

CITY OF EDEN, N.C.

A special meeting of the City Council, City of Eden, was held on Thursday, April 22, 2021 at 6 p.m. in the Council Chambers, 308 E. Stadium Drive. Those present for the meeting were as follows:

Mayor:	Neville Hall
Council Members:	Darryl Carter
	Gerald Ellis
	Jerry Epps
	Angela Hampton (absent)
	Phillip Hunnicutt
	Bernie Moore
	Bruce Nooe
City Manager:	Jon Mendenhall
City Clerk:	Deanna Hunt
City Attorney:	Erin Gilley
Media:	Roy Sawyers, Rockingham Update

Mayor Hall called the special meeting of the Eden City Council to order.

FY 2021-22 BUDGET WORKSHOP:

Mayor Hall said Council attended the budget retreat in January and was presented with the budget message at the April City Council meeting. The budget workshop was an opportunity for Council to ask questions and receive any needed clarification. He called on Director of Finance and Personnel Tammie McMichael, Assistant Director of Finance Amy Winn and City Manager Jon Mendenhall.

Mr. Mendenhall referred Council to the Budget Workshop Guided Discussion template that was included in the agenda packet. Item one addressed budget questions and answers. He highlighted the sections of the budget workbook, beginning with section one, which included the budget message and a copy of the budget ordinance. He noted there was a transposition error in the original budget ordinance where accounts were taken from Logics and the appropriate numbers were filled in. It had since been corrected in the budget workbooks and online. Section two outlined the large and small capital outlay requests. Section three contained the revenue and expenditure worksheets for the General Fund. Section four contained the revenue and expenditure worksheets for the Water and Sewer Fund. Section five covered the revenue and expenditure worksheets for the Self-Insurance Fund. Section six listed the tax and service rates. Lastly, section seven included a table of organization and various personnel items that had been included in previous budgets with the exception of a few items that were divergent from previous years. The first change was in regards to the credit card convenience charge. In previous fiscal years, the City had absorbed the cost of the credit card convenience charge for customers who paid their bills, rentals or fees with a credit card. The City had a policy option that allowed the convenience charge to be passed on to the consumer for the convenience in which they were paying, which meant customers would not be paying the convenience fees for other customers. The upcoming fiscal year's budget anticipated passing the convenience charge to the customer. He explained the current scenario of how the City might have one customer paying via check and another paying via credit card. Presently, the City was absorbing the cost of that credit card transaction, which ultimately meant the other customers were paying for the convenience fee. Moving forward, the City would no longer be paying for the convenience fee; instead, the customer would pay the convenience fee along with their payment. Secondly, the years of service item listed in section seven had been revised. Previously, it was broken down as 0 to 4 years, 5 to 10 years, etc. The new budget reflected a breakdown split of 0 to 5 years, 5 years and 1 day to 10 years, 10 years and 1 day to 15 years, etc. Additionally, section seven added discussion regarding the consumer price index and how it derived a cost of living adjustment. Lastly, standards for longevity payments were added to the personnel section that stated an employee would not receive any additional benefit if they did not have a good job performance rating or if they had received a write-up or had any disciplinary action taken against them in the past 12 months. He welcomed any questions or discussion.

Mayor Hall said Section one contained the Budget Message that was presented at the April City Council meeting. He said a copy of revised budget worksheets was given to each member that would replace pages one through six in the Budget Ordinance located in section one of the budget workbook. He moved on to Section two: Large and Small Capital Outlay

Council Member Hunnicutt addressed the customer service work order software. As it related to solid waste and the deficit there, he questioned if the system would be able to track repeated pickups if solid waste were to go to a system where people called in yard waste or bulk pickups as that appeared to be a problem. He was trying to understand the capability of the software. He asked if at the end of the year, the software could issue a report that showed how many pickups a property had and if that was deemed to be excessive.

Mr. Mendenhall said yes. It was a cloud-based system that allowed for the City to make inputs or to be self-serviced on a mobile device or home computer. Therefore, if the City wanted to go to an on-demand solid waste collection system versus a route system, the software would create a work order ticket for any address that would be mapped in Google maps. It would also allow for certain questions to be answered in regards to what type of waste needed to be picked up but the summary would only be as good as the input provided.

Council Member Hunnicutt said he was not necessarily advocating that the City move to an on-demand solid waste collection system, but he was curious if the software could provide tracking and identification of the repeated pickup areas.

Mayor Hall addressed the salary line item for some departments under Section 3, General Fund. After speaking with the Finance Department and Mr. Mendenhall, it was confirmed that the difference between some of the department requests and manager recommendations was a direct result of the new personnel adjustments being made. He gave the example of how one department requested roughly \$100,000 less than what was recommended but it was due to personnel movements. Some departments were gaining employees while other departments were losing employees.

Council Member Hunnicutt noticed the landscape maintenance contract under the Facilities and Grounds Department had been removed. He asked what services were contracted under landscape.

Mr. Mendenhall said several services were included in the contract, such as beautification services in regards to clover leaf, some of the traffic islands and the nice plantings around Kings Highway. There was another contract that covered grass mowing at the wastewater treatment plant, raw water reservoir and the solid waste transfer station. Staff moved right-of-way maintenance, such as the tree trimming on Van Buren Road and the clover leaf, to the Streets Department while Facilities and Grounds kept maintenance of areas not located within the right-of-ways, such as mowing of all deeded property.

Council Member Hunnicutt asked if the money had been moved to another area.

Mr. Mendenhall said yes.

Council Member Hunnicutt referred to the Fire Department's budget and asked what would happen in the hiring of the eight new positions if the City did not receive the SAFER grant. He noted there was a budget allocation that matched a portion of the grant amount and asked if that was money that would be used for hiring.

Mr. Mendenhall said the cost of eight new positions was roughly \$400,000, with \$300,000 of that being grant funding and \$100,000 being General Fund money. The \$100,000 would pay for almost two additional firefighters. While they would like to receive the grant funding, staff would go back to the fire command staff and Council to see what could be done with the \$100,000 if the grant were not received.

Council Member Hunnicutt asked if the City had separate fuel tanks for on-road fuel and off-road fuel.

Mr. Mendenhall said he was unsure but knew the City had a tank for unleaded gasoline and a tank for diesel fuel. However, he was uncertain if there was any further separation to on-road and off-road fuels.

Council Member Hunnicutt said it may not have to be a physical separation but noted the City was paying a road tax for any fuel that was used for road vehicles. He recalled when he worked at Fieldcrest, they had two tank systems, one for on-road fuels and one for off-road fuels. The City had a lot of non-highway fuel usage and suggested looking into it as the City could be paying taxes where it did not have to. He questioned if the City had to pay fuel tax.

Mr. Mendenhall said the City paid for sales tax, which was reimbursed to the City.

Ms. Winn stated the City did not get reimbursed for fuel tax.

Mr. Mendenhall added that the City did receive a Powell Bill check for fuel tax.

Council Member Hunnicutt questioned if the City was paying highway tax through fuel.

Ms. Winn said yes.

Council Member Hunnicutt said it was something worth investigating considering the amount of equipment the City had that never touched the highway. It would likely equate to a good amount of fuel going into equipment that the City was paying highway taxes on that otherwise it should not have to be paying.

Mr. Mendenhall said he would check into it.

Mayor Hall said while it would apply to all departments, he noticed the fuel budget for the Police Department in FY 2020-21 was \$95,800 and it was recommended to fund the same amount in the new budget. However, he suspected that fuel prices would be higher than the previous year and therefore, the City needed to consider whether the recommended amount was enough.

Council Member Ellis said the budgeted fuel amount was increased in the past to compensate.

Mayor Hall said the price of gas had gone from the lower end of \$2 to the lower end of \$3 over the past year. He suggested consulting with Fleet Maintenance and possibly basing it on the estimate of what the gas price might rise to.

Council Member Ellis questioned the cost of electricity for the pool being \$21,000 for four months.

Mr. Mendenhall said the budgeted amount for the cost of electricity for the pool was \$4,000.

Mayor Hall said the \$60,000 budgeted amount and \$21,694 already encumbered was for the cost of electricity at all of the parks and recreation facilities. The pool utilities budget was \$4,000.

City Attorney Erin Gilley said the caption of the expenditure was above the line item.

Mayor Hall said the description of the expenditure was described above the bold print on the worksheet. Solid Waste requested a total of over \$2 million but the manager recommended \$1.8 million. He hoped some of the proposed efficiency changes the City was seeking to make in that department, such as the suggestions made by Council Member Hunnicutt, would help close the gap from what was requested and the amount that was able to be funded. He added that another suggestion previously made was charging certain residents more for repeated services.

Council Member Hunnicutt referred to the senior citizens line item under Parks and Recreation and said there was a \$30,000 increase from the budgeted amount for FY 2020-21. While he was supportive of the increase, he wanted to confirm that was grant money. He asked what they would be doing in addition to what they were doing now.

Mr. Mendenhall said the senior center applied for and received roughly \$30,000 in senior center activity grants.

Ms. Winn said the grants were being used to buy tablets and computers for training.

Ms. Gilley said the senior center was going to teach that technology to the seniors.

Council Member Ellis asked if Information Technology would be involved with that.

Ms. Gilley said yes.

Mayor Hall said there was a request for \$693,000 under Fleet Maintenance but the manager recommended \$354,000. He pointed out that \$400,000 of the requested amount was to replace the fuel pumps but that request had been removed. As would be discussed later in regards to stimulus funding, it was possible the fuel pumps could be replaced using stimulus money. He added that he made a point to determine the reasoning behind large differences between the requested amounts and recommended amounts of each department.

Mayor Hall referred to section four, Water and Sewer Fund, and said the total amount requested in the Billing and Collections Department was \$511,700 but the manager recommended \$420,000. Again, he noted that was a difference in the salary request.

Council Member Carter asked if the sale of fixed assets included items such as old pumps.

Ms. Winn said yes.

Mayor Hall said \$400,000 was requested in the Collection and Distribution Department's budget for a trackhoe and skid steer loader but those requests were removed. He asked if the City was striving to obtain an additional year out of the existing equipment.

Mr. Mendenhall said the City did not currently own a trackhoe. The plan was to evaluate the demand for utilizing a trackhoe before buying one as it might be cheaper to rent one as needed for projects. If and when the City had a high demand to utilize a trackhoe, it would make sense to buy one, but Mr. Mendenhall felt it should be assessed before spending such a large sum of money.

Mayor Hall said that was a good recommendation and noted that it closed the gap between what was requested and recommended in that department. He stated that \$695,000 was requested for Water Construction but only \$120,000 was recommended for funding. He questioned if that was due to the fact the City had completed some of the work with the EPA-Administrative Order on Consent (EPA-AOC).

Mr. Mendenhall said no because water construction was entirely water distribution and was not sewer related. There was a large backlog of water distribution projects that needed to be completed but it would risk the City's cash flow if it fronted too much of the required money. Therefore, it would have to be spread out over several fiscal years. In the upcoming fiscal year, the City was going to attempt to complete three projects in-house on Glovenia Street, Maple Street and one other street. Plans were to also complete Bridge Street in a project ordinance environment using the City's own force account labor. The City had bid out Bridge Street but Mr. Mendenhall said if the City began bidding out several projects, it would pay a premium and it would become unaffordable. There was presently a finite amount of capacity available and only so much water and sewer cash flow that the City had.

Council Member Hunnicutt asked if the determination of which areas to complete was based on frequencies of failures and issues in those areas.

Mr. Mendenhall said it was a worst-first strategy. The Engineering Department was working with the Collections and Distribution Department in order to keep track of water and sewer line leak detections. Bridge Street had an open cut on the southbound lane just north of Bridge Street Recreation Center and it was constantly flowing water, meaning the City was losing finished water out of the ground due to leaking pipes in that area.

Council Member Epps asked if the pipes underneath Washington Street were going to be repaired before it was paved.

Mr. Mendenhall said that was a topic that needed to be discussed under item three of the agenda in regards to stimulus funding. There were pipes that needed to be replaced and staff wanted to advance that project so the new asphalt would not be cut up afterwards in order to perform the repairs. It was something that needed to be addressed rather quickly.

Mayor Hall said \$935,000 was requested under sewer construction, but none was recommended. He stated that was the section where he meant to ask if the gap was due to the EPA-AOC work that was being done.

Mr. Mendenhall said no but rather it was from the MGM Pump Station. Those expenses were going to be moved into a project budget so the City did not have to worry about it impacting the operating budget. The EPA-AOC work was already in its own project budget. Staff received word that the City could start on the project as soon as possible with completion occurring within six to eight months. The grant funds and City money necessary for completion of the project would be put in a project budget and operated like a project.

As there were no questions regarding section five, Other Funds, Mayor Hall moved to section six, Tax and Service Rates, in which he stated it was covered well during the Budget Message where it was highlighted there would be no tax increases for the 13th year.

As there was no further discussion, Mayor Hall moved to section seven, Personnel. He stated the section began with a new organizational chart that coincided with Mr. Mendenhall's new workflow plan. It was followed by the revised longevity schedule. Mayor Hall referenced the retiree insurance section where it stated at least 20 years of service but less than 25 years - 50% of the monthly premium cost up to a max of \$275.00/month is provided by the City (unless, as the current Budget Ordinance does, it stipulates otherwise) and questioned what it stipulated and where that could be found.

Mr. Mendenhall said it was referencing the current budget and might need to be looked into.

Ms. Gilley said she recalled a section that referenced retiree insurance because she was involved in drafting it a few years ago. The section stated that if there was an additional amount paid, it would not change the City's obligation to pay the cost. The self-insured fund could not always be calculated in advance.

Ms. Winn said the verbiage was there to keep from expanding the City's obligation and increasing what the retirees paid. It stated that what the retirees paid now was what they would pay in the upcoming years.

Mr. Mendenhall said the reference of FY 2020-21 was incorrect and needed to be revised. He referred Council to the self-insured insurance fund section of the Budget Ordinance, which was a legal doctrine regarding property rights of employees. The section read sections 4 and 5 of this Budget Ordinance hereby authorize City payment of individual premiums in excess of that set forth in City Code § 10-6.3 for said fiscal year only. This authorization in no way creates any benefit or right in property whatsoever of any individual employee or retiree to City payment of premiums for any future year above that prescribed in City Code § 10-6.3.

Mayor Hall confirmed there was no change in the budget.

Ms. Gilley said that was correct.

Council Member Carter said he was concerned with the stipulation of the performance bonus of \$1,000 given in November that if an employee received a write up in the past 12 months, they would not receive a performance bonus. He said it could be an employee that was written up in January but performed well for the remainder of the year, but was still exempt from receiving the performance bonus. He understood that stipulation in regards to a merit incentive or longevity incentive, but the lack of a performance bonus penalized the employee's family as many employees used that bonus to purchase Christmas gifts.

Mr. Mendenhall asked Council Member Carter if he was referring to the performance bonus mentioned on page two.

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Council Member Carter answered yes.

Council Member Hunnicutt asked how one would weigh the event that caused the write up.

Council Member Carter suggested the City Manager look at the intent of the write up and the event that led to the disciplinary action in order to make a decision.

Mayor Hall posed the scenario of an employee who made a mistake in January that resulted in a write up but was forgiven by the City Manager. He questioned if there was another employee who made the same mistake in October that resulted in a write up, would it be forgiven also.

Council Member Carter said he was not necessarily saying to completely forgive the matter but was unsure as to what the correct response should be. He questioned if it was a new stipulation.

Mr. Mendenhall said it was a new item.

Council Member Carter said it was the first time the stipulation had been put on that particular performance bonus that was issued in November.

Council Member Ellis asked if there had been any problems in the past on the issue.

Ms. McMichael said not that she could recall. There were disciplinary actions that happened on occasion but it was not on a regular basis. The City had good employees who worked hard and earned any bonus the City gave them in addition to their salary.

Council Member Hunnicutt asked if there was a Human Resources Committee that could come together and review the cases allowing the verbiage to be left as was but subject to review by the committee.

Mr. Mendenhall said there was not a Human Resources Committee but the City had an excellent human resources staff that included Ms. McMichael as the director of finance and personnel along with Assistant Director of Personnel Teri Sentiff. He was fine with having them review the cases if that was Council's desire.

Council Member Carter said he felt there should be a review of some sort.

Mayor Hall said Council could approve the amounts and have them subject to the city manager's discretion. If no disciplinary action was taken, an employee could receive \$1,000; if disciplinary action had been taken, the city manager would have the discretion to make the final determination.

Mr. Mendenhall said the City did not have a high volume of disciplinary actions, maybe less than three per year. He wanted Council to know the City had good employees that worked in a good manner. He appreciated what Council Member Carter said. He was happy to do whatever Council desired. If it was too much, they could remove it. If they wanted to leave it at the manager's discretion, they could do that too.

Council Member Carter suggested letting the city manager have the discretion to make the final determination.

Council Member Epps said it would be good to let the city manager handle the review and determination as they did not need to be micromanaging that job.

It was a consensus amongst Council to let the City Manager make a determination in those cases.

Council Member Hunnicutt asked how long the Staffing for Adequate Fire and Emergency Response (SAFER) grant was in place and what the City would do when it reached the ending point or cutoff date as he hated to think the City would have to fire eight firefighters.

Council Member Ellis asked Mr. Mendenhall to describe what the Police Department did when it hired three

officers through a grant.

Mr. Mendenhall said the SAFER grant, which applied to firefighters, was similar to a Community Oriented Policing Services (COPS) grant, which applied to police, both of which were federally administered. They both involved the hiring of public safety employees at a specified coverage amount that decreased as the years progressed.

Ms. Winn said the SAFER grant was a three-year grant, in which during the first two years the grant paid 75 percent of salary and benefits and 35 percent during the third year.

Council Member Moore asked if the City picked up 100 percent of the cost during the fourth year.

Ms. Winn said yes.

Mayor Hall said he did not think the City would have to fire anyone by the fourth year as there would be some employees leaving through attrition. The best way to get back to the number of positions the City could afford would simply be to not replace them as they became available or obtain another grant or significant user tax base that could afford to keep eight additional firefighters.

Council Member Ellis said he was happy because this was the first year the Fire Department had been able to use the SAFER grant as it had been declined in the past, making it a real asset to the City.

Council Member Hunnicutt said there were several organizations under the General Fund, such as the Strategic Planning Commission, that had been funded in the past, but were no longer a budgeted item. He questioned if Council would respond to those commissions as money was requested with the funds coming from contingency.

Mr. Mendenhall said his goal was to meet with the chairs and vice chairs of each committee, as well as the mayor and pro tem, to discuss the new change and to request their work plans. At that time, they would present their work plans and if approved, it would be funded through contingency.

Council Member Hunnicutt made a suggestion to generate some significant potential based on a program he experienced while working for VF. Innovation became a huge driver at VF in order to become a better business. An innovation fund was created with the idea that if an employee came up with an idea that would save the company money or create revenue, the employee would be eligible to receive a monetary gift. He said he would like to see a \$2,000 allocation be made for an innovation fund to which at the end of the year, a group or committee could evaluate what had been proposed and give awards of possibly \$1,500 and \$500 based on the proposals. He felt there were employees within the organization who had ideas that would save money and the innovative program would help them step forward. It was achievable for the City to fund it and he was sure employees would love to have a \$1,500 incentive towards the end of the year to help purchase Christmas gifts. He said rules would need to be established and the employees made aware of the program.

Council Member Moore said the City did that in the past. He recalled a suggestion box located at the fire station where employees could submit written suggestions. Maybe every two weeks, the department head would evaluate the suggestions and if any were viable, the employee would receive a \$25 gift certificate. He felt it was a good incentive because there were smart employees who could generate good ideas.

Council Member Hunnicutt said it was not a lot of money and it would possibly be worth seeing what came from it.

Mr. Mendenhall said it was a great idea and he turned Council's attention to the Administration and Legal Services Department under the General Fund section located in the budget workbook. An innovation fund had been set up in a prior fiscal year under the department's miscellaneous expense line item. The description included innovation fund-employee cost saving ideas for cash incentives-ideas that save documented dollars. The department requested \$2,500 and management recommended the same for the upcoming fiscal year. Mr. Mendenhall said the City needed a policy from Council on how innovation worked because management could

not be involved in a gift card program.

Mayor Hall said he was glad it was already included in the budget; otherwise, the budget would have to be amended and money taken from another department. Mayor Hall said he appreciated everyone working hard in order to present Council with a balanced budget.

Mr. Mendenhall asked if Council was in agreement on a public hearing at the May City Council meeting.

Mayor Hall said yes as that was the normal time when the budget was presented in that manner. He stated that Council had been given the opportunity to ask questions and was ready for it to be presented to the public.

Mr. Mendenhall said there were a couple more items beginning with the Capital Improvement Plan (CIP) overview. The CIP was located in the book provided to Council that listed the plans for the upcoming ten years in the various funds, primarily the General Fund and the Water and Sewer Fund. It included an introduction detailing the plan to have a Sanitation Fund as an enterprise fund in the future followed by a statement of need that detailed why the funds were important and why they were needed, which was because of obligations to the N.C. Department of State Treasurer, the N.C. Local Government Commission (LGC) and State Treasurer Memorandum #934's interpretive standards for compliance with GASB 34 related to infrastructure and capital cost. The plan was organized through the schedule of the useful life of equipment and the reinvestment strategies in regards to the cycles of improvement and how it all fell into the capital improvement program and plan itself. Also included in the CIP was a suggestion that the City consider a capital reserve fund to be used for rolling capital money forward into fiscal years so that capital projects and their associated accounts were always funded. There was a sample resolution establishing a capital reserve fund included in the CIP that detailed how the reserve fund would work. The first section of the CIP detailed the Water and Sewer Fund followed by the Sanitation Fund and General Fund. One reason the CIP was eliminated from the budget process was due to the unknown amount of revenue being received via stimulus, which would be discussed in detail later in the meeting. The CIP for the Water and Sewer Fund and the General Fund presupposed some debt retirement. A capital reserve account would allow the City to put debt service that was eliminated and any pay down of debt when it was retired into the account in order to pay it forward and roll capital funds forward. Instead of taking money previously paid into debt service and using it for the hiring of employees or reducing rates, the City would roll that money into the capital account so the fund would be supported. Prior to looking at stimulus funds, the City's deficit in both the Water and Sewer Fund and the General Fund was approximately \$13 million, which meant the City would be under budget \$13 million within ten years as there was no money set aside for capital improvements. One reason for that was due to general microeconomic conditions relative to the City's water and sewer infrastructure. The City was heavily built in water and sewer but had not experienced the same use as in the past and therefore, did not have the revenue to support the renovations and rehab of water and sewer projects, which negatively impacted the revenue side. Another reason was due to the EPA-AOC. Previously, the City's collection of sewer had created a situation with the EPA and although the City was approaching the end of the administrative order, the cost of that situation had impacted the City by delaying other capital projects, resulting in a shortfall in both funds at the end of ten years. However, if the City could begin paying down debt and establish a capital reserve fund in both the Water and Sewer Fund and the General Fund, it would be able to program in some of the deferred capital projects. The City did not want to get in the position of having a good collections system for sewer but then possibly having to invest large sums of money for EPA compliance at the sewer plant if the limits on nutrients or oxygen in the sewer plant became more stringent in the Dan River or if EPA regulations changed. The City had to balance investments so it did not experience a delay in the next ten to 20 years. It was important to have enough capital funds available to reinvest in the system and the public that used the system. That was why City staff implemented a ten-year CIP and why the upcoming stimulus discussion would include debt service retirement and capital reserve account funding, which was aimed towards building reserves to increase capital funding mechanisms that did not require large rate increases or that led to EPA interventionist situations with regulatory agencies. Mr. Mendenhall pointed out the Water and Sewer Fund in the CIP book and said the spreadsheet broke down each division or functional area beginning with the Water Filtration Department that included 14 projects. It detailed a breakdown of each project projected through the next ten years. Water Filtration would need roughly \$2 million of investment over the next ten years for capital improvement projects, such as a valve to replace the Willamette valve for the 9 MGD Service Pump and the VFD upgrade for the pumps at the water plant. Following each department's list was the justification for every project listed within the division, with some

including pictures of the item requested. The same was included for all departments within that fund. He referenced the Wastewater Treatment Department would need \$5 million of work within the next ten years; thus, resulting in the question of how it would be paid for, whether by the rate payers, grant funding, capital reserves or freed-up cash flow from debt paid down. The same applied for the departments listed in the General Fund. He pointed out the need for a cycle of replacement for fire apparatus and the need for a fuel tank system in the Fleet Maintenance Department, along with trucks and equipment. All of the requests were included in the CIP and programmed in a manner where there would never be a cash flow situation from one year to the next as the money would roll over into the capital reserve fund accounts. The inflows and outflows from where the City was receiving the funds was listed in the revenue section of the summary sheet. The expense total by each department was listed underneath followed by the last section that discussed where the City would be at the end of ten years.

Mayor Hall said he personally appreciated the department heads, Finance Department and Mr. Mendenhall compiling the CIP for Council. As Council Member Hunnicutt pointed out a while back, the City needed to be planning. The CIP was very detailed with what each department would need each year and he knew that was something that had required a lot of work.

Council Member Hunnicutt said traditional budgets required one to evaluate items from one fiscal year to the next to try to understand the difference. By treating the capital outlay items as a separate area, it made it easier to understand what they were doing. After four to five years of capital budgeting, the City may be able to look at the current year to determine how much more funding was needed to meet the next year's budget. He did not recall the City having good long-term visibility in regards to upcoming capital outlay expenditures but he felt it was a great tool to have. He commended everyone as he knew it involved a lot of work, but he felt the City would certainly benefit from it.

Mr. Mendenhall asked if Council desired to adopt the CIP at the May City Council meeting or if they needed several months to review it.

Mayor Hall said he was pleased with the CIP and was fine with adopting it at the May City Council meeting. The CIP was a look into the future and he liked the idea of having it, but he did not think Council could hold anyone responsible for what was unforeseen. Adopting the CIP did not mean that it was what had to be and nothing else could be requested in later years. He did not see how there would be much opposition to it, but if there was, it could be discussed at the May City Council meeting.

Mr. Mendenhall agreed that things did change and plans had to change to the context of what was presented. It was his intent to work with staff each year to evaluate the CIP to revise it as needed while realizing the current fiscal year would be coming off of the CIP and another year added. Each year Council would be presented with an updated ten-year plan that was a good planning guide for the future.

Mayor Hall said item three involved consideration of changes on Washington Street. He called on Mr. Mendenhall to lead the discussion.

Mr. Mendenhall said there were several items regarding Washington Street. As Council Member Epps previously mentioned, N.C. Department of Transportation (NCDOT) would be paving Washington Street soon. City staff was working to organize a special meeting with the merchants in order to ensure, as stakeholders, they were aware of what was going on. However, there was some conflicting water and sewer construction work associated with the EPA-AOC. He called on Water and Sewer Construction Projects Manager Mark Bullins to give an update and seek Council's consent on moving forward in order to avoid tearing up the asphalt a second time.

Mr. Bullins said he prepared a memo for Council recommending a change order on Contract No. 7 that involved the relocation of a sewer main replacement from Contract No. 3. Mr. Bullins stated he was comfortable handling most change orders himself, but due to the expense of this particular change order, he felt it best to include Council on the decision. The plans were to remove the replacement of a sewer line on Patterson Street from Contract No. 3 to the City's current Contract No. 7 that had been awarded to Yates Construction Co. Inc. using the pricing under Contract No. 7. The reason for doing so was to get ahead of the

scheduled paving set to begin on May 10. There were two sections of Washington Street that would be affected by the water and sewer construction projects under Contract No. 3: (1) a water line on the south end of Henry Street whose connection went out into the intersection of Washington Street, interfering with NCDOT's paving; and (2) a manhole/sewer line replacement on Patrick Street beginning from the center of the intersection with Washington Street going north to the next manhole. When presented to Professional Engineer Anita Robertson with W.K. Dickson, she suggested the City replace the entire sewer line section on Patrick Street in order to avoid redeployment costs under Contract No. 3 when that was later awarded to a contractor, which changed the price of Contract No. 7. The original cost of the change order was \$56,365.70 but if the City proceeded with the sewer line replacement, the change order amount would be \$280,500.15. The City would also save on the expense of repaving the intersections listed in the contract and the expense of having to replace the crosswalks and hot stamping for the lattice work. All of the funds were still covered under the Connect NC funding that the City was awarded for the EPA-AOC.

Mr. Mendenhall said it was important to note that the expenditure was a large amount but the question was not regarding new funding but rather the timing of when the money would be spent due to the advancement of the paving project. He asked Mr. Bullins if that was correct.

Mr. Bullins said yes and added that it was simply moving the money into the current contract from another contract that must be awarded according to the City's EPA-AOC.

Council Member Hunnicutt asked Mr. Bullins if the funding was already available and it was just a matter of seeking permission to move the funding from one contract or phase to another.

Mr. Bullins said yes and because the change order involved a large amount of money, he felt it would be best to consult Council on the matter.

Council Member Carter asked if the change order would entail tearing the street up only once.

Mr. Bullins said yes. City staff wanted to complete Patrick Street in order to avoid a follow-up with another contract at a later date. If Henry Street had been as simple, it would have been proposed as well; however, its maintenance was more complex.

Mayor Hall asked if there was a cost to do the change order.

Mr. Bullins said the total cost of the change order would be \$280,500.15.

Mayor Hall said that was not the difference between what it would cost now and what it would cost if the City waited.

Mr. Bullins said if the City proceeded with the \$51,365.70 change order, the difference would be \$229,134.45 and added that it could possibly come out cheaper in the end to go ahead and proceed with the change order versus placing it into a future contract and having to redeploy to the same location.

Ms. Gilley said staff normally took care of change orders without bringing them before Council but they were not usually a large amount similar to what would normally be bid for a contract.

Mayor Hall said it did make sense to conduct the repairs to where the road was only torn up one time. He asked Ms. Gilley if a motion was needed for the change order.

Ms. Gilley said staff only needed a consensus from Council as it was not originally on the agenda. It may be included on the May City Council meeting agenda as a ratification of what was already done because it would need to be completed before May 18.

Mayor Hall asked if anyone had any objection to proceeding with the construction in the order Mr. Bullins presented.

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Council Member Hunnicutt said he did not have any objections but asked for clarification purposes if there was a charge for making the change because he was normally accustomed to a cost being associated with a change order.

Mr. Bullins said there was no additional cost. It was only a matter of moving the money involved from the contract that was proposed to be bid out at a later date to a contract that the City was presently under.

Council Member Hunnicutt questioned if that cost was \$200,000.

Mr. Bullins said the cost was \$280,500.15, which would be the same amount of money spent in the future under the EPA-AOC.

Council Member Hunnicutt asked if the cost today was the same it would be in the future. What he was hearing was it would cost \$200,000 more to do it today.

Mr. Bullins said that was not correct. He did not have the additional cost of repaving each intersection after NCDOT's initial paving but it would involve costs associated with hiring a contractor to repave the intersections and the deployment of a team to put the sewer line in. Those costs would be a savings to the City if it proceeded with the proposed change order.

Council Member Epps said it sounded good to him.

Mayor Hall asked if there were any objections to moving forward with the earlier timeline.

There was a consensus among Council members to proceed.

Mr. Mendenhall thanked Mr. Bullins and said there was one other item involving crosswalks on Washington Street as described in a memo from Planning and Community Development Director Kelly Stultz. He said NCDOT would not fund the crosswalk replacement back to their current beautified standards but instead, would only replace them with a stripped crosswalk. There were some questions in regards to how Council wanted to handle the situation. He called on Ms. Stultz to lead the discussion.

Ms. Stultz said NCDOT paved Washington Street the year the original streetscape project was completed. At that time, the City put in the decorative crosswalks but could not afford to complete all of the crosswalks or extend as far as the Hamilton Street intersection. Ms. Stultz, along with Director of Transportation Engineering Tammy Amos, consulted Jason Julian of NCDOT to obtain an estimate of how much it would cost to put in decorative crosswalks based on how much they paid last summer, which was \$68 per square yard. There was not the same level of merchant and property owner participation the first time the City put in the decorative crosswalks on Washington Street which was why Ms. Stultz picked the design of the crosswalks at that time. However, due to the current amount of merchant and property owner participation, Ms. Stultz felt it would be better to let the merchants association and property owners choose the design. The decorative crosswalk designs resulted from a thermo process with the various designs not having much difference in cost but having extremely different looks. If Council were to decide to proceed with decorative crosswalks, Planning and Community Development Specialist Randy Hunt would take care of getting a finalized design from the Merchants Association and property owners. She felt the merchants and property owners would be disappointed if they learned that stripped crosswalks were going back versus the decorative crosswalks.

Council Member Nooe asked if the crosswalks were stamped, painted or stained.

Ms. Stultz said they were thermo heated and stamped.

Council Member Nooe said some of the crosswalks looked like brick and asked if it was just asphalt stamped and painted red.

Ms. Stultz said yes and that many designs came colored to where some could look like bricks or something else depending on what design was chosen.

Council Member Epps said he thought they put the color in the concrete.

Ms. Stultz said the crosswalks were not concrete but rather asphalt, which lasted really well and allowed trucks to travel well over them.

Council Member Hunnicutt asked if the crosswalks had to be finished right after the paving or if it could be completed at any time.

Ms. Stultz said it could be completed at any time but the closer it was completed to the new paving, the longer it would last and the better it would look. In addition, NCDOT would have spent unnecessary money painting the crosswalks if the City were to go back and try to put stamps down over their paint.

Council Member Hunnicutt asked what the current paving schedule was for Washington Street.

Ms. Stultz replied May 10.

Council Member Hunnicutt asked what the schedule was for the small area plan that Council recently approved for the Uptown Eden area.

Ms. Stultz said it would be started the week of April 26.

Council Member Hunnicutt said he would hate for the City to move forward with the decorative crosswalks and then have different recommendations for the small area plan.

Ms. Stultz said the existing crosswalks were where the pedestrians moved and she did not foresee any circumstances where the plan would differ in that instance. Many of the textures and finishes for improvements completed in the downtown areas would be up to Council but the merchants would have a big role to play in those areas as well. She said she would make sure the consultant honored what the merchants decided.

Council Member Epps asked if NCDOT would mill both the streets and crosswalks.

Ms. Stultz said yes and that the crosswalks would be gone.

Council Member Nooe asked how many crosswalks were involved.

Ms. Stultz answered 17 crosswalks, which was a few more than what was currently there, but due to increased pedestrian traffic, staff felt there were some other crosswalks that should be included on Hamilton Street, Bridge Street and Washington Street.

Mayor Hall asked Ms. Gilley if a consensus from Council was all that was needed to proceed.

Ms. Gilley referred to Mr. Mendenhall to answer when the City planned on spending the money.

Mr. Mendenhall said there was sufficient operating funds within the Streets Department to cover the expenditure, if needed staff could do a budget amendment with contingency funds. While the preferred method would be to go through the small area plan process as Council Member Hunnicutt mentioned in order to receive their input, the City needed to have a plan so it could be placed on a contractor's list in order to proceed after NCDOT completed the paving. Staff wanted to make sure Council was in agreement with the proposed procedure and if so, wanted to seek guidance related to facilitating the implementation of it.

Ms. Gilley said a motion was not needed, only a consensus.

Council Member Hunnicutt said he did not like the idea of not maintaining the standard previously set with the decorative crosswalks. He was unsure as to how long the crosswalks could be deferred relative to the small area plan but he preferred to receive confirmation from Stewart Inc. that they did not see it differently. He

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personally liked the idea of trying to maintain the standard previously set.

Council Member Nooe asked if all of the crosswalks would be in new pavement.

Ms. Stultz answered yes.

Mr. Mendenhall said there might be some crosswalks on Bridge Street that would not be in new pavement as it depended on how the pavement transitioned in some of the intersections. For instance, the paving of Monroe Street was on the City's paving schedule and there was one crosswalk at that intersection that might be on the City's side; thus, the City might be able to wait until after it paved Monroe Street before the crosswalk was put back at that particular intersection.

Council Member Ellis said the Cook Block had a crosswalk years ago that had not been put back after paving was completed.

Ms. Stultz said that was never more than a painted crosswalk to her knowledge.

Council Member Ellis said he was shown a picture of an area on the Cook Block that had a crosswalk on it from many years ago.

Ms. Stultz asked where the crosswalk had been located.

Council Member Ellis said it had been in front of Mitchell's Drug Store and where the old fire department used to be.

Ms. Stultz said she would check into it.

Council Member Ellis asked if it was possible to include the replacement of that crosswalk in with the others being proposed.

Mr. Mendenhall said it would depend on what type of crosswalk was desired because it was a NCDOT street and the City would have to get an encroachment to do so.

Council Member Ellis said there was a lot of pedestrian traffic that crossed the street along the Cook Block.

Council Member Epps said there was a bus stop there as well.

Mr. Mendenhall said City staff would be happy to look into it. The cost differential was substantial between a stamped or paver design and a thermo design as the thermo designs averaged \$6.00 per foot.

Council Member Ellis said he thought it would be good for the pedestrians.

DISCUSSION OF STIMULUS FUNDS:

Mayor Hall called on Mr. Mendenhall.

Mr. Mendenhall said there were three items of discussion regarding stimulus funds. The first item (3a) was in regards to the American Rescue Plan Restrictions on Funding and the City of Eden's formula for compliance. As of the week prior, the Federal Register had not published the regulations for the use of American Rescue Plan (ARP) funds. The legislation outlined four categories in which the ARP funds could be expended: (1) to respond to the public health emergency with respect to COVID-19 or its negative economic impacts, including assistance to households, small businesses and nonprofits, or aid to impacted industries such as tourism, travel and hospitality; (2) to provide premium pay to essential workers or grants to eligible employers; (3) to provide government services affected by a reduction in revenue of states, territories or tribal governments due to the public health emergency; and (4) to make investments in water, sewer or broadband infrastructure. Three categories had been considered by City management in order to establish a total of ARP funding that the City

had so that it was eligible and compliant, which would offset the shortfalls in revenue. While the City might use the category to achieve compliance, the offsetting difference in the Water and Sewer Fund or General Fund revenues might be allocated elsewhere. There were two steps required for the process, with the first step being to comply with ARP regulations. In compliance with the ARP regulations, there were three elements related to responding to the public health emergency: (1) the addition of one full-time firefighter assigned as a relief firefighter, which was recently approved by Council, due to COVID-19 coverage impacts in fire stations over winter 2020-2021 at a cost of \$220,000 over four years; (2) the addition of one firetruck with a crew cab to replace a single cab unit, which was previously approved by Council, in order to address necessary and appropriate social distancing for firefighters at a cost of \$500,000; and (3) the aid to industry to offset the negative economic impact, which cost \$2 million. There had been industry restructuring during COVID-19, such as the Worker Adjustment and Retraining Notification (WARN) issued by Karastan, which was attributable to the airline industry and carpeting. The closing of Karastan economically impacted the City \$148,290 in terms of lost sales tax revenue, the closure of the plant itself and the indirect cost plan revenue of the water and sewer disconnects. Fortunately, Purina relocated to the City in the former MillerCoors facility, whose aid to industry was in the terms of incentives that the City was paying to Purina. All of the events that happened during COVID-19 were eligible but needed to be structured in a way where the City captured the compliance aspect of it. The remaining balance of \$1,491,710 needed to be invested in the Water and Sewer Fund reserve. The second item (3b) of discussion regarding stimulus funds, also known as the second step of the process, entailed the allocation of offsetting revenues. The total allocated under the ARP for the City was \$4,360,000. ARP funding had been given to all cities, counties, tribal governments and school units in the country. Therefore, the City needed to integrate itself with others to ensure duplication did not occur. The City Funding Allocation of Offsetting Revenues from ARP spreadsheet broke down each project by amount and description, bringing it to a net of zero. It also broke down funding percentages in terms of immediate needs at 16.39 percent, mid-term needs at 42.32 percent and long-term needs at 41.28 percent.

Council Member Epps said Mr. Mendenhall did a good job on the formula for compliance and allocation of offsetting revenues.

Mr. Mendenhall expressed his appreciation and extended credit to City staff as well.

Council Member Carter asked if the debt retirement referred to the debt service being paid down.

Mr. Mendenhall said yes. The debt retirement was all of the short-term notes that the City had. The Additional Supplemental Appropriations for Disaster Relief Act (ASADRA) funds and the advantageous EPA funds, which were around a tenth of one percent, was considered cheap money and if paid down too soon, would impact cash flow. Therefore, the City was focusing on paying down the smaller type debts first, such as from the purchases of small equipment, while keeping the long-term debt at the low interest rates.

Mr. Mendenhall said the third item of discussion related to a breakdown of stimulus eligible projects that were discussed at the January Budget Retreat, in which he wanted to highlight four of the items related to utilities and resiliency. The first item was the north basin of the wastewater treatment plant. There was the potential for 80 percent of EDA funds to be used on the roughly \$4 million project. City staff was currently in communication with the grant coordinator to see how it would work and how it would be beneficial to the City. It was important to note because the north basin was in the proposed CIP and was projected to be funded 100 percent with water and sewer funds. If the City could fund 80 percent of it with federal EDA money, it would be able to leverage federal dollars much more efficiently, freeing up water and sewer money to be used on more water and sewer investments. The EDA grant application looked advantageous and would be coming before Council in the near future. The second item was the Covenant Branch force main. Congress was currently debating but it appeared there were sufficient votes to pass a third stimulus, known as the Four Trillion Dollar Stimulus. There was a great deal of water and sewer funds in that stimulus and it would depend on where the City was and what the regulations were. It was annotated with a question mark in the left margin of the breakdown because if more stimulus money became available, City staff would attempt to capture as much of that as possible in a way that would leverage the City's own water and sewer funds with federal funds. The third item was in regards to waterline upgrades. If there were to be a third stimulus in which waterlines were an important aspect, City staff would try to perform more waterline upgrades and advance those groups of projects. The last item pertained to the peracetic acid at the wastewater treatment plant, but it would depend

on if there were to be third stimulus money or if the City freed up enough of its own water and sewer money. All of the plan upgrades did wonderful things in the present time, but they also set the City and rate payers up for a very positive future. The peracetic acid would take care of risk management and nitrogen loading over the next couple of decades, which put the City in a better position than where it currently was as the plant was presently using chlorine which contained residuals that the peracetic acid would get rid of. It would help with nitrogen limits and would place the City in a much better position to address such things as industry moved in. He asked Council for their input in regards to if there were any items missing or any they wanted eliminated.

Mayor Hall said he had already had a meeting with Mr. Mendenhall and staff and he felt it was a good plan.

Council Member Epps said it was a lot of good information.

Mayor Hall said he thought Mr. Mendenhall was doing the right thing by saving some money and paying some debt down. He felt that if there were going to be a third stimulus, it would be heavily in the water and sewer area.

DISCUSSION OF THE NANTUCKET MILL PROPERTY:

Mayor Hall called on Ms. Gilley and Ms. Stultz.

Ms. Stultz said in early March, staff received an email from the developers of the Nantucket Mill property requesting additional funds. They said they could no longer pay the \$500,000 loan the City had originally promised them due to the rising cost of construction and other issues. As a result, they needed \$1.3 million in assistance in order to close the gap and continue the development. It was blamed on rising costs of construction and other issues. In regards to the project, Council previously approved for the City to: (1) disburse \$100,000 in exchange for a preservation easement; (2) waive building permit fees; (3) allocate \$33,000 to the mill owner from what the City would receive from the issuance of the multifamily housing revenue bonds upon closing of the property; (4) purchase parcel #173440 from the mill owner for \$12,000 for a sewer line that was needed for a project under the EPA-AOC, which had already been taken care of by Ms. Gilley; (5) provide a subordinate loan in the amount of \$505,000 with a 30-year term and debt service payments in the amount of \$9,000, which would be disbursed at 50 percent completion of the construction development of the facility and at 100 percent completion of the facility; and (6) enter into a 30-year lease of \$700 monthly payments with the mill owner for flex space in the facility, which would be conveyed to the City with all sheetrock, lighting, heating and air conditioning completed by and at the cost of the developer. Ms. Gilley and Ms. Stultz had been working on the project for over a year, trying to find ways to make the project work. The City even received grant money that ultimately had to be returned. Mr. Dougherty had been in constant contact with Senator Phil Berger's office. Originally, \$300,000 was considered by Senator Berger's office but in early April, the City was told that \$500,000 might be possible, but it would not be confirmed until the state budget was finalized in June. The infusion of federal stimulus money would make it more likely. Staff recommended the following as the restructuring of the City's funding package for the Nantucket Mill property, which would increase the funding to the developers and actually reduce the financial risk to the City: (1) \$100,000 Preservation Easement Grant; (2) \$100,000 in waived permit fees and other public project improvements; (3) \$500,000 General Assembly appropriation as a pass-through versus a loan, if received, with \$250,000 being dispersed at 50 percent completion and the remaining being dispersed at 100 percent completion; (4) \$33,000 of housing credit costs would be applied back to the project; and (5) \$12,000 sewer line easement, which had already been purchased. The total of the funding was \$745,000. The lease of the 3,500 square foot flex space would be continued, with \$125,000 allocated at 50 percent of construction progress and 100 percent completion of the project. The reason the City was interested in having the public space within the building was because the City's insurance company was not in favor of the Eden Room being rented out. The public space would be used as its replacement. The City's total contribution towards the project would be \$997,000, which was less than what they requested but at a lower risk to the City as it would not be involved in the loaning business. City staff felt it was a good-faith offer that provided more than three-quarters of the developer's request and would help avoid the negatives that could come otherwise while providing quality housing for the City's low and moderate income citizens. There was a significant housing problem in the community that this would serve to help.

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Council Member Epps said he felt the City had gone too far with the project to back off at this point. The mill would deteriorate the longer it sat there. He wanted to get the project going.

Ms. Stultz said it was all contingent on the \$500,000 actually being sent from the General Assembly and on the developer agreeing to accept the offer should it be made.

Ms. Gilley said she liked the revised agreement better than the agreement approved in November of 2020 because it was not a loan but rather a pass-through of the money from the State. City staff was not asking for an official vote as it was still unknown if the City would receive the money until the state budget passed and therefore, the City could not propose the offer to the developer at the present time. Staff only needed to know if Council was in favor of the proposed agreement in case the City could extend the offer to the developer. In addition, staff felt it was project specific. At this point, Mr. Mendenhall felt the City needed the space for rental because there was an issue with renting out the Eden Room due to security issues. Therefore, it provided a benefit to the City. If another mill were to arise and be able to provide the City with some space if needed, the City could pursue that, but the current space being offered would serve the present purpose. In addition, City staff initially asked the state for \$750,000 because that was the funding gap, but it was more likely the City would receive \$500,000, which would be specific to the project. City staff would be glad to ask on behalf of another person if the state would be amenable at that time as well, but the Nantucket Mill project was presently happening and able to meet the City's current needs; therefore, it was not setting a precedence.

Council Member Hunnicutt asked if the \$500,000 loan was no longer being offered and in turn, being replaced with a \$250,000 grant from the City.

Ms. Gilley said no because the appropriation from the state would be a pass-through with \$250,000 of it being dispersed at 50 percent completion and the rest being dispersed at 100 percent completion.

Council Member Hunnicutt asked if the loan was off the table.

Ms. Gilley said it was for the \$500,000, but the lease may be in the form of a loan.

Council Member Hunnicutt asked if the developers would be able to complete the project before the tax credits on such projects expired at the end of 2022. He asked if they would be able to get it done in that time.

Mr. Dougherty said he received an email that afternoon from Main Street stating they were lobbying the senators to extend the tax credits for two years. He also received an email from the developer that the extension would be helpful to them.

Council Member Hunnicutt said an extension would be great because he was not certain the developers would be able to meet their own timeline even with the \$500,000 appropriation from the General Assembly. He asked if the General Assembly even adopted a budget the previous year. He was concerned that the money would materialize.

Council Member Epps said Senator Berger had been good with securing funds.

Ms. Gilley said that was the very reason the City did not want to commit to it; rather, staff wanted to be ready if the money did come through.

Council Member Hunnicutt asked how the developers were going to respond to the delay as he would assume they were looking for a definitive answer from the City.

Ms. Gilley said she felt the developers would like to have a definitive answer but they also understood that Council had already taken an unprecedented risk with the initial agreement. She said staff was open to doing whatever Council desired.

Council Member Moore asked Ms. Stultz if the developers wanted an additional \$1.3 million.

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Ms. Stultz said they wanted a total contribution of \$1.3 million rather than what Council had originally agreed to in the past, but City staff was not willing to recommend that.

Ms. Gilley said the total of the original package was \$750,000 with \$505,000 of it as a loan. They were presently requesting a total package of \$1.3 million with no loan.

Council Member Hunnicutt asked if the developers were requesting \$1.3 million with the City proposing \$997,000 in return.

Ms. Gilley answered yes and said it included a loan/lease with federal funding.

Mayor Hall asked if there was any objection to City staff proceeding with the proposed agreement.

Council Member Epps said the City did not have any choice.

Mayor Hall said Council could technically say an initial offer was already made but there had been a lot of work already put into the project and they were very close in terms of numbers. The difference coming from the state would make it less risk than what was proposed earlier.

Council Member Ellis asked if the developers did indeed confirm there would be no additional requests made to the City after this one.

Ms. Stultz said yes.

Council Member Ellis asked how much was initially agreed to in November of 2020.

Ms. Stultz replied \$750,000.

Council Member Ellis verified they would possibly receive \$500,000 from the General Assembly.

Ms. Stultz said yes.

Council Member Hunnicutt asked if the \$100,000 Preservation Easement Grant was the money pledged by the Strategic Planning Commission (SPC).

Ms. Gilley answered yes.

Council Member Hunnicutt said he thought the SPC funding was proposed to be dispersed over a couple of years.

Ms. Gilley said she believed the proposal was over three years but she was unsure as to how that funding would work if it was not funded in the budget.

Council Member Hunnicutt asked if it was OK that the staggered disbursement was not indicated in the proposal and asked if staff would let the developers know about it.

Ms. Gilley said City staff had already let the developers know and they were OK with the staggering. Staff was working on a timeline where closing was going to take place in the winter but the timing might have to be adjusted.

Council Member Ellis asked if any members recalled discussion in November 2020 related to no more additional requests being made from the developer.

Mayor Hall said Council had the authority to change it if they wanted to do so.

Council Member Ellis said Council had previously said they were putting a hold on any projects and he was

questioning if further funding for the project should be put on hold as well.

Council Member Epps said he recalled the reasoning for why the City came up with the original agreement being that the cost of demolishing the mill would be more costly. He thought what was being proposed was reasonable but added the City would have to wait until June to see what materialized.

DISCUSSION OF NEW STREET:

Mayor Hall called on Mr. Mendenhall.

Mr. Mendenhall said he wanted to provide Council with a report on the New Street property and pointed out a map that was located at the front of the chambers that went along with the discussion.

Mayor Hall summarized the map by stating there were two pieces, one tract was 80 acres in the flood zone and the other was roughly 80 to 90 acres towards New Street that was developable. The map displayed potential buildings towards the front and the floodplain towards the back.

Mr. Mendenhall said the City needed to establish a consensus along with the County, who was the joint owner, in regards to the future of the property. The flood land, the bottom land, the transitional area went up slope and then the developable upland portion. The City needed to write a letter, including a map, to the Board of Commissioners explaining what it wanted to do with the land, how they would do it, and how it would be funded. He asked for Council's input before staff wrote the letter.

Council Member Epps said he recalled discussion regarding the land having a flood plain and widening of the street.

Council Member Hunnicutt said he talked with the county manager and economic development director in regards to their preferences in the development of the New Street land. According to a development plan the County had previously prepared, there was roughly 60 to 65 acres that was shown as a potential industrial park. The County was concerned if the property was marketable after it was developed as opposed to other options that inbound industry would have. The County was uncomfortable with major capital investments related to the property based on their concerns with marketability of the project after it was done. It was not likely that the County would currently participate 50/50 with developing the industrial park. It was at least on hold for them. In order to benefit the taxpayers while considering the amount of money the City and County had invested in the property, it was proposed and considered that the industrial park concept should be set aside so other options could be looked at. The County was in complete agreement with the postponement of the industrial park and were looking to the City to generate some recommendations to them. The City needed to delineate the two components, set the industrial part aside and determine what other part was available. An outside consultant, along with Council Member Hunnicutt, Interim Parks and Recreation Director Terry Vernon, and Facilities and Grounds Superintendent Ray Thomas, had looked at the topography and floodplain and felt there was some potential for recreational bicycling. The consultant provided a report of his findings to Mr. Mendenhall and it appeared the next step was to generate Requests for Proposals (RFPs) in order to determine what options were available and the associated costs. For comparison, Mayodan had completed a similar project at Farris Memorial Park to develop mountain bike trails that cost roughly \$45,000. The consultant felt the City could do the same thing and advised there were grants available to pay for nearly all of the investment. The question was what could be done with the land that would otherwise be unusable and if it provided any recreational benefit for the taxpayers. He suggested reaching out to the County to see if they agreed to proceed with a RFP on the recreational area of the land. There was nothing definitive about it. It was currently just a concept to see if a portion could benefit the taxpayers. He also mentioned the long term greenway plan showed the Dan River Greenway going across the property. There was some logic for looking at the property in that way. They were talking about letting the industrial part sit for the time being. He mentioned the County might have had someone interested in looking at the property. The Buist Farm recently sold and he said it was possible the new owner could be interested in buying a portion of the property. There were options still in play. What was proposed and being considered was all-natural earth paths for walking or biking as opposed to a major investment such as a greenway or a path that would wash away. It was a potentially affordable project and there were not any greenways in the east Eden area, which would be a benefit.

Council Member Epps said the City looked at that property because it had access to a good line of electricity that Duke Energy could supply power to, making it beneficial if a call center were to locate there.

Mayor Hall said the guidance of Council would be to pursue what had been mentioned in regards to recreational use. He recommended the Parks, Recreation, Open Space and Greenway Commission be involved in the process and any decisions made regarding the property.

Council Member Nooe asked if the City was looking at hiring an outside consultant.

Mayor Hall said no. The consultant that recently assessed the property built parks for a living and was evaluating it to see if one could be built in that location. The City did not have any expense in the project that he was aware of.

Council Member Nooe said Rockingham Community College (RCC) had a trails group.

Mayor Hall said he felt it would be good if the City could have the RCC, the Eden trails group and the Parks, Recreation, Open Space and Greenway Commission involved in the project. He asked if there were any oppositions to exploring options for that property.

There were no oppositions.

DISCUSSION OF DRAPER ELEMENTARY SCHOOL

Mayor Hall called on Mr. Mendenhall.

Mr. Mendenhall said the goal of the discussion was to condense a City request for the School Board to consider a good boundary line of property. City staff needed a consensus and marked map from Council so that a formal letter could be drafted and a clean map presented to the School Board in regards to the City's playground and a portion of the City's walking trail that was on the west side of the Mill Avenue Recreational building that happened to be on the school's property.

Mayor Hall said there was a strip of land between the school building and Mill Avenue pool as well as land where the walking track and playground was located that the City maintained. The idea was to pursue acquiring those pieces of land from the School Board. He said he could not imagine any opposition to trying to acquire those properties because the City used and maintained them, not the school system.

Council Member Nooe asked if any structures were involved.

Mayor Hall said no. The worst case scenario with the strip of land between the school building and the pool was the City might have to give the school system a driveway easement to the rest of their property, which they already had as they owned the land but the City used it for parking. He had no problem with the City moving forward to attempt to acquire those pieces of property of Draper Elementary School. Trying to acquire more pieces of the Draper property might cause more issues. There was also a field behind the school that might be an asset to the Mill Avenue property that the City could consider asking for as well. He felt it would be good if City staff got in touch with the school system in regards to obtaining the properties that would be beneficial to the Mill Avenue facility only.

Council Member Ellis said there were several positive things about the elementary school that it could be used for in that area of town. He was unsure if the school system would want to give the building away or possibly lease it for one dollar, but he stated the building would be a good location for a homeless shelter, the Fine Arts Festival, a new location for the senior center or the replacement site for the Eden Room location. The property could either go down or be worked with in order to improve it.

Mayor Hall agreed there were endless possibilities of use for the Draper Elementary School.

Council Member Ellis said that was why he felt the City should talk to the school system about it.

Mayor Hall said there were a lot of variables with the school building, such as the cost of the roof and heating and air conditioning system that needed to be vetted out before the City could just say it was interested in owning it. He said there were plenty of options that the school building could be used for but Mr. Mendenhall was seeking consensus on the areas that did not involve improvements, other than the walking track. The City was not ready to discuss acquiring the school building itself.

DISCUSSION OF GREATER EDEN AREA FIRE DEPARTMENT COOPERATION:

Mayor Hall called on Mr. Mendenhall.

Mr. Mendenhall said he was pleased to report the Eden Fire Department was working cooperatively and collaboratively with the Draper Volunteer Fire Department and the Leaksville Volunteer Fire Department in an effort to work closer together. He called on Interim Fire Chief Todd Harden for an update on the progress.

Chief Harden said he met with the Draper Rural Fire Department for some discussion on what each could do to help each other as a cooperative effort to enhance the fire service both inside the City and in the county areas. The hope was to establish some automatic aid agreements and to then begin working with Station 210 to do the same. Chief Harden said he felt it would be a great thing for the City and both rural fire departments to restore the bridge between them as they all depended on each other greatly. The relationship needed to be strengthened.

Mayor Hall said he attended the meeting and felt it was a great step towards working and helping each other out. The City could assist with equipment and the rural fire departments could assist with manpower. It would be a good fit for both organizations. Everyone had the same goal and that was to provide safety. If there was a fire outside the City limits and the City was able to help, it would. It was basically an agreement to help each other when in need and he did not think anyone would argue that it was a bad thing.

Council Member Moore said if everyone could get on board with the agreement, it would be great for everyone.

Chief Harden agreed.

Mayor Hall said the leadership of the Draper Rural Fire Department appeared to be as anxious as Chief Harden was to reestablish a working relationship. The City had a great working relationship with Leaksville Volunteer Fire Department as well, but it could also be improved.

Chief Harden said he looked forward to it.

Council Member Moore and Mayor Hall thanked Chief Harden for working on the agreement.

ADJOURNMENT:

As there was no further business to discuss, a motion was made by unanimous consent to adjourn.

Respectfully submitted,

Deanna Hunt
City Clerk

ATTEST:

Neville Hall
Mayor