

CITY OF EDEN, N. C.

A special meeting of the City Council, City of Eden, was held on Wednesday, April 4, 2001 at 4:00 p.m. in the new City Council Chambers, 308 East 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 W. Rorrer
	C. H. Gover, Sr.
	Garry Tudor
City Manager:	S. Brad Corcoran
City Attorney:	Charles J. Nooe
City Clerk:	Kim J. Scott
Deputy City Clerk:	Sheralene Thompson

Representatives from City Departments:

Representatives from News Media:

Reid Baer, The Daily News

MEETING CONVENED:

Mayor Philip K. Price called the special meeting of the City Council to order and welcomed those in attendance.

Additional agenda item:

Mayor Price noted that the City Attorney, Charles Nooe, needed to add a closed session to the agenda which was for a consultation with the City Attorney.

A motion was made by Council Member Gover seconded by Council Member Janney to add a closed session for consultation with the City Attorney to the agenda. All Council Members voted in favor of this

Consideration of Arbor Day Proclamation:

ARBOR DAY PROCLAMATION

Whereas, In 1872, J. Sterling Morton proposed to the Nebraska Board of Agriculture that a special day be set aside for the planting of trees, and

Whereas, this holiday, called Arbor Day, was first observed with the planting of more than a million trees in Nebraska, and Arbor Day is now observed throughout the nation and the world, and

Whereas, trees reduce the erosion of our precious topsoil by wind and water, cut heating and cooling costs, moderate the temperature, clean the air, produce oxygen and provide habitat for wildlife, and

Whereas, trees are a renewable resource giving us paper, wood for our homes, fuel for our fires and countless other wood products, and

Whereas, trees in our city increase property values, enhance the economic vitality of business areas, and beautify our community; and

Whereas, trees, wherever they are planted, are a source of job and spiritual renewal, and

Whereas, Eden has been recognized as a Tree City USA by The National Arbor Day Foundation and desires to continue its tree planting practices

NOW, THEREFORE, I Philip K. Price, Mayor of the City of Eden, do hereby proclaim, April 4, 2001 as ARBOR DAY in the City of Eden, and urge all citizens to celebrate Arbor Day and to support efforts to protect our trees and woodlands, and

Further, I urge all citizens to plant trees to gladden the heart and promote the well-being of this and future generations.

April 4, 2001

Minutes of the Special Meeting of the Eden City Council, April 4, 2001

396

Date this 4th day of April, 2001.

Mayor: s/Philip K. Price
Philip K. Price

Mayor Price noted that the city was again recognized for being a Tree City USA 2000 which was quite an honor for the City of Eden. Appreciation was expressed to Mrs. Kelly Stultz, Planning Director, her department and the Tree Board for their activities to get the city to that point.

A motion was made by Council Member Tudor seconded by Council Member Myott to approve the Arbor Day Proclamation. All Council Members voted in favor of this motion.

Consideration of Expenditure Line Item Transfer – Miscellaneous:

Mayor Price then called on Mr. Larry Fisher, Interim Finance Director. He began by referring the Council to the Summary Revenue Statement, Fiscal Year 2001. He explained that this page was in there for a purpose that will come up later. It was simply a restatement of the number of funds that the City does business in. He noted that one of the last things that he was going to be talking about tonight was a request to create a new fund. It will be the 76 Fund, which will go right after the 75 Fund on this page and it was a Capital Projects Fund for the construction of the new municipal park.

Mr. Fisher noted that the first item in the memorandum was a transfer of \$800.00 which related to the City Manager's car allowance. On the next page, there was an expenditure statement page for the administration function. He explained that they wanted to take \$800.00 out of the Professional Service line item and move it up to the Travel Allowance Salaried Line. When the City Manager first began to collect this allowance, there was some misunderstanding of where it should be coded, what line item it should be put in. The first two payments were put in the lower line item, the Professional Service line item, they should be coming out of the Travel Allowance salary line item. He explained that they wanted to move the two payments that have been made up to the Travel Allowance Salary line item and they had instructed the staff to charge future payments to that line item.

Mr. Fisher explained that they wanted to move \$800.00 from that, where it said \$55,000.00 up to the highlighted line item that read zero.

Council Member Janney asked Mr. Fisher if he wanted them to write \$54,980.00 there because they took \$800.00 out of that \$55,000.00. Mr. Fisher replied that was exactly what they were doing to do, lower that \$55,000.00 number by \$800.00.

Mr. Fisher explained that the second item on the memorandum was to transfer a department of justice expenditure for DCI equipment rental which had been charged to an incorrect line item, \$3,600.00. He referred the Council back to the expenditure statement for the police department, there was an expenditure of \$4,140.00. He asked the Council to put \$3,600.00 in brackets beside that number as they wanted to take \$3,600 - \$3,600.00 has already been paid and was in the \$4,100.00 and it should not be there. He explained that they wanted to take it from Contracted Services and put it in Equipment Rents. It was just charged in the wrong place.

Mr. Fisher next referred the Council to the next block on the memorandum, General Fund Police. Once again, they wanted to take some money from Capital Outlet Equipment and put it in radios. He explained that some body wires were purchased and they were simply charged to the wrong line item. He referred the Council to a highlighted number of \$39,883.00. Mr. Fisher asked the Council to put \$5,128.00 in brackets because they wanted take it out of there. He referred them to the number \$4,370.00 and they wanted to put it in there. He explained that they wanted permission to move it from Capital Outlet Equipment to Capital Outlet Radios as body wires were classified as radios.

The next item regarded street maintenance. Mr. Fisher noted that the motor grader had been deleted as they were not requesting any action related to that.

April 4, 2001

Minutes of the Special Meeting of the Eden City Council, April 4, 2001

397

The next item was Water and Sewer Fund Collection and Distribution (page 73). Mr. Fisher explained that there were some 6 inch pipe fittings, etc., purchased and put in the Operating Fund, the 30 Fund that should have been put in the Capital Construction Fund. The detail of the matter is \$3,720.67 which Mr. Sexton had provided him with a list of invoices showing which ones were miscoded and they were put in the 30 Fund, the Water and Sewer Maintenance Special Project Water Line Account. He explained that they were going to take it out of Operating and put it in Capital Construction.

The next item in the block of the memorandum was to transfer some maintenance charges for 911 ECS 1000 switch from Emergency Capital Outlet Equipment to the police telephone line. He noted that the Chief had brought it to his attention that some of this needed to be moved. He referred the Council to pages 47 and 45 in their packet. He noted that he was dealing with page 47 first because that was what they wanted to take it from. He explained that they wanted to take \$5,820.03 out of there noting it would be a deficit. He wanted to take it out of the \$5,000 number on page 47 and put it in with the \$10,000 number (third from the bottom on page 45). Once again, they were just transferring to the correct line item in acquisition.

Expenditure Line Item Transfer – Miscellaneous

<u>Line Item Transfer</u>	<u>From</u>	<u>To</u>
General Fund – Administration		
10-4120-19400 Admin Prof. Services	\$ 800.00	
10-4120-12800 Admin Travel Allow Salary		\$ 800.00

To transfer City Manager Car Allowance. Charged to incorrect Line Item Account.

General Fund – Police		
10-4310-39400 Police Contracted Services	\$ 3,600.00	
10-4310-43900 Police Bldg & Equip Rents		\$ 3,600.00

To transfer Department of Justice DCI Equipment Rental charged to incorrect line item.

General Fund – Police		
10-4310-57000 Police C/O Equipment	\$ 5,128.00	
10-4310-58000 Police C/O Radios		\$ 5,128.00

To transfer body wire purchase charged to incorrect line item.

Water & Sewer Fund – Coll & Dist.		
30-7125-76100 W/S Maint Spec Proj/Water Line	\$ 37,020.67	
Water Construction Fund – Water Const.		
71-8120-52100 W/D C.O. System		\$ 37,020.67

To transfer W/S Maint to Water Construction.

General Fund - Emergency Communication		
10-4330-57000 Emerg Comm C/O Equip	\$ 5,820.03	
General Fund - Police		
10-4310-32100 Police Telephone		\$ 5,820.03

To transfer maintenance charges for 911 ECS 1000 switch from Emergency C/O Equipment to Police Telephone line item.

These line item transfers are to move charges to correct line items.

Adopted and effective this 4th day of April, 2001.

s/Philip K. Price, Mayor

Attest:

s/Kim J. Scott, City Clerk

A motion was made by Council Member Tudor seconded by Council Member Gover to approve the Expenditure Line Item Transfer-Miscellaneous. All Council Members voted in favor of this motion.

Consideration of Expenditure – Line item Transfer – Pay Plan:

Mr. Fisher explained that the next item on the agenda was the consideration of the line item transfer. This was a budget item and they were asking the Council to amend the budget. He noted in looking at those papers they were just looking at, they had been focusing on the expenditure line items, trying to move money from one item of expenditure to another. Now they were concentrating on the budget column and they were interested in moving money or appropriations from one place to another in the budget column. This memo simply distributed the appropriation or funding for the pay plan. When the budget was put together last year, it was his understanding that the funds for it were allocated in three contingencies; one in the General Fund, one in the Water and Sewer Fund and one in the Fleet Maintenance or Garage Fund. The only thing that this does, is take \$322,200.00 out of the Contingency Appropriation in the General Fund and distribute it to the various budgets. He noted that the City Manager calculated it for them and gave it to them and said this was the way it should be distributed. Mr. Fisher explained that they wanted to move \$80,200.00 out the Water and Sewer Fund Contingency line item and distribute that into the various operating departments. Mr. Fisher noted they also wanted to take \$17,000.00 out of the Contingency Appropriation in the Garage Fund and move it to the Salaries line item in the City Garage so that they would have the appropriation there to cover the salary increases that were given in January related to the pay plan.

Council Member Janney asked what they left in Contingency and how did it leave the Water and Sewer plan. Mr. Corcoran explained that in the General Fund Contingency, they had a total of \$422,500.00 so after subtracting the \$322,200.00 that would leave a balance \$100,300.00 although he reminded the Council that the other night they approved some additional expenditures on the City Hall renovation project. That project was already about \$50,000.00 in the red. Then they approved another approximate \$29,000.00 the other night so for all intents and purposes, the \$100,000.00 still remains in a future budget amendment that will probably be used to cover the expenses there but as of right now, if the Council adopts this, they will have \$100,300.00 in the General Fund. On the Water and Sewer Fund, there was a total Contingency Appropriation of \$152,200.00. This utilizes \$80,200.00 leaving a balance of \$72,000.00. In the Fleet Maintenance Contingency appropriation, there was a total of \$18,700.00 after subtracting the \$17,000.00 that was discussed here, that would leave a balance of \$1700. 00.

Budget Line Item Transfer – Pay Plan

<u>Line Item Transfer</u>	<u>Account #</u>	<u>From</u>	<u>To</u>
General Fund			
Transfers for Salary Pay Plan			
Contingency Appropriation	10-9990-99100	\$ 322,200.00	
Administration	10-4120-12100		\$ 7,400.00
Municipal Services	10-4125-12100		\$ 4,000.00
Finance	10-4130-12100		\$ 13,700.00
Human Resources	10-4140-12100		\$ 4,100.00
Police	10-4340-12100		\$166,600.00
Fire	10-4340-12100		\$ 31,100.00
Engineering	10-4350-12100		\$ 5,800.00
Street Maintenance	10-4510-12100		\$ 25,200.00
Solid Waste	10-4710-12100		\$ 28,400.00
Planning	10-4910-12100		\$ 10,000.00
Recreation	10-6120-12100		\$ 25,900.00
Water and Sewer Fund			
Transfers for Salary Pay Plan			
Contingency Appropriation	30-9990-99100	\$ 80,200.00	
Water/Sewer Resources	30-7110-12100		\$ 41,300.00
Water Filtration	30-7120-12100		\$ 8,700.00
Collection and Distribution	30-7125-12100		\$ 17,700.00
Wastewater Treatment	30-7130-12100		\$ 12,500.00
Fleet Maintenance/Garage Fund			
Transfers for Salary Pay Plan			
Contingency Appropriation	31-4210-99100	\$ 17,000.00	

April 4, 2001

Minutes of the Special Meeting of the Eden City Council, April 4, 2001

399

City Garage	31-4210-12100	<u>\$ 17,000.00</u>
		<u>\$ 419,400.00</u> <u>\$419,400.00</u>

This line item transfer distributes pay plan funding from the contingency appropriations to various Departments.

Adopted and effective this 30th day of March, 2001.

s/Philip K. Price, Mayor

Attest:

s/Kim J. Scott, City Clerk

A motion was made by Council Member Gover seconded by Council Member Tudor to approve the budget line item transfer – pay plan. All Council Members voted in favor of this motion.

Budget Amendment #13:

Mr. Fisher explained that this was a three page document memorandum subject, Budget Amendment 13. He noted that they would be looking at this one by one and following them through to the back up and support pages.

Mr. Fisher called attention to the budget amendment memorandum. The first item was to transfer funds in the Administration budget from Travel to Capital Outlay Equipment and Furniture in order to upgrade the computer and computer table for the City Manager. Mr. Fisher referred the Council to the support pages whereby the top page had two numbers highlighted with numbers written beside it, one in brackets and one not in brackets. Mr. Fisher explained that they wanted to take the appropriation out of the budget line item – that column that was headed appropriation amount, take the appropriation \$2,250.00 of it out of travel and move \$2,000.00 of it down to equipment. Referring the Council to the next page, they want to put the balance which is \$250.00 in Capital Outlet Furniture.

Mr. Fisher explained that the next item was to transfer appropriations from the M&R Equipment line item and Insurance and Bonds line item in the Solid Waste Division. He explained that Mr. Jerome Adams had a packer unit that was causing him trouble and the M&R on that vehicle had gone up. As a manager, he was recognized that he needed money in that line item. He found other line items where he could control costs and he basically came to the Finance Department and asked to take \$6,000.00 out of his Insurance and Bonds for \$6,000.00 of appropriation; lowering his Insurance and Bonds budget line item by \$6,000.00, lowering his M&R equipment line item by \$9,000.00, add them up – that made \$15,000.00 and put them up in his M&R vehicle line item as he needed them.

The next item was to recognize insurance recovery revenue to replace a wrecked police car. He referred the Council to page 23, Revenue Statement in the General Fund and the highlighted number was \$7,600.00; the Insurance Proceeds line item. Mr. Fisher explained that they had already received the \$13,000.00 and this was just a clean-up maneuver as they had the money. He referred the Council to the revenue to date, there was \$20,900.00 sitting there. So, what they wanted to do was recognize this insurance recovery revenue in that line item. And then moving to the next page, they wanted to increase the Police Capital Outlay – vehicles line item with the same \$13,000.00.

Mr. Fisher explained that the next item in the memorandum, was to move a revenue out of an expenditure account and into a revenue account. This would affect not the budget column but the expenditure and revenue columns. He explained that Mr. Stultz, Planning Director, ran up on a situation that was not in the budget and she had to have something cleaned up which she did and then the city received \$64,730.00 in judgment proceeds. What happened was when the judgment proceeds were received, they were dumped into an expense account and should not have been. He referred the Council to page 23 of their packets. The number that was highlighted should be \$1,182.00 and following that across to the left, you see that was in Other Refunds line item. That \$64,730.00 should have been put there. Moving to the next page in the package, there was a \$155,402.00 expenditure in the Planning Contracted Services line item.

That was where that revenue was put. When he takes it out of there, that line item is going to go up \$64,730.00. Mr. Fisher noted that was calculated below there. The present expenditure of \$155,402.00, plus the \$64,730.00 that it was going to go up when they take that revenue out of there will bring it to \$222,832.00, which brought them to the next item in their memorandum because they were getting ready to correct that, but they could not fix one without fixing the other.

Mr. Fisher explained that the next item in the memorandum, was to move Single Family Rehab. Project costs from the General Fund to the Single Family Rehab Fund. They were simply put in the wrong place, as they belong in the 11 Fund rather than the 10 Fund. He explained that he was asking for permission to go to this line item that will be \$222,832.00 and take \$211,148.00 out of it because according to Mrs. Stultz, that was how much Single Family Rehab expenditure was residing over in her operating fund that should not be there. Mr. Fisher explained that Mrs. Stultz had told him which line items in the 11 Fund, the Single Family Rehab Fund that this \$211,148.000 should go to. Referring back to page 57 where they started with \$155,000.00 they increased it by \$64,000.00 to \$222,832.00. With Council's permission, he would take \$211,148.00 out of it which would bring it down to \$11,684.00. He then referred the Council to the next page and where he had taken the activity this month column and changed its heading to Budget Amendment 13 where the Council would see that the numbers he wrote there agreed with the permission he was asking for in the memorandum. Mr. Fisher explained that if the Council allowed them to do that, the highlighted numbers that were in the expenditure year to date column would increase to the numbers that he showed there. The bottom line was, they put some expenditures in the 10 Fund that did not belong there and they needed to remove them and put them over in the 11 column.

Council Member Janney noted that was a lot of movement in that one item and Mr. Fisher was leaving the City of Eden tomorrow.

Mr. Fisher replied that doing the research, finding out why it happened, figuring out where it ought to go and then setting it out, there were people there that once the Council approved this, they could execute.

Council Member Janney asked if there was any danger of this falling through a crack anywhere.

Mr. Fisher replied that execution on these changes, if authorized, should be pretty simple.

Moving to the next item, Mr. Fisher explained that they stepped out in the Street Department and apparently got a little bit of some sort of grant revenue for some winter storms – for some snow removal. Mr. Fisher explained that all they were asking to do was to increase the revenue \$591.00. Referring the Council to page 23 in the budget column, the estimated revenue column, there was a miscellaneous revenue for \$200.00. Mr. Fisher explained that he wanted to increase that estimated revenue by \$591.00 and make it \$791.00. Referring to the page behind that, he wanted to increase the appropriation in that bottom line item, street purchase – snow removal by \$591.00; making the appropriation \$8,591.00.

The next item was in the Parks and Recreation Department. He explained that this recognized budgetarily the donations that have been received in the Parks Department and it appropriates them at the line items.

The next item involved PD Drug Forfeiture. Mr. Fisher noted that for the record, the account number should be 10-4310-57000. Mr. Fisher referred the Council to the backup pages, revenue page number 22. There should be a highlighted number there \$11,200.00 and a line item called State Drug Forfeiture. He explained that they wanted to increase the estimated revenue \$2,090.00 and then on the following page, they wanted to appropriate that revenue in the Police Capital Outlay Equipment line item which was now \$31,800.00. He explained that they wanted to increase it by \$2,900.00

The next item was in the solid waste area. Mr. Fisher noted this was a budget item and they wanted to increase revenue and increase appropriation. They were going to appropriate Recycle

Grant Revenue. Referring to the backup page, the highlighted number was zero. The name of the line item was Solid Waste Recycle Grant. They wanted to increase that by \$18,000.00. Then, on the next page, Mr. Fisher explained that they wanted to appropriate \$9,600.00 of it in the Recycle Grant Expense. They wanted to appropriate \$8,000.00 of it in gasoline and \$400.00 in M&R vehicles. He added if they were right, it all adds up to the \$18,000.00 in revenue that they wanted to recognize on the revenue page.

Mr. Fisher referred to page 3 of the memorandum and explained that all of that regarded sitting up the new Park Fund. He explained when they first started, Mr. Fisher asked the Council if they had the Summary Revenue Statement that showed all of the funds the city did business in. and he explained that there was no 76 Fund. Mr. Fisher stated when they got through with this page, they hoped to have a 76 Fund as it would be a Capital Projects Fund. It would be for construction of the new municipal park. He stated they wanted to appropriate it as a Capital Projects Fund because it has life for the life of the project. Mr. Fisher explained that he had discussed this with Mr. Rex Rouse of Rouse, Rouse, Penn and Rouse. He and the auditors were in full agreement that this was the way to proceed with this. Most of the money, in fact all of it that was going into this new fund was going to come out of the Capital Reserve Fund which meant he had to straighten it out a little. Mr. Fisher referred the Council to a package of material, pages 31 and 80. The first one was Capital Reserve Fund – it was a revenue statement in the Capital Reserve Fund.

Mr. Fisher noted he gave the Council the revenue statement to point out the 70 Fund. There were three big items of revenue there. The 70 Fund, the Capital Reserve Fund anticipates \$125,000.00 in revenue for the City Park. It anticipates, in fact, that revenue has already been realized – it was already there. It anticipated \$150,000.00 in revenue for the Parks & Recreation Trust Fund grant - \$150,000.00 for that park. It also anticipates revenue of \$100,000 for economic development. Those three items were coming into the 70 Fund out of the General Fund.

Referring to the expenditure statement, there were two line items of expenditure in it.

One of them was the Capital Reserve to be transferred to the Park Fund. The other one was going to take the balance of that fund, the \$252,600.00 and send it back to the General Fund. He then referred the Council back two pages to the City of Eden expenditure statement, Fiscal Year 2001 – a Capital Reserve Fund. Mr. Fisher explained that he designed this and all it did was take the expenditure sheet and recasts it. He noted the appropriation amount of \$252,600.00 going back to the General Fund. That column was exactly like it was laid out effective July 1, 2000. Then, transactions A,B,C, and D explained how to clean up the 70 Fund before he created the 76 Fund. Transaction A distributed the appropriations as indicated on a Capital Reserve Fund budget. He explained that it takes, in column A, \$125,000.00 out of that transferred General Fund line item and puts it down into the line item that says they were going to transfer this money to the Park Fund.

Mr. Fisher then referred to page 3 of the memorandum that said to distribute capital reserve appropriations as indicated in FY2001 budget revenue page in the Capital Reserve Fund. The spreadsheet from Mr. Fisher was an attempt to explain the effect of what they were asking the Council to do.

Referring to the second memorandum, Mr. Fisher read the justification which explained that the current budget FY01 budget was set up to transfer those funds from the General Fund to the Capital Reserve Fund and to then transfer them back to the General Fund. He stated in point of fact, all those economic development expenditures had been charged directly into the General Fund to begin with and that was fine. But because that was taking place, there was no need to do this. So, what they were doing, the funds for Economic Development and Economic Development Expenses were being recorded directly into the General Fund. He explained that what he was doing in the Capital Reserve Fund was lowering the expenditure that said he needed to take this money back to the General Fund, and lowering the revenue in the 90 Fund which would be a transfer from the General Fund. There was no need to set up money over in the General Fund. He explained that what this was doing was just canceling it so they do not do that.

Council Member Gover stated he was wondering where the expenses were on the park. He asked if that meant they had not spent a penny on the park.

Mr. Fisher replied they have and they would come to that.

Mr. Fisher then referred the Council to the next item on the memorandum as the explanation was to appropriate from the Capital Reserve Fund balance that portion which was reserved for the City Park according to the fiscal year June 30, 2000 audited financial statements. Mr. Fisher then referred the Council to a photocopy of page 60 of the June 30, 2000 audit and financial statements. The middle column in the page was Capital Reserve Funds, June 30, 2000 and half way down that page in the Fund Equity section was reserved for City Park \$150,986.00. Mr. Fisher stated what he needed to do in the 70 Fund was to ask Council to appropriate that Fund Balance into the 70 Fund so he could move it to the 76 Fund. He explained that the third entry on the memorandum did that, to appropriate from Capital Reserve Fund balance that portion which was reserved for the City Park according to the fiscal June 30, 2000 audited financial statements. He added that the Council could see that he wanted to increase budgetarily and later actually a revenue line item in the 70 Fund that said Capital Reserve Fund balance appropriated. Then, he wanted to increase the Capital Reserve Transfer to Parks. Mr. Fisher then referred the Council back to the spreadsheet as they talked about Item A which distributed the appropriations in the 70 Fund as indicated on the budget page. They also talked about Item B which was simply a removal of the expenditure for economic development. He explained that they did not need to transfer those funds back and forth. Item C appropriated Capital Reserve Fund balance to the park. Item D, still on that spreadsheet, recognized budget amendment number 11 in October, 2000 which transferred \$75,000.00 from the Capital Reserve Fund to the General Fund to pay for grading and buffer for the City Park. He explained that they did not want to make expenditures directly out of the Capital Reserve Fund, they had to move forward with this grading and buffer. The only way to get it done was to pay it out of the General Fund and when they get the money, they move it back out of the 70 Fund back to the General Fund and that was what happened here. So, in effect, through that process they used \$75,000.00 for grading and buffer.

Mr. Fisher then stated that in the adjusted appropriation column, when he finished this, if approved by the Council, that Capital Reserve in the General Fund was going to be down to approximately \$27,600.00. The Capital Reserve to the Park Fund would be at \$350,986.00

Mr. Fisher explained that next was a request for a budget amendment to establish the 76 Fund - Capital Projects and Municipal Park Fund. He then referred the Council to another page of the audit report, headed City of Eden Budget Amendment to set up the 76 Fund, Capital Project and Municipal Park Fund, Budget Amendment to set up the 76 Fund. He explained that they wanted to transfer from the Capital Reserve Fund \$125,000.00 that went in there minus the \$75,000.00 that went to the General Fund, leaving \$50,000.00. There were some donations in the Capital Reserve Fund - \$17,057.00 that had been collected a couple of years now related to the park. They want to anticipate as revenue in the 76 Fund the PARTIF Grant at \$150,000.00. They wanted to anticipate the contribution from the Capital Reserve Fund of the fund balance that he asked them to appropriate a few minutes ago. Adding all of that up gave an estimated revenue in this new fund of \$352,743.00. Mr. Fisher stated that before they talk about the expenditures, he referred the Council to the 76 Fund budget \$352,743.00. If he took the donations out of it, he would get \$350,986.00 which was exactly the number that was in the adjusted appropriation column on that spreadsheet. He explained that was why he walked them through the spreadsheet to let the Council know where they were getting the \$350,986.00 from that they wanted to appropriate in the Park Fund.

Mr. Fisher stated that the expenditures which Mr. Conner supplied him a line item budget, had like thirty or so line items in it. They grouped them according to the appropriations. They put the land improvements line items in a group and came up with \$165,000.00. They put the building improvements in a group, they put the equipment in a group and whatever else. He noted that the contingency was the balance. So, the 76 Fund was a place for the park people to capture money related to the building of the park and a place to record expenditures related to the building of the park and it would be there for the life of the park. It would stay on the City's books until the City decided to close it.

April 4, 2001

Minutes of the Special Meeting of the Eden City Council, April 4, 2001

403

Mayor Price asked if the budget amendment for the 76 Fund was part of Budget Amendment No. 13 so by approving Budget Amendment No. 13, they would establish a budget amendment, 76 Fund to which Mr. Fisher replied in the affirmative.

Council Member Gover stated he hoped that in the future they would have line items – budget Capital Outlay so they could keep up with those Capital Outlays. He explained that he mentioned sometime back that they needed those Capital Outlay Projects so that if they have projects in the future, just keep adding line items there for the Capital Projects, and this way they could keep a handle on that, in his opinion.

Mr. Fisher replied that was true.

Council Member Gover asked how they would earmark the \$75,000.00 He further explained that the city was going to make \$50,000.00 (donation) to the park every budget year. So they utilized \$75,000.00 in advance so that was \$25,000.00 more than what would have been earmarked for the year.

Mr. Fisher explained that the \$125,000.00 that was in the Capital Reserve Fund, that line item of revenue was a combination. . . and asked the Council to remember the Capital Reserve Fund was not like the annual budget fund that has life, continuing life. That \$125,000.00 was the accumulation of the fifty thousand's had been put in there. He stated at the point they were getting ready to do this, there was \$125,000.00 that had been put in there. The source of that was out of the General Fund. He explained that if they had had the 76 Fund set up six months ago or prior to the grading and buffering, in fact, it should have been because they ought to be able to go back to 76 Fund at some point and say that was what the park cost. Right now when they go back and do that, they would be saying this is what the park cost, but do not forget the \$75,000.00 and \$100,000.00 that was spent over in the General Fund before they got this set up.

Budget Amendment #13

This is the Thirteenth Budget Amendment for the Year

<u>Budget Amendment #13</u>	<u>Account #</u>	<u>INCREASE</u>	<u>DECREASE</u>
General Fund-Administration			
Adm Travel	10-4120-31200		\$ 2,250.00
C/O Equipment	10-4120-57000	\$ 2,000.00	
C/O Furniture	20-4120-59000	\$ 250.00	

To transfer funds in Adm. Budget from Travel to Capital Outlay Equipment & Furniture in order To upgrade computer and computer table for City Mgr.

S/W M/R Vehicles	Expense	10-4710-25300	\$ 15,000.00	
S/W M/R Equipment	Expense	10-4710-25700		\$ 9,000.00
W/W Ins/Bonds	Expense	10-4710-45100		\$ 6,000.00

To transfer appropriations from M/R Equipment (\$9000.00) and Insurance/Bonds (\$6000.00) to M/R Vehicles.

Insurance Proceeds	Revenue	10-3850-85000	\$ 13,000.00	
Cap Outlay Vehicles	Expense	10-4310-55000	\$ 13,000.00	

To recognize Insurance Recovery revenue to replace wrecked Police Car.

Other Refunds	Revenue	10-3890-83000	\$ 64,730.00	
Planning Contracted Ser	Expense	10-4910-39900	\$ 64,730.00	

To move a revenue (judgment proceeds) out of an expenditure account into a revenue account.

Planning Contract Svcs	Expense	10-4910-39900		\$ 211,148.00
SFR Program	Expense	11-4920-60270	\$ 5,424.00	
SFR Program	Expense	11-4920-60280	\$ 26,728.00	
SFR Program	Expense	11-4920-60260	\$ 178,996.00	
			\$ 211,148.00	

To move SFR Project costs from G/F to the SFR Fund.

April 4, 2001

Minutes of the Special Meeting of the Eden City Council, April 4, 2001

404

G/F Misc. Revenue	Revenue	10-3839-89000	\$ 591.00
St Dept Snow Removal	Expense	10-4510-95200	\$ <u>591.00</u>

To recognize revenue from State of NC for Winter Storm.

Rec Donations	Revenue	10-3612-84000	\$ <u>6,226.00</u>
Rec Prog Activities	Expense	10-6120-29600	\$ 4,370.00
	Expense	10-6120-32100	\$ 6.00
	Expense	10-6120-57000	\$ 540.00
	Expense	10-6120-29500	\$ <u>1,310.00</u>
			\$ 6,226.00

These are donations made to the Rec Dept. to be used for specific items.

PD Drug Forfeiture/Fed	Revenue	10-3431-41900	\$ 2,090.00
PD C/O Equipment	Expense	10-4310-57000	\$ <u>2,090.00</u>

Scope and Mounts paid by Drug Forfeiture.

Solid Waste Recycle Grt.	Revenue	10-3471-81300	\$ <u>18,000.00</u>
S/W Recycle Grt Exp	Expense	10-4710-24700	\$ 9,600.00
S/W Gas	Expense	10-4710-25100	\$ 8,000.00
S/W M/R Vehicles	Expense	10-4710-25300	\$ <u>400.00</u>
			\$ <u>18,000.00</u>

Appropriate Recycle Grant revenue.

Cap Reserve to Park	Expense	70-4910-98200	\$ 125,000.00	
Cap Reserve to G/F	Expense	70-4910-98100		\$125,000.00

To distribute Cap Res Appropriations as indicted in FY 2001 Budget Revenue page for Capital Reserve Fund.

Cap Res Economic Dev	Revenue	70-3491-84400	\$100,000.00
Cap Res Trans to G/F	Expense	70-4910-98100	\$100,000.00

The FY 01 budget was set up to transfer these funds from the G/F to the Capital Reserve Fund and then to transfer them back to G/F. No transfers have been made so far and this action is unnecessary. The funds are for Economic Development and Economic Development expenses are being recorded directly into the G/F.

Cap Res Fund Bal App	Revenue	70-3991-99100	\$ 150,986.00
Cap Res Trans to Park	Expense	70-4910-98200	\$ 150,986.00

To appropriate from Capital Reserve Fund Balance that portion which was reserved for the City Park According to the FY 6/30/00 Audited Financial Statements.

Budget Amendment to set up the 76 Fund (Capital Projects Municipal Park Fund)

Revenues

Mun Park Res	76-3491-84210	\$ 50,000.00	
Mun Park Donations	76-3491-84220	\$ 1,757.00	
Mun Park Grants	76-3491-84230	\$ 150,000.00	
Mun Pk Contribution from Cap/Res	76-3984-98000	\$ 150,986.00	
			\$ 352,743.00

Expenditures

Land Improvements	76-6120-52000	\$ 165,035.00	
Bldg Improvements	76-6120-54000	\$ 81,420.00	
Equipment	76-6120-57000	\$ 39,425.00s/Kim J. Scott, City Manager	
Contingency	76-6120-99100	\$ 66,863.00	
			\$ 352,743.00

Adopted and effective this 30th day of March 2001

s/Philip K. Price, Mayor

Attest:

s/Kim J. Scott, City Clerk

A motion was made by Council Member Tudor seconded by Council Member Gover to approve Budget Amendment No. 13. All Council Members voted in favor of this motion.

April 4, 2001

Minutes of the Special Meeting of the Eden City Council, April 4, 2001

405

Mayor Price expressed appreciation to Mr. Fisher for his expertise as he made a big difference in the city of Eden.

Consideration of Hand Held Devices:

The memorandum presented to Council explained that the purchase of two new handheld meter reading devices was approved in this year's budget. The purpose of the memo was to request authority to proceed with this acquisition.

Mayor Price noted that the next order of business was discussion of purchasing hand held devices. He noted it was going to cost \$9,445.00 plus maintenance, \$7,808.00 has been set aside for this but there had been some savings from the truck purchase which would require some adjustment in the budget at the next meeting. He then opened the floor for discussion and explained that they were asking to purchase those and to take the money from the savings on the truck and transfer that over at the next meeting to accommodate the additional purchase amount.

A motion was made by Council Member Myott seconded by Council Member Tudor to purchase the hand held units (\$9,445.00 plus maintenance). All Council Members voted in favor of this motion.

Consideration of Census Data and Electoral Wards:

Mayor Price called on Mrs. Stultz to come forward and elaborate on the information she sent out.

Mrs. Stultz explained that they all no doubt saw in the newspaper last week that the data was starting to trickle out from North Carolina. One thing they did was to change a lot of the cities census blocks. That did not make a lot of difference to any of the Council and it made no difference to the Boards, but it did make a big difference when making grant applications and those kinds of things. She explained that they determine poverty for various areas based on those census blocks. She explained that in the North Carolina General Statutes, (160(a)-23.1), it talked about what City Councils and County Commissioners and folks who were using Ward systems have to do once the numbers were out there. She stated that she had provided them with the data from the statutes and just the basics and she got the information to the City Attorney and she hoped he could give them his legal advice on whether or not the Wards themselves needed to be looked into.

Mayor Price asked the City Attorney if he had any comments.

Mr. Nooe replied that only today, for example, he had received a narrative from the League. He stated that as he read it, with what time he had to go over it, he did not think the City was required to revise this request. He stated that he did not think there was enough variation. He stated that if there was some other reason they wanted to do it and have the study made that was made after the prior census, then they would need to appoint a consultant that specialized in this. He stated that this did not recur every year and for instance the City of Eden, it was only going to come out once every ten years.

Mrs. Stultz added, unless they did some annexation.

Mr. Nooe stated that would not necessarily be true, if they did annexation to which Mrs. Stultz agreed. She mentioned that they had to do it 1994. Mr. Nooe continued that under the Voting Rights Act, ordinarily the Justice Department was not going to approve any annexation, but they may disapprove it. They would have to provide them the information that would include the race, where they live in each respective districts and if Mrs. Stultz has some reason that she thought her department needed this information study to be made because of potential applications of grant money then that was an entirely different thing. He stated that right at this time he would say that the City was not in a position that they would have to do it in order to hold municipal elections.

Mrs. Stultz explained that the Ward boundaries have nothing to do with anything they might apply for, only the fact that the Feds changed the census blocks, but that was just how this population data was extrapolated not ...the two did not feed on each other.

April 4, 2001

Minutes of the Special Meeting of the Eden City Council, April 4, 2001

406

Council Member Gover questioned the spread that they would need between Wards to make that determination.

Mr. Nooe replied that it would be 10% of the population. They had some 15,000 population so 10% of the population was 1500. It would be approximately a 5% spread, but they may not want that much difference in their Wards and they would go ahead and do it anyway. He stated that he would only say legally, he did not think they needed to do anything to hold municipal elections.

Council Member Janney commented that he would say not to spend the money if they did not have to.

Council Member Gover agreed that it would be quite an expense.

Mr. Nooe added that the staff may have in mind something else, but he was not really aware of any annexation that would cause any problem as far as the Voting Rights Act.

Mr. Corcoran commented that he thought the only reason that it came up was Section 160(a)-23.1 said that "once the census data is made available, that the City Council shall consider it." So, he asked, would it be appropriate for them to make a motion and take action on this for the record.

Mr. Nooe replied that it would be appropriate to have a motion because of the current census.

Council Member Tudor asked if it was anything they needed to consider, the way these Wards were set up that would improve their ability to serve and to represent.

Mr. Nooe replied this action by the City would not be looked at narrowly because everyone votes Citywide. Everybody votes for every member so they could see as far as everybody having the same say so and it was not like them just getting to vote for who was in their ward which then they may be more concerned about.

Council Member Tudor stated that any discussion of the wards would not necessarily change what the charter stipulates the way people vote.

A motion was made by Council Member Janney seconded by Council Member Reynolds to accept the recommendation of the City Attorney that no change be made and no study initiated. All Council Members voted in favor of this motion.

Approval and Adoption of a motion to call a public hearing to create a text amendment to permit a Bed & Breakfast. ZONING CASE Z-03-01.

A motion was made by Council Member Janney seconded by Council Member Gover to call the public hearing to create a text amendment to permit bed and breakfast operations, referred to as Zoning Case Z-03-01. All Council Members voted in favor of this motion.

Closed Session for consultation with the City Attorney:

A motion was made by Council Member Gover seconded by Council Member Reynolds for a closed session to consult with the City Attorney. All Council Members voted in favor of this motion.

Open Session:

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

Adjournment:

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

April 4, 2001

Minutes of the Special Meeting of the Eden City Council, April 4, 2001

407

Respectfully submitted:

Kim J. Scott
City Clerk

ATTEST:

Philip K. Price
Mayor