



WALKERTOWN TOWN COUNCIL
REGULAR MEETING @ WALKERTOWN BRANCH LIBRARY
TUESDAY AUGUST 12, 2003 2:00 P.M.

MINUTES

APPROVED 08-26-03

PROCEDURAL ITEMS:

ITEM #1: CALL TO ORDER By Mayor Tom Southern
(1) DETERMINATION OF QUORUM All Present (Lynn Absent)
(2) INVOCATION By Rev. Tom Southern
(3) PLEDGE OF ALLEGIANCE By Councilman Horace Warner

ITEM #2: AGENDA ADDITIONS / CHANGES / APPROVAL

MOTION: TO APPROVE AGENDA AS PRESENTED
BY: Horace Warner
SECOND: John Tingen
VOTE: Unanimous

PUBLIC SESSION: There is a 3-minute time limit on Speakers.

There were no speakers at Public Session.

OLD BUSINESS:

ITEM #1: FOR DISCUSSION AND/OR ACTION:
Minutes for:
(1) Closed Session of May 27, 2003

MOTION: TO APPROVE CLOSED SESSION MINUTES OF MAY 27, 2003
BY: Dot Duggins
SECOND: Wallace Larrimore
VOTE: Unanimous

(2) Regular Meeting of June 24, 2003

MOTION: TO APPROVE REGULAR MINUTES OF JUNE 24, 2003
BY: John Tingen
SECOND: Dot Duggins
VOTE: Unanimous

(3) Regular Meeting of July 8, 2003

MOTION: **TO APPROVE REGULAR MINUTES OF JULY 8, 2003**
BY: John Tingen
SECOND: Dot Duggins
VOTE: Unanimous

(4) Closed Session Meeting of July 8, 2003

MOTION: **TO APPROVE CLOSED SESSION MINUTES OF JULY 8, 2003**
BY: Horace Warner
SECOND: Dot Duggins
VOTE: Unanimous

(5) Regular Meeting of July 22, 2003

MOTION: **TO APPROVE REGULAR MINUTES OF JULY 22, 2003**
BY: John Tingen
SECOND: Dot Duggins
VOTE: Unanimous

(6) Closed Session of July 22, 2003

MOTION: **TO APPROVE CLOSED SESSION MINUTES OF JULY 22, 2003**
BY: Dot Duggins
SECOND: Horace Warner
VOTE: Unanimous

NEW BUSINESS:

ITEM #1: ******* PUBLIC HEARING**

#1 *****

THIS PUBLIC HEARING IS FOR VOLUNTARY ANNEXATIONS
#1 AND #2

Each speaker will be allotted three (3) minutes to state their opinion.

FOR DISCUSSION AND/OR ACTION:

ORDINANCE #03-004
TO EXTEND THE CORPORATE LIMITS OF THE TOWN OF WALKERTOWN,
NORTH CAROLINA TO INCLUDE VOLUNTARY ANNEXATIONS #1 AND #2

DISCUSSION:

Mr. Garland: "I would have a Public Hearing for each petition. Since each petition is under the statutes, you're supposed to have a Public Hearing – I think the best thing to do is ring up each petition, you can explain what it is. If there's no one here, you can sort of put to close to figuring that no one needs to speak up. You don't need to approve each one, you just need to have a public hearing for each one. Then I think you can approve each petition in your ordinances the way they're set up."

Mr. Linville: "The ordinance that you approve states that they are listed in Exhibit A, which is the sheets that....."

Mayor: "The first Public Hearing that we have deals with voluntary annexation. This is ----
----"

THERE IS VERY MUCH PAPER SHUFFLING AND WHISPERING IN BACKGROUND THAT CANNOT BE DECIPHERED FROM TAPE.

Mayor: "I'm going to open the Public Hearing and see if there's anyone here that has interest or is involved with this Public Hearing and then we can go forward with that."

Mr. Garland: "Okay."

Mayor: "I declare the Public Hearing to be open concerning the Voluntary Annexations that are before the Council. Is there anyone here desiring to speak in the Public Hearing concerning voluntary annexations?"

Mr. Garland: "I think you want the record to reflect that the Public Hearing was opened for each of the petitions that are listed here and those are the ones that are listed on *V.Annex #1* and *V.Annex #2*."

Mayor: "Okay. Each one in the audience has a copy of that? They don't? I will read the names just to make sure that we are doing this properly. All of this is voluntary – they have volunteered to come into the corporate limits of Walkertown."

THE MAYOR THEN PROCEEDED TO READ OFF THE NAMES ON THE LISTS WHICH ARE ATTACHED AND REFERENCED AS EXHIBIT A.

"All of these have voluntarily agreed to be annexed into Walkertown. Having no speakers in the Public Hearing, it is closed."

Mr. Warner: "Let me ask, some of these – we've had a lot of requests – and the question is, have all these people been contacted? Those that had petitions some time ago?"

Mayor: "None of these.....these are all current ones."

Mr. Warner: "The reason I ask is I see Clarence and Ella Hampton – they're both deceased. At 4180 Rocky Ford Lane.

???: "How long have they been passed away?"

Mr. Warner: "The wife passed away first and I think with Clarence, it's been over a year. I can't say for sure but they're both deceased."

Mayor: "It's probably still listed in their names."

Mr. Warner: "So then it would be appropriate to go ahead and annex based on that...."

Mr. Garland: "Actually, I think you're going to have to remove those folks from the....."

Mayor: ".....Unless the executor of their estate....."

Mr. Garland: ".....They don't really own the property.....The property is not in their name anymore. It's either in the executor of the estate or their heirs."

Mr. Linville: "We went back to petitions that were, what, Josh, a couple of years old?"

Josh: "Right."

Mr. Linville: "We had some really old ones that we didn't do anything with."

Josh: "A lot of them didn't have dates on them. They were just there."

Mr. Warner: "I guess it goes back to the question where all these people were contacted and, obviously, not. Should they or should they not have been? Once they've issued that petition, can they withdraw it or it withstanding?"

Mr. Linville: "Yeah, everyone gets a letter after today saying if this was made in error, please contact us and they will be removed."

Mr. Warner: "And if you get a return from this, what will be the next step?"

Mr. Linville: "Well, if we don't get anything back, then"

Mayor: ".....Try to find out if -- contact -- address a letter to the estate and see if we get something back from the executor that they desire to go forward or to withdraw."

Mr. Warner: "On these, as I understand, what I call congruent with our present, in other words, they're not satellites?"

Mr. Linville: "Correct."

MOTION: **TO APPROVE ORDINANCE #03-004**
TO EXTEND THE CORPORATE LIMITS OF THE TOWN OF WALKERTOWN,
NORTH CAROLINA TO INCLUDE VOLUNTARY ANNEXATIONS #1 AND #2

BY: Dot Duggins
SECOND: Wallace Larrimore
VOTE: Unanimous

ITEM #2: **FOR DISCUSSION AND/OR ACTION:**
RESOLUTION #03-032
RESOLUTION DIRECTING TOWN CLERK TO INVESTIGATE A PETITION
RECEIVED UNDER G.S. 160A-31 - VOLUNTARY ANNEXATION #3

DISCUSSION:

None

MOTION: **TO APPROVE RESOLUTION #03-032**
RESOLUTION DIRECTING TOWN CLERK TO INVESTIGATE A PETITION
RECEIVED UNDER G.S. 160A-31 - VOLUNTARY ANNEXATION #3

BY: John Tingen
SECOND: Horace Warner
VOTE: Unanimous

DISCUSSION BEFORE FINAL VOTE:

Mr. Warner: "Now I assume that these, since it's Number 3 would be more current than those that we previously acted on, is that correct?"

Mr. Linville: "These are all current."

ITEM #3: **FOR DISCUSSION AND/OR ACTION:**
ORDINANCE #03-005
AN ORDINANCE GRANTING FRANCHISE TO PIEDMONT NATURAL GAS CO.

DISCUSSION:

Mr. Garland: "Again I talked to them just before the meeting about adding provisions identifying your town, before they come in to do anything with respect to the area and also a provision that would hold the town harmless from any liability or anything and that's because you're not doing the work, they're doing the work. So those were a couple of things that I looked at and I hadn't had a chance to get with them before today. I think he said he doesn't think those would be any problem."

Mr. Tingen: "I'd like to ask, after we, and assuming we get under this franchise and gas comes to Main Street in the business portion of town; what happens when a group of people want it to come down their residential street. Does this mean another gas company can't come in and furnish gas to us? What do we have to do to get them? I had the unpleasant experience in Kinston, NC, my brother – gas company came two houses from him and wouldn't deliver gas to him because these two houses wouldn't sign up to take it and his house was equipped for natural gas and he wanted it bad. But it took him two years to ever get to the length of half a block."

Mr. Garland: "Right. Well, again, there's really nothing in the franchising power to give ya'll the authority to exercise any authority over those policies so I can't say that that same situation wouldn't happen."

Mr. Tingen: "I'd like to hear the gas company speak on that topic. Come here to the mike."

Mayor: "This is Mike Huffman with Piedmont Natural Gas and I've talked to him a long time."

Mr. Huffman: "A couple of things about the franchise. Steven is correct. As far as being exclusive, it's not an exclusive franchise but it would be hard to imagine that another gas company, another natural gas company, would enter the community because of the expense involved in running the lines, that if they were parallel lines in one community, I don't know of that incurring but that's not to say that it couldn't in some point in time. But there isn't anything in the franchise that says it's an exclusive franchise. As far as our extension of service, this gives us a foothold in what we're doing here and for us to extend service, we do what's called a net present value calculation. We determine the cost to us to extend our line and then we calculate the return, based on what the load is that we would be receiving. And we do this net present value calculation, in other words, we put present dollars in today's value of what the future dollars would be to determine if it is a pay-back situation for us. And we're allowed to earn a certain percentage, as a utility we are approved by the commission to earn a certain percentage on our investment of our plant. And if that residential project returns what we are allowed to earn, then we would run that project. If it didn't allow us to return that, then we would not run the project."

Mr. Tingen: "But nobody else could come in because you had the franchise?"

Mr. Huffman: "No sir. It's not an exclusive franchise. There's nothing in there that says it is exclusive. So if there were another gas company in the area that wanted to do that, there would be nothing that would prevent that from occurring in this franchise. Again, the reason it's done that way, our business, we are a utility of choice. We're not a utility of necessity, so to speak. People do not have to use our product. Now, we certainly think that we have the best product and we certainly think that we have a story and a sales pitch to make for our product. But if we run gas down the street, there's really no one down the street that has to use it – ever! So that's why

we have to do it on a payback situation. Should we run lines that are not at least a break-even point for us, then it kind of puts the burden of the cost on rate-payers to do that. That's why you don't have a commitment to serve everybody in the community if it's based on whether or not it allows us to earn what the commission says we can earn on our plant. So to answer your question, could that occur? That could occur, depending on how far that house is; how many feet, what will they be using? Will they be using a water heater and a furnace, those kind of thing?"

Mr. Tingen: "You've heard of a gas-pack furnace out beside the house? If I'd had that for the last twenty years, I could've heated my house for 2/3 of what I have paid to heat it and been a lot better for me. But I didn't have ability to use natural gas. We didn't have it in Walkertown. Now there's been a gas increase for natural gas, prices have went up in the last two years, but if it ever goes back down, I'm going to be wanting that gas pack."

Mr. Huffman: "And we would want you as a customer if, indeed, we were able to earn our return on your getting it. Each project is looked at individually."

Mr. Larrimore: "Is this your line that comes all the way up from Tobaccoville down through and runs over towards Greensboro?"

Mr. Huffman: "We have a cross-country line that comes across from a station on Roburton Road in Kernersville and goes over to the north side of Winston. That's a transmission line. That is our line. The Transco lines, the company we buy gas from, come up through – they're kind of going north/south. They're coming up through Wallburg, Kernersville, then kind of head off toward Reidsville and then on up into Virginia. You're probably talking about our line that comes through....."

Mr. Larrimore: "It came through my farm."

Mr. Huffman: "Are on the line going on up through Tobaccoville?"

Mr. Larrimore: "Yeah."

Mr. Warner: "Can that transmission line be used to serve this area, that you already have?"

Mr. Huffman: "Technically, that's what we're using but we're using a station that we already have in service, which is at Roburton Road. That's where we're starting this extension, we're coming out 66 – coming into town that way. The reason we're doing that is those stations are very expensive and that just adds cost right up front on a project that you have to get a lot of load to offset that and this way we're able to use the station and put our money in the pipe rather than putting money into another station."

Mr. Warner: "I believe when you installed that station, you also ran the line down 66 to old 421, did you not? Down to Cash Elementary School?"

Mr. Huffman: "Yes, sir. Well, that station was actually put in a little bit before I got to Winston but we brought a line in from Kernersville and I don't think that station was actually put in at that time. It was put in to give us support on the north side of county to – it's to boost our system in order that we can sell gas in other places where the pressure may get low. And that line, I do know that when we put that in, we did put a line down Old Hollow or into Old 421 and kind of back-fed Kernersville from that area."

Mr. Warner: "Steve, since this is not an exclusive contract, with those two changes you mentioned, do you recommend this?"

Mr. Garland: "Oh, yes!"

MR. HUFFMAN INTRODUCED DAVID JACKSON, OPERATIONS MANAGER IN WINSTON-SALEM DISTRICT, AND MIKE LANGE, REGIONAL SALES SUPERVISOR. DAVID IS MORE IN THE CONSTRUCTION AREA.

MOTION: **TO APPROVE WITH NOTED CHANGES ORDINANCE #03-005**
AN ORDINANCE GRANTING FRANCHISE TO PIEDMONT NATURAL GAS
CO.

BY: **Dot Duggins**

SECOND: **John Tingen**

VOTE: **Unanimous**

ITEM #4: **FOR DISCUSSION AND/OR ACTION:**
RENOVATION OF OLD GANT WAREHOUSE
BIDS ATTACHED

DISCUSSION:

Mr. Linville: "As requirements for bidding in this price range require, I sent out informal bids, and just send them to whoever you like, and there's no requirement that you get any number of bids back but we were fortunate enough to get three bids back that we get to look at. In your

packets I included the bid request and the folks that I sent it to, and I tried to send it to everyone local and then I hit the Yellow Pages and just chose randomly. It's in your packet as a scaled down site plan. Wallace has the big plan if you'd like to look at it. The three bids are in the back. Of course, our closest bid came from Batten, here in town."

Mr. Warner: "I have a couple of questions. First of all, I don't know what date did the bids go out? I know you asked them to be back in by July 31st at 4:00 p.m. Was that about a month out or what?"

Mr. Linville: "Couple of weeks."

Mr. Warner: "I know you had already gotten some information from Batten."

Mr. Linville: "It was a couple of weeks....three weeks."

Mr. Warner: "Also, the work has to be completed by September 1st. I think anytime you put an urgency on something it usually costs more. Is that a necessity that we go for September 1st? If I were a contractor, I would put in there overtime required or something like that, depending on the project."

Mr. Linville: "Well, I just wanted to weed out the contractors that are already busy, that won't be able to start on it til October."

Mr. Warner: "Those that are not busy normally would bid less to get the work."

Mr. Larrimore: "I've drawn the plans for this and I've given it to Peggy Leight and the Walkertown Planning Board and I feel like they'll be utilizing that area for the Planning Board instead of having to sit on somebody's lap. But one thing on the bid, Mr. Batten's was more complete as far as what we had asked for. I'm not knocking anybody but some of them took exception – if you read real close what they said they would do, it was real close. They took some things out, cause I've done this all my life. You mentioned not closing door – sliding door – well, we wanted that done for example. I recommend going back....."

Mr. Warner: "Let me ask a question. I'm reading from PTR, Inc., bid in Kernersville and it states this, "*Proposal to upfit office area at Walkertown, NC, Town Hall Per plans and specifications*". Are you saying that our specifications wasn't what we wanted?"

Mr. Larrimore: "Well, I had it on the bottom of the drawing and also in the inspections, the manager sent to them because you can't – you have to cover some things with notes. For example, if they go under that porch that's back there and find out they have access, we want to move the toilets together in the middle when we do the other side and so I wanted whoever bid it would read the notes and understand what we meant by that."

Mr. Warner: "We're talking about \$5,300. First of all, let's say, what is the actual need? Does the need justify \$43,000 now? Since we've talked already about the possibility of a community center, we unfortunately didn't get the grant, will this set aside the need of a community center? At one time we talked about going on from that and then we decided maybe this wasn't appropriate up there, or adequate."

Mr. Larrimore: "This is not the community center."

Mr. Warner: "I know, but what I'm saying is what is the utility of this to the town? I know you mentioned the Planning Board having a meeting place, which is good, but then what other meetings do you propose to use that for?"

Mr. Larrimore: "Well, we could rent it out....."

Mr. Tingen: ".....Council meeting, like now, couldn't we?"

Mr. Larrimore: "We could rent it out to wedding parties, or whatever."

Mr. Warner: "I hate to be a cheapskate but there's no way....."

Mr. Tingen: "I would highly recommend...I don't know....this may be left up to the town manager, his choosing. I don't know, are we supposed to make a motion which one we'd like? Even if we're not making any motion or taking any further action on it, I'd highly recommend using Batten General Contractor because I know he's been there and been over the building twice, and studied it and he's well aware of what we need. I feel like we'll get our money's worth, and maybe a little more, by using him."

MOTION: TO APPROVE PROPOSAL SUBMITTED BY J. H. BATTEN, INC., TO REMODLE VACANT STORAGE BUILDING OWNED BY TOWN OF WALKERTOWN

BY: Wallace Larrimore

SECOND: John Tingen

VOTE: MOTION PASSED 3 TO 1

Yes – Mr. Larrimore

Yes – Mr. Tingen

Yes – Ms. Duggins

No - Mr. Warner

DISCUSSION BEFORE FINAL VOTE:

Mr. Larrimore: “I recommend accepting Batten because it’s more complete: trash removal, if you read down here he’s got everything covered. The only thing, and this is probably my fault, I didn’t do any calculation til I started getting some of these back and we’re going to need a 3 ½ ton heat pump in here in lieu of a 2.5 and that’s not that much money difference.”

Mr. Warner: “I respect Councilman Larrimore’s comments, also Councilman Tingen’s, but I find no basis to justify the additional money. Another thing that concerned me was that Batten was in the picture before these other people even received the request to bid. I think we’ve got to be more responsible if we spend the taxpayer’s money for this so I cannot agree with it. First of all I’ve got to question the need for having this by September 1st when we could table it and go out and rebid and do whatever because we are not committed to these bids at all. And then find out for sure what we’ve got. I think that would make us, what I’m saying, stewards of the people’s money.”

Ms. Duggins: “The Planning Board has been working diligently; they’ll be learning the process and they’ll probably be meeting much more often to discuss cases and requests by the people who have wanted to come into the town of Walkertown. I feel sure that it will be used; there will be no doubt in my mind, that it will be used. This committee a lot of times has to meet and there are a lot of other people that depend on using this facility here to meet. I know we had to switch around some times, meet in other rooms, sometimes at town hall. I see a good use for this and especially doing it in steps like this, rather than just going and taking the whole – we would not need to renovate the whole building right now. We just need a portion of it so that they would have a place to put their maps and leave them there so they can go to them on a regular basis and look at where people are requesting property to be rezoned. I would certainly support it.”

Mr. Warner: “I certainly want to thank the Gant family for their special gift. At one time we were talking about renovating that building to use for Senior Services and things like that. And there was a grant available to do that. I can’t be sure, something like \$18,000 – we applied for that. Would there be any grants available for this renovation? You’re talking about other uses of it; would there not be grants available to do this?”

Mayor: “I don’t know. We’re off-track. We already approved, at some point, getting bids to do this and now we’re backing up. The motion, second on the floor is to approve one of the bids.”

Mr. Warner: “Can I get an answer to my question? Question one time, we bid twice, that there was a grant available, that building to be used for _____ and that’s what Ms. Duggins just said.”

Mayor: “What I’m trying to say, you chair the meeting --- we’re off track. The question before the council is, Item #4, which of these bids you want to accept – and that’s a whole ‘nother discussion.....”

Mr. Warner: “.....When can I get an answer to the question?”

Mayor: “I have no idea, but I’m saying, if we don’t stay on track, we’ll never resolve this.”

Mr. Warner: “But do you not remember Ms. White...you had her come out here. I do.”

Mayor: “Yeah, I remember that but I’m not discussing that. I’m trying to lead you to a decision concerning what’s on our agenda....”

Mr. Tingen: “.....That’s to use the building for a whole different purpose.....”

Mr. Warner: “.....That’s my point. We should table this til we know what we’re doing and be better stewards of the people’s money.”

Mayor: “But I’ve got a motion and second on the floor....to approve J. H. Batten as the contractor on this.....”

Mr. Tingen: “.....I call for question.”

Mayor: “Any further discussion? Without objection, motion and second for approval of J. H. Batten; all those in favor.....”

ITEM #5:

FOR DISCUSSION:

ABANDON WELLS AND DEMOLISH WATER TANKS

DISCUSSION:

Mr. Linville: “This is just a discussion but I’ve heard the question of, “Can we get rid of the water tanks?” or “How much would it cost to get them demolished?” And, of all the contacts we’ve

made, no one seems to want them – they claim that dismantling a water tank is the same as putting them up except you use a cutting torch instead of a welder. So really, the only benefit of tearing one down is for scrap metal. So all the prices we have from the different tank companies range from \$30,000 up to --- \$39,500 up to.....\$54,000. D. H. Griffin wanted \$51.....”

Mr. Tingen: “.....Both tanks, \$51,000?”

Ms. Duggins: “McLean Tank Co. – wasn’t that both tanks for \$39,500....that’s \$10,000 less than anyone else.....”

Mr. Warner: “.....Are we required to remove the tanks at this time? I know that City-County did not want them in their system.”

Mr. Linville: “No. They just had to be disconnected – and they are.”

Mr. Warner: “Pardon me?”

Mr. Linville: [LOUDER/INTO THE MICROPHONE] They just had to be disconnected from the system and they are!”

Mr. Warner: “I understand that. They had to be and that’s been done. But we do not have to remove those tanks, they can also be used for antenna and if I remember, this goes back a little while, COG had a representative who would have marketed that for us. We chose not to go with them; then we also chose to do it ourselves and then following that, we went with Utility in Madison and they haven’t produced anything. I don’t know that there’s ever going to be any need for them and use of them but if we leave those tanks up there, is there any cost to us to maintain them? I know that we’ve had that one renovated, this one over here, of course, we have not. But I realize there may not be any immediate interest in them but over a period of time somebody may come in wanting those tanks that would remove them for us rather than us having to pay at least, a minimum bid was \$39,000 and give the scrap material to them. I’d rather hold on to them a little while myself. I don’t think we need to move too fast on it.”

Mr. Linville: “I’m not suggesting today that we tear them down. The question was posed, ‘How much would it cost to have them removed?’ and these are your answers.”

Mr. Warner: “Have we advertised them in any way? We’ve just asked around, is that right? Could we check into the possibility of putting them in a trade magazine or some municipal publication?”

Mr. Linville: “We could try that.”

Mr. Warner: “Say ‘*available at a bargain*’ – I’m not an advertiser.”

Ms. Duggins: “Horace, we’ve had some questions from people who we have leased this property from, or bought it from, asking, they know we’ve disbanded our water, and they’re wanting to know if they can buy the property back and questions about that. That precipitated getting the information, if we did this, what it would cost.”

Mr. Warner: “If and when we disposed of, I would hope.....these people on a first-come basis; in fact, I think they’re entitled to that. I think we had one other thing – I can’t remember what it was – but it said something about returning to the people. I think it was you that said, ‘no, they have to bid for it’. Are you talking about they would have to bid for this land, is that what you’re saying?”

Ms. Duggins: “No, I’m just saying that we had questions from the people who let us have the land, from their heirs, or them, and they want to know if they can bid on getting it back or what our process is going to be and I said to those that have asked me that we first have to either market the tank or get _____ and at that point, we would be able to let them know if they could have the property back and what we would make the decision, or whoever is sitting on council, of how to go about it.”

Mr. Warner: “Would it be appropriate to go back to them and tell them right now, if we move fast, that way all this we’d have to pay \$40,000 to do it and they would understand that. Hopefully we could do better.”

Ms. Duggins: “What Toby is saying he just got us the information because I asked if there was any plans to do this and what it would cost us if we had to do this.”

Mr. Tingen: “Thanks to the manager for doing this. I’ve asked for this before. At least we’ve got an idea here and it might be to our best interest – everything that I’ve been involved in since I’ve been in this town, the longer you wait the higher the price is. We need to decide if they’re any good and in the near future make a decision on this thing and get it behind us. We got two tanks sitting there empty, of no good, we’ll never use them again – we need to move them.”

Mr. Larrimore: “I can tell you from experience that no other town’s going to come here, take them down, haul them back to their town, and weld them back together and repaint them when they can buy a new one cheaper than doing that.”

Mayor: “Walkertown did it in 1990 so somebody might!”

Mr. Larrimore: "Walkertown has done a lot of crazy things, too!"

Mayor: "I say it's worth a shot, what Councilman Warner said, to see if we can get a bite on them."

Mr. Warner: "And going one step further, maybe try to market them for antennas....One thing we've got to check into and that is the location of that one tank that is now on private property."

ITEM #6: FOR DISCUSSION:
SEWER UPDATE

DISCUSSION:

Mr. Linville: "This has been Mr. Warner's burning question since I've been here, 'How much is it going to cost us?' This is still just an estimate cause it's still not done but this is the best Terry Cornett could do as of the end of July."

Mr. Warner: "Well, I appreciate this information a lot. I would like us to repeat this at the next night meeting, if you don't mind, in that, the original request was to have it at an evening meeting. Then we delayed it the last time and we said let's make it on the 24th of August so even though we have it now, could we bring that back up so the public can share in it? I know we've got a few people here today but I think they would have..... Course the history of the project, we started out, if you'll remember was \$5,400,000 and then we expanded to 1-A and then went on from there. And in the interim you'll remember we got bids in at \$890,000 less and we were going to pay for it in 10 years, then we went to 20 years and fortunately we got that low interest loan. But there are two things that concern me here in the information. First of all, it shows the Winston-Salem/Forsyth County Schools contribution of \$300,000.00 and we have in our financial report, revenue of \$325,000. Where did that other \$25,000 come from?"

Mr. Linville: "I have no idea."

Mayor: "It came from them. They were not charged an assessment fee; the \$25,000 was an addition to the \$300,000 to cover their connection."

Mr. Warner: "You say they were not charged assessments? Why would they not be charged assessments?"

Mayor: "Don't ask me. I don't make the rules. That was my understanding, now. No! I mean a connecting fee!"

Mr. Warner: "A connection like I'm paying \$925 for? Instead of it being \$25,000? But they will still be assessed per foot?"

Mayor: "They just put that money in to cover that, which should more than cover it, I think."

Mr. Warner: "Cover what? Assessment or hook-up?"

Mayor: "Their hook-up charge."

Mr. Warner: "Okay. They will be paying an assessment?"

Mayor: "I don't know. That's City-County – you brought that up and I really don't know the answer."

Mr. Warner: "Can we get an answer on that, then? Then the other thing, let's also find out what's going to be the future of the new school over on Williston Rd. and Old Belews Creek Rd. that's going to be utilizing a line that we're going to be paying for. That property over there, it is all annexed into Walkertown? Or is it just some is and some isn't?"

Mayor: "None of that there is. Nothing's in Walkertown beyond Martin Acres."

Mr. Warner: "Okay. So even though it'll get gravity flow off the Williston Road area or on that main line, that interceptor line, will they be paying us anything for the use of that; or what would be the status of that?"

Mayor: "Once the sewer line is constructed, that outfall becomes the property of the Utility Commission and so any negotiations that we would do would be to ask for a contribution. There would not be a way that we could put any kind of fee for them to hook on because the Utility Commission....."

Mr. Warner: ".....Once it's outside our municipality, we have no authority to do anything because there are three connections down on Swain Lane that John Grey said were put in there because it was economic to do them. I asked him who was going to bear the expense and he said it would be the project. We have no authority to even charge those people the assessment on the property frontage much less connection fee for them to connect on. That bothers me."

Mayor: "There are factors that sometimes....."

Mr. Warner: "I approached Mr. Landreth and also Dr. Martin over in Kernersville about could they give us more money because of the sewer situation and the cost of it and at that time talk is still cheap, told me, "Yeah, yeah because we're going to build these schools and such." I'm going to follow up on that; I think we should. I'll probably get a no but.....And what are they going to do about that new school they're going to build over there by Cash? Are they going to utilize any of our what we paid for?"

Mayor: "Yeah. They'll build a new outfall called Martin Mill Creek Outfall that will tie in to

Mr. Warner: "Who's going to build it?"

Mayor: "The city of Kernersville, the school system, Utilities Commission."

Mr. Warner: "Walkertown is not going to be involved in any cost for that at all. I've got no argument with that. Will we be able to use any of that service off of Winchester?"

Mayor: "Right."

Mr. Warner: "Now that's the way to do it. Thanks for all that. As far as the debt, when you come down to the rates and such, you've got the average customer 800 cubic feet, monthly sewer charge 3x, 2.5x and so on then on down there the grant minimum bill as 1 ½ % of median income. That comes through from the beginning, didn't it? On another place we say here that sewer rate will need to cover, we were talking about sewer charges plus 10% CCUC Surcharge. I don't know what that is. Can you help me?"

Mr. Linville: "You lost me."

Mr. Warner: "On Page 5...."

Mr. Linville: "Your question is what is the 10% surcharge?"

Mr. Warner: "Yes. What is that?"

Mr. Linville: "That is the overage that they charge us for treating our sewer."

Mr. Warner: "I don't remember that being in our agreement with them. I can see the debt service on the CG & L Loan – I can see that. But then you get on down here, CCUC interest charges for funding project through construction. Then it goes down here, annual debt retirement of CG & L Loan - \$130,902 but then you come back to CCUC interest - \$150,000 at 6% for 20 years for \$13,078 per year. And you multiply that by 20 you're talking about \$261,560. Now I asked in one of our previous meetings if we had borrowed any money from City-County Utilities and I was told that we had not; that we were using all of our grant money, plus the loan money from the state fund. Do ya'll remember that? So I'd like to know then why we're going to be paying them as it turns out, over 20 years, \$261,560? Can I get an answer to that?"

Mr. Linville: "Because we have borrowed money from City-County Utilities as this goes along."

Mr. Warner: "Do what, now?"

Mr. Linville: [LOUDER/INTO THE MICROPHONE] "Because we have borrowed money from City-County Utilities already."

Mr. Warner: "Then why did you tell me we haven't?"

Mr. Linville: "Because I didn't know that we had. Anything they've done up to this point that we haven't given them a grant or loan for, they've had to pay for."

Mr. Warner: "Why would we borrow money from them? We're talking about \$150,000 – when we had \$325,000 in the bank that was given us from the school?"

Mayor: "I didn't know we had borrowed any money. They're paying all the bills. All the money flows through their accounting system so we probably need to have a sit-down with them and see where these numbers are coming from. That's kind of news to me."

Mr. Warner: "Didn't we pay extra to have an audit last year because we had this sewer project and what they call it, a something-audit? Somebody had to look after it then..... It's going to cost a lot of money."

Mr. Larrimore: "Well, I can tell you. We started out and got \$32,453.00 favorable balance. We need to sit down with the people that knows some of these questions that can answer all of us's concern but it looks like, from what everything started off with, that we're coming out with a little bit left over."

Mr. Warner: "Well, now going back on this. We've got the City of Winston-Salem, North Carolina / Walkertown Schedule of Loan Advance, it goes on down here, interest expenses and all that. I just don't believe we know what we're doing."

Mayor: ".....I don't see anything that's _____ except....."

Mr. Larrimore: ".....You can take either one of these....."

Mayor: ".....except the loan from CCUC. I thought they were reimbursed for what they – they put some money in up front – I thought they'd been reimbursed by the grant money after we received the grant. They fronted some money before the grant came through but my thinking on it was that they had got that money back. But we'll have to check on with their accounting department, see what this is. That part I don't know. Other than that I don't see any surprises – it's just that money's been spent on the sewer project."

Mr. Tingen: "We've altered the project a couple of times, too."

Ms. Duggins: "The City of Winston-Salem when they started, was before we actually got the loan approved and they fronted the money at that time so they could go ahead with the project. Remember that?"

Mr. Warner: "That's \$150,000."

Ms. Duggins: "But it would be foolish of us to borrow money from the City of Winston-Salem at a higher percentage than we could get it from Raleigh for 2.5% so even if it's on here, we still have money available through Raleigh to borrow at 2.5% and it's foolish to pay Winston-Salem.."

Mr. Tingen: "We'll just swap that over..."

Mayor: "If we owe them money, we'll pay them the money, we won't pay 7% interest."

Mr. Warner: "But have they not charged us two years interest on that \$150,000 already? And I say that because – wait a minute – this is 2003 – at July 28, 1999, it was brought to the attention of this council that CCUC had spent \$150,000 to get the information. And I can remember one of our citizens raising that question that it had never been approved by this council – and it hadn't. And that might be the \$150,000 – that would be three years' interest we've paid on it. Course at that time, we didn't have this loan. So as soon as we had the loan, we ought to have paid that money and got out of that"

Mayor: "They are submitting the bills – and they are collecting. Everything is going through their accounting procedure."

Mr. Tingen: "The auditors should have drawn that to our attention."

Mr. Warner: "But shouldn't we be included in this somewhere? Our citizens are counting on us to mind their money."

Mr. Larrimore: "Horace, let me tell you something that would make you feel a little better today. I was the architect on this. At 8%, I would have made \$3,900 and it was done free!"

Mr. Warner: "That's not the point. The point is every penny we're trusted with by our people and we should handle it....."

Mr. Linville: "Well, if they will, I'll get Terry Cornett or David Saunders to come in to the August 26th night meeting and you can hammer on him."

Mr. Warner: "Terry Cornett, and City-County Utilities – none of these people look after the citizens of Walkertown. That's what I'm trying to do."

Mr. Tingen: "He'll answer your questions."

Mayor: "You're trying to hold us more accountable than you are yourself."

Mr. Warner: "Well, we're the ones that made these agreements, Tom!"

Mayor: "That's right.WE – including you!"

Mr. Warner: "I voted against them!"

Mayor: "Well, but you're still part of the council and we're \$8million into a project – we got a couple of answers that we need to get. I say we get the answers and move on."

Ms. Duggins: "I think I remember Horace also voting against applying for a grant – which is money you don't have to pay back."

Mr. Warner: "Let's be reminded that we asked for a \$3million grant and we only got \$2million."

Mayor: "We need a couple of answers, Mr. Manager, on this thing. Let's move on."

Mr. Warner: "Let me ask again, let's also bring this back to the public on the next meeting – August 26th – then everyone will have a chance to know."

**ITEM #7: FOR DISCUSSION:
PAVE PRIVATE ROADS**

DISCUSSION:

Mr. Linville: "Let's see. We have 5 or 6 private, non-paved roads in town and I've heard requests from all of them, 'Pave our road!' 'Pave our road! We're in town. We pay taxes. Pave our road!' So ... our stand has always been, 'we'll maintain it once it's dedicated and once it's built to standard.' Which means they have to pay for grading, gravel and paving. So my question to you is, if they pay for, if they all agree to have it paved, and paid for grading and for erosion

control ditch banks built correctly, and paid for the gravel needed, would you be interested in paying for the pavement, actually paving the road.”

Mr. Warner: “Are we talking about private roads?”

Mr. Linville: “Um Hum.”

Mr. Warner: “I don’t see why we’re involved in private roads at all.”

Mr. Linville: “Because they’re connected to our main roads and they’ve got....”

Mr. Warner: “That’s all right to be connected but why should you take money from the taxpayers of Walkertown and put into something that’s a private property. There’s no justification.....”

Mr. Larrimore: “Not private property but they’re in town, paying taxes.”

Mr. Linville: “Not all of these are private either. Some of them are dedicated public right-of-way. They just never were paved.”

Ms. Duggins: “Have you pulled our ordinance?”

Mr. Warner: “Are you talking about Mathews View and Lee Haven? Those have been kicking around for three years. And Chapel Street.”

Ms. Duggins: “Have you pulled our ordinance on what our ordinance states?”

Mr. Linville: “Um Mmmm.”

Mayor: “Chapel Street is not a private street. Chapel Street has been on the Powell Bill since 1985.”

Mr. Warner: “Powell Bill?”

Mayor: “Yes. Gray Swain.....”

Mr. Warner: “.....No-o-o-o. I think if you’ll go back to the records, the previous council removed that from the Powell Bill.”

Mayor: “It’s on the Powell Bill map.”

Mr. Warner: “Yeah – you put it back on, Tom.”

Mayor: “I didn’t put it back on!! I’ve never put it on. I don’t care. I kept the road up for 30 years.”

Mr. Warner: “Now wait a minute, who lives down there besides you?”

Mayor: “I kept the road up for 30 years.”

Mr. Warner: “We weren’t in the town 30 years ago.”

Mayor: “I know, but I kept it up for 30 years. I’ve lived down there for 38 years! I don’t know why we’re in this discussion.”

Mr. Linville: “Forget Chapel Street! Think of the other roads in town that are gravel.”

Mr. Warner: “There again, on private streets, we have no business being involved!”

Mayor: “I didn’t ask for Chapel Street to be paved.”

Mr. Linville: “They’re public right-of-ways. They just never were paved.”

Ms. Duggins: “Do we have any of these streets that are unpaved in town? Any of them? I don’t care what the name of any is, but they’re in the town of Walkertown? People who pay taxes?”

Mr. Linville: “Yes.”

Ms. Duggins: “Tell me this. Are any of them, in your examination, were any of them state-approved ready?”

Mr. Linville: “No.”

Ms. Duggins: “They all would have to bring them up to state approval.”

Mr. Linville: “A few of them were wide enough but they need more stabilization, gravel. And, of course, they need to pave.”

Ms. Duggins: “I had a citizen the other day mention, I forgot which street it was – I went down and looked at it. It really – two cars couldn’t get by, so I wonder, when the state checked it out, what they thought about it – if it was approved or not. But the people do want – I would suggest that you pull our ordinance on what our standards are for paving the street and take another look at them; as a council, we should take a look at them. Then see if there’s anything, what we do require, and whether our prices are up to par, because I know that the pricing per foot used to be, what, \$8.00 to pave, I think? Or \$9.00? Anyway, it’s been a long time since I’ve seen it; I’d like for you to pull it out for us and examine it. We may not be able to get it paved for what it used to be, what our ordinance says.”

Mr. Larrimore: “We’ve spent zero money on the Powell paving.”

Mayor: “If it meets Powell Bill requirements, the town accepts it. Same thing with D.O.T. When it meets their Powell Bill requirements, D.O.T. accepts that street. The paving of a street is up to a municipality or D.O.T. when they think it is to their best advantage to go ahead and pave it. D.O.T. has been on a campaign the last several years to pave every unpaved street on their maps. Reason being, it’s easier to pave the streets, have it done, than go every year or so and

have to scrape and gravel and keep up, maintain an unpaved street. But it's entirely up to Walkertown because the standards within the municipality are different from D.O.T. The requirements to be on the Powell Bill map for a municipality includes alleyways and things within cities; therefore, the structure's different so what we're talking about – for instance, Mathews View Lane, which was put in to accommodate people who built homes there. But the developer didn't bring it up to Powell Bill standard. What the manager is saying, if they bring it up to Powell Bill standard, would we then take that street on as a Walkertown street; and then after we take it on as a street, put it on our Powell Bill. The Powell Bill map brings funds to the town of Walkertown, once it's on there, would it be to our advantage, when it's up to a standard for paving, to pave it rather than to maintain it. That's the summary of what this discussion's about."

Ms. Duggins: "Another thing for you citizens to understand exactly, if you don't, but probably most of you do, is that a street has to be dedicated. It's private until it is dedicated to the town and you have to go through a process to do that. That you dedicate a street to the town and if it's up to proper standard, then it is taken by the town to be kept up, but until it is brought up to a certain standard, the town cannot take it. And so you might want to dedicate it and may want it up. I wish, as Public Works Officer, that we did not have a single street in the town that was unpaved. I would like to see us move to the point that we have every street in the town paved. We have a lot of older streets that are out there still unpaved. For instance, right across from our office, back down there, is a street that's never been paved and still it really needs paving, as all of them do. But we have to remember that the money you citizens pay in your taxes covers a lot of things and the reason that we have not used any Powell Bill money – we've held off using the Powell Bill money because of putting in sewer and resurfacing roads, we stopped, so that we wouldn't be paving streets and then turn around and they come in and do the sewer and tear them all up and then we'll be doing it all over again, just wasting money. So now that they're just about finished with the sewer project in the area that they're working on, we'll start spending quite a bit of that money to resurface these streets."

Mr. Larrimore: "In May, that's the latest, I didn't know we were going to get into this, in May, our Powell Bill money was \$125,300.15 so we're not broke. We can fix all the streets around here that we are concerned with. And that is the only thing you can spend Powell Bill money for! You can't go out here and spend it for nothing – not even post-its. And that same thing, hotel occupancy tax can only be spent for one thing – two things, I mean, recreation....."

Mr. Warner: "May I speak to that? I think we ought to survey all our streets and find out what is and what is not on the Powell Bill. I think previous council and this council as such have been reluctant to bring on streets because the Powell Bill money comes to you based on 75% of your population and 25% of your mileage in streets. So if you have a street out there that you have accepted for Powell Bill in Walkertown's control/maintenance, you still get that 75%. We also have said no, we better be careful, because we don't have the maintenance equipment or the maintenance to go out so we've stayed within the core of Walkertown. And we did more recently take on some streets up here – Old Walkertown Road – when we went back in there, they're tar and gravel, I checked them out and they're in pretty good shape. We did take on those; other than that I don't think we're too far outside the core of Walkertown. I think we ought to move out pretty hesitantly and as you say make a full survey and study before we do it. Even though, we do have a lot of money in the Powell Bill and I think it ought to be used wisely, just like any other money. Whatever you've got – now the Powell Bill money also comes as part of the fund requirement of the state. If you go below 8%, the state comes in and tells you how to do your finances. Anywhere above that..... So there are times when we may go down in General Fund and various others but that would be needed to comply with that fund balance minimum. My point is, yes, let's do what we need to do, but let's do it wisely."

OTHER BUSINESS:

Mr. Linville: "We got a card from the Walkertown Volunteer Fire Department thanking us. And tomorrow is the last day for Josh Wall, our intern. He's going back to Appalachian and we're going to miss him. We appreciate all the work he's done this summer."

Mr. Warner: "Let me publicly say, I voted against spending \$4500 for an intern. You know, I could be wrong too!"

[COLLECTIVE "AWWWWWW" AND LAUGHTER FROM THE COUNCIL , STAFF AND AUDIENCE!]

Mr. Warner: "Josh has done a wonderful job

Mayor: "You've voted against everything for the last six years!"

Mr. Warner: "But at least, I'm honest!"
 ????? "That's right!"
 ????? "You are!"
 Mr. Tingen: "Where you got that gun hid at, Josh?"
 Mr. Warner: "I told you, Josh after you came that I did vote against paying that. I try to keep everything up on the table and above board. I think I've also made certain statements to other people too. Josh, we thank you very much for your presence and the work you've done. We wish you well and God speed."
 Mr. Larrimore: "I would like him just to say how much, as of a certain day, how many people came in and the money value behind it."
 Josh: "\$7million." (Could not hear his answer clearly).
 Mr. Larrimore: "And that doesn't include the next phase. And it don't include the new shopping center or the building down on Rock Lane. So contrary to what I've been reading in the paper, we're not broke – nowhere near."

ANNOUNCEMENTS :

08-26-03	7:00 p.m.	Town Council Meeting @ Library
09-09-03	2:00 p.m.	Town Council Meeting @ Library
09-23-03	7:00 p.m.	Town Council Meeting @ Library

ADJOURNMENT

MOTION: **TO ADJOURN**
BY: **Dot Duggins**
SECOND: **John Tingen**
VOTE: **Unanimous**

ATTEST:

TOWN OF WALKERTOWN:

By: _____
Lynn McKinnie
Town Clerk

By: _____
Tom Southern
Mayor