

CITY OF EDEN, N. C.

A special budget work session of the City Council, City of Eden, was held on Wednesday, June 2, 2004 at 7:00 p.m. in the Council Chambers, 308 E. Stadium Drive. Those present for the meeting were as follows:

Mayor:	Philip K. Price
Mayor Pro Tem:	Christine H. Myott
Council Members:	Donna Turner
	Billy Vestal
	Jerry Epps
	C.H. Gover, Sr.
	Bruce Nooe
	Wayne Tuggle
City Manager:	Brad Corcoran
City Clerk:	Kim J. Scott
Deputy City Clerk:	Sheralene Thompson
Representatives from Departments:	
Representatives from News Media:	Steve Lawson, <u>Eden Daily News</u>

MEETING CONVENED:

Mayor Price called the special meeting of the Eden City Council to order and welcomed those in attendance. He also noted that Mr. T.Y. Strader, city employee and volunteer fireman, passed away this morning. He then turned the meeting over to City Manager, Brad Corcoran.

Mr. Corcoran stated the FY 2004-05 budget included new revenues equal to \$18,626,600 which was a reduction of \$1,570,500 or 7.775% when compared to the adopted budget for last year which was \$20,197,100. However, it should be noted that included in that \$20,197,100 last year was a \$529,800 grant that was anticipated from the Flint Hill CDBG program and a \$400,000 grant from an anticipated Rural Center Grant. When those two amounts were subtracted they would still have a total of \$19,267,300. When compared to the current \$18.6 million, the proposed budget still indicates a reduction of \$640,700 or 3.325% when compared to the adopted budget for last year. He added that he felt that this was indicative of the declining and stagnant revenues which he had discussed at various times in the past.

Also included in the revised budget are the following:

1. There are no funds in terms of new loan proceeds.
2. There is a total of \$1,883,100 in inter-fund transfers and again, just to remind everyone, an inter-fund transfer was money that was shown twice in the budget.
3. There was \$4,106,600 in appropriated fund balances. \$2,456,600 of that total were for projects that were already put into place prior to July 1, 2004 and the amounts were just

being carried forward from the current year into the remaining year.

He explained that the remaining \$1,650,000 was being allocated for some very specific capital outlay needs as set forth in the budget document. Given the lack of interest currently being earned on investments it made more sense to fund various items with available fund balance in lieu of borrowing the funds and paying a higher rate of interest. Finally, the budget continues to maintain the present property tax rate of \$.57 per one hundred dollars of property valuation as well as the current service fees associated with solid waste collection, water service and sewer service.

He then explained the items that he had presented the Council:

He noted that the column to the left in the middle was the initial proposal and the column on the right was the revised proposal.

<b>Description</b>	<b>Initial Proposal</b>	<b>Revised Proposal</b>
<b>Loan</b>		
General Fund	\$ 1,000,000	\$ 0
Economic Development	\$ 1,500,000	\$ 0
Water & Sewer	\$ 8,500,000	\$ 0
Total	\$ 11,000,000	\$ 0

<b>Fund Balance Allocations</b>		
General Fund	\$ 272,000	\$ 650,000
Water & Sewer Fund	\$ 0	\$ 1,000,000
Abatement Projects	\$ 250,000	\$ 250,000
Raw Water Intake	\$ 90,200	\$ 90,200
Municipal Park	\$ 432,300	\$ 423,300
Economic Development Initiatives	\$ 157,500	\$ 157,500
Flint Hill CDBG	\$ 41,000	\$ 41,000
Promotional Activities	\$ 3,500	\$ 3,500
Façade Improvements	\$ 6,000	\$ 6,000
Bio-Solids Upgrade	\$ 388,800	\$ 388,800
Sewer Rehabilitation Projects	\$ 399,300	\$ 399,300
Railroad Pump Station Upgrade	\$ 647,500	\$ 647,500
Waterline Upgrade Projects	\$ 49,500	\$ 49,500
Total	\$ 2,737,600	\$ 4,106,600

<b>Inter-Fund Transfers</b>		
Group Insurance Allocations – G.F.	\$ 833,700	\$ 833,700
Group Insurance Allocations – W/S Fund	\$ 247,600	\$ 247,600
Special Contribution – Police Pen. T. F.	\$ 100,000	\$ 100,000
Special Contribution – Emergency C. F	\$ 27,800	\$ 27,800
Special Contribution – Municipal P. F.	\$ 50,000	\$ 50,000
Special Contribution – Econ.	\$ 70,800	\$ 0

Dev. In. F.		
Special Contribution – Bio-Solids Mgt. F.	\$ 1,999,100	\$ 0
Special Contribution – Sewer Rehab. Fund	\$ 2,910,400	\$ 325,700
Special Contribution – Railroad P. S. Fund	\$ 1,400,400	\$ 0
Special Contribution – Waterlines Upg. F.	\$ 321,900	\$ 188,500
Special Contribution – Raw Water I. F.	\$ 427,000	\$ 109,800
Special Contribution – Econ. Dev. In. F.	\$ 23,700	\$ 0
Total	\$ 8,412,400	\$ 1,883,100

Mr. Corcoran then referred to the items below and explained that the first set of categories were revenue estimates. All of those figures with the exception of the last two loan proceeds and fund balance appropriated were new numbers they were able to revise based on collections as of yesterday. The loan proceeds, they see that initially they had looked at borrowing one million dollars and that was recommended to go to zero and then on the fund balance they had initially recommended \$272,000 and that went to \$650,000. He pointed out that previously the loan proceeds were strictly for Capital Outlay items and the \$272,000 was just to balance the General Fund.

Recommended Changes To FY 2004-05 General Fund  
June 2, 2004

Revenue

10-3190-18000	Interest: Current	\$ 9,500 to \$ 11,100
10-3336-33000	Police School Resource Officer	\$ 74,500 to \$ 78,700
10-3471-81000	S/W Sale Of Material/Scraps	\$ 6,700 to \$ 8,000
10-3471-81100	S/W Sale Of Material/Recycle	\$ 8,000 to \$ 9,400
10-3612-41000	County User Fees	\$ 5,000 to \$ 6,300
10-3612-41100	League Entrance Fees	\$ 14,000 to \$ 14,300
10-3831-49500	Interest: NCCMT (GMTS)	\$ 40,000 to \$ 45,000
10-3839-89000	Miscellaneous Revenue	\$ 1,000 to \$ 2,300
10-3850-86000	Loan Proceeds	\$ 1,000,000 to \$ 0
10-3991-99100	Fund Balance Appropriated	\$ 272,000 to \$ 650,000
Total		\$ 11,483,400 to \$ 10,877,800

Expenditures

Police Department

10-4310-12100	Salaries	\$ 1,947,600 to \$ 1,942,500
10-4310-18000	LEO Retirement Expenses	\$ 122,000 to \$ 121,600
10-4310-18100	FICA	\$ 156,500 to \$ 156,000
10-4310-29600	Humane Officer Supplies	\$ 20,000 to \$ 19,600
10-4310-55000	C/O Vehicles Police Cars	\$ 365,400 to \$ 142,100
Total		\$ 3,790,400 to \$ 3,560,700

He noted that for the Police Department, they would see reductions recommended under salaries, LEO retirement expenses and FICA. He explained that basically they had an officer that would be retiring later this year and that officer was obviously at a much

higher level of pay than a replacement would be. The humane officer supplies were just a very slight reduction, based on updated cost data as of yesterday.

The big change in this area was the Capital Outlay Vehicle Police Cars, initially under the \$365,400 included the replacement of 18 vehicles at a price of \$20,300 each. The revised number was \$142,100 for the replacement of 7 vehicles. The total budget goes from \$3.790 million to \$3.560 million.

Street Department

10-4510-24500	M/R Storm Drains	\$ 20,000 to \$ 18,000
10-4510-33200	Lights For City Streets	\$ 207,000 to \$ 204,000
10-4510-45100	Prop. Ins./Bonds	\$ 24,400 to \$ 23,000
10-4510-55000	C/O Equipment Depreciated	\$ 132,400 to \$ 104,400
10-4510-95200	Purchase/Snow Removal	\$ 15,000 to \$ 10,000
Total		\$ 1,303,300 to \$ 1,263,900

Updated spending information indicates that the spending estimates for the maintenance/repair storm drains, lights for city streets, and property insurance/bonds could be revised downward. The replacement of the leaf machine has been eliminated under Capital Outlay Equipment Depreciated which provided a reduction of \$28,000. He noted that he looked at three years worth of data concerning purchase of snow removal and although they did have a very costly year this past year, the two previous years involved very little spending. Over the last few years they have averaged just under \$10,000 so he adjusted that to reflect the average.

Solid Waste Department

10-4710-54000	C/O Building Improvement	\$ 67,200 to \$ 30,000
10-4710-55000	C/O Vehicles	\$ 180,000 to \$ 0
Total		\$ 1,750,800 to \$ 1,533,600

The permanent Compost Site Development project under Capital Outlay Building Improvement has been eliminated for a savings of \$37,200. In addition, the replacement of knuckle loader unit 5G as well as the replacement of compactor trailer unit 31G have been eliminated for a combined savings of \$180,000 in the Capital Outlay Vehicles account. Again, he stated that it was felt that those two items could get by another year.

Planning Department

10-4910-29903	Historical Preservation Expense	\$ 6,500 to \$ 5,000
10-4910-29904	CAC Expense	\$ 8,000 to \$ 5,000
Total		\$ 489,200 to \$ 484,700

Mr. Corcoran explained that there were mild reductions under the historical preservation expense and community appearance expense. He noted that if they referred to the budget pages and look at the historical spending patterns for these two line items they would see that they were much less. It was felt that the money that they needed they could get here.

Special Appropriations Department

10-9920-69903	Spec. Approp.: Cap. Economic Development Initiatives	\$ 70,800 to \$ 0
10-9920-78000	Spec. Approp.: Contr. 2004	\$ 22,300 to \$ 0

Loan Principal		
10-9920-79000	Spec. Approp.: Contr. 2004	\$ 22,200 to \$ 0
Loan Interest		
10-9920-?????	Spec. Approp.: Contr. Redirections	\$ 0 to \$ 500
Total		\$ 356,000 to \$ 241,200
General Fund Total		\$ 11,483,400 to \$ 10,877,800

He noted that the Special Appropriations: Capital Economic Development Initiatives went from \$70,800 to 0. Basically that \$70,800 was the contribution to that fund to pay the debt service on an anticipated borrowing amount for that fund. Secondly they see a combined total of \$44,500 for loan principal and loan interest, which was some of the interest they would have paid this year. Finally there was a series of question marks because they have not assigned a specific line item yet but that was the only addition to the General Fund under Special Appropriations.

Mr. Corcoran explained that the book they received had a General Fund budget of \$11.483 million and the revised budget was \$10.877 million.

He then noted below the outlines of all of the expenditures per department and ties it back into the total of \$10.877 million.

General Fund Expenditures
Governing Board \$ 31,100
Administration \$ 165,100
Municipal Services \$ 75,700
Finance/Human Resources \$ 199,200
Business Development \$ 88,000
Legal \$ 47,600
Police \$ 3,560,700
Fire \$ 1,259,300
Engineering \$ 61,000
Streets \$ 1,263,900
Powell Bill \$ 540,500
Solid Waste \$ 1,533,600
Planning & Inspections \$ 484,700
Parks/Rec./Facility Maint. \$ 979,100
Public Building Services \$ 91,200
Fleet Maintenance \$ 205,900
Special Appropriations \$ 241,200
Contingency \$ 50,000
Total \$ 10,877,800

Mr. Corcoran explained that next, he has a snapshot look of the allocation of the \$650,000. He noted that all of the \$650,000 was being used on Capital Outlay type items rather than to help balance the budget.

Allocation Of \$ 650,000- General Fund Fund Balance Appropriation
Patrol Cars 7 @ \$ 20,300 \$ 142,100
Replace Vehicle – Engineering Department \$ 19,500
Printer/Plotter – Engineering Department \$ 22,000
Dump Truck Replacement – Street Department \$ 70,000

Salt Spreaders 2 @ \$ 7,500 – Street Department \$ 15,000  
 Snow Plows 2 @ \$ 7,200 – Street Department \$ 14,400  
 Replace Backhoe – Street Department \$ 65,000  
 Backhoe Attachment – Street Department \$ 10,000  
 Resurfacing Of Buck Lane, Hazel Lane & Stovall Street \$ 15,000  
 Refurbish Transfer Station – Solid Waste Department \$ 30,000  
 Replace Pick-Up Truck – Planning Department \$ 18,000  
 Replace Pick-Up Truck – Recreation Department \$ 22,000  
 Replace Roof @ Public Works Building \$ 40,000  
 Replace Roof @ Draper Nutritional Site \$ 12,000  
 Re-Pave Parking Lot @ City Hall \$ 20,000  
 Parking Lot – Draper Village \$ 30,000  
 15,000 lb. Floor Lift – Fleet Maintenance Department \$ 13,500  
 Greenways Development \$ 46,500  
 Streetscape Study \$ 45,000  
 Total \$ 650,000

Mr. Corcoran noted that the items listed above were just a small portion of the needs currently facing the City. Additional funding will be needed in FY 2005-06 for other capital outlay needs.

Recommended Changes To FY 2004-05 Water & Sewer Fund  
 June 2, 2004

Revenue

30-3363-51300	W/S Sewer Charges	\$ 3,561,900 to \$ 3,061,900
30-3840-92001	W/S Loan Proceeds	\$ 8,500,000 to \$ 0
30-3991-99100	W/S Fund Balance Appropriated	\$ 0 to \$ 1,000,000
Total		\$ 16,926,200 to \$ 8,926,200

Mr. Corcoran explained that under the revenue above, given the economic trends and the uncertainties that exist out there with industries and things, it was recommended that they take a conservative and cautious approach and reduce their sewer charges by \$500,000. He also noted the loan proceeds going to zero and the fund balance appropriated went from zero to one million.

Expenditures

Water Construction

30-8120-19502	Enhancement Of High Service Pumping	\$ 1,072,000 to \$ 250,000
Total		\$ 1,202,000 to \$ 380,000

Sewer Construction

30-8130-24631	Telemetry Improvements	\$ 180,000 to \$ 90,000
Total		\$ 330,000 to \$ 240,000

Special Appropriations

30-9920-98501	Contr./Cap. Proj. Sewer Rehab. (1)	\$ 2,910,400 to \$ 325,700
30-9920-98502	Contr./Cap. Proj. Bio-Solids (2)	\$ 1,999,100 to \$ 0
30-9920-98503	Contr./Cap. Proj. Railroad Pump (3)	\$ 1,400,400 to \$ 0
Station Upgrade		
30-9920-98504	Contr./Cap. Proj. Waterlines (4)	\$ 321,900 to \$ 188,500
30-9920-98505	Contr./Cap. Proj. Raw Water (5)	\$ 427,000 to \$ 109,800
Intake		

30-9920-98506	Loan Principal	\$ 314,800 to \$ 0
30-9920-98507	Loan Interest	\$ 314,700 to \$ 0
30-9920-98508	Spec. Approp. – Cap. Econ. Dev. Initiatives	\$ 23,700 to \$ 0
Total		\$ 10,205,400 to \$ 3,117,400
Water & Sewer Fund Total		\$ 16,926,200 to \$ 8,926,200

Mr. Corcoran noted that the philosophy and approach was to continue moving forward with all of these projects. They were very important to the infrastructure. Some of those projects were being dictated by the State, but to move at a pace that they felt they could accomplish in a year, rather than biting off more than was capable of being done in twelve months.

As an example, he explained the Enhancement of High Service Pumping. Initially that was estimated, which corresponds to the twenty year master plan at a little over \$1 million. They were recommending funding in the amount of \$250,000 which was 25% of that cost which would allow them to get that effort started.

Under Sewer Construction, Telemetry Improvements went from \$180,000 to \$90,000. The thinking here was that they would probably do this project next spring so that part of the project was being paid for in 04-05 and the remainder being paid for in 05-06. Under Special Appropriations it was recommended that they take the Capital Contribution Project Sewer Rehab Fund from \$2.910 million down to \$325,700. He noted that 20% of the funds necessary for the Meadow Greens, Covenant Branch, Dan River and Kuder Street Pump Stations have been included to get these projects underway. Current negotiations with NCDENR and the proposed compliance schedule indicate that the bulk of expenditures for these projects will not be needed until after FY 2004-05.

If the Schedule Of Compliance necessitates an accelerated development schedule, additional funds are available within the Water & Sewer Fund Fund Balance to cover the needs until July 1, 2005 – the effective date of the FY 2005-06 budget which will undoubtedly include the remaining funds necessary for these projects.

Mr. Corcoran stated that the Water & Sewer Committee met recently and looked at a proposed timing schedule. If the schedule was accepted by DENR they would not really get into the construction of these renewal projects until 05-06. This year would be primarily focused on engineering and design phases.

He then moved to the Contribution Capital Projects Bio-Solids. It was recommended that new funding be taken from \$1.99 million down to zero. Mr. Dennis Asbury, Director of Public Utilities, and his staff remain very firm in their assessment of the value and need for this project. They note that during the last eighteen (18) months the Mebane Bridge WWTP has experienced seven (7) months of solids related violations of its NPDES Permit resulting in notices of violation and fines. Because of this they point out that the City is at risk of being placed on the US-EPA's Quarterly Noncompliance Report. However they realized that there were a lot of unknowns associated with whether or not a

majority of Council will support this project. The Water and Sewer Committee discussed this yesterday and intends to take this matter up once the budget was adopted and move forward from there and bring the matter to the Council for a vote. If at that time it was desired to proceed with the project they would either use funds from fund balance or would proceed with a borrowing issue at that point and time.

Mr. Corcoran noted the next project was the Railroad Pump Station, and again due to the uncertainties and the need to cut, it was recommended that they go from \$1.4 million down to zero. There were sufficient funds in the Railroad Pump Station project fund right now, he believed in excess of \$647,000 which would allow funds in the event of a catastrophic failure.

Next was the Capital Contributions Project Waterlines and they have recommended they go from \$321,900 to \$188,500. Basically all they have done, there were nine projects that were outlined in the budget and what they have suggested was eliminating the funding for the bottom four prioritized projects.

Next was the Contribution to the Capital Projects Raw Water Intake. It was recommended that go from \$427,000 down to \$109,800. The new funding of \$109,800 when coupled with the remaining funds that will be carried forward from this year to next of within the fund balance of \$90,200 will still provide a total of \$200,000 for the remaining work associated with the permitting phase of this project. This will provide sufficient funding unless serious modifications were needed in terms of 3D modeling, additional field observation and additional dye testing.

Finally, as a result of eliminating the borrowed funds, they save in excess of \$629,000 on loan principal and loan interest that would have been paid next year and again that money was helping to pay some of the funds this year. He noted there was also a reduction of \$23,700 down to zero under the contribution that was going to go to the Capital Economic Development Initiatives Fund for the amount that would be borrowed there that was related to Water and Sewer.

Water/Sewer Expenditures  
Water Resources \$ 458,000  
Billing/Collections \$ 268,400  
Water Plant \$ 1,130,100  
C & D \$ 1,415,800  
WWTP \$ 1,866,500  
Water Construction \$ 380,000  
Sewer Construction \$ 240,000  
Special Appropriations \$ 3,117,400  
Contingency \$ 50,000  
Total \$ 8,926,200

Mr. Corcoran noted that the Water & Sewer Fund went from \$16.926 million down to \$8.926 million and he then showed them each department within the fund and how it was tied back to the \$8.926 million.

Allocation Of \$ 1,000,000 – W/S Fund Balance Appropriation

Meadow Green Pump Station Upgrade \$ 110,400  
Enhancement Of High Service Pumping \$ 250,000  
Telemetry Improvements \$ 90,000  
Raw Water Intake – Permitting \$ 109,800  
Covenant Branch Pump Station Upgrade \$ 138,200  
Dan River Pump Station Upgrade \$ 98,000  
Kuder Street Pump Station Upgrade \$ 83,000  
Waterline Upgrade Projects (Portion) \$ 120,600  
Total \$ 1,000,000

Mr. Corcoran noted the breakdown concerning the allocation of the \$1 million in the Water & Sewer Fund Balance Appropriation. Again, the Meadow Green Pump Station Upgrade was 20% of the total cost. The Enhancement of High Service Pumping was about 25% of the total cost. Telemetry Improvements was 50% and the Raw Water Intake funding was enough to get them through the permitting phase. Covenant Branch, Dan River and Kuder Street all represent 20% and finally, the Waterline Upgrade Projects, a portion of the work that they would be doing next year would actually be funded with revenues from next year, but the final \$120,600 worth of work would come from here.

He stated that lastly, obviously as they make changes to the Water & Sewer Fund and especially under Special Appropriations Contributions that would be made to other funds, it affects their other funds.

Recommended Changes To Other Funds Within FY 2004-05 Budget  
June 2, 2004

Sewer Rehabilitation Project Fund  
\$ 3,327,300 to \$ 729,600 (\$ 325,700 = new funding)  
Waterline Upgrades Project Fund  
\$ 371,500 to \$ 238,100 (\$ 188,500 = new funding)  
Bio-Solids Management Project Fund  
\$ 2,388,100 to \$ 389,000 (\$ 0 = new funding)  
Railroad Pump Station Upgrade Project Fund  
\$ 2,048,300 to \$ 647,900 (\$ 0 = new funding)  
Raw Water Intake Project Fund  
\$ 517,600 to \$ 200,000 (\$ 109,800 = new funding)  
Economic Development Initiatives Project Fund  
\$ 1,768,500 to \$ 158,000 (\$ 0 = new funding)

Mr. Corcoran noted that as such, under the Sewer Rehab Project Fund they see a total fund budget going from \$3.327 million down to \$729,600. Of that total, \$325,700 equals new funding and the difference was money that was being carried forward from the current fiscal year.

Their Waterline Upgrades Project Fund was going from \$371,500 to \$238,100 with \$188,500 representing new funding and the difference again being carried forward.

Their Bio-Solids Management Project Fund was going from \$2.388 million down to \$389,000. That \$389,000 was money that was already appropriated and would move forward with the project fund and did not include any new funding at this time.

The Railroad Pump Station Upgrade Project Fund was going from \$2.048 million to \$647,900. Again, that \$647,900 was money that was being carried forward from this year to next year and did not include any new funding.

The Raw Water Intake Project Fund went from \$517,600 down to \$200,000. The \$517,600 was for what they felt would be needed for both the permitting and design phase of this project. We now feel that most of the next year would probably be absorbed with the permitting phase of the project. Therefore, the \$200,000 of which \$109,800 represented new funding should be sufficient for the year.

Finally, the Economic Development Initiatives Project Fund was going from \$1.768 million to \$158,000 and included no new funding.

Mr. Corcoran noted that the soil boring work was currently being completed on the property within the Eden Industrial Center as well as the Nelson Farm. Once the results have been received and analyzed a final decision on each site will be made. If the City Council votes to proceed with the development of a “ready-go” site as previously discussed along with a “virtual shell building program” the funds that were necessary can be allocated from existing fund balance within the appropriate funds or if they decided they could borrow the funds as well. However, due to the uncertainties of whether or not they will be able to actually proceed with either site no additional funding has been allocated in the FY 2004-05 budget. Most of the \$158,000 that was already in existence within this fund will be needed to meet performance incentive agreement obligations with Gildan and Natural Care Labs.

Discussion:

Mayor Price asked if there were any questions.

Vehicle Replacement – Engineering:

Council Member Gover questioned the vehicle replacements for Engineering.

Mr. Corcoran explained that he had asked each of the Department and Division Heads to attend the meeting. The requests were initiated with them and they defended their requests before him. He stated that he would be asking them to come forward and address the Council’s questions. He then asked Mr. Bev O’Dell of Engineering to come forward.

Mr. O’Dell explained that this was a vehicle that Mrs. Amos was currently using. Both vehicles that the engineering staff used were old police cars and it was really a toss up between which ones really should be replaced. He noted that 7E had about 138,000 miles on it and 5E has about 117,000.

Council Member Gover asked what year and model to which Mr. O’Dell replied that 7E was a 1993 Chevrolet Caprice and 5E was a year older. Mr. Corcoran added that 5E was

a 1992 Ford Crown Victoria.

Council Member Gover asked what other problems had he witnessed.

Mr. O'Dell replied that there were not a lot of problems recently but about a couple of years ago Mrs. Amos was calling in at least once a month. He added that Mrs. Amos was not present at the meeting as she had gone to Raleigh for training. He explained that she had left a memo expressing concerns not only about the mileage, but also the safety of it. He noted that he currently drove E6, which had the big amber lights on it. Mrs. Amos was doing a lot of the storm water inventory, which would soon be mandated by the Federal Government. She also had new equipment that no longer fits very well in the sedan that she has. He explained that they would like a plain pickup with some sort of camper shell to store the equipment and make it easier for her to work in the field because currently everything has to be hauled in and out.

Council Member Gover replied that his response was fine.

Vehicles – Planning & Inspections Department:

Council Member Gover moved to the Planning & Inspections Department and questioned the 1991 Chevrolet pickup truck and why they wanted to replace that.

Mrs. Kelly Stultz, Director of Planning & Inspections, explained that this was a vehicle that was actually approved for replacement two budget years ago, which was the year that the Governor withheld the funds and they also had to cut it out last year. She explained that the expected life was ten years. It was purchased in January of 1991 and by January of 2005 it will be 14 years old. The original purchase price of the vehicle was \$11,140.00 and they have begun to see the need for more repairs as it ages. She noted that since the truck has been put into the fleet it has had a new transmission, new water pump, alternators, door hinges and other major repairs. The cost for operating this vehicle has been \$16,029.96 and of that amount \$10,459 was for fuel and regular maintenance and \$5,570 was spent for repairs. That was 50% of the original cost of the vehicle that has been spent for repairs. She pointed out that the truck currently has a book value of approximately \$3,491. She requested that the vehicle be replaced with a four-wheel drive truck as they were seeing some situations with ice storms and those kinds of things and particularly muddy areas during new construction. One of the things they did know was that as those vehicles age they were currently seeing a pattern of increased repairs and while it did have a decent book value they would like it replaced.

Council Member Gover noted that they have obviously spent quite a bit of money on it so it should be in better shape, \$5,000 in a year's time.

Mrs. Stultz explained that it had not been spent in a year's time, but over the life of the vehicle.

Council Member Gover asked if she mainly used it just for inspections to which Mrs.

Stultz replied yes and they drive it out of town for training.

Vehicles – Parks & Recreation:

Council Member Gover then questioned Parks & Recreation's vehicle request.

Mr. Joey Conner, Director of Parks & Recreation, noted that the vehicle was a 1984 model. He added that they have two 1984's and they could take either one. He noted that in looking at the records, there was no cost history from 1984 to 1990, but they spent about \$8,500 from 1990 to present, not including gas, etc. The book value was probably \$2,000 to \$3,000. He added that he would also like to have the Planning Department's vehicle to replace the other '84 vehicle they have. He pointed out that both vehicles were twenty year old hand-me downs and they need to go.

Council Member Gover explained that what stuck out in his mind, they were replacing an old vehicle, an '84 model with an F250 four-wheel half ton. Then they were going to request on small capital outlay \$4,200 for a snow blade for the same truck.

Mr. Conner replied that they were trying to make this vehicle not only take the place of the '84 but to try to make it a multi-purpose vehicle. He stated that the Street Superintendent could tell them that when it snows, etc., they were always last on the list. Even though their centers were open, they were always last to get the snow removed because the Street Department has the city's streets to take care of. This way they could take care of their own parking lots. He noted that was the main reason, but another reason they needed the four-wheel drive was to basically help haul equipment, such as lawn mowers. They were currently hauling on R27 which they received from Public Works about eight years ago.

Council Member Gover stated that he knew that nutrition sites were tight and an inexperienced driver could not handle it. He pointed out that they already had snow removal equipment all over the city.

Mr. Conner offered to take the truck without the snow blade as they needed the truck badly to which Council Member Gover added that he did not see a need for the snow blade.

General Fund – Streetscape Study:

Council Member Vestal noted, referring to the list of allocations \$650,000 for General Fund, Streetscape study, he had understood that when Council Member Tuggle brought that up it was to be an in-house study and now they were going to spend \$45,000.

Mr. Corcoran replied that they did not understand it to be an in-house study, but it certainly could be. He added that he had talked with Council Member Tuggle about it. He stated that it depended upon what they wanted out of the study. He explained that it was a quote that was based on a study for uptown Lexington. They contacted Rodney

Swink with the Main Street Program to get that information. He added that they could do whatever the Council would like.

Mrs. Stultz added that she thought their in-house staff was committed to the Main Street Program, but as far as one of them being able to design the actual streetscape improvements, she was not sure they could. She noted that one thing they had done was get an application completed go to the North Carolina Department of Transportation for Transportation Enhancement Funds not only for the plan, but to do some of the work. She added that if they did not want to hire somebody from outside to so it they would do it the best that they could, but there would still be some design work that would have to be done to satisfy the NCDOT before any of the work could get done.

Council Member Vestal explained that was one of his main questions. When he was president of the Merchant's Association, they had to go to NCDOT because it was a State Highway. He added that he did not know what they could accomplish for \$45,000 because they were going to have to go through DOT to do anything.

Mrs. Stultz agreed and explained that they had spoken with Lexington's Planning Director and Mr. Dougherty had talked to Rodney Swink. She had also talked to the Planner for their Rural Planning Organization and they got an estimate of per linear foot of street and that was where that figure came from. She stated that they have asked for that same money in a grant and if they were to get it that way they certainly would not ask the Council to spend it, but it was something that several members of Council had expressed a real interest in having done. She pointed out that two of their traditional downtown areas were on State maintained roads and everything had to be done to their specs.

Mayor Price agreed but added that when you do something like this, you do have an opportunity to get input from the community and they did listen when they see that professional people have done something. He stated that quite often they know each other very well through other contacts they have made in other cities so they have an opportunity to have public input from the people who were here through some type of person they hire as a consultant to the State. In the past it really had opened a lot of doors and made it easier for them (1) to show that they were putting money to get grants and (2) they have that public input that they have someone who has that ability to talk to DOT.

Mrs. Stultz replied that was correct. They were a Tier II county which meant that for an application for Transportation Enhancement Funds they would not have to put up any matching funds, so if they were to get it from them, it would be funded, but they had no way of knowing. They have a limited amount of money and they were just one of three cities in their RPO that had applied.

Council Member Myott asked that if they did not get the money then they did not have to do this.

Mrs. Stultz replied no and even if they put the money in the budget they still did not have

to do it because before they went out for proposals and hire the Council would have to approve that.

Council Member Myott asked if it had to be done in a certain time.

Mrs. Stultz replied that if they get the grant funds it sure would. They would have to get everything done within two years, but they would not know, six months from this coming Friday whether they get any of that money or not.

Mayor Price commented that it was going to have to be done regardless of whether they get the grant they were going to have to make some effort to Main Street to show that they were doing something.

Mrs. Stultz agreed that she thought they did have to show some effort toward a commitment to Main Street.

Mr. Mike Dougherty, Business Development Director, added that the Main Street group was coming in next week and they would learn a lot more. When Council Member Tuggle wanted to have this study done it was to see what improvements could be made. When they went to Rodney Swink he recommended that they use a professional. He added that they could do things like putting banners into downtown which was a project that they were pursuing and what they did with the Boulevard property and the Washington Street Park, but for something like this, they could do something in-house but he thought they were better off having someone who has some expertise. Also, they probably could talk with the DOT. He added that if they would have the grant then the city would not be out any money. He stated that he did not think they were mandated by Main Street to pursue any course of action but they strongly recommended as many projects as they could begin because that lets people see what was happening. For example the park on Washington Street has really gotten a lot of people interested in what could be accomplished as well as the project on the Boulevard.

Council Member Epps stated that he would not want to discourage anything that they started as it had taken hold good. The visionary committee was all excited that night.

Mr. Dougherty stated that they really established more good will towards this program with the community visioning session than anything else. Some people that were a little bit skeptical were very happy with it and what they were going to do next week was four days packed full of activity and people were getting excited about this. This was a large part of their economy so this situation would help them dramatically.

Council Member Nooe commented that Mrs. Stultz had mentioned that Lexington had the streetscape done.

Mr. Dougherty explained that they took their linear feet and went to Engineering and figured out what they have here and took the same estimate. Lexington's was a 1,000 and Eden's was 3,300 so they did an estimate based on that.

Council Member Nooe asked if he had a copy of their study so they could see if it was something similar to what they would be buying for this \$45,000.

Council Member Vestal added that as Mr. Corcoran said, they could amend the budget at any time they wanted. He pointed out that they were sitting there cutting needed equipment and this was something that could be put off six months, if they get the grant fine, then they could go back and amend the budget.

Mayor Price stated that he understood, but he thought the fact that they did not have this thing forever, they needed to move on. They were really running behind in their downtowns. They were going to have to use some restraint, some good judgment, money was not here this year nor would he expect it to be here next year. They have been working with this Main Street (program) and they certainly want to be the best they can. He added that he thought it would bring many good returns to their downtown areas.

Council Member Nooe commented that he would like to see the plan that Lexington had done and the cost estimate to get the work done. If they did not have the funding to get the work done there was no use in spending the money for the study and the study just sit.

He stated that he would like to see what the total cost was going to be, how it was going to be funded and what the final cost was going to be.

Mayor Price added and the timeline.

Council Member Nooe agreed. He explained that he just hated to keep spending money on studies that they did not have any money to fund. He asked why they would spend the money for a study if they did not have the money to do the work.

Council Member Epps stated that he thought that to do nothing sends a bad signal to those folks out there. If they do it, he said they could amend the budget later and add it back, but if they put it in and get the grant they were still at square one so it could not hurt them. He stated that folks were grabbing at straws out there and they have been promised over the years so much.

Council Member Gover agreed, but added that this was \$45,000 for a study. It was not doing anything for their people.

Mayor Price explained that they really did not know what they were going to get unless they took a look at it and they had to have professional people who do this for a living to take a look at it. True, after they see what they need to see and if it was completely out of whack then they need to see whether they could afford it and that meant grant money or whatever.

Mrs. Stultz added that one of the things they know, the folks that were coming in next week; they were going to present them with the renditions of how they think things could

be. It was hard to take Lexington's study and absolutely know that what they decided to do would work in any one of Eden's downtowns. Street widths were different, parking was different, all of those things. One of the real benefits that she saw to a study of this nature was that it was a tool for them to continue to apply for grant funds to do pieces of it. The application they have made was in several phases and the first one was in the design stage and with three downtowns it was more expensive than some particular city that only has one central business district. She added that she understood the logic of studying things to death and never seeing anything to come from it but this particular study would serve as a tool to give them a leg up as they continue to apply. She noted that they did these Transportation Enhancement Funds and like funds through DOT really often and particularly during the time that they did not have to apply a match. She thought it was a very important thing to go ahead and do, either way.

Council Member Vestal stated that another point, they were told, and he was not against Main Street as he had property down there, but they were told that Main Street was not going to cost the city anything and then they turn right around and before they could even get into a new budget here it was, \$45,000 for a study and they were cutting equipment they desperately need. He asked if they would recall back last September or October, he had talked about this same thing, they just continually pay out money for studies and never get any results out of them.

Council Member Turner pointed out that without a study they were going to be just shooting in the wind, or could be, really off on the wrong tangent. She stated that what looked good to them, because they were not professionals, might not be the best thing for the long term and she thought that amount for a study was insane, but she did not see how they could do it any other way.

Council Member Vestal stated that they could get in touch with their North Carolina League, they work with the Piedmont Triad Council of Governments and ask for documentation on Lexington, New Bern, wherever, what have they done and it was free. It did not cost a dime to do that and they could see where the money went, kind of like what Council Member Nooe was talking about.

Council Member Turner pointed out that this was going to be specific for Eden for the three downtowns. She asked if this was going to be like a working plan that they could just bite off little chunks and just go down the line.

Mr. Dougherty replied, yes.

Mrs. Stultz added that should they all decide to fund this study at this point, before they send anything out, there would be several presentations made both to the Main Street group and their other planning agencies along with the City Council about what they were going to put in a request or proposal out to have done so there was plenty of time for them to have lots more knowledge and much more input in what they were asking to do. If it was a very limited thing they decide to pursue then of course the study would be less. What they tried to find was a number that would come close to a study that would

completely redo the streetscapes in their downtowns.

Council Member Tuggle commented that since he was the one who asked for it, he had been listening. He stated that to tell them the truth, when he first asked for it he really thought it was going to be something in-house and when he saw the number he was appalled by it. He added that he felt like they had to do something about all of their downtowns to get something going, but he really felt there would be some way of doing it other than spending \$45,000 on a study. He explained that he really wanted something done and was probably the biggest advocate on wanting something done with the downtowns but that bothered him a lot. He stated that he knew it had to be a complete study, done one time, probably for twenty years, doing bits and pieces and hopefully try to renovate and do some things in the downtown areas, but he did not feel real comfortable with it and he was the one who asked for it.

Mr. Dougherty explained that the Main Street was an incremental program. If you look at cities like Lexington or Morganton or Mocksville, they may have been on this program for ten or twenty years and it gets to a point where it hits a tipping point and all of a sudden things transform. He stated that they could take this as rapidly or slowly as money allowed and one of the things that people do in most of the Main Street communities was, there was a municipal service district which pays for a lot of different types of upgrades and that was something they would probably want to visit as time goes on. This was a work in progress and they would learn a lot more, they would be a lot smarter about Main Street next Friday than they were today, and they may be able to get a more efficient study or maybe they want to work with different projects. The main point was, they talked with the experts and this was what they said, but in view of the economic situation if they want to take a slower pace at this and try to do things in a different way or try to pursue grants as Mrs. Stultz had mentioned, that was what they did with the Washington Street park...

Council Member Tuggle asked if they could not do something like Council Member Vestal suggested. Could they not get assistance and it not cost that much and get something similar to what he had asked for to begin with.

Mr. Dougherty replied that they were getting it right now. There was a merchant on Washington Street or someone who was getting ready to open a business there who was getting assistance from the Asheville office. There were other avenues here and they would hope that the grant that Mrs. Galloway and Mrs. Stultz were writing would come through. This program was not really supposed to cost the city except the original cost of the resource team. One thing they have to remember, if they look at communities that really prosper in this, they have invested in their cities whether it was through a master plan or some type of improvement, (but) they did have to have a partnership. They could look and see if there was a different way to do this that was less expensive and they certainly would pursue it.

Council Member Epps asked if they could divide this by three, \$15,000 for each city, and have a study for just one section at a time.

Mr. Dougherty replied, not in this lifetime. He added that he did not know if that would work doing this one area. He also was trying to build unity here.

Mayor Price noted that Council Member Vestal got the investment in Monroe Street and worked on it. He added that he could not think of any real big investments that this city had made in the downtown areas. He stated that they all look at them and were asking their private merchants to do everything, but at some point and time they have to make the investment to get a return. He agreed with everyone that they certainly want to look at dollars and cents (but) this has been a program that has been talked about for a number of years, yes it was high, but he thought they should keep it in the budget, to show good faith that they were going to go through with this program and see some return on it. They got it here to make these downtown areas more viable and to be more productive and to improve the property to get people back down there. He pointed out that they had to start somewhere.

Council Member Nooe explained that he would not have any comment at all if it was replacing sidewalks or doing something that they would see results. He just hated spending \$45,000 for a study without having seen (anything). He stated that he would like to see what was produced for Lexington and other communities, for “x” number of dollars and take a look at it, because there may be some expertise around, with the Tree Board, landscapers, street people here, DOT, who could do something in-house, with some local people.

Council Member Turner asked what they could do with \$30,000.

Mr. Dougherty replied that he was sure they could reduce the scope of it. When they looked at the study it was pretty inclusive, sidewalks, decorative lighting. There were certain areas that desperately need attention right now, one would be the awnings, façade improvements, that was something that was visible, people could see it and it makes a lot of sense. They could talk with the people next week about that.

Council Member Tuggle noted that the Main Street gave them some guidance as far as the facades and those types of things. That was what they were taking all the pictures for and doing those types of things, to take a look at it and let the merchants look at it and see what they had. He noted that over at Boulevard at the sewing center, the façade has been improved there and that was what Main Street was all about, trying to get the people involved in doing that and it did not cost the city anything. He explained that what he had in mind of course was that he got tired of walking down in any of the towns and seeing sidewalks that were crumbling and curbing falling all to pieces and they want to build retail and want people to come here and shop. He stated that he did not know what could be done but he wanted to see sidewalks and decorative lighting. He explained that he had stopped at a couple of different places and asked the merchants in some of those other cities how they got their decorative lighting and they said that people donated them in someone’s name.

Mr. Dougherty replied that they were looking at that, for example the park on

Washington Street, some of the elements of that were going to be donated, memorials for people. Most of the Main Street Communities do use that as a tool.

Mayor Price stated that one thing they did not want to do was start getting a hodgepodge. When they begin making plans it had to be something consistent that everyone in downtown agreed to. Most of those cities have a special tax district and they have done a remarkable job and have paid for a lot of the infrastructure in their downtown areas.

Council Member Tuggle asked if that was what they have asked for, a special tax district. Mayor Price replied exactly, but they have to have some type of plans for them to go to. They did not want one group to say they want to this and another group to say that. It had to be consistent.

Council Member Epps stated that he thought it would be very impressive to keep it in there to show that they were showing some interest when they ask for those grants. He asked if on the application they asked if the city was doing anything.

Mrs. Stultz replied that it talked about historic districts and efforts that was in the downtowns and the merchant's associations and all of those things, and again, simply by setting aside this much money that might be spent, it was no guarantee that at the time that they get the bids in that the Council would choose to do it and it did not necessary mean that it would cost that much that was just the best estimate that they could get.

Council Member Tuggle asked if it included underground wiring and that type of stuff.

Mrs. Stultz replied that the grant application that they would turn in calls for completely redoing the sidewalk with either pavers or stamped concrete, new lights, parking lots, trees planted, and flower beds. The request was to the tune of \$750,000. Now, they did not know that they would get any or all of that but they allowed them to do it in phases, but it was a very expensive undertaking to take on redoing those downtown areas. For the simple things that most jurisdictions use and they have been in Concord and all those places and generally, what they see, even in Reidsville, were more trees, green spaces in the downtowns...

Council Member Tuggle asked if Reidsville did a study.

Mrs. Stultz replied yes, they had a master plan. She stated that part of the money that they were asking for would help with public parking for the merchants in the downtowns, but it was purely something the Council needed to decide if they wanted to do and they absolutely did not have to decide that night even if they decided to set aside the money.

Mayor Price asked that they get the information from Lexington to the Council.

Pay Increase:

Mayor Price commented that he wanted to ask a couple of questions about the amount of

pay increase. He stated that they had all heard his comments the other day and he did not have a problem with the amount of money for the increase. He explained that he was concerned about across the board payments without any relation to merit. He noted that they sit there and look at payroll and they had some very good quality managers and it seemed to him that they have the ability to evaluate their employees and to reward the ones who were doing a good job and to try to do something to bring the ones who were not doing a good job up to where they needed to be. He stated that across the board just did not suit him and he would like to see it put to a merit.

Council Member Turner stated that she would like to see them add the merits for next year. This plan seemed to be pretty well thought out and she really liked how it addressed the people making under \$40,000 a year in trying to bring them up a little higher and then that way they could really look at having a merit program in place next year.

Mayor Price explained that he was concerned that they were taking a job regardless of what it was and increasing that job. He asked that what if they do it again next year and all of a sudden they have a job that in the market place was one figure and because they have done this across the board they now have a job that was much higher. He asked how they would give merit raises and keep their pay scale in line with what they were doing.

Council Member Epps questioned if he meant for each department head to evaluate their people yearly and do it on a merit basis.

Council Member Vestal pointed out that the \$1200 (figure) did not have anything to do with this. He explained that the 2% on the pay grade increase was where they need to draw the line on that.

Mayor Price agreed, but the across the board, in his mind it should be all merit.

Council Member Vestal stated that he thought it should be \$1200 across the board and no exceptions.

Council Member Gover stated that he was leaning towards having \$1200 across the board for everybody. When you are going across the board like this, this was forever and that was what he had in mind for the employees when he looked at those seven pickup trucks plus all the other paraphernalia it took to work those people. The department heads really needed to think about this too. Down the road, he hoped that things would improve and he thought they would, but they must look at today, it was nip and tuck. He explained that he was game for \$1200 across the board, all across the board and not the 3% for the higher up bracket and if it did not jar someone out of a job grade. He added that he was not familiar with the job grades. He also added that the people who just had raises would get an enormous raise if they went to 3% or \$1200. He explained that they would get an enormous raise if they add on to what they have already received.

A motion was made by Council Member Vestal seconded by Council Member Gover for \$1200 across the board.

Council Member Myott asked the City Manager for comments.

Mr. Corcoran explained that they had discussed this last night (Personnel Committee) and he thought it was up to the Council. Obviously, if they were under \$40,000, \$1200 was more than 3%. The way they came up with 3%, last year inflation was 2.4 and they gave 2%. This year was 2 and they combined them together. That was 2 this year and .4 from last year which was 2.4. The 3 was slightly higher than that they were just trying to keep people at pace with inflation.

Council Member Epps asked when this would be in effect to which Mr. Corcoran replied July 1<sup>st</sup> as it has every year.

Action on the motion was as follows: Council Members Vestal, Gover, Epps and Nooe voted in favor of this motion. Council Members Myott, Tuggle and Turner voted in opposition. This motion carried.

I & I Crew:

Mayor Price questioned I&I. He explained that he had been an advocate of privatizing this and he thought that in view of what they were doing there were some very convincing arguments both ways in looking at this but considering where they were, he would like to propose that they privatize the I&I for the year.

Council Member Vestal explained that they have had numerous discussions on this in Water & Sewer. He thought it was the consensus and he thought Council Member Nooe even showed a two page document where it says it was better to do this in-house than it was to outsource this particular investment because of the cost. He asked if he received a copy.

Mayor Price replied that he did talk with Council Member Nooe. He asked if he had anything to add to that.

Council Member Nooe replied that received it from one of the equipment providers who sell to municipalities and private people and it was something on their website. It said that based on what they had it was more cost effective to do it in-house. It comes back to management, if it was well managed, he was sure they could do it and he had confidence that their people would manage it well.

Council Member Vestal added that it did come back to management and they talked to the managers in detail that those people on this camera truck would be cross trained so when they were not doing this camera work they could go and maybe do some repair work on two inch waterlines or wherever they were needed.

Council Member Gover added that also a grid would be set up to show the progress of these people to see if in-house would pay off.

Mayor Price asked if they were telling him there would be a measurement system of this I&I work.

Council Member Gover replied that they were going to set it up on how many miles per year that they could handle. They decided to go with 10% of what was required.

Mr. Corcoran added that what the committee (Water & Sewer Committee) discussed was the minimum requirement was 10% a year which was approximately 16 miles, so obviously that has to get done and the committee and he thought the staff was not interested in just tving for the sake of tving. They felt that they should tv, clean the line and as they identify the problems try to take care of them rather than just moving on and tving additional line. It was also felt there would be sufficient time in a year that in addition to the 16 miles of tving and cleaning that there would be other things this crew could do, such as 2" waterline replacement projects or some of the preventative maintenance requirements on the distribution side of the system, so those were the types of things that were discussed by the committee at two separate meetings since the last budget meeting.

Mayor Price asked how much extra time they would have.

Mr. Corcoran replied that the Collection & Distribution Superintendent, Mr. Harvey had estimated that they could do 32 miles a year, so if he was saying they were going to do 16 miles a year, 50% more time.

Mayor Price asked if they were actually hiring a half a crew to add on to which Council Member Vestal pointed out it was a whole crew. Mayor Price questioned that they were adding a whole crew to do 50% job and then hiring another 50% to add onto the water and sewer.

Mr. Corcoran explained that 8 people were requested and they were hiring 3 people, which meant they were hiring 3 people to get the work done of what 8 was requested for.

Council Member Vestal added that these 3 personnel would meet the requirements for DENR and do the camera work and cleaning of 10% of the lines. Also while they were doing that then not only would they meet the requirements of DENR they would also be able to function on other repairs as needed as they go throughout other projects in the city.

Mayor Price asked if they would be evaluated...

Council Member Nooe replied that they have requested that they keep them informed at their committee meetings with reports back on how many feet they have tvd and how many feet they have repaired so they could track them and compare them against the

private sector, cost per foot. They were looking at 80,000 feet which means about \$160,000 to pay somebody just to come and tv it.

Council Member Vestal added that they discussed going back to what the Mayor was talking about as an assessment, which was what they were leaning towards on this crew.

Abatement Projects:

Council Member Gover stated that he wanted to go over the Abatement Projects on the Lemons' Building, the Hickory Square, Bob Wilson and Monroe Street. They have a quarter of a million dollars in there. He asked what they planned to do.

Mrs. Stultz replied that they have a court date on Hickory Square during the calendar week of June 21<sup>st</sup>. It would come to trial and they would expect to be given an order to abate it. They were going to try to do that as inexpensively as they could and hope that the Fire Department would be able to burn a good portion of it. The Bob Wilson issue, they need to do an inspection on it and she did not have enough money to begin abatement on it until they get to July 1<sup>st</sup>. They hope to try to have an auction and some things to mitigate the amount of money that was actually spent. As soon as those funds were spent then with their authorization Mr. Medlin would proceed to recoup those monies from the people who own the property. The intent of the revolving fund was to do as much as they could and as soon as they recoup some money, do another big one.

Mayor Price stated that he thought one of the concerns they have was the turn around time and the validation that money was coming back. He recalled several years ago an issue and Mr. Nooe at that time did an excellent job...to which Mrs. Stultz agreed and the money was recouped within 90 days.

Mayor Price explained that he thought that was one of the questions Council Member Gover had.

Council Member Gover replied that was one of the things but in comparing the building on the Boulevard at \$110,000 and Hickory Square at \$50,000, that was a tremendous amount of difference just on a small building there on the Boulevard.

Mrs. Stultz explained that they were doing some general estimates and using the assumption that the Fire Department could burn a big portion of it. The reason the one on the Boulevard was so incredibly expensive was because power would have to be shut down to those various businesses for the length of time that the company comes in to do the demolition. They have to take down power lines; there was a party wall situation and a lot of other things that have made that one trickier to come down than some others they have attempted in the past. That was why the cost for it was so high. There was nobody local who was willing to touch it. Sam W. Smith, Jr., finally bid on it and his bid was outrageously more than \$110,000. There was so much risk with party walls. The Hickory Square, was an independent building sitting on a large tract and they hope that the Fire Chief could provide training for every fire department in the county that was

interested.

Council Member Gover asked if that was for the whole building or just the part that has caved in.

Mrs. Stultz replied that the whole thing was condemned. It would be the whole building.

Council Member Gover stated that the city owned the post office and he did not know how they were going to get the \$60,000 out of the city to which Mrs. Stultz replied that their money was their money.

Council Member Nooe asked why they were not putting it up for sale.

Mrs. Stultz replied that would be fine too. It has been preserved all this time in hopes that the building next door would be developed. She stated that she and Mrs. Galloway went with a developer that does adaptive reuses this week and they hope they would show some interest in both buildings. Certainly rather than tearing it down they would much rather see it used and something back in it.

Council Member Gover stated that he would rather sell it to somebody for a dollar than to spend \$60,000.

Mrs. Stultz agreed and that was a distinct possibility but that was just the estimate that she got and because all of the concern about it they did not want them to think they had forgotten it.

Council Member Epps stated that he thought \$60,000 would go a long way to get rid of that stuff over on Morgan Road. He had a lot of constituents on his back about the Porter building.

Mrs. Stultz explained that the Porter building would come up for their June meeting. It used to be Porter's store and it was two sides, a store on one side and another store in the other. It was also another party wall situation. They all approved the demolition of one side and then they discovered that to save money the other side had deteriorated to the point that it could also go through the process so it was going to be cheaper to deal with them one at a time so they should see that shortly.

Council Member Epps stated that he was glad because he saw children playing around that building.

Council Member Vestal stated that he fully agreed with Mr. Nooe, they come out \$60,000 to the good if they give it to somebody.

Mrs. Stultz agreed that they would and Mr. Fleming has shown it several times. They have had several contacts and a very viable one this week and she hoped they get somebody that would come in and want the post office and the hotel and redevelop both

properties.

Council Member Tuggle stated that in his opinion the post office was just an embarrassment for the city to own it. If you looked inside of it, it was absolutely ridiculous.

Mayor Price stated that actually they need to clarify the ownership of the building. Technically under the broad umbrella of the post office they could say the City of Eden but they need to identify the other interested parties.

Mrs. Stultz replied that all property that comes to the city or any of its boards, commissions or any other interest groups that the Council authorized, the actual ownership was in the name of the City Council. However, the Preservation Commission, a former downtown group and some other groups, put some money in it the time the building was bought. Former Mayor Cox had this vision of making it a history museum. They also knew there had been two very fine attempts to redevelop the hotel and without the parking from the post office there was no hope. The Federal Government would never approve any other grant fund or enhancement funds for tax credits as long as there was no parking associated with it. So, it was a gamble that Mayor Cox thought was a good one to take and he recommended it and the rest of the Council did do that at that time. There have been some modest amounts of money spent on it since then at one point to try to stabilize the roof. If they have had the good fortune to be on the upper floors of the hotels in recent months the roof on the post office was in sorry shape. She added that if they would all rather get estimates on repairing the roof...to which Mayor Price stated that first of all Council Member Gover was talking about the \$250,000.

Council Member Gover replied yes, and the \$250,000, here they were with four sites.

Mayor Price pointed out that the money was to the revolving fund to which Council Member Gover replied that supposedly, but if they were not getting it back...to which Mayor Price replied that it was a working capital fund. What they were looking for was getting their money back.

Mrs. Stultz replied that would be up to Mr. Medlin...and the city.

Mayor Price stated no, those people right there (Council) were charged with spending tax payer's money. It needed to be clarified that every attempt in the world was going to be made to get that money back. They all want to do these things but they need reports back. They were asking for performance reports from people doing I&I and it seemed to him they should have reports for where the liens were, what was done to do that, they knew it was going to be expensive. Now, after they hit a certain point, they knew they were going to be getting probably faster response on some of those people who were not doing anything. But, the attorney was hired by the Council to do those things.

Mrs. Stultz apologized and explained that what she intended for that to mean was that the collection process would have to be through lawsuits that Mr. Medlin files, of course

everything they do was at the direction of the City Council.

Mayor Price agreed but they were looking for a return. If they were going to spend money they were going to have to have a return.

Mr. Dougherty added that he knew that the post office has been there for a long time, but if that was an integral part of developing that Central Hotel, they looked at all three downtown areas, whether it was the BalMar Theater in Draper or the bank building on the Boulevard. The hotel was really the catalyst for what they were going to do with Main Street and if the sale of the post office would prevent them from getting the Central Hotel renovated, that he thought would be a mistake. He stated that he knew that the city had waited a long time for that to be renovated, probably in the last year there had probably been more interest in that hotel than in previous years and they were hoping with their inclusion on the Main Street program that that would accelerate interest. He pointed out that they could imagine if that Central Hotel was redone, it would be a huge boost to the whole economy for the esthetics of the downtown and he asked that before they would sell it they would reconsider it for a while and give them some more time.

Council Member Epps stated that he had Mr. Dougherty send a fax to his agency in Charlotte that does renovations on hotels for the elderly. They were very much concerned about the post office being a possible parking lot. He added that he had told them that if they bought the hotel they would probably get that post office for almost nothing.

Capital Outlay – Greenways:

Council Member Gover continued with the Capital Outlay on greenways. He stated that when they told them that when they first came forward with the greenways it would be \$4,000. Now, he was for greenways but when they bring in a \$46,000 development for greenways, he would like to know what they had in mind that was a far cry from \$4,000.

Mrs. Stultz replied that she did not remember \$4,000 but at the Council Retreat they talked about the grant application that was made and the Council approved to do a greenway plan for the entire city. The city's required portion of that if they were to receive it and she had notification today that they have delayed awarding the grants again, their matched part of that would be \$15,000 and they requested to do a study for a total of \$50,000. \$35,000 would be grant funds and \$15,000 would have to come from the city. That was money that would not be spent unless they received the grant and the Council would receive notification at the time.

The other thing they talked about, they had heard from several folks and had a subcommittee created about a greenway plan and the pilot plan being along the Smith River.

Several of those folks talked about it being of minimal cost, but anytime the city owns any kind of facility, there were costs associated. They did a budget estimate to do that

pilot plan which would go from down in the area around the bridge near the traffic circle around back up towards the YMCA, back towards Grogan's. The cost for that would include an all terrain vehicle that would be required for police protection, a building, installation of the thing, all the maintenance for the year, would be \$31,500. They did hope that some of those monies would be donated. The \$31,500 and the \$15,000 were monies that they have asked to set aside if the grant does not come through. Of course they would not ask them to spend the \$15,000 and before they really begin to spend money in July they all would really have another opportunity to take a look at the pilot plan but that was what it was about.

Council Member Epps noted that the people he had talked with about this greenway project were excited. In a lot of cities it was a real viable situation that helps the city's tourism.

Municipal Park – Land Improvement:

Council Member Gover stated that he would then like move to the Municipal Park and the land improvement for \$288,000. He asked what that consisted of.

Mr. Corcoran explained that the big thing on the park, that was really just showing them things that they have already approved. Whatever that was, that was probably money that was to still finish the ball fields and also the PARTF grant but the only new money in this budget for the park was the \$50,000 payment they were making on the loan, so whatever was shown in there for Freedom Park was just money that they had already approved that was just being carried forward.

Council Member Gover stated that he wanted to emphasize that they only approved \$50,000 a year for the \$400,000. That equated to more than that.

Mr. Corcoran explained that it was carryover funds that were there that they probably received from that loan and have not spent yet.

Vehicles – Public Utilities:

Council Member Gover stated that he had one more question on their replacement trucks for W2 (1992) and also the M1.

Mr. Dennis Asbury, Director of Public Utilities, referred the question regarding M1 to Mr. Charles Van Zandt, the Waste Treatment Plant Superintendent.

Mr. Van Zandt replied that M1 was a 1987 Chevrolet van with a little more than 120,000 miles on it now. They only have cost estimates from 1990 on. Since 1990 they have spent over \$18,000 in operating costs. His proposal was for a small compact pickup. Since C&D now takes care of the pump stations, they did not have to travel to all the different locations, so they did not need a larger truck and with the price of gas, he figured the compact truck would be better.

Council Member Gover stated that was why he was asking, because he knew that C&D would be doing it. He then questioned their W2.

Mr. Asbury stated that he was unsure what Council Member Gover wanted.

Council Member Gover apologized in that he was mistaken and that W2 had been taken out of the budget.

A motion was made by Council Member Epps seconded by Council Member Myott to accept the amended budget as presented.

Council Member Gover stated that as long as all the amendments were in it, then they were right. He meant, everything that has been brought to their meetings and amended.

Mr. Corcoran asked for clarification, that for every item that was discussed tonight, just so they all know, what he envisioned that they were voting on was the payroll. Other than that, he guessed everything else had just been discussion.

Council Member Vestal replied that they were voting on the sheets that were passed out tonight and Mayor Price added it was the budget as presented and amended.

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

Council Member Gover commended the City Manager for his work on the budget.

Break:

Mayor Price explained that they would be taking a short break.

Closed Session:

A motion was made by Council Member Gover seconded by Council Member Tuggle to go into Closed Session to discuss matters relating to economic development incentives according to GS 143-318.11(a)(4).

Open Session:

A motion was made by Council Member Gover seconded by Council Member Myott to return to Open Session. All Council Members voted in favor of this motion. This motion carried.

Adjournment:

A motion was made by Council Member Tuggle seconded by Council Member Gover to adjourn. All Council Members voted in favor of this motion. This motion carried.

Respectfully submitted,

Kim J. Scott  
City Clerk

ATTEST:  
P  
Philip K. Price  
Mayor