

CITY OF EDEN, N. C.

A special meeting of the City Council, City of Eden, was held on Wednesday, May 23, 2001 at 4:00 p.m. in the Council Chambers, 338 West Stadium Drive. Those present for the meeting were as follows:

Mayor:		Philip K. Price
Mayor Pro Tem:		John E. Grogan
Council Members:		Ronald H. Reynolds
		Ronald L. Janney
		Christine H. Myott
		Garry Tudor
		William W. Rorrer
		C. H. Gover, Sr.
City Manager:		Brad Corcoran
City Attorney:	(absent)	Charles J. Nooe
City Clerk:		Kim J. Scott
Deputy Clerk:		Sheralene Thompson
Representatives from staff		
Representatives from News Media:		Leslie Brown, <u>Greensboro News & Record</u> , Angela Evans, <u>The Daily News</u>

MEETING CONVENED:

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

Mr. Corcoran read the following budget message:

Introduction

On behalf of the City of Eden staff, I am pleased to present to you the proposed fiscal plan for FY 2001-2002. The budget is in balance and has been prepared in accordance with the guidelines set forth in the Local Government Budget and Fiscal Control Act (N.C.G.S. 159).

Balancing this budget has been a long and arduous task which has resulted in a document which continues to meet the City's basic needs in the critical service areas and addresses some of the various capital improvement needs currently facing the City. The budget does not, however, provide all of the funds necessary for the capital needs within the City of Eden.

Budget Highlights

- The total proposed budget of \$ 24,167,300 for the 2001-2002 fiscal year represents an increase of \$ 485,949 or 2.05 percent as compared to the current FY 2000-2001 budget (as amended) of \$ 23,681,351. Once inter-fund transfers are considered the proposed budget total for FY 2001-2002 is reduced to \$ 18,960,000.
- Total departmental requests for expenditures equaled \$ 30,764,900 while the managers' recommendations total \$ 24,167,300. This represents a reduction of \$ 6,597,600 or 21.45 percent from what was initially requested for FY 2001-2002.
- There is no proposed increase in the present property tax rate of fifty-seven cents per one hundred dollars of property valuation. Tax revenue projections for ad valorem taxes are based upon a total property valuation of \$ 566,559,510 at a collection rate of 97 percent. A collection rate of 96.5 percent was utilized in the current FY 2000-2001 budget.
- A proposed increase in the residential solid waste fee of fifty cents per month has been recommended by the City's Solid Waste Committee. This will result in an annual increase of \$ 6.00 per residence and will result in an additional \$ 39,000 per year. Rockingham County is looking to

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increase the landfill disposal fees from \$ 37.00 per ton to \$ 38.00 per ton. The actual cost of the City's collection and disposal program remains at approximately \$ 15.49 per household per month.

- Despite the uncertainties that continue to exist on the State level the inventory tax reimbursements (reimbursement for the exclusion of manufacturing inventory to City) which are distributed by the State of North Carolina have been included in the proposed budget. This amounts to \$ 307,700 (2.95 percent of the General Fund) or 5.43 cents on the tax rate. These are local funds and the City should be able to count on them. After discussing this with many other administrators it is felt that excluding them from the budget would send the wrong signal to the Governor and state legislature. In the event the Governor and/or state legislature reduces and/or eliminates the reimbursements it is recommended that a budget amendment be adopted to deal with the revenue shortfall. Specifically, it would be recommended that each departmental budget within the General Fund be reduced by an additional total of 3 percent.
- There is no proposed increase in the water or sewer rates or related fees and charges at this time. However, the previous depletion of funds in the Debt Service Fund as well as the continued depletion of funds within the Water Construction Fund, Sewer Construction Fund and Water/Sewer Operating Fund will make it necessary to review costs and rate structures in the coming year to determine future revenue requirements in order to ensure that the City meets its future debt service obligations and capital improvement needs.
- Revenues within the Water and Sewer Fund associated with W/S Sale of Water and W/S Sewer Charges are expected to be much lower on June 30, 2001 than initially estimated. It is projected that revenues for these two line items will come in somewhere between \$ 900,000 to \$ 1,000,000 under what was projected. This is due to an overestimation of anticipated revenues during the FY 2000-2001 budget process. This has a tremendous impact in that this money will not be available during FY 2001-2002 and must be provided for accordingly.
- There is a projected increase in W/S Sale of Water of \$ 100,000 for FY 2001-2002 as a result of updating the existing water contracts with various industries. The next update will take place after receipt of the annual audit for the time period ending June 30, 2001.
- Due to the lack of revenues sufficient enough to offset anticipated expenditures the budget includes a significant allocation of available fund balance in order to balance several funds within the proposed budget. An analysis of *some* of the projected fund balances (June 30, 2001) has been conducted based upon available information during the preparation of this document. These estimates may vary to some degree and may be different when compared to final audited figures. They are as follows:

<u>Fund</u>	<u>Estimated Fund Balance – June-30-2001</u>
General	\$ 2,905,466
Water & Sewer	\$ 3,489,215
Water Construction	\$ 443,040
Sewer Construction	\$ 459,787
Capital Reserve	<u>\$ 217,800</u>
Total	\$ 7,515,308

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The available fund balances scheduled to be utilized during FY 2001-2002 includes a total of \$ 2,535,700. This would reduce the total amount listed above to only \$ 4,979,608 or by 33.74%. The available fund balances projected to be used are itemized as follows:

General Fund

Fund Balance Appropriated	\$ 195,200
Fund Balance Appropriated/911	<u>\$ 190,500</u>
Total	\$ 385,700

Capital Reserve Fund

Fund Balance Appropriated/ Economic Development	<u>\$ 100,000</u>
Total	\$ 100,000

Water & Sewer Fund

<u>Fund Balance Appropriated – W/S</u>	<u>\$ 300,000</u>
Fund Balance Appropriated – W/C	\$ 400,000
Fund Balance Appropriated – S/C	<u>\$ 600,000</u>
Total	\$ 1,300,000

Water Construction Fund

Fund Balance Appropriated	<u>\$ 350,000</u>
Total	\$ 350,000

Sewer Construction Fund

Fund Balance Appropriated	<u>\$ 400,000</u>
Total	\$ 400,000

Grand Total \$ 2,535,700

Obviously, this is not a desirable situation and indicates the immediate and critical need to do a comprehensive examination of available cost reducing strategies and available revenue sources. The City should not intend, as a common practice, to use existing fund balances to finance current operations. These balances have been built over the years from savings to provide the City with working capital to enable it to finance unforeseen emergencies without borrowing. As such, it is recommended that a plan of action be developed by the City Manager and Director of Finance and Personnel and forwarded to the City Council for formal consideration and implementation. The City can not afford to continue its reliance on available fund balances to meet year in and year out expenses. The continued financial viability of the City depends upon this effort.

- The proposed budget includes \$ 1,868,100 to pay for the debt service related to the 1990 \$23,000,000 revenue bond referendum for water and sewer improvements. The total amount of bonds sold was \$ 19,605,744. Payments on this debt are required in December and June of each year. The December payment is interest only and the June payment is principal and interest. The outstanding principal on this debt issue will equal a total

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of \$ 9,425,000 on June 30, 2001. The debt is scheduled to be paid off in FY 2008-09.

- The proposed budget includes \$ 123,800 to pay for the City's obligations in reference to performance agreements with local industries and the water and sewer extension policy. Like most cities and counties in North Carolina, the City of Eden has undertaken several performance agreements with local industries. N.C.G.S. 158-7.1 sets out the type of activities that cities and counties can engage in as it relates to economic development. Existing incentive payments based upon specific performance that are due to be paid during FY 2001-2002 include:

<u>Company</u>	<u>Amount Due In FY 2001-2002</u>
Gildan	\$ 52,529.76
Gildan	\$ 8,979.00
Mohawk	\$ 16,225.00
Santee	<u>\$ 16,017.00</u>
Total	\$ 93,750.76

The water and sewer extension policy provides that the City will participate in the extension of these services for up to 100% of the cost for industrial development, up to 75% of the cost for commercial development and up to 50% of the cost for residential development. There are four active agreements that are due to be paid during FY 2001-2002. They include:

<u>Company</u>	<u>Amount Due In FY 2001-02</u>
C & C Ventures	\$ 4,186.00
Wright Company	\$ 16,293.20
Wright Company	\$ 4,200.00
Wright Company	<u>\$ 5,340.00</u>
Total	<u>\$ 30,019.20</u>

- The proposed budget includes a total of \$ 145,000 for economic development costs associated with the following:

Eden Industrial Park

Option On Land	\$ 27,500.00
Surveying & Wetland Fees	\$ 50,500.00
Engineering & Design Fees	\$ 50,500.00
Certified Site Costs	<u>\$ 2,500.00</u>
Total	\$ 131,000.00

French Farm

Design & Master Planning	<u>\$ 14,000.00</u>
Total	\$ 14,000.00

Rockingham County will contribute an additional \$ 131,000 on the option and work associated with the Eden Industrial Park.

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- The proposed budget includes \$ 52,500 for the Flint Hill Community Development Block Grant (CDBG) in the event the City's application receives favorable consideration.
- A total of \$ 50,000 has been included for the continued funding of the municipal park project. The City made a commitment to contribute a total of \$ 50,000 per year for a period of ten years. Although the City has advanced the City's Park Committee some funds the Committee is requesting that the advance be subtracted from the "tail end" of the obligation versus now.
- The budget includes \$ 72,800 of the \$ 163,050 requested by various department/division heads for small capital outlay items typically costing under \$ 5,000.
- The budget includes \$ 2,840,200 of the \$ 8,312,600 requested by various department/division heads for large capital outlay items typically costing in excess of \$ 5,000.
- The budget as proposed includes \$ 100,000 in the General Fund as an unappropriated contingency and \$ 100,000 in the Water & Sewer Fund as an unappropriated contingency for unforeseen declines in revenue and/or unanticipated expenditures. This \$ 200,000 will be added to the appropriate fund balances if not utilized during the upcoming fiscal year.
- As noted in the October 10, 1999 and November 22, 2000 audit management letters by the City's independent auditing firm of Rouse, Rouse, Penn and Rouse LLP, the Self Insurance Fund was in need of immediate attention. The fixed costs and claims were continuing to exceed appropriated revenues by a significant level. As such, appropriations from the appropriate fund balances were required in each year in order to balance out the fund. In an effort to address this problem the proposed budget includes an increase in the insurance premium for the employer contribution to the fund for each employee. The proposed budget includes an increase of \$ 100 in the "enrollee only" monthly health insurance premium contribution. In addition, it includes an increase of \$ 3.00 in the "enrollee only" monthly dental insurance premium contribution. This generates an additional \$ 240,400 for the City's Self Insurance Fund. Although the Self Insurance Fund is still short of fully funding the maximum exposure level the effort currently being proposed will go along way towards ensuring the funds continued financial viability and will reduce the risk of continued fund balance dependency.
- The proposed budget reduces the number of full-time equivalent (FTE) personnel from 188 FTE to 187 FTE due to combining the Director of Finance and Human Resources positions. A total of twelve new positions were requested by the various department heads but were not recommended for inclusion within the proposed budget. A breakdown of the staffing requests are as follows:

<u>Department</u>	<u>Position(s)</u>
Administration	Business Development Manager
Police	Detective
Fire	Secretary, Inspector & 3 Firemen
Planning & Inspections	Planner
Collection & Distribution	Superintendent & 3 Laborers

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A close examination of the City's staffing levels for the past ten years revealed several interesting facts. They are as follows:

- A. In FY 1992 the City had 183 FTE positions (lowest year).
- B. In FY 1996 the City had 203 FTE positions (highest year).
- C. In FY 1992 the Police Department had a total of 48 FTE positions. In FY 1997 that number had increased to 62 FTE positions – the level it remains at today. This is an increase of 14 positions or 29.17 percent in just five years. The added positions included 8 patrol officers, 1 secretary, 1 drug enforcement officer, 2 school resource officers, 1 animal control officer and 1 dispatcher.
- D. Since FY 1992 the total number of FTE positions have declined in the following departments: Finance (8 FTE to 6 FTE), Engineering (4.5 FTE to 3 FTE), Fire (17 FTE to 16 FTE), Municipal Services (2 FTE to 1 FTE), Streets (19 FTE to 15 FTE), Solid Waste (15 FTE to 13 FTE) Water/Sewer (45.5 FTE to 43 FTE) and Garage (6.5 FTE to 6 FTE).

It is my recommendation that the City proceed with conducting an independent staffing assessment on all City departments to see if any changes should be made in terms of current staffing levels. Personnel related costs place a heavy burden on any organization and I feel it would be well worth the time and effort to make sure our resources are being allocated in the most effective, efficient and economical manner possible.

- The proposed budget continues to award pay raises based upon job performance at the time of each employee's annual evaluation. The document includes an average pay increase of 4.5 percent. Specifically, it is recommended that any employee receiving a "proficient" job performance rating be entitled to a pay increase at the time of their evaluation of 3.5 percent. It is further recommended that any employee receiving a "highly proficient" job performance rating be entitled to a pay increase of 5.5 percent. Finally, it is recommended that any employee receiving an evaluation somewhere between the two ratings would be entitled to a pay raise of 4.5 percent. According to figures gathered from the local employment commission the CPI for the last twelve months (during the preparation of the budget) equaled 3.8 percent.

Due to the fact that existing salaries were well short of the market averages the City implemented a new pay plan in November, 2000. The result has been a significant impact on the annual budget. The total amount of money spent on annual salaries for the 188 full-time equivalent employees (FTE) for the fiscal year ending June 30, 2000 equaled \$ 4,830,988. The total amount of money allocated for annual salaries for the 187 FTE in the proposed FY 2001-2002 budget equals \$ 5,791,500. This is a total increase of \$ 960,512 or 19.88 percent. When broken down further, it represents an average increase of 15.38 percent in FY 2000-2001 and an average increase of 4.5 percent in FY 2001-2002.

- The budget document indicates that the Longevity Pay Program has been funded for the coming year based upon existing plan criteria. This amounts to a total of \$ 56,700 for FY 2001-2002.
- The budget recommends the elimination of the progression to mid-point program that was being utilized for pay raises prior to the implementation of the new pay plan in November, 2000.

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- The financial reporting standards required by the state and other agencies direct that the \$ 677,900 transferred from the Water and Sewer Fund to the General Fund be allocated as an administrative charge to the department providing the service to the Water and Sewer Fund. The administrative charges are allocated to the following departments:

<u>Department</u>	<u>Amount To Be Received</u>
Governing Board	\$ 18,900
Administration	\$ 99,700
Municipal Services	\$ 33,400
Finance	\$ 347,300
Human Resources	\$ 23,000
Legal	\$ 24,100
Engineering	\$ <u>131,500</u>
Total	\$ 677,900

- The budget as proposed includes \$ 130,000 for lease payments associated with system upgrades to the 911/RMS/CAD emergency communications system within the Eden Police Department. In addition, the budget as proposed includes \$ 175,000 for the purchase of a new and renovated radio system within the Eden Police Department. Each of these projects must be completed prior to the relocation of the Eden Police Department to the new facilities located on the lower lever of the Eden Municipal building. In FY 1999-2000 the City collected a total of \$ 140,983 in wireless 911 funds and regular 911 surcharges. In addition, as of April 30, 2001 the City has collected an additional \$ 116,149 during FY 2000-2001. The use of this money is severely restricted but a significant portion of these funds will be available for use on these improvements.
- The proposed budget includes \$ 15,000 for an annexation feasibility study to begin the process of examining the advantages/disadvantages of initiating an annexation.
- The proposed budget closes out the Single Family Rehabilitation Project Fund, the Flood Mitigation & Community Development Fund, and the Capital Projects City Hall Fund. The Capital Projects Municipal Park Fund was previously created and will continue to function without additional requirements in terms of the reallocation of available fund balances designated for this project.
- This year's budget document includes a Five Year Capital Outlay Program in an effort to facilitate improvements in the City's long-term budgeting and planning process as well as to improve the flow of communication concerning those projects and equipment needs that will be facing the City over the next five years. It has been based on the "physical needs" of the City as identified by the appropriate department/division head.
- The budget as proposed includes an allocation of \$ 750,000 to the Water Construction Fund for a variety of capital outlay projects including but not limited to sedimentation basin repairs at the water plant, an engineering assessment of the reliability of the raw water intake structures, the Front Street/Burgess Street waterline upgrade, the Maryland Avenue waterline upgrade, the Main Street waterline upgrade and the Cascade Avenue waterline upgrade.
- The proposed budget includes an allocation of \$ 1,000,000 to the Sewer Construction Fund for a variety of capital outlay projects. These include but are not limited to ongoing inflow and infiltration abatement efforts, the

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Meadow Greens sewer outfall rehabilitation project, emergency repairs for pump stations and a portion of the funds necessary for the Merriman and Long Street sewer outfall rehabilitation project.

Conclusions & Recommendations

We have entered a new era of budgeting, personnel and program management. We are now in an era dominated by diminishing resources. Make no mistake - this is a period of hard times!

Remember the following:

- The total amount of projected revenues without the use of fund balances for FY 2001-2002 is only \$ 21,631,600. This is \$ 9,133,300 less than the amount (\$ 30,764,900) actually requested by the various department/division heads.
- The proposed budget is balanced, but only due to its reliance on \$ 2,535,700 in available fund balances within the General Fund, Capital Reserve Fund, Water & Sewer Fund, Water Construction Fund and Sewer Construction Fund.
- The projected fund balance within those funds mentioned above is expected to equal \$ 7,515,308 on June 30, 2001. After the \$ 2,535,700 is utilized in FY 2001-2002 it is projected that the fund balances within these funds will be reduced by 33.74 percent to a new total of \$ 4,979,608.

With inflation continuing to rise, costs relatively fixed and the diminishing availability of year-end reserve/surplus funds the City is facing some very tough decisions concerning its future. In essence, we are at a crossroads. We know where the City has been, and we know where the City is now, but we are currently faced with deciding about where the City should be next year at this time, five years from now, ten years from now and twenty years from now. We need to develop some concrete goals and objectives and the annual budget for the City of Eden should reflect those goals and objectives through their funding level.

We are in a period of time that will be driven by cutback management. It will require us to manage necessary cutbacks in an effort to maintain current service levels with fewer resources. We have a high level of unemployment and have experienced an erosion of our economic base on both the state and local level. Many of our citizens have lost their jobs and are desperately searching for employment alternatives. Many of our citizens are retired and living on a fixed income. Our infrastructure has reached a point of no return. We have no choice but to address the many capital improvement needs facing our community. Escalating gasoline and natural gas prices along with many other normal operating expenses are continuing to climb as a result of inflation and availability versus customer demand.

Anytime you enter into an environment of leveling or declining economic growth, something has to give. Our goal should be to manage organizational change towards lower levels of resource consumption and organizational activity. Cutting back and planning for the future within an organization involves making hard decisions about what positions will be phased out, what programs will be scaled down or terminated, what revenue sources will be increased and what sacrifices the citizens will be called upon to accept.

However, in order to improve what we are doing, we need to know how we are doing. It is my recommendation that we undertake an independent organizational assessment. The assessment will give us an understanding of the organization's current level of functioning and knowledge of what is working and what is not. It will tell us if any changes should be made in terms of decreasing staff and/or increasing staff on a department by department basis. It will also provide us with valuable information and insight on the appropriateness of departmental responsibilities.

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It is further recommended that the City Manager and Director of Finance and Personnel proceed with an in-house examination in relation to available cost reducing strategies and available revenue sources. Once developed it is recommended that the plan of action be forwarded to the City Council for formal consideration and implementation. The City can not and must not continue its reliance on available fund balances in order to meet year in and year out expenses.

Finally, I believe in an incremental approach to budgeting, planning and rate increases. I feel it is much more desirable to raise one or two rates a year in an effort to keep pace with inflation and the escalating demands citizens have for increased services than it is to sit back and take action all at one time, and only when a community's financial condition has deteriorated. By planning properly for the increased anticipated costs that lie ahead, we will be able to keep our reserves in tact and maintain the excellent financial solvency the City has enjoyed in the past. Unfortunately, rates have not been raised incrementally over the last ten years and thus, the reason why I feel the City needs to take a strong look at implementing a significant amount of action (cutbacks and rate increases) over the course of the next year in order to secure and sustain the financial condition of the City's general fund, water and sewer fund, water construction fund, capital reserve fund, debt service fund, self insurance fund, capital project municipal park fund and sewer construction fund.

Acknowledgements

I would like to take this opportunity to express my sincere appreciation and thanks to Ms. Dala Stanley, Interdepartmental Clerk, Mr. Dennis Asbury, Director Of Water & Sewer, Ms. Kelly Stultz, Director of Planning and Inspections, Ms. Kim Scott, City Clerk, Ms. Sheralene Thompson, Deputy City Clerk and Ms. Judy Rouse, CPA – Rouse, Rouse, Penn and Rouse, LLP for their dedicated efforts, many hours of study and hard work related to the preparation of the proposed budget. Additionally, it is appropriate to express credit and appreciation to each department/division head for their dedication and constructive efforts which contributed greatly to the preparation of the budget. Finally, I would like to thank the Mayor and each member of Council for your patience, words of encouragement and guidance during the budget process.

Closing

The budget as submitted, includes the various activities and functions which represent some of the major needs currently facing the City of Eden. I want to assure each of you, that the management team will continue to monitor and review all operations on a continuous basis to ensure that we are as efficient and effective in our service delivery programs as possible. This budget is respectfully presented for your favorable consideration and is subject to any changes that you deem appropriate.

Comments from the City Council regarding the budget message:

Council Member Rorrer stated that Mr. Corcoran had a done an excellent job, he did not agree with all of it, but did agree with the majority. He added he thought they needed to listen to Mr. Corcoran as this was not just something that had just come up, that the bucket was empty.

Council Member Reynolds thanked Mr. Corcoran for the job he had done and added he also did not agree with everything in the budget, but he thought Mr. Corcoran did a good job.

Council Member Grogan stated he did not have any comments other than he thought Mr. Corcoran had done a good job.

Council Member Gover thanked Mr. Corcoran and his staff for a great job. He called attention to the City Manager's recommendations on pages 5 and 13 and that they (Council) need to take drastic action. He added he was ready at this time to do that as he had a motion in mind to proceed with what he (Corcoran) was recommending. Council Member Gover noted that was what he was hired for and he knew those tough decisions had to be made, and he was ready to make them.

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Council Member Tudor stated he was really impressed with the thorough job that Mr. Corcoran and his staff had done. He especially wanted to compliment him and his staff for their consideration of a five year plan, re-evaluating where they were and proceeding with the five year plan. That was what he thought they were elected to do, to get a good handle on the management of the city, and to employ professional people to run the city in a professional way and sit back and be sure they were doing that. With Mr. Corcoran at the helm, it looked like they were on the right road to begin to run the city like it should be run. He reiterated that he liked the idea of the five year plan and evaluating as they go. He noted he was sorry that they were not able to add some positions, especially to the fire department because they were talking about public safety there and he would think when the Fire Chief said he needed three firemen, then they were talking about his concern for public safety. He said he was sorry they had to eliminate some of the requests, but he was willing to go with the City Manager's recommendation.

Council Member Myott thanked Mr. Corcoran for a job well done, great job.

Council Member Janney noted that Mr. Corcoran had laid this out on the table for the Council and he hoped they all understood what Mr. Corcoran was saying. He added he did not know of many people who would have stood up at the podium and said what he did and he admired him for that. He added that told him that Mr. Corcoran was the man they have needed a long time ago, someone who would tell the truth which he did. He added they could not wait until tomorrow to do anything because tomorrow was here today. When they start taking money out of the reserve at the tune they were taking it out now; they were headed for disaster because they have not addressed the issue at all. The issue was revenue and when the expenditures exceed the revenues, there was a problem. The City Manager defined the problem and now it was up to the Council to do something about it and do not wait until next year's budget, but do it now. He added it frightened him. In closing, he said this city was like the Titanic, they need to step up and be counted. They needed to deal with some tough issues and they need to be man and woman enough to face the music because they were not in that good of a shape. He thanked Mr. Corcoran for an outstanding presentation.

Discussion of a Motion to Delete all New Line Item Requests and Turn Budget Back Over to City Manager for Analyzing:

A motion was made by Council Member Gover seconded by Council Member Reynolds that they start off by deleting all new line item requests and turn the budget back over to the City Manager and his staff to analyze the replacement costs and come back with the budget that would not hinder the operation of this city on line items, plus the City Manager's comments on pages 5 and 13 of the budget message.

Council Member Myott asked Council Member Gover if he meant to not use any of the Fund Balance. . . to which Council Member Gover explained that his motion was to delete all new line items requested in the budget and for the City Manager and his staff to go back and look at the replacement cost of each line item and delete the line items and replacement costs that they could get by with for another year without hindering the safety operation of the city.

Mr. Corcoran asked the Council to turn to the capital outlay section of the budget, there were two reports, small capital outlay items and large capital outlay items. He stated if he understood Council Member Gover's motion, one of the columns was continuation/replacement. For instance, the first item (under small capital outlay) was transcribing software for the governing body which said "new". Council Member Gover's motion was to remove every single line item that had "new" beside it. What that would mean, by turning to the large capital outlay items, they would be removing all of the money associated with the upgrade of the police department communication system. They would also be eliminating the \$1900 for the GPS surveying equipment, \$50,000 for the park, \$15,000 for the annexation study, the \$145,000 for economic development and anything that had "new" on it would be cut.

Council Member Myott noted that all general communications for the Police Department would be eliminated to which Mr. Corcoran replied in the affirmative as anything that said "new" would be eliminated by his (Council Member Gover's) motion. He asked the Council to look at all four pages and anything that had new on it would be gone.

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Council Member Gover explained that also in the motion was the discretion of not hindering the city in progress and in safety in any way.

Council Member Janney noted that he did not expect to get into a detailed discussion about 911, but it was a big cost. He stated he knew they would be getting some money in, in fact, when 911 first started, it was all going to the county anyway.

Council Member Gover stated in the motion he just made, it would still mean dipping into the reserve even with taking all of this out. He added that he had seen a corporation go under overnight by doing that. He suggested doing something before getting into the curtailing of man hours and rotating of people.

Mayor Price stated that a lot of people had made a conscientious effort into the preparation of this budget, they knew the operations on a day in, day out basis. They had formulated the operation of it and he felt like, in his mind, particularly in view of the manager going through those requests, he felt like there was some credibility of the requests made. They certainly knew what they perceived to be the needs of the city, to provide the services the citizens need in the future. He stated he understood and applauded the efforts, but he thought that was the wrong motion and time to do that.

Council Member Tudor mentioned if they were to do what Council Member Gover suggested then \$52,500 for the Flint Hill Grant would be cut out to which Council Member Gover mentioned that had already been appropriated, had it not. Council Member Janney replied, no, it was in the budget as "new" to which Council Member Gover explained that in his motion, he left the door open in that they would not stop the progress of the city.

Council Member Grogan stated they went through and formulated the budget to try and keep services the same. He stated that with income and expenses, he knew that they could not spend more than they were taking in. The budget that the City Manager had presented was in balance. He stated if the Council had items they wanted to talk about, fine, but as far as making them go back and redo the entire budget. . .

Council Member Gover referred the Council to the manager's comments on pages 5 and 13 of the budget message. He asked if the Council was going to heed what the City Manager was saying.

Council Member Janney stated they had a choice. They have not solved the problem by dipping into the reserve. Council Member Grogan stated they had been saying that for years as they had taken money out of the General Fund to pay bonded indebtedness on the Water Fund. Council Member Janney replied they were at the point where the rubber meets the road. He added they could go do that, and he was not opposed to going back through this and taking a lot of things out, but what he was saying and also what the City Manager said was they had to go back and look at the revenues and get the things adjusted. There was approximately \$670,000 going from the Water and Sewer Fund to the General Fund for services rendered. It would be hard for him to understand how they would get 70 to 75 percent from the Finance Department, that was financed from the Water and Sewer Fund. He stated that was saying that the Finance Department was only working for the Water and Sewer group which was not true.

Council Member Grogan added that 90 percent of the time was spent on that to which Council Member Janney stated he would not think so as what else was there in the city that was spent on other things, other than that.

Council Member Rorrer stated that Mr. Corcoran had already spent his time in putting the budget together and he felt like now was the time the Council was to put their time in it and he would like to take it by line item and go through the capital expenditures and the Council do what they thought should be done.

Council Member Tudor stated in the spirit of what everyone was saying, "take the bull by the horns, where the tire meets the road", Mr. Corcoran, in the spirit of that made a statement. "Finally, I believe in an incremental approach to budgeting, planning and rate increases" and

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Council Member Tudor stated they had not done that in recent years. Mr. Corcoran had taken all of that in consideration with this budget presentation. He added that he agreed with Council Member Rorrer in that, yes, look at it line item by line item and the things they want to eliminate. He explained that with one big sweep of the brush, he was afraid there would be something very important and that services the city should be rendering would be swept away, and he did not want to take that chance.

Council Member Gover replied he did not want to sweep anything away and he left it that the discretion would be with them, and they could come back with it. He added they were not looking at that many line items.

Council Member Rorrer noted he had spent some time going through marking items he wanted to talk about.

Action on the motion was as follows: Those voting in favor were Council Members: Reynolds, Gover and Janney. Those voting in opposition were Council Members: Rorrer, Grogan, Tudor, and Myott. The motion failed.

Review of Capital Outlay Items:

Mr. Corcoran explained that what they had anticipated for today and were prepared for was specifically what Council Member Rorrer was speaking of. The total amount of items contained on the four pages in the Capital Outlay section equaled \$2,913,000. Each department was represented ready to answer questions about any items; they had anticipated going through the list and seeing what the Council had questions about and what they wanted left in or removed. He stated if it pleased the Council, they were prepared to do what Council Member Rorrer had mentioned.

Council Member Rorrer asked Mr. Corcoran if something was removed from the budget, would it be appropriate to put it in capital reserve. Mr. Corcoran replied that would be up to the Council as he would think the only reason they would cut out something in capital reserve would be if they anticipate spending the money during the year for something else. He added he would think if the Council felt there were other items that should not be in there, that would just reduce the amount of fund balance needed to balance the budget. As the Council starts chipping away, that 2.5 million would start to go down.

Council Member Grogan noted that the items that Mr. Corcoran mentioned on pages 5 and 13 of his budget message went without question something the Council certainly wanted to do. Council Member Gover added, absolutely, there was no use having it if they did not. Council Member Rorrer also noted there were others (on page 3) and others that he wanted. . .

Municipal Services:

Council Member Rorrer began the capital outlay questions with municipal services, noting there was \$4,000 to replace windows. He asked for someone to clarify that.

Mr. Benny Sexton, Municipal Service Director, was present and explained that the windows were single pane glass and they could stand inside and look outside at some of the cracks. Due to the cost of heating and gas, he felt like he would save in the long run to go ahead and replace those windows with some energy efficient type because the entire front of his building was windows.

Council Member Rorrer asked Mr. Sexton if he felt like he could save that much this year to which Mr. Sexton replied, no sir, as it was not a one year thing. The payback would be five, six or seven years.

A motion was made by Council Member Rorrer seconded by Council Member Tudor to delete the window replacement from the capital outlay items in the amount of \$4,000. All Council Members voted in favor of this motion.

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Council Member Rorrer also questioned Mr. Sexton about a hydraulic jackhammer for a backhoe. He asked if the hammer would be better on a bobcat rather than on a backhoe where they have to go through major stuff to change.

Mr. Sexton replied there was a possibility, yes, it could, if that bobcat was approved. He added it did not make any difference to him if it went on a backhoe or a bobcat as long as he got the jackhammer. He noted the reason he suggested it for the backhoe was because the state had one and when they had the water leak on Highway 14, something that would have taken sixteen hours to cut through, they were able to cut through in about an hour.

Council Member Rorrer noted there was also enough money there in the bobcat for the Street Department to purchase the air hammer, (bob) cat and all.

A motion was made by Council Member Rorrer seconded by Council Member Janney to delete Capital Reserve, Line Item 7125 in the amount of \$5500.

Council Member Myott asked if they took it out there, would it be in Billy Shipwash's (streets) budget to which Mayor Price replied that Mr. Shipwash would have the same capability. Mr. Sexton added that like Council Rorrer stated earlier, they may have enough money in there budgeted for the bobcat to buy both.

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

Finance Department:

Council Member Janney asked about the computer upgrades in Finance in the amount of \$5,000.

Mrs. Becky Shelton, Billing and Collections supervisor was present to address this item. Mr. Corcoran explained that he had information from the former Interim Finance Director, Larry Fisher which itemized this by person. It called for an upgrade of the current PC to an Intel 700 Megahertz business workstation for Phyllis Church and Becky Shelton at \$675.00 each. It also called for an upgrade to Cash Registers 1, 2, and 3. It called for an upgrade to the PC that was used by Larry Fisher, included an additional color monitor, and then APC Power Conditioners. He added he had an invoice estimate that totaled \$4923.70.

In response to a question by Council Member Janney as to whether the system was working okay like it was, Mrs. Shelton replied that Mrs. Phyllis Church had a problem with her computer blinking off while she was working.

Council Member Janney commented that was a computer problem and added that the city had put a lot of money into computers.

Mr. Corcoran explained that this was for the hardware upgrades, \$675.00 for Phyllis Church, \$675.00 for Becky Shelton's and \$675.00 for each cash register (total 3 registers), \$675.00 for the computer in the Finance Director's Office and the remainder of the money was for itemized things such as power conditioner, \$235.00 for a color monitor and things of that nature.

Council Member Janney stated he was getting his water bill, tax bill and he was able to pay everything and it seemed like everything was working fine to him as he had not missed one yet.

A motion was made by Council Member Janney seconded by Council Member Rorrer to delete the upgrade for the Finance Department in the amount of \$5,000 (see modification of motion below).

Council Member Myott stated she guessed they could manage another year, but the Finance Director's computer would need to be upgraded.

Mr. Corcoran replied definitely and the cost to do one was \$675.00 (which was included in the \$5,000)

The motion was modified to reduce the \$5,000 to \$675.00. Action on the motion: All Council Members voted in favor of this motion.

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Fire Department:

Regarding the Fire Department tools for the mechanic, Mayor Price asked for clarification of this item.

Mr. Ronnie Overby, Fire Chief, explained that they do all of their maintenance work when their mechanic was on duty. The mechanic had asked for some tools such as heavier jacks and things that he could work on the trucks at the station. He explained that a lot of time they call Mr. Tommy Carter, when they need the pit and something else was already there and they have to put the work off until. . .

Mayor Price asked if he was going to buy the jacks and safety equipment to go with that to which Chief Overby replied in the affirmative. Mayor Price replied he certainly subscribed to that expenditure but they have to make sure they get the safety equipment to go with that. Chief Overby replied it was included.

Police Department:

Council Member Janney, concerning the Police Department, asked about the item of replacing guns to the retirees. He stated that he thought that if he was hired as a policeman he received a gun, if someone retired then there was an extra gun. He questioned why they had to replace it if it was given to them.

Chief Benthin explained that the Council approved this several years ago and the retirees were given their guns for \$1.00 if they had twenty years or more of service.

Council Member Janney questioned why they would replace guns given to retirees to which Chief Benthin replied that they had to hire someone in the retiree's place and that person would not have a gun.

In response to a question by Mayor Price as to how many retirees he anticipated this year, Chief Benthin replied two.

Council Member Janney questioned the replacement of sirens, speakers and installment, \$1200.

Chief Benthin explained that they have been breaking down on a regular basis and they have been cannibalizing old speakers and sirens and putting them together. He noted that they have run out of spare parts and anticipate that two more would probably break down this year.

Council Member Janney asked about the replacement of the computers for the secretary and clerk.

Chief Benthin replied that they had the two oldest computers and the software was obsolete.

Council Member Janney stated that he thought they had a bunch of extra computers.

Mayor Price referred the question to Dennis Asbury who replied that he thought there was a roomful of extra pieces, but he was not sure if they had any computers.

Council Member Janney questioned the portable radio replacement.

Chief Benthin replied that they replace a few every year. They still have some very old radios that were costing quite a bit to repair and in the long run it was cheaper to replace them than to repair them.

Mayor Price asked if those were the ones that the patrolmen wear.

Chief Benthin replied that was an attachment they get for the new radios. He explained that he was talking about replacing some of the older radios that they have had for twelve (12) years.

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They were not programmable and some still use crystals and they break down regularly. He explained that the repair bill was expensive because nobody made them like that anymore.

Council Member Reynolds asked if they did not just buy some video cameras for the police cars.

Chief Benthin replied that they have video cameras in several of the cars and the goal was to have them in all the cars for safety and evidence in court. He explained that it was very easy to convict someone of drunk driving if they were on videotape. It also saved a lot of court time.

Council Member Reynolds stated that he thought they had bought them for all cars to which Chief Benthin replied that they have them for 19 cars. Council Member Reynolds questioned if they were going to put them in all 50.

Chief Benthin replied only in all the patrol cars. He added that they would probably be getting more grants and they could use the grant money, if received, to buy more video cameras, but it was very important for the officer's safety and it greatly cuts down court time, they do not have to testify, they just show the tape to the attorney. It saves a lot of dollars that way.

Fire Department:

Council Member Janney questioned the lap top computers for the Fire Department.

Chief Overby explained that he had asked for a laptop last year. When they purchased the air system, they also received a tester that would test all the air system, the mask that the men wore, but they did not have a laptop to run the machine.

Council Member Janney asked for clarification to which Chief Overby explained that they have a tester that certified that all of their air packs were okay. It would print out a list of anything it found wrong. They could put a mask on the tester to test for leaks, but it had to be run by a laptop, and he did not have one.

Council Member Rorrer asked how much that tester cost to which Chief Overby replied that it was a bonus.

Council Member Janney explained that was why he wondered why he would need something else for it.

Chief Overby explained that the upgrade of the air packs and the upgrade of the air machine and everything was like eighty some thousand dollars. This tester came with the system, it was a bonus and all they needed was a laptop to run it.

Council Member Janney asked what he was doing now to which Chief Overby replied they have not been able to use it. They have to buy new mask or anything, where they repair it, they have to order the parts and everything and go right back through.

Mayor Price asked if he could borrow a laptop from another department.

Chief Overby replied that he was not aware of anyone who had one to which Mayor Price pointed out that the Planning Department had one. Chief Overby explained that he went by Mr. Carter's recommendation. He explained that they tried to hook it up to a regular computer and it would not work. He added that with a laptop, it could be carried to the station. He also added that the City of Eden was the only one in the County who had one and the other fire departments would actually pay Eden to test their system.

Council Member Janney pointed out that they bought that elaborate piece of equipment. He asked how he had been testing for the last year, if he did not have a way to test anything.

Chief Overby replied that they put them in smoke to try to find out if there were leaks. He explained that he was saying that they could test the air pack to the most extreme test that would cost \$60 to send it back to the factory to be tested. It could be done in-house if they had a laptop.

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This machine had been sitting in their office since they got the new air system. They did not buy it, it was a bonus that came with the system.

Mayor Price asked if he had built any revenue into what he could sell that service for.

Chief Overby replied that they pay \$60 an air pack for an outside agency to come here from Charlotte, or somewhere else.

Mayor Price added that it was certified to which Chief Overby replied that this machine would also certify it and print it out and OSHA would accept it. Mayor Price asked how much he thought he could charge.

Chief Overby replied that he could charge \$60 for the air packs. The fire departments would be glad to pay it because they did not have to ship them off. He added that Mr. Carter had already been certified to use it.

Council Member Tudor questioned how he would notify the other fire departments.

Chief Overby replied that it had already been discussed in the Fire Chief's Association meeting. He stated that he had commented that he had one and if he ever got a laptop he could use it.

Mayor Price asked how much revenue he thought would come in a year.

Chief Overby replied that he had no idea. He noted that there were 20 fire departments, just in the county, and they probably have 20 to 30 air packs. This was not counting the rescue squad and ambulance service. They have to send these off and they have to do it every five years.

Council Member Janney stated that if they buy this laptop, he would like to see a report back, within 6 months, of what value it had been to this city and the county. A report saying it cost this much to do it and they have made this much money.

Mayor Price commented that there should be a condition to the revenue to which Chief Overby stated that they would not know until they started bringing it in. It was just like permit and false alarm fees. They have no idea until the money comes in and he could not project to the City Manager how many permits they would write this year or next year.

Mayor Price asked why they could not borrow that laptop to which Chief Overby replied that he would be glad to, it was just a matter that they could tie it up a long time.

Mayor Price asked if there were any more concerns with small capital outlay requests.

Council Member Janney noted that the Fire Department was getting two new hose testers and that was expensive.

Chief Overby explained that he had referred this to Schagle Fire Equipment's salesman and asked him what other departments were doing. This price was just for information he had gathered from a company that made them. He suggested that they would not need but one. He also suggested that they were going to have to put everything on this and they would be looking at less than \$2,000.

Council Member Janney asked what he was going to do.

Chief Overby explained that they would test hose with it instead of using fire trucks. It was portable and they could carry it to every station. The man on duty during the day could actually hook up hose, pressurize it, test it and roll the hose and put it back in the rack.

Council Member Janney questioned that if they could do it on a fire truck, why would they need this to which Chief Overby replied that it was very hard on a fire truck.

Mayor Price asked that in other words they were hooking it up to the fire truck and running actual water on it.

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Chief Overby replied that it was not recommended but it was the only way he had to do it. He added that he could continue to do that.

Council Member Tudor asked if Chief Overby felt that he would be able to buy two for less than \$2,000 to which he replied that he felt that he did not need but one after talking to the salesman.

Council Member Janney asked if he was talking about cutting it in half.

Chief Overby replied that they had to buy the connectors and everything instead of just stripping the truck down. He explained that most companies when they buy hose testers, to save on the trucks, they go ahead and buy the hookups that would normally be stripped off the fire trucks. This company came up with a hose tester with all the equipment attached to it and it was independent of a fire truck. They would just take it to a fire hydrant and hook it up and test it.

Council Member Tudor asked if that was a no, he pointed out that Council Member Janney had asked if half of it would buy it.

Chief Overby replied that the price he gave was somewhere around \$1700.

Council Member Janney stated that he did not have enough in the budget to which Chief Overby replied, with all the equipment. He would only buy one if that was all he could buy. The salesman was telling him that he did not need two. He told him that with a portable one he could carry it wherever he wanted at each station.

Council Member Grogan asked what that would cost to which Chief Overby replied, top end \$1,700. Council Member Grogan pointed out that was what they were trying to get at.

Council Member Janney commented no, what he was trying to say was that he was a salesman and they did not have to buy everything a salesman comes by to sell.

A motion was made by Council Member Myott seconded by Council Member Tudor to reduce #57000 Hose Testers from \$2,500 to \$1,700. All Council Members voted in favor of this motion. This motion carried.

Mayor Price then continued to the large capital outlay items.

Finance Department:

Council Member Rorrer referred to the meter reader truck.

A motion was made by Council Member Rorrer seconded by Council Member Janney to remove item #55000, truck for meter reader. All Council Members voted in favor of this motion. This motion carried.

Council Member Myott asked if that was the same truck that had been on there to which Council Member Tudor noted they just bought one.

Mr. Corcoran replied that they had two in the current budget and Mr. Fisher approached them about replacing one, which they did.

Council Member Rorrer commented that they paid about \$1,600 to \$1,700 for repairs on one of those trucks just a few months ago and that should have brought it up to pretty good shape.

Mr. Corcoran referred the comment to Becky Shelton.

Mrs. Shelton explained that the meter reader's truck was in bad shape. It was a 1985 truck with approximately 175,000 on it. He had listed things that were wrong with it. It was not safe and she was concerned about his safety.

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Mayor Price asked what seemed to be unsafe, was the running gear or just some things that needed to be replaced to which Mrs. Shelton replied that it was just worn out. Mayor Price asked if the front-end parts were weak. He asked Mr. Carter if this was the same truck that they put a new engine in several years ago.

Mr. Carter replied that an engine was put in it in 1997 and it also had 132,423 miles on it. He added that a transmission was installed in 1994 with 105,091 miles on it and currently it had 175,000 on it.

Mayor Price asked how many miles was driven on it in a year to which Mr. Carter indicated he did not know.

Council Member Rorrer asked if that was the one that they went outside and spent a lot of money on or was it the other one, the one they just replaced. According to the vouchers they spent a lot of money on one of those trucks.

Mr. Carter replied that they have done some work to the other truck and it was slated to hopefully go back in service in another department to take care of an older model truck.

Council Member Rorrer commented that he thought it was worn out when they bought a new one.

Mayor Price asked Mr. Carter if the engine was malfunctioning on this truck to which he replied that he was not aware of it at this time, they used it every day. Mayor Price asked about the brake system to which Mr. Carter indicated it was fine as far as he knew. Mayor Price questioned the drive train.

Mr. Carter explained that he did an evaluation of the truck in January of 2000 and at that time, with the age of when the transmission, there was the potential that it may go out. It needed some tires; the door hinges and sealing needed to be replaced. It needed shocks, tie rod ends and the front end needed to be balanced.

Mayor Price commented that in his business (Price Tire) the average vehicle that comes into their place was 100,000 miles. That used to be rare but it was just about normal now. He noted that last week a commercial operation came in and they did a lot of work to a similar type truck they bought for their service. He pointed out that he thought it had 95,000 miles on it. He stated that miles used to be important, but now with the level of service that could be received and the repairs that could be made to some of those trucks, unless there was something radically wrong, they could be modified and improved and safe and serviceable.

Council Member Rorrer asked that if the other truck was good then why not just switch it. He pointed out that it had been presented to the Council as being a totally worn out truck and they had agreed to buy a new one.

Council Member Janney stated that they were going to have to get some better information on those vehicles.

Council Member Rorrer added that what they needed to do was go back to the original policy and have Mr. Carter present the Council with information on those vehicles before they even talk about it. He noted they had a policy on that at one time.

Council Member Janney questioned the water and sewer software upgrade.

Mrs. Shelton explained that those programs had to be upgraded to be able to keep up with L&B communications on a day to day basis.

Council Member Janney stated that the problem he had with that was that the city was paying them several thousand dollars a year, there was a maintenance agreement, and they were sitting down there changing their equipment to where they could not use it and forcing them to buy the upgrades.

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Ms. Margie Blackstock, Human Resources, spoke up and explained that she had to be upgraded last year. She explained that the State was going online and she would have to have to be upgraded. She stated that she was going to have to call L&B to tell them that she needed their software so she could be in compliance. She explained that what this was, it was being in compliance with the Federal and the State and just being upgraded to a new better software.

Council Member Janney asked if that was the whole city's software to which Ms. Blackstock replied this was mostly finance.

Police Department:

Council Member Reynolds questioned replacing three police cars. He asked if they could be taken out until next year.

Chief Benthin replied that the animal control truck and one patrol car had already been eliminated. They did have two patrol cars still in. He explained that if they were to buy the two new cars when they become available through State contract they would not be able to replace the current cars until March and at that time the estimated mileage would be between 103,000 and 106,000 miles. He added that one of the cars was a 1994 and the other a 1996 model.

Council Member Janney asked where they were being used to which Chief Benthin replied patrol.

Council Member Reynolds asked if they could be switched with the school officer.

Chief Benthin replied that it could be done, but they gave the Jeep Cherokee given to the School Resource Officer because he would not put that much mileage on it. He explained that they wanted to keep that a low mileage vehicle. He added that they could do it with the other one.

Council Member Rorrer questioned why it was given to the School Resources Officer as he thought it was bought for Captain Johnson and Council Member Reynolds agreed.

Chief Benthin explained that Captain Johnson drove it for a while but decided it would be best to give it to the School Resource Officer to keep the mileage low. He added that in the winter when it was needed they would just take it from him and give him another car. He explained that it was hard on tires and gas and they did not want to get a lot of mileage on it.

Council Member Rorrer replied that he was aware of that but that was not how it was presented and Council Member Reynolds stated that it was not put to Council.

Chief Benthin explained that they did not buy it for any particular individual but he (Johnson) was driving it.

A motion was made by Council Member Reynolds seconded by Council Member Janney to remove the two vehicles #55000 from the Police Department.

Council Member Tudor asked if Chief Benthin felt he needed those cars to which he replied that they could make a car last if they had to but he did not think it was a good practice.

Council Member Reynolds pointed out that they could switch some around.

Council Member Myott asked if he could make a car last or could he make two cars last to which Chief Benthin explained that they would have another 13,000 or 14,000 miles on them if they waited another year.

Mayor Price questioned if they would be rolling over next year in having to look at replacing four cars to which Chief Benthin replied that next year they would be looking at seven or eight.

Council Member Reynolds commented that he did not understand this. They were replacing them every year and they had said they were going to give them to the policemen so there would not be very many miles on them and now they were getting a different story.

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Chief Benthin explained that they were getting the exact same story. They were going to drive the same number of miles every year whether they had eight cars or forty cars. The cars last longer if they were assigned to individuals. Next year they would need eight cars if they did not get any this year.

Council Member Reynolds commented that he thought he was trying to put the fear in them.

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

Solid Waste Division:

Mayor Price referred the skid loader to Council Member Rorrer.

Council Member Rorrer replied that there were two in there. He asked if the request for the used skid loader that the Solid Waste Division had was also a Bobcat too to which Mr. Sexton replied that it was. Council Member Rorrer stated that they had just bought the rubber tire loader and he was willing to go with the one the Street Department had requested but he would say to take the one out in Solid Waste.

Mr. Sexton explained that down at the Recycle Center, Mr. Adams had leased one and it was very handy to pack those trucks with it. It picked up the containers and carried them into the trucks where they could be unloaded. He stated that they had been utilizing a tractor.

Council Member Rorrer stated that he was willing to buy one skid loader, for the Streets because it had the most money in there and it would allow them to get the air hammer part with it. He also noted that it would not be the Street Department's it would be the city's and it could be utilized to which Mr. Sexton agreed. Council Member Rorrer continued in that two in one year was a little much as tight as the budget was.

A motion was made by Council Member Rorrer seconded by Council Member Janney to eliminate the used skid steel loader, line item 57000 (\$18,000).

Council Member Myott asked Mr. Sexton to explain it again as she did not understand.

Mr. Sexton explained that they have containers down at the Recycling Center that were outside. They were crate type containers, which were convenient and when people come in they put their recyclable in those containers. When those containers get full, to save money, they bought trailers and take those containers into the back of the trailers and unload them. He added that currently, they do it with a tractor that had a lift and it was very dangerous.

Council Member Rorrer pointed out that if it was dangerous then he would recommend that they do not do it anymore.

Mr. Sexton replied that they try to be careful but with any work they do everyday it was dangerous.

Council Member Myott questioned the other skid loader in the budget.

Mr. Sexton explained that the other one was for the Street Department. If they also get the attachment, hydraulic jackhammer, it would be used to cut asphalt and cement with. They could bust up the sidewalk and take it up and it was very easy to maneuver. It was not like a big backhoe where they have enclosed areas, sidewalks and streets. They could maneuver this much better. He stated that he would definitely ask that they allow that one to remain.

Council Member Gover reminded him that a skid loader was very tricky to operate and the people needed to be trained to operate it as everybody just could not jump in and out of it. He suggested that he needed to set up training sessions to which Mr. Sexton agreed.

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Council Member Rorrer commented that he did not see how the City of Eden had operated without Bobcats. He pointed out that in the tight places, swinging backhoes around with a back bucket and a front bucket on them it was a wonder they have not torn something. He added that he would like to see Solid Waste get one too, but they did not have the money.

Mr. Sexton replied that he understood that.

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

Parks & Recreation:

Council Member Rorrer referred to the Special Appropriations for the Municipal Park. He stated that they had made an agreement to the Park Committee that the city would advance them \$50,000 this year (2000/2001) to help them on the grant.

A motion was made by Council Member Rorrer seconded by Council Member Janney to remove the \$50,000 (line item #69821) from the budget.

Council Member Rorrer explained that they had already given them \$50,000 so it should be taken out.

Council Member Myott questioned when this was done to which Mayor Price explained that it was an advance to apply for the grant. He referred the question to Parks & Recreation Director Joey Conner.

Mr. Conner replied that he could not give them the exact date but he explained that in January of 2000, the Park Committee came to the City Council and asked them to advance the committee \$50,000 which would have been in this year's budget (2000/2001), not this coming year (2001/2002), but this year's budget. He stated that as of right now they should be on line. He explained that they have three (3) years of the \$50,000 which gave them the \$150,000 so what they actually wanted was the assurance of \$50,000 in this year's budget (2000/2001) so that they would be able to apply for the grant.

Mayor Price asked if he was applying for another grant.

Mr. Conner replied no sir, and explained that currently, they have raised approximately \$60,000 and this \$50,000 would not be used next year, it would just sit in the pot with the hopes of continuing fund raisers and all that and possibly in having some money maybe for the next year or even the year after to have enough money to maybe go back and try for another grant for this same thing.

Mayor Price stated, for clarification, that they were building a pot, to add onto the \$60,000 they already have accumulated through private donations, toward applying for a grant in a year and they have no intentions of spending this \$50,000 to which Mr. Conner indicated that was correct.

Council Member Rorrer pointed out that they could not build a pot with an empty bucket and Council Member Myott asked if he was saying that this \$50,000 puts them on schedule.

Mr. Conner replied that unless his memory was incorrect, they asked for it in January of 2000.

Council Member Myott stated that they asked for \$50,000 a year in advance, but then he turned and said \$50,000 was due now for this coming year.

Mr. Conner explained that nothing was "due", but they were asking that \$50,000 be continued and given to the Park so that they could continue to raise money and then maybe in a few years from now they may be back up to another \$200,000 where they could go back and ask for another matching grant.

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Council Member Myott asked that if the city skipped this year, they really had not skipped out of their promise to which Council Member Rorrer replied that was true, they kept their promise.

Mayor Price stated that Mr. Conner's request actually recognized the fact that the city made that payment ahead of schedule and to his understanding, from Mr. Corcoran's remarks (memorandum) what he was asking for was the last payment the city was going to make to that group...

Mr. Conner explained that if he remembered correctly, Council Member Tudor was present at one of those committee meetings around March of last year. He had said that the city would take \$50,000 away from them the coming budget year (2000/2001) and \$25,000 away from them the next year (2001/2002) because they had used \$75,000 of the appropriated money to pay for the grassing, erosion control, etc., for the 58 acres.

Council Member Rorrer pointed out that if there were any questions about that they could go back to the minutes.

Mr. Conner explained that they were asking that instead of having the \$50,000 for the \$75,000 that was spent, put on the back end because currently they were still trying to...they had nothing to hide.

Council Member Tudor commented that they recognized the fact that in the current fiscal year they were appropriated \$50,000 in the budget and were given a second \$50,000 in January, he asked if that was correct.

Council Member Rorrer replied that they were given an extra \$50,000 supposed to come off of this year's budget.

Council Member Tudor stated that they have the park rolling. Things were looking good, it had been hard getting there, but the Park Committee would like to keep it rolling and he would ask the Council to consider the fact that on the last two years they were not going to give them \$50,000 and they were going to take another \$25,000 off for the very last two years. He stated that they want to put that \$75,000 to the back of the ten (10) year line instead of where it was now.

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

Council Member Grogan mentioned that the \$75,000 at the end, in the end the city's finances might be in shape to where they could do more than they could right now and he hoped they understood.

Emergency 911:

Council Member Janney commented that he knew this was a touchy subject, but he believed in what he was saying. In communications in the Police Department, he mentioned something about 911 a while ago and they had 911 and he knew they were getting telephone money and all that but he believed they had it in the wrong place. He stated that they had a 911 system in the county that worked super. He explained that several years ago, the county really was not moving fast enough to go countywide, so they put the 911 in Eden. He stated that he now believed they should start looking at getting 911 countywide, as it was more efficient and they were set up for it. He noted that they had \$130,000 for the lease 911 upgrade, he did not know about the new radio system, but the maintenance data for 911 was over \$29,000. He stated that it did not take long to count that was over \$300,000 right there in 911 stuff.

Council Member Gover questioned why they could not use the county until they were financially fit.

Mayor Price disagreed and stated that he understood where he was coming from, but they have several critical services in this town and the mortar that holds those things together, police and

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fire, was this local 911. He stated that if there was any service that they give their citizens it was that local dispatch.

Council Member Rorrer stated that the Council approved a study and never received it. He stated that all he had asked for was just to get the apples and grapes together and see what they had and they never got anything.

Council Member Janney pointed out that this was a great time to look at it while they had their back against the wall on it and Council Member Rorrer stated that he thought there was a time thing involved in there to actually get the true figures together. He stated that he thought they needed to see what they had. Council Member Janney suggested that maybe the City Manager should look into this.

Council Member Tudor, for clarification, stated that Council Member Janney had said that the county system works great but at one time it did not work great.

Council Member Janney replied that was not what he had said. He stated that when they were looking at 911, the county was looking at it but the Board (of Commissioners) at that time were not moving fast enough, so the city agreed to set up their own 911 until the county got their system in place. He explained that Eden beat them to the draw and at the time it was the Mayor's idea as he wanted to get it in place before the county and he did.

Council Member Tudor stated that he had a dispatcher tell him the complete opposite, that the city's system was better than the county's and that he should never support going with the county's system.

Council Member Janney replied that he knew that dispatcher as he had tried to convince him of that, but he had his own personal objective.

Council Member Rorrer commented that he did not want to see them do it, he would like to see a proper study done.

Mayor Price stated that they had Fred Griffin (& Associates) come in and they did spend a lot of time talking about this to which Council Member Rorrer noted they talked around it a whole lot. Mayor Price pointed out that everybody had an opportunity to ask questions and they explained how the system was working.

Council Member Rorrer stated that the recommendation was that they not do it.

Council Member Janney replied that he knew that, but when he talked to the county, the way that the questions were asked was the way they got the answers.

Mayor Price pointed out that he did that for a business. That was his reputation and he did not think he would ask leading questions to get the answers he wanted.

Council Member Janney disagreed and he asked if the Council wanted to look into it to which Council Member Reynolds expressed interest in looking at it.

A motion was made by Council Member Janney seconded by Council Member Rorrer to look into getting 911 countywide. Action of the motion was as follows: Those voting in favor of the motion were Council Members Janney, Rorrer, Reynolds and Gover. Those voting in opposition were Council Members Grogan, Myott and Tudor.

Chief Benthin mentioned that this would hold up their moving into the new building. He explained that the Police Department could not move until they had a new computer system.

Council Member Grogan replied that they were not stopping anything and Council Member Rorrer added that they were just talking about looking into it thereafter.

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Fire Department:

Council Member Janney questioned #21400, turnout gear. He stated that he thought they bought all that stuff last year to which Mayor Price replied that a certain amount was replaced every year.

Chief Overby explained that he had agreed a couple of years ago that if the Council would replace 30 sets he would not come to them again and say "I need 30 more sets". He stated that their suggestion was to replace them as needed. He noted that he did not replace any last year. He explained that the ones he currently needed was for the fire fighters that crawl in and go through spaces and they really put wear and tear on the gear. He stated that he had asked for 12, but he really did need about 10 sets to get people back compliance.

Council Member Janney asked if that was complete sets to which Chief Overby replied pants and coats. Council Member Janney noted that he had another item up there to which Chief Overby explained that was to replace gloves or helmets. Each time they tear a pair of gloves he had to throw them away. He added that if he did not spend it all it would be there next year.

Engineering:

Council Member Janney questioned the GPS Software for Engineering. He asked if that was to hookup with this new system they had.

Mr. Bev O'dell, Engineering, explained that this was primarily related to the Stormwater Survey that had been Federally mandated and they did not know right now exactly when that was going to occur.

Mr. Corcoran added that it sort of tied in with that Stormwater Phase II that was in the Streets Department, where they saw that application permit, Engineering \$100,000, it was a Federal mandate.

Mr. O'dell explained that Mr. Stanley had planned to get in last year but it was cut from the budget.

Mayor Price commented that he would like the Council to get an overview of this stormwater issue.

Mr. O'dell added that their current focus for this software would be the stormwater issue. He noted that later on it would be used for sewer outfalls and other inventory things.

Mayor Price asked if they would get into the water turn off valves to which Mr. O'dell replied yes it could be used for that also, if the database was made available to everybody else.

Collection & Distribution:

Council Member Rorrer stated that in Collection & Distribution, Water & Sewer, the replacement of an '84 Ford Backhoe, \$59,000. He stated that considering that they had a backhoe they were fixing to trade in at the Street Department, he thought between the two they could make it another year.

A motion was made by Council Member Rorrer seconded by Council Member Janney to deny replacement of line item #56000, replacing backhoe in Collection & Distribution. All Council Members voted in favor of this motion. This motion carried.

A motion was made by Council Member Rorrer seconded by Council Member Janney to remove line item #57000, hydraulic jackhammer. All Council Members voted in favor of this motion. This motion carried.

Treatment Plants:

Council Member Janney questioned why they needed to replace the M-6 truck, Treatment Plants.

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Mr. Asbury explained that it was a 1991 model with about 186,000 miles on it. He noted that by this time next year it would have well over 200,000 miles on it. Mr. Carter looked at it yesterday and repaired a report on it some time back which showed that the current value was about \$2,000 and the needed repairs on it were over \$4,000. In addition, a couple of months ago they requested authorization to go to bid for a portable generator on a trailer to haul around to the pump stations. The truck they were replacing was a $\frac{3}{4}$ ton truck and they were looking to replace it with a one-ton. He explained that the reason being was to be able to haul a generator around and not having to go to another department and borrow one. He added that would not be a problem, but it was just a matter of the time, and the purpose of the generator was to be able to get the pump stations up and running in a timely manner if they go down because of power failure.

Council Member Janney asked if that happened often to which Mr. Asbury replied that they did have outages at pump stations. He asked that they recall that one of the reasons they were doing this was to add some, to mitigate their complicity and bypasses to the river of raw sewage.

Council Member Rorrer asked if the generator would be hauled on a trailer.

Mr. Asbury replied yes and the reason the \$26,000 was in there was because they were looking at getting a utility body as this truck would be used by the maintenance workers and it would give a place to put more of their tools when they go out, including equipment to get in and out of confined spaces.

Council Member Janney questioned the \$4,000 to repair the truck to which Mr. Asbury referred the question to Mr. Carter in that it was about \$4500.

Mr. Carter explained that it was the estimate of everything that could potentially happen. The truck still had the original engine and drive train, the transmission was the only component that had been replaced.

Mayor Price stated that they were upgrading to the utility body, over and above what he had now and plus they were getting a heavier duty truck to pull the trailer.

Council Member Rorrer asked how they handled the tools now to which Mr. Asbury replied that they used $\frac{3}{4}$ ton trucks and behind the cab toolboxes for them. Council Member Rorrer stated that he thought they needed a way to haul what they needed.

Council Member Janney pointed out that if it was something he could get along with longer, was that something they could live with as \$4,000 was a lot less than \$26,000. He noted that one of his bosses used to tell him, "you don't staff and plan for exceptions, you just have to deal with them when they come up".

Council Member Rorrer commented that he felt strongly that certain people needed a secure place to put their tools.

Mayor Price asked if this was basically a 24-hour a day truck.

Mr. Asbury replied that it would generally be an 8-hour a day truck, except when there were breakdowns at pump stations or at the plant.

Mayor Price stated that there was a distinct possibility that those things were going to be hauling a trailer to 18 to 20 places throughout the city, in any type of weather. He asked if there were one or two people.

Mr. Asbury replied that it would carry a minimal of three (3) people because of the confined space entry requirements going into those areas. Picking up on something that Council Member Rorrer said, the idea of the utility bodies, they have all types of equipment. He explained that they were going in to service a pump station, it could include impellers, seals, fuses, wrenches, lights to rig up, fittings in order to make pumps run, crescent wrench, hammer, if they were

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putting all that in a smaller tool box behind the cab, it was rather difficult and sometimes things end up in the bed for lack of room.

Council Member Rorrer asked what the size of the generator was to which Mr. Asbury replied 200 kilowatts.

Mayor Price noted that they would have their spare parts, as much as they would need on a normal basis, to eliminate to have to go back to the shop. Personnel time would be more efficient because of that.

Mr. Asbury added, not only personnel time, but bypass time if the clock was running on a sewer bypass.

Mayor Price asked how often they had to go back and get parts to which Mr. Asbury replied that he could not tell him as there were so many things out there in their system in the way of programmable logic controllers, printed circuit boards, those were things they could not carry on a vehicle. Of course the electronic folks have a van for carrying those things, but still they maintain such a large inventory and they did not know what they were going to need until they get there.

Mayor Price stated that it looked like if they counted the repairs to be made to it and the savings of personnel time, and prompter service on pump stations it would look like a good return on their investment.

Fleet Maintenance:

Council Member Janney questioned the software to update Windows base in Fleet Maintenance to which Mayor Price referred the question to Mr. Tommy Carter, Fleet Maintenance Superintendent.

Mr. Carter explained that Council had asked that they be able to generate more reports for the departments to be able to itemize things. Their program currently separates the fuel, the labor and parts. They need to have a program that would enhance that and it would be able to break parts down, separating out the tires and body repair so they could generate more reports for a more accurate cost per vehicle. He explained that they were currently given a total cost, but everything as far as tires, body repair and parts in included in the parts column. The old program was also a 1990 DOS version and the request was for a more user-friendly Windows version. He noted that the initial cost for the program, if bought new, was \$15,000 but as they already had it in place the upgrade was only \$5,000 with \$500 for installation.

Council Member Janney commented that they should get some good reports.

Mr. Carter stated that they wanted to be able to break it down so that they could separate the tires and body repair out of the initial cost.

Treatment Plants:

Council Member Rorrer questioned the replacement of windows for hall. He asked if that was for insulated windows to which Mr. Asbury replied yes, and it was just a matter of heat recovery and cooling efficiency.

A motion was made by Council Member Rorrer seconded by Council Member Tudor to remove line item #54000, replacement windows for hall. All Council Members voted in favor of this motion. This motion carried.

Recess:

A motion was made by Council Member Grogan seconded by Council Member Rorrer to recess the special budget meeting until Tuesday, May 29 at 4:00 p.m. All Council Members voted in favor of this motion. This motion carried.

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Closed Session:

A motion was made by Council Member Rorrer seconded by Council Member Reynolds to go into a Closed Session for discussion of Personnel. All Council Members voted in favor of this motion. This motion carried.

Respectfully submitted,

Kim J. Scott, CMC
City Clerk

ATTEST:

Philip K. Price
Mayor