointed out that it would be real quick to do 10 houses if you did not check them. He added that the homeowner did not really understand what was going on sometimes and he thought they have dissolved that issue but they needed to go one step further with it.

He stated that he thought they needed to sit down at some point and discuss this program. The program was not what it ought to be.

Council Member Rorrer commented that he thought it needed to be done before they get another applicant so they were not talking about a particular person.

Mayor Price commented that there were already applicants, were there not.

Mrs. Stultz replied that there was and they have several applicants that have been sent to the City Attorney. She stated that they had spent a considerable amount of time on it. They did need to get the Housing Security Board stable so they could get this program completed. She stated that she was aware that there were some questions raised and she certainly agreed that before they made another application for grant funds they needed to be sure that everybody on their end understood the program that they were getting into and that they have everything worked out up front. She stated that if Council Member Janney would like for them to have a special meeting to talk about the program, she would obviously do anything that they asked. She stated that they wanted to get this done as expediently as possible because they had the Rivercrest Drive Project beginning which was also labor intense.

Mayor Price suggested that they schedule something and have the presentation from her department so that all the Council Members could understand exactly what was going on and could ask questions.

Council Member Rorrer commented that he wanted to rephrase what he had said earlier. He stated that he was not referring to the City but the Council on receiving another application. He stated that they had not received any, so they did not know who they were talking about on the next issue. He added that he would vote for those two; but he was not going to say he would vote for any beyond that.

Council Member Gover asked if she would describe how they arrived at that quote on the bids, the second time around.

Mayor Price intervened and asked that as far as the meeting, was everyone on board with that.

Mrs. Stultz stated that she was not sure she understood what she needed to be preparing. She asked if they wanted to know who had applied.

Mayor Price replied, no. He explained that she should just start with the program and say, "Here is the program, here are the concerns, here are the things we have done, here are the things that might be in the gray area, as far as the understanding of the Council and Planning Department." He stated that they wanted everybody to be clear of what they had to do and there would not be any questions.

Mrs. Stultz asked when they would want to do this to which Mayor Price replied that they would plan a time in the budget process.

Council Member Rorrer added that she would need time to get it together without rushing and Mrs. Stultz agreed that was why she wanted to know.

Mayor Price stated that he did not think they would be able to do it within the next several weeks, realistically.

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Getting back to Council Member Gover's earlier question, he explained that there was a question of why the others did not get a bid on this and he was asking Mrs. Stultz to explain it and she had the answer to it on cutting back.

Mrs. Stultz explained that the program required that they send out this contract or the request for proposal and the bidders would then bid. The low bidder then had the low bid at any point when changes were going to be made. The first go round, when they did this, they did some of it, but not to this extent, what they have to do, they make those changes and tell them this was what they (the program) expected, the \$18,000 was what they were offering them. She stated that if this bidder refused to do that they re-bid the whole thing again, but they had to offer it to him since he was low bidder to begin with. She explained that that was where they were and that was what they have done.

Council Member Gover stated that he took it that the bidder agreed to that then.

Mrs. Stultz replied that until the Council told them that was where they were, she could not ask...to which Council Member Gover added, if it passed. Mrs. Stultz replied yes, if it passed, they would go to him and find the answer to that question.

Council Member Janney pointed out that Mrs. Stultz sent out some information in reference to her inspectors being heavily involved in this. He stated that this Council had never passed on that and it was never on the agenda. He stated that if they hired Benchmark, they should do the job.

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

Consideration of continuation of discussion on the Single Family Rehabilitation contract at 228 Peter Hill:

Mayor Price stated that the next order of business was the continuation of discussion of the Single Family Rehab contract on 228 Peter Hill.

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

Request to call a public hearing at the June 20<sup>th</sup> regular meeting regarding the Community Development Block Grant and the Rhode Island Environmental Grant:

A motion was made by Council Member Tudor seconded by Council Member Myott to call for a public hearing. All Council Members voted in favor of this motion. This motion carried.

Consideration of Bridge Street Walking Track Proposal:

Mayor Price stated that he understood that the reason this could not wait until the (regular) June meeting was because one of the bidders currently had a contract with the city and if they were awarded this contract, it would be a perfect tie in. He noted that they have seen the information and the proposal was to award the contract to Thompson-Arthur Paving for \$29,750.

A motion was made by Council Member Rorrer seconded by Council Member Grogan to award the contract to Thompson-Arthur Paving (for \$29,750). All Council Members voted in favor of this motion. This motion carried.

Consideration of Appointment to the Historic Preservation Commission:

Council Member Myott appointed Ms. Beth Pulliam of 909 Church Street to the Historic Preservation Commission.

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A motion was made by Council Member Grogan seconded by Council Member Gover to appoint Beth Pulliam to the Historic Preservation Commission. All Council Members voted in favor of this motion. This motion carried.

CLOSED SESSION:

A motion was made by Council Member Grogan seconded by Council Member Gover to go into Closed Session to confer with the City Attorney (GS 143-318.11(a)3). All Council Members voted in favor of this motion. This motion carried.

OPEN SESSION:

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

REGULAR SESSION CONVENED:

Mayor Price stated that he had asked the City Manager to give a short presentation on his opinion of the personnel presentation.

Mr. Thomas explained that he had put together a very brief summary of some things he thought was important and needed to be brought out during the presentation from Mr. Matt Reece. He stated that he wanted to touch base with the Council on those and see if there was anything that he needed to add to the list that needed to be followed up on, or discussed a little further. He added that if there was something on there that did not make sense they should also let him know.

He stated that he had basically tried to point out some of the more important things that they heard yesterday from Mr. Reece. First of all, he stated that one of the most important things to remember about this type of study was that it was not looking at individuals; it was looking at jobs and positions. He explained that it was not looking at the job performance of an individual; it was just about positions and the requirements that that position had to get the job done, and what level of compensation was appropriate for that position no matter who was doing that job. He noted that they have seen recommendations that several job descriptions would be updated and to adjust the pay grades of a number of positions in their pay plan for example, a Police Officer I that was currently a Grade 12 would be moved up two grades to a Grade 14.

He explained the ranges of pay in the pay grade from minimum to maximum, but the ranges would be shifted so that the minimums of their current pay plan would be increased around 21.6%, the job rates and the maximums would be shifted accordingly to that change. There were three implementation options that were presented to the Council by Mr. Reece. Those were not the only options that they may want to consider. Some of the Council may have other ideas that they could work into an implementation plan.

He stated that those were options for discussion purposes. The first was the minimum implementation which was no addressing of the compression affect when they get when they start shifting the minimum pay ranges up in to the middle. He stated that would be \$203,821.

The second option was a grade change based implementation that would address the compression problem. He apologized because he was missing some percentages in this. He explained that basically, it increased the employee's salary by 7.2% across the board and for each additional grade, there was a smaller percentage that recognized that change in grade about a percent and a half. It would have a maximum of a three grade cap, which would be 10.95%.

Mr. Thomas noted that Mr. Reece also suggested a multiyear implementation which would involve, for example, addressing their public safety area for the 2000-2001 budget and look at the coming back in the 2001-2002 budget and completing the implementation of the plan for all their other pay classes. He stated that would cost \$225,000 to do in the current year, and he was estimating about \$265,000 for salary increases in the next year. He explained that was because between now and then they would have employees who would receive performance evaluations and increases in pay related to that. It would bump it up a little bit; it would not be quite as clean as subtracting the \$225,000 from the \$478,000.

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Mr. Thomas stated that what he had thought about and was a real possibility and worth some discussion, was looking at Option Two, but not having an effective date of July 1. He explained that the assumption that had been made with all of this was that everything would become effective on July 1 and that did not necessarily have to be the case. They could pick a September 1 or October 1 effective date. From a budgeting standpoint, it would give them about three months that they did not have to budget for this difference of \$478,000. He noted that he did not get time to prorate that out over twelve (12) months to get an idea on what the difference would be, but it would probably drop it to about \$375,000. He stated that it would save some money on the front end and it kind of deferred that first quarter into the next fiscal year where it would be picked up then. It would give them an opportunity to work out a means of doing a full implementation of this plan and be able to have the money available in the current fiscal year. He stated that he did not have an opportunity to do calculations on that and he would try to get it done and to them soon, along with some calculations on what had already been built into the budget this year, that 5% that he tried to work in there, plus some contingency money that he had built into this budget that could be used for that purpose. He stated that he needed to do some calculations to see exactly what the dollar amounts would be that would be available under a July 1 implementation plan, or September 1 or October 1 and see where that would leave them.

Mayor Price asked if he did it October 1, it would be about \$280,000 to which Mr. Thomas replied that he was probably correct. Mayor Price stated that was about \$40,000 per month.

Mr. Thomas stated that they would subtract approximately \$120,000 from \$478,000 and that would be about \$358,000.

Mayor Price mentioned November 1 to which Mr. Thomas replied that was up to the Council to make that decision, to when they would want this implemented. He stated that they could do a combination of things. They could implement public safety July 1 and the other, so that they could go ahead immediately address that from a recruiting standpoint and retention standpoint. There was any combination of things that could be done to try to get the recommendations put in place.

Mayor Price asked if that \$480,000 did not include his 5% increase. That was over and above what was existing right now. He asked if that was correct.

Mr. Thomas replied that it was. He explained that the \$478,000 was based upon what their current salaries were. There may be some variations on that but it would be to their advantage.

Mayor Price asked so that the increase he placed in the budget was going to be a normal increase regardless one way or another. This was going to be \$480,000 regardless of what the City did. He asked if that was correct or would they be deducting the 5% increase.

Mr. Thomas replied that he was not sure he understood his question to which Mayor Price asked if payroll was \$4,500,000.

Mr. Thomas explained that if they take the 5% that he had worked into that, and that was kind of an average as some were a little more and some were a little less, if they take that 5% and add it to the \$100,000 that he plugged into the contingency that could be used (and was his intention to use) for this purpose, that would total up to an amount of money that they could subtract from this \$480,000. He added that they were looking at a means of finding additional funds by some means to make up the difference for full implementation.

Council Member Janney stated that he wanted to see the reports he was going to bring back, the additional information. He stated that he understood all that, but for the sake of the conversation, when he did this, in reference to what the Mayor was saying, all of his increases during the year were going to increase accordingly once he raised the salary, if he stuck to percentage-wise. He stated that he had never agreed to that as it keeps compressing the gap. He explained that the big money makers keep getting further away from the bottom man and that was what happened when doing percentage rather than dollar.

Mr. Thomas stated that it was relative to the whole organization. If somebody gets a performance increase this year; next year their performance increase was based on that new salary and if they receive the same percentage it would still be more money, because it was based upon a higher salary and that was true throughout the whole organization and as they were able

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to advance everybody, it would continue to increase from year to year. He stated that after ten years, their increase was going to be more because of performance increases and where their salary was going to be more than someone on a dollar basis that had only been there for two years.

Council Member Janney stated that from a Grade 5, the lowest grade to the highest grade, which was 26, in percentages, he would keep widening the gap and the person at the bottom really never gets a big increase because their percentage was on the small amount of the dollars. He stated that was the reason they talked so much year before last when they dropped Step (Grade) 4, because those people were not getting anywhere.

Mayor Price noted that if they implement this they would get a healthy increase.

Council Member Janney agreed, but they would be back...

Council Member Grogan asked that if this was implemented, was there money in the budget, or were they going to continue the longevity pay.

Mr. Thomas replied that there had been no discussion about not doing the longevity pay and that would be part of their...to which Council Member Grogan asked if the money was in the budget to do the longevity.

Mr. Thomas replied that the longevity was included in the budget. He stated that he probably should have mentioned, but he needed to talk with Mr. Reece to be clear on it himself, but if he understood him correctly, what was also included in the numbers he had presented was an allowance of 3% that, once they adjusted the pay plan, it would also be taking care of the fact that they were going to continue to have performance evaluations and people would continue to receive performance pay increases. He stated that if he understood him correctly, he had made allowance for that in those numbers as well.

Council Member Gover noted that it depended on what steps he took, if he did not go all the way to start with. He stated that he thought he understood him to say that. If he went with a lower step it would go up. He stated that maybe he had misunderstood. He stated that Mr. Reece said if he took the other steps in, that would happen, but if he went all the way, which most people did not, it did not leave any room.

Mr. Thomas stated that they were talking about two different things. He explained that Mr. Reece was talking about compression of the pay plan where in the perfect sense, if they were going to increase their minimums by 21.6% and bring everyone up to that level, they would increase everyone's pay wherever they fell within their pay grade and within the pay plan; they would increase everyone's pay by that 21.6%, whether it was somebody in a Grade 5 or a Grade 25, they would adjust everyone accordingly by that same percentage.

Mayor Price commented that he thought Mr. Reece asked them us to expand them.

Mr. Thomas replied that one of the things he suggested was the percentage difference in the range for the city was about 32%. There was a 32% difference between the minimum and the maximum. Compared to other pay plans designed similarly to the city's, they see a 45% to 50% difference from minimum to maximum. He explained that what that did, that puts more money on the tail-end of their pay plan so it helped their employees in staying there to keep from maxing out on their pay. He stated that under the city's policy, the way they were currently operating, once the employee hit the maximum amount in their pay plan, that was it. They could get a performance evaluation that was outstanding, but the way their pay plan was setup; the employee would not get anymore money for that because they were maxed out. He stated that by changing it from 32% to 45% or 50% they spread it out and created a longer period of time that someone could work there before they would reach the maximum.

Council Member Gover stated that he had asked Mr. Reece that same question about the 52% and he said he had not looked at the top.

Mr. Thomas agreed that he had not looked at the top as far as moving it from that 32% differential out to a 50% differential. He stated that Mr. Reece was really looking at what was in their current plan.

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Council Member Rorrer added that he based everything that he had done along with some other places that was using the 45% to 50%.

Mr. Thomas stated that he was not going to disagree with him.

Council Member Grogan commented that he thought there was one thing, with this type of pay plan, implemented about six or eight years ago. He asked if that was correct.

Council Member Janney replied that he was not on the Board when they changed it...and Mr. Thomas stated that they went to the performance plan in 1995.

Council Member Grogan stated that when the last study was done, and it was not the Council of Governments but another group who did the study, the pay plan had to be changed along and reviewed or they would wind up in the same position they were in now. The pay grades and job grades were going to have to be looked at every three to five years, it could not wait over a long period of time or they wind up way behind. The intent was, when it was set up, to do the review; and now that they have the review and what were they going to do with it.

Council Member Tudor stated that they needed to find a way to put it into effect.

Mayor Price agreed. He stated that he had talked with the City Manager very briefly about this issue. He stated that Mr. Thomas had mentioned implementing this plan later on in the fall to make the numbers work in the budget in terms of doing the whole thing, but just not July 1<sup>st</sup>. He asked the Council what their feelings were.

Council Member Grogan commented that he would like to see the numbers to which some of the other Council Members agreed.

Council Member Rorrer stated that it would take a whole meeting in itself.

Mr. Thomas stated that it would be much easier once he could give the Council some numbers as far as what was already available in the budget as he had tried to build this in and address it. What was already available in the budget, what those differences were, and looking at some options of making up those differences. He stated that it could be delaying some capital items for another year or any combination of things. The number may be real close that if they look at it October 1 or some other date for implementation that simply making that three month delay would put them right on the number that they already have. He stated that until he could really figure that out for them and get it in their hands, they have questions that were related to that which were kind of open-ended at this point.

Council Member Janney stated that one thing they needed to wait on was the information that they had asked Mr. Reece to bring back to which Mr. Thomas agreed. He stated that once they had a chance to look at it and take what information Mr. Thomas had then he would study it and be ready to make a decision. He stated that he did not have a problem with a pay increase. He stated that he had a problem with going at it haphazardly and not doing it right. He stated that was why he wanted all the questions that Mr. Reece was asked. He stated that he and Council Member Gover had talked with him for a few minutes.

Council Member Tudor agreed. He stated that he wanted their employees to have a pay increase and also an equitable pay plan where people would say they were glad they worked for the City of Eden and they have a future working for the City of Eden. They could look at the pay plan and know if they stay there and perform well then they know where they were going with their job for the City. He stated that any problems with top pay was only 32% more than what they start out and if they could get that worked out, it was 50% or 45% an equitable thing where their employees would feel good about working for the City of Eden. They could also help morale and hold onto their good employees and attract more good employees. He pointed out that the quality of this city was no better than the quality of its people.

Mayor Price asked Mr. Thomas if he had any other comments. He added that he was sure that Mr. Reece would be back in touch with him.

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Mr. Thomas replied that he hoped so. He stated that he had received a message from Mr. Reece that he would be calling him in the morning and they would try to address those questions.

He stated that he would like to mention, the difference between the pay grades for instance, the difference between a 9 and a 10 on a percentage basis was the same as it was for a 10 and an 11. Each grade was set apart by the same percentage. The percentage of the grade itself, the minimum pay, that was going to stay the same percentage; did not move. He stated that in the past, they have made adjustments to their pay plan, but they have made adjustments on the tail-end rather than shifting the plan itself every other year or every third year looking at just kind of a cost-of-living, for lack of a better way of putting it, or an inflationary type of shift in their pay plan. He stated that they have changed it on the maximum end because they saw they had a fair number of employees who had been there for quite some time and were getting ready to max out at the same time but they still had a number of service left with the city. He stated that had been done, but they had never paid much attention to the entry level salaries in each grade and that was what this was helping them correct. He stated that they would try to get this other information to them as soon as he could get with Mr. Reece.

#### PLANNING DEPARTMENT POSITION:

Mayor Price stated that Council Member Grogan had asked to present something to the Council.

Council Member Grogan stated that he had read in the paper about the discussion of the Planning Department and that position and it was going to come back to the Council to for discussion. He stated that he would like to discuss it.

He stated that Mrs. Stultz had prepared her department presentation on the zero based budget. He was not there for that presentation, but he knew previously, when that position was filled, it was felt that the person was making too much money and if the job was made vacant because of that reason, possibly it could be replaced at a later date. He pointed out that this was the third year and he thought it was time for it to be replaced.

He stated that they have all talked about junk cars and beat up houses and things that need to be done and they wanted to see it done quicker. He stated that was one thing that position could help do. It could help in that department and also the City Attorney. He stated that in talking with Mr. Nooe in the past, that was one thing that could help more than anything if that department could get him information that he needed on a timely basis so he could move forward.

He stated that he would like to bring it up again and he would make a motion that they fill that position based on the presentation of what he read in Mrs. Stultz's report in justifying the job.

A motion was made by Council Member Grogan seconded by Council Member Tudor to fill the Planner position.

Council Member Gover commented that he thought that in lieu of what they know coming down the pipe there, they were thinking about waiting to which Mayor Price agreed that they had talked about waiting the other night. Council Member Gover stated that he thought that due to the salary thing they would be premature in making a move.

Council Member Grogan stated that one thing he also read in the paper was that they talked about a paralegal. He stated that he thought a paralegal was something that an attorney used. He did not think a paralegal was a planner. He stated that he thought that the attorney, whomever that might be in the future, if he had a backup and a workload that he needed to hire that individual then he would do that. He stated that they had to look at two things once that position was filled. The first being, how would they handle the replacement of an individual who was thinking about retiring. He stated that he did not think there was enough money in the budget to help cover that cost when it comes up.

Council Member Tudor asked if, when they talk about hiring a Planner, they were talking about a professional person with a degree in public administration or urban planning. He stated that they had a Planning Department, (but) they did not have a professionally trained person designated as a Planner. He asked if that was correct.

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Mayor Price replied that the last Planner was a professional and asked Mrs. Stultz if she had received her designation there.

Mrs. Stultz replied that she (Elizabeth Kurtzer) had Master's Degree in Public Administration. She stated that people become professional planners several ways. She explained that the position that she was asking for was indeed the job that she (Mrs. Stultz) had for a long time. It was as being back up for the Planning Director, doing research, dealing with Boards and Commissions. She stated that a couple of their volunteer Boards would tell them that the level of service that they were currently getting was not what they used to get. She noted that things were not happening as quickly, projects did not get done, and research that the Council needed did not get done as quickly as it needed to. She explained that when she was in the office alone and someone needed to know whether they could put a mobile home on their lot and they were not satisfied with Mrs. Doss' (Office Assistant) answer, there used to be someone between her and the Director to deal with that public contact. She stated that she enjoyed all that, it was some of the best part of her job (but) it also took her away from doing the things that the Council expected her to do such as, working on the towing amendment that the Mayor had asked for.

Mrs. Stultz stated that they needed a land use plan. She stated someone asked the other night if they could do annexation now with the staff they have and the answer was no, with even a small involuntary one they would have to hire a consultant. She stated that questions have been raised about their efforts to make the inspection staff more efficient and she was very proud of the efforts they have made. She stated that they were going to have a gathering next week to get contractors more acclimated to that, but the inspectors would be freed up to do more inspector duties, not planner duties. She stated that with the staff level right now, if one of the inspectors was on vacation, the other one was doing state building code inspections all day and she was out measuring grass and weeds. She stated that those were things that they probably did not mean for her to be doing, but it was the reality that they had to live with.

Council Member Tudor commented that it was ironic that they talked about planning for the future but did not have a person designated to be the Planner.

Mrs. Stultz stated that the planner was probably her and there was not enough to spread around. She stated that often they were reluctant to compare themselves to other cities but if they would look at the information she gave them and being as she was the one who prepared it; that was why she had suggested they take out the lows and highs. She stated that when they look at that, they could see other jurisdictions have more people involved in those activities than Eden did. She added that she was not suggesting that she thought their program was ready to have people in their office all day, everyday. She did know that there did need to be more time spent on research efforts in preparing projects and getting information and data done to serve their citizens.

Council Member Tudor noted that this person could help with things like their traffic plan, where trucks were going to go and they could also work the other departments.

Mrs. Stultz stated that a couple of years ago when they did a Thoroughfare Plan, it was finished in 1997. She and Mr. Burnett did most of the legwork for that plan. Right now if it happened again, she could not do and could not pull the building inspector off from doing it. She stated that when she was on vacation, there was no one to sign plats. She stated that they had to offer better service than that to their community.

Council Member Myott asked Mrs. Stultz if a Planning Technician was not what she was seeking.

Mrs. Stultz replied that her original request was for one or both of those things. She stated that she was suggesting that they move Mrs. Doss and hire somebody in the position she now holds. She added that she did agree with Mr. Reece's recommendation about changing her job and it got it more in line with similar jobs across this county. She stated that in that light they really needed a Planner. She stated that they could call them a Planning Technician, the title was not important. They needed somebody that was capable of doing independent research, learning to work the counter, learning how their ordinances work to answer questions, providing that customer service, assisting with research and staffing Boards and Commissions. She stated that when she was in that position, she was responsible for the Tree Board, Appearance Commission and the Preservation Commission, the Director did not touch those. At the present time, Mrs.

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Doss was doing the Tree Board and one of the Building Inspectors was doing Appearance. She stated that she was responsible for Preservation, Planning Board, and Board of Adjustments and the two neighborhood groups. There was not enough time to give all those things enough attention. She stated that in her opinion, it would greatly benefit the city to have that and if they did not she would bring the work program back and the Council could decide and they would do the best they could to get as much done as they could in the next year.

Mayor Price asked Mrs. Stultz if she had put any money in her budget for sublet work, hiring people to do some of those things.

Mrs. Stultz replied that she did not as she was reasonably hopeful that they would hire somebody.

Mayor Price asked if there were an attempted annexation, or any plans for annexation, or anything else there was no money to pay for...to which she replied that she would be back asking for money.

Mayor Price asked if anything was put in there at all to which Mrs. Stultz replied no.

Council Member Myott asked if this Planner had to have a Master's (degree).

Mrs. Stultz replied no, because she did not have one. She stated that they were asking for someone with a college degree or some combination of education and experience in that they could handle that sort of professional work.

Council Member Myott added that it could maybe be somebody that was just beginning in the...to which Mrs. Stultz agreed that she hoped they would get someone new, ambitious and full of energy.

Council Member Rorrer stated they were sitting there talking about a cost that increased every year, not like the capital outlay that they buy this year and they did not buy next year. He stated that anytime they include personnel it gets more expensive. He stated that they could do anything if four (4) members wanted to raise the taxes to pay for it.

Council Member Myott asked the City Manager about the position that was cut out for superintendent and how much money was in there for that to which Mr. Thomas replied that was in the Water & Sewer Fund and with salaries and benefits, a little over \$32,000.

Council Member Myott asked what fund that went back into and if it was General Fund to which Mr. Thomas replied that money would be Water & Sewer.

Action on the motion to restore the Planner position to the Planning Department is as follows: Council Members Tudor, Grogan, and Myott voted in favor of this motion. Council Members Rorrer, Janney, Gover and Reynolds voted in opposition. This motion failed.

Council Member Janney suggested that they take the money out of the budget.

Mayor Price replied that it was automatically taken out to which Council Member Janney disagreed.

Council Member Rorrer noted that it was if it was turned down, as that was what was said yesterday about the superintendent.

Council Member Grogan commented that what really disturbed him was that he felt that the members of the Council who did away with that job said they would replace it and it had been three years. They were getting further and further behind. He agreed that he would answer Council Member Rorrer's question in that if it took a tax increase or whatever to make this City run better and give the service to the people, he had no problem with raising taxes.

Council Member Reynolds asked if the city had grown any and did they have any more population than they had three years ago.

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Mayor Price asked if they had anything to confront them in the last several years. He stated that they have looked through a burst of things...to which Council Member Rorrer pointed out that this thing had been defeated twice. He asked if they could not go to something else.

Mayor Price replied no as he wanted to ask some questions. He stated that they just brought this up.

Mayor Price explained that he and Council Member Reynolds were talking about this and they both have had multiple phone calls from his Ward (1) about problems in that area that were going to take a lot of time from somebody in that Planning Department. He stated no, they could not say they have grown a lot but the area around there had grown a lot. Eden was changing and he felt like a lot of things in place would make it to (grow). He stated that if they wanted to expand their lines around the city, they have heard Mrs. Stultz say they would have to have some outside help. He stated that downtown Eden had not grown but outside Eden had grown tremendously and the people were enjoying the benefits of this community. He stated that just about on a daily basis, he received a call about a junk car or something that had to do with a planning function that somebody had to look at. He stated that their town was getting older and it behooved them to look at some of the things they have to do to make this a more tenable place and a place that was nice and attractive to live in. That required planning. He stated that to ignore those things, he sincerely felt they were just walking themselves in a trap.

Council Member Gover explained that his decision was based on fact that they were trying to give their present employees a raise. They were trying to get monies, even if they had to take out some capital, and now they were going to try to find money to hire someone. He asked where they were coming from. If they did not have the money to give their employees a raise, why did they keep stacking people in. He stated that he made his decision on that very fact, that they must make a move soon. He added that it could very well be to a person who was associated with this department and could help out in that department but they were not willing to wait and see and that was what bothered him.

Council Member Rorrer stated that the next issue that came up that he lost on, (then) maybe he wanted to talk about it a while after the vote and he wanted that same privilege.

#### PAY & CLASSIFICATION STUDY DISCUSSION:

Mayor Price stated that they have talked about a lot of things on this budget and they have a lot of things they were waiting for some further decisions on from people who were advising them, but he asked if there were things they would like to add for discussion. He added that they had not talked anything about the contingency fund, which hinged on everything else they were doing.

Mr. Thomas stated that he had already budgeted for that amount. He stated that basically, what he had included would be to have \$200,000 available for contingency in the General Fund. That would free up \$95,000 that could be used to help implement the pay and classification plan. He stated that he was developing this budget, he put that number there as he was working on revenue estimates and the requests from departments, he had to somewhat adjust it. He stated that he had started out with \$350,000 and his goal was to keep it at \$300,000 so that they would have some funds available. The budget presented was in balance as it was presented. The revenues would support the expenditures that were requested. It would support that amount of contingency.

He explained that what would happen, if this pay and classification plan was implemented as part of this budget and effective July 1, he would take the \$95,000 out of there and they would see a \$200,000 contingency. That money would be allocated to the departments appropriately along with other funds that would be needed into those salary areas to cover the implementation of the pay and classification plan.

Council Member Janney stated that he would have to go back and look at the letter but he asked if they were required to keep any contingency at all.

Mr. Thomas replied that he did not have to have a contingency at all. He stated that he did not remember anywhere in the statutes that it was an absolute requirement or in the guidelines from the Local Government Commission. He stated that it was highly recommended as it was there

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for a couple of purposes. It built some leeway into the budget if they came up short on revenues for whatever reasons. They recalculate property values. If the franchise and sales taxes did not come in as planned, it helped to build a little leeway into their budget for those types of things or if they were to have the need for some economic development programs; it provided money that was available outside of other line items in the budget that could be used for that. He explained that was the purpose of the contingency.

Council Member Janney questioned if that would not be the last place they would want to take money out of.

Mr. Thomas replied that as he had said, he thought \$200,000 would be a safe level of contingency in there. He stated that he tried to build the front end higher than what it needed to be. He thought in the current year's budget it was about \$250,000. He stated that he would certainly like to see it as high as they could get it and a comfortable level would be at \$200,000. If something really major came along, say more than their contingency, and the city wanted to participate in it, an opportunity to purchase a piece of property or whatever it may be, if it were more than that, they could certainly go into the undesignated fund balance and appropriate money into their budget and purchase it as the opportunity presented itself. He stated that the Council had the opportunity to amend the budget throughout the year.

Council Member Gover noted that he calculated close to or he said he could come within \$300,000. He asked if that was what he had said earlier.

Mr. Thomas replied that there was \$95,000 and when going through and figure that 5% that was built in there was, it may turn out to be, (guessing) in the neighborhood of \$160,000 just in the General Fund. He noted that the \$480,000 was everything so they would be taking a pretty big step in implementing what was needed for the General Fund at that point and then try to find some other variations or changes they could make to make up the difference.

Council Member Gover asked if that would take everything out of the General Fund to which Mr. Thomas replied only \$95,000 of that. He explained that he was saying that at a minimum they needed to stick with a \$200,000 contingency. He was not saying to use all that for the pay plan, but they needed at least a \$200,000 contingency.

#### SOLID WASTE OPERATION:

Mayor Price stated that the next item was the Solid Waste Operation. He stated that they were getting down to some areas where they have to make some decisions on. He noted that they had talked about the Pay As You Throw Program, they talked about a separate fund, not as part of the General Fund and they talked about the proposed increase of \$1.00, factored into the budget by the City Manager which would amount to about \$70,000 per year. He stated that he did not make any decision on Pay As You Throw.

Mayor Price stated that they needed to have some idea from the Council as to if that was the direction they would like to take a look at or was it something they would like to consider throughout the year with more thought.

Council Member Rorrer asked what part he was asking about to which Mayor Price replied the Pay As You Throw Program.

Council Member Rorrer stated that he wanted to see more information before he answered the question.

Mayor Price replied that frankly, he felt the same way (but) he liked the idea.

Council Member Rorrer agreed but the figures did not come together.

Mayor Price stated that through out the year he would like to see something in more detail.

Council Member Grogan asked if they would look at what he had put into the budget and increase it by \$1.00, with instructions to look at the Pay As You Throw Program through out the year.

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Council Member Rorrer replied that he would look at the Pay As You Throw Program but he was not going for the \$1.00.

Council Member Janney commented that the problem he had with the Pay As You Throw Program was the information. He stated that if he had more information, honestly he thought it would work and it was the way to go; but he was not convinced that they had the answers. He stated that he would be happy to look at if it they gave him that.

Mr. Thomas asked what additional information he needed or what they needed clarified for the Council to consider it and they could start working on that.

Mayor Price explained that it seemed there were some concerns about the statistical makeup of the information that they got, but they could verify that. He stated that he guessed what they were asking for was verification on statistics used on the plan which would not be hard to do. He stated that they would also need some concrete savings or some steps, if they used a trial run in one zone or one area in that hard dollar cost. He stated that he thought every bit of that was in there. He stated that to his mind it just was not simulated and perhaps he had not given it enough thought. He stated that he would have to openly say that he was not understanding it right to be able to make a decision that he wanted the full municipality to take advantage of. He stated that he wanted to be sure that he knew it inside and out.

Mr. Thomas replied that he understood and one of the things they have talked about as a part of implementing the Pay As You Throw type program was the opportunity that it would present to move their Solid Waste Operation to be more, if not fully self-supporting. He stated that was the ideal. In the process of doing that, by having a mechanism that it would generate enough money to pay for itself; it would present an opportunity for the Council to consider a reduction in tax rate. He explained that they would have a certain amount of tax dollars that would not be taken away from the other services that needed to support their solid waste program.

Council Member Rorrer commented that was where it got started and somewhere got lost on...to which Mr. Thomas replied that he knew that some of the questions that he had and the information he was looking for was exactly how all that...to which Council Member Rorrer stated, got tied together.

Mr. Thomas continued by stating that it tied together and what those numbers looked like. He asked if that was a way of putting it for them to which Council Member Rorrer replied that was correct.

Mr. Thomas stated that he could get them a quick example of what they were talking about and then reduce it down to some numbers and hard figures. He used as an example, the way the Solid Waste fees were structured, with what they take in and pay out for their commercial program and what they collect through the current \$5 fee. He proposed that all of that revenue generated \$1,000,000, but it took \$1,500,000 to run the whole program. Their fee structure was coming up \$500,000 short of being self-supporting, so that money had to come from somewhere else, which would be other types of tax dollar revenues. He stated that it could be a combination of franchise, sales or property taxes. There could be a number of ways to break it down but the \$500,000 would be lacking in completely supporting itself. He stated that if they were to implement a fee structure, that would cover that \$1,000,000 they were already collecting through fees and also cover that \$1,500,000 that was coming up short, they could effectively reduce their tax rate by enough cents on the tax rate so that they did not have to generate that \$1,500,000 that was going to support Solid Waste, because it was paying its own way now. He stated that under their current tax rate of 57 cents; a penny generates about \$60,000. If they divided \$60,000 into \$500,000, they were looking at possibly being able to reduce their tax rate by 8 cents.

Council Member Gover stated that he hoped everyone was keeping those pay increases in mind. He pointed out that was it was established, it was forever. He stated that it would not just be a one shot thing. Each department would be going up with the salaries and everything would cost more. He stated that until they really get this salary thing settled he did not see how they could operate in the dark not knowing what they were going to have in those salaries. He stated that it was not just going to happen overnight. He stated that they were just guessing there with what he was doing. He asked what the salaries would increase that Solid Waste to. He asked what it would increase all the other departments to. They have a lot of things to look.

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Mayor Price agreed and one thing they had to consider was that costs go up. He asked where they would be in three years to which Council Member Gover stated that was what he was saying. Mayor Price asked again where they were going to be in three years with fees and revenues.

Council Member Gover replied that they must become more efficient with what they were doing.

Mayor Price asked if the city was doing the paperwork for dumpsters and if the city received any money out of that to which Mr. Thomas replied that the city received a minimal amount. Mayor Price asked if they absorbed the bad debts to which it was indicated that they did. He stated as an example, they go through that procedure and those were the things they need to start.

Mr. Thomas stated part of his concern in recommending that the solid waste fee be increased by \$1.00, was that it would free up \$70,000 worth of tax revenue that could be used for other services that they provide such as in the Street Department and other areas. It was a step to get this particular program more self-supporting for the service that it was providing. They have a fee structure in place and it frees up the tax dollars that were going into this operation so that it could be used to support something else that was a needed service or whatever it may be.

Council Member Rorrer stated that he was not convinced that they need to be fully self-supporting on solid waste because it was a service that they offer the tax payers and they had to offer them some kind of service.

Mr. Thomas replied that he did not disagree with him. He explained that because of the changes and regulations in the early 1990's, where they have to account for all this waste and the tonnage and paying the tipping fees, there was so much additional cost now associated with running Solid Waste Program. He stated that years ago they did not have to pay anything to take a ton of waste to the landfill. It was just hauled out there and buried. He noted that it was also not sorted. He stated that now it costs \$37.00 per ton. The county was not increasing that tipping fee this year but every time they increase that tipping fee by \$1.00 it increased the city's cost of disposal by approximately \$13,000 a year. He noted that the city disposed of between 12,500 and 13,000 tons.

Council Member Gover asked why they needed \$70,000.

Mr. Thomas replied that it was because they were using tax dollars to support the solid waste system and if they want to move it to supporting itself as an Enterprise Fund, and he used Water and Sewer as a type of Enterprise Fund, then they free up tax dollars that can go to other services. He explained that they were responsible for keeping up with the cost associated with their Solid Waste Program and if it was fee-based, they know it was generating and spending its own money and it was easier to track cost.

A motion was made by Council Member Grogan seconded by Council Member Tudor to increase the solid waste fee by \$1.00 upon the recommendation of the City Manager and with that \$1.00 it would reduce \$70,000 taken out of the General Fund which now was supporting Solid Waste by the tune of \$500,000.

Mr. Thomas noted that it was about \$600,000 a year.

Council Member Myott commented that she wanted to go back and mention something about the franchise that was voted down. She explained that one of the reasons she brought that recommendation from the (Solid Waste) Committee to the Council was because of law. She stated that they now did have to track their waste stream and if they have one provider who did the commercial dumpsters; then they could easily track it. If someone else came and did those dumpsters and the city did not know about it, they would have no way of tracking.

Mr. Thomas added that they did not know the tonnage that they were picking up to which Council Member Myott also added that it was State mandated.

Council Member Janney commented that they have jumped off on about three different things on that sheet under Solid Waste to which Council Member Myott apologized and stated it was voted down.

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Council Member Janney questioned Pay As You Throw. He stated that when they look at that, he had received comments from both sides. He stated that some people have told him they did not mind paying a little more for the garbage. Then others have said they did not want to pay for anyone else's they just wanted to pay theirs. He stated that what had come to his mind was the fact that when they start dealing with solid waste and taxes, in reducing taxes and that type of stuff; there were people that were under this homestead exemption and when they do that, he would like to know how they were going to figure their tax versus "his" on the Pay As You Throw. He asked how that was going to work with them.

Mr. Thomas replied that their discounts were going to be the same and whatever their value was, would be calculated on whatever the rate was at that point in time. However the county placed a value on their property in then what that law allowed them as a homestead exemption, that really would not be calculated any differently. He stated that how they determine the rates for the Pay As You Throw was not a function of what their tax value or tax liability would be.

Mayor Price pointed out that most of them are 65 and over anyway.

Council Member Janney stated that if they go with the Pay As You Throw he had said that he was going to reduce the tax rate to which Mr. Thomas stated that he had said that they could do that.

Council Member Janney explained that if they looked at that, then look at all of it at one time. He suggested they see what that senior citizen was going to benefit, being a homestead person, the same house would not be as much.

Mr. Thomas stated that senior citizen could possibly benefit in a couple of different ways because some of the rate structure that they talked about would actually provide a Pay As You Throw rate that would be lower than what they were currently paying plus they could possibly reduce their tax rate and their tax liability would be lower. He stated that they could stand to benefit in a couple of ways.

Council Member Janney agreed. He stated that when the end was over and it was all out and the smoke cleared, it was going to cost the same amount of money and somebody was going to pay it.

Mr. Thomas stated that was one of the whole principles behind Pay As You Throw. He stated that if he was recycling and they only had to empty his container every other week and it was only half full every other week, then he was going to pay a lower rate. He stated that if his neighbor put his out every week packed to the brim, he was going to pay at a higher rate, he was creating a greater volume of waste.

Council Member Janney stated that he thought it was going to be a nightmare and used as an example, he paid \$20.00 a month, and that was to put out a full can every week. He supposed that his garbage did not meet that requirement, he was still going to pay that \$20.00 every time for that month and it would never change.

Mr. Thomas explained that it could change. He supposed that he changed his disposal habits and started recycling. Instead of having a full can every week; he had been able to reduce it down to where it was two thirds of half full every week. He would then be able to contact the city and ask them to look at what he was doing and decide whether his rates could be lowered. He pointed out that another one of the principles of the Pay As You Throw was that it was the "carrot and stick" approach to things. They were going to make the ones who were using the system the most; pay the most as a disincentive. It was a means of trying to get them to reduce their waste stream and recycle so that they could pay less on a monthly basis.

Council Member Rorrer commented that it sounded real good to everybody when to say, "pay as you throw", but when it came up the other night there was also an attachment that said the city was going to get twice the amount of money it was now getting. He stated that was what did not sound good.

As there was some confusion by Mr. Thomas as to twice the amount of money, Council Member Rorrer explained that percentage-wise, it was almost doubled for the amount of money that they were getting in from the solid waste on the initial program from what was presented.

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Mr. Thomas replied that if he understood what he had said, that could be corrected by how they adjust and set their rates. The numbers that he saw were based on rates that were used as a part of the study.

Council Member Rorrer commented that it could be adjusted as to how they set their tax base, like he had said, but that part was not mentioned.

Council Member Gover stated that he liked the idea that was suggested about having a trial program on the Pay As You Throw.

Action on the motion was as follows: Council Members Myott, Grogan and Tudor voted in favor of this motion. Council Members Reynolds, Rorrer, Janney and Gover voted in opposition. This motion failed.

Mr. Thomas asked if he could mention something about the trial program to which Mayor Price asked that he do it quickly because of other discussion.

Mr. Thomas stated that logistically, if they put a trial program in place, with a real fee structure that the people were paying; they were really paying their money rather than the city doing it on a study basis, they were going to run into some issue possibly about those fees really going up and not getting any relief in some other area.

Council Member Janney asked if they could run a mock program to which Mr. Thomas replied that was what they did under the study. Council Member Janney disagreed and stated that he meant ran a real mock thing.

CLOSED SESSION:

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

OPEN SESSION:

A motion was made by Council Member Grogan seconded by Council Member Janney 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 the meeting. 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