

## CITY OF EDEN, N.C.

A special (budget retreat) meeting of the City Council, City of Eden, was held on Wednesday, January 19, 2022 at 10:00 a.m. in the Council Chambers, Eden City Hall, 308 East Stadium Drive. Those present for the meeting were as follows:

Mayor:	Neville Hall
Council Members:	Gerald Ellis (attended remotely) Jerry Epps Phillip Hunnicutt Kenny Kirkman Bernie Moore Bruce Nooe (attended remotely) Tommy Underwood (attended remotely)
City Manager:	Jon Mendenhall
City Clerk:	Deanna Hunt
City Attorney:	Erin Gilley
News Media:	Roy Sawyers, Rockingham Update

### MEETING CONVENED:

Mayor Hall called the special meeting of the Eden City Council to order and welcomed those in attendance. He asked for everyone to stay focused on the items being discussed in order to move through the agenda in a timely manner. He thanked department heads and staff for preparing the items that would be shared throughout the retreat.

### WELCOME AND OPENING REMARKS:

City Manager Jon Mendenhall said the agenda was divided, organized, and categorized into updates for the current fiscal year and review of the budget process followed by some departmental requests, goal setting, service level changes, and special projects, which would be devoted entirely to a closed session for economic development purposes. Following closed session, there would be discussion regarding capital projects before ending with instructions from Council in regards to preparing the budget. At the January City Council meeting, an audit report of the previous fiscal year was given, which provided a good segue into the budget retreat where Council would hear each department's accomplishments and goals for the current fiscal year followed by their operational and capital requests for the upcoming fiscal year. Council would then be able to make decisions and discuss where they wanted to go moving forward. Mr. Mendenhall said the first item on the agenda would provide updates on progress from the current fiscal year and what had been accomplished thus far by the various departments. Essentially, it would provide Council with an update of what was previously approved for each department and the progress of their implementation of those approvals.

Council Member Hunnicutt asked Mr. Mendenhall to touch a little bit on the revenues for the general fund, as well as the water and sewer fund. He stated that for 2021, the City's general fund revenue was \$16.7 million, which was an increase over 2022; however, there were also proceeds from loans and transfers that were part of that. In terms of just high level, he asked Mr. Mendenhall to discuss where the City was in terms of revenues for general fund. He wanted to know if the City was tracking consistently and if there were any concerns of drops.

Mr. Mendenhall said he did not have the paperwork in front of him from the audit report given; however, he did know that in a general sense, the revenues looked good and the expenditures were tracking. The City's budget was roughly 50 percent spent, which was where the City should be for the fiscal year and revenues were matching it. Revenues were often times a lagging indicator. The closure of Karastan hurt the City's water and sewer fund somewhat. The City was always in the EPA (Environmental Protection Agency) process with

the State money coming in, having what was known as “front money,” meaning the City was always fronting the expenditure and then being reimbursed. Hence, this would cause one to see a lot of money coming out followed by a lot of money coming back in. The City had to keep a fund balance to enable that fronting of the money in order to be reimbursed. Generally, he felt the revenues were healthy.

Council Member Hunnicutt asked Mr. Mendenhall to discuss Karastan’s impact on the water and sewer fund, even though it was phasing down. He said the audit report showed a decrease of base revenue of \$863,000 the previous year alone that was offset by some other things to basically have it look like a net gain. He asked if it was an area that the City needed to be concerned about.

Mr. Mendenhall said it was and added that Council would hear more about that in the retreat. The City had two major revenue losses, Karastan and Duke Energy leachate, that had impacted the fund of cash flow pretty significantly, but he did not feel it was a tremendous surprise.

Mr. Mendenhall said ASADRA (Additional Supplemental Appropriations for Disaster Relief Act) would have to be paid for moving forward, which would require \$340,000 annually, but that would be discussed at a later point in the retreat. The City’s cash flow and its ability to match the revenue and the expenditure would not be there anymore, leaving the City in a deficit type situation moving forward. Therefore, it needed to be discussed as the City would have to pay for the ASADRA principal and loan, which alluded back to the EPA situation. EPA compliance, as the auditor mentioned at the January City Council meeting, was a big deal and a costly situation that would require some really hard looks as the City needed to ensure the fund was viable moving forward.

Council Member Hunnicutt said that would provide him with a baseline as he listened to departmental requests as to availability of funds.

#### UPDATE ON PROGRESS FROM FY 21/22

Mr. Mendenhall called on Director of Finance and Personnel Tammie McMichael.

Ms. McMichael provided an update on the Finance Department’s financial software changeout, stating it had been an overwhelming task that she hoped they never had to do again. She said it was working very well and was much needed. Staff did not have any regrets and Southern Software was working great for them. They had already implemented and changed out the general ledger prior to June 30, 2021. Accounts Payable change-over started at the beginning of the current fiscal year, as well as Miscellaneous Accounts Receivable. Payroll was implemented at the beginning of the year because it made sense for W-2s, noting staff had good luck with it as everyone was paid. However, there were still a few things to work through. The next big part of the project was going to be the Utility Billing and Cash Collections. Southern Software had the City’s data and had conducted a test file but it was a matter of getting them the most recent data so that it could be reviewed to ensure that everything was going to transition very smoothly. Staff assisted with the City’s internal audit assessment and would continue to assist with any internal audit reviews that were necessary going forward. The Billing and Collections Department purchased a mobile data collection kit in order to have an antenna for the department’s second truck. It was installed and working well.

Director of Information Technology (IT) Kevin Taylor said over the last year, the department replaced two physical servers at the 9-1-1 center with one virtual host that gave the City a lot more flexibility in the services that were operated there and how they were backed up. The servers supported the City’s patrol officers while they were in the field. The department added two new virtual host servers in the Police Department to replace two aging servers. The department also migrated to a cloud-based server and endpoint backup solution, as well as a new help desk solution to help IT staff better track requests from the City’s user base. The department was 80 percent complete with the department head laptop refresh. He stated that it was important for the City not to let technology stagnate. When he started working for the City in 2006, that was one of the biggest things he had to overcome as much of the technology was very outdated and had not been updated in several years. The department had a hardware refresh program where laptops in the patrol cars were replaced every three years as they tended to take a beating in the hot and cold environments, as well as the constant vibration in

the vehicle. Three years was the maximum life expectancy for such laptops as they seemed to see failures in them towards the end of that time frame. For department heads, the department was doing a four-year refresh cycle so that one-quarter of those laptops were replaced every four years as not to incur a huge expenditure every four years for that replacement. The department did the same thing with desktops where 25 percent of desktops were replaced every four years. IT staff implemented mandatory quarterly cybersecurity training. Cybersecurity was a moving target. He added that he would be more than happy to show Council the City's firewall logs as it was either getting port scanned or direct attacks against its firewall nightly. The City received 10 to 20 phishing emails daily; therefore, it was important to have the City's users trained and knowledgeable about what to look for in the hopes they could avoid clicking on links and opening attachments that may lead to ransomware in the City's systems. Lastly, the department added an additional email server for redundancy. The City had a situation with a Microsoft update in September 2021 that took down the email server for several days. In order to mitigate the possibility of that in the future, the department was bringing up a second server to act as a backup. If the first server were to go down, the second server would immediately take over to prevent loss in service and email.

Council Member Ellis referenced Mr. Taylor's discussion about the computers in the vehicles being subjected to hot and cold environments and needing to be replaced every three years. He asked if there was a lease program available for those computers to possibly replace them every two years instead of three years. He also asked if there were enough employees within the IT Department to keep up with everything the department was having to do.

Mr. Taylor said one of the first things he did when he began working for the City was removing the City from a lease program because at the end of the lease, the City would be stuck holding however many computers it had on that lease that needed to be packaged up and sent back to the manufacturer; otherwise, the City would have to pay out the value of the computers at the end of the lease. The department's feeling was to proceed with purchasing the hardware and getting the usable life out of the hardware with the warranty. At the end of that three years, those laptops were either donated to a nonprofit or sold at auction to get as much value out of those as possible. The computers that came out in a little bit better shape had been used in other departments who were needing a laptop or something of that nature in the field that was not critical to their operations but simply provided convenience for them. In regards to having enough staff within the IT Department, Mr. Taylor said the department was holding its own at the present time. As more technology was added as a result of IT changing, the department's duties shifted and staff's responsibilities kept getting longer. The department was making some changes in the way it was structured. Information Technology Analyst Taylor Rorrer was dedicated to public safety, making his two main priorities the Fire Department and Police Department. Half of the City's user base was between those two departments. Information Technology Technician Joseph Smith and Mr. Taylor were dividing up the remaining departments. Once complete implementation of the program was reached, each department would have a technical liaison. He hoped that would help divide the workload into a manner that was more manageable than what the department currently had. They had already seen improvements with the help desk system previously implemented as it was helping the department's staff to make sure it stayed on task and completed tasks in a timely manner. Additionally, it let the department provide request forms that could be filled out from the computer, something the City had not previously had. Much of the department's support prior to the implementation was done by a user sending the department an email detailing their issue. With the help desk system, it created a ticket that the department could track back to the computer that had the problem, giving staff better visibility of where it needed to focus its labor and training for users and its efforts in supporting its users.

Council Member Ellis thanked Mr. Taylor for his answers.

Design and Construction Manager Bev O'Dell said the Division of Design and Construction (DDC), formerly the Engineering Department, had been involved with quite a few things, including the observation inspection of some work done by a developer of Summit Place subdivision, which was off of Friendly Road and formerly known as Northridge. Most of the work had been completed to the division's satisfaction and the pavement was finally put down in November 2021. In October of last year, the City hired Waugh Asphalt for the Street Resurfacing Contract No. 1, which Director of Transportation Engineering Tammy Amos and Projects Coordinator Kevin London were in charge of. They were able to complete five street sections. Mr. London

was preparing to put the Street Resurfacing Contract No. 2 out for bid, which would also include five street sections. In addition, the Monroe Street parking lot was included and would hopefully not have to be pulled if the bids came in OK. Staff had spent quite a bit of their time on the EPA sewer work. Crews from Yates Construction were involved with a significant portion of the work. Department staff was mostly doing part-time inspections. The City had been waiting on the coating subcontractor to complete work on some manholes for Phases 10, 16, and 17 but he believed those were taken care of the prior week. The only outstanding work with the current projects that had been bid was with some minor things at two small sewer pump stations on Fourth Street and Dogwood Lane. Haymes Brothers, Inc., had been going around to different spots as easements were available. They put in just under 4,000 feet of 16-inch PVC (polyvinyl chloride) waterline. Ductal iron was primarily being used at some of the bores under creeks and at the railroad bore that was just completed. They should be returning next week to start on the bore under the railroad track and Dry Creek. They would be getting ready to complete the tie-in to the Phase 1 portion that they recently completed. They still had roughly 2,000 more feet of pipe to put in overall on the project with a cost of about \$2.7 million. They have put in pay applications for approximately \$1.4 million. Even though they had completed more than 50 percent of the pipe work, the remaining work was the most expensive. Overall, it was going fairly well. The Bridge Street waterline project was completed; DDC staff observed the water and sewer crews, along with the Streets Department, throughout the process that involved replacing the waterline on Bridge Street from Oak Street down to almost Irving Avenue. Crews had to run two temporary lines and they had some issues with compaction, which delayed the final resurfacing of the project, but they were finally able to complete it. After some testing was performed, everything appeared good to go and no problems were expected at that location.

Projects Manager Terry Shelton gave an update on the EPA Administrative Order on Consent (AOC) work. During the first Administrative Order that ran from January 2012 through 2017, the City developed plans and estimated costs to stop the sanitary sewer overflows (SSOs) with construction rehabilitation projects. Staff also developed a written operation and maintenance manual for the sewer collection system. The City applied for and was awarded \$31.6 million in Connect NC bond money, which was composed of a \$15 million zero-interest loan and a \$16.1 million grant. At the time of the award, it was anticipated that the money would fully cover all of the projects needing to be completed within the remediation plan. The City had provided another \$2 million in match money, bringing the total money available for the projects to \$33.6 million. When the projects were bid in November of 2019, the total cost was roughly \$41.6 million. The funding available left a shortfall of \$7.9 million to complete the entire remediation plan. The funding shortfall required negotiating with the EPA and redesign of much of the remediation plan. The most critical projects in the plan were selected to be paid for with the Connect NC bond money. The remaining needed projects were revised to a minimalistic plan in order to reduce costs. Other projects with the least potential to produce SSOs were delayed until funding or City resources could be used to complete them. Two of the critical projects were submitted for additional loan funding through ASADRA funding and the State Revolving Fund (SRF) in the fall of 2020; they were approved and funded with loans that carried a maximum interest rate of 0.10 percent. Currently, the debt service funding of all current projects was earmarked in the present and future budgets. Staff resubmitted the two projects in the fall of 2021, asking for grant (principal forgiveness) funding that could possibly be available to reduce the City's overall cost. The City previously scored well enough to receive 50 percent grant funding on the projects but they exhausted the available funding they had in the form of principal forgiveness before they got to the City's projects. Other cities and counties in the State scored higher and thus, received that available funding. The City should receive notification in February if any principal forgiveness was awarded during this round. A second five-year Administrative Order was issued to the City on April 22, 2017 and set to expire on February 28. COVID-19 and the high costs of construction on the remaining four projects currently being bid made it obvious the deadline would not be met. Staff had been successful at negotiating a time extension amendment until December 31, 2024 to complete the City's obligation to the AOC and its critical projects. The extension amendment also allowed for the delay of less critical projects until after 2024. In the latest estimates received, it appeared all of the construction work from the remediation plan would be completed by September of 2024, with the exception of the deferred projects that could either be completed in house or with additional loan funding. The federal government would be releasing a tremendous amount of infrastructure money in the fall that staff believed the City would be eligible for; therefore, they planned to apply. Mr. Shelton added that he would be glad to discuss the current outstanding contracts and other parts of the remediation plan with Council at a later time.

Council Member Hunnicutt asked Mr. Shelton to confirm if he previously said that the City had a shortfall of about \$7.9 million.

Mr. Shelton said the ASADRA and SRF funding the City received a year ago would take care of roughly \$7.2 million of the shortfall.

Council Member Hunnicutt said Mr. Shelton also mentioned some reengineering and changing of priorities. He asked if the City's current estimate of shortfall was less than \$1 million.

Mr. Shelton replied that it was probably closer to \$2 million but the City had not received a total cost of everything as of yet. The engineering firm the City was working with had dealt with a lot of turnover in the last year due to COVID and other various things; therefore, the engineer currently leading the project was having to go back to figure out what was taken out of the initial redesign and restructuring plan in order to compile a cost. Mr. Shelton asked the engineer to get that information to the City as soon as possible.

Council Member Hunnicutt asked if the City was facing a shortfall of approximately \$2 million rather than \$8 million.

Mr. Shelton said that was his best estimate at the present time but it was such a moving target with COVID and the expenses of things escalating at such a rapid pace, causing it to be difficult to get concrete numbers.

Mayor Hall said he appreciated all that Mr. Shelton had done. He added that those were the types of situations that happened when things were not maintained and one went too long without providing required upkeep. The City had over \$40 million in repairs that it had to make because of the EPA. The City just passed the 10-year mark from receiving the first order. He expressed his appreciation for Mr. Shelton's attempts to retrieve funding and grants, as well as extensions of time, because that was what was important. Originally, the City had five years to complete the repairs and that would have bankrupted the City. Therefore, extensions of time were very valuable to the City.

Mr. Shelton said COVID had caused an inability to obtain equipment and a constant increase in prices, which had led to the need for the time extension.

Mayor Hall thanked Mr. Shelton again, adding that he had retired twice and was still present, fighting for the City.

Director of Planning and Community Development Kelly Stultz said it had been quite a year for the department with lots of changes. In order to deal with NCDOT (North Carolina Department of Transportation), one must follow their rules. One of the things they required was a current Pedestrian Plan if one was going to be eligible for grant money for pedestrian ways of any kind. NCDOT chose the consultant who advised the City on what to do. Ms. Stultz was hopeful the plan would be brought before Council at the February City Council meeting. City staff was satisfied with the plan, noting that some downtown things they requested were included that would be in NCDOT's right-of-way. She hoped it would be adopted at the February meeting. The Draper Neighborhood Revitalization Grant took a hit during COVID, forcing the City to wait until recently, when it was cleared to begin the assessment process and repair work, of which she hoped would begin shortly. The COVID-CDBG was a very interesting grant that the City received in the amount of \$950,000. The City was given two weeks to apply for the grant, costing \$10,000 in order to complete the application due to needing a consultant so quickly. It took over 15 months for the City to obtain permission to begin. As a result, the City was getting very few applicants. The City had paid some money from the grant, but she had also been discussing with the City's consultant and the State in regards to allowing the City to repurpose some of the other funds for other important City projects after January 31. The Nantucket Mill was an effort that seemed to be moving slowly. It was believed the City had a deal that Council was very supportive of during early 2021, but that did not suffice. However, thanks to Council and staff efforts, Senator Phil Berger helped to secure \$500,000 for the project in the current budget. There were two developers, both of whom had completed projects before, that were currently looking at the project and staff was hopeful that one of them would be successful with it. Throughout all of the sewer remediation and other projects involving the City's

Public Works Department, GIS Specialist Debra Madison had been working with Ms. Amos and Mr. London as they located meters, etc., in an effort to put everything the City had on a map so that it could always be found. Last year, Council agreed to fund an amount each year so that each employee with a computer, truck, or phone could generate the maps, which would help them when they were doing field work. The City received a \$25,000 grant from Duke Energy, of which 17 recipients received some of the money for improvements they made to their downtown buildings.

Director of Parks and Recreation Terry Vernon said it had been a rough year due to COVID, but the department had struggled along. The City hosted a Dixie Youth Baseball Tournament in July 2021 where 11 teams from other communities throughout the State came to Eden for the tournament. Some of the teams were in town for almost the entire week participating in the tournament, utilizing the City's restaurants and hotels. With the help of Public Works and Mr. Shelton, Matrimony Creek Nature Trail was refurbished and opened back up. He had seen a lot of people utilizing the trail, as well as the Smith River Greenway. Despite a rough year, the City's athletic programs were back on track beginning with football season. The City's Prowler organization did a good job recruiting 90 kids to sign up for football and cheerleading and ended the season with roughly 75 to 80 participants. The season ended with a nice banquet at Trinity Wesleyan Church. The department continued to utilize Freedom Park as it had a lot of competition on the weekends. Currently, almost every community had its own softball or baseball complex, so the department was reaching out to everyone in an effort to keep the park busy on the weekends. It was competitive 15 to 20 years ago when very few places had complexes but now that everyone had discovered those were good things to have, they all seemed to have one. Therefore, there were several complexes to choose from.

Police Chief Clint Simpson said the Police Department had requested funding in the current fiscal year for a new evidence custodian position which had been much needed over the years. In October 2021, the department hired Hope Williams, who was very experienced and well known throughout the State. She came with a great deal of experience and had recently been selected as one of the two top candidates for a board position for the International Association of Property and Evidence. She would be going through some interviews for the position in February. She had made tremendous progress in the evidence room. She was currently in the midst of training department staff in order to create uniformity in evidence collection and packaging. Chief Simpson said the department was very appreciative of the consideration and approval of the position. He stated that some Council toured the evidence room before Ms. Williams was hired and he encouraged Council to come back and tour it again in order to view the tremendous difference made in just a few short months. The department also purchased a new animal control vehicle. The previous vehicle had almost approached 200,000 miles and had begun to give them problems. The department had requested an F-150 four-wheel drive but due to supply and demand, they were not only unable to find one on the ground but they also could not order one that would arrive by the end of the budget year. After searching, the department compromised with a 2022 Chevrolet long bed, two-wheel drive, which was the only thing that the department could find. It was currently at Dana Safety being outfitted with safety equipment and a lift gate. The department replaced two K-9s during the current fiscal year. There was currently one K-9 assigned to each patrol shift in order to have one operating 24 hours a day. K-9 Berry and K-9 Ace had been purchased and were assigned to Officers David Kirkland and Josh Ferguson. They had both received their training and were in the process of helping the community. Lastly, the department was allocated funds for taser replacement, which was normal since tasers had been incorporated into the department. Staff delayed in purchasing new tasers due to the discovery of a new package with Axon that included updated body cameras, in-car cameras, and tasers, of which was approved by Council in November 2021. He could not begin to express to Council how important that approval was. Therefore, the taser replacement was presently in progress. Chief Simpson received an email the previous day notifying the department that the body cameras were being shipped and should be deployed in the near future. He added that the approval of the package was a morale boost for the officers within the Police Department. They understood and recognized how important it was to have technology support with what they did on a daily basis. He again thanked Council for their approval.

Fire Chief Todd Harden said the Fire Department purchased two new apparatuses over the past year, one ladder truck, which was located at the Leaksville station, and one pumper, which was located at Station 4. Doing so kept the department in line with the recommendations of the N.C. Department of Insurance to place one apparatus on each side of the City. Over the past year, the department had actively been recruiting some

of its call firefighter force, adding five thus far. The department solidified the mutual aid agreement with Draper Volunteer Fire Department, which was going to bring manpower into the City to help the department meet the NFPA 1710 standard of amount of people needed on an emergency scene. During the last year, the department increased the amount of training hours that its full-time employees received. He set the goal of 192 hours, but the employees exceeded that, some by more than 50 or 60 hours. The department had been very busy and very fortunate over the past year.

Public Works Director Paul Dishmon said the Streets Division had been working on full-depth repairs for the street patching; they had completed 59 of the 61 streets thus far. The division normally installed at least 1,000 feet of sidewalk replacement each year and considering it had already installed 770 feet of concrete, he felt the division would easily reach the mark. One of the division's service trucks was upgraded with emergency strobe lights. In addition, the division had replaced more than 50 signs that were deteriorated, faded, or not readable. It was an ongoing process and would continue to be as the City had lots of signage that was repeatedly damaged. Crews installed a drainage pipe on Front Street and Main Street, near Draper Lumber and the Draper Fire Department, where the road tended to flood. The division also purchased one leaf machine during the current fiscal year. Crews installed an 80-foot 36-inch storm box replacement on Willow Street and repaired the side of the road where pipe had deteriorated and was no longer there. The Collections and Distribution Division replaced one of the air relief valves and wanted to continue replacing some of them as needed. Currently, there were two more that needed to be replaced. The division also replaced 600 feet of waterline on Bridge Street. There was still some minor concrete work to complete but good weather was needed in order to pour concrete. The Fleet Maintenance Division wanted to upgrade its operating system for vehicle maintenance records that was currently operating on DOSS. The Solid Waste Division had two employees that had been SWANA (Solid Waste Association of North America) certified, which was a safety requirement, and were now able to operate the compactors. The bump stop with the trash hopper was replaced, which kept the truck from going over and into the compactor. The division renovated an older building located at the recycling facility to use for storage of tools and supplies in order to keep them on site. Crews also cleaned up the property at the recycling facility by removing old trees that had fallen and damaged nearby items over time. Grass had been sewn, making the appearance of the place a lot nicer. The division began the drainage project on Monroe Street that involved killing out a waterline and replacing the sidewalks once approved.

Utilities Manager Melinda Ward said the Water and Wastewater Divisions had been able to maintain things as best as possible with less flow. Last year, the water plant was able to produce the water at \$0.99 per 1,000 gallons, which was actually cheaper than the year before and cheaper than what was budgeted, but that also did not include any capital items. The Consumer Confidence Report (CCR) was generated at a cost of \$0.08 cheaper per copy than what was budgeted. For the Wastewater Treatment Division, staff was able to operate at \$0.74 per 1,000 gallons, which was \$0.26 cheaper than what was budgeted. The division had two minor capital expenses and no major rehab as they were putting off bigger items until a later date. The division was also able to upgrade the SCADA (supervisory control and data acquisition) system when they performed the work on the digester, which was a benefit for the plant as it added a new piece of equipment and brought the SCADA system current with new computer systems. Thanks to the help of Council, the division was able to replace its electric vehicle with the Mule, which had saved and reduced the truck usage. It served as a great help the weekend before the retreat when there was bad weather because it was the only vehicle that could get around in the snow.

## REVIEW OF THE BUDGET PROCESS

Mr. Mendenhall said the next section of the budget retreat addressed the budget adoption schedule, conditions facing localities, some personnel thoughts, and general discussion. Based on the budget adoption schedule, the next timeline that impacted Council would be Tuesday, April 19 at the regular City Council meeting where the budget would be presented and the budget message would be delivered. It would be a culmination of the budget process that would include the individual line item requests. Next, the public hearing and consideration of adoption of the budget ordinances would take place on Tuesday, May 17 at the regular City Council meeting. Behind the scenes, the departments would need to submit their line item budgets and capital requests in order to present a budget that balanced. There was a whole lot of work that would take place between

January and March, such as finalizing revenue estimates and looking at how it balanced out. Therefore, there was roughly 60 to 90 days of internal work needed in order to balance the budget and have it formalized and finalized sufficiently enough to present an actual budget that was both balanced and founded on the guidance given by Council during the budget retreat. Mr. Mendenhall said there were a couple things facing localities. This was the third year past reevaluation with the next reevaluation scheduled for 2024, which was a move forward of three years. There was a State law in N.C. on assessment to sales ratios where there was essentially a 15 percent margin up or down for assessment to sales. Presently, the County was at the point in the margin where its assessments were much higher than its sales and thus, it was not capturing the sales or ad valorem taxes that it should. Therefore, it was County-initiated that the reevaluation be advanced three years to accommodate such. There was also another thought process regarding the loss of State-shared revenue of franchise taxes that railroads and utilities paid. There was a considerable amount of money that the County would lose if they did not move forward with reevaluation. There was a lengthy document from the tax assessment office describing the aforementioned that Mr. Mendenhall said he would be happy to share with Council that described the reasoning for the City's purposes, it did not set the values, but rather the County did. The rates were set by the City. Therefore, the City needed to be aware that a revaluation was set to occur sooner than previously thought, which would be in 2024. Secondly, it was recommended that a conservative budget be continued and that the budget be a continuation of previous spending patterns adjusted as necessary to account for material inflation and for the previously identified projects in the Capital Improvement Plan (CIP). Administration had strived to let departments know that the intent was to keep level spending. There were going to be items targeted by inflation, such as fuel and materials; those items were going to need to be adjusted accordingly to provide the same base level of service. During the staff budget retreat, Mr. Mendenhall spent a lot of time discussing inflation because he felt inflation was an inherent danger moving forward. The City received a good report from its auditor about its fund balance but he suggested and highly recommended to Council that the City not take anything for granted in order to have good cash balances as costs were very uncertain and seemed to be increasing. Thus, the City needed to be aware that in the current inflationary environment, there could be problems that it was unable to predict; therefore, the City needed to have a healthy reserve to meet those unpredictable things as they occurred. Furthermore, Mr. Mendenhall believed the City was in a wage price spiral, explaining the staggering of prices going up when wages went up. The only way to get out of that spiral was to see rates go up, which was apparent over the last couple of days as the stock market had responded accordingly. The economy would in turn, respond accordingly and could lead to a decline. This would be seen in the sales tax numbers with any sort of new revenue stream. Mr. Mendenhall said sales taxes were up approximately 25 percent, which was very positive, but he advised Council not to take it for granted that the sales taxes would be at that level forever; the City needed to be very careful as it moved forward. In regards to the third item, personnel, Mr. Mendenhall said perspective pay was given in December 2021 to account for a COLA (cost of living adjustment). Therefore, no COLA was recommended in the upcoming fiscal year. At the last budget retreat, it was discussed about looking back at what the Social Security Administration did for a COLA and budgeting that moving forward. Staff was very appreciative of the perspective pay that was given for COVID, in which relief funds were used for that perspective pay of seven percent. As a result, the City was currently in line with where the COLA situation and inflation on wages was and therefore, no future COLA was anticipated in the upcoming budget but could be considered at the next budget retreat. However, Administration did want to recommend that up to a two percent merit be given on a graduated scale based on performance evaluation, if it was affordable. Administration would have to evaluate affordability but it wanted to be able to reward good work, good ideas, and hard work. Lastly, Administration wanted to propose that no tax increase be considered for the upcoming fiscal year as it did not seem to be a good year for a tax increase. The City was currently looking at revenue versus expense. The general fund seemed to be balancing with roughly 50 percent spent thus far for the fiscal year, leaving no stress in that fund. Mr. Mendenhall stated that he wanted Council to be aware of such as they moved into the later segments of the budget retreat. Council would also hear about capital requests; some of which had already been accommodated, meaning they were already in the CIP. Administration wanted to propose that a fee increase in several different areas be considered. The first area would be a general utility rate increase of up to \$0.50 on all charges to account for inflation. He did not believe the City should charge anything more than what its costs were going to be with the ASADRA and other projects in water and sewer that would be discussed later in the afternoon; rather, the City needed to be able to balance without dipping into those funds. The City needed to be careful with the cash flow, as well as the water and sewer fund, in order to ensure the City balanced revenues and equaled expenditures moving forward. It may require an additional rate increase



if other vendors raised their rates. Last year, the County raised its solid waste fee as it appeared to be part of a five-year annual increase plan of \$1. If the County raised their solid waste fee again, the City would need to raise its solid waste fee in order to operate solid waste as an enterprise fund moving forward. Administration recommend that solid waste be evaluated as an enterprise fund, which meant that the cost of the service be paid for by the customer and not subsidized by the general fund. Next, Mr. Mendenhall addressed market rate pricing for other fees and charges as studied by staff during the budget process, which was primarily updating the building inspection fees that had not been updated in twenty years. The intent was not to increase them to the cutting edge of what it cost but rather, to capture more of those fees to be in line with what the market would bear and what other localities were doing. He explained that the City did not want to subsidize those fees but needed to be competitive if it was not already. It also needed to make sure it passed along the costs of the fees to ensure they were not put on the taxpayer to subsidize those services. Lastly, he stated that as a matter of practice, Council would be asked towards the end of the budget retreat to give general direction and instruction to the city manager and staff on preparing the budget and establishing a tax rate so that revenues could be estimated and budgeted. Council would hear each department's budget requests and capital outlay items beforehand so they could give a general layout to Administration in regards to constructing a budget that needed to be balanced while also trying to accommodate the capital items of Council's choosing. In addition, Council should advise Administration if they felt the need for a tax increase. Mr. Mendenhall said it could be that the budget would not balance with all of the budget requests made and staff would have to have a discussion with Council in regards to what it wanted to do but they were going to try very hard to present a balanced budget like they did the previous year.

#### DEPARTMENTAL REQUESTS

Mr. Mendenhall said the departmental requests section was for Council to hear requests by departments grouped by functional area. He stated that he wanted to differentiate for everyone that these requests were typically more operational and there would be a separate section on capital projects and capital requests through the CIP. The requests mentioned in the current section were going to be smaller items that were not CIP-related, but rather personnel items or service items that needed to be addressed. While there might be some smaller capital requests mentioned, there might also be some departments that did not have any requests; however, that did not mean they would not have any capital requests to mention later such as a car or truck. He called on Marketing and Special Events Manager Cindy Adams with the Marketing Division to begin.

Mayor Hall asked Mr. Mendenhall to confirm that Council was not voting on approval for the department requests but rather only listening for informational purposes so that Council could advise staff later.

Mr. Mendenhall said that was correct. He explained there would be some goal setting during the working lunch where discussion could be held regarding the departmental requests. It would be a time where Council could voice their desires in regards to what they wanted to include in the budget. He would then make a note of those desires in order to try and organize the different priorities in an effort to include everyone's requests. Administration advised the departments that money was not infinite; therefore, things must be prioritized and he was sure some would end up getting cut. Council would hear departmental requests and would know which of those requests were cut out of the budget after Administration strived to balance it.

Ms. Adams said she had two requests for the Marketing Division. The first was to increase the City's RiverFest contribution from \$5,000 to \$10,000. RiverFest was the premier outdoor event in Rockingham County and was attended by over 15,000 people every year. It had been voted best festival by the Rockingham Now Readers' Choice for two years in a row. The cost of portable restrooms, advertising features, rentals, and more had increased significantly over the past few years. The City's contribution was currently \$5,000 and had not increased significantly in many years. The festival cost nearly \$50,000 to orchestrate, with all of the fundraising being conducted by marketing and special events, which was Ms. Adams herself. Secondly, she requested a camera with a nice lens. The Marketing Division was responsible for putting Eden's best in front of citizens and visitors alike. The division placed photos on the City's Facebook pages, Instagram, websites, ads, etc., which were mostly taken on iPhones if not by a photographer that the City paid. A nice camera outfit would be used often and would help in the division's marketing efforts. It would help create a better product for the City and would save money in the long run.

Council Member Hunnicutt asked Mr. Mendenhall if Council was able to ask questions or make suggestions during the departmental requests or if those should be addressed at a later time.

Mr. Mendenhall said if Council had questions of the presenter, he would suggest going ahead and asking them. If they wanted to instruct staff to prioritize certain requests, he would advise waiting until the working lunch section.

Council Member Hunnicutt said he had a few people ask him if the City was going to try and market itself relative to the casino that was being built in Danville, which he believed was approximately 15 miles from Eden and would certainly be within reach of all inbound employees who would be looking for housing. There were a number of projects, such as the Spray Cotton Mills project and the Central Hotel project, that were either in the pipeline or that had occurred where recruiting some additional residents may be prudent, not to mention things like the microbrewery that came online. He thought about it and said maybe there was an opportunity for the City to partner with some of those vested interests and owners of the residential locations to create a marketing effort. He understood that possibly 2,000 people were going to be hired at the casino and would be looking for things to do during the daytime. He asked Mr. Mendenhall if that made sense for the City to consider.

Mr. Mendenhall said Council Member Hunnicutt's point was well taken and added that it was perfectly appropriate for the request time. He made a note of collaborative marketing with casino development and would add that to Administration's list. If there was anything Council wanted to see added such as that, he advised Council to go ahead and tell staff so it could be addressed.

Ms. McMichael said there was a real need for the Finance and Billing and Collections Departments to have succession plans. It was very difficult to maintain a succession plan with a small department in constant turnover. In 2008, the Finance Department lost an accounting technician position due to budget cuts. In 2009, the Billing and Collections Department moved from bi-monthly water billing to monthly water billing, which doubled the amount of work that had to be performed each month with approximately 20 work days. Since 2008, the departments lost six long-term and trained employees due to the overwhelming work environment, with three of those employees being in the last four years. The department had two full-time billing and collections clerks with less than two years of experience who provided customer service to approximately 6,900 customers every month, in addition to their administrative responsibilities. The department had close to 1,600 customers come in the office every month to pay their water bills and it was not unusual for staff to serve approximately 220 in one day with two customer service representatives. For the month of December, the most recent month, there were 19 working days and the two full-time billing and collections clerks, with the help of the department's one part-time billing and collections clerk, served 1,700 customers in the office who came in to pay their water bills. On December 3, which was typically the busiest day of the month, the department served 270 customers, which did not include their other responsibilities of posting the mail that came in by means of the drop box, regular mail, and electronic payments, as well as answering the phone and dealing with customer service issues. She recalled the auditors mentioning the importance of continuing education for their staff at the January City Council meeting, adding that it was very hard for her staff to even take vacation without it creating an undo hardship on the department; therefore, it was almost impossible to send everybody in the office to obtain the much needed, sufficient continuing education they needed. The Billing and Collections Department was responsible for collecting a significant portion of the water and sewer revenue and thus, staff needed to take great care to be sure that the department was operating at the highest level of efficiency. Based on research Ms. McMichael conducted in reference to what other municipalities had in terms of staff members within billing and collections, she found that the Town of Oak Island had three, the City of King had three, Town of Carolina Beach had three, the City of Clinton had three, the City of Reidsville had four, the City of Newton had five, and the Town of Tarboro had five but they collected taxes as well and had a population of 11,000. The Town of Pine Knoll Shores had one and the Town of Leland had one. In addition, Ms. McMichael said the fact that Assistant Finance Director Amy Winn was going to be eligible for retirement within three years could not be ignored. Currently, she managed and maintained the City's general ledger, reconciled the City's bank accounts, kept record of grants and fixed assets, created the annual budget, and prepared and wrote the City's audited financial statements, in addition to many other things. She was a

certified public accountant with almost 30 years of local government experience and was very valuable to the City; it would not be easy to replace her. Ms. McMichael said she could not express how important it was for the Finance and Billing and Collections Departments to operate appropriately with the appropriate number of employees who were well trained and dedicated. As showcased in the audit presentation, it took good management to make those numbers look like they did but the City had to have a department that could provide accurate accounting information so that that audit could be written. Therefore, staff recommended and asked for Council's consideration of two positions in the upcoming budget. The first was a billing and collections clerk at a cost of \$54,280, including salary and benefits, that would help the department to spread out the overwhelming workload that was currently done by two staff members. The second position would be an accounting coordinator that would cost \$83,162 including salary and benefits, that would help the department prepare for Ms. Winn's retirement in three years. It would allow sufficient time to train her replacement to write the audit and create the budget. She recalled when she began working for the City in 2004 with no governmental accounting experience other than what she received in college, and the City did not have an accounting coordinator or a finance director. She said the first year was very difficult and added that if the department was not made up of trained staff, it would impact the quality of the financial information that Council was provided with. If the two positions were approved and funded in the budget, it would not only help the problematic situation the departments were currently in but it would better prepare them for succession. She welcomed any questions from Council.

Council Member Hunnicutt asked Ms. McMichael which position she would choose if she had to put a priority on one of them.

Ms. McMichael said at the present time, the priority would be the billing and collections clerk position. She did ask them to keep in mind that one of the positions she requested was funded by general fund while the other position requested was funded through the water and sewer fund.

Mr. Taylor said the IT Department had two requests for the upcoming budget. The first was to recable City Hall and the Police Department. When he began working for the City in 2006, the building had been cabled several years prior with category 5 cable, which was cabled incorrectly. The termination in the upstairs data room was also cabled incorrectly, which made it virtually impossible to trace cables back to where they went into the patch panel and was therefore, creating issues with the City receiving gigabit speeds on cable that was rated to support gigabit speed. The gigabit standard was introduced in 1999 and saw wide adoption five years later. When City Hall was cabled, gigabit ethernet was basically in its infancy but the current standard was called m-gig or multi-gig. The copper needed to be able to support at least 2.5 gigabit speed to support multi-gig. The copper the City currently had in the ceiling would not support it; therefore, the department was requesting that City Hall and the Police Department be recabled by removing the existing copper per code and installing the new copper. Staff would also update some of the rack mounting in the upstairs data room and the main data center downstairs. He met with a vendor who evaluated City Hall and the Police Department and gave an estimation of \$48,000. However, knowing what was in the ceiling, Mr. Taylor felt the vendor was underestimating the amount of labor that was going to be required, not to mention the change in material cost they expected to see over the next several months before the project would begin. The department was asking for \$55,000 to \$58,000 for the project. The second project the department requested was to move the City's office licenses from its Microsoft Enterprise Agreement to their Office 365 product which would remove the City from the email business. The City would no longer be required to have email servers on site or support email servers. All email would be moved to Microsoft's cloud platform. It would also open up collaboration between the City's users with the Office 365 collaboration tools. The City had projects that multiple departments worked on and with the City's current licensing, the only way for them to collaborate was to email the file back and forth; one employee would open the file, do their part, and then email it back to whoever needed to do the next part of the grant, proposal, or component of the project. However, with Microsoft Office 365, it would allow up to 20 people to be working in the same document at the same exact time without having to move the document back and forth. It would track changes and would allow employees to see changes happening in real time within the document, enabling them to be more efficient. One of the things the city manager had asked employees to do was to try and work smarter, not harder. The Microsoft Office 365 collaboration tools would definitely help employees work smarter and not harder when preparing documents. It would also give the City cloud storage for documents, spreadsheets, and presentations, which would put the

City in a much better disaster recovery position. For example, Mr. Taylor said City Hall could be a smoking ruin but employees would still have access to all email, all office applications, and all of the documents stored within the office applications. As long as the City could access internet at one of its other locations or an emergency shelter, employees could continue to work and access data. The project was expected to cost \$20,000.

Council Member Epps asked Mr. Taylor if the \$20,000 was a one-time fee.

Mr. Taylor said no because it was software designed to be a service, which meant it would cost \$20,000 on an annual basis. The City was currently paying \$19,200 annually for its existing Microsoft Enterprise Agreement. The approval of Microsoft Office 365 would move some of the current cost from the Microsoft Enterprise Agreement; therefore, it was not expense neutral. There would be additional costs to move to Microsoft Office 365, but Mr. Taylor believed the benefits of the product greatly outweighed the difference in the City's yearly expense on it.

Council Member Ellis asked Mr. Taylor when the last cabling was done at City Hall.

Mr. Taylor said he began working for the City in 2006 and the cabling was done several years prior to that so he knew the cabling in the wall was at least 20 years old. The gigabit standard had changed several times in that intervening time.

Council Member Ellis asked Mr. Taylor if he said the cost of the project was around \$55,000.

Mr. Taylor answered yes.

Mr. O'Dell said that for DDC, he planned to request around \$30,000 for professional services related to preliminary design work of replacing the small bridge on Park Road and possibly the one on Highland Drive that went over Kings Highway. They were both part of a cycle that got inspected every two years and both of them were due to be inspected this year. He received an email the previous day from a firm in Raleigh that was selected by NCDOT informing him that they would be evaluating the bridge on Park Road in March and likely the one on Highland Drive. Since he had not spoken directly with the firm, he was estimating \$30,000 for the work but added that it would likely not cover everything related to the final design of a bridge or culvert. He hoped that \$20,000 to \$30,000 would be enough to cover some of the preliminary survey. He would come back at a later time with some rough cost estimates on the pros and cons of either replacing the existing bridge with another bridge or perhaps going with a culvert. Additional funding would be requested, possibly next fiscal year, with the final replacement occurring at a later time. He would have a better idea once the City received a report from the inspection on what the ultimate life of the bridge was but he knew it was getting fairly close to the end of its time. The City would not want to receive word from the firm that the bridge had to be replaced two years or two months from now and the City had not even started the plan. However, if the City were to get some of the preliminary design work completed, it might enable the City to hold off on the big cost of replacing the bridge for possibly four to 10 years.

Council Member Hunnicutt asked Mr. O'Dell if he understood correctly that the bridge on Highland Drive that went over Kings Highway was a city bridge.

Mr. O'Dell said the bridge was currently classified as a city bridge and had been for many years, at least ever since he had been working for the City. He stated that Mr. Mendenhall had sent an email or letter to NCDOT asking to have that changed, which would be good. The Highland Drive bridge still had many more years left in it but the Park Road bridge was much older and more of a concern for the City.

Council Member Hunnicutt said he had never thought about the City owning bridges. He asked how many bridges the City owned.

Mr. O'Dell answered two bridges as far as NCDOT was concerned, the Park Road and Highland Drive bridges. From what he understood, the bridge was built when Kings Highway was widened and somehow, the City inherited it. He would let Council know if they were able to get it changed.

Mr. Mendenhall said the thought process with the Park Road bridge was that it was probably more functionally obsolete than the Highland Drive bridge and it was their intent to work with NCDOT and have the Highland Drive bridge removed from the City's inventory list. Highland Drive was there before Kings Highway was built and thus, he believed Kings Highway necessitated the overpass. It was a high dollar bridge that would be cost shared with the federal government and perhaps Park Road bridge would be also through the STIP (State Transportation Improvement Program), which was the bridge replacement process. Administration was trying to reduce the City's liability as much as possible in that regard while also trying to use available flood mitigation funds or such while the funds were available in order to get started on the projects. He added that to Mr. O'Dell's credit, he mentioned a possible culvert for Park Road and it may be better to pull the Park Road bridge out of the national bridge inventory system by replacing it with the culvert, which would reduce some of the City's risk and possibly some of the inspections requirements, but that would depend on NCDOT's requirements. However, Administration was trying to manage the two assets in a way that reduced future liability on the City.

Ms. Stultz said the requests of the Planning and Community Development Department were basically a continuation of projects staff had started during the current fiscal year. Presently, they were finishing up the small area plan for Uptown Eden, also known as the Washington Street traditional downtown area. The plan had been to immediately begin with the Draper downtown area, followed by the City's third municipal service district, The Boulevard. Staff was spending about \$8,000 a year in addition to the funding for the comp plans for the small area plans. They would all be part of the big comp plan when it was finished. Therefore, staff was asking for \$16,000 to complete the small area plans.

Mr. Vernon said the Parks and Recreation Department was asking for several things beginning with the unification of recreation throughout Eden for all the youth, which would cost \$60,000 to get it up and running. That expense would pay for uniforms and equipment. The cost should decrease after the first year because the City would already have the uniforms that should be usable for four or five years if staff could keep them cleaned and turned back in. The department also wanted to convert two of the tennis courts at the Bridge Street Recreation Center into pickleball courts, which would allow for six pickleball courts instead of four tennis courts. Pickleball appeared to be the up and coming sport throughout the U.S. and there were a lot of participants at both the Bridge Street and Mill Avenue recreation centers who played six days a week. The department received some bids and concluded that \$35,000 should be enough to convert the tennis courts into pickleball courts. In addition, the department had previously asked for resurfacing of the basketball courts at both the Bridge Street Recreation Center and Ernestine Hampton Park. Staff received an estimate of \$16,000 in 2021 but realized that the cost had probably increased considering the price of everything was going up.

Council Member Moore asked Mr. Vernon if he said the resurfacing of the tennis courts was to convert them into pickleball courts.

Mr. Vernon said the plan was to convert them into pickleball courts.

Council Member Moore asked how many pickleball courts they could get at that location.

Mr. Vernon answered that there would be six pickleball courts on the two tennis courts, three per tennis court. There would not be any resurfacing of those courts because there were a lot of cracks in the courts that were going to have to be sealed and filled in.

Council Member Ellis asked Mr. Vernon to get an estimate within the next 90 days of how much it would cost to put two more basketball goals at Freedom Park and to possibly locate pickleball to the park maybe near the skateboard park.

Mr. Vernon said he could check into it.

Police Chief Simpson said the Police Department did not have any departmental requests but would have a couple of requests under the CIP section.

Fire Chief Harden said the Fire Department had two requests for the upcoming fiscal year. The metal roof section on Fire Station 3, which was located on Morgan Road, was developing some holes in it and needed to be replaced. The Facilities and Grounds Division sealed the holes during the current fiscal year, but the holes were now allowing water to get into some of the exposed wood under it. The cost would be \$9,000. The heat and air system at Fire Station 2 needed to be replaced. The station had extensive work done on it over the last year in order to get it through the summer months, but it had been recommended for replacement, which would cost \$10,000.

Mayor Hall asked if Fire Station 3 would be getting the metal roof replaced for \$9,000.

Fire Chief Harden said yes, based on the estimate he was given.

Mr. Dishmon said Public Works did not have any operational cost requests but would have some capital outlay requests later in the retreat.

Ms. Ward said the Water and Wastewater Divisions did not have any changes within their regular operational charges but at the same time, the divisions were seeing some trends that she wanted to make Council aware of. The divisions had experienced difficulty in finding some of the safety and departmental supplies they used and had also noticed the prices were increasing at a steady rate. They had noticed the same with chemicals as well, in addition to them being in short supply which made it difficult to secure them. Some of the chemical companies were beginning to charge freight where they had not before, making it difficult for staff to predict the cost on chemicals considering it kept changing. The divisions would be requesting more projects during the CIP section due to the fact the divisions had put off a few of their projects due to past budgets being tight. However, they were starting to see a lot of wear on the equipment and structures and they needed to be addressed before they became problematic.

Mr. Mendenhall said that concluded the departmental request section and asked if anyone had any questions.

Council Member Hunnicutt said he recalled the City's Fleet Maintenance Division requesting to replace an underground storage tank (UST) at the shop at last year's budget retreat, or perhaps the year before. He asked Mr. Mendenhall if that had been acted upon or if anything had been done regarding replacing the UST.

Mr. Mendenhall said yes and added that it would be addressed under the capital item section later in the retreat. He believed Council would find that it was going to be Public Works' top priority request for the upcoming year. It was in the CIP and the department wanted to fulfill that request and would discuss it at that time.

Council Member Hunnicutt said he had one other general question in terms of fleet replacement of general vehicles. As the City moved forward, particularly with some of the staff vehicles that were not within the Police Department or with high mileage, he asked Mr. Mendenhall if he would be considering using or introducing EVs (electric vehicles) as part of the City's fleet.

Mr. Mendenhall said staff had not talked about it with the Fleet Maintenance Division. One of the key questions was going to be if the City could maintain them with its current tools, equipment, and knowledge base, and also what the long-term life expectancy would be of those vehicles. He would have to rely on staff to inform them of such and he was not sure if they had a good grasp of it, but he would be open to it. He also felt that staff would be open to the suggestion but he added that the City would not want to go down a road where it had a maintainability issue; it needed to be sure that staff could maintain it, which would be one of the key questions in that realm.

Council Member Hunnicutt said he too would have the same concerns but it looked like the City had a tidal wave in terms of transitioning to EVs and how long that was going to take, but it looked like EVs were going

to be part of the future. He said it seemed that the City should consider at least putting its toe in the water a little bit. If there was a vehicle that was not used a lot, it might be good for the City to purchase an EV to see how it worked. He had read a lot about what was going on around us and it appeared that battery plants and EV manufacturing was a huge part of the coming economy and it just seemed prudent for the City to be preparing for what was coming towards it. He ultimately believed there were going to be mandates imposed and a certain portion of fleets were going to be forced to go to EVs, etc.

Mr. Mendenhall said staff would be happy to look at it.

Mayor Hall said he wanted to point out that for the past two budget years, Council had asked the departments to hold off on a lot of improvements that they needed. The City was still not out of the water with the COVID situation but he did think Council had a better grasp than it did two years ago when they were really concerned about sales tax and how that would impact the City's budget. Now, the City was getting some sticker shock in terms of prices but the City also had some items, especially within the Wastewater Division, that had to be put on hold but also must now be done. He wanted to prepare everyone for that as they entered into the capital outlay item requests section of the retreat. It had been two years since the City was able to fund some of the items but hopefully now, the City would be able to get a grasp on them. As discussed at the January City Council meeting the night before, the City's savings account was very healthy and it might be time to consider doing some of the things requested so that the City was not in a situation like it was with the EPA and its sewer system. The City needed to continue to maintain those at whatever level it was able to.

Mr. Mendenhall said he really appreciated that comment and added that it was important for the public, elected officials, and staff to know that the City would never be done with capital improvements, maintenance, and replacement of vehicles or equipment. It was really a cycle and once the City completed this year, it would be adding another year on to the end; it would be a continuous thing. Roofs and things that the wastewater treatment plant and water plant needed were assets that the City needed to keep up. When it came to maintenance within local government, it never ended and was therefore, it was important that people understand that. There were times to invest and there were times not to invest, for whatever reason like during COVID where it was unknown about the economy's condition and feared that revenue was going to be horrible. He added that the City needed to be aware of that moving forward. He reminded everyone that there would be a closed session at 1 p.m. and the link, along with supporting documents, would be emailed to Council not physically present.

Mayor Hall thanked Mr. Mendenhall and staff for getting capital improvements on a schedule that allowed Council to look at them each year as opposed to just hurriedly evaluating them each year. He knew there was a lot of work that went into that and he appreciated everyone getting the cycle started.

### GOAL SETTING

Mr. Mendenhall said the goal setting section of the retreat was where Council was asked to set some goals for the City and the new fiscal year. There had been discussion regarding some of the requests that the departments had made apart from the capital requests and the CIP, realizing that it was ongoing maintenance. The intent was to see if Council had any questions as the requests previously made would be some of the things that Administration tried to accomplish in the next fiscal year. It was also where Council could add some goals for Administration to work on for the different departments and offices. He referred to Council to provide Administration with a little input and thought process.

Mayor Hall said he did not think it would take too long as Council had listened to each of the individual requests. For example, Council heard the two requests for the Marketing Division and then added another request about the possible marketing advertisement with the Danville casino. He instructed Council to add or talk about any of the requests mentioned, adding that they were not being asked to commit to any of the requests at the present time.

Mr. Mendenhall agreed. He stated that Administration wanted Council's general thoughts because it was premature to commit as it was unknown where the City's revenue stood in terms of ability to support all of the requests.

Mayor Hall said he was unsure what Council could tell him in regards to what they were in favor of until the revenues could be determined. He asked Council if anyone had a request that caused them concern or that they had a strong desire to have included in the budget.

Council Member Kirkman asked Mr. Mendenhall if the present time was appropriate to discuss the Fourth of July money.

Mr. Mendenhall answered yes because it would be a project that Council would want to see done. Any sort of outside funding for other agencies would be proper as well.

Council Member Kirkman said over the years, he had been the chairman of the Fourth of July celebration. The City had budgeted \$5,000 for the event for over 15 years, which was sufficient to cover the cost of fireworks in the beginning. However, the same fireworks were estimated to cost \$12,000 this year. He hoped the City would consider maybe an increase in its funding.

Mr. Mendenhall asked how much money Council Member Kirkman was looking for.

Council Member Kirkman answered that he hoped it would be between \$10,000 and \$12,000, enough to cover the cost of the fireworks because they could raise the rest. However, he said that Ms. Adams could attest that there was no money out there to be raised anymore as all of the industries were gone and nobody gave money anymore, making it a struggle unless the City chose to close it down, which was fine too.

Mayor Hall said a lot of the requests, including the fireworks request, was obviously not a comprehensive list. The fireworks had always been in the City's budget as long as he could remember.

Council Member Epps asked if the Kiwanis Club handled the fireworks.

Council Member Kirkman said yes.

Mayor Hall said a request for an increase was very appropriate but added that just because an item was not listed in the departmental requests did not mean it was not going to be funded.

Council Member Kirkman said he understood that but since he had talked about it earlier with Mr. Mendenhall, he wanted to bring it up for discussion.

Mayor Hall said he supposed that was marketing as well. He asked if any other members had anything they wanted to point out.

Council Member Epps asked Ms. McMichael if she planned to take an existing employee and promote and train them for a higher position and then hire the full-time Billing and Collections Clerk to take their place.

Ms. McMichael said at the current time, the department did not have a higher-grade position available; therefore, it would be for an entry-level position.

Council Member Epps said he felt it was very necessary. He added that the marketing was very vital to the City and the finances were something else that needed to be very vital to the City. The City's communications and technology was very vital to the City; its planning in the downtown areas would be something vital to the City. He added that most of the departments were pretty sensible in what they wanted but whether or not Council could fund them or not, he did not know.



Council Member Ellis said he thought one of the top priorities that Ms. Stultz had talked about was the money that had been set aside for the past six to seven years for the Draper Neighborhood Revitalization Grant that was to be used to help the City's residents and citizens; it was very important. Also, the Parks and Recreation Department was presently a big plus under the leadership of Mr. Vernon as he was trying to do a lot of things for the people. The request of the IT Department to rewire City Hall was also a big plus. Having been at the high school for the past 25 years, the building had already been recabled three times, which was the positive direction that it needed to move in. As Mr. Mendenhall had mentioned, it was continually important to always do the positive thing in order to pull the City in the right direction. He added that Council needed to stay open minded about what was discussed. The big things seemed to be within the Parks and Recreation, Police and Fire Departments. He did not think that the \$50,000 request for rewiring City Hall was a lot of money.

Council Member Moore added to Fire Chief Harden's requests for the Fire Department that it might seem like a lot of money, but it really was not as it only totaled about \$19,000 to repair two stations. He stated that if one had ever sat in a fire station for 24 hours without heat or air conditioning, or with a leaking roof, it was terrible and he felt the City could afford those requests.

Mayor Hall said the City had a maintenance budget to maintain its properties and he thought it was prudent to do so when a replacement was needed. He felt confident the city manager would find the funds for the maintenance of those two buildings.

Council Member Moore said he felt that all of the things that Ms. McMichael and Mr. Taylor requested were important and if the City could afford to fulfill them, he would like to do so but he recognized Administration would have to see where the City's revenues were.

Council Member Hunnicutt asked Police Chief Simpson and Fire Chief Harden if there was anything Council should be looking at long term to help with recruiting since the number of available candidates were not what they used to be. He recalled a fire training program that used to be in the County that was offered through Wentworth High School. He asked if there was anything Council needed to start looking at to try to recruit at the level where they could get training into the Eden schools to talk to kids and maybe somehow incorporate the City's fire training facility.

Police Chief Simpson said on the law enforcement side, there were not applicants that were applying for the positions. Rockingham Community College (RCC) ran two BLET (basic law enforcement training) programs a year. The last two classes held in the fall and winter began with eight participants; there was a minimum of 10 participants required but they were able to receive permission from the State to start with only the eight participants. Generally, two to three participants would drop out and a class would end with four or five participants, who were often spoken for or who had long-term goals to go to highway patrol, which was what they had seen over the past two years due to benefits and higher starting pay. It was not an issue that was strictly seen in Eden; it was happening across the State and the nation. There was discussion previously held about legislation in the retirement system providing people who had 30 years of credible service with another option so they would not financially lose out on their 30 years of credible service and the separation allowance on the law enforcement side. It was unknown whether or not that would go into short session this year. As far as recruiting, the department had been able to pick up from other agencies by laterally transferring officers to Eden but they were currently at a standstill with four vacancies and only one applicant. He was unsure what they could do any different than what they were already attempting to do. There was a Fellows Program for criminal justice and law enforcement. His understanding from the chief's conference held the week prior was that it had been expanded and would include Rockingham County. That would enable the department to target people at the high school level who were interested. The program would not only provide them with their associates degree in criminal justice through RCC but would also get them into the BLET program. After working for an agency for a period of two to four years, the cost of their education would be waived. The program would be a plus but it would be three to four years down the road from the people that were currently in high school.

Council Member Epps recalled when he attended high school in Florida, there was a junior deputy program where the participants received a badge, making them feel good. They were educated in law enforcement,

enabling them to see what it would be like if they grew up to be in law enforcement, which he did as he became an officer.

Police Chief Simpson said before COVID began, the department had planned for the SROs (school resource officers) to run a pilot program for a wide age group of 10- to 16-year-old kids that would be involved in the Police Department. It would have given them a snapshot of what law enforcement did and would have also involved incorporating the shop with changing tires and life skills of that nature as they strived to interact with the participants in efforts to recruit them for the future. However, COVID obviously shut that down but that was still an option on the table.

Council Member Hunnicutt said his niece and her son lived in Winston-Salem where they offered a type of junior firefighter program where they were able to engage kids. The son was so enthusiastic about it that he was currently pursuing full-time firefighting. He said it looked like there were some other locations that had programs that had been successful on connecting with kids maybe early on who did not have a clue what they wanted to do but somehow, it generated interest. He added that he was not trying to direct the departments, but rather he was asking if they saw an opportunity there that maybe the City should investigate.

Police Chief Simpson said there were opportunities at the school level within Rockingham County Schools. Both the fire and law enforcement components were in one of those programs where if there was a student that attended Morehead High School who was interested in fire or law enforcement, they could instead attend Rockingham County Senior High School in order to be part of that program, which would provide them with that realm. It was difficult in today's time due to media coverage and the climate of law enforcement to recruit. There simply was not a lot of people that wished to be in that line of work. He hoped the tide would shift but that was the same with all public safety, not just law enforcement.

Fire Chief Harden said he would like to explore the option of starting a junior firefighter program by getting into the schools and recruiting in order to build up the Fire Department's force. Once the participants reached the age where they could begin taking classes, they could be brought into the Fire Department as part of the pay-per-call firefighter team, which would also put them into the hiring pool for when the department was able to hire full-time firefighters.

Mr. Mendenhall said he would like to offer a friendly amendment. The City had the same issue in the utility arena with water and wastewater plant operators; therefore, it may be a goal that Administration should add as a Council goal to work on recruitment and talent development. Based on what Chiefs Simpson and Harden discussed, there were very real concerns and the City needed to be thinking about how to respond to such. He felt the City could also be thinking about how to better recruit and develop talent within the utility arena. As heard from the Finance Department earlier in the retreat, succession planning may be very hard, especially considering that people prefer to work in the private accounting firms instead of local government because they can do very well as a private accountant; therefore, accounting skills within the City was something that the City needed to encourage as well. The global perspective was that there were a lot of skills that the City needed but it would be unable to compete on the private sector; thus, it needed to work in that area. He suggested possibly developing a program for the Fire Department and looking into what could be done within the Police Department and public utilities. One of the problems for the Police Department was that they could not hire a recent graduate of high school because they would not meet the age requirement. There were similar problems with the Fire Department considering one could not respond to a fire until they had received the proper certification. A pipeline was needed in order to invest in the near-term future of three to five years by getting people into the pipeline and keeping them engaged; the City would hate to have an interested party go to the Greensboro Police Academy when they turned 20 years of age.

Council Member Epps said the City used to partner with Goodwill on office skills, but it had since been shut down. He suggested looking into partnering with them again where they could train people with the City contributing a certain amount towards the program.

Mr. Mendenhall said he felt that was a very good idea as it was workforce development.

Council Member Moore said all high school students were not going to want to go to college; therefore, the City needed to be focusing on those people by getting them interested in local government, whether it was a job working for the City, the Fire Department, or the Police Department.

Mr. Mendenhall agreed.

Council Member Underwood said in order to attract new employees and retain the current employees that the City already had, the pay needed to be evaluated. He was aware the City had just given a raise, but he said he would like to see Mr. Mendenhall conduct an in-house comparison study of the current pay for each of the positions against neighboring cities such as Greensboro, Winston-Salem, Raleigh, Durham, and Charlotte. Then, he would like to set a goal to make the pay equivalent.

Council Member Ellis said one of the things that he heard at the Draper Merchants Association was not necessarily about the downtown areas but rather the surrounding areas entering the City because they were not policed, not taken care of, or kept clean. One merchant even stated that she entered the city from a different section just to avoid seeing one of the unattractable entrances. That was not what Eden needed. There was a very profitable company coming to Eden and its employees would need housing over the next couple of years. While the other things previously mentioned were also important, he felt how the City's neighborhoods looked was also important. The lights that the City purchased for Christmas beautified Eden and he hoped that would continue each year.

Council Member Epps said the City was not the only one suffering as it was happening all over the country. He felt the older people were painting a type of falsehood to the younger people that they did not have to work or do anything and it had caused a mess. The City needed to be really outstanding in what it did to overshadow all the other false things going on.

Council Member Hunnicutt said he had a conversation with a retired police chief several months ago who had questioned or somewhat suggested that the City start looking at implementing a series of cameras for security purposes, even though Eden's crime rate was low. He recalled there had been a couple of incidences, particularly in the downtown Leaksville area, where it had been necessary to use merchants' cameras. Given the network of monitoring that the City already had downtown, he asked Chief Simpson if he saw the need, thinking long term, to start implementing some cameras strategically around the area that could be monitored, especially considering how it would have been helpful to have had that resource in a couple of recent instances.

Chief Simpson said he saw it as positive anytime there was a camera system that caught any event that happened, whether it was a motor vehicle crash or a serious crime that ultimately provided immediate physical evidence on determining what occurred versus relying solely on what witnesses saw or perceived. As far as the cost and capability of such, he would have to defer to Mr. Taylor on whether or not it was even capable. The department often shared with business owners that it was a very positive thing for them to have camera systems and it would be a positive thing for the department, but again, he was unsure as to whether or not it was capable. He shared examples regarding Freedom Park where the department had received phone calls that kids were vandalizing the bathroom or breaking open the drink machines, especially during the summer. There was no way for law enforcement to be everywhere at every minute of the day and those cameras were going to catch the event and provide that evidence after the fact. In those instances, he felt a camera system would be a possibility but as far as the feasibility and cost of such, he would have to defer to Mr. Taylor. However, anytime a camera system was involved, it was a positive thing but it was also a double-edged sword considering there would be a group of citizens who would perceive that as big brother watching over them. Depending on the location and the reasoning behind it would be a factor. He said the City would have to be very careful as far as that explanation was concerned.

Council Member Ellis asked Chief Simpson if the cameras could be installed at Freedom Park since the property belonged to the City.

Chief Simpson said yes and added that he was using Freedom Park as an example. He said the past week City staff called him after they received a complaint about vehicles doing donuts at Freedom Park in the snow. He

happened to be close by and caught four vehicles doing such. When talking about camera systems, it was not just about recording, but was also about monitoring. There would need to be someone looking at those cameras periodically, similar to what used to be done in the dispatch center downstairs when the dispatchers were stationed there. Even if they were not being monitored 24/7, they did provide the department with evidence that might be needed down the road, not just for criminal offenses but for damages to property in general such as the donuts example he mentioned earlier.

#### SERVICE LEVEL CHANGES AND/OR SPECIAL PROJECTS

Mayor Hall spoke to those attending the retreat remotely and advised them that they had been emailed the closed session information that involved a separate Zoom meeting. They would need to drop the current call and join the closed session Zoom link and later return to the current call. Those in the live audience that were not involved in the closed session would be asked to leave and the camera would not be recording the closed session.

He asked for a motion to go into closed session pursuant to NCGS 143-318.11 (a)(4) Economic Development.

Council Member Epps made a motion to go into closed session. Council Member Moore seconded the motion. All members voted in favor of the motion, 7-0. The motion carried.

Council Member Hunnicutt made a motion to return to open session. Council Member Moore seconded the motion. All members voted in favor of the motion, 7-0. The motion carried.

#### CAPITAL PROJECTS

Mr. Mendenhall said a lot of the items that would be mentioned were in the capital improvement plan and some were going to adjustments. He called on Ms. Adams for the Marketing & Tourism Division.

Ms. Adams requested a 16-foot enclosed trailer that would be furnished with e-track in the floor and the walls, which held the items intact when traveling from place to place. It would also be lighted because many of the City's events were held in the evening and light was needed when it was time to unload and reload. The trailer was needed to efficiently haul event materials for the City's many signature events throughout the year. The division currently had one trailer in service that solely carried the many different sizes of tables, chairs, and such. It was much more efficient for staff to leave those items on the trailer after every event instead of constantly rotating them between the shed and trailer, especially once May arrived and many of the events began taking place, involving lots of intense work. The second trailer would be used to haul the division's tents, coolers, signs, cones, barricades, barrels, lighting, and all other props needed for its unique events. The division had invested in its own equipment so it did not have to rent or borrow much, resulting in an accumulation of lots of items that had to be transported. With the second trailer, it would save time and manpower. The staff from the Streets Division and Facilities and Grounds Division would attest to such as it would cut down on the time and energy it took getting things from place to place. The division had been using a trailer that belonged to Public Works and while they were very much appreciative of such, they now needed their trailer back to store and haul their 9-1-1 equipment such as barricades, signs, and cones that must be taken to their certain events.

Ms. McMichael said the Billing and Collections Department was requesting to replace one of its Trimble Ranger Orion handhelds. They were used out in the field when troubleshooting a water meter or when trying to retrieve and confirm a digital read. It was also used to pull profiles to help people detect leaks and such with their water meter. The two that the department currently had were purchased in 2011 and staff had begun experiencing trouble getting the batteries to charge. They were able to find some batteries on eBay that put a band aid on them for a short period of time. Her fear was that one of the two handhelds would completely stop working and they would only have one device. Therefore, staff would like to replace one handheld at a cost of \$8,800.

Mr. Taylor said the IT Department conducted life cycle replacements yearly, which began in 2008 and had been part of their capital improvement plan every year since. The department replaced a third of the City's laptop fleet within the patrol unit each year, which consisted of 10 laptops each year. They also replaced 25 percent of the City's desktops each year. He requested to be able to continue the replacement program.

Council Member Underwood thanked Mr. Taylor for the job his department did, adding that the IT Department was nowhere near where it was today when Mr. Taylor first began working for the City. He thanked the department for staying on top of everything like they did because technology was definitely the way to go.

Mr. Taylor thanked Council Member Underwood.

Mr. O'Dell said the preliminary list of items that he planned to put on the budget for funding within the DDC, including the water construction side, totaled about \$280,000 based on the preliminary estimates. Some of the street names may change but the dollar amounts would likely stay the same. Some of the larger expenses were related to the NCDOT project, which was the bridge replacement on Meadow Road at Highway 14. The approved plans were received for that project, along with an agreement with NCDOT for the work. There were some conflicts that had been identified with the Stadium Drive sidewalk project. A couple of them would need to stay in there while there may be some flexibility with the others. There were a couple design-only projects where the intent was to get some sort of future funding available because it was always good to have at least a few of those already completed so they could be followed later by the construction either in-house or by means of hiring a contractor. He also mentioned money to repair another department's existing vehicle or money to purchase a used vehicle that the division could use. He acknowledged there would be new employees hired as part of the division's succession plan and while they would not always need to go out into the field, there had already been days when they needed another vehicle. While they had made it work thus far, he recognized it might put the division in a pinch somewhere down the road, especially if one of the current vehicles needed repairing. The Powell Bill funding request, which was used for street resurfacing, was for \$596,360 for approximately 23 sections of street and was based on the list provided last year by Ms. Amos, excluding a few streets that were removed due to delays in EPA-AO sewer remediation projects. Somewhere down the road, those streets would be resurfaced in correlation with the EPA-AO sewer remediation projects. He added that more than likely, the estimation would be cut in order to stay more in line with the approved CIP from last year. Some of the streets were dead ends, in which the entire street would be resurfaced; others were longer and might only involve one or a few blocks being resurfaced.

Mayor Hall asked if the Powell Bill funding that came from the State was based on last year's projection or if Mr. O'Dell figured up the estimation by different means. He thought the estimation would depend on what the State gave to the City.

Mr. O'Dell said the Powell Bill funds were a separate amount and his estimation was based on the cost to resurface the streets that were still on the list from last year.

Mayor Hall said the City could only do what it could do but it was important to stay on top of it so the City did not end up in the same circumstances as the sewer situation.

Ms. Stultz said she had put in the CIP for last year that the Planning and Community Development Department was going to ask for a vehicle next year but that was before the work of the department changed and employees shifted. The City's community and economic development manager had a good vehicle and both of the department's pickup trucks were in fine shape. She was open to purchasing a used vehicle or to a vehicle of some sort that another department no longer needed as the department needed something dependable enough for staff to drive around town. Thankfully, staff had been fortunate enough to be able to use the community Tahoe for overnight trips. She also requested \$75,000 to \$100,000 to fulfill the requests brought up in the small area plans going forward. She could not provide an exact dollar amount because the plans had not yet been completed; therefore, she requested that some money be set aside in the budget for the plans. Any expenditures would be presented to Council for approval before they were spent.

Council Member Hunnicutt asked what types of uses the funding would possibly be spent on.

Ms. Stultz replied sidewalks and public areas. One of the things that had been discussed for a while was a public space on The Boulevard; the funds would be spent to furnish the space and rehab a spot in that location.

Mr. Vernon said he had a few requests for the Parks and Recreation Department and the Facilities and Grounds Division. Last year, the department planned on updating the playground equipment at the Bridge Street Recreation Center and therefore, the department hoped to continue with that project. Each year, the department hoped to improve each set of playground equipment throughout the City with the intention of having everything updated in at least four years. At that point, all the equipment would be updated and it would be a while before it had to be replaced again. He requested \$50,000 for the project. The department also requested funding to start a disc golf course at the Smith River Greenway. He had been trying to get in touch with someone regarding the estimated cost of such, but they had been playing phone tag; he would advise Council of the expense as soon as he was able to obtain it. He did not foresee it being too expensive but did feel that it would be something good for the community's enjoyment and health. An additional gator was needed for Freedom Park at an estimated cost of \$15,000. One of the existing gators the department had was 13 years old and was reaching the end of its life considering that it would not pull the drag on the fields when they were being fixed. The only thing it was currently good for was riding on it to check on the different areas of the park. The other gator the department had was about four years old and if something happened to it, the department would not have anything left to drag the field with. The Facilities and Grounds Division requested \$35,000 for two zero-turn lawn mowers, which included baggers that would mow as well as retrieve leaves. Several times over the past year, the division would be down to only two lawn mowers with over 50 acres of grass to be mowed every week or two; therefore, that was something they could not go without for long. As the lawn mowers got older, they became costlier to repair. Supervisor of Facilities and Grounds Division Ray Thomas had been driving a Ford F-250 for the last several years and it was truly too big for him to use for supervision. He wanted to pass it down to the division's mowing crew so they could ride together to jobs while pulling the trailer. Mr. Thomas preferred to get a smaller four-wheel drive, four-door truck if possible, which would in turn be much cheaper for him to drive. Another request the division had was to either repair or replace the roof of City Hall. The cost to replace the roof would be \$218,000, but they were going to see what could be done in terms of repairing the roof to make it last as long as possible.

Police Chief Simpson said the Police Department had two requests for capital improvement for the upcoming fiscal year. Staff went through the department's vehicle replacement plan and identified four vehicles that were anywhere between 11 and 15 years old that needed to be replaced. They were becoming costly to keep up. The fifth vehicle that the department was requesting to replace was a 2012 Dodge Charger that crashed in August 2021 while responding to a serious call. The insurance company totaled the vehicle and had already paid the City for it, but there were currently no vehicles on the ground to purchase in its place. Therefore, the department opted to purchase its replacement in the upcoming fiscal year if allowed in the upcoming budget. The total cost for the five vehicles was \$269,500. The second component was in next year's CIP, projecting forward, but staff felt that the department needed to make the request in the upcoming fiscal year based on supply and demand. In 2019, the department was notified that the Viper System, which was the statewide 800-megahertz radio system, would be going through upgrades and changes. On July 1, 2025, the current radios would no longer be operational, requiring the department to purchase in-car radios, mobile radios, and portable radios. As part of due diligence, the department looked at Kenwood, Tait, Motorola, and several other different brands of radios and narrowed it down to Motorola and Tait, which were equivalent in size and weight. The department had been testing Tait for the last three months. They were deployed in cars and with the officers to make sure there were no issues. The department wanted to be prudent with taxpayer money but it was a significant need and a safety issue for the officers to have radios that were operational and actually worked. Based on the research they conducted, staff obtained two quotes. The first quote was from Tait for \$293,535 that was for both mobile and portable radios. The second quote was from Motorola for \$483,440, but would increase by 10 percent in February to \$531,784. It was obvious that the prices were going to continue to increase but the department did not want to be in a position where it placed an order and then discovered there was a backlog, causing the department to not receive them when needed. He said that it would be nice to have the radios deployed and operational with the kinks worked out well before the July 1, 2025 deadline.

Council Member Moore asked if the Tait radios that the department had been testing were doing a good job

for the officers.

Police Chief Simpson said Tait was known as the Motorola of Australia because it primarily started in Australia as their key premier radio. There were many agencies in Tennessee that currently used it on 800 megahertz. There were two agencies in N.C. that used Tait and staff had already reached out to them to see how they felt about them. Every location that staff had taken both the Motorola and Tait radios, they worked identical. The areas where staff experienced issues with the Motorola radios, such as deep inside the hospital for instance, they experienced the same issues with the Tait radios; there was no difference. The officers seemed to like the Tait radios and had not identified any problems; therefore, staff recommended the Tait radios unless something changed, especially considering the significant difference in cost between the two.

Council Member Ellis asked Police Chief Simpson if he would purchase the Motorola brand if the department was given \$500,000 to spend.

Police Chief Simpson said he felt that it would be in due diligence to make sure the department purchased the best or the equivalent of the best piece of equipment for its officers. The most cost-effective manner would be the better option for him. He added that sometimes the price did not dictate whether or not it was a quality product because often the prices were inflated based on other things. However, he would be comfortable with either brand.

Council Member Moore said he would buy the Tait radios and put the rest of the money towards the vehicles.

Mayor Hall asked if the Tait brand radios were compatible with all of the other agencies in terms of communication.

Police Chief Simpson said yes.

Council Member Underwood said he thought the Motorola brand would provide better service and less trouble in the long run. He would rather see the City stay with the Motorola brand.

Council Member Epps asked what kind of warranty came with the Tait radios.

Police Chief Simpson said the department would have a significant warranty for one or two years on internal components and things of that nature. There were a couple of things to keep in mind: the Motorola representative that the department dealt with for repairs on the department's existing radios was closing which would force the department to have to ship the radios back and forth for repairs, but the Tait representative had two locations located in N.C. within driving distance where radios could be taken for repairs.

Council Member Underwood said Motorola had a repair location in Charlotte.

Fire Chief Harden said the Fire Department had three capital improvement projects that it was requesting funding for in the upcoming fiscal year. The first request was for the replacement of SCBAs (self-contained breathing apparatuses). The department's current SCBAs were purchased in 2008 and were reaching the end of their 15-year lifespan. The bottles would go out of date in 2023, which meant they would no longer be able to be hydro-tested or used.

Council Member Hunnicutt asked what a SCBA was.

Fire Chief Harden said it was a self-contained breathing apparatus that firefighters wore as part of their PPE (personal protective equipment). The cost of the SCBAs would be \$360,000. The second request was for \$27,000 to purchase outdated and worn out turnout gear. He would only spend that amount if he determined a new set of turnout gear was needed as each set had a 10-year lifespan, whether it was worn or simply stored on a shelf. It did not make sense to him to purchase the gear and stockpile it; therefore, he would only spend the money allotted if needed and would turn back in whatever money was not spent. The third request was for \$53,000 to replace the department's mobile radios within the apparatuses and fire stations. There was a new

NFPA (National Fire Protection Association) standard coming out that was going to be over portable radios that were already in use. He would like to see how that standard affected the radios and what companies were going to meet that standard before he ordered all new radios. In order to meet the NFPA standard, the radios would endure significant rigorous testing.

Council Member Ellis asked how many radios the \$53,000 would cover.

Fire Chief Harden answered that he believed it was 14 radios.

Mayor Hall asked if the request for turnout gear was in addition to what the department already expected to replace that was 10 years old.

Fire Chief Harden said he kept that money and replaced outdated gear but if he did not have the correct size for new firefighters, he would use that money to purchase them a set. The funding request was in addition to what the department normally replaced.

Mayor Hall asked if the department put money back each year for SCBAs so that it would have the necessary funding to replace them in 15 years.

Fire Chief Harden replied no, the department had not done that in the past.

Council Member Moore said they were all last purchased with a grant.

Mayor Hall asked if that was not available this time.

Fire Chief Harden said staff did not have time to apply for it.

Council Member Ellis asked if the SCBAs expired in 2023.

Fire Chief Harden said yes.

Council Member Ellis asked how many SCBAs the funding request would purchase.

Fire Chief Harden said 38 SCBAs and 36 spare bottles.

Council Member Kirkman asked if those were 15-year or 30-year bottles.

Fire Chief Harden said the price was for 30-year bottles.

Council Member Kirkman said the request was for \$360,000 for SCBAs that should last 30 years.

Fire Chief Harden said they would be Scott brand bottles.

Council Member Underwood asked Fire Chief Harden if he figured in the Wastewater Treatment Division or any other departments that might need SCBAs in the amount he received pricing for.

Fire Chief Harden said it was just for the Fire Department.

Council Member Underwood asked if it would be more practical to reach out to the other departments and divisions to see if more were needed and perhaps obtain a better deal.

Fire Chief Harden said he could do that.

Mayor Hall said the department had the SCBAs for the past 15 years, knowing they had a lifespan of only 15 years and questioned not foreseeing the expense coming to do anything to plan for it.



Fire Chief Harden said he put it in the CIP for the next year.

Mayor Hall said each year Council received a major request from the Fire Department, whether it was for a training center or a new fire truck, or both. Each year they were told that moving forward, the department would take care of their stuff year to year and would not need a big replacement, such as getting the fire trucks on a five-year rotation. He hoped that after the next SCBA purchase, they would be placed on some type of five-year rotation because Council was getting hit with another half-million dollar request. He understood the department needed it but advised that they needed to be planning for expenses that large that staff knew were coming. He hoped that the department would look annually at replacing a few at a time.

Council Member Underwood said to Fire Chief Harden's defense, it was suggested to previous administration but was not taken into consideration.

Council Member Hunnicutt asked Mr. Mendenhall if those were the kind of things that were part of the long-term capital plan where reserves were being created for such items.

Mr. Mendenhall said yes. He said the reason the SCBAs, along with the radios, had been advanced one fiscal year was due to concerns that the lead time may be longer than 12 months, much like the vehicle situation with the animal control truck where it had taken forever to find the unit. The concern with the radios was that everyone would be changing and the department would not be able to get them without waiting an extended period of time. It was the same situation with the SCBAs because it seemed that with everything the City wanted or needed, the lead time was long. The department was instructed to proceed because without SCBAs, a Fire Department really did not exist, considering they would not be able to enter a structure without it. Administration instructed the department to advance the request to ensure the department was operational and had the proper PPE in case there was a supply shortage that was unknown at the present time. The need was on the radar, not for the upcoming fiscal year but rather the next fiscal year. Out of caution concerning the supply chain, the department was told to advance the request to avoid causing a problem.

Council Member Moore said in regards to the radio request, it was similar to the Police Department having to change their radios because of the Viper System.

Fire Chief Harden agreed.

Council Member Ellis asked Fire Chief Harden how many firefighters the department had.

Fire Chief Harden said approximately 35 to 40.

Council Member Ellis asked if the department had until 2023 before the SCBAs expired.

Fire Chief Harden said yes.

Mayor Hall said it was one of those items that was going to have to be included in the budget and he appreciated Fire Chief Harden talking to Council about it.

Mr. Dishmon said the Streets Division was asking for a service truck and a dump truck, along with a leaf machine. The Collections and Distribution Division was requesting a service truck and for the Byrd Street water tank to be disassembled and removed. The Fleet Maintenance Division was asking for the fuel tank system, along with the operating system for the VM and the fuel reading system. Staff wanted the warehouse inventory to all be on one working program, which would include the warehouse, the parts room, and the fuel system. Staff was working with the Finance and IT Departments to find software that worked for everyone in order to get rid of the dated fuel tank system. The fuel tank system would cost \$495,000 and would be turnkey. The plan was to put the fuel tank system on top of the hill in a different location, which was included in the price. After the City begins using the new system, part of the cost would include the removal of the old tank system and leveling the ground. Crews would then pave over it.

Mayor Hall asked if anyone had ever looked at the feasibility of getting out of the fuel business and just buying it from a retail source in order to eliminate maintenance and that type of thing.

Mr. Dishmon said staff had talked to one vendor about it, but they could not compete with the fuel pricing the City currently received.

Mayor Hall asked if it still could not compete when factoring in all of the maintenance and wear and tear. He thought the Sheriff's Department used Sheetz.

Mr. Dishmon said the Sheriff's Department used several different vendors. They had a WIX card that could be used all over the county, depending on where they were located when they needed to refuel.

Mayor Hall said it would save, especially if someone was on the east side of Eden and needed to get gas as it would take 30 to 40 minutes out of their shift to drive to Klyce Street to get gas whereas they could fill up at Sheetz or wherever and be back on the road in just a few minutes. He said he would like to see a comparison, including all of the repairs. He believed it would take a while for the City to make back the cost of the new fuel system between the cost of fuel the City received and the cost of fuel at local gas stations.

Mr. Dishmon said the City was currently paying \$1.92 for gas and a \$1.57 for diesel fuel.

Mayor Hall said that was almost half price of local gas stations.

Mr. Dishmon said it changed a little bit every month. The Solid Waste Division was requesting \$165,000 for a knuckle boom that was due to be replaced. The older one would be used as a spare for service to the others and once it quit working, it would go to auction.

Mayor Hall said they get a lot of use. He asked Mr. Dishmon if he had looked at financing options for the service trucks and knuckle boom that were requested. He said the City would more than likely have to borrow the money for some of the items requested.

Mr. Dishmon said he personally had not as that usually ended up being done by the Finance Department.

Mayor Hall asked if those types of items were normally sent out for bids and whichever bank provided the lowest rate was the bank the City would use.

Mr. Dishmon said yes.

Mayor Hall said of the requests for Public Works would be in debt as opposed to putting the money in the budget.

Council Member Moore asked how many knuckle booms the division currently had.

Mr. Dishmon said four.

Council Member Moore asked if Mr. Dishmon was planning on taking the oldest knuckle boom out of service.

Mr. Dishmon said yes. The garbage truck replacement would be coming up in the next year fiscal year's budget. The knuckle booms were basically what the division picked up garbage and solid waste with. It was hard to operate without them anymore as they picked up mostly everything without stopping.

Council Member Ellis asked how old the oldest knuckle boom was.

Mr. Dishmon said he thought it was a 2006 or 2008.

Council Member Ellis asked when the City last purchased a knuckle boom.

Mr. Dishmon said he was not sure.

Mayor Hall said he thought the City purchased a knuckle boom a year or two ago.

Mr. Dishmon said it had been a little longer than that. It was the one with the green body that the City had to take if it wanted one or it would not have been able to get one. While the division did not want the one with the green body, it was their only choice. However, it came with high sides and that was what the division wanted to go with on the new knuckle boom because it carried more per load.

Ms. Ward said the generator, switch gear, and PLC were going to need upgrading soon for the Water and Wastewater Divisions, which was estimated to cost \$30,000. The water plant had replaced one of the dump valves that had been leaking extremely bad and was currently working on a second dump valve. The plant hoped to replace two more dump valves in the next fiscal year, which was estimated to cost \$19,000. They also hoped to rebuild another filter at an expense of \$107,000. Water Resources Division asked to replace one of its utility trucks that was used for the pump stations. It had a crane that could be used to pull pumps, but it was close to 20 years old. It was estimated to cost \$116,000. The Wastewater Treatment Division had been working on upgrading its bar screens by repairing them but it was still experiencing problems with them; therefore, it wanted to go to a completely different type. The request was denied in the past, so the division was hoping to get approval for the new bar screen in the upcoming fiscal year, which would cost close to \$200,000. However, the new bar screen should reduce maintenance and eliminate the need to call maintenance crews in over the weekends to work on them. If approved, the division also hoped to work on the influent gates by sectioning off that area so that staff could do the necessary work. That was estimated to cost \$16,000 but she hoped it would be a lot less. The division needed to do some upgrades to the clarifiers that had been neglected for years. Staff had only worked on one of the clarifiers by painting the inside of it. They needed to be taken down and the metal cleaned and resurfaced because they were starting to rust and pieces were falling off. That work needed to be done before it got any worse. Lastly, Ms. Ward stated that several people had already talked about the ASADRA funding that the City had received for its EPA work. It was expected that the City would have to begin paying on that funding next year. Therefore, she wanted to let Council know that staff was expecting an annual cost of approximately \$340,000 to be paid towards that.

Council Member Hunnicutt said he had a question for Mr. Mendenhall as he felt he would probably be in a much better position to make a judgment call than he was. He asked if the City's level of purchases were getting to a level where it could or should consider a purchasing agent. While he knew everyone was doing the best they could in terms of purchases, the City had people who were not experts at making purchases being the ones who were indeed making purchases. What brought it to his attention was the two different departments saying they were going to buy radios and he did not know if that was a consistent purchase. He asked if there was an opportunity to save money and even justify the position by going to something such as that.

Mr. Mendenhall said it was a very good thought. Often times, purchasing agents were seen where there would be standardization or high volumes of certain types of material. While all of the departments were standardized in the City's organization, they each had different departmental needs. The NFPA standard for the Fire Department may require that the radios be different from the Police Department's radios. Therefore, one would not see one purchase request or one bid coming out for those because the NFPA was going to drive the bid documents. What the City did have was decentralization, but it also had a high degree of subject matter expertise among the department heads and their staff to know what they wanted. Mr. Mendenhall said he would have to reflect on it because he was unsure if the City would see any savings because it was so diverse throughout the departments. He did not know if there was any synergy to a purchasing agent or not.

#### BUDGET INSTRUCTIONS AND DIRECTION

Mayor Hall said he liked the idea of no tax rate increase and added that his guidance to Administration was to create the budget. He said a lot had been covered at the retreat and he appreciated everyone's patience. He

said the budget instructions and directions section of the retreat was the time for Council to talk Mr. Mendenhall before he began the journey of trying to prepare a proposed budget that Council would get to evaluate. There were a lot of things that Council heard at the retreat that were both wanted and needed, some more than others but there was no way Council could fund every request. Budgets had been created before and all department heads had been at the City long enough to know that even when they felt they had finished their departmental budget, the city manager would come back and ask for something else to be cut; it was just a normal course of business. However, Council understood and appreciated the reasoning behind the department presentations of what each one needed and wanted.

Council Member Underwood said he thought Mr. Mendenhall was doing a good job. He felt like the City had a group of employees who were dedicated and doing a great job. He said that Council needed to focus on looking after its employees in order to keep them happy.

Council Member Epps said he appreciated Mr. Mendenhall, the departments, and staff for all of the work they did to get the budget retreat together and he did not think any department was creating just a wish list, but rather a list of what obviously needed to be done.

Council Member Hunnicutt said one thing that was not discussed at the retreat was funding requests from committees. He asked if there was any known knowledge as to how much funding was going to be requested from those groups.

Mr. Mendenhall said he was running them through the traditional budget process calendar that the departments were going through. Thus, they would be submitting their line item requests and justification that would be incorporated into the budget and presented as part of a balanced budget.

Council Member Hunnicutt said he had given some more thought to the funding of the committees and wondered if it would be better to take the money the committees had and put it in a central pool of funds. As an example, a pool of \$250,000 could be created that would include all committees and all miscellaneous projects that would come up during the fiscal year instead of allocating certain amounts of money to each committee. He said that economic development was a good example as he believed there were some things in the pipeline, such as workforce development projects. By creating a central pool of funds, it seemed to him that it would eliminate some of the comparison between committees in regards to the amount each one was funded. The committees could still submit their projects to Council like they were currently having to do. It seemed to him that if there was a centralized fund consisting of the amount that Council was intending to spend for the fiscal year, they could make decisions based on such. It appeared to him that allocating so much in advance to one group that was more than another group was an inequitable way to approach funding.

Mayor Hall said as a counterpoint to that, he stated there were some committees that did not spend any money and thus, would not need any funding. There were other committees that were obviously going to need more money, by nature. It did not make any difference to him whether the funding was put into one pot or five pots, but he did know that there were some that were not going to request any funding. However, he did not think it would be a bad idea to look at centralizing the funding, but regardless, the committees would still be submitting their requests to Council for approval.

Council Member Moore thanked Mr. Mendenhall and the staff for getting everything together during a short period of time, adding that they did a great job and appreciated it.

Council Member Ellis said even though there were some large requests made, he knew the City would get through it. The City had a good man leading it, along with all of the Council. He knew the employees appreciated the recent COLA they received and he wanted to keep the employees happy.

Mayor Hall said everyone would be keeping Boston (Council Member Moore's grandson) in their thoughts and prayers, along with Council Member Moore and his family. Everyone hoped for the best for Boston.

ADJOURNMENT:

As there was no further business to discuss, the retreat was adjourned.

Respectfully submitted:

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Deanna Hunt, City Clerk

Attest:

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Neville Hall, Mayor