

CITY OF EDEN, N. C.

A special meeting of the City Council, City of Eden, was held on Thursday, August 15, 2002, at 4:00 p.m. in the Council Chambers, 308 East Stadium Drive. Those present for the meeting were as follows:

Mayor:	Philip K. Price
Mayor Pro Tem:	John E. Grogan
Council Members:	Ronald H. Reynolds
	Billy Vestal
	(Absent) Christine H. Myott
	Garry Tudor
	Jerry Epps
	C. H. Gover, Sr.
City Manager:	S. Brad Corcoran
City Attorney:	Tom Medlin, Jr.
City Clerk:	Kim J. Scott
Deputy City Clerk:	Sheralene Thompson
Representatives from News Media:	Leslie Brown, Greensboro News & Record; Steve Lawson, Eden Daily News; Lisa Doss, Eden's Own Journal

MEETING CONVENED:

Mayor Price called the special meeting of the City Council to order and welcomed those in attendance. He explained that although they appreciated everyone's attendance, the meeting today was designed to be a work session and the public debate would not be held until the Regular City Council Meeting, Tuesday, August 20, 2002, at 7:30 p.m. He then asked the City Manager to come forward for the presentation.

PRESENTATION OF RECOMMENDATIONS CONCERNING AMENDMENTS TO WATER AND SEWER RATES, SOLID WASTE FEES, LATE FEE AND RECONNECTION FEE.

The memorandum presented to Council explained that two of the leading hallmarks of good government are the ability to be responsive to the citizens served as well as the ability to protect and "guard" the financial position of the community served as if it were our own money.

Over the course of the last six weeks, the City Manager, (like the Mayor, members of City Council and City Staff) have heard from many residents who stated they wished there was something that could be done. The question that was begging to be addressed was whether or not there was a way to ease some of their financial burden over the next two years while protecting the financial integrity of the City and meeting our fiduciary responsibilities as both elected and appointed officials.

*A copy of this document is on file in the office of the City Clerk.*

City Manager, Mr. Brad Corcoran, explained that each member of Council had a copy of his memo, dated August 13, which included recommendations concerning the Water & Sewer Rates, Solid Waste Fees, the late fee penalty charge and the service restoration fee for disconnected service. He also noted that he had placed additional copies on each chair prior to the beginning of the meeting for those in attendance.

He explained that rather than going through the entire document, he would hit the highlights of what was being proposed.

He noted that as he had pointed out in the memo, the receipt of various one-time, nonrecurring revenues, such as a bankruptcy settlement check for Pluma, sale of additional land to Gildan Activewear, and the upcoming sale of the old City Hall complex, to name a few, which were not anticipated last year or in this year's budgets, have allowed them to formulate a series of recommendations which would reduce water, sewer and solid waste rates by \$1.357 million over the course of the next two fiscal years, without placing the burden of that decrease on the shoulders of the existing fund balance.

Specifically there were six things being recommended. First, they were recommending that they reduce the fixed charge water and sewer costs on residential customers who were inside the City Limits, from an increase of 100% to an increase of only 40%,

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effective with the September 1, 2002 billing cycle. This translates into an increase of \$1.11 per month on water and \$0.78 per month on sewer for residential customers on a ¾" meter inside the city limits. This would amount to an annual increase of \$22.68 instead of the \$56.88 increase approved on February 26, 2002.

Secondly, they were recommending that they reduce the per one thousand gallon charge on sewer for residential customers by \$1.00, from \$2.62 to \$1.62, per one thousand gallons of sewer inside the city limits, effective with the September 1, 2002 billing cycle.

Based on an average household use of 7,000 gallons bi-monthly, this translates into an average savings of \$7.00 per bill or \$42.00 per year for this portion of the recommendation.

Third, they were recommending that the outside city rate remain at a level 100% higher than the inside city rate. The outside city rates for residential customers would decrease as a result of the changes being recommended to the inside city rates. As such, those residents who live outside the corporate limits would also see a savings on their water and sewer bill.

Fourth, they were recommending that they eliminate the future increases in solid waste rates that were approved on March 19, 2002. Specifically, they were recommending that the rate increase that was scheduled to be implemented effective with the January 1, 2003 billing cycle be eliminated, as well as the scheduled to be implemented with the July 1, 2003 billing cycle. The actual savings, obviously would depend upon each persons volume classification, as illustrated on one of the attachments that was included with the memo.

Fifth, they were recommending that the late fee penalty be reduced from \$15.00 to \$10.00 for any balance remaining on a water, sewer, solid waste bill, after twenty days from the billing date.

Sixth, they were recommending that the service restoration fee be decreased from \$50.00 for a first time offense and \$100 for each instance thereafter the 12 month period, to a flat fee of \$25.00 per occurrence.

In conclusion, he stated that they felt very good about the recommendations being presented. They have successfully identified a process where they were returning approximately \$1.357 million dollars to their residential customers over the course of the next two fiscal years. They felt confident that this would help to ease a few of the financial burdens being faced by their citizens, while at the same time making sure that they protect the financial viability and integrity of their community.

He explained that as stated in the memo, two of the leading hallmarks of good government was the ability to be responsive to the citizens that they serve as well as the ability to protect and guard the financial position of the community that they serve as if it were their own money. He stated that they felt that they have accomplished both of these tasks with the recommendations set forth, and they respectfully request their support.

A motion was made by Council Member Gover seconded by Council Member Tudor to accept the City Manager's recommendations as presented. All Council Members present voted in favor of this motion. This motion carried.

#### CONSIDERATION OF WATER AND SEWER RATES FOR RESIDENTIAL, COMMERCIAL AND INDUSTRIAL CLASSIFICATIONS.

Mr. Corcoran explained that the next item on the agenda was the actual consideration of the Water & Sewer Rates for residential, commercial and industrial classifications. As noted in the memo, they were going to classes of users, so that they could have different rates, based on whether or not they were a commercial customer, residential customer, or industrial customer. The rates being proposed have been included and he respectfully requested a motion adopting those rates.

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A motion was made by Council Member Vestal seconded by Council Member Grogan to accept the proposed rates. All Council Members present voted in favor of this motion. This motion carried.

CONSIDERATION OF SOLID WASTE FEES FOR RESIDENTIAL CUSTOMERS.

Mr. Corcoran explained that the next item on the agenda was the actual consideration of the solid waste fees for residential customers. He respectfully requested a motion that the rate increases already voted on in March (2002) for January 1, 2003 and July 1, 2003, be eliminated.

A motion was made by Council Member Epps seconded by Council Member Gover to accept the City Manager's recommendation to eliminate the rate increases (voted on in March of 2002) for January 1, 2003 and July 1, 2003. All Council Members present voted in favor of this motion. This motion carried.

CONSIDERATION OF AMENDMENTS TO FINANCE RECONNECT POLICY.

Mr. Corcoran explained that the next item on the agenda was the consideration of amendments to the Finance Reconnect Policy. He noted that one of the components of the Reconnect Policy was where it addressed what the late fee would be for the utility bills, and it also addressed what the service restoration fee would be. The amendment before them would be to reduce the late fee from \$15.00 to \$10.00 and to reduce the service restoration fees for disconnected service to a flat fee of \$25.00 per occurrence. He respectfully requested a motion to adopt the amendments.

A motion was made by Council Member Gover seconded by Council Member Tudor to adopt the amendments to the Finance Reconnect Policy. All Council Members present voted in favor of this motion. This motion carried.

CONSIDERATION OF AMENDMENTS TO CASH MANAGEMENT POLICY.

Mr. Corcoran explained that the next item on the agenda was the consideration of amendments to the Cash Management Policy. He noted that the Cash Management Policy cross referenced the Reconnect Policy and it also duplicated its listing of the late fees and the service restoration fees. He respectfully requested a motion to adopt the amendments.

A motion was made by Council Member Tudor seconded by Council Member Gover to adopt the amendments to the Finance Reconnect Policy. All Council Members present voted in favor of this motion. This motion carried.

CONSIDERATION OF BUDGET AMENDMENT #3

Mr. Corcoran explained that as they were aware in June the Council voted to adopt a balanced budget. Obviously the City Council has just changed the rates that will be in effect during this year, which means that the revenues that will be realized will be less. Budget Amendment 3 deals with the General Fund and it takes the appropriate action to make sure the budget remains balanced. He then requested a motion to approve Budget Amendment 3.

A motion was made by Council Member Epps seconded by Council Member Tudor to adopt Budget Amendment #3. All Council Members present voted in favor of this motion. This motion carried.

This is the Third Budget Amendment for the year.

<b>Budget Amendment #3</b>	<b>Account #</b>	<b>From</b>	<b>To</b>	<b>Amount</b>
<b>General Fund</b>				
<b>Revenue</b>				
Solid Waste Fees - Residential	10-3471-81000	\$ 840,000.00	\$ 750,000.00	\$ (90,000.00)

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Solid Waste – PAYT Grant	10-3471-81301	\$ -	\$ 10,000.00	\$ 10,000.00
Misc. Revenue	10-3839-89000	\$ 1,000.00	\$ 16,500.00	<u>\$ 15,500.00</u>
				<u>\$ (64,500.00)</u>
<b>Expenditure</b>				
Engineering – Salaries	10-4350-12100	\$ 122,300.00	\$ 114,500.00	\$ (7,800.00)
Police - Salaries	10-4310-12100	\$1,910,500.00	\$1,856,800.00	\$ (53,700.00)
Streets – Salaries	10-4510-12100	\$ 348,000.00	\$ 346,000.00	\$ (2,000.00)
Solid Waste – Salaries	10-4710-12100	\$ 331,800.00	\$ 330,800.00	<u>\$ (1,000.00)</u>
				<u>\$ (64,500.00)</u>

To cover reduction in Solid Waste Residential Revenue

Note: \$62,000 of the \$90,000 listed above is due to a reduction in rates previously adopted by the City Council. The additional \$28,000 is due to an adjustment in the pre-assessment estimates and the actual post-assessment figures concerning refuse volume.

Adopted and effective this 15<sup>th</sup> day of August, 2002.

Attest:

s/Kim J. Scott  
Kim J. Scott, City Clerk

s/Philip K. Price  
Philip K. Price, Mayor

#### CONSIDERATION OF BUDGET AMENDMENT #4

Mr. Corcoran explained that this budget amendment was very similar to Budget Amendment 3, except that it deals with the Water & Sewer Fund. He then requested a motion to adopt Budget Amendment 4.

A motion was made by Council Member Grogan seconded by Council Member Gover to adopt Budget Amendment #4. All Council Members present voted in favor of this motion. This motion carried.

This is the Fourth Budget Amendment for the year.

Budget Amendment #4	Account #	From	To	Amount
<b>Water &amp; Sewer Fund</b>				
<b>Revenue</b>				
Sale of Water	30-3362-51200	\$3,891,100.00	\$3,743,700.00	\$(147,400.00)
Sale of Sewer	30-3363-51300	\$4,096,200.00	\$3,721,100.00	\$(375,100.00)
Sale of Water	30-3362-51200	\$3,743,700.00	\$3,816,400.00	\$ 72,700.00
Sale of Sewer	30-3363-51300	\$3,721,100.00	\$3,747,200.00	\$ 26,100.00
Fund Balance	30-3991-99100	\$ -	\$ 166,200.00	<u>\$ 166,200.00</u>
Appropriated				<u>\$(257,500.00)</u>
<b>Expenditures</b>				
Bio-Solids Treatment Upgrade	30-8130-24610	\$475,000.00	\$237,500.00	\$(237,500.00)
WW – C/O Equip Non-Depreciable	30-7130-57001	\$ 2,300.00	\$ -	\$ (2,300.00)
WF - C/O Equip Non-Depreciable	30-7120-57001	\$ 13,800.00	\$ 11,500.00	\$ (2,300.00)
WF – C/O Equip Depreciable	30-7120-57000	\$ 17,000.00	\$ 5,500.00	\$ (11,500.00)
WF – C/O Building Imp	30-7120-54000	\$ 3,900.00	\$ -	<u>\$ (3,900.00)</u>
				<u>\$(257,500.00)</u>

Budget Amendment 4 is to cover reduction in Water & Sewer Revenue.

Adopted and effective this 15<sup>th</sup> day of August 2002.

Attest:

s/Kim J. Scott  
Kim J. Scott, City Clerk

s/Philip K. Price  
Philip K. Price, Mayor

REQUEST TO SCHEDULE A PUBLIC HEARING FOR AUGUST 29<sup>TH</sup>, 2002 AT 4:00 P.M. AT THE COUNCIL CHAMBERS TO CONSIDER PERFORMANCE AGREEMENT BETWEEN THE CITY OF EDEN AND NATURAL CARE LABS, INC.

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A motion was made by Council Member Epps seconded by Council Member Gover to call for a Public Hearing to be held August 29, 2002, at 4:00 p.m. to discuss a performance agreement between the City of Eden and Natural Care Labs, Inc. All Council Members present voted in favor of this motion. This motion carried.

ADJOURNMENT.

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

Respectfully submitted:

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Kim J. Scott  
City Clerk

ATTEST:

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Philip K. Price  
Mayor