

CITY OF EDEN, N.C.

A continued budget meeting (recessed from May 15, 2002) of the City Council, City of Eden, was held on Wednesday, May 22, 2002 at 4:00 p.m. in the City Council Chambers, 308 East Stadium Drive. Those present for the meeting were as follows:

Mayor:	(Absent)	Philip K. Price
Mayor Pro Tem:		John E. Grogan
Council Members:		Ronald H. Reynolds
		Billy Vestal
		Christine H. Myott
		Jerry Epps
		C.H. Gover, Sr.
		Garry Tudor
City Manager:		S. Brad Corcoran
City Attorney:		Tom Medlin, Jr.
City Clerk:		Kim J. Scott
Deputy City Clerk:		Sheralene Thompson
Representatives from City Departments:		
Representatives from News Media:		Erica Kinnaird, <u>Eden Daily News</u>

MEETING CONVENED:

Council Member Grogan called this continued budget meeting to order and welcomed those in attendance.

Salary Information:

Council Member Gover asked Mr. Corcoran, City Manager, to touch on each department's salary and show the increase or decrease, and how he arrived at that percentage.

Mr. Corcoran began with the General Fund, Governing Board, which was shown at the same level of pay as it currently existed. He noted that overall the budget reflected a one point five percent cost of living increase, and an additional one point five (percent) provided for merit increases that would be based on the performance evaluation. He added that was reflected throughout the entire budget. He explained that the only place they would see some variation from that increase would be where there had been some activity as a result of the staffing assessment. Mr. Corcoran explained that the Administration Department consisted of four employees, same as last year.

Mr. Corcoran then referred the Council to the first page of each department and explained that to make it easier, there was a description above the word "salaries" telling how many employees were in the department. He noted that in the Municipal Services Department, there were salaries for two employees and that was a change because previously the Administrative Assistant Secretary was charged under Solid Waste. He explained that the employee reported to the Director of Municipal Services and assisted in all of those areas. He said that the employee's salary had been taken from Solid Waste and added under Municipal Services, accounting for the two salaries shown, the Director of Municipal Services and the Administrative Assistant Secretary. Mr. Corcoran next explained that the Finance Department represented the Finance and Human Resources Department combined with a total of seven employees. Mr. Corcoran continued with the Business Development Department which consisted of one person. He stated that the Police Department had listed a salary for fifty-seven employees. He noted that last year the Police Department had sixty-two employees, so there was a reduction per the staffing assessment the Council had adopted from sixty-two down to fifty-seven. Mr. Corcoran said that it was anticipated that the number would drop to the fifty-six level that the Council had voted for probably in the fall with another retirement pending. He noted in the previous year's adopted budget, they had allocated a little over two million dollars (\$2,020,500) and that this year the manager recommended \$1,919,500. Mr. Corcoran stated in the Fire Department, there was one additional person and that position had been put on hold. He explained that there were sixteen employees funded under salaries, which was the same number as last year. Mr. Corcoran explained that the Engineering Department had three employees, same as last year. This included the engineer and the

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two assistants. He stated that the Street Department had fifteen employees, same as last year. Mr. Corcoran explained that Solid Waste had thirteen employees, the same number from the previous year, although as noted earlier the administrative assistance secretary is now charged to Municipal Services. He reminded the Council that as a result of the staffing assessment, they had agreed to add one more laborer. Mr. Corcoran explained that the Planning Department had an increase of one employee, the planner position, which had been voted on during the staffing assessment. He added that there were five full-time employees and a half person position, which the Council had added during the staffing assessment, but that there was also the elimination of the part-time electrical inspection position since they were now doing all their inspections in house. He explained under part-time salaries, the Planning Department had in the last three years spent anywhere from \$21,410 to \$24,586 on the part-time electrical inspection position that had since been eliminated. He said that the recommendation for next year was \$15,700 and that was pursuant to the staff assessment where the Council had talked about creating a part-time position with the employee that was currently getting ready to retire at the end of the year. Mr. Corcoran explained that under the Parks and Recreation Department, there were thirteen employees and that was an unchanged number from the previous year. He stated that there was the same situation in the garage, where the number was unchanged from the previous year. He noted that in this year, the garage was a department of the General Fund. The Water and Sewer Department would be reimbursing that department in the General Fund for its pro-rated share of equipment and vehicles that were being maintained. Mr. Corcoran stated that under the Water and Sewer Fund in billing and collections, there were five employees. He noted that Joyce, one the employees who was previously allocated to C&D, was being charged there because pursuant to the staffing assessment the City was moving to a centralized purchasing system. He explained that it was just charging her to a different department than she was in previously. He said that there was a meter reader and meter reader technician and two office personnel as well as a central purchasing warehouse position in C&D. Mr. Corcoran explained that in Water Resources, Water Plant, Wastewater Treatment, and C&D, there were four positions eliminated and two positions added. He summed up that there was a net reduction of two positions. He explained that there were five positions eliminated, three in C&D, one at the Water Plant, and one at the Wastewater Plant. Mr. Corcoran said that pursuant to the staffing assessment, those positions were replaced by a Superintendent of C&D and a Superintendent of the Wastewater Plant. He said that of the positions recommended to be eliminated, eleven positions had already been eliminated since February. He added that five positions slated to be hired had been hired. Mr. Corcoran summed up that as of yesterday, there was a net savings of six positions.

Council Member Gover inquired in the Wastewater Treatment, if that was the reason for the big jump there, for that person.

Mr. Corcoran replied in the in the Wastewater Treatment, they added a superintendent and it was just where people were allocated. He used as an example C&D, which had dropped roughly \$53,000.

Central Purchasing:

Council Member Tudor reminded Mr. Corcoran that last summer they went to the city garage and had talked about the possibility of changing things around such as motor oil being bought in bulk, motor oil being pumped into vehicles, and having an apparatus to pull motor oil from vehicles. He said that maybe they would get a better price on buying materials and be more efficient in getting vehicles serviced and releasing them. Council Member Tudor asked Mr. Corcoran if there had been any talk about doing anything like that and what it might cost the city.

Mr. Corcoran answered that there had not been any specific talk about that specific item, but that it got to the heart of what the city wanted to do with the central purchasing system, not just the oil and bulk for the garage, but for a wide variety of things that were needed citywide. He explained that the city intended to have a central purchasing person in the city hall building doing everything that was housed in this building, as well as fire. He stated there would also be central purchasing at the shop that would take care of everything in municipal services, including streets, solid waste, and water and sewer. He said that initially there would be two points for central purchasing. He explained that the

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whole desire of purchasing was to make it more centralized and get more items on bulk and save as much money. Mr. Corcoran explained that in the scheme of things, that was what the city was trying to work towards. He added that specifically, it has not been talked about yet.

Animal Control Vehicle:

Council Member Vestal stated that he would like to ask a police question from page six of eight. He stated that the animal control truck was a '92 and he realized that it was ten years old, but he wondered if there were extensive costs associated with that truck. He inquired if that was the reason for replacing it.

Mr. Carter replied that the truck was a 1992 Ford and currently had 156,854 miles on it. The total repair costs to date, including tires, parts, and labor, was \$33,473.76. He explained that costs were for the life of the truck.

Council Member Vestal asked if that truck was having more problems in the last year or so to which Mr. Carter explained that in March of 2000, fleet maintenance had to install a transmission and had to put fuel pumps on it. He said that the truck was coming in the shop the next week for air conditioning.

Council Member Vestal responded that there was no problem.

Mid Size Vehicles:

He said he would like to see the City Manager and Police Chief check into the cost and savings of purchasing mid-sized vehicles when replacing police units, noting that a lot of cities were buying mid-sized police units.

Mr. Corcoran answered that he could do that noting that he had spoken to Chief Benthin and Capt. Johnson that afternoon. He said that before they proceeded with buying any vehicles he wanted to do a feasibility study on where mid-sized vehicles would work and the cost of transferring equipment (light bars and radio gear) from the full-sized cars to mid-sized cars. He said that the Chief and the Captain had informed him that there was some information out there about that. He explained that prior to proceeding, they would put together a report for Council.

Fire Department – Part-Time Position:

Council Member Vestal asked Mr. Corcoran to touch on the part-time positions for the Fire Department.

Mr. Corcoran answered that initially in the presented budget under Account 12600, Salaries, Part-time, it showed five part-time positions working eighteen hours a week. He noted that this allowed the city to comply with NFPA 1710 standard each Monday thru Friday from 8 AM until 5 PM. He explained that it had changed and in order to meet the NFPA 1710 standard of having two in and two out, the City would have to have three part-time positions working each weekday. He said that the number of \$37,500 would really be \$56,200. He said that would change the FICA number of \$55,200 to \$56,700. He explained that the city faces liability if they respond to a fire and they do not meet the various standards that are set forth by OSHA and other regulatory agencies. Mr. Corcoran stated that one of the basic rules was the two in, two out rule which meant they were supposed to have two people with the apparatus on the outside and two people available to go inside. He said that one of the problems noted in the staffing assessment was that the department was not getting good response from the part-time volunteers during the workday, obviously because they had full-time jobs and were at those jobs. He added that many of the jobs they hold are out of the community. Mr. Corcoran explained that as an alternative to hiring full-time people to man around the clock, the idea was to go with part-time people to supplement the efforts of the volunteer part-time people in the evening. He said every Monday through Friday from 8 AM to 5 PM they would have four people, three part-time and one full-time, on duty at Station 400. He stated that this would allow the city to meet the standard. He added that on the weekends and in the evenings, they would still have their normal coverage of one person per station with the

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thought that the part-time volunteers would be available more readily to respond to calls as they happened in the evenings and on the weekends. Mr. Corcoran explained that was what that line item was and that was the amount of money that was required.

Council Member Tudor stated that he had talked with the Fire Chief earlier and had been given a possible scenario as to who the part-time firefighters might be. He advised that he thought other Council Members might find it interesting.

Fire Chief Ronnie Overby stated that it would be other full-time people at other fire stations. Chief Overby said that he had seven of this part-time volunteers that now work full-time at Reidsville and Summerfield. He said that they have expressed interest of working part-time.

Color Removal – Polymer:

Council Member Gover said that he had a question regarding color removal in the polymer that the city is purchasing. He advised that he noticed there had not been any expenditure up until this year. Mr. Gover asked why this was.

Mr. Corcoran referred Council Member Gover to the chemicals on line 293, item A, and explained that polymer used to be charged in chemicals. He explained that one could see the history there of \$833,000 in 1998 and 1999 and that to track it better, they decided to break it out this year so it would be evident exactly what the polymer cost.

Council Member Gover advised that the reason he brought it up was because the color removal was causing a problem in the Waste Treatment system. He questioned if the City was charging enough for that to offset the costs of the 33% solids.

Mr. Corcoran stated that it was his understanding that it was offsetting expenses. He stated that he had a note the night previously that the current rate is 37 ½ cents a pound and the new rate received the prior night was 27 cents a pound, netting a savings that would be passed on to the industries that were out there paying.

Council Member Gover stated that it was costing \$475,000 just to divert one line and they were looking at \$520,000 on this item. He stated concern that this was a 4 million dollar (rounded off) plan and they still have a 33% color solids. He said that he hoped this 33% was covered down the road. Council Member Gover explained that they would continuously have the problem when they divert the solids up to the lagoon and still had the color removal solids in there. He stated that he hoped that was being taken into consideration.

Mr. Corcoran added there were certain things that could be done with some of the industries, such as Santee and Karastan, that they would be unable to do with others, such as National Textiles. He advised that National Textiles was on a contract that was very specific about how their rates were set. He explained that there was no room to adjust those rates because of additional capital costs that they may be incurring. Mr. Corcoran stated that if the City wanted to pass some of the bio-solid costs back on these companies, it could be done through the rates to Santee and Karastan. Mr. Corcoran reiterated that it could not be done to National Textiles.

Council Member Vestal stated that he had thought National Textiles was on the cost of recovery formula.

Mr. Corcoran affirmed that they did but stated they did a capital take or pay and they had already paid their capital costs for whatever map develop.

Fire Department:

Council Member Vestal questioned if the seventeen employees in the fire department were on hold for the entire budget year.

Mr. Corcoran answered that it would be on hold until he brought it back to the Council and they felt the position was needed and approved it.

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Council Member Vestal stated that regarding page 304 on Water Construction there was a problem listed on the Grove Street tower overflowing, icing and so forth, and there had been no money appropriated for it. He questioned whether the problem had been fixed and if the money had been appropriated the previous year. He added that there was supposed to have been a valve installed.

Mr. Corcoran replied that was an old history and that had been taken care of.

Employees Pay Increase:

Council Member Gover expressed his dislike for the new line items during the hard times.

Council Member Vestal asked if the COLA needed to be discussed.

Council Member Grogan addressed the 1 ½ percent pay increase for cost of living and 1½ percent to be used as incentive pay. He stated that with what was done that year with employees, a 2½ percent flat increase was discussed to be used for cost of living or incentive or anyway that was chosen.

A motion was made by Council Member Gover seconded by Council Member Vestal for a 2½ percent pay increase to be used at the City Manager's discretion (use all as a COLA or use a portion for COLA and a portion for incentive pay).

Council Member Grogan explained that there would be a 2½ percent pay increase that the City Manager could use at his discretion. He explained the City Manager could use it all as a COLA or use a portion of it for COLA and a portion for incentive pay, but it would cost the taxpayers 2½ percent.

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

Adjournment:

A motion was made by Council Member Epps seconded by Council Member Tudor to adjourn. (Mayor Pro Tem Grogan noted that this adjournment would mean that the budget was finalized and brought back to a public hearing on June 18th). All Council Members voted in favor of this motion.

Respectfully submitted:

Kim J. Scott
City Clerk

ATTEST:

Philip K. Price
Mayor