

CITY OF EDEN, N.C.

A special meeting of the City Council, City of Eden, was held on Thursday, March 3, 2022 at 5 p.m. in the Council Chambers, 308 E. Stadium Drive. Those present for the meeting were as follows:

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

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

Consideration to award EPA Remediation Contract.

Mayor Hall called on Special Projects Manager Terry Shelton.

Mr. Shelton asked Council to consider accepting and awarding the EPA Remediation Contract 2a. The contract dealt with the rehabilitation of the Bridge Street pump station, including new equipment, such as new pumps, a control system, a backup generator with automatic transfer switch, and new pump station piping and valves. The engineer's estimate for the project was \$2.6 million but the low bid came in approximately \$330,000 above the estimate. As discussed at the last Council meeting, prices were increasing. The engineer's estimate of \$2.6 million was based on bids prepared when the contract went out, but things kept escalating at a rapid pace. The City initially received two bids for the contract and therefore could not open them and had to rebid the contract. After waiting three additional weeks, staff hoped the City would receive three bids, but the third bidder opted not to submit. Therefore, the City ended up with the same two bidders that bid the first time. Carolina Grading and Utilities bid a total of \$2,930,500 while Morgan Contracting, Inc., bid \$3,466,250. There was a difference of \$535,750 between the two bids. Because the low bid was \$330,000 above the engineer's estimate for the project, staff went back and looked closely at Contract 3 and believed there was as much as \$500,000 in materials from Contract 3 that the City could save. There were some other contracts that would be closing soon and staff felt confident the City could cover the \$2.9 million cost with contract money from Connect N.C. bond money. He asked for Council to approve awarding the bid in order to get it under construction as soon as possible.

Mayor Hall said it was part of the EPA deal that was time sensitive as the City had a due date to meet.

Council Member Underwood made a motion to award the EPA Remediation Contract to Carolina Grading and Utilities. Council Member Hunnicutt seconded the motion. All members voted in favor. The motion carried, 6-0.

Consideration of refurbishing automated leaf machine currently out of service.

Mayor Hall called on Director of Public Works Paul Dishmon.

Mr. Dishmon said City staff wanted to get Council's approval to refurbish a 2008 automated leaf truck. The chassis was in good shape but the body was in such bad shape that it was not feasible to put on the highway; it had pieces rotting off of it which was normal after years of service from moisture and leaves. Staff recently

found a complete unit for sale but it was sold before staff could go through the complete process to receive approval to purchase it. The request was for a 2015 body to be put on the 2008 chassis at an approximate cost of \$110,000 turnkey; it would be put service within 90 days. The check must be sent in with the contract. Mr. Dishmon felt the piece would last five to six years considering the chassis did not have a lot of hours or miles on it. Mr. Dishmon said it saved manpower when the department was able to run two trucks during leaf collection season. When not in leaf collection season, only one truck would be operated.

Council Member Moore asked if the body Mr. Dishmon was requesting to purchase had already been completely refurbished.

Mr. Dishmon said it was a 2015 refurbished body from Old Dominion Brush, which was what the City used most of the time. It would come with a new impeller, liner, and an updated computer system that would be located inside the truck whereas the current computer system was in a box located on the outside of the truck, which did not work well with moisture.

Council Member Moore asked if it came with any type of guarantee.

Mr. Dishmon said he did not have anything to indicate it would come with any type of warranty. The body would be orange in color.

Council Member Hunnicutt asked if by body Mr. Dishmon was referring to the cab of the truck itself or to the vacuum component.

Mr. Dishmon said it came with an engine that would be set on the chassis. It was the body of the vacuum system that collected the leaves and dumped them. It all ran on a separate engine from the truck. It had a 4-cylinder diesel engine that performed all of the vacuuming behind the cab of the truck.

Council Member Hunnicutt said he was not trying to pick apart the proposal but he noticed the memo stated approximately \$110,000. He asked City Manager Jon Mendenhall if that was a firm number or if there were variables that could drive up the estimated cost.

Mr. Mendenhall said he would have to refer to Mr. Dishmon for the answer.

Mr. Dishmon said he thought the estimate was for \$99,900 and a possible \$5,000 increase if they had to perform any work to the chassis in order to make it fit on the body, such as repairs or modifications to the chassis.

Mayor Hall said that Council could make a motion to approve up to \$110,000 for the refurbishment.

Council Member Hunnicutt asked if \$110,000 would cover the cost.

Mr. Mendenhall said he thought so.

Mr. Dishmon said he did not think it would go over \$110,000 unless there was something the company had not told the City. If they did not have to do any chassis work, the \$5,000 expense would not be spent.

Mayor Hall asked how the engine was in the truck.

Mr. Dishmon said it had 77,000 miles on it and was a 2008 International. Fleet Maintenance Superintendent Jason Barnard felt it would be well worth putting together and felt good about it. Mr. Dishmon felt the City would get more than five or six years from it but he did not want to guarantee that considering that anything could happen to an engine.

Council Member Hunnicutt said in terms of funding, he assumed the expense was not in the current fiscal year's budget. He asked Mr. Mendenhall if there were funds to cover the expense or if it would have to come out of reserve.

Mr. Mendenhall said there were contingency funds available for the purchase. Ordinarily, staff would not want to see the proposed expense come forward in the middle of a fiscal year, but part of the issue was a labor shortage and the lack of available labor in the past leaf seasons. Staff felt it would be exacerbated in the upcoming leaf season. Ideally, the City would want to buy a new unit and have a long service life. However, the City ordered a dump truck in last year's budget and did not receive it. One was ordered in the current fiscal year's budget and still had not received it. The lead times did not lend themselves to anything controllable at the present time. Therefore, they had to do something as availability occurred and look at it on a case-by-case basis. It was not ideal and it was not in the budget but there were contingency funds that would alleviate a manpower problem that the City might experience in the fall.

Council Member Hunnicutt asked Mr. Mendenhall if it was the right thing to do.

Mr. Mendenhall said he believed it was.

Council Member Underwood asked if it could be budgeted in the upcoming budget.

Mr. Mendenhall said it could but the City would lose the availability of the item. The City could also budget for a new or used leaf machine but the market would be whatever it was at that point. The unit would not be available for sale and was only guaranteed to the City until March 4, at which time the City would lose the availability of it.

Council Member Underwood asked Mr. Dishmon if he had any idea of a warranty considering the amount of money it would cost.

Mr. Dishmon said he felt there would be some sort of warranty but he did not know the specifics of it.

Council Member Underwood said the Fire Department refurbished two trucks and did not have the best of luck with them.

Mr. Dishmon said a new truck cost \$226,000 and would take at least six months to receive.

Council Member Underwood said a new truck was listed in the memo as costing \$216,000.

Mr. Dishmon said Mr. Barnard found out the truck previously priced had a Kohler-type engine and the department did not want that type of engine based on Mr. Barnard's knowledge and service work. There were problems with finding parts for those types of engines.

Council Member Underwood asked Mr. Barnard what he recommended.

Mr. Barnard replied that he was all for it.

Council Member Kirkman made a motion to spend up to \$110,000 for the refurbishment of the automated leaf machine. Council Member Hunnicutt seconded the motion. All members voted in favor. The motion carried, 6-0.

Consideration of a deposit for above-ground storage tanks to be a capital project in the upcoming fiscal year.

Mayor Hall called on Mr. Dishmon.

Mr. Dishmon said City staff was seeking Council's approval for the fuel tank project so that staff could start the bid process and get a deposit put on the tanks once a vendor was selected. The tanks were six months out and if Council was going to approve a fuel system, staff could begin the procurement process. Because of the delays, staff wanted to get a head start if this was the direction Council wanted to go.

Mayor Hall asked if Mr. Dishmon was referring to Council deciding for the City to provide its own gas as

opposed to commercially purchasing it.

Mr. Dishmon said the City was looking at a turnkey price so that the vendor who received the project would do all of it. The City would pump out of the old system and start pumping out of the new system once it was in place. The same company would be in charge of the EPA removal and putting the ground back like it was supposed to be. The City would not touch anything. DEQ would be onsite during the tank removal, which was part of the City's requirements.

Council Member Hunnicutt asked if the price included the removal of the underground storage tanks (USTs).

Mr. Dishmon said yes.

Council Member Hunnicutt asked if there was an estimate to what the above-ground containment would cost.

Mr. Dishmon said it was part of the turnkey price. The tanks were double-walled and self-contained.

Council Member Hunnicutt said he was not an environmental expert but it was his understanding that any above-ground fueling stations had to have a concrete basin to catch overflows and spillage as it could not go back into the ground.

Mr. Dishmon said it was his understanding that the double-walled tanks were designed to do away with that. He added that the piping going to the system would also be double-walled.

Mr. Mendenhall said it was the City's intention to have an environmental engineer make sure the City had everything in order to meet regulatory compliance in both the bid specification and removal and closure of the USTs. Administration had full faith and confidence in its staff and the Public Works operation was a good operation. However, the long-term impact of ground water contamination was something the City wanted to avoid.

Council Member Hunnicutt said that was fine. He did not see anything listed in the quote that mentioned the containment system. When he referred to spillage, he was referring to when someone overfilled a tank as it could not go into the ground but rather, had to be captured.

Mr. Mendenhall said the quote provided was just for the tanks. The vendor advised Public Works about material and availability problems, as well as increases in prices. The vendor wanted to know if the City would be willing to put down a deposit. The City did not want to get locked in with what he would call an apple system and end up bidding out and going through procurement and getting an orange set of tanks or something. It had to be apples to apples, oranges to oranges. Staff wanted to get started in order to do everything appropriately moving forward. They wanted to get the right tanks at the right time with the right deposit.

Council Member Kirkman said he had worked with Petroserve on several projects on his property and they were the best. He trusted what the company told the City. The company had worked all over the state doing work with Sheetz and Rentz Oil. He would take them at their word that what they said was right.

Council Member Underwood said to correct him if he was wrong, but it did not cover any run in with contamination on what the City currently had.

Mr. Dishmon said he was not sure if it covered any contamination, but the City's system was passing each year with no failures. The City was scheduled for a tank inspection this month.

Council Member Underwood said he wanted to make Council aware that if they dug the tanks up, there was a possibility it could cost more down the road for the cleanup.

Mayor Hall said anytime the City found a spill, it would be responsible for it and would have to deal with it. It was not something that could budgeted for. The City hoped spillage would not happen and if it had been doing the right thing with inspections, it should not happen. The City had insurance as well. It came down to whether or not the City wanted to stay in the gas business or get out. If it were going to stay in the gas business,

it was time to repair the tanks as that was the cost of doing business when operating vehicles.

Council Member Nooe asked Mr. Mendenhall what the break-even point was as far as gas prices and having to maintain them compared to buying fuel elsewhere.

Mr. Mendenhall said as of 30 days ago, the City's break-even point was three to four years given the price of fuel. With fuel prices increasing, it would likely be a quicker break even. The life of the system would exceed when the City would break even on it.

Council Member Hunnicutt asked if staff was asking for approval on the deposit.

Mr. Mendenhall said no. He stated that staff was asking specifically for the ability to move forward, which may entail a deposit. Staff wanted to procure the right tanks with the right vendor. The City had a good vendor but state procurement laws required the City to obtain bids on the system. The memo outlined a sample of what the City would be looking at from a very reputable source. Staff needed to make sure the City's bid documents ensured it would get the best quality product. If Council wanted to move forward with the fuel system, staff hoped to obtain their permission to start the bidding process.

Council Member Nooe made a motion to start the bidding process for above-ground storage tanks as a capital project in the upcoming fiscal year. Council Member Underwood seconded the motion. All members voted in favor. The motion carried, 6-0.

Closed Session to discuss economic development pursuant to NCGS 143-318.11(a)(4).

A motion was made by Council Member Kirkman to go into closed session. Council Member Nooe seconded the motion. All members voted in favor. The motion carried, 6-0.

A motion was made by Council Member Underwood to return to open session. Council Member Kirkman seconded the motion. All members voted in favor. The motion carried, 6-0.

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

Respectfully submitted,

Deanna Hunt, City Clerk

ATTEST:

Neville Hall, Mayor