

CITY OF EDEN, N. C.

A special meeting of the City Council, City of Eden, was held on Monday, June 30, 2003 at 7:30 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:	(Absent)	John E. Grogan
Council Members:		Ronald H. Reynolds
		Billy Vestal
		Christine H. Myott
		Garry Tudor
		Jerry Epps
		C. H. Gover, Sr.
City Manager:		Brad Corcoran
City Attorney:		Tom Medlin, Jr.
City Clerk:		Kim J. Scott
Deputy City Clerk:		Sheralene Thompson
Representatives from staff		
Representatives from News Media:		Lanita Withers, <u>News & Record</u> Steve Lawson, <u>Eden Daily News</u>

MEETING CONVENED:

Mayor Price called the special meeting of the City Council to order and welcomed those in attendance. He then recognized employees of the Planning Department, Kelly Stultz, Director, as well as Phyllis Simpson and Debbie Galloway. In addition, he introduced Hannah Cochran from the Piedmont Triad Council of Governments and David Cain, a consultant with Finkbeiner, Pettis and Stout.

Mayor Price explained that the purpose of this meeting was to hear public comment on the proposed annexation. He noted that the meeting was somewhat formal and would be transcribed. He pointed out that about fifteen people had indicated that they wanted to speak and based on the time length, they would limit each speaker to five minutes per speaker.

Mayor Price reiterated that this meeting was to hear the public's comments on annexation. He commented that from the information session a few weeks prior a lot of people did not fully understand what was going to be done or they did not think the information given was exactly what it should be. He stated that there would be an initial comment from Ms. Stultz and after the session, the staff and consultants would be available to answer questions. He assured the audience that the staff was available to answer questions anytime during operating hours.

Public Hearing:

(a) Public Hearing for annexation as per a Resolution of Intent adopted April 28, 2003 and to include an area west of the current City Boundary and identified as Area II Indian Hills.

Mayor Price announced that this was a public hearing for annexation as per a Resolution of Intent adopted April 28th, 2003 and to include an area west of the current City boundary and identified as Area II Indian Hills. Mayor Price called the public hearing to hear comments.

Mayor Price then called on the first speaker:

Mr. Jimmy Davidson, 1845 Indian Trail, stated that as he looked around the room there, he saw all of those nice people. They were from Indian Hills, most of them. They had a good, nice face on them but they had a little anger. He stated he just wanted to say that they were in a bad state of affair in Eden as far as the economy was concerned. He did not see why folks could not see this, and they would like for the Council to understand where the people of Indian Hills were coming from. They have a nice community. They have been out there and have done a lot of hard work. They have spent a lot of money and the City was going to come out there and grab them up. And they need time which was what they were down there tonight asking for. They were asking for time. They thought what the City was doing or what they were trying to do to Indian Hills was immoral, not only immoral, but illegal. He stated he thought that if the Council would think about that, they would realize that they were telling them right. There were a lot of

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folks that want to speak and he was not going to speak a long period of time but he did have a petition with about ninety-some names on it. Those people signed the petition for a purpose. They signed it because they're angry just like himself and the rest of them. They thought the City was doing them wrong. They were being done dirty. He then presented the original petition to Mayor Price which contained ninety-two names.

Mayor Price read the following petition into the minutes:

"We the undersigned residents of Indian Hills Subdivision, do hereby make known to the City of Eden the following:

1. As legal residents of Indian Hills Subdivision, we do **not** have the desire to be annexed by the City of Eden.
2. As legal residents of Indian Hills Subdivision, there is **no** social, economic, or political advantage to be incorporated into the City of Eden, North Carolina.
3. The residents of Indian Hills Subdivision will face economic disadvantages and/or hardships due to annexation.
4. As legal residents of Indian Hills Subdivision, we feel the motivation for annexation by the City of Eden is strictly for financial gain by the City. There are currently **no** services that the City of Eden has to offer that are not existing by either the Indian Hills Subdivision Association or Rockingham County. Further, we feel that the City of Eden has targeted the Indian Hills Subdivision due to these services being existing, in turn lowering the City's initial capital outlay required to meet the policies for providing services due to annexation. The motivation for this assessment is further verified by the fact that the original annexation issue included two (2) additional areas that would have required extensive capital outlay by the City to meet its requirements of annexation.
5. As legal residents of Indian Hills Subdivision, we are hereby notifying the City of Eden that we will make every effort necessary to prevent the City of Eden from annexing our property."

Mayor Price noted that there were approximately twelve pages of names and then called on Ms. Stultz for public comments.

Ms. Stultz stated that in a few moments she would share a power point presentation with everyone in the room. She added that a copy had been supplied for City Council Members. She stated she also had a couple of handouts that she would explain. Ms. Stultz noted that there had been some questions that she had been asked over and over in the last few weeks and a couple of them she would like to share. Should the annexation be approved, no property owner that currently had public sewer would be assessed for sewer services. There was some concern that those who already had sewer to their house would receive an assessment anyway and that was not how it worked.

Ms. Stultz explained that only property owners in areas without sewer would be assessed when construction was complete. However, unless a request was made by fifty percent of the property owners on a particular street, the City would not construct or assess improvements. That would follow along with their normal assessment policy and that was available to anybody that would like to come in and talk with them about that. The petitions for such and copies of the policy were available in her department and she would be glad to help anybody with that, that was concerned. Should the annexation be approved, no tax payments would be required from the impacted property owners until January 2005. That would be the last day that those taxes would be payable without being past due. That would give our property owners in that particular area at least from now, June 30, 2003 until January, 2005, to be ready. One of the other questions that she had been asked repeatedly and had some criticism about some handouts they did earlier, was that it failed to address enough possibilities. One of the things they have shared with everyone that evening was a handout that talked about City of Eden rates versus Dan River rates and they went from 1,000 gallons to 40,000 gallons in a bi-monthly period and addressed really only residential. That should help anyone that was trying to figure out what their actual cost in savings would be. And again, anybody that needed help with that, either she or some other member of staff would be glad to talk to them about it, take their bills and figure theirs out. Likewise, they had prepared a handout that started with some property values and it was just considered to be, they had proposed it as a way to give some reference points. Some of the folks at the informational meeting thought that the values they had chosen to use as examples were not exactly what they would have liked to have seen so they changed those to 50,000, 100,000,

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200,000 and 300,000. They also took, inside the City right now, if they took the average property value to personal property value, it was about 25 percent. So for estimating personal property, which would be vehicles, they used 25 percent of the value of the house to establish those. The water costs on the sheet were for a family of four that was using 100 gallons per day per person. She noted she had seen some that were higher and some that were lower as they have looked at various bills from out in that area. Sewer service, as she said earlier, if they had sewer now, would be lower than what they were paying from the City's outside rate to the City's inside rate. Additionally, sanitation, if they looked there, costs more to have Waste Management pick up the trash than it would to have the City of Eden do it. Regarding homeowner's insurance, she had heard from some folks that various quotes they had received from insurance agents were not exactly what she had been getting, but those were just considered to be a guide and some way to prepare information.

Ms. Stultz began with the power point presentation. She stated that as an overview of this presentation, she had included annexation criteria, methodology used, statutory compliance, plan for municipal services, expense and revenue estimates and the time line that had been used to go through this process.

Ms. Stultz explained that annexation in North Carolina was something that was set out by State Statute and State Policy and it was designed to provide sound urban development, to provide for the provision of necessary public services, and to ensure public health, safety, and welfare. It was governed by North Carolina Statutes 16(A)-45-58. Ms. Stultz explained that there were several methods available and it also depended on the size of the City, but there were also petitioned annexations where people asked to be annexed and then involuntary annexation, as it was known often, but it was really an annexation by statutory standards, which was the process they were currently going through.

The procedures the City had to go through were a Resolution of Intent, the report was prepared, a public information meeting, and tonight's public hearing. At a later date than this evening, an annexation ordinance would be presented and if it was adopted, the annexation would become effective. A public information meeting was held on June 19 2003. There were upwards of 44 attendees and there was a question and answer session that evening. As far as criteria for annexation, any area must be contiguous to the City. Twelve point five (12.5) percent of the area boundary must coincide with the existing City limits, must not be located within another municipality, and it has to be developed for urban purposes. She explained that the use test for that was 60 percent of the lots in urban use and the subdivision test was 60 percent of the residential and vacant acreage in lots of three acres or less. The data that was used to prepare the report and the information involved tax records, City department data, previous fiscal years, census data and information provided by Finkbeiner, Pettis and Stout.

Ms. Stultz explained that the area referred to as Indian Hills was much more than that subdivision. It contained approximately 240 acres, 149 parcels, 87 households, and approximately 203 potential new residents, 68.4 of those parcels were currently in use and 63.2 percent of them were residential and vacant lots of 3 acres or less, and 31 percent contiguous.

The plan for municipal services included a contract with Dan River Water, Inc. and the assessment costs of local mains. The sanitation would be to contract with Waste Management for two years and then the services would be supplemented by yard waste and white goods, all the things that the City services that Waste Management does not provide and then at the end of that time, new waste containers for each household. Police protection would include existing personnel and equipment sufficient. Fire protection was currently provided by Leaksville Volunteer Rural Department and they would have a five year contract to respond with them. Compensation would be through the use of facilities. Service to be provided from Stations 1 and 4. Existing personnel and equipment sufficient and they would for that period of time provide them with the same fee they would charge if there were a house fire in Indian Hills now. Street maintenance included 4.49 miles of secondary streets and could be dealt with by existing personnel and equipment. Ms. Stultz stated in her department, Inspections, Planning, and Zoning, they were already providing services to this area. They were currently in the Extraterritorial Jurisdiction and they would not need anyone else to care for them. As far as expense and revenue estimates, they saw capital costs as provided by Finkbeiner, Pettis and Strout, water and sewer extensions would be \$833,000 less potential assessments of \$276,500 and less connection fees of \$47,600 and the new waste containers of \$5,655. Some of the \$833,000 would be impacted by whether or not the various residents who did not have sewer would petition to have it. They

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would only have to pay for the main line costs unless those folks wanted their sewer and then the City would pay its portion.

As far as operating costs, they would have a water and sewer revenue loss simply because the outside sewer rates are higher than the inside sewer rates. And then the payment to Dan River to compensate them for the projected difference between the rates they currently charge Dan River customers and what the inside City customer's would pay. That would make it fair and equitable for any new residents. There would be a cost of \$8,936 in sanitation. In fire protection, the best number they could gather from the Leaksville Volunteers was that they average one house fire a year in that particular area, according to the Chief of the volunteers in that area. They generally bill \$200 per fire. Street maintenance would be \$9,916 and street lights would be \$2,034 for net operating costs of \$50,932. As far as revenues, there were real, personal, sales tax, utility franchise, and Powell Bill, which was the monies that the City receives for street maintenance, water and sewer, sanitation, beer and wine tax, cable franchise fee, for a net revenue of \$182,137. In summary, that would give the City a net annual gain of \$132,205 in a payback of 5.6 years.

Ms. Stultz then referred to a worksheet which gave some different estimates, numbers that some said they would like to see other than the ones originally chosen. The Resolution of Intent was adopted April 28th, annexation report May 14th, the public information meeting was held June 19th, and the public hearing, tonight. The annexation ordinance is scheduled to be considered July 10th and if the annexation was made effective by the adoption of that ordinance, it would be effective July 10th, 2004.

The next person to speak was Becky Minichello, 1831 Indian Trail. She presented an information sheet for the Council. She stated that she had been a resident for over 36 years. She explained that she and her husband also own couple of properties in the City of Eden. Mrs. Minichello added that her parents had also been residents of Eden for 48 years so she knew very much, about the City of Eden. She elected to come back here, after a previous divorce, because she wanted to be close to her parents and that was one of the things that encouraged her to go to Indian Hills. She could still be close to my parents and they just happened to be in the cemetery right next to her. Mrs. Minichello then explained that she had obtained some information from the U.S. Attorney's Office. She explained that when she first heard about the annexation, she thought instead of working 12 hours a day she would just work 14 hours. She and her husband were both in a 42 percent tax bracket, which basically meant half their income went to taxes. Mrs. Minichello went over the following information she received from the US Attorney's Office: They said that the City must exemplify that new services would be provided to the area to reveal a need for it; the population must show a dramatic increase to demand more money from a certain part of town; there could not be user fees when an area was not considerably more congested. For instance, if they requested more property tax, they could suggest the money be used for road improvements. But Indian Hills did not add congestion to the roads or inhibit the area from natural activities. It should be used for neighborhood improvements and not to bankroll a City. She stated that \$182,137 was to bankroll a City in her opinion. Show building statistics; and that the people who live in the neighborhood were already subject to higher development fees. Annexation policies should only be a result of a request to do so by property owners or residents of the area in question. She stated that she for one did not feel like that she, nor her husband, nor her neighbors requested this. The City should actively pursue possible strategic partnership agreements with area municipality utility districts. The problem with land use was that the value of a person's land was influenced both by how they used their land and how nearby landowners used and took care of their land. Land values should be protected by prohibiting use on adjacent properties that would bring down property values. Mrs. Minichello explained that she and her husband took a tour of the neighboring areas that were on the map earlier. There were some very, very, very, very low-priced properties in that area, other than Indian Hills so they felt like they are being targeted unfairly. She continued that the City should actively pursue possible strategic partnership agreements with area municipality utility districts. And basically the information went on to say that one of the things that they could do was a survey on people that work in their neighborhoods. She explained that she commuted to Greensboro, which was one hour per day. She also dodged all the deer possible out on Hwy 135 coming back late at night. She also stated she knew there was at least half of the people out there in the neighborhood that did commute to Greensboro. One of the things that made it more attractive to them than to live in Greensboro was, of course, the low-priced housing considering what it is in Oak Ridge. However, if the taxes did increase, it was going to make an impact of at least \$200 per month to her family personally, adding she had not calculated this for anyone else.

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She stated it was unfair to them and their household, as they had two children in college. She stated it was just not a good time and right now there were over 2,000 properties just in Rockingham County that will be foreclosed on for the year of 2003. She again asked the Council to reconsider and to give it more time and more favorable economic conditions.

Mrs. Judy Kendrick, 127 Beaver Run, stated that her husband, Jim and her son have lived in Indian Hills for four years. Before that, they lived in the City of Eden. They decided to build in Indian Hills for two reasons: one – they loved the area, they loved the neighborhood; two – it was in the county. She stated they could afford to build a larger house because they would not be paying double taxes. They had the same basic services as the residents in the City and they were very happy with those services. She had heard that some of the Council Members had said that their minds were made up in favor of the annexation, that there was no changing their minds. She was always taught that to make a sound and wise decision, to always make sure one had all the facts involved and to know what the repercussions of that decision would be. She stated that she knew they had done a lot of research on the financial side. She stated that Ms. Stultz had told them that the payback would be six years. She asked how much research they did in talking to the people involved. How many people did they go and talk to on their own. Did they know how their decision would affect their lives. She stated that no one talked to her and she asked several neighbors and she knew no one talked to them either. Ms. Kendrick stated she wanted to let the Council know tonight how their decision would affect the Kendrick household. She explained that she had been unemployed twice in the four years that she had lived in Indian Hills. Both layoffs were due to financial problems with companies in Greensboro. Being laid off twice in four years was not a great ratio. She stated she currently worked for Oakwood Homes and they declared bankruptcy last year. The job market was stale and flooded with many unemployed people. The thought that their monthly output would increase by a couple of hundred dollars a month was quite scary to her. They reviewed the information that Ms. Stultz gave them and calculated the correct figures for their house. It would definitely have a big impact on their monthly budget. Their mortgage payment would increase over \$100 a month. She added that did not count for the additional taxation on the cars. She stated there were other families in their neighborhood who had also dealt with unemployment. She stated she could not speak for the other areas being considered for annexation, as she did not know them. She added in Indian Hills they also had approximately ten retired households in the neighborhood. Those people were on a fixed income. Any type of increase affected their budget. Recently Pillowtex and Stoneville Furniture had layoffs and financial problems. She stated that Indian Hills was not a neighborhood of all doctors and lawyers like some people think. They were a melting pot of blue and white collar workers and retirees who have worked hard for what they had. She stated with the economy the way it was, now was not the time to be talking about increases to people's home budget. She stated they knew that being annexed was in their future, but they had hoped that it was not in the immediate future. Ms. Kendrick stated that she knew the Council did not know her personally, but she asked them to do her a favor - sit down that night or the next night after the meeting and think about all that they had heard and try to put themselves in her place. She asked how they would feel if their monthly output increased dramatically. She asked how they would feel if no one spoke to them about a decision that would affect their everyday life. She stated she thought they would be nervous and angry as well. Ms. Kendrick asked them to make a decision considering all the facts, not just the ones favorable to the City of Eden. Think about the people whose lives they were affecting.

Rev. Brad Pharr, 1808 Indian Trail, stated that he was pastor of First Wesleyan Church in Eden. He explained that the parsonage, the church-owned home that he and his wife lived in, as he understood it, was the first home built in Indian Hills over twenty years ago. First Wesleyan Church had, at that time, 183 members and every single one of them were co-owners of the property at 1808 Indian Trail. He asked when they looked at him he asked that they not see just one person, but 182 other co-owners of that property. Their church was actively pursuing a number of necessary improvements to their church building on Church Street. They had received estimates for over \$40,000 for a roof, \$20,000 for window repair, \$10,000 for interior plumbing and electrical repair, \$30,000 for heating and air conditioning improvements, and \$50,000 plus for other projects and improvements to their church building. That was over \$150,000 of work that they needed to do to their church building. The added cost of annexation and the assessments would be a major detriment to their plans. Rev. Pharr stated that their parsonage was currently not on sewer so they would be nailed with the assessment. At that point in time the City of Eden had not provided them with proper information or the proper numbers concerning the proposed annexation. At the very least a decision should be delayed until appropriate and accurate disclosure of all facts had taken place. As Americans and Indian Hills residents they

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were supposed to be protected against taxation without representation. Rev. Pharr stated that the assessments and increased fees were in fact a left-handed form of taxation against their will. He added that all the while none of them had ever had the opportunity to vote for or against anyone of the Council, of those who would be the only ones casting a vote on the annexation ordinance. He stated that in a recent newspaper report, it was revealed that the City of Eden had one of the worst sewage spillage records in the entire state of North Carolina. Rev. Pharr stated that it appeared that the Council was wanting to expand and increase this problem into their neighborhood. He stated that in a strange twist of irony, if the Council voted for the annexation again against the will of the people, they would by that very act make everyone of them (residents) a constant voice and presence in all matters of the City from that moment forward. The annexation of Indian Hills would not be unlike the barbaric tactics of Hitler and Hussein and other tyrants throughout history who would overtake geographic areas and their people for nothing more than strategic and monetary gain. He asked if the City of Eden wanted to join that dubious list. He added that it sounded to him that the City of Eden was willing to hide behind the shroud of legality and in that case, Statute 168. Rev. Pharr stated he wanted to remind them that just because something was legal did not mean it was ethical, moral, or right. This was not just about money. It was clearly obvious that the people involved were 100 percent opposed to this. He stated that in fact, the Bible commanded them in Matthew Chapter 7 - in everything do to others as you would have them do to you. He stated that his appeal to the Council was – “don’t do what you think is right, do what you know is right.”

Mr. Bud Helton, 1828 Indian Hills, stated that he and his wife Linda had lived there for approximately a year and a half. He stated that ever since the annexation resolution came about, he had been trying as best he could to figure out what there was that was driving them. As a resident of Indian Hills, he had looked at it and said, what could the City of Eden offer him that he did not already have. He stated he went to the meeting the City had a couple of weeks ago and he was very, very disappointed. The information that they were given, in his opinion, was an insult to their intelligence. He stated he did not know if any of the Council reviewed it before it was given out or not but if they did, he wanted to tell them that in the private sector, such misinformation did not hold water. He added that he wanted to be honest with them as they would have been better off not even putting out the information. He stated that they felt like they had been misguided. But besides that, from an economic standpoint he thought they needed to go out and drive through Indian Hills. Two years ago at the same time he was building his house. He stated at that time there were four or five other houses under construction. He explained that he decided that he would take a round through the neighborhood yesterday and see what was going on as he had not driven through the streets recently. He found one house under construction and he saw five houses for sale which told him something. He stated that said to him that the demand for property and for housing in that area must have gone down and for what reason? There were several economic pressures that came to bear, but one of the things that came to his mind was the fact that they were all facing a tax increase, pure and simple, nothing else. He stated they could call it whatever they wanted to, but they had nothing to offer the residents, nothing, other than to take their money. He stated they could take their money, but there was one other thing that he wanted to remind them, and that was that they, as citizens of Indian Hills, spent their money in the City of Eden, and that money that they were taking out of their pockets was that much less money that was going into the pockets of the merchants of the town. He asked the Council to keep that in mind as they made their decision as to whether it was fair or not. He added that he wanted to conclude as the reverend did. He stated that what they were doing may be lawful, but it was not right, it was not just, and it was not moral.

Mr. Dick Nester, 1832 Indian Trail, stated that he would like to thank the Mayor and fellow Council Members. He added especially, he would like to thank Ms. Stultz for this tonight because he would like to make a few comments about the power point presentation. He stated that unfortunately, he was not at the informational hearing as he was just getting out of the hospital at that time. He referred to the power point presentation tonight, slide three, regarding the policy on being able to supply necessary public services. He explained that they had all the necessary public services that they needed in Indian Hills. They had police protection, they had fire protection, they had sewer, they had water, and they had trash collection. The things that they did have, sort of made him a little bit concerned when he saw the slide that showed expense and revenue estimates. \$10,000 – not the revenue estimates – expense and revenue estimates. Street maintenance \$10,000 a year. He stated, “let’s be real.” He explained that they could not maintain streets, five miles of streets, for \$10,000 a year as it was not going to happen. So what they were seeing was a downgrading of services in their area. Mr. Nester stated that he was a contractor. He knew what it would cost to work equipment and he knew what it would cost to

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work people. He stated that was his business as that was what he did everyday and had done everyday for 25 years. He stated that was not a real estimate. He added he was very, very concerned about that when he saw that. He stated he was also very concerned about the upkeep of services in that area. They were currently on Dan River (water). If they have a problem, they were normally there within just a couple of days at worst and that was generally because it was a weekend. He stated he had seen the City's water run downtown for six and seven weeks at a time, at leaks, and there were no arguments there. Everyone here could probably stand up and testify to that including Council, especially when they went down Washington Street to the very end and took a right. That one was probably longer than six weeks when it was finally fixed a couple of weeks ago. Mr. Nester stated he was concerned about that. He asked what that was going to do to their neighborhood? The Indian Hills people were hard-working people. There was not anyone out there that he knew of that had a rich uncle that died and left them a lot of money as he did not. He stated that even the retired people out there had worked hard everyday, sometimes ten, twelve hours a day, sometimes five, six, or seven days a week. He said they had worked hard for everything they had. He stated that those in business, they knew what it was like, rising insurance costs. It came out of their pocket each year. His personal medical insurance went up 35-40 percent every year. He asked the Council if they had to experience that as he did. He added that probably most of the people sitting behind him (audience) did. Mr. Nester stated as Mr. Helton mentioned just a few minutes prior, the taxes were going to basically decrease his disposable income, and he spent a lot of money in the town of Eden. He stated he got his hair cut in the town of Eden, he bought his food in the town of Eden. Mr. Nester stated he went to the town of Eden to shop and he shopped at the Eden Mall. He bought his groceries in the town of Eden. There were a lot of things he would have to cut out because he just did not have money rolling hand over fist. He stated he was in a business that had been struck just as hard as anyone else's by economic times. The income was just not there the way it used to be, and everyone was fighting the same problems, every person sitting in the Council Chambers that evening, especially those on fixed incomes. Mr. Nester stated the other thing Ms. Stultz did that night, she updated this (information) and he did not get that and she had the impact and he used a \$300,000 residence, anywhere from a \$200,000-\$300,000 residence. Mr. Nester explained that what that impact did not show was there were \$330,000 worth of assessments and connection fees that somebody was going to pay for. That was not shown on the average household impact and he questioned where that information was. He also questioned how that figured into the average household impact. He stated that was because they were looking for them to pay that and that needed to be figured. Mr. Nester stated the last thing he would like to say was as Mrs. Minichello spoke a few minutes prior, she worked in Greensboro, and he worked in Greensboro. He explained that this community had been hard hit by the loss of industry in the area. He added that frankly, he did not know that it would ever come back. It was not because of Eden, but because as a nation, they were losing the manufacturing. He stated he was directly affected by that because he was a heavy industrial contractor. He saw his business leaving town. He added not just here, but he worked all over the eastern seaboard, and it was not there anymore the way it used to be. He stated that there were some potentials of things that were going to happen in the Triad communities. He stated that what they needed do together as a community was work together to get people to come here to live, even if there were no jobs there, they could still come there and live to provide a tax base. He stated those people may be our industry. He added that we may be the bedroom community for Winston-Salem, Greensboro, and High Point that has the ability to be able to draw these manufacturing centers here, but there was not going to be a soul come here if they do not provide services for them, make it pleasant for them to live, and them not having to worry about it costing an arm and a leg to live in Eden. They were fighting situations right now, and Eden especially, because 15 minutes up the road, starting the next day, people could buy groceries at two and a half cent on the dollar less for sales tax, and gas averaged ten cents a gallon less. These were some of the things that they were fighting and they were running other people away. There were young couples that he went to church with that were moving to Greensboro. They were not keeping these people in Eden because they were not providing things for them. And all they were doing were just doing things to keep it costing them more and more. Mr. Nester added that he was scared. He stated he knew the City had a plight. But taking disposable income away from hard-working people was not the answer, at least not presently. He stated everybody needed a chance to get back on their feet as he knew the City did. But they as citizens of Indian Hills needed a chance to get back on their feet too.

Ms. Cheryl McMillan, 1812 Indian Trail, stated it was kind of hard to follow-up behind some of the stories. She stated she had pretty much the same thing to say. Her household would be hit by \$200 a month and that was just an estimate. But in addition to that, she was one of those residents who was on septic right now. So in addition, they were asking her to take on \$200 more

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a month and they were asking her to pay back an assessment fee and they were going to generously give it to her over five years at eight percent interest. She stated that was a big interest rate over what was four percent right now. She stated the City was also asking her to go out and get a contractor and run a great deal of sewer line to hook up to the City. So now she had to go out and get another loan. She explained that she was going to have to pay back two loans, plus an increase in her monthly budget. Ms. McMillan stated if the City gave her some time, they might be able to work something out but they were not making it reasonable to them. She stated she had done a lot of research in the past couple of weeks, especially since the last meeting. She stated she did not know who out there had one of those (the proposals), but they all needed one. It was the proposal that the City had offered to them. She stated the Council needed to read it. There was a great deal of information in there that had not been presented to them and it was not fair. The information needed to be reviewed and revised. It was not important and she told Ms. Stultz that she might need to fix this. The proposal – the information that night had 4.69 miles of road. It was 2.64 miles. She asked, so the \$9,000 figure was related to which, to \$2,000 or \$4,000? (Ms. Stultz replied to the \$4,000). Regarding the homeowner's insurance, she personally sat down and went over all her figures. Homeowner's insurance will not decrease for them for five years. They will remain as Leaksville Volunteer for five more years. So their rates would not reduce. There were some actions that could be taken to work through that. It would be immediate. It would not help them. The sanitation services – two years the contract extends. They were again going to pay higher rates. They were going to pay Waste Management rates for two more years. They were going to receive the services as well and then they were going to turn around and charge them \$65 for a can that they did not want. The assessment fees he had discussed. They were going to charge her eight percent for five years. She stated she thought that needed to be addressed. That was a high figure. In the water services, those she had discussed with Ms. Stultz. In her household they used 263 gallons a day. She stated she was not excessive. She did not have underground water. She did not do a lot of extra watering of any type. And she (Ms. Stultz) was quoting them at 100 gallons. Ms. McMillan stated she (Ms. Stultz) was saying on their reports that they were spending about \$600 a year. She stated her household, more than double those rates, only spent \$372. She stated the figures need to be reviewed and revised and they need to come back with another proposal that was fair and that they could actually live with and that they could afford and that you were going to offer them something. She stated he hoped the Council was listening to them tonight. She stated that she hoped the Council would really think about the people of Eden. The Council needed their support. She added they could not vote. They were going to be three years down the road before they could vote and that was not fair. She added they were not giving them fair services. Ms. McMillan asked them to put it off a few years until they could actually give them a plan that works.

Mr. Jim Smith, 135 Beaver Run, stated he had a small business in town. He noted that Mr. Price also ran a small business in town so he knew first hand what his business was doing currently compared to what it did before. He stated he could not believe that he was even letting the City Council think about this. Three or four years ago, things were booming; everything was booming. There had been several people who had said that they commute back and forth to Greensboro, lost their jobs twice in four years, construction worker, probably doing a third of what he had been doing in the past. He noted he had not laid off anyone, but he did put some on short time during the week, trying to help out. He stated he was doing just about everything he could to keep his head above water right now. He stated that everyone of them knew, even though they would not look him in the eye, that they were doing the wrong thing. It was the wrong time and he hoped that the Council would reconsider and think about what they were doing. Regarding the streets, Mr. Smith stated he had brought it to many people's attention, about the streets and stuff, and he saw where Washington Street had some work done on it. He asked Mayor Price if a person came to him and got a set of tires and they went out around and complained, then he would put a new set on. He stated he would do the same thing at his place of business. He stated he would repair what needed to be repaired. He stated that Washington Street was still like a washboard and they were going to accept it, he imagined. Mr. Smith stated, yes, he was upset and he was going to continue to be upset. He mentioned that Mr. (John) Grogan was not even here for meeting tonight and asked if he was the chairman of the board (City Council) to which Mayor Price replied he was not.

Mr. Smith stated that as good as the Council wanted to be, this meeting was mighty important and one of the main men did not even make the meeting. He stated that showed him that he was not going to do anything for him or any of the other people in Indian Hills or in the area that they were wanting to annex Parksdale, Glenn Farm. He stated they have put those on hold because the Council knew they did not have the money to go out there and annex them now and do what

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they were supposed to do. Mr. Smith stated they were targeting them and he thought it was unconstitutional. There were three (areas) on the agenda to begin with. He stated if they were going to do it, then do all three and do not target one person. Mr. Smith stated he knew of approximately ten families in the area, not Indian Hills in particular, but in the area, that one or the other of the spouses is unemployed. He stated that it had been said over and over again that people just do not have money. Factories, jobs are leaving the area, Stoneville Furniture. He had no idea how many people out that way or in Parkdale or up on 14 that was not going to be affected by that, laying (off), shutting down. He stated that people read about it everyday in the paper. There was just no way Indian Hills and the community that the City was targeting could bail them out at that particular time. Things were just going to have to slow down with them just like they had with Mr. Reynolds and his business.

Mr. Smith stated he just wished that the Council would reconsider what they were trying to do and give them some time. Let the economy turn around a little bit and get better. He stated that he hoped that it did. But one could not say it was going to do it in a year. People could not say that it was going to do it in three years. Give the people and everybody concerned time to get things turned around.

Mrs. Jenny Sharrow stated that on behalf of the residents of Indian Hills she would like to thank the Council for providing them with the public hearing to express their views on the subject of annexation. She stated since everyone present would not speak tonight she would like to see how those people felt, and she asked the audience to hold up their signs. A number of people in the audience held up signs. Mrs. Sharrow's sign said "We politely decline." She stated they have been polite, even though some were very angry. She said she had three points she would like to share. First, if it is a public hearing, then it was implied that the members of the Council will be listening to those who are speaking to them that night and had listened and would continue to listen. It was further implied that the Council had not made a final decision or she asked, where is the point of a public hearing? She stated it was her sincere hope that the Council's decision, their final decision, would reflect the views of those who were present in the chambers that night; that the Council's decision would be based on the best course of action for the residents whose lives were being affected. Second, Mrs. Sharrow stated she wanted to speak about taxation. She stated that currently the residents of Indian Hills paid taxes to Rockingham County where such taxes were levied by the County Commissioners, their elected officials. Since that weekend on July the 4th they would be celebrating the birth of the nation, let them look at the concept of a representative government. She explained that one of the founding principles of their country was that it would be a government of the people, by the people, and for the people. Because they elected the County Commissioners, they had the right to raise or lower their taxes and she recalled that recently they decided to lower the proposed taxation rate. They were their elected representatives. They did not elect the City Council and the Council were not their elected representatives. And therefore they do not believe that the Council had the right, the moral right, to levy additional taxes on them at that time. Actually, as has already been stated tonight, that becomes taxation without representation. She stated that Mr. Tudor knew better than anyone else. Mr. Tudor was a former colleague of hers. They both taught together at Holmes Middle School for a number of years. This was one of the leading causes of the Revolutionary War. She stated he had taught his students that and she knew he had taught them well. Third, referring to freedom of choice, Mrs. Sharrow stated the county was founded by those courageous individuals who were seeking freedom from religious and political persecution. As Americans they were proud to offer those freedoms to anyone in the world who wanted to become a part of the American tapestry. They thought they were using those freedoms guaranteed by the Constitution of the United States when they chose to become a part of the Indian Hills community. Knowing that they were going to have to pay a premium for water and sewer services, they made the choice to locate in that particular subdivision. Knowing that they would have to pay homeowner's association dues for street lights and other maintenance items, they made the choice to locate in Indian Hills. Mrs. Sharrow stated if the Council voted for the annexation of Indian Hills, they were invalidating those choices and taking them away. She added that although according to the statutes of North Carolina, a municipality had the legal right to annex property providing all the requirements had been met, the residents of Indian Hills did not believe the Council had the moral right to impose the Council's will over their freedom. She stated that their choice to locate in Indian Hills did not impact negatively on the City of Eden. They were employers and employees of many businesses in the Eden community. They were consumers and they contribute significantly to the Eden economy. They were volunteers in their churches and in the community agencies. They were members of many of the medical and educational institutions. In summation, they were simply good people and they knew the Council

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were good people and they were asking the Council to do the right thing. She asked if the Council Members) parents were living on a fixed income, as some of the residents were, especially the retirees, or their children were carefully budgeting their paychecks, and they were residents of Indian Hills, would the Council ignore their reasons for not wanting to become a part of the City? She stated that they hoped that the Council would think back to the founding of this country and the desires of its people to be free. Let all of Rockingham County know that freedom still reigned in the City of Eden. Vote no to annexation.

Mr. Buddy Grohs signed up to speak, however, he stated that he passed in deference to those who may have spoke a little bit longer than their five minutes.

Mr. Gerald Harris, 1986 River Chase, explained that he had lived in Eden all his life. He ran a business in Eden for 30 some years. He had paid county and city taxes all his life, ever since he was married. He stated that he told his wife when he retired that he wanted to build a new house. So they went out through the community and they picked Indian Hills because it was such a nice community out there, nice people. The roads and the streets were kept up. He stated he just wanted to say that he thought the Council would do an injustice by coming out there and trying to take them into the City. As they all know the economy was real bad. Mr. Harris stated that the President of the United States was trying to do everything he could to get the economy jumped, to get it started again. They feel like, if the Council would give them some more years to get the economy started again, they would not have a problem taking them. They would be glad to come into the City. But right now, it was a bad time because the economy was so bad, and he wished that the Council would think about that and vote no for the annexation.

Mr. Michael Kingston, 210 Cedar Falls Lane, explained that he was not in the annexation area, but he wanted the people of Indian Hills to know that a lot of the annexing that had taken place over the many years had come through divide and conquer. They took a little community, one at a time. He stated that was all that was present tonight, Indian Hills (residents) probably, except for himself, adding he was in the Parkdale area. Mr. Kingston stated that he was in agreement with his colleagues and brothers. He stated that he could not speak as eloquent as they did in what they had said that night. Mr. Kingston added that if the Council had a heart of stone, he prayed to God that it would just melt peace and he said the following prayer. "Father, in the name of the Lord Jesus Christ, you spoke about the heart of stone. I pray heavenly father tonight that these people here will have a heart of flesh and what they've heard tonight will sink in. Praise God. And they'll vote against this annexation. And God I heard on the tv the other night that emotional stress cannot be measured. Now these people go home, they'll worry about this thing for weeks to come, for years to come. Even Hopkins Court, Heavenly Father, is still stressed out. And I pray that this Congress here tonight, this council meeting tonight, they will not put this emotional stress on our good people here in Indian Hills and anywhere else in the City. I pray for that in the name of the Lord Jesus Christ. Amen."

Mr. Pat Daly, Danville, Virginia, stated that he was President and the owner of Ridgeview Cemetery that is in the tract to be annexed. He bought the cemetery in 1981. He stated he was 27 years old at that time. He took \$5,000 that he had saved and bought that cemetery. During the first few years that he had it and operated it, he made improvements to the cemetery. He asphalted the roads, put in statues, and developed gardens. He bought Mr. Richardson's house and invested a lot of money in the cemetery. Over the last few years, he found that it had become harder and harder to collect money from people that were unemployed. During that time, his family was also in the hotel business. They, in the early 70's, developed the Innkeeper in Eden and recently a couple of years ago bought the Hampton Inn and operated it. Mr. Daly stated that his sister developed the Great Stops on 14. They provided a large tax-base to the City and they would like to continue to develop in Eden. They were currently negotiating with a restaurant chain on the line of TK Tripps, one of the theme restaurants, to build in front and next to Great Stops, in the old Southern National Bank. He stated he received a notice in the mail. He was in New York and he was not able to come to the meeting. He stated he did not know a lot about it except what he had heard tonight. He stated he was wondering why the cemetery was involved in it, as well as the Indian Hills development, except to gather revenue. Maybe it was the part where it had to be contiguous to the City's current land. But it was not right to annex something just because they had laid down rules in which they had to swallow up somebody to get to someone else. He stated that their corporation was set up to provide a service to the residents of Eden and surrounding area. Their service was providing a final resting place and to make it nice for loved ones to visit. Mr. Daly stated he could not think of anyway where burial property owners before or after their death would benefit from any of the City services that Ms. Stultz outlined tonight.

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He add that he appreciated the opportunity to come and voice his opinion and ask questions and receive more information. As a lot of people had said tonight, it was not the right time. And maybe the right time was not too far off. Maybe gathering some businesses like the people he was talking to would provide a tax base without hurting some of the citizens of the community was maybe where they needed to look. Mr. Daly stated the last thing he could say was layoffs affect people's lives. About half of his accounts at the cemetery, people that have been buried over there and cannot pay their bills. Tax increases would only be attempted to be passed onto their customer base. There were thousands of people buried in his cemetery, so that did affect a lot of people when a decision like this was made. In Danville they went through an annexation recently and he was not saying it was wrong or immoral, he was just saying that maybe it was not the right time for the City. He appreciated the opportunity to speak that evening.

Mr. Scott Barham, 1809 Indian Trail, stated that he was in opposition to the annexation or the proposed annexation of the Indian Hills development. He was in opposition just as he would be opposed to any event or transaction that would hinder the growth of the community and the City. He stated as he raised his family and as he started a business and he had decided to come back to Eden, he certainly had an interest in the City of Eden and the surrounding areas to continue to grow. He stated that he felt the annexation, just as many of his neighbors had already said, would certainly slow down growth. As they looked in their neighborhood currently, there were houses up for sale and the growth may not be there. So as they closed tonight, and as he was brief, not to repeat anything, he just asked that time be given. Give them time to develop our community. Give them time to develop their neighborhood and then come to them when times are a little better and people's thoughts may be along their same lines.

Mr. John Simpson, 155 Beaver Run, stated that he did not know a whole lot to say that had not already been said. He had lived in Indian Hills four years. The whole time before that he lived in the City. He had paid city and county taxes; never liked it, never understood why he had to be taxed twice, but it was what was there. He stated he moved for a reason at that time. Presently, he just did not think it was right. His wife worked in the textile industry. Presently, they were doing fine; no guarantee what next week was going to hold. Mr. Simpson stated if they were going to wait for Glenn Farm, then postpone them to the same time you bring them (Glenn Farm) in. He added he thought if the Council was going to bring one in, bring both in. Don't try to pick out one and say, "well, we'll get them next year" because it was not going to be any more money next year for them than it was going to be this year.

Mr. Mark Parker, 1633 Highway 135, stated that when he arrived, one of his good friends from Indian Hills handed him the sign that said "Let's do the right thing". He stated that was exactly what he wanted to see done, but he was not sure he knew what that was. He explained that he did not live in Indian Hills, he lived on Highway 135, directly in front of Ridgeview Cemetery. And his was an aging property so there were aspects of annexation that appealed strongly to him because of septic and drain field considerations. Also, because of the fact that all of his surroundings were not as pristine as those in Indian Hills. There were properties that he felt that if they were regulated by city codes would certainly enhance his own property. And there were many such properties in the area outside of Indian Hills. He stated that he did hasten to say though that he hoped Indian Hills was not a targeted area. He stated he had many friends out there and he certainly empathized with them that night. Mr. Parker stated he said that because he did not understand fully why Indian Hills had become seemingly a targeted area. When annexation had been proposed on the west side many times in the past, two to three times that he knew of, the last time that it was proposed he thought about four years ago, all of the properties when heading west on 770, were to the right of 770. Now it was all the properties to the left. There were approximately the same number of properties in Smith Acres and Holly Hills as there were in Indian Hills and so he did not understand why the shift. Mr. Parker added that maybe that was something he missed. Maybe there were viable reasons for doing it differently this time, as he missed the public information meeting so that could have been addressed even then. He stated that he did think that he was in the targeted area then but Indian Hills certainly was not. As to Ridgeview Cemetery, he lived directly in front of it. And it was a pristine environment. It was very nice to look at and very quiet. However, after dark and until daylight it was a different matter at Ridgeview Cemetery. It was not a gated facility and throughout the night there was traffic and all matter of goings on in the cemetery. He stated that he thought that would be of concern to the residents of Indian Hills. It certainly was to him. Because their properties, many of their properties back up to the cemetery. Mr. Parker stated that he could not imagine that any good thing was happening in a cemetery between the hours of dark to daylight. He stated he had thought that they could benefit by police patrol and protection there. That had been going on for

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many years. He explained that he had reported it to the Sheriff's Department many times and there had been infrequent patrols. They had responded to the best of their ability but it did not happen often. That was another concern of his. He stated that the final thing he would like to speak to was, as a contractor in Eden for 25 years, he had worked with the City Engineering Department and Public Works Department very closely and with Kim (Scott). Mr. Parker stated he would just like to say that having worked in many municipalities in the northern counties and in Virginia, the rotation of street maintenance and re-surfacing in Eden had been shown to be exemplary in the past. One of the best that he worked with. And the only other township that he could think was in its class with regards to street maintenance and re-surfacing was maybe the town of Mayodan. So if that would speak at all to anyone's concerns over the \$10,000 that would be applied for street maintenance.

Mayor Price explained that concluded the public comments of the public hearing that night. He stated that many of them had raised questions and asked for pertinent information. The offer that was made was open if anyone would like to stay after the meeting tonight which would be concluded in just a few minutes. Please ask the staff people that were there, the consultants that were there. He stated that many of them had to go home tonight to look after children and would not be available. But the staff was available to them by phone or by visit. He asked that they please call for any information they needed. They could get the answer that they were looking for and make sure that everybody was in agreement.

Mayor Price declared the public hearing closed.

Consent Agenda:

Mayor Price noted that there were two items under Consent Agenda. He questioned if there were any to be removed.

- (a) Approval and adoption of a motion to hold a public hearing and to consider an ordinance to rezone property on Arbor Lane and Harris Place from Office & Institutional to Residential-12. ZONING CASE Z-03-08.
- (b) Approval and adoption of a motion to hold a public hearing regarding the Closeout of the Rhode Island Mill 2000 North Carolina Department Block Grant (CDBG).

A motion was made by Council Member Myott seconded by Council Member Epps to approve the Consent Agenda Items (a & b) All Council Members present voted in favor of the motion to approve the two items. The motion carried.

Adjournment:

A motion was made by Council Member Vestal seconded by Council Member Myott to adjourn. All Council Members present voted in favor of the motion. The motion carried.

Respectfully submitted,

Kim J. Scott
City Clerk

ATTEST:

Philip K. Price
Mayor