

Salisbury, North Carolina
June 1, 2004

REGULAR MEETING

PRESENT: Mayor Susan W. Kluttz, Presiding; Mayor Pro Tem, Paul B. Woodson, Jr.; Councilmen William (Bill) Burgin; William (Pete) Kennedy; Mark N. Lewis; City Manager, David W. Tremé; City Attorney, F. Rivers Lawther, Jr.; and City Clerk, Myra B. Heard.

ABSENT: None.

The meeting was called to order by Mayor Kluttz at 4:00 p.m. The invocation was given by Councilman Lewis.

PLEDGE OF ALLEGIANCE

Mayor Kluttz led those present in the Pledge of Allegiance to the United States flag.

RECOGNITION OF VISITORS

Mayor Kluttz recognized all visitors present.

ADDITIONS/DELETIONS TO THE AGENDA

Mayor Kluttz noted the following changes to the agenda:

Addition of 15(a) – capital project budget Ordinance amendment in the amount of \$253,987 for the Highway 70 annexation area water and sewer line extension.

Change to the purpose of the closed session to the acquisition of property located on Tax Map 330 Parcels 037 and 078 as allowed by NCGS 143-318.11(5).

RECOGNIZE MIKE FRICK - REGION III WASTEWATER OPERATOR OF THE YEAR

Mayor Kluttz recognized Mr. Mike Frick, Salisbury-Rowan Utilities Assistant Plant Operations Manager, who was named the Region III Wastewater Operator of the Year. She noted that this award is given each year to an individual that shows a true dedication to their job and wastewater system. Mayor Kluttz then presented Mr. Frick with the North Carolina Rural Water Association Al DeRatt Award.

CONSENT AGENDA

(a) Minutes

Approve Minutes of the regular meeting of May 18, 2004.

(b) Budget Ordinance Amendment - ArcGIS Class

Adopt a budget Ordinance amendment to the FY2003-2004 budget in the amount of \$2,275 to appropriate funds received for an ArcGIS class.

AN ORDINANCE AMENDING THE 2003-2004 BUDGET ORDINANCE OF THE CITY OF SALISBURY, NORTH CAROLINA TO APPROPRIATE FEES RECEIVED FOR ARC-GIS CLASS.

(The above ordinance is recorded in full in Ordinance Book No. 20, Budget, at Page No. 41, and is known as Ordinance No. 2004-29.)

(c) Budget Ordinance Amendment - Parks & Recreation Department

Adopt a budget Ordinance amendment to the FY2003-2004 budget in the amount of \$36,725 to appropriate various donations to the Parks and Recreation Department.

AN ORDINANCE AMENDING THE 2003-2004 BUDGET ORDINANCE OF THE CITY OF SALISBURY, NORTH CAROLINA, TO APPROPRIATE VARIOUS RECREATION DONATIONS.

(The above ordinance is recorded in full in Ordinance Book No. 20, Budget, at Page No. 42, and is known as Ordinance No. 2004-30.)

Thereupon, Mr. Burgin made a **motion** to adopt the consent agenda. Mr. Woodson seconded the motion. Messrs. Burgin, Kennedy, Lewis, Woodson, and Ms. Kluttz voted AYE. (5-0)

ZONING MAP AMENDMENT - Z-08-04 - CITY OF SALISBURY

Z-08-04 - City of Salisbury
220 North Church Street for Oak Grove/Freedman's Cemetery

(a) Ms. Janet Gapen, Planner II, informed Council that this request is to add the parking exempt overlay to a lot at the northwest corner of North Church Street and West Liberty Street. She noted that this will waive off-street parking requirements and will waive the site triangle requirements for construction. Ms. Gapen explained that the site triangle requirements affect every corner lot in all zoning districts within the City and requires a specific distance from the corner be maintained free of visual obstructions so that traffic can pass without undue problems. This lot is the site of the Freedman's and Old English Cemeteries as well as the Freedman's Memorial and the change will allow a design element to be used as part of the approved site plan.

(b) Mayor Kluttz convened a public hearing, after due notice and advertisement thereof, to consider zoning map amendment Z-08-04 City of Salisbury, 220 North Church Street for the Oak Grove/Freedman's Cemetery.

Those speaking **for** or **against** the above proposal were:

Mr. Clyde Overcash, 220 East Bank Street, asked if any parking spaces will be lost around this corner. He asked if the Downtown Salisbury, Inc. Parking Committee or Rowan County is worried that they will lose parking.

Since no one else was present to speak to the issue, Mayor Kluttz closed the public hearing.

Mr. Joe Morris, Planning and Community Development Manager, told Council that some parking spaces have been lost along Church and Liberty Streets where the sidewalk has been widened. He noted that this was approved as part of the Certificate of Appropriateness for the streetscape improvement project. Mr. Morris explained that the sidewalks were narrow and in planning for the Memorial Project a decision was made to widen the sidewalks to facilitate visitation and viewing of the Memorial. He told Council that during the Historic Preservation Commission (HPC) public hearing all adjacent property owners were notified. He added that the Downtown Salisbury, Inc. Parking Committee was not part of the discussions because the parking arrangement along the streets was ultimately the decision of City Council.

Councilman Lewis stated that in looking at the flow of traffic, the site triangle did not serve a purpose since no traffic travels north on Church Street and he noted that the Planning Board gave this a unanimous recommendation.

(c) Thereupon, Mr. Kennedy made a **motion** to adopt the Ordinance amending the official zoning map of the City of Salisbury, North Carolina, by adding the parking exempt area to approximately 1.78 acres, with about 346 feet in the 200 block of North Church Street and 224 feet in the 200 block of West Liberty Street, identified as 220 North Church Street, and as parcel 136 on Salisbury tax map 10. Mr. Lewis seconded the motion. Messrs. Burgin, Kennedy, Lewis, Woodson, and Ms. Kluttz voted AYE. (5-0)

AN ORDINANCE AMENDING THE OFFICIAL ZONING MAP OF THE CITY OF SALISBURY, NORTH CAROLINA, BY ADDING THE PARKING EXEMPT AREA TO APPROXIMATELY 1.78 ACRES, WITH ABOUT 346 FEET IN THE 200 BLOCK OF NORTH CHURCH STREET AND 224 FEET IN THE 200 BLOCK OF WEST LIBERTY STREET, IDENTIFIED AS 220 NORTH CHURCH STREET, AND AS PARCEL 136 ON SALISBURY TOWNSHIP TAX MAP 10.

(The above ordinance is recorded in full in Ordinance Book No. 20, Zoning & Planning, at Page No.43, and is known as Ordinance No. 2004-31.)

HISTORIC DISTRICT DESIGN GUIDELINES

Ms. Janet Gapen, Planner II, discussed changes to Chapters 1-2 of the *Residential Historic District Guidelines* and to Chapters 1-2 of the *Non-Residential Historic District Design Guidelines* with Council. She noted that these changes were recommended by the Historic Preservation Commission (HPC) to clarify and update the guidelines.

The changes include:

- Allow metal storm doors with full view glass and a baked enamel finish and to allow these to be approved through the Minor Works Committee.
- To prohibit the use of spray-on vinyl coatings as a substitute for paint.

- Clarify the guidelines concerning the introduction of blown-in insulation through exterior siding
- To clarify and update contact information and meeting times and dates. A description of the Design Review Advisory Committee is also included.

Mayor Pro Tem Woodson asked about the prohibition of blown-in insulation through exterior walls and asked how insulation can be added. Ms. Gopen explained that the State Historic Preservation Commission feels the plug holes used for blowing in the insulation require a higher level of maintenance and feel that the principal sources of heat loss are the roof, attic, windows and doors.

Thereupon, Mr. Woodson made a **motion** to make the changes to Chapter 1-2 of the Residential Historic District Design Guidelines and Chapter 1-2 of the Non-Residential Historic District Design Guidelines as presented. Mr. Burgin seconded the motion. Messrs. Burgin, Kennedy, Lewis, Woodson, and Ms. Kluttz voted AYE. (5-0)

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SECOND READING - ORDINANCE NO. 2004-28 - LOADING ZONE - 100 BLOCK NORTH JACKSON STREET

Councilmen Burgin and Lewis asked to abstain from this matter due to a conflict of interest.

Thereupon, Mr. Woodson made a **motion** to excuse Councilmen Lewis and Burgin from the vote. Mr. Kennedy seconded the motion. Messrs. Kennedy, Woodson, and Ms. Kluttz voted AYE. (3-0)

Thereupon, Mr. Woodson made a **motion** to amend Section 13-366, Article X, Chapter 13, of the Code of the City of Salisbury, to add Jackson Street west from Innes Street to a point 150' north of Innes Street. Mr. Kennedy seconded the motion. Messrs. Kennedy, Woodson, and Ms. Kluttz voted AYE. (3-0)

AN ORDINANCE AMENDING SECTION 13-366, ARTICLE X, CHAPTER 13, OF THE CODE OF THE CITY OF SALISBURY, RELATING TO LOADING ZONES.

(The above Ordinance is recorded in full in Ordinance Book No. 20, Traffic, at Page No. 40, and is known as Ordinance No. 2004-28.)

It was necessary to have a second reading on the above ordinance due to the lack of an affirmative vote of two-thirds of all members of the City Council.

MCGLADREY & PULLEN - AUDIT CONTRACT - FY2003-2004

Mr. Wade Furches, Finance Manager, informed Council that in 2001 Council awarded a four (4) year agreement to McGladrey & Pullen for the year-end audit. Fiscal year ending June 30, 2004 is the fourth (4th) and last year of the agreement and as required by the Local Government Commission (LGC) approval is needed for the audit contract and arrangement letter for this year. Mr. Furches noted that the fee for this year is \$28,000, which is \$2,000 less than last year, and lower than what was anticipated.

Councilman Kennedy asked about GASB 34 (Governmental Accounting Standards Board). Mr. Furches explained that GASB 33 and 34 were sweeping changes in financial reporting requirements. He added that it drastically changed the financial statements and appearance, as well as how certain revenues and expenditures are reported. He stated that the changes were implemented with the June 30, 2003 financial statements and because of the extra work McGladrey & Pullen estimated the fees to be higher last year, but since the changes were not as far reaching as anticipated, the fee was reduced this year.

City Manager David Treme commented that one of the changes for the financial statements required by GASB 34 is to take infrastructure into consideration. He added that the City meets the requirements and accounts as required by the GASB.

Thereupon, Mr. Burgin made a **motion** to extend the contract for auditing for \$28,000 to McGladrey and Pullen for next year. Mr. Kennedy seconded the motion. Messrs. Burgin, Kennedy, Lewis, Woodson, and Ms. Kluttz voted AYE. (5-0)

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BUDGET ORDINANCE AMENDMENT - PROCEEDS FROM SALE OF REFUNDING BONDS

Mr. Wade Furches, Finance Manager, stated that in July 2003 City Council authorized the issuance of \$12.1 million dollars worth of general obligation refunding bonds for the water and sewer fund. In August 2003 the bonds were issued and an advance refunding of \$11.9 million dollars worth of outstanding bonds was issued. Mr. Furches stated that the rate was 3.43% and bonds with a rate of 5.28% to 6.52% were paid off saving the City \$352,806 over a twelve (12) year period. He noted that when Council approved the issuance of the bonds last year the FY04 budget had already been adopted and this budget amendment will appropriate the bond proceeds offset with the expenses and refunding.

Councilman Kennedy commented that the City refunded \$11.9 million and the appropriation is for \$12.1 million and asked about the difference. Mr. Furches replied that the difference includes the issuance costs and underwriters fees.

Councilman Burgin asked if the \$352,806 in savings was net or gross. Mr. Furches responded that it was net.

Thereupon, Mr. Lewis made a **motion** to adopt the Ordinance amending the FY2003-2004 budget Ordinance for the City of Salisbury, North Carolina to appropriate proceeds from the sale of refunding bonds. Mr. Burgin seconded the motion. Messrs. Burgin, Kennedy, Lewis, Woodson, and

Ms. Kluttz voted AYE. (5-0)

AN ORDINANCE AMENDING THE 2003-2004 BUDGET ORDINANCE OF THE CITY OF SALISBURY, NORTH CAROLINA, TO APPROPRIATE PROCEEDS FROM SALE OF REFUNDING BONDS.

(The above ordinance is recorded in full in Ordinance Book No. 20, Budget, at Page No. 44, and is known as Ordinance No. 2004-32.)

CAPITAL PROJECT ORDINANCE - SALISBURY-ROWAN UTILITIES - RENOVATIONS - ONE WATER STREET

Mr. Matt Bernhardt, Assistant City Manager for Utilities, stated that this request is for the adoption of project budget ordinance for the renovation project at One Water Street. Utilities Administration has occupied the facility but renovations are not yet complete. He pointed out that the renovations will take place over two (2) fiscal years and asked for a project budget ordinance for this project. Mr. Bernhardt noted that the funds have already been appropriated but this will extend them across two (2) fiscal years.

Thereupon, Mr. Woodson made a **motion** to approve the project budget Ordinance in the amount of \$106,580 to set up the renovation of One Water Street as a capital project. Mr. Kennedy seconded the motion. Messrs. Burgin, Kennedy, Lewis, Woodson, and Ms. Kluttz voted AYE. (5-0)

ONE WATER STREET RENOVATION - CAPITAL PROJECT ORDINANCE

(The above ordinance is recorded in full in Ordinance Book No. 20, Budget, at Page No. 45, and is known as Ordinance No. 2004-33.)

CAPITAL PROJECT ORDINANCE AMENDMENT - WATER TREATMENT PLANT EXPANSION

Mr. Matt Bernhardt, Assistant City Manager for Utilities, informed Council that Salisbury-Rowan Utilities (SRU) realized that with renovations to the water plant, a new way to utilize carbon in water treatment would be necessary. A new carbon feed system will be installed at the raw water reservoirs as part of the overall project.

Thereupon, Mr. Woodson made a **motion** to adopt the amended capital project Ordinance in the amount of \$234,963 for the water treatment plant expansion. Mr. Kennedy seconded the motion. Messrs. Burgin, Kennedy, Lewis, Woodson, and Ms. Kluttz voted AYE. (5-0)

WATER TREATMENT PLANT EXPANSION - CAPITAL PROJECT ORDINANCE AMENDMENT

(The above ordinance is recorded in full in Ordinance Book No. 20, Budget, at Page No. 46, and is known as Ordinance No. 2004-34.)

CAPITAL PROJECT ORDINANCE - SUMMIT CORPORATE CENTER PHASE II - SEWER EXTENSION

Mr. Matt Bernhardt, Assistant City Manager for Utilities, explained that Summit Corporate Center Phase II sewer extension is the sewer line to serve the new MI Home Products facility. He noted that funds are available for the project and a capital project Ordinance in the amount of \$90,000 is presented for Council's consideration.

Councilman Kennedy noted that the Ordinance references the sale of land and asked which land was sold in the amount of \$32,100. Mr. Bernhardt stated that a portion of property located at the water tank on Jake Alexander Boulevard was sold to Salisbury Academy for use as part of their operations.

Thereupon, Mr. Burgin made a **motion** to approve the capital project Ordinance of \$90,000 for the Summit Corporate Center Phase II sewer extension. Mr. Woodson seconded the motion. Messrs. Burgin, Kennedy, Lewis, Woodson, and Ms. Kluttz voted AYE. (5-0)

SUMMIT CORPORATE CENTER SEWER EXTENSION PHASE II - CAPITAL PROJECT ORDINANCE

(The above ordinance is recorded in full in Ordinance Book No. 20, Budget, at Page No. 47, and is known as Ordinance No. 2004-35.)

AWARD CONTRACT - HIGHWAY 70 ANNEXATION AREA - WATER/SEWER LINES

Mr. Matt Bernhardt, Assistant City Manager for Utilities, informed Council that Salisbury-Rowan Utilities advertised and received bids for the Highway 70 annexation area water and sewer lines. The following bids were received:

<u>Div. A-1</u>	<u>-</u>	<u>Base Bid</u>	<u>-</u>	<u>Alternate Bid</u>
Foothills W&S		1,869,642.50		1,924,927.50
State Utility		2,225,297.00		2,291,497.00
BRS Inc.		2,243,485.25		2,322,792.25
<u>Div. B-1</u>	<u>-</u>	<u>Base Bid</u>	<u>-</u>	<u>Alternate Bid</u>
Foothills W&S		1,760,275.00		1,862,085.00
BRS Inc.		2,553,755.75		2,707,316.25

State Utility		2,886,487.50		3,008,142.50
Total		3,629,917.50		3,787,012.50

Mr. Bernhardt noted that the annexation improvements were divided into two (2) sections and because of the pricing they would like to use the alternate bid to seize the opportunity to get ductile iron pipe throughout the project. He added that this is a significant long term benefit. He recommended accepting the bid and awarding the contract to Foothills Water and Sewer for both divisions.

Councilman Burgin asked how the bids compared to the annexation preview. Mr. Bernhardt responded that the numbers are somewhat higher due to higher fuel and steel costs and also because design changes were made to serve sewer to Neita Drive.

City Manager Treme commented that the use of ductile iron will be a long term benefit to the project and in the past the City has not been able to recommend using the ductile iron because the difference between it and the PVC was too great. Mr. Burgin asked if the base bid included PVC. Mr. Jim Behmer, Utilities Engineering Manager, responded that the water line was bid as ductile iron but the sewer lines used the PVC.

Thereupon, Mr. Kennedy made a **motion** to award contracts to Foothills Water and Sewer, Inc. for the expansion of Highway 70 annexation area water and sewer lines for Division A-1 in the amount of \$1,924,927.50, which includes the alternate all ductile iron pipe, and Division B-1, which is \$1,862,085.00, which also includes the alternate all ductile iron pipe. Mr. Lewis seconded the motion. Messrs. Burgin, Kennedy, Lewis, Woodson, and Ms. Kluttz voted AYE. (5-0)

CAPITAL PROJECT ORDINANCE AMENDMENT - HIGHWAY 70 ANNEXATION AREA - WATER/SEWER EXTENSION

Thereupon, Mr. Kennedy made a **motion** to adopt a capital project budget ordinance in the amount of \$253,987 for the Highway 70 annexation area water and sewer line extension. Mr. Woodson seconded the motion. Messrs. Burgin, Kennedy, Lewis, Woodson, and Ms. Kluttz voted AYE. (5-0)

HIGHWAY 70 ANNEXATION AREA - WATER AND SEWER LINE EXTENSION - CAPITAL PROJECT ORDINANCE AMENDMENT

(The above ordinance is recorded in full in Ordinance Book No. 20, Budget, at Page No. 48, and is known as Ordinance No. 2004-36.)

SAFETEA GRANT APPLICATION

Mayor Kluttz noted that this item was presented to Council at its last meeting and this is a Resolution in support of the Safe, Accountable, Flexible, and Efficient, Transportation Equity Act (SAFETEA) grant.

Thereupon, Mr. Woodson made a **motion** to adopt the Resolution for the SAFETEA grant application. Mr. Lewis seconded the motion. Messrs. Burgin, Kennedy, Lewis, Woodson, and Ms. Kluttz voted AYE. (5-0)

A RESOLUTION IN SUPPORT OF THE CITY OF SALISBURY'S APPLICATION FOR A SAFE, ACCOUNTABLE, FLEXIBLE, AND EFFICIENT, TRANSPORTATION EQUITY ACT (SAFETEA) GRANT

(The above resolution is recorded in full in Resolution Book No. 12, Page No. 27, and is known as Resolution No. 2004-16.)

COMMENTS FROM THE CITY MANAGER

(a) Planning Board Recommendations

Council received the Planning Board recommendations and comments from their May 25, 2004 meeting.

(b) Annexation Questions

City Manager David Treme informed Council that answers have been prepared for the questions that were raised at the annexation public hearing. He added that the responses have been mailed to all those who asked the questions.

Councilman Burgin commented on a question that asked if existing mobile home parks will have to come into compliance when annexed. He noted that until a trailer park loses forty percent (40%) of its trailers it would not be required to come up to standards and added he felt that each unit should have to come into compliance as each unit is replaced.

Mr. David Phillips, Zoning Administrator, stated that the trailer park is viewed as a whole and not the individual units. He added that when old units are taken out the new one has to be to current standards, which means anything built prior to 1976 is not allowed. Councilman Burgin asked if a trailer is taken out of a non-conforming trailer park can a new one be put back in? Mr. Phillips responded that this is correct. He added that as long as the number of units is not increased it is allowed.

Mr. Burgin stated that as units deteriorate in non-conforming trailer parks there should be a way to phase out the park because as it stands now the parks will never go away since the units can be replaced. He added that if the trailer park is conforming he does not see a problem, but the non-conforming parks should be brought, over time, back into conformity. He asked if this is something the Planning Board might study.

Councilman Kennedy stated that he felt Council should be careful with affordable housing for citizens. He noted that if a mobile home is brought

in that meets current standards he did not want to zone people out. Mr. Burgin said that if it is acceptable for a trailer park to exist where it is then Council should allow it, but if it is not acceptable there needs to be a change. He added that he is not trying to eliminate housing but if Council has stated that the trailer park should not be where it is located, it should be moved or made conforming and allowed.

Councilman Lewis commented that a non-conforming mobile home park would not be able to find financing because the value is tied to the revenue stream. He added that removing a non-conforming mobile home is different than a non-conforming business because it would be done piece by piece.

Mr. Joe Morris, Planning and Community Development Manager, suggested sending the issue to staff to make an analysis on the number of non-conforming mobile home parks and then allow Council to review the information and refer the issue to the Planning Board at that time if it feels it is necessary.

Council agreed by consensus to send the issue to staff for study.

(c) FY2004-2005 Proposed Budget

City Manager David Treme presented the proposed budget for FY2004-2005 and reviewed the highlights with Council. He told Council that the term "fairness and equity" has been incorporated into Council's Goals and Core Values and the Vision Statement was amended to reflect Council's goal to become a community that created a positive business climate and economic opportunities for citizens. Mr. Treme noted that Council approved several goals that tie to this statement. He stated that the message set by Council has been passed on to the employees who worked to translate them into game plans. He added that the message has also been passed to developers and others in the community and that Salisbury is open for business. Mr. Treme reviewed the changes Council has already undertaken to work on its goals for promoting a positive business environment.

Mr. Treme stated that the challenge is to maintain the existing level of services, to retain and attract employees and to accomplish as many worthy goals as possible. He noted that the City would be approximately \$800,000 to \$1 million short in maintaining existing levels of service. He pointed out to Council that the budget being presented is nearly \$14 million dollars less than what was requested. Over forty (40) new positions were requested but none are recommended for approval.

The major items recommended in the FY2004-05 proposed budget include:

- Address salary issues with employees as we have an average seventeen and two tenths percent (17.2%) below market for comparable positions. Compensation for nonexempt employees is fourteen percent (14%) below the minimum and five percent (5%) for exempt employees. \$585,360 is recommended to address these issues.
- \$30,000 for the development of a Fire Department Strategic Plan.
- \$1,237,500 for certain transportation, sidewalk and Greenway Projects.
- An average four percent (4%) merit increase for employees.
- \$40,000 for the Civic/Convention Center feasibility study.
- \$20,000 to match an equal amount of funds provided by the Salisbury Community Development Corporation to conduct a business incubator feasibility study.
- \$30,000 annually for a five (5) year period to fund the Rowan County Committee of 100, with the first year's funding to be appropriated from the FY 2003-2004 budget.
- \$15,828 to fund a portion of the Salisbury-Rowan Economic Development Commission (EDC) market study from the FY2003-2004 budget.
- \$15,000 to support Downtown Salisbury, Inc.
- Appropriations to all other special community efforts groups be funded at the FY2003-2004 level.
- A one time grant of \$5,000 be awarded to Rowan Business Alliance to provide start up costs for the creation of a credit counseling service. This is to be funded out of the FY2003-2004 Budget.
- \$5,000 for the completion of the Farmers Market that opened May 15, 2004.

Mr. Treme told Council that he is recommending a 9.77% increase in water and sewer rates because even with the addition of new customers consumption is down. He noted that he has already cut \$1.4 million dollars to try to balance the water and sewer fund.

In order to maintain the current level of services and address major issues Mr. Treme recommended the following as a means to balance the budget:

- A \$10 annual vehicle tax to replace the reduced Powell Bill funding. This is projected to generate approximately \$200,000.
- A waste collection fee equalization schedule that will cover the cost of waste collection. The fee would be \$6.68 for residential and \$9.00

for business.

- A two cent (\$.02) property tax increase which will generate approximately \$432,804 in revenue.

Mr. Treme told Council that in presenting the budget for their consideration, he has included a description of each of the operations of the City. He noted that this budget will be a challenge for Council to determine where the City is and what type of services it wants to provide.

Mr. Treme informed Council that he will look at costs for the Fire substation and repairs at the Plaza in early 2005.

(d) Advertisement for public hearing - FY2004-2005 Budget

Thereupon, Mr. Burgin made a **motion** to set the public hearing for the annual budget on June 15, 2004. Mr. Kennedy seconded the motion. Messrs. Burgin, Kennedy, Lewis, Woodson and Ms. Kluttz voted AYE. (5-0)

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MAYOR'S ANNOUNCEMENTS

(a) Budget Workshop

Mayor Kluttz announced that Council will hold a budget workshop on Friday, June 4, 2004 at 9:00 a.m. in City Council Chambers.

CLOSED SESSION

Mayor Kluttz informed Council that she would entertain a motion for the Council to go into closed session concerning acquisition of property located on Tax Map 330 Parcels 037 and 078 as allowed by NCGS 143-318.11(5).

Thereupon, Mr. Burgin made a **motion** to go into closed session concerning acquisition of property located on Tax Map 330 Parcels 037 and 078 as allowed by NCGS 143-318.11(5). Mr. Kennedy seconded the motion. Mr. Burgin, Kennedy, Lewis, Woodson, and Ms. Kluttz voted AYE. (5-0)

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RETURN TO OPEN SESSION

Mr. Burgin made a **motion** to return to open session. Mr. Kennedy seconded the motion. Messrs. Burgin, Kennedy, Lewis, Woodson, and Ms. Kluttz voted AYE. (5-0)

Thereupon, Mr. Lewis made a motion to instruct the City Attorney to initiate condemnation proceedings to obtain sewer easements on property located on Tax Map 330 Parcels 037 and 078 owned by Dudley Inc. Mr. Burgin seconded the motion. Messrs. Burgin, Kennedy, Lewis, Woodson and Ms. Kluttz voted AYE. (5-0)

RECESS

Motion to recess the meeting until Friday, June 4, 2004 at 9:00 a.m. at City Hall was made by Mr. Burgin, seconded by Mr. Lewis. All council members agreed unanimously to recess the meeting. The meeting was recessed at 5:55 p.m.

Mayor

City Clerk