

CITY OF EDEN, N.C.

A special (budget retreat) meeting of the City Council, City of Eden, was held on Wednesday, January 20, 2021 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:	Darryl Carter
	Gerald Ellis
	Jerry Epps (absent)
	Angela Hampton
	Phillip Hunnicutt
	Bernie Moore
	Bruce Nooe
City Manager:	Jon Mendenhall
City Clerk:	Deanna Hunt
City Attorney:	Erin Gilley
News Media:	Roy Sawyers, Rockingham Update
	Mike Moore, Mike Moore Media
	Lisa Griffith, Eden's Own Journal

MEETING CONVENED:

Mayor Hall called the special meeting of the Eden City Council to order and welcomed those in attendance. The meeting was also held electronically via Zoom and Mayor Hall asked for patience from everyone as there was a lot to be covered.

WELCOME AND OPENING REMARKS:

City Manager Jon Mendenhall stated Council had an agenda packet that was broken down by the hour. It was meant to be a process to guide Council from where the City was on its current goals to where Council wanted the City to be.

Mayor Hall thanked all of the departments who helped prepare the items for Council's review.

ANNOUNCED DELEGATION: CHAMBER OF COMMERCE PRESENTATION:

Mayor Hall asked Eden Chamber of Commerce Director Jennifer Barton and former Council Member Sylvia Grogan to conduct the Eden Chamber of Commerce presentation.

Ms. Barton stated she and Ms. Grogan were present to bestow a lifetime achievement award to someone who was very special to both of them.

Ms. Grogan said she was excited to be in attendance to present the John E. Grogan Lifetime Achievement Award and read the following statement: The people in this room know something very special about working to create a better community. No one actually does the work for recognition but I really truly believe recognition is a good thing. I think it is an outward sign of appreciation. I am especially excited to be given the chance to acknowledge this year's recipient. She has been actively working to showcase Eden for 30 years; first at the Chamber of Commerce and then at the City of Eden. This year's winner is Cindy Adams (Coordinator of Tourism and Special Events/Projects). Cindy worked as Johnny's (John E. Grogan) Administrative Assistant when he was President of the Chamber of Commerce. While he was out of the office working on economic development, Cindy was 'running' the Chamber. He was totally dependent on her and felt comfortable knowing she had it under control. She became President herself in 2002 and served until 2008. During her Chamber leadership, she was responsible for the celebration of the 50th anniversary of the

Chamber, which was a big deal. She initiated the Business Expo, which was an annual event allowing businesses to share their services with the public, and the popular Temptations in the Garden showcasing Eden's restaurants. She held Chamber fundraisers; one of her most popular was a Spelling Bee to raise money for RCC students. Teams dressed up in elaborate costumes to compete in a Spelling Bee. I remember Neil Fair's family coming dressed as bumblebees. She left the Chamber to go to work for the City of Eden, but came back to the Chamber as a Board Member in 2017 and served as Chair of the Chamber Board in 2019. Having been involved in the 2020 leadership transition, she continues to provide assistance to the new president, Jennifer Barton. Jennifer says she is an invaluable partner for the Chamber. Cindy has a creative mind. The Park Committee worked with her on moving Grogan Park from concept to reality. I know when she proposes something, it will be a good idea and the committee knew if Cindy was responsible for carrying out whatever we suggested, it would be done with class. Cindy's responsibility for the City is to bring new ideas to encourage potential visitors to come to Eden, but especially to find activities for the people in Eden to feel good about where they live. These can come from ideas she has seen or from her own creative mind. I always say there has never been an original idea. Sometimes you see something somewhere that you really like and you bring it home and make it better for your community than the one you saw. Maybe you saw it in a magazine, another town or at a meeting. For example, RiverFest: Cindy has turned a small street festival into an event of an estimated 15,000 people that come to Eden over a two-day period. Oink and Ale downtown hosts about 1,000 people annually. The popular Shaggin' on Fieldcrest in Draper has an estimated 500 people who come to Draper to shag. Another example is Touch-a-Truck, which is such a popular event for children. The Piedmont Pottery Festival, which is the first and best area festival for these artists, many being local potters. Initially, Cindy first worked with Mike Dougherty, and then became responsible for that popular festival herself. Grogan Park was another venue for activity for Eden. She started Hispanic Heritage Day for students at Central Elementary School to learn about the heritage of many students. Students could walk to the park from the school. She also created Winterfest for families at Christmas. The big attraction there is the display of wire animals that you see as you walk the trail. She saw these at a meeting, met the artist and had him create animals that roam in the Eden area for our trail in Grogan Park. One of the newest ideas was the classy Grown and Gathered, which was a seated meal on Mark Bishopric's waterfront showcasing food grown in Rockingham County and prepared by Rockingham County chefs. This has been an annual sold-out dinner limited to 100 people. Something new is consistently added to our popular river trails, such as the new butterfly trail, the sunflower field, the otter habitat and sculpture and the historical markers on the new trails, as it always needs to be something new to get people there. People come, many bringing their children and grandchildren, to follow the butterfly trail, to see the sunflowers in bloom and to see the wire animals; but then they return, again and again, to walk the trails, to see the rivers or to eat lunch at Grogan Park. Cindy worked on a very important idea before COVID-19. She created a partnership with the widely read Our State Magazine and Destination Magazine that showcased reasons to come to Eden. A video was also made that Laurie Wilson narrated. This was statewide publicity for our rivers, our people and our businesses in this popular North Carolina magazine. More importantly, a personal/business relationship was created between Our State Magazine, Destination Magazine and the people in Eden that they visited, such as The Front Porch. Then COVID happened. This pandemic will hopefully be gone in its own time, but until then, we are particularly grateful to be able to rely on the highly successful ExploreEdenNC and other social media, such as Roy Sawyers, as Cindy continues to keep us informed about what is happening in Eden while we are hunkering down with the virus.

She thanked Ms. Adams and congratulated her for earning the John Grogan Lifetime Achievement Award.

Ms. Adams received a standing ovation from all in attendance.

Ms. Adams stated that to be recognized for her work was one thing, but to be recognized in the name of John Grogan was another. Mr. Grogan was very special to her and a big part of who she was, as well as her work ethics. Mr. and Mrs. Grogan had become part of her family. She said everyone should do what they loved. She did the things mentioned because she loved doing them and loved where she was. She added that the award was very sweet and she was humbled.

Mayor Hall stated that Ms. Adams did a great job for the City and he thanked former Council Member Grogan for being in attendance for the presentation. He wished the award could have been presented at the chamber

dinner like normal, but stated changes had to be made due to the pandemic. He congratulated Ms. Adams and said that Mr. Grogan would have been proud to know that she received the award.

UPDATES ON PROGRESS FROM FY 20-21:

Mr. Mendenhall stated each department would give an update on progress from the current fiscal year in regards to what had been accomplished thus far.

Council Member Hunnicutt asked if financial software had been purchased.

Mr. Mendenhall said it had not been purchased yet. At the January 19 Council meeting, permission was given to proceed with requests for proposals (RFP) electronically.

Council Member Hunnicutt asked if there was an idea on when the transition would take place.

Mr. Mendenhall said the process would start in the current fiscal year with the hopes of being finished by the fall.

Director of Information Technology Kevin Taylor said a RFP was developed at the beginning of the year based on what the City wanted from a financial system. After participating in some demonstrations with providers, the Information Technology and Finance Departments were able to determine what features they liked. Information Technology (IT) projects could go with the best solution versus the lowest cost based on the State's statutes. The departments were using the ITRFP (information technology request for proposal) and it would be posted to the City's website and emailed to a list of six common financial software providers that same day. They anticipated closing the ITRFP period at the end of two weeks, at which point staff would evaluate the proposals and make a recommendation to Council on which software company to proceed with. He anticipated being live with the software hopefully in May but no later than June.

Director of Planning and Inspections Kelly Stultz said the Unified Development Ordinance (UDO) and map were adopted at the end of 2020 as a result of hard work from City staff and Council. During the current fiscal year, the Planning Department had expanded its Geographic Information System (GIS) program to accommodate 100 users. If there was anyone interested in having access to the program, Ms. Stultz said to please contact the department. Staff received word from N.C. Department of Commerce that the funding release of \$750,000 would be sent for the Community Development Block Grant's (CDBG) Draper Neighborhood Revitalization. They also received notification of the grant agreement and package being sent from the Housing Finance Agency for the \$900,000 relief money for citizens with their rent, mortgage and utilities as a result of financial hardships caused by COVID-19. The City had partnered with United Way on the project and a maximum of \$1,000 per family would be dispersed.

Council Member Ellis asked how many families had been helped thus far with the COVID-19 relief funding.

Ms. Stultz said no families had been assisted yet due to the delay in the funding release as a result of COVID-19. However, documents had been approved at the January Council meeting that would bring that closer to fruition. She hoped to hear from the State within the next two weeks.

Council Member Ellis asked if any families had applied.

Ms. Stultz said they could not accept any applications until the City received permission from the State to do so. No applications had been accepted yet.

Council Member Hampton said she spoke with Ms. Stultz in regards to working with Cooperative Christian Ministries (CCM) that also helped with utilities. Council Member Hampton planned to give Ms. Stultz contact information of citizens that CCM helped so she could assist them as well with the funding. In turn, it was helping the City since CCM helped pay water bills as well. She thanked Ms. Stultz and Mr. Mendenhall for letting her know about it.

Director of Economic Development Mike Dougherty stated that the former MillerCoors facility was purchased by Nestle Purina. He thanked all those that assisted in executing that project. The N.C. Rural Infrastructure Authority approved a \$2 million building reuse grant for the facility. GIS WebTech was purchased, which mirrored the County's economic development website and provided much more extensive data. NightOwl National Contractors purchased the former Kmart building and would employ 60 people in its granite and quartz countertop business. It also purchased the mall and received a \$100,000 building reuse grant from the N.C. Rural Infrastructure Authority. A barber shop would be opening up within the facility on February 1. The City obtained a \$15,000 Duke Energy Foundation grant to assist in the restoration of the Matrimony Creek Nature Trail. The Economic Development Department had created a downtown business brochure to promote businesses. It was completed as a walking tour of the downtown historic district and linked to established QR codes at historic buildings, which the City's IT Department was currently upgrading. The flyers would be disseminated once they were complete. The sale of the Central Hotel was complete and the apartments were anticipated to be finished in February. Mr. Dougherty noted that Chief Inspector Bob Vincent was the first person to meet with the developer of the Central Hotel and he appreciated all of his work and effort. New amenities were installed at the Klyce Street Landing and landscaping at the entrance of Matrimony Creek Nature Trail was complete. The butterfly trail at the Smith River Greenway was established with butterfly friendly plantings. An otter sculpture and holt were installed at the Island Ford Landing, followed by an otter celebration. A new entrance sign was installed at Klyce Street Landing and new bronze markers mounted in Grogan Park. The City received \$10,000 from Visit NC via the Cares Act and ads were placed in Outside Magazine and Our State Magazine. Mr. Dougherty's department was also able to create a Facebook event on the Visit NC website.

Mr. Mendenhall noted that Mr. Dougherty gave a report on economic development activity at the January Council meeting that was full of positive happenings that occurred throughout 2020.

Director of Transportation Engineering Tammy Amos stated the FY 2020/21 annual Street Resurfacing Contract No. 1 was completed in September 2020 by Waugh-Asphalt out of Franklinville, N.C. The contract included the repair and resurfacing of 17 street sections throughout the City. The cost of the project was \$463,515 which was funded with Powell Bill allocations. The FY 2020/21 Street Resurfacing Contract No. 2 was scheduled to be completed in April or May at an estimated cost of \$240,000 with the additional funding that was in the budget. The contract would include the repair and resurfacing of Kennedy Avenue and Patterson Street.

Council Member Ellis asked if there were three employees in the Engineering Department.

Ms. Amos said yes.

Council Member Ellis asked how the staff was maintaining their job duties in addition to utility locates, Powell Bill and street maintenance and assistance.

Ms. Amos asked if she and Engineering Director Bev O'Dell could discuss that together during the departmental requests section of the agenda.

Mr. Mendenhall said the Engineering Department would be making a request in regards to personnel during the departmental requests section.

Acting Director of Parks and Recreation Terry Vernon said he appreciated the opportunity he had been given to serve as the Acting Director of Parks and Recreation. He said it had been an unprecedented year due to COVID-19 but the department continued to be open and serve the public through its recreation centers. Staff was disinfecting the centers each hour and keeping everything sanitized. The Facilities and Grounds Division was continuing to clean facilities, restrooms and City Hall on a daily basis. For several months during 2020, the department assisted the Finance Department by collecting utility bill payments and other various receivables from customers outside the front of City Hall when the inside was closed to the public. Due to a lack of funding, not all projects were able to be completed during the current fiscal year but Mr. Vernon hoped to complete one or two before June 30.

Mayor Hall thanked Mr. Vernon for assuming the role of Acting Director of Parks and Recreation.

Police Chief Clint Simpson stated there was a request to purchase eight vehicles in the current fiscal year's budget. The request included four Dodge Durangos to be assigned to patrol, one K-9 vehicle to be assigned to patrol and three Dodge Chargers to be assigned to the Investigative Unit. The production plant was behind almost a month and a half but the Dodge Chargers were currently being shipped. The Dodge Durangos were in the process of being assigned vehicle identification numbers (VINs) in the production line and should be received within six weeks.

Mayor Hall said during the past budget year, the Police Department received several digital speed signs that displayed the speed of passing cars, keeping an electronic log of the readings. The signs had been placed throughout the community resulting in a lot of positive responses. They had proven to be a deterrent for speeding. Based on the statistics the logs provided, the Police Department was able to validate areas where speeding was a factor. He thanked Chief Simpson for making that project happen.

Acting Fire Chief Todd Harden said the fire training facility was almost complete as the building had been built and landscaping added around it. His department was waiting on the water line to be installed by the Collection and Distribution Department and for handrails to be added to the roof section in order to prevent firefighters from falling if they were to become unstable. He felt it should all be completed by the end of February and training could be started in March.

Mayor Hall said Council had approved the development of a Parks and Recreation Advisory Board at the January Council meeting in an effort to help Mr. Vernon and the next Director of Parks and Recreation. He encouraged those individuals to be open and willing to work with the advisory board and stated that Council would be seeking board members who would be a big help to the department and able to assist with tough decisions that needed to be made.

Council Member Hunnicutt asked Acting Chief Harden if there was someone who would be a designated training officer for the fire training facility. He asked for Acting Chief Harden to talk about how it would be rolled out and how often training would occur now that they were at the end of construction.

Acting Chief Harden said he planned to request a training/recruitment officer during the departmental requests section of the budget retreat. That individual would be responsible for conducting the necessary training for all full-time and part-time staff.

Council Member Ellis asked if the Fire Department would be reaching out to other departments to train at the facility.

Acting Chief Harden said it would be available to any department within the surrounding area that desired to participate in training at the facility.

Council Member Ellis asked if the training facility would be available on the weekends.

Acting Chief Harden said it would have to be worked around the Fire Department's training schedule but would be available to any department that desired to use it.

Director of Municipal Services Paul Dishmon said all of the departments of Municipal Services were striving to keep the streets clean while also making improvements. He noted that the employees of Collection and Distribution, Solid Waste, Streets and Fleet Maintenance all did exceptional jobs. He also noted that staff was continuing to monitor inflow and infiltration (I&I). Options for recycling with Foothills Waste had been evaluated but currently on hold awaiting recycling containers. They had just received a load of trashcans that day that should have been in four months prior. The departments were awaiting to get involved with the sewer line repair at Matrimony Creek once the City received permission to proceed. Approximately 300 to 400 loads of dirt would be moved from the Fire Department to Matrimony Creek to assist with the repairs. They wanted to move that dirt just once to save the City time and money.

Council Member Hunnicutt said he was under the assumption when the last survey was conducted there was not enough interest in the recycling program. He asked if something had since changed.

Mr. Dishmon said Foothills Waste made an agreement, not in stone yet, to take the recycling the City did have. The City received 400 recycling containers on a grant, of which the City would be responsible for paying a specific percentage of. Those containers would be distributed to the first 400 residents within the City limits who joined the recycling program with the understanding that Foothills Waste would distribute any additional containers needed. The contract would be 100 percent between Foothills Waste. The City would help put the 400 containers in place. Foothills Waste would conduct all of the servicing and billing.

Council Member Hunnicutt said that was great news considering he previously thought there was not enough interest to warrant the program.

Mr. Dishmon said at the last count, the City had roughly 225 people requesting the recycling service. While Foothills Waste had hoped to have more interested residents, they agreed to offer the program based on the 225 interested parties. The City would encourage and promote the program.

Mayor Hall asked what the monthly fee would be.

Mr. Dishmon said he was uncertain about an amount and added that it could possibly be different from what was originally proposed due to COVID-19. The company was proactive and could make it work.

Mayor Hall said City Council approved a project at Freedom Park Nature Trail that ran between Central Elementary School and Freedom Park at the January Council meeting. The trail had some maintenance issues that needed to be addressed before the project was completed.

Mr. Dishmon said he had not been out there since the Streets Department put the screenings down. He was aware of some places that were always washing due to the layout of the land. Some of it was minor, especially going down the bridge. They would be glad to go out there and repair it for the upcoming project.

Council Member Hunnicutt stated that Rockingham Community College had a trails program and mentioned that it might be a good idea to have them look at the segment of the trail where it was experiencing heavy wash to see if they had any suggestions to offer the City.

Mr. Mendenhall said staff would work on getting some technical advice from the college in regards to that.

Director of Public Utilities Terry Shelton referenced several goals that had been accomplished throughout 2020 in public utilities. The Water Plant staff exceeded and met all State prescribed water drinking standards in addition to producing enough water to meet the consumption requirements of the customers. The plant was a 20.6 million gallons a day (MGD) plant but averaged 3.1 MGD across the entire year. Water Plant staff was able to collect and analyze 100 percent of the water samples necessary for plant operation and regulatory compliance. There were no water boil notices issued, which he stated was fantastic. The Water Plant had zero violations and no public notices had to be issued. During FY 2019/20, the plant produced water at a cost of \$1.179 per thousand gallons. The goal for the current fiscal year was to produce water for \$1.2 per thousand gallons. However, due to reduced usage and COVID-19, the plant had been able to produce water at a cost of \$1.095 per thousand gallons by the end of 2020. Staff worked very hard to meet the goal despite the fact that decreased usage made overhead costs higher. The Water Resources and Water Plant divisions did not have any accidents during 2020. In addition, all operators received the training hours required to maintain their certifications. The Water Resources maintenance staff accumulated 41.67 hours of callback during the entire year, by far meeting the goal of no more than 100 hours of callback to conduct maintenance after hours. Their preventative maintenance work was paying off in labor savings costs. The Consumer Confidence Report (CCR) was distributed annually with a goal of less than \$0.50 per copy. The total cost of the 2019 CCR was \$0.39 per customer.

Mr. Shelton said the Wastewater Treatment Plant (WWTP) experienced mostly normal operations despite construction work involved with the CleanB solids waste handling system. The plant was able to meet its goal of processing 700 dry tons of solids during 2020. The CleanB solids management system had been in operation since April 2020, reducing polymer costs for dewatering sludge. The upper lagoon had been cleaned out and kept free of solids, freeing it from being used for storage as it had been in previous years. The WWTP had been compliant with the National Pollutant Discharge Elimination System (NPDES) permit during 2020. The plant's current permit had expired but staff received a draft permit for review that showed reduced monitoring once the new permit went into effect. WWTP staff conducted all inspections that were required for the City's industrial pretreatment program. The Industrial Waste Survey that was to be completed every five years was submitted to the State and approved. All parameters for laboratory certification were passed. Because of COVID-19, staff was unable to visit restaurants for grease inspections but planned to resume them once able. All WWTP operators received the continuing education hours needed and stayed in compliance with all parameters of the annual wastewater report. The CleanB solids management system allowed the WWTP to remove four aerators from the digester that were no longer in service, resulting in significant electrical savings. As a result of the new construction with the CleanB solids management system, the WWTP upgraded its supervisory control and data acquisition (SCADA) system to avoid an upgrade in the future. Operating expenses were \$0.83 per thousand gallons of wastewater treated, which was below the budgeted \$1.00 per thousand gallons.

Council Member Hunnicutt asked how the WWTP assets acquired in 2020 on New Street would be incorporated into the network, how they were used. He asked if Mr. Shelton could provide a general summary on that.

Mr. Shelton said he would go into further detail under the capital projects section of the agenda but stated the property would be the site of a new pump station that the City hoped to request bids for in February. It would be capable of handling roughly one quarter of a million gallons per day. It would also be the first significant sewer improvement in that area brought about mainly because of annexation of property and the need to provide sewer to the location.

Council Member Moore questioned what type of inspections the WWTP performed at restaurants.

Mr. Shelton said staff checked grease traps to ensure the restaurants were emptying and cleaning the grease traps on a regular basis in order to prevent the grease from getting into the sewer collection system as it could cause lines to stop up.

Mr. Mendenhall mentioned team projects that were accomplished during the current fiscal year; the first being the Nestle Purina project, which was a multi-jurisdictional team as it involved the Draper Rural Fire Department, the County and the State. In addition, the Nantucket Mill project was a multi-departmental project that was still in progress with the N.C. Housing Finance Agency, as well as the Central Hotel project on Washington Street that was currently under construction.

REVIEW OF THE BUDGET PROCESS:

Mr. Mendenhall noted the review of the budget process included the budget adoption schedule, conditions facing localities, discussion on revaluation and potential revenue changes. To begin with, the budget adoption schedule gave an outline of what City staff proposed to work towards if Council agreed. At the April City Council meeting, the budget and statutorily required budget message would be presented. At the May City Council meeting, the public hearing and first reading of the budget ordinance would take place followed by the second reading and adoption of the budget ordinance at the June City Council meeting.

There was verbal consensus from Council that the schedule was reasonable and met the needs of the Council and the public.

Mr. Mendenhall said the next section addressed general conditions facing localities. Revaluation was not set to occur again until 2027, in which for the benefit of the public, taxes were determined based on valuation and

the rate itself. There was no control locally on assessments for municipalities as it was all determined by a schedule of values uniformed throughout the State. The revaluation date was subject to change; however, counties typically stayed within the format they were in and Rockingham County's format was on an eight-year revaluation schedule. The tax rate was controlled by the governing body of the municipality, which in the City's case would be the City Council. The City had a good year in 2020 and thus, staff recommended the City remain conservative in the way it budgeted in order to be prepared to absorb some broad economic uncertainty, such as the risk of inflation and minimum wage changes. Those were conditions facing all localities. Even though sales tax numbers were positive and the overall financial status was currently good, Mr. Mendenhall did not want to portray a false sense of security as it was unknown what situations or conditions might arise making growth harder. Therefore, he urged the City to be conservative as it moved into a time of uncertainty in order to ensure the City was prudent with tax dollars, utility revenue, etc. Under the personnel section of the budget process, Mr. Mendenhall proposed a Cost of Living Adjustment (COLA) of 1.3 percent for employees to match the Social Security COLA given in January. Also under that section was the potential for changes to the City's pay plan due to a possible increase in minimum wage to \$15 per hour. Mr. Mendenhall recommended to wait and see where they were.

Council Member Carter asked what the current minimum wage was for the City.

Mr. Mendenhall said the City hired part-time seasonal help that paid \$10 or less per hour. An increase in minimum wage would be a significant change to some salaries.

Council Member Carter asked if the increase would impact part-time and full-time employees.

Mr. Mendenhall said it would be for all City employees if the federal government passed a bill to increase the minimum wage from \$7.25 to \$15.00. It would include part-time, summer and temporary employees as well.

Council Member Hunnicutt asked for an estimate of how many employees it would affect.

Mr. Mendenhall said there were not many permanent employees that the increase would effect. The real problem was summer employees because their numbers and hours fluctuated; therefore, staff did not have a good estimate yet but would continue to work on it.

Council Member Hampton said she felt it was a great idea. Her son previously worked part time for the City and was unable to work a full week on many occasions due to the weather. Only working a few hours a week making \$9 or \$10 an hour did not equate to a large paycheck. Being able to bring home a little extra money would help many.

Mayor Hall stated that in regards to budgeting, the City needed to wait and see if the increase became a law. If it did, the City would reevaluate what needed to be done with the budget.

Council Member Moore said that if it were to become a law, there would be a certain amount of time to adjust. He agreed the City should wait and see if it came to fruition.

Mr. Mendenhall concurred that the timing aspect was important. It would be a good thing if localities were given time to ease into the change in an effort to plan it out. However, if it was adopted and passed after the City's budget hearings had taken place, it could possibly put the City in a bind. Therefore, he recommended leaving some room in the budget to see how it evolved with Congress.

Mayor Hall said it would be helpful to get an idea of how many hours were paid to part-time employees in the summer of 2020 in order for them to see what impact it would have on the budget.

Mr. Mendenhall agreed and said staff would share that information with Council.

Mr. Mendenhall said staff did not propose a property tax increase or fee increase, provided that vendors did not increase their costs. There had been some discussion about the County increasing the landfill tipping by

\$5. He imagined they may increase it over time, like \$1 for the next five years. The landfill was operated as an enterprise fund and the County was trying to make that fund whole. Mr. Mendenhall said discussion would take place at the end of the budget retreat regarding the general direction of how Council wanted management and staff to prepare the budget.

Council Member Hunnicutt stated the City was still having some revenue and funding issues in regards to solid waste. They all needed to be cognizant that in the future there may be a fee increase or change in service in order to bring the services in line with the funding that the City had; otherwise, that would be an area where the City could potentially be over budget. It was a tough time to be raising costs on anybody but they did need to be cognizant on the costs of doing business.

Mr. Mendenhall stated that staff from Municipal Services, Finance and himself were working on a solid waste study to evaluate where the City could cut costs and find savings. They were also assessing the charges for loads that took up entire knuckle boom trucks that were a burden on the normal users of the system. The study was in draft form and would be presented to Council in the near future.

Council Member Nooe asked what percentage of the budget was personnel-related costs.

Mr. Mendenhall estimated as high as 40 percent but would get back to him with a definite number.

Council Member Nooe stated that due to not increasing taxes and a possible minimum wage increase, the City may need to hold the line on some other things.

Mr. Mendenhall agreed and said Council would hear further detail about money savings through reorganization and how the City could be more efficient later in the budget retreat. The City had to either raise funds through development or tax increases or conserve funds through cuts and other innovative ways.

DEPARTMENTAL REQUESTS:

Director of Finance and Personnel Tammie McMichael said the Finance Department had two requests for the FY 2021/22 budget. The first request was for a mobile data collection kit for the second meter technician truck as the first one was already set up for reading. By having both trucks equipped to handle water meter reading for billing, the task could be divided between the department's part-time meter reader and full-time meter reader, which would help make the reading process more efficient. The department had updated its automated meter reading software to Beacon, which included one mobile data kit. The cost of an additional kit was \$5,000 and would be funded by the Water and Sewer Fund. The second request for the department was an additional Billing and Collections Clerk, which was also requested at the budget retreat in 2020. There was still a need for the position, which would cost the City \$51,259 including salary and benefits. It was difficult to make a succession plan with such a small department. In 2008, the department lost an accounting technician position. After going from bi-monthly to monthly billing in 2009, the department had lost five long-term employees due to the overwhelming work environment. Currently, the department had two Billing and Collections clerks who provided customer service to approximately 6,900 customers each month in addition to their administrative responsibilities. While they did have customers utilizing the dropbox, online payment system and mail system, they still had approximately 1,600 customers that physically came to City Hall each month. It was not unusual to serve 220-300 people in a day, usually on the third of the month. The Billing and Collections Department was responsible for collecting much of the water and sewer revenue and thus, they needed to ensure they were taking the appropriate measures to operate at the highest level of efficiency. Based on research conducted on the finance departments at other municipalities with a population of 20,000 or less, Ms. McMichael found that the Town of Oak Island had three positions, the City of King had three positions, the Town of Carolina Beach had three positions, the City of Clinton had three positions, the City of Reidsville had four positions, the City of Newton had five positions, the Town of Pine Knoll Shores had one position and the Town of Leland had one position. If given the position, Ms. McMichael said it would not only help the problematic situation the department was currently in but it would also help to better prepare for long-term succession planning and would be funded through the Water and Sewer Fund.

Council Member Ellis asked what the current wages of the Billing and Collections part-time meter reader were.

Ms. McMichael said the department had two part-time employees but the part-time meter technician was Buddy Bowman who assisted the department on its busy days, such as reading days, cut-off days and pull meter days.

Council Member Ellis asked how many hours a month Mr. Bowman worked.

Ms. McMichael said the City could not work him more than 1,000 hours a year in order to prevent conflict with his retirement, which was the same situation with the part-time Billing and Collections Clerk Becky Shelton.

Council Member Hunnicutt asked if the department would still need the part-time position if the full-time position were to be approved and filled.

Ms. McMichael said the department would like to keep the part-time position as it was helpful in the events of cross-training, obtainment of continuing education, and when someone was sick or on vacation. Ms. Shelton worked for the City for 30 years before retiring and the department was very fortunate to have her. When the time would come that Ms. Shelton decided to truly retire, it would be difficult to find someone that would be available to do what she could. At the present time, Ms. McMichael said the department had several new employees but only one had been able to attend the basic governmental accounting classes offered through UNC-School of Government.

Council Member Hunnicutt said he understood the need and desire to want to keep the part-time positions. He questioned if there would be a reduction in the hours of part-time staff that would offset the cost of hiring a full-time position as he was trying to see if there was any favorable benefit regarding the total cost.

Ms. McMichael said she was seeking to keep what the department currently had if they were able to fund the position. During the first week of each month and on cut-off days, the department needed all the help it could get with waiting on customers and answering the telephone.

Council Member Ellis asked if the 1,000 hours the department's part-time employees worked was consistent with all part-time employees in the City.

Ms. McMichael said yes, it was a rule with the N.C. Retirement System to stay under 1,000 hours.

Council Member Ellis asked if there was a limit on their wages as well.

Ms. McMichael said regular part-time employees did not have wage restrictions like retirees who were in the N.C. Retirement System did as their wages had to be limited to a certain amount so it did not jeopardize their benefit.

Council Member Moore asked if the 1,600 people that came into the department included people that paid online or through the dropbox.

Ms. McMichael said no and added that those payments would be included in the administrative duties. It also did not include the amount of people they talked to on the telephone or the number of automated phone payments, online payments, mail payments and dropbox payments that were processed in the office.

Mr. Taylor said the IT Department had four capital improvement requests for the upcoming fiscal year. The first request was for a security operation center for security monitoring. The City experienced a potential cyber incident in October when staff received an email from a group claiming to be the Fancy Bear group. While it turned out to be a hoax, the City had to treat it as though it was real. While going through the City's firewall logs, antivirus logs and web filter logs, Mr. Taylor discovered that the size of all the data was overwhelming.

Therefore, the department was requesting security monitoring at a cost of \$28,000 per year in which a company would conduct weekly vulnerability scanning of the City's network, identifying the City's areas of vulnerability and assistance in correcting them. The company would also monitor the City's firewall and antivirus logs, notifying the City immediately of any threats or potential threats. In addition, they would perform dark web scanning to see if any customer data had been leaked. The department's second request was for network switches, which was the device that all data ran through. Network switches bridged the gap between users' desktops, laptops and servers. The City's existing network switches were seven years old and were starting to show their age. With the amount of data being pushed between the City's users and servers, the department was seeing bottlenecks in the system, slow responses from servers. The current switches were handling around 1.5 terabytes of data each day, which was the equivalent of six to seven libraries of Congress flowing through the switches daily. It could also be viewed as equivalent to attempting to drain a swimming pool through a straw. The cost to replace the network switches at City Hall would be \$35,750. The core switch would support 10 times faster communication between the other switches. The edge switches were 60 percent faster than the switches currently in place. Mr. Taylor stated that the project should be followed up with a re-cabling of City Hall in the following year. The City Hall building was originally cabled with data when it was first occupied and unfortunately, the cabling was done incorrectly. The patch panel where the computers were patched in with network cables was only rated for 100 megabit on each port. However, the City was currently pushing gigabit through it. As a result, the IT Department was seeing connectivity issues between the switches and some of the users. Notably, IT had reworked the cable of one of the users in the Finance Department twice because of the patch panel. As a result, IT staff had to terminate it and plug it directly into a switch to bypass the patch panel. As part of that project, fiber optic cable would be run between the data closet upstairs at City Hall and the data closet located downstairs within the Police Department in an effort to improve speed from the servers upstairs to the servers in the downstairs data room. The following two requests were requests made each fiscal year: laptop and desktop replacements. It was important to treat desktops and laptops as a consumable. The IT Department replaced one third of the City's laptops each year. Historically, that had been the laptops in the patrol vehicles. However, with more department heads moving to laptops as their primary device, IT would be including those in the lifecycle replacement as well. The typical lifecycle of a laptop was three years; therefore, IT would still replace one third of the oldest laptops each year to keep the laptops from falling behind with speed and usability for the data they were processing. Desktops had a slightly longer lifecycle of four years and thus, the City replaced 25 percent of the City's oldest desktops each year. The projected cost for laptop replacements in the upcoming fiscal year was \$25,000 and the desktop replacements would be \$16,000.

Council Member Ellis asked if there were any grants available for the replacements.

Mr. Taylor said IT grants were few and far between. The only grant he had seen in the past five years was for broadband.

Council Member Ellis asked what could have happened if the potential cyber scam had been legitimate.

Mr. Taylor said data breach recoveries were measured in millions of dollars and months of downtime. Over the past year, there were 10 major data breaches with other counties, municipalities and school systems in the State. While the City was dealing with its potential cyber threat in 2020, the N.C. Local Government Information System Association's (NCLGISA) IT Strike Team was in Chatham County helping them with their ransomware infection. Three months after their incident, Chatham County only had 80 percent of their laptops, desktops and servers restored. The City did have cyber liability insurance that covered the City up to \$2 million in loss, but depending on the severity of the breach and infection, the City could exceed that \$2 million very quickly.

Council Member Hunnicutt questioned which of the IT Department's four requests would be top priority.

Mr. Taylor answered security monitoring.

Council Member Hunnicutt asked if the infrastructure improvements had to be performed all at once or if they could be conducted in phases and still be cost effective.

Mr. Taylor said network cabling on that large of a scale was not something the City's IT Department could handle in-house, it would have to be contracted. While the project could be conducted in phases, the overall cost would go up due to the added drive time and labor. For cabling projects, it was typically better to complete the project all at once due to the fact the vendor would stay onsite until it was completed. A punch list would be created in which the vendor would have to address any issues on the list before leaving the building.

Council Member Hunnicutt said he felt it would be aggressive for him to replace his personal laptop every three years. Computer speed had gotten to a point where it was almost unidentifiable and questioned if replacing a laptop for faster speed when the existing speed was serving the purpose was necessary. He was not challenging on the issue, just making an observation. He was sure IT was giving the best guidance that the City was on the level they needed to be in terms of hardware, infrastructure, etc.

Mr. Taylor said the laptop lifecycles were based on recommendations from a Gartner study that suggested replacing laptops every three years, desktops every four years and servers every five years.

Council Member Ellis asked how many laptops and desktops the City had in operation.

Mr. Taylor said there was a total of 150 users which consisted of 28 laptops in patrol vehicles and 14 laptops for department heads.

Council Member Nooe asked what the City did with outdated hardware.

Mr. Taylor said they were typically declared as surplus by consent agenda and then auctioned on GovDeals.

Council Member Nooe asked if there was any other use within the City for the outdated hardware such as a computer lab within the Recreation Department similar to what the Boys and Girls Club had.

Mr. Taylor said that Mill Avenue Recreation Center had a homework room. Ten of the desktops from last year's replacement were currently being set up for installation in that homework room. COVID had delayed a lot of the department's projects.

Council Member Nooe said the number of children allowed at the Boys and Girls Club had decreased but the number of children needing help had increased. He asked if there was somewhere the City could install and use those desktops to help the students.

Mr. Taylor said the City provided free Wi-Fi at all of its buildings and was currently in the process of conducting a Wi-Fi refresh due to the aging access points in the downtown areas that were causing issues with keeping the network up and running. The IT Department would be replacing those access points with some new technology that would enable an easier installation of access points in other areas, such as Freedom Park and The Boulevard.

Council Member Nooe said his question may be more of one for Council and Mr. Mendenhall to see if there was something they felt could be done to help.

Council Member Ellis asked Mr. Taylor if the IT Department was working on installing more desktops at the Mill Avenue Recreation Center.

Mr. Taylor said IT would be replacing the ones that were currently there. The replacement desktops had some age to them but should be adequate to meet their needs.

Council Member Ellis asked how many desktops were in use throughout the City.

Mr. Taylor said between 100 and 105.

Council Member Ellis asked if IT would be possibly replacing 25 of those desktops in the upcoming year.

Mr. Taylor answered yes.

Council Member Hampton asked if IT had any desktops at the Bridge Street Recreation Center for their summer program.

Mr. Taylor said no because there was not a place to put them within the center. The Bridge Street Recreation Center had an office area with one computer in it, a small room with snack machines, restrooms, a gym, and a big open area that was used by the nutrition site. While IT could put something in the big open area, Mr. Taylor felt the computer use would need to be supervised even with precautions in place.

Council Member Ellis asked if that would be the responsibility of the Recreation Department.

Council Member Hunnicutt said it seemed to be a good topic for the proposed recreation commission to address. He asked Mr. Taylor how much revenue a cycle of used hardware would produce when sold or auctioned off.

Mr. Taylor said it greatly depended on the desktop and on the market at the time. The City had received between \$50 and \$300 each depending on the market. The market and the needs fluctuated greatly.

Council Member Hunnicutt said since it was not a major windfall for the City, he was in favor of giving the used hardware to whomever needed them, the school system for example, since the taxpayers had paid for them.

Mr. Taylor said the City had previously donated 10 laptops to the robotics club at Morehead High School and also to the Boys and Girls Club for their programs.

Ms. Stultz said over the last year there had been discussion about significant changes made to planning legislation that the General Assembly put into place. The City met its deadline of January 1 to have its UDO operative and she thanked Council for allowing the City to do that. N.C. was one of the last states to require comprehensive planning on a systemwide scale. Chapter 160D-501, which was effective that month, issued requirements that the City must meet for plans. The City did not currently have a comprehensive plan; rather, it had a land use plan that was developed between 2005 and 2006 and adopted in 2007. The general statutes now said the plan could not be more than five years old and it must contain issues and opportunities facing local governments, including values expressed by citizens, community vision, guiding principles, desired growth, employment opportunities, economic and community development, acceptable levels of public services, housing, recreation, mitigation of natural hazards, protection of the environment and natural resources, historic and archeological preservation, and analysis and evaluation of implementation measures. Mr. Mendenhall began the process in 2020 by creating an Internal Technical Review Committee (iTRC). There was also a technical review committee involved with the UDO and most land use regulations that gathered the required staff together to work on any project submitted by developers, property owners or the City. Prior to that, Mr. Mendenhall created a group that included all department heads to work on capital improvement planning, which was also a part of comprehensive planning. The iTRC had been working on overall issues for the City and it had been successful thus far. The iTRC would also be part of the comprehensive plan that the City prepared. A comprehensive plan would require more staff time with a consultant and more public involvement than the UDO did. It must be adopted by July 1, 2022 or the City's zoning ordinance would become invalid. While the State would not fine the City for not having a comprehensive plan, any challenges to the City's zoning ordinance would win in court. The City had a great working relationship with the consultant used for the UDO and while Ms. Stultz said she would like to use them for the comprehensive plan, she would still put out a request for qualifications (RFQ). The comprehensive plan would combine all of the things the City did which would keep the City in compliance with state law. The cost would be \$130,000, which included the comprehensive plan and several focused small area plans that Council had indicated they wanted to see done, such as the downtown areas and traffic circle historical area.

Mayor Hall said any department making a request of Council that was required by statutes made their decision

a lot easier.

Council Member Hunnicutt said it was an area he had been trying to work on directly with support of staff. Ms. Stultz's request was something that should be seriously considered. He had been trying to find a candidate location for an industrial park and he found the City was really challenged because there were very few candidate locations for industrial recruiting. The City also did not have a lot of options for residential development. The City needed to update its transportation plan because one of the challenges the City had was being able to access some of the available locations. The City needed to give very serious consideration to try to develop, target and go with a long-term strategic plan. Trying to get highways or any type of sizable project from the Department of Transportation (DOT) was a challenge and therefore, the City needed to have a comprehensive plan showing why the City needed specific things and what areas were being targeted for industrial development. He stated it might be helpful if the City had some RFP responses in order to show what an actual budget would be.

Ms. Stultz said the price would be around the quote of \$130,000 that was submitted by the contractor the City used for the UDO. One of the things the comprehensive plan would also do as it combined parks and recreation with municipal services would be to define what Council determined the City's next goal was and how staff needed to be spending the City's funds. Ms. Stultz felt that Eden was at the beginning of the best time it had experienced in 50 years and she thanked Council for being forward thinking enough to update the City's land use regulations; however, the City now needed the plan to match those regulations. They needed to be ready because development was going to come.

Council Member Hunnicutt asked Mr. Mendenhall if he saw any concerns with developing an RFP to see what resources would be required for the comprehensive plan.

Mr. Mendenhall said he did not and stated that the City could note in the RFQ process that it was subject to budget availability in the upcoming fiscal year. It would give the staff some clarity of budget numbers and the process itself would be very positive for public engagement in an effort to help Council understand the goals, objectives and realities of what residents, the development community and customers were looking for. Overall, it would be a very constructive process.

Council Member Hunnicutt said he had previously expressed to management and Council some of his concerns about the City's lack of long-term plans or targets. If there was a consensus among Council, he was fine with Ms. Stultz working on the RFP to see what information could be gathered from it.

Ms. Stultz agreed and said it would be a busy year for consultants who conducted that type of work.

Council Member Moore asked Council Member Hunnicutt if he was referring to within the corporate City limits when he referenced industrial sites and residential areas.

Council Member Hunnicutt replied yes. The goal was to generate revenue for the City; therefore, it had to be inside the city limits. However, it had brought about the idea of running water and sewer to other areas that could be logically annexed in hopes of generating growth.

Ms. Stultz said the City had a policy about extension of water and sewer where if someone wanted to use the City's services, they had to agree to be annexed which then put the decision into the hands of Council.

Council Member Carter asked if there was a general statute that the comprehensive plan was mandated under.

Ms. Stultz said yes and that it was NCGS 160D-501.

Mr. Dougherty said the first request of Economic Development was for the implementation of economic development policies. In 2019, the City enacted a policy to waive permit fees for downtown economic development projects exceeding \$100,000. As seen throughout 2020, there had been more development in the Washington Street area than ever before. The City was at a point where there were only a few buildings left

in which something could be done. One of the department's focuses was currently on The Boulevard, the Draper area and any opportunities on Morgan Road. The request was to modify the policy to waive permit fees for downtown economic development projects exceeding \$20,000 in investment to assist smaller projects in the above mentioned areas. The second policy would be to waive water and sewer connection fees up to \$5,000 in the Municipal Services District (MSD) and historic commercial areas. For example, there was a new project that would be happening over the following few months where roughly four apartments would be added to a previous retail building. The third policy would be to dedicate a portion of the additional ad valorem tax revenue received in a MSD district toward public infrastructure improvements. Tax revenue attained from several of the buildings would be better than what it had been in the past, especially a structure such as the Central Hotel. The portion of the ad valorem tax revenue would be determined by the City Manager. The merchants and property owners tax themselves and in turn, use those funds to improve downtown. It was a good way to keep up with current progress by allocating the additional tax revenue to other areas. Additionally, more development had been occurring on Washington Street, leading to parking issues. As displayed on the map of 600 Washington Street that Mr. Dougherty showed, there was a portion of the parking lot that contained 14 parking spaces. Based on discussion with the property owner, if the City took control of those spaces and performed the resurfacing, those spaces would be turned over to the City's control. Unfortunately, people had been towed away from the parking lot over the last few months, which was also unfortunate for other retail businesses who were trying to attract those customers. Based on discussions with Ms. Amos, the cost to resurface a portion of the parking lot located at 600 Washington Street would be \$14,000 and would last 15 years. It would provide good parking within close proximity to current businesses and those that would be established later. Lastly, the department typically requested \$25,000 in its yearly budget to meet façade grants and building rehab grants. The department planned to approach the Strategic Planning Commission (SPC) in February because the department had already exhausted those funds even though there were other projects currently being worked on. The first project involved 246 The Boulevard in which a local developer wanted to rehab the building to provide retail space. Another project located at 636 Washington Street, purchased by Angelo Tiano, was being converted into an Italian market and retail space. Barry Carter recently purchased 630 Washington Street, which had been suffering for 12 years, and was currently converting the upper level into an apartment and the lower level into a retail space. The property at 627 Monroe Street was planned to be converted into four condominiums and a joint workspace. The amount of façade money that the City gave was leveraged into more tax money for the City, which provided jobs while also bringing some of the languishing buildings back to life.

Council Member Hunnicutt said he applauded all of the work that had been done to the newly named Uptown Eden area. There had been a lot of progress. He questioned the encouragement of too much residential to the Uptown Eden area. He thought for the residential to be successful, there had to be a good blend of retail. There seemed to be a lot of momentum moving toward residential. He asked that the Economic Development Department look at possibly giving a higher grant amount to property used for retail as opposed to residential because he felt there was potential for a surplus of residential downtown if the City did not encourage retail to grow with it.

Mr. Dougherty said as part of Washington Street's history, it began with people living downtown. At the Main Street conference in 2020, it was mentioned that people who lived in downtown areas spent an average of \$37,000 a year, with a good portion of it being spent in those downtown areas. It was always thought highly of to have a good mix of downtown living and retail in downtown areas as one supported the other. He gave the example of the upcoming Italian market that would be a convenient place for residents in the area to buy their groceries. Altogether, there were plans for roughly 44 apartments downtown and while the area would not have all of the retail needed to meet the residents' needs, it would provide a great benefit to them. He also mentioned the two buildings recently consumed by the Rockingham Community College brewery that were currently being upfitted for retail. He said Council Member Hunnicutt's point was well taken.

Mayor Hall asked if the owner of the 14 parking spaces had agreed to the idea.

Mr. Dougherty said yes. At the edge of the parking lot, there was a wall that needed to be fortified which would be the owner's responsibility and they were talking to contractors about fixing it. Ms. Amos had previously said the parking lot would be included as part of the City's paving schedule in the next year.

Mayor Hall said he felt it was a great benefit for the City and asked if there was any other type of annual agreement related to the parking lot.

City Attorney Erin Gilley said she considered it a long-term lease.

Council Member Nooe asked if the parking lot had access off of Washington Street.

Mayor Hall said it appeared to have access on to Washington Street, but not off of Washington Street.

Mr. Dougherty said people were currently making a right into the parking lot off of Washington Street just to make a right onto Bridge Street in order to miss the stoplight that allowed right turns on red. There had been dangerous situations with people driving through. The owners wanted to have that parking lot open for the convenience of their customers.

Council Member Nooe asked if the City was going to have an agreement in regards to using the access space for getting in and out of the parking spaces.

Mr. Dougherty said yes.

Mayor Hall questioned if it was part of the agreement to have access to the owner's parking lot.

Ms. Gilley said she intended to include that in the agreement and asked if there was lighting in the area.

Mr. Dougherty said it would have to be evaluated. There had been some discussion about removing some of the trees to provide ample light, especially at night, to help people feel safe.

Ms. Gilley said the lighting could also be addressed in the lease agreement.

Mayor Hall said the intention behind the building reuse and façade grants was to encourage revitalization. It was currently being used so much that the department needed more funds to meet the needs. He applauded Mr. Dougherty, Main Street Manager Randy Hunt and the entire City for the revitalization happening downtown.

Mr. Dougherty said he hoped it would leverage more support for The Boulevard and the Draper areas. With the casino coming to Danville, Va., and the potential establishment of other residential development, east Eden could be a very sought after area, so the City needed to encourage those property owners to do something with their buildings to prepare for it.

Council Member Ellis said it was an enlightening time for that section of the City and there was already one property owner who was currently revitalizing his property. Looking at what the buildings looked like many years ago to how they were being transformed now would prove to be advantageous to the City. Mr. Dougherty did a great job for the City. The \$450 million project that had come to Eden was humongous, one of the biggest in North Carolina. Rockingham County was the hottest thing right now in the State.

Mr. O'Dell stated in order to improve the Engineering Department's level of service to its citizens, the efficiency of the office and to fulfill the needs of the department's succession plan, the department was requesting an additional full-time employee in the upcoming fiscal year's budget. The City joined the NC811 system in June 2016, which changed how utility locate requests were received and how they had to be handled and responded to. A few years prior to 2016, staff spent an estimated two to three hours per week on utility locates. Currently, Engineering Technician Kevin London was spending 25 hours per week handling NC811 locate requests. Over the past 12 months, the Engineering Department had received an average of 217 locate requests per month, or just over 50 locate requests per week. During a typical week, Mr. London spent about 62 percent of his time handling NC811 locate requests. Unfortunately, that left him with less time to spend on water and sewer project inspections and drainage complaints. During the time period of 2003 to 2016, the

Engineering Department received funding for a temporary part-time position. It varied, with the lowest about \$1,500 and the most \$3,500. If the request for the new position were to be funded, the new employee would assist with: (1) locating/marketing of underground utilities maintained by the City of Eden; (2) the Environmental Protection Agency's Administrative Order of Consent (EPA-AOC) remediation sewer inspections; (3) SoVA MegaSite at Berry Hill Phase 2 water main improvement inspections; (4) street resurfacing projects; (5) other water construction project inspections; and (6) various daily duties and requests. Having an additional full-time employee within the department would allow the remaining engineering staff to focus on other things, such as verifying more field data for the water and sewer maps used by Collection and Distribution, flowing fire hydrants to help improve water quality, scanning more maps, being more responsive to customer complaints and questions, and assisting Collection and Distribution with their projects. Within the next seven years, the current three employees of the Engineering Department would qualify for retirement, with Ms. Amos likely being the first to retire in the spring of 2022. In March, Mr. O'Dell would have worked for the City for 30 years, but expressed that he would like to continue working for an additional five to seven years depending on his health. Mr. O'Dell stated that he hoped the new employee would become an important part of the department's succession plan over the next few years. The need and desire for additional help in the Engineering Department had been there for many years and while the department had survived, it had not flourished. They continued to get farther from some important tasks. The salary for the position had not been confirmed with the finance director but he expected it to be around \$30,000. The plan would be to utilize an old vehicle from within the City for the employee. While Mr. O'Dell said he was not thrilled to be making the personnel request, he feared the lost opportunity cost of not doing so and not providing a timely addition to the Engineering Department could have significant negative consequences.

Council Member Nooe asked if the department was looking to hire an engineer as part of the succession plan. He stated that if that were the case, the new employee would have to go to school and obtain experience in order to pass the required tests to attain his/her license. He asked if in seven years the department was looking to have an engineer, or an employee who had been with the City five to seven years.

Mr. O'Dell said the requested personnel would be to potentially replace Mr. London or Ms. Amos when they retired or assisting Ms. Amos. Depending on the talents, qualities and capabilities of the person hired, it could change what happened when Mr. O'Dell retired. Because the City could not previously afford to hire a professional engineer (PE), the existing duties had been split between Ms. Amos and himself. When the time would come, Mr. O'Dell recommended the City hire a PE. It was hard to predict what may happen down the road. However, at the present time, Mr. O'Dell recommended hiring a full-time engineering technician/locator.

Council Member Ellis asked how long Mr. London had been employed with the Engineering Department.

Ms. Amos said since 2003.

Council Member Ellis asked how many years Mr. London had been employed with the State.

Ms. Amos said he had 23 years altogether.

Council Member Ellis asked when Ms. Amos planned on retiring.

Ms. Amos said she planned to retire in 2022. She had been looking after the City's highway system for the past 23 years and was concerned with how she was unable to train Mr. London at the present time due to the amount of utility locates he was conducting each week. She had been attempting to train him on how to conduct the annual street evaluations through grading and how to put a contract together. While he had previously helped throughout the years with project inspections as the work was being done, he had become limited in his availability over the past few years. The priority was getting him trained and ready to take over the City's highway system to know what the process was as far as the administrative duties of bookkeeping and reports.

Council Member Ellis asked what his title was.

Ms. Amos said he was an engineering technician II as of 2019. Utility locates were originally part of the technician job but once NC811 mandated that the City had to join the program, utility locates went from 20 to 200 a month. Instead of hiring someone as a locator, the department was required to do it with the existing staff. The department lost its part-time help in 2016, which it had used to help with project inspections, GIS and global positioning system (GPS).

Council Member Ellis asked why the part-time help was cut.

Mayor Hall said it was a staff reduction as a result of the lost revenue due to the closing of MillerCoors.

Council Member Hunnicutt asked if the City had considered hiring location services to perform the utility locates. He knew there was one in town. That could relieve Mr. London of at least a portion of that labor.

Ms. Amos said it was very expensive and would ultimately cost more than hiring a person to perform the utility locates. If a project was not completed within 13 days of when the locate was requested, the technician would get another request to locate the utilities. That company would continue to get paid each time their technician went back even if it only required driving up and looking at it, approximately \$8 or \$9 per trip.

Council Member Hunnicutt asked who paid that cost.

Ms. Amos said all of the utility companies were paying that cost.

Council Member Nooe said the company would either be a member of NC811 or they would have to do it themselves. The City could mark their own locates.

Ms. Amos said the City was a member of NC811 but chose to perform its own locating because it had a lot of plastic lines.

Council Member Ellis asked if there was anyone currently working within the City that would be interested in transferring to the Engineering Department.

Mr. O'Dell said there had been someone asking about the possibility of the new position that might be interested in transferring. An advantage to that was that the individual already knew about the City's system and where the lines were located, which would make performing the locates much easier.

Council Member Moore asked if the employee would have to be certified to perform the locates.

Mr. O'Dell said no. If hiring someone from the outside, that person might have to be certified to ensure they would spend the correct amount of time attempting to do the job correctly. Based on the department's experience, particularly with gas company locates, some technicians had simply sprayed paint in areas that were roughly five to seven feet off from the gas line, which was very dangerous. If someone were to do that with water lines, not only would the City be paying to have the incorrect locate fixed, but it would also be paying contractors or Collection and Distribution overtime to repair it.

Ms. Amos said a big failure in the system was when locators would call in a locate but then delay the starting of the project for three months. In the meantime, they would continue to update the locate tickets, which was against NC811 regulations, requiring the technician to recheck the locates every two to three weeks. Even employees inside the City were doing that.

Council Member Carter asked if the plastic lines were being lined with wire in order to enable locating.

Mr. O'Dell said it was done that way in the present time, but years ago it was not. The City had had decent luck. As staff was able to assist Collection and Distribution with their repairs, they were able to update measurements as to where things were located.

Council Member Nooe said the good thing about having a City staff member to perform the locates was that the individual would likely know where the lines were without having to locate them.

Ms. Amos said she was also trying to train Mr. London with the annual Powell Bill report. It was now electronic and no one else knew how to run the software. Without that report each year, the City would not receive any money from the State. All of the data seen on GIS online was data the engineering staff had collected and forwarded to the Planning Department. They had obtained GPS information on manholes, water valves and fire hydrants, which was significantly more accurate than the old data. Mr. London had not yet had the opportunity to download those devices, correct the data and transfer it to the Planning Department, but it was something that needed to be maintained. There were a lot of things he needed to be trained on before she could leave the next year.

Mr. Vernon stated the projects that the Parks and Recreation Department were not able to complete in the current fiscal year were being asked for in the upcoming fiscal year. The first project was the used miniature golf course located at Freedom Park that the City had used for the past two years that would cost \$18,000. Next, the Facilities and Grounds Division needed a lawnmower that was estimated to cost \$15,000. The division currently had five lawnmowers with the newest mower being three years old and the oldest mower being 10 years old. The lawnmowers were used for at least five hours each day, five days a week. In addition, the department would like to fill the cracks and paint the basketball courts at the Bridge Street Recreation Center and Peter Hill Park. It was estimated to cost \$16,000. The Bridge Street Recreation Center's basketball courts were utilized by just as many people as Freedom Park's basketball courts. Lastly, the department was requesting the repaving of the Monroe Street parking lot at an estimated cost of \$20,000. Ms. Amos had recently evaluated the parking lot and agreed it needed to be patched and repaved as there was a need for parking downtown and around Washington Street.

Council Member Carter asked how the used miniature golf course's condition was holding up in regards to the weather and if it was made out of wood.

Mr. Vernon said the golf course did not get much use over the past year due to COVID-19 and that it was mostly made out of wood. The department stored it under shelter during the winter months.

Council Member Carter asked if the course was movable.

Mr. Vernon said the apparatuses that went on top were movable, but the course itself stayed outside.

Council Member Nooe asked if the City had already committed to purchasing the used miniature golf course.

Mr. Vernon said he was under the impression the City had agreed to purchase the course.

Council Member Moore asked if the City had paid anything thus far for the used miniature golf course.

Mr. Vernon said no and added that the City had just been using it for the past two years.

Council Member Hampton stated the first year was to be used as a trial to see how the community responded with its use of the miniature golf course. It was discussed at the last budget retreat.

Mayor Hall said he also did not recall the City agreeing to purchase the miniature golf course and stated there needed to be some research of previous minutes to see if that was the agreement.

Council Member Nooe said if the City agreed to purchase the miniature golf course, then it would need to do so.

Mayor Hall said if the City did not agree to purchase the miniature golf course, then Council needed to have a discussion about it.

Mr. Vernon said he appreciated that because he hated to think about telling someone after three years of use the City no longer wanted to purchase the used miniature golf course.

Council Member Hampton asked if the senior center was rented out to the public like the other recreational centers were.

Mr. Vernon said no. The Boone Road Community Center (CB Hut), Bridge Street Recreation Center and the Eden Room within City Hall were the three facilities rented out to the public. The shelter at the senior center was available for rent but they did tell the citizens there were no restrooms available at that location.

Council Member Hampton said that was something the City needed to look into as there needed to be a restroom available for children who were playing at that location.

Council Member Carter asked if the camping facilities at Freedom Park had been used.

Mr. Vernon said those facilities were not being used at the present time due to COVID-19 restrictions.

Council Member Hampton said it was being utilized prior to COVID-19.

Mr. Vernon said it was used by a lot of parents when tournaments were being played at Freedom Park.

Council Member Hunnicutt asked if the department had kept detailed records in regards to how many days per year the ballfields and recreation facilities were being used.

Mr. Vernon said the department used a calendar book to keep up with the facility rentals. The Freedom Park ballfields had already been rented for 2021 with tournaments starting in February if COVID-19 restrictions allowed it. Even though some surrounding areas had been allowing tournaments at their facilities throughout the pandemic, the City had chosen to be compliant with the governor's orders.

Council Member Hunnicutt said the City needed to ensure it had good records as the booking might not reflect the actual use of the facilities. He had been told how some groups that put together softball tournaments would book up all of the fields in the surrounding areas and only go with the field where the most participants had agreed to come to.

Mr. Vernon agreed. He said he had recently spoken to the recreation departments at Reidsville and Summerfield and they had been treated the same way. Some places required deposits and that was something the City had never required. While he was unsure if it was a good idea or not, he suggested that if someone made a habit of not using a facility after they booked it, the City could require them to pay a deposit going forward.

Council Member Hunnicutt questioned how often some of the older ballfields were used and just wanted to ensure the City kept good records of use of its facilities. He wanted them to have the right priorities in the right locations.

Council Member Ellis said it was very important that as athletic practices started back up, City staff needed to monitor the gates instead of having other people monitor the gates for the City. While the City could allow people to use its facilities, City staff needed to be a part by being there while they were being used for safety's sake. Eden was known for the facilities it had. It was important to keep them safe for their future.

Mr. Vernon said the City needed to be safe and added that when tournaments did start back up, staff would continue to maintain sanitation.

Council Member Ellis said the Parks and Recreation Department had always done a fantastic job and he looked forward to all of its events. The weekend softball events brought in a lot of money.

Chief Simpson said the command staff for the Police Department had scrutinized the budget and narrowed down what the needs were. The first request was to replace the 2014 F-150 animal control truck, which had 150,000 plus miles, due to issues they were experiencing with it. The department, along with Fleet Maintenance Superintendent Jason Barnard, had considered replacing the truck in the current fiscal year's budget when it was established in 2020, but had decided to wait until the next time the department conducted its vehicle replacement plan. The truck had since developed some issues, such as low oil pressure, cooling issues and electrical issues. In addition, the lift gate at the rear of the truck that was used to assist the animal control officers (ACOs) had begun to have issues. The truck operated almost seven days a week, 365 days a year between the full-time and part-time officers. It was averaging 25,000 miles a year and the cost to replace and outfit it would be \$40,203, which included the equipment and light package for the officers' safety. If the existing safety equipment could be used, the price could possibly be less. Secondly, Chief Simpson requested two K9 replacements as they would like to have one K9 per shift. Over the last seven months, two of their four K9s had developed health issues, leading them to forced retirement. K9 Jinx, a Labrador retriever, assigned to Sgt. Stepps had developed health issues and was only working as needed until the City could get him a replacement. K9 Archer, also a Labrador retriever, had been out of service since September 2020. Based on recommendations from Dr. Jerry Boothe of Eden Veterinary Hospital, K9 Jinx and K9 Archer needed to retire due to their health issues. The cost for two replacement K9s and the necessary training that would be required would be \$22,630. The department had experienced great success with their K9s, with most serving nine years with the department; however, K9 Jinx and K9 Archer had only served seven years with the department. Dr. Boothe had agreed to go with department staff to ensure the City was buying a quality animal as a replacement. Thirdly, Chief Simpson requested the replacement of 10 tasers as part of the maintenance program for equipment within the Police Department. In FY 2015/16, the department conducted taser replacements and issued the existing tasers they had to detectives and personnel within the department, which allowed every officer to have a taser if needed. While those tasers had been maintained with the purchasing company throughout the years, they were now completely past the end of their life and were no longer serviced or repaired by the company. The estimated cost to replace 10 tasers would be \$12,515. The total requested amount for the Police Department was \$75,350.

While every department felt like they were in need of additional personnel, Chief Simpson said he would not be making the following request if there were not a need for it. He asked Council to consider creating a new, non-sworn position in the Police Department called an evidence custodian or technician. Over the past 15 years, changes in DNA and evidence handling, such as the seizure and disposition of evidence, had made it clear of the need to staff the evidence room fulltime, which the department was currently doing with a sworn officer. Each piece of evidence that came into the department had to be logged in, maintained, catalogued and signed out if it left the evidence room. If needed, the custodian would have to testify in court as to the chain of custody. Any evidence sent to the State's lab was also handled and transported by the custodian, which occurred at least once per month. The N.C. Justice Academy taught that for every piece of evidence that came into the evidence room, the department should be looking to dispose of a piece of evidence. Unfortunately, there had been several years where that did not happen within the department. As a result of that, there was a backlog of evidence that needed to be disposed of, which must go through the district attorney's office and a judge before it could be disposed of. Beginning May 1, the N.C. League of Municipalities (NCLM) would be offering an accreditation program for law enforcement officers called Risk Review. Once completed, a 14 percent reduction in insurance costs would be attained. After looking into what it would take to complete that course, it became clear that the evidence room was a major factor in obtaining that accreditation. He stated that it was no fault of anyone in the past as every agency in the State and country was facing the same protocol. The department wanted to ensure they disposed of evidence properly in accordance with the law and maintained room for incoming evidence. The department had been able to dispose of many pounds of narcotics and were currently going through firearms housed in the evidence room that could be disposed of. Unfortunately, the sworn officer now overseeing the evidence room was off the street, unable to perform his sworn duties. The City of Reidsville incorporated the same type of position eight years ago and was what the City's Police Department had based their job description on. The pay scale for the position would be the same as a law enforcement officer, as it was part of a technical field. The job would be very important as it would require training to help maintain custody of evidence that could prove someone's guilt or just as importantly, someone's innocence. He welcomed any member of Council who was interested to tour the evidence room

and see the process and space they were working with.

Council Member Carter asked if the two K9 replacements would be sent back to the same two K9 officers or if they would be given to new K9 officers.

Chief Simpson said the price included training of new handlers. Generally, a K9 handler would stay with the K9 until its retirement. However, the department had not gotten that far yet as to whether the existing K9 officers wanted to continue with another K9. Typically, after being a K9 handler for so many years where the position tied you to the job 365 days a year, the K9 handlers were ready for a change. The possibility was there but the price of the K9 replacements did include training of new officers.

Council Member Hunnicutt asked if there was a possibility that Eden and other cities within the County could consolidate and centralize their evidence and staff into one evidence location. He understood it might require more staff and possibly higher paying roles, but since it was a highly specialized and important area, he speculated if others might be able to benefit as well if they were not the same size and budget that the City was.

Chief Simpson said it could be a possibility in the future. However, while the department worked great with all of its partners within the County, there was an ownership of evidence. The chain of custody of evidence was more important than ever as it involved someone's guilt or innocence. He gave the example of how the handling and packaging procedures of evidence could tamper with someone's guilt or innocence and therefore, it was something each department wanted to maintain strict control of. In addition, the department had guidelines issued by the State that they had to follow in regards to evidence handling. The department was also required to conduct an audit of the evidence room once a year and whenever department heads changed to ensure nothing was missing and that the proper protocols were in place and being followed. The protocols were not because the City had experienced issues, but rather it was to show the department was being diligent in adequately maintaining the chain of custody and evidentiary value of the evidence. They wanted to make sure they were doing it right and by the proper guidelines.

Council Member Moore asked if the price of the replacement ACO truck included the price of the lift gate for large animals.

Chief Simpson said yes. The current lift gate was in use on its seventh or eighth vehicle and the City had certainly gotten its money and use out of it. The cost of the truck included everything needed to outfit the truck. Chief Simpson added that the ACO position was just as important as any other position within the Police Department.

Council Member Moore said he recalled constantly hearing the ACO being paged over the radio system when he worked for the Fire Department, validating they worked nonstop.

Chief Simpson said that was the most continuous day-to-day job the department had and it was a very intricate part of dealing with the community in a positive way. The officers worked hard to adopt animals out and locate owners.

Council Member Moore said the ACO was the last person that many people would see representing the Police Department with an animal and it needed to be a positive experience.

Chief Simpson said the department missed former ACO Ed Paisley and his great rapport that he had with the community. However, Mr. Paisley's replacement, ACO Jeff Overby, had moved into the position from another department within the City and staff was continuing to hear positive things.

Chief Harden said the Fire Department had a request to hire eight full-time firefighters: two per shift at Station 4 (totaling six), one training and retention captain, and one relief driver. Having one relief driver per shift would help handle time off for the other employees. The hope was to be able to hire firefighters through the SAFER (Staffing for Adequate Fire and Emergency Response) grant. The department received 582 calls in

2020, of which 471 of those calls were paged out to volunteers. Out of those 471 calls, 28 percent had zero volunteers respond and 87 percent had three or less volunteers to respond. Only 61 of those calls had three or more volunteers to respond. He was asking for consideration to pursue the SAFER grant.

Council Member Ellis asked Chief Harden to explain the grant.

Chief Harden said as of that morning, the grant process had not yet opened up, but he expected it to be open by the end of the month. It was similar to the COPS (Community Oriented Policing Services) grant where manpower was paid for by federal sources for four years, declining each year. After the fifth year, the City would have to take over the funding.

Council Member Hunnicutt asked if it was a four-year grant.

Chief Harden said yes.

Council Member Carter said he felt it was a great way to staff the department.

Council Member Ellis asked how many firefighters retired in the previous year.

Chief Harden answered two and stated they were Chief Tommy Underwood and Operator Joe Powell.

Mr. Dishmon said the Solid Waste Department wanted to request a knuckle boom, at \$165,000, to replace the one currently in operation that was 10 years old with over 120,000 miles. The Fleet Maintenance Department wanted to upgrade its 41-year-old fuel tank system that had cost the City approximately \$27,000 over the past three years just to maintain. The cost was \$400,000, which included the shelter, tanks, canopy and new operating system that fed the information back to Fleet Maintenance for them to determine the recipient of the fuel. It would be a turn-key operation as the company would remove the old tanks, install the new tanks, build a shelter and close up the existing hole in the ground after verifying it was legal to do so by the Department of Environmental Quality's (DEQ) standards. The new tanks would be above ground tanks that were self-storing and double-walled to hold its own capacity in the event of a leak. The City's Municipal Services was currently operating on a program that the IT Department determined was no longer eligible for maintenance. The work order program for the warehouse that was used to inventory the parts for all of the departments within Municipal Services would quit working if the current system crashed. If the City decided to upgrade the operating system at Municipal Services, it would need to be done alongside the upgrade of the fueling system. Financially, it was more beneficial for the City to own its own gas tanks than to buy it from local gas stations as the City did not pay a tax on it. The City was averaging roughly \$1.83 per gallon and using 95,000 gallons of fuel per year. However, during the COVID-19 breakout, some dropped down to \$0.90 per gallon. Due to the work involved with outfalls, the EPA and water and sewer issues, Collection and Distribution wanted to invest in a track hoe with a bucket and a mulching head at a cost of \$250,000. The track hoe would allow material to be ground up on site. When only using the backhoe, staff would have to put the material in a dump truck, haul it to the yard and then pay to have it disposed of again when the City grinded brush. The skid steer that the department was also requesting would have a mulching head as well, costing \$130,000. Both units could be used to help clean outfalls as well as other jobs within the City. The department was asking for a chipper as there were some places where equipment would not fit and the wood had to be manually cut. Lastly, the department requested the replacement of 10 flow meters, which would cost \$35,000. The meters were currently operating on an outdated 3G network and installed in places where the City had a lot of inflow. The information was logged and then staff would attempt to locate where water was getting into the sewer system. Out of all the requests of Municipal Services, Mr. Dishmon stated the most important one was the upgrade of the fueling system. One of the vendors he consulted with gave an estimated fine cost of \$1 million if the current tanks were to leak. He added that the tanks had already been lined once over the past 41 years. Mr. Barnard pulled permits annually to ensure the tanks and monitoring wells were working properly, costing the City roughly \$10,000 each year.

Council Member Ellis asked if the City would be fined if the tanks were found to be leaking when they were removed during the replacement process.

Council Member Hunnicutt said yes. It was definitely something that needed to be a priority for the City. If they were to be leaking, the Department of Environment and Natural Resources (DENR) would require the City to clean it up. He had previously dealt with a case involving a large industrial tank where the cleanup cost over \$1 million.

Council Member Ellis asked if a leak would show up on the City's measuring sticks.

Mr. Dishmon said Mr. Barnard monitored it and while there were no issues today, things could quickly change tomorrow.

Council Member Carter asked if a tightness test had been performed on the system.

Mr. Dishmon replied yes.

Council Member Hunnicutt asked how much was spent each year to have the system checked.

Mr. Dishmon answered between \$10,000 and \$11,000 for the upkeep and permit, in which those fees would be eliminated with the new system.

Council Member Carter said most contamination was found around the pumps.

Mr. Dishmon said they had filters on the pumps that were changed once a month and cleaned at least every other year to remove any rust.

Council Member Carter asked what the downtime would be for the replacement.

Mr. Dishmon said he did not have a timeframe yet. Municipal Services had a different location in mind for where they would want the new pumps to be located. He imagined they would have the new system installed and in operation before shutting the old system down. That would eliminate City staff from buying fuel at local gas stations at a higher price. However, there were two vendors in town, Carolina Fuels and J-Mart on Virginia Avenue, that the City could utilize as a backup for fuel purchases if ever needed.

Mr. Shelton said he had capital outlay requests for the Water Plant, WWTP and sewer construction. To begin with, the Water Plant was requesting a new Cla-VAL pump control valve on the service water pumps in order to control water hammer. The valve would replace the 44-year-old Willamette valve, which came with the plant when it was built in 1977, on the 9 MGD service water pump. The new valve would be critical to better controlling water hammer in the distribution water mains and lateral piping. The two 12 MGD service water pumps already in place had been fitted with the newer designed Cla-VAL pump control valves and had helped reduce water line breaks by at least 60 percent. The plant recently had to run the 9 MGD pump when one of the other pumps were out of service and as a result, the City saw an increase in water line breaks. Ultimately, it was a priority to save money for the Collection and Distribution Department in call-outs for extra labor needed to make repairs. The Willamette valve had reached the end of its service life and no longer provided the protection that newer, slow closing valves did. The slow closing valves took approximately four minutes to open and close, severely limiting water hammer when pumps were started and stopped. The installed valve costs \$75,000, which would likely be paid for over its service life in less customer inconvenience resulting from broken water lines, repair parts and reduced overtime labor to complete such repairs. Additionally, the Water Plant Variable Frequency Drives (VFD) for the 12 MGD service water pumps that were installed in 2009 needed upgrading. The drives were now 13 years old and had reached a point where parts and service might be difficult to obtain without the needed upgrades. If both VFDs were upgraded at the same time, the manufacturing company agreed to perform the upgrades for \$73,100. The drives cost \$250,000 each when they were put in and if the City let the technology get outdated, it would cost much more down the road. The cost to have technicians work on the VFDs was roughly \$2,500 per day. Conducting preventative maintenance at the present time to prevent the VFDs from getting in bad shape would prove to be cost effective.

Mr. Shelton said the WWTP was requesting a peracetic acid disinfection pilot study to be conducted.

Previously, an Occupational Safety and Health Administration (OSHA) inspector examined both the Water Plant and WWTP, in which the City received a 28-page report back for each plant mainly addressing hazardous materials on site, primarily the chlorine gas used for disinfection at both plants. Long term, the City would like to move away from using chlorine gas at the plants. Peracetic acid was a new type of disinfection that was used in Europe and was recently adopted in South Carolina. It did not have any byproducts that went back into the river that could be harmful to fish or wildlife. Instead, it was added to the discharge water in which it would react and then disinfect until it was gone. The City would be the first facility to use the system in N.C., which would require the conduction of a pilot study on the feasibility of using it at the City and its effectiveness, costing \$40,000. If the study were to achieve positive results, the State would have to approve it and could then be followed with design and construction. The total cost of the construction and the pilot study would be \$140,000, likely split over two budget cycles. Secondly, the WWTP was requesting to replace a grit blower for \$7,000. There was an aeration chamber in the influent structure at the WWTP where grit blowers would inject air into it to help oxidize incoming materials in order to make them easier to treat in the plant. The City had been repairing and replacing the blowers, but were now at the point where it needed to have one as a spare for when the current blowers could no longer be reconditioned. The New Street sewer improvement project involved a new pump station that would cost \$997,000, in which the City had obtained a grant for the entire amount. There was a power line within 200 feet of where the pump station would be constructed and unfortunately, it was a high transmission line that was only used for industrial facilities and therefore, the City was not eligible to hook onto it. It could cost the City as much as \$40,000 to generate power to the facility. Lastly, the City used to have a program for inflow and infiltration repairs called the Sewer Find and Fix It Program where the City would set aside \$50,000 a year for conducting sewer repairs found with its video camera equipment. The City would then use its own forces to make the repairs, using the money to buy the needed materials. He requested reinstating that program in the upcoming fiscal year.

Council Member Hunnicutt asked Mr. Shelton if the City found the program to be a cost effective investment.

Mr. Shelton said it was convenient to make repairs without having to use contingency funds. The City was currently doing its best with the EPA remediation plan to get everything in the best shape it could, but the program would be an extra reinforcement to have money set aside to make repairs to lines that were not covered by the remediation plan.

Council Member Nooe asked if the program was in addition to the 10 percent of lines the City was supposed to inspect each year or if it was in conjunction with that percentage.

Mr. Shelton said it would run in conjunction with it. If a needed repair was discovered while performing the yearly inspections, it would be nice to have the capability and funding to make the repairs if it was not too large of a repair.

Council Member Nooe asked if the City was mainly identifying 10 percent each year and not necessarily fixing those areas.

Mr. Shelton said when the City conducted the annual inspections, it mainly consisted of verifying the lines were still good. If a problem were to be discovered where inflow or infiltration was getting into the system, it would give the City the opportunity to quickly respond and fix it.

Council Member Nooe asked if the cost of materials for the peracetic acid would be similar to the cost of the chlorine gas that was currently being used.

Mr. Shelton said gas chlorine was definitely the cheapest but its programs had to be maintained, such as the Process Safety Management Program driven by OSHA that protected employees, and the Risk Management Program driven by the EPA that protected people on the outside. The programs had been in place since roughly 1997 and the City had passed all of the inspections, but the programs would be eliminated with the peracetic acid. The new OSHA inspector had taken a much more focused look at the rules and regulations and thus, the City was looking at updates to the programs to make it more compliant. One way to do so would be to move away from gas chlorine and convert over to a bleach product at the Water Plant. The peracetic acid would

have an annual cost of roughly \$40,000 to \$60,000, which was a little more than the gas chlorine, but it eliminated the hazards.

SERVICE LEVEL CHANGES AND/OR SPECIAL PROJECTS:

Mr. Dougherty stated the City purchased the New Street site a few years ago. At that time, there was a lot of interest in data centers, but that concentration diminished over time. Therefore, the City had a 204-acre site that was not developed, which did not attract attention when presented to people. Ms. Stultz, Ms. Gilley, Rockingham County's Economic and Tourism Development Director Leigh Cockram and himself had discussed potential industrial sites and decided to go with the existing City and County owned New Street site for development rather than pursuing the Buist property that was for sale. The plan was to seek a \$2 million Economic Development Administration (EDA) grant in order to begin site development on parcels within the western 15 acres of the site. Engineering firm SM&E had provided a Preliminary Engineering Report (PER) which was a requirement to apply for EDA grants, but would need to be modified to accommodate EDA standards. The cost to do so would be around \$3,000. The initial development of the site would provide the City and County with two viable properties that could be effectively marketed to prospects. One site could accommodate a 40,000 square foot building and the other could accommodate a 120,000 square foot facility. When comparing the cost of the project to other developments that had occurred in the County, such as the Reidsville Industrial Park development, there was not much difference considering there was a 20-year gap between the two developments. The City of Reidsville was in a partnership with the County when the Reidsville Industrial Park was built. They were also able to receive grant money to help fund the project. The net cost per acre for the Reidsville Industrial Park's 59.5 acres was \$151,931. When looking at the potential cost of the New Street project, considering acquisition and development costs minus the grant and County contribution, the cost per acre for the project would be \$154,671. Mr. Dougherty gave the example that if the project cost \$5 million to develop, after deducting the \$2 million grant, the City would need to borrow \$3 million, which when split with the County would only equate to \$1.5 million on the City's behalf. After talking to the Finance Department, the debt service would be \$184,936 over 10 years or \$134,911 over 15 years. However, there were some issues with Eden because of its location as well as some issues with the site itself, such as the neighborhood leading into the site. There was also a small distance that had to be traveled from the site before approaching a four-lane highway. It had not posed a problem for Carolina Freightways who constantly moved inventory for Gildan Yarns through that area. Fortunately, the City had not received many complaints from the existing industry near the New Street site location. The City received a grant of almost \$1 million to upgrade the sewer on New Street. Automation had made a tremendous impact on industries, which was both good and bad. For example, when MillerCoors opened in 1978, it employed 1,000 people but when it closed in 2016 it only employed 575 people, due to the increase of robotics. Gildan Yarns employed between 300 and 400 people 20 years ago but employed less than 100 people today because of automation. Mr. Dougherty spoke of a project he was aware of that was \$40 million in investment but would only employ 100 people. However, those employees would make an annual salary of \$70,000. So, while automation may reduce the number of employees an industry would employ, it would equate to higher salaries. Mr. Dougherty said that would likely be the situation with the New Street site as the industry that located there might not employ a large amount of people, but it would provide a higher salary for its employees. The New Street site development was contingent on the EDA grant as the City and County were not able to proceed without some assistance from a grant or other funding source that could be secured. City staff planned to meet with Nestle Purina executives in the upcoming week to obtain some assistance with reaching out to their supply chain vendors to see if there was any interest in locating to Eden as well. If the City did not develop the New Street site, the only area the City had to offer was one 12-acre site. Mr. Dougherty said product development was a problem for the entire Southeast. He was a member of the N.C. Economic Development Association's (NCEDA) Legislative Committee and one of the main topics the committee was discussing with the State was product development, such as shell buildings and infrastructure, as there were very few places where someone could build shell buildings that were quickly purchased. Between the potential with Nestle Purina and other companies that located to the Mega Park, the New Street site would be a good investment for the City. There were not any other alternatives available for industry in the City. There had been discussion regarding the French Farm but the availability of that property would not be known until December and it also had issues with rock. While there were some other sites, they were in more of a remote area than the New Street property.

Council Member Ellis asked if staff had considered accessing the New Street property from a different direction.

Ms. Stultz said the City's thoroughfare plan had been considering another option for the past 50 years, which included an extension of Harrington Highway that would go east and come across the New Street site. However, building a bridge cost a minimum of \$12 million to \$15 million. There had been discussion with the County's transportation group and the Rural Planning Organization (RPO) but unfortunately, there was a lot of wetlands. Where the road was currently located on the City's transportation plan, it would go through the coal ash landfills after coming across the river. Ms. Stultz was hopeful the City could get its comprehensive transportation plan updated in 2022 by DOT. While it would be a great option to complete the west/east connector, the City needed to begin planning for the future. In the past, DOT had never given the City enough points on its scoring to warrant access to highways or better roads. Regrettably, the City and the County did not have the resources to provide that access on their own. However, Ms. Stultz stated that if something of significant magnitude were to locate to the property, the State would likely provide the funds for what needed to be done.

Mr. Dougherty said he recently read about the completion of another sector of the Greensboro Urban Loop. The interesting aspect was that the planning for the urban loop began in 1969, signifying that projects took time to complete.

Council Member Carter said he was in favor of an idea that Council Member Hunnicutt had previously mentioned, which was having railroad access to the New Street site.

Mayor Hall stated the initial development of the 15 acres was going to cost roughly \$5 million. He questioned if the initial development cost per acre would decrease the cost to develop the remaining impervious 45 acres.

Mr. Dougherty said because there was a road coming into the site, he felt it would certainly help.

Mayor Hall questioned if the \$5 million development cost was for grading the site and getting it pad ready. If so, he stated the City would be looking at that same cost in the future to prepare the other 45 acres for development.

Mr. Dougherty said the hope was to get the site started, which would be followed by other companies interested in locating to the park. It currently was not easy to market a piece of property that just had trees on it.

Mayor Hall stated the map showed a total of 15 developed acres. It appeared the front of a building would be on five acres or less. Considering how difficult it had been to market the City's current 12-acre site, he questioned how successful the City would be in marketing a smaller site.

Mr. Dougherty agreed and said the map was a proposal by the engineering firm but could certainly be modified. He suggested offering it as one site with room to expand.

Council Member Hunnicutt questioned if staff had investigated what the additional costs associated with servicing the site would be.

Mr. Mendenhall said it would be included in the updated PER. Sometime during the first quarter of 2021, it was believed that there would be a stimulus, similar to what occurred in 2008. The City was trying to be timely by understanding the nomenclature of 2008, which was being shovel-ready along with the American Reinvestment Recovery Act (ARRA). During that time, existing funding agencies were used, such as the EDA, CDBG, EPA and DOT funding mechanisms. Money was pushed down to localities from President Obama's 2008 stimulus program and the current thought was that the EDA grant application would be funded with stimulus money. If a small to medium sized company located to the site, the City would not be looking at a large service request. However, if a larger company and user were to locate to the site, tying into the Covenant Branch line, the force main would possibly have to be upgraded. It all depended on the occupant of

the site. The updated PER would give an idea of how much sewer capacity there was at the former MGM Warehouse as sewer would be the controlling factor at the pump station or more importantly, in the Covenant Branch line itself that ran from the Covenant Branch Pump Station on the east side of the former Fieldcrest farm to Edgewood Road on the west before ending at the plant on Mebane Bridge Road.

Mayor Hall thanked Mr. Dougherty for the research he had conducted on the project.

Mr. Mendenhall said due to the unknown of how stimulus would manifest itself, City staff had developed a list of potential applications to have ready for when grants opened up. To begin with, Mr. Dougherty discussed the plans to request EDA funding for the development of an industrial park on New Street. The second application would be for streetscape improvements and resurfacing. Some stimulus funds from the ARRA in 2008 allowed for some resurfacing and the hope was that DOT might have that same funding available for streetscapes or pedestrian access as well. The third application concerned utilities involving four areas. The first would involve ASADRA (Additional Supplemental Appropriations for Disaster Relief Act) funding if it were not to be ascertained in February, which would need to be the City's top priority. The second area would be the rebuilding of the North Basin WWTP due to its non-concrete bottom. The reconstruction would be needed in order to handle sufficient flows that would require both the North Basin and South Basin to be used. At the present time, the North Basin was the only one being used as the South Basin was empty. As long as the City was experiencing low volumes of flow, the plants could be easily switched to accommodate the upgrading of the North Basin. Before the City had heavy industry come in requiring both basins, the North Basin needed to be rebuilt.

Council Member Hunnicutt questioned why the City would not abandon the North Basin WWTP since the South Basin WWTP had a 21 MGD capacity and the City's current capacity was less than 3 MGD.

Mr. Mendenhall said it would change the City's permit status and disable the City from being able to sell that amount of sewer to the Mega Park. The City currently did not have the needed revenues to fund that type of spend request. The third area was a multi-million dollar request that involved the Covenant Branch force main that would soon need some attention. Finally, there were some ductile iron water lines that were inner-dispersed throughout the City that degraded water quality. He added that not all of the utility projects would be under utility stimulus and therefore, the City would need to be innovative in the way it found the qualification mechanisms for those projects. The third application would be for public facilities. Previously, greenway projects were funded with ARRA stimulus funds from 2008. There was the potential to do another greenway in which the City would possibly have to match the funding provided. However, the Parks Commission could provide its input and then the City could proceed accordingly. In addition, there was the potential for available funding for a multiuse facility in the Uptown Eden area. Because community center type projects were funded in 2008, there was the possibility of available funding for a community center type project for Draper Elementary School in conjunction with the School Board. Finally, the last application would focus on resiliency. In 2008, energy efficiency was the key term as gas and energy costs were much higher then compared to present time. However, it was suspected that resiliency would resonate this year. If that did become the case, peracetic acid would likely be a good project to consider as it helped the public's health by eliminating chlorine and enhanced the environmental health of the river by the removal of chlorine by-products. Additionally, there might possibly be environmental health grant writing that could be used for the fleet fuel system at Municipal Services.

Mayor Hall said he hoped funding would be released especially if some of the proposed laws were to be passed, such as the minimum wage increase, as it would impact the funding of projects for not only Eden but most small towns.

Mr. Mendenhall said City staff would notify Council of anything being applied for. The stimulus package would be a moving target until it was passed with a funding window likely not opening up until late summer or the first of fall.

Council Member Hunnicutt asked if City staff was working on any of the preparations for funding applications. He gave the proposition that if the opportunity to apply for greenway funding came to fruition,

was the City prepared to proceed.

Mr. Mendenhall said the City had a greenway master plan but he did not recall it including a list of priorities. It was a good idea for the Parks Commission to gauge some public input to see where those priorities might be in order to make a recommendation to Council. To answer the question, no. They did not have a good handle on streetscapes, greenways, sidewalks or pedestrian ways, so they would have to do some legwork.

Council Member Hunnicutt said the funds were not going to appear overnight but as the City started seeing things moving in that direction, he suggested it be looked further into at that point.

CAPITAL PROJECTS:

Mr. Shelton said the capacity at the WWTP was 13.5 MGD and the City was currently flowing approximately 2.7 MGD through it. The hope was that the City would be able to recruit an industry that would increase that volume through the plant. That was why the reconstruction of the North Basin WWTP was considered when stimulus money was being discussed. The engineering work on the South Basin WWTP was completed in 1993 and could easily be mirrored to accommodate the North Basin WWTP, enabling a quick completion of construction.

Mr. Shelton said in regards to the EPA-AOC remediation plan, the City currently had four contracts that were funded and moving forward. They had been delayed due to the projects coming in over budget at \$48 million when the City only had the funds to support \$33 million in costs. After entering into negotiations with the contractors, the City was able to move most of the major projects into four contracts that equaled \$28 million. However, the City had two major projects, the rehabilitation of the Junction Pump Station and the Smith River siphon replacement, that were put on hold due to the release of ASADRA funding that was based on resiliency and the ability to protect facilities from flooding situations. Since both of those projects fit into that category, they were withdrawn and pursued with ASADRA funding. The first round proved to not be successful for the City, but it was able to score 10 additional points when it prepared the second application for resubmittal in late 2020. The hope was that it would give the City a better chance at receiving both grant money and low interest loan funding for both projects, which together totaled \$7.2 million. Since the City was still under an EPA order, it would add some additional points to the City's applications due to the fact Eden was the only place in N.C. under that type of order. If funding was not secured by that manner, the City would enter into negotiations with the EPA in regards to the option of being placed under the control of the State Division of Environmental Quality. Otherwise, the City would ask them to consider extending the AOC to allow the City to complete the two projects at a time when the City could afford to do so. Mr. Shelton stated the work on the remediation plan was moving forward quite well despite unseasonably wet weather and COVID-19, which had caused some delays in the retrieval of materials. Most all contracts were at various stages of completion ranging from 30 percent to 60 percent. The City was currently a little over a year from completing the necessary work to meet the original AOC deadline of February 28, 2022, but Mr. Shelton felt the deadline would be met based on the City's current rate of progress. City staff met with engineering firm W.K. Dickson in regards to how the City would proceed if it failed to secure funding. One option would be the stimulus packages depending on how the stimulus money was distributed.

Mr. Shelton said the Massood Family donated a 25-acre property to the City that sat behind MGM Warehouse and was adjacent to the river. After working on the project for two years, both parties came to an agreement that was mutually satisfactory. Roughly 13 acres of the property was in the floodplain, leaving 12 acres that the City could build something on. The City had secured a grant and completed all of the design work for a pump station to be built on the property that would provide sewer to the existing warehouse facility already there, eliminating the need for the prevailing two pump stations in that vicinity: the New Street Pump Station and the Weil-McLain Pump Station. The new pump station would have a capacity of at least 250,000 gallons per day. It was not large enough to service a water-intense industry if one were to be recruited for the adjacent property in the vicinity. Staff expected to be able to receive bids for the new pump station in March followed by a request of Council to award the bid, enabling the construction of the pump station to be completed before the end of 2021. The original thought was that the pump station could be built with grant money that the City was given, but it became a question as to whether Duke Energy could access the area to install power. The

plan was for City forces to clear the right-of-way and construct a gravel road leading to the pump station area at which time Duke Energy could install power, hopefully for no more than \$40,000.

Mayor Hall questioned if the price for the entire project was \$990,000.

Mr. Shelton said because the City had planned to apply for a \$1 million grant, he asked the engineering firm to design the pump station as large as they could based on the \$1 million price.

Mayor Hall said if the City had to spend \$40,000 to complete the project, that would be a minimal price compared to the overall cost of the project that was being funded with grant money.

Council Member Nooe questioned how many gallons per day would flow through the new pump station based on the current flow that would be rerouted to the new pump station.

Mr. Shelton said the Weil-McLain Pump Station was flowing approximately 30,000 gallons a day and he estimated that the New Street Pump Station that was servicing the nearby residential area was likely flowing around the same amount. If the warehouse were to be occupied with workers, Mr. Shelton said it would also likely flow around 30,000 gallons a day through it. In total, he estimated roughly 90,000 gallons a day or less would flow through the new pump station.

Council Member Hunnicutt questioned if the City would have to look at upgrading the New Street Pump Station if the New Street industrial site were to take off and attract a large water and sewer user or if the existing sewer line leading from the pump station to the Mebane Bridge WWTP would be capable of handling the increased usage.

Mr. Shelton said there was a lot of erosion in the sewer line at the New Street Pump Station due to domestic sewer flowing through it. The top of the pipe was subject to corrosion by acid if it were not to be running full and therefore, that pipeline would need to be replaced at some point in the future by installing a new pipeline starting at the pump station going towards Edgewood Road. If the City were to land a new user with more capacity than what it currently had, the City could either add on to the pump station being built or it would need to build a new pump station. The original thought when approached with the donation of the property was to build a small WWTP on the east side that could benefit the Mega Park or any future development in the area; however, the cost of a new plant was roughly \$10 million per million gallons a day of treated waste water. Therefore, the City was financially better off to reconstruct the New Street Pump Station by installing force mains and pump stations than to try to build a new treatment plant.

GOAL SETTING:

Mr. Mendenhall said there had been several submissions from members of Council in regards to goals they had for the City for the upcoming fiscal year.

Council Member Moore said he was a member of the County's Solid Waste Committee and was aware that there would be an increase in the landfill's tipping fees. Because people were continually placing large items, such as furniture and appliances, at the curb to be picked up by the City, he felt it needed to be addressed before it got out of hand. He suggested the City consider charging people to dispose of such items in order to offset the tipping fee that the City was going to be paying to the County. Next, while the City did a great job picking up leaves throughout the City, Council Member Moore suggested setting a timeframe for the collection, such as between the months of November and February rather than collecting them year-round. Lastly, he recommended installing hand sanitizer stations in the downtown areas; five on Washington Street, three on The Boulevard, two on Fieldcrest Road and one on the Cook Block. The expense would be minimal but it would create positivity and safety measures for the citizens.

Mayor Hall commented that he liked the hand sanitizer suggestion and recommended installing them at heavily-trafficked areas, such as the greenway.

Council Member Ellis questioned if the Solid Waste Department should be asked to submit a daily report on the items they were picking up.

Council Member Moore said it would have to be some time of report established to show what items needed to be charged for.

Council Member Nooe said the only issue he had in regards to the additional solid waste pickup fee was the concern that the items would end up in someone's backyard or on vacant property in order to avoid paying the additional fee.

Council Member Moore said it could be a pay-as-you-go method. He referenced an instance recently on Front Street where it appeared the City was being taken advantage of based on the amount of items that were being put at the curb in that location.

Mayor Hall said he had talked to Mr. Mendenhall about looking at the issue from some different angles as far as not paying each time something was placed at the curb for pickup but possibly limiting the number of times the City would collect the items before charging a fee. There was a range of inconsistency amongst citizens as there were some residents who abused the service by placing items at the curb each week and others who never placed anything at the curb to be disposed of; however, they were all paying the exact same garbage service fee. He also said Mr. Mendenhall was going to look into the leaf schedule considering the City collected leaves on a better schedule than larger cities did and it was overkill.

Council Member Hampton said she noticed that most properties that seemed to be abusing the garbage pickup service were rental properties. While she personally utilized the services by placing tree limbs at the curb to be picked up, she did not place large items at the curb. She also lived near an apartment complex where the residents had lived there for years and never placed items at the curb. However, there were other apartment complexes where people frequently moved in and out, placing their unwanted furniture at the curb quite often.

Council Member Moore said that was something the landlord and renter would need to work out amongst themselves.

Council Member Hampton said some of her goals had already been addressed in regards to parks and recreation. She was glad that Council voted to establish a Parks and Recreation Committee at the January Council meeting as it would help meet the needs of the parks. The Planning Department had done a great job on their condition evaluations of dilapidated buildings throughout the City as well as properties that were in violation of the nuisance abatement ordinance. Shell building availability was also one of her goals and although discussion had already occurred earlier in the budget retreat regarding that, she had noticed available land that was close to the Berry Hill Mega Park, previously home to the Webster Brick Company years ago, that she felt would be potential land for a shell building. When the discussion of the splash pad came about, there was talk about adding to Freedom Park each year. After children aged out of the skating rink stage, they were not doing anything; therefore, she saw it as an opportunity to do something that would draw them to Freedom Park in addition to the existing skateboard ramp and splash pad, which were both doing well. She suggested looking into a merry-go-round, even if it called for charging a minimal fee to help provide some revenue. She liked the idea of utilizing the train tracks going through Eden by maybe offering two engines going back and forth to Danville, Va. It would offer not only transportation, but an opportunity for sight-seeing and quality time with family, as well as some additional revenue.

Mayor Hall said maybe Caesars would put a rail line in so people could ride to the casino.

Council Member Hampton said that would be a great idea. She recalled when she was a travel agent and people wanted buses to transport them to the casinos. It would bring the City something to compensate for what it did not currently have. She also mentioned working with Rockingham Community College (RCC) on teaching trade classes, such as plumbing, welding and masonry in the downtown areas. The Draper area would be a great candidate for a location.

Mayor Hall said the buildings in the Draper area were not available as the property owners in that area were not willing to sale or lease any of their buildings. Council Member Ellis was in the process of coordinating a meeting with the Draper Merchants Association to see if he could talk to them about selling or leasing their properties, but COVID-19 had made it difficult to arrange.

Council Member Ellis said there were several vacant buildings in the downtown Draper area. While some buildings were still occupied on both ends of the downtown area, there were several buildings that were falling in. However, he had noticed that Mages Trucking was fixing up the area near their business. He would like to see the railroad depot rehabilitated similar to the one in Mayodan. He recalled a discussion he had with Council Member Hunnicutt at a recent ribbon cutting in the Draper area where they both agreed how important it was for the Draper merchants to see positivity surrounding the new businesses to hopefully encourage more business in the area.

Council Member Hampton questioned if the theater in the Draper area was unrepairable.

Council Member Ellis said no and added that nothing in that area was beyond repair. He recalled there being roughly seven churches over the past decade in the Draper area.

Mayor Hall said the Draper merchants were going to have to get together as that area would be the first place people approached when coming from the Mega Park.

Council Member Hampton recalled when a citizen approached Council in 2014 asking for a sidewalk to be placed on Charlie Street. She hoped the City could find a grant to assist with the construction of sidewalks in different areas, especially vicinities that were home to senior citizens.

Mayor Hall said the City had an ordinance to help with such matters. He asked Ms. Stultz to clarify that the ordinance required the neighborhood or block that was requesting the creation of a sidewalk to pay half of the cost of constructing the sidewalk.

Ms. Stultz said that was correct. She also added that there was some money from the Draper CDBG that was allocated for Front Street and Charlie Street but she was unsure of how far the funds would be dispersed at the present time. Once everything was figured out, she suggested that it might require the assistance of Municipal Services to help with the construction of the sidewalks considering that department was supposed to build so many sidewalks throughout the year.

Council Member Hampton thanked Ms. Stultz for the update and added that she would love to see that happen. Lastly, she wanted the City to continue to pursue industries that required a lot of water usage to operate.

Council Member Hunnicutt said the City's finances appeared to be better than he expected based on the audit report from January's Council meeting. He originally thought there might be a need to cease the demolition of dilapidated houses, but he did not feel that was the case at the present time. Because the Solid Waste Department was operating over budget, he suggested considering ways to operate that department more efficiently, such as imposing fees for the excessive or abusive use of the curbside pickup service. While he felt that succession planning of the Economic Development Department and Parks and Recreation Department would be addressed during Closed Session, he believed that Council needed to give their thoughts as to long-term plans for both departments. In regards to reporting processes, Council Member Hunnicutt suggested staff provide Council with a report that separated capital outlay spending from regular spending due to the large discrepancies it created when comparing monthly spending from one fiscal year to the next. He recalled how expense reporting was conducted at his previous places of employment and said the separation of capital outlay expenses made the budget comparisons much clearer. He also felt it would be helpful to Council if department heads presented their capital outlay requests for the upcoming few years at each annual budget retreat. He gave the example of the IT Department and stated it was helpful to hear not only the information supporting the need for laptop replacements in the upcoming fiscal year's budget, but also the plan to target infrastructure for City Hall in the fiscal year following. He suggested that department heads present at least three years' worth of desired capital projects to Council at each annual budget retreat in order to enable Council

to set a capital budget, which would in essence help the department heads to plan for their upcoming capital needs. It would also provide Council with the knowledge of what each department's priorities were.

Council Member Ellis said things were changing. Running a city was different in some ways and some forms than running a factory. He had not heard any extreme requests. Trying to complete the work for the EPA AOC was one of the biggest things they had had in years. He could see things getting better.

Council Member Hunnicutt replied that every department head was a college graduate and had the capabilities of knowing what their department needed at the present time as well as in the future. Council should not set the priorities for each department. They should line out their priorities for Council. It was a planning process, not chiseled in stone. It was not a negative thing. He wanted to make the process better. Not every department head voiced their top priority at the present budget retreat. He wanted to make the process better by giving department heads more latitude in being a part of the planning process. If they were not given guidance, they would likely just state everything needed whereas the enhanced process would help Council to know what the top priorities were. He gave the example of the IT Department's top priority being security monitoring when he would have guessed it would have been the laptop replacements. Council was given a huge list to review.

Mayor Hall said the annual budget retreat allowed department heads to present to Council their top three to five requests that they felt they needed the most. At that point, the department heads would budget those requests with Mr. Mendenhall. He cited the example of how Municipal Services requested a large piece of equipment at each annual budget retreat that the City could not always afford and therefore, the request would be presented again at the following budget retreat. While the department heads might not have been stating their requests in a formal plan, they were prioritizing their top requests each year as they were planning for what they would request at future budget retreats. The budget process would then determine how many of the requests could be funded in the upcoming fiscal year. However, there would be times when a piece of equipment would unexpectedly break and a replacement would need to be requested at the next budget retreat even though it was not previously requested or mentioned at prior budget retreats, as they did not know at that time they would be needing that request. That was where Mr. Mendenhall would have to work with each department head. The purpose of the annual budget retreat was for department heads to advise Council as to what their short-term and long-term goals were with more emphasis being on the short-term goals as that was what the upcoming budget would fund.

Mr. Mendenhall said staff had historically presented a five-year capital improvement plan as part of the budget. Council would receive a copy of a 10-year capital improvement plan going forward as the format had changed to a pay/go structure in order to reduce the amount of financing. The City had been fortunate to secure low interest rates in the past but there was no promise that low rates would continue. The upcoming fiscal year would be considered the first year of the 10-year capital improvement plan, which would continue to cycle. The five-year capital improvement environment was too expensive to go with a pay/go structure and therefore, staff had decided a 10-year capital improvement environment would be more beneficial. It would also allow the City to practice cost leveraging by averaging it out to something the City could afford. The capital improvement plan would be presented to Council within 30 to 45 days after staff calculated some revenue accounting and established areas where the City could move some debt savings into a capital account that was not tied to the actual financing of the equipment.

Council Member Hunnicutt said being able to evaluate capital spending versus when some of the City's debt would mature would help with knowing whether or not the City could proceed and commit to a project. According to the City's auditor, the City would see some debt relief in two years, which could accommodate some of the project requests. It was a positive process they were going through. He was trying to think longer term.

Mr. Mendenhall said Council would receive that type of information in approximately 30 to 45 days.

Council Member Hunnicutt said he did not recall looking at long-term capital spending at last year's budget retreat.

Mayor Hall replied that Mr. Mendenhall had not presented Council with the budget yet. In the past, the City Manager would explain in great detail of the budget message the information Council Member Hunnicutt was seeking. The budget message provided an in-depth analysis of the City's debt service, debt payments and year(s) it would be paid off. Because Council did not have the budget yet, they did not have that information; however, information regarding debt relief would be included in that section of the budget.

BUDGET INSTRUCTIONS AND DIRECTION:

Mr. Mendenhall stated staff was looking for consensus instruction and thoughts from Council on what was discussed and any thoughts on tax rates, fees and budget requests.

Mayor Hall said he appreciated the time that each department, along with Mr. Mendenhall, had put into the retreat and acknowledged it would be difficult for Mr. Mendenhall to formulate a budget for Council to work with given the unknowns regarding COVID-19. He was pleased there was no proposed tax rate increase or fee increase and hoped the citizens appreciated Council doing what they could with as limited a number of increases as possible. There had not been a water and sewer rate increase in the City since 2016 but people still complained that their water bills were going up. However, he noted it was not due to a rate increase but rather an increase in their water usage. Nevertheless, if the City did not begin considering a rate increase on water and sewer, it would end up in the same situation it was currently in where it would take a 10 to 20 percent rate increase all at once to catch up. He noted the more prudent way of handling that was to get on a schedule with a rate increase of one or two percent at least every other year. No one wanted to pay more, but everything cost more. While he was glad there was no fee increase proposal for the upcoming fiscal year, the City needed to prepare for the inevitability that rate increases would be happening. The City had the lowest tax rate in the County for municipalities. For many years, the manager and departments were asked by Councils to operate on as low a budget as possible in order to maintain the current tax rate. Raising the tax rate one cent would equate to roughly \$90,000 a year. In order to raise the tax rate enough to make a difference, it would require a significant tax increase. Therefore, Council appreciated staff and employees doing what they could over the years to avoid that increase. It was difficult to balance income with expenditures and it would likely result in him asking City staff to eliminate some of their requested items from the budget, but he appreciated Mr. Mendenhall being willing to do what was necessary.

Council Member Hunnicutt said staff had done a good job in the last year given the environment the City was working in and the mandates put in place by Council in regards to cautious spending. Business was increasing and so was the demand for housing and fortunately, he did not see that changing. All the indicators he saw were that business was ticking up. He thought if they did not continue to grow, they would still be able to hold their own as it related to the City. He did not feel they should go into a choke down process. Clearly there was an unknown element. He felt that Council should consider some of the projects they were presented with rather than putting a halt on all spending. While there were some areas that needed to be addressed, he hoped through efficiencies the City could address some things that needed to be done that were not considered emergencies, such as IT infrastructure and replacement of the UST fuel system. He heard some compelling arguments for staff additions. He would be receptive to those kinds of things. From his view, he did not know that they needed to choke things down a whole lot. He recommended that the City continue wise spending and improve efficiencies.

Mayor Hall asked Mr. Mendenhall to share with Council his two most important things for the City.

Mr. Mendenhall said he liked to impart to City staff that two of his favorite activities were first, making money for the City and second, saving money for the City. He added that staff would try to accomplish one or both in the upcoming budget. He agreed that the City needed to be conservative. He said the fund balance appropriated for the current fiscal year was \$1.1 million but the City could not appropriate fund balance in that manner moving forward. There were hard decisions to be made but Mr. Mendenhall stated that he had a lot of confidence in the Finance Department. He advised Council that they would receive a budget message and a prepared document similar to what they have received in the past even though the current budget retreat slightly diverged from how budget retreats were previously conducted. The capital improvement plan would also be different going forward as it moved from a five-year plan to a 10-year plan, but everything else would

remain the same, such as the dependency for conservative projections on revenues. He was pleased with the team that was in place and he looked forward to their product.

Council Member Carter said he appreciated the job all the department heads and employees had done throughout the current fiscal year. He was pleased to see the amount of money saved by departments that ultimately helped preserve the budget that was currently in place, making a big difference going forward with the upcoming budget. He also shared the goal for a long-range capital improvement plan to help Council decide where the City currently was and where it wanted to go.

Council Member Ellis thanked all department heads, Council and Mr. Mendenhall for the progress made to the City over the past year. He also thanked Mr. Shelton for fulfilling the role of interim city manager during the City's transition of leadership. He urged residents to continue to try and stay safe throughout the COVID-19 pandemic by wearing masks, socially distancing and washing their hands. He encouraged citizens to contact Council if they needed them. If there was any assistance needed with water or power, there were organizations and churches that were also willing to help. He reminded citizens that the Council worked together as a team and wanted to keep the City positive as there was a big future to be had in Eden. He thanked Roy Sawyers for the media coverage of the budget retreat.

Mayor Hall stated at the meeting the night before, it was decided that there would be a discussion regarding the fire truck issue at the budget retreat. He asked Mr. Mendenhall if that matter was ready to be discussed or if it needed to wait until the capital improvement plan was in place.

Mr. Mendenhall said he had spoken with the acting fire chief. No new information had come forward yet. There was currently a demo truck at one of the City's partner stations and he invited anyone interested to look at it after the retreat was over. It was a 70-foot mid-mount aerial platform truck.

Mayor Hall asked Ms. Gilley if she had discovered anything in the Purina contract in regards to the City's selection of an apparatus.

Ms. Gilley said the contract basically said the City would provide fire services to Purina as it did citizens inside the City limits. In her opinion, that was a decision that needed to be made by the fire chief in regards to what was needed.

Mayor Hall asked Ms. Gilley if she believed any of the fire truck options mentioned at the January Council meeting would suffice the City's contract with Purina.

Ms. Gilley said yes. The contract stated comprehensive protection to the City as a whole, so as long as the fire chief was of the opinion it was comprehensive, that would satisfy the contract.

Mayor Hall said there had been some confusion as to whether there was an agreement specifying the number of ladder trucks that would respond to a call at Purina, but that did not appear to be the case.

Ms. Gilley agreed that was not the case.

Council Member Carter said he thought it was verbal. He had spoken with the past fire chief the day before who advised him there was a verbal agreement made during a meeting where Mr. Dougherty and Purina's lawyers were present that said they would send two ladders.

Mayor Hall said the City would need to gather some more information regarding the engines that were being considered and would defer to the fire experts in regards to what was needed.

Council Member Hunnicutt asked if a consultant with the N.C. Commissioner of Insurance was still going to give a recommendation in regards to what the Fire Department needed in equipment.

Council Member Carter agreed and said where the equipment needed to go.

Council Member Hunnicutt said if he understood correct, the consultant also had the capability to give recommendations long term on how many stations the City should have and where they should be.

Council Member Carter said that was correct.

Council Member Hunnicutt said he hoped that would be done while the consultant was in Eden. Like anything else, there needed to be a long-term plan for the department. If the City could reduce down from four to three stations and they were strategically located, it did not affect anything or if it improved the situation, he thought the City should look at that.

Council Member Carter said it did not hurt to ask. It was a free service.

Council Member Hunnicutt said they were going to give a recommendation anyway.

CLOSED SESSION:

To discuss economic development pursuant to NCGS 143-318.11(a)(4), acquisition of real property pursuant to NCGS 143-318.11(a)(5), legal matters pursuant to NCGS 143-318.11(a)(3) and personnel pursuant to NCGS 143-318.11(a)(6).

Council Member Carter made the motion to go into closed session. Council Member Hampton seconded the motion. All members voted in favor of the motion. The motion carried.

Council Member Moore made the motion to return to open session. Council Member Hampton seconded the motion. All members voted in favor of the motion. The motion carried.

ADJOURNMENT:

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

Respectfully submitted,

Deanna Hunt
City Clerk

ATTEST:

Neville Hall
Mayor