

CITY OF EDEN, N. C.

A special continued meeting of the City Council, City of Eden, was held on Tuesday, May 29, 2001 at 4:00 p.m. in the Council Chambers, 338 West Stadium Drive. Those present for the meeting were as follows:

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| 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> , Reid Baer, <u>The Daily News</u> |

MEETING CONVENED:

Mayor Price called the special meeting of the City Council to order and welcomed those in attendance. He explained that this meeting was a continuation of the special budget meeting held on May 23, 2001.

Mayor Price then opened the floor for continued discussion or questions about Capital Outlay.

A motion was made by Council Member Rorrer seconded by Council Member Tudor to approve the City Manager's memorandum of additional budget cuts.

Council Member Gover questioned the waterlines. He asked what costs would have been incurred on repairs.

Mr. Corcoran explained that he had shown the Cascade Road, and then as another option, the other three projects, the Front Street, Burgess Street, Maryland Avenue, and Main Street, basically putting the 2" waterline on hold for one year. He stated that the question that was raised, which was hard to predict, was the anticipated cost that the city would run into in fixing those four areas during the year, i.e., repairs versus going ahead and replacing it.

Council Member Grogan came into the meeting at this time.

Mr. Benny Sexton, Public Works Director, replied that it was a whole lot cheaper to do the repairs than it was to replace them. Just the cost of Cascade alone was an astronomical fee and it would take them a long time to even come close to it.

Council Member Gover asked what kind of monies had they been spending thus far like Cascade. He stated that he knew they had been there 3 or 4 times a week during the winter. He added that he had no problem with the presentation, but as they could see they have dropped the waterlines and that was the largest amount that they dropped, which was fine. They should wait a year if they needed to wait. If they were going to incur more cost, if they combine all four lines in repairs, against what they have now.

Mr. Sexton replied that Cascade, no doubt was the worse. He stated that he did not think the cost would be that much.

Council Member Gover questioned the cost if they consolidate all four waterline repairs to which Mr. Sexton replied that he would have to do some figuring as he could not answer that off the top of his head.

Mr. Corcoran explained that he had a staff meeting that afternoon and basically the question they looked at was, in an effort to assist this budget as much as possible given the constraints for the

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upcoming year, what items could they get by with another year. He explained that basically they went through every single items in those four pages there under the Capital Outlay and any item that had not been discussed or was not on this list, the Department Head or Division Head was prepared to give justification as to why they feel that needs to stay in. He explained that when they got to the 2" waterline upgrade, they would note that it was a significant amount of money. Of the \$528,400 that they were currently speaking about, that was almost half a million right there. He explained that what this would do by eliminating it, was basically put their 2" waterline project on hold for a year. By doing that they would cut \$500,000 but again they did not eliminate it they just postponed it. Of the \$528,400 that was before them, roughly \$500,000 of that was in the 2" waterline and those were the only 4 projects slated for repair in the upcoming budget.

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

The items included in the memorandum were as follows:

| <u>Department</u> | <u>Description</u> | <u>Amount</u> |
|--------------------|--|------------------|
| Governing Board | Transcribing Software | \$400 |
| Administration | Software – Upgrade for Microsoft Frontpage | \$400 |
| Finance | Work Order Printer | \$600 |
| Police | 35 mm Point & Shoot Cameras | \$700 |
| Police | Replace Portable Radios | \$2,400 |
| Police | Radio Speaker Microphones | \$800 |
| Police | Bearcat Programmable Scanners | \$600 |
| Police | Computer Desk for Detective Secretary | \$300 |
| Police | Folding Table & Chairs for Detective Room | \$400 |
| Police | Furniture for Visible Areas of New Office | \$5,000 |
| Engineering | File Cabinets | \$900 |
| Engineering | Printer Stand | \$100 |
| Parks & Recreation | Peco Vacuum System – Leaf, Debris | \$4,600 |
| Parks & Recreation | T-2000 Turf Traveler Sprinkler System | \$2,000 |
| Parks & Recreation | Billy Goat Walk Behind Blower | \$1,700 |
| Treatment Plant | Refinishing of Clarifier | \$8,500 |
| Water Construction | Cascade Road – 5,950 LF Waterline Upgrade | <u>\$291,400</u> |
| | Total | \$320,800 |

Note: Although we believe the 2" waterline replacement program is important to the long-term stability of the City's infrastructure we could get by one more year without any of these projects. If it is the desire of City Council, this would generate an additional savings of \$207,600.

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|--|------------------|
| Front Street & Burgess Street – 1,558 LF – Waterline Upgrade | \$31,100 |
| Maryland Avenue – Waterline Upgrade | \$22,400 |
| Main Street – Waterline Upgrade | <u>\$154,100</u> |
| Total | \$207,600 |

\$207,600
\$320,800
\$528,400

Mayor Price asked if anyone else had questions about Capital Outlay requests. As there were none he then opened the floor for comments in regard to Operational Expenses. He noted that someone had suggested that they discuss the proposed pay increase.

Mr. Corcoran commented that he thought the rational was self explanatory in the Budget Message. He explained that basically there were historically two options that they look at, either cost of living or a performance based increase. He stated that they opted to go again with the performance based increase because they felt that it helped to provide some incentives for employees to do more than just an average job. The rational used was in looking at the Consumer Price Index, the cost of living, at the time that the budget was being prepared that figure was at 8%, which suggested that was what was needed to keep pace with inflation, and so basically feeding off that number we came up with a recommendation of a 3 ½ which was slightly under that for a proficient rating or average, 4 ½ for somewhere between average or proficient and highly proficient, and 5 ½ for highly proficient. This past year it was 2 to 3%. A 2% increase was for proficient, 3% for highly proficient, and somewhere in between, depending upon their evaluation.

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Council Member Tudor commented that he liked the idea of there being three different possible amounts a person could get in a raise, depending upon their evaluation. He stated that it provided an incentive for employees to do the best they can do in hopes of getting the best possible raise they can get.

Council Member Grogan noted that in the City Manager's recommendation he had suggested doing away with job rate.

Mr. Corcoran explained that they had a previous unwritten policy of a progression to midpoint. Basically what that said was, someone has to be hired within 3% of the minimum. The policy was that within two years of being hired that person would be brought up to the job rate. He added that he thought one reason it was implemented was because their existing pay structure was so far behind what comparable jobs were paying. He noted that if they look at their pay plan closely they would note that there was a big discrepancy now between what some employees were making and the job rate. The realization was that to continue with the progression to midpoint program would just be an astronomical sum of money. For instance, he stated that he ran an analysis on all the employees, which indicated that approximately 140 of the city's employees were below what the current job rate was, some of them as much as \$8,000. So if they were in the same old scenario, within two years they had to be up to that point, they would be looking at hundreds of thousands of dollars. He explained that his recommendation was with the adoption of the pay plan they were now very competitive and the feeling was as long as they maintained pace with inflation, they should remain competitive, therefore eliminating the need for the progression to midpoint program.

Council Member Rorrer commented that he did not see a problem in how he had presented it. Last year they spent in excess of \$600,000 to catch this thing up so if they were not careful they would get behind again, so they should maintain it as they go.

A motion was made by Council Member Rorrer seconded by Council Member Janney to cut all overtime by 50%.

Council Member Grogan asked if they could operate with it at 50%.

Mr. Sexton replied that it would be hard on Collection & Distribution because he could not predict when they would be out there and they had a limit on comp time of 40 hours and most of them have that 40 hours. They have to be paid overtime after that and when they were out there working after hours they have to be paid.

Council Member Rorrer stated that he did not think this would hinder him at all other than he would just have to keep a close eye on it and if he ran out of over time he could go see the City Manager.

Mayor Price asked if he was talking about just cutting the total amount of overtime from the entire city.

Council Member Rorrer replied that it would be from all departments cut it right in half. Then anything over that had to come through the City Manager.

Mr. Dennis Asbury, Treatment Plants Director, mentioned that in the Water & Wastewater Treatment Plants, a good portion of the overtime was planned overtime simply to meet the 24 hour a day 7 day a week operation and also to be in compliance with the Fair Labor Standards Act. A good chunk of that was there and the remainder was for not scheduled overtime but breakdown maintenance so that could have an impact on them from the standpoint of just meeting shifts as well as just handling the breakdown maintenance.

Council Member Rorrer suggested that they go ahead and pass this and let Mr. Asbury and Mr. Corcoran get together as they could make amendments to whatever hindered them.

A substitute motion was made by Council Member Grogan seconded by Council Member Tudor that the City Manager meet with the Department Heads and come back with a recommendation of what type of cuts they could have.

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

A motion was made by Council Member Grogan seconded by Council Member Tudor that they approve the budget as presented with the exception of a recommendation from the City Manager regarding overtime. Action on the motion was as follows: Council Members Tudor, Grogan, Gover and Myott voted in favor of this motion. Council Members Reynolds, Rorrer and Janney voted in opposition. This motion carried.

Council Member Grogan stated that he thought the City Council would like to instruct the City Manager to do the studies that he had recommended. He asked for clarification, on some of those studies, did he feel he needed an outside consultant or was he going to try to do that in house and if he needed outside consultants, he had no problem with that, but he would like to know who they were and what the cost might be before it was done, but he thought everybody wanted all that done and presented at a later date.

Council Member Janney asked if that was the only thing he was talking about.

Council Member Grogan replied that he made recommendations on personnel and also the looking at the total dollars income and expense of where they were and where they were going and where they might make some recommendations for a future date.

Council Member Janney stated that he would like to see them add another item, the 911 study. He added that he realized what they voted on and he had no problem with that, but he wanted to go a little deeper and look at the cost.

Council Member Grogan replied that he did not have a problem adding that to his motion, he just hated to keep spending money over and over on a consultant when they spent money on a consultant to do that study and it was voted on.

Council Member Janney pointed out that they might not have to spend a dime for this study as the furrow had already been plowed. The Sheriff had already made his move and all they had to do is look at the pros and cons of what he did.

Mayor Price asked Council Member Grogan if he did not want that to be included in his motion to which Council Member Grogan replied no.

Action on the motion – to recommend those studies to be implemented by the City Manager. All Council Members voted in favor of this motion. This motion carried.

A motion was made by Council Member Janney seconded by Council Member Rorrer to look at the cost of 911 as was asked for earlier, the cost of the whole thing. How much it would cost to do and what they would gain on it. 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.

Adjournment:

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

Respectfully submitted,

Kim J. Scott, CMC
City Clerk

ATTEST:

Philip K. Price
Mayor