

infrastructure projects including water and sewer and various other grants that occasionally become available. Donald Tate questioned the area to be served and was told that was included in the next portion of the public hearing.

Mr. Walser reviewed the history that led up to a recent call from the state saying they have received some additional funding. The state had gone back to the pre-applications on file and chose Mebane's application. They invited City Manager Robert Wilson, City Engineer Darrell Russell, and Mike Walser to come to Raleigh to submit the project. They did that and within a couple of days, the Mayor received a letter announcing the City's eligibility to submit a grant application by June 30. He explained that it is not set in stone, but it pretty much means that if you submit your application, you are going to get funded.

Mr. Walser explained that this is a \$750,000 grant. This would allow the City to completely sewer the remainder of the West End Area on the south side of the tracks. It would include installing 5,300 feet of 8" and 1,500 feet of 10" sewer lines to Curry Street, Fitch Street from Smith Drive to Holt Street, Alberta Street and a portion of West Holt Street. The project consists of 47 homes, with 80 beneficiaries, 98% low to moderate income and 100% failed septic tanks, with one on the units having no bathroom or plumbing facilities at all.

The City would have to commit \$140,000, with a total project cost of \$890,000. He explained that it would work just like the 2004 grant, with the City providing free connections to all of the 47 homes, if they wish to connect. The only exception is that they have to pay the deposits and sewer fees, but the tap would be provided, as well as a plumber paid to run a connection line from the tap at the right-of-way up to the house and tie the house in. Also included would be the consolidation of waste lines that are not tied into septic tanks at this time. It would not replumb their house, but it would tie all lines in.

Donald Tate, 262 Curry Street, Mebane, who is a member of the Advisory Committee, asked if Railroad Street was included in the project. City Manager Robert Wilson answered that it was included. City Engineer Darrell Russell showed on the map that the line would service those homes from the rear of the property.

Michael Walser explained that no action was needed on the Public Hearings. He explained that the Policies, Procedures, Plans, Resolutions and Ordinances for the 2006 CDBG needed adoption. Bob Hupman made a motion, seconded by Tim Bradley, to adopt these as recommended. The motion carried unanimously.

Tim Bradley made a motion, seconded by Everette Greene, to adopt the Authorizing Resolution and Certification for the 2006 CDBG. The motion carried unanimously.

A work session on the proposed 2006-2007 budget was held. City Manager Robert Wilson requested the Council to set a Public Hearing for June 5, 2006 at 6:00 p.m. on the proposed 2006-2007 budget. The Council gave verbal approval with no formal action being taken.

City Manager Robert Wilson gave an overview of the proposed budget. Police Chief Terry Caldwell responded to questions concerning the Police Department's proposed budget.

Fire Chief Bob Louis discussed the proposed complete restoration of the 1923 and 1936 fire trucks, which are estimated to cost \$120,000. Proposed in the 2006-2007 budget is a fire rescue truck estimated to cost \$392,000. City Manager Robert Wilson explained that they have found that the new vehicles in 2006 are going to be from \$8,000 to \$20,000 higher because of the emission controls that are put on the heavy vehicles. He requested the Council to consider approving a budget amendment of \$392,000 to allow the purchase of the vehicle now before the increase.

City Manager Robert Wilson discussed with Council the possibility of proceeding with the purchase of the two garbage trucks proposed in the budget in the amount of \$400,000 due to the increase in price for the 2006 models. Also discussed was the possibility of going to one day a week trash pick up and also contracting the service out.

Recreation Director Dean Ray discussed bleachers to be purchased for the soccer fields.

Darrell Russell, of Alley, Williams, Carmen & King, Inc., presented a water and sewer income and expense review. He explained that if connection fees are considered as normal system revenue, it is projected that both Water and Sewer Funds would have a positive result at the end of the fiscal year. He stated that if connection fees are not considered as normal system revenue, the Water Fund would have a positive fund position but the Sewer Fund would have a projected negative position with expenses greater than revenue. He suggested an approximate increase of 5% to cover expected expenses during the next fiscal year and to maintain a positive Water and Sewer Fund position. The Council discussed extensively whether connection fees should be removed from normal revenue. Following a lengthy discussion, the Council requested that further study be done and requested that a recommendation be brought back to the Council in the future, possibly December 2006.

City Manager Robert Wilson recommended that the Council take some action on the purchase of cemetery property. He explained that there is a piece of property on E. Washington Street that he believes meets the City's needs that has been quoted to the City at a good price. He requested the City Council to authorize City Attorney Charles Bateman to proceed to negotiate with the purchase of the

property. He explained that the owner would have to declare whether or not there are any oil tanks on the site. Also we need to have it drilled for rock. Darrell Russell explained that the boring would indicate if there was a high level of ground water, which the City would not want. Bob Hupman made a motion, seconded by Patty Philipps, to authorize the City Attorney to begin negotiations. The motion carried unanimously.

The Council discussed the purchase of land for a fire substation and an elevated water tank. Following considerable discussion concerning the needs for each site, Darrell Russell was requested to work with Bob Louis on the projections.

The Council received preliminary cost estimates totaling \$1.9 million for upgrades at Lake Michael Park. The Council requested a presentation from the consultant working on the project. They also requested Robert Wilson and Dean Ray to approach Orange County for funding.

Ken Stafford, of Alley, Williams, Carmen & King, Inc., discussed possible renovations at the old Recreation Center. Total costs have been estimated to be between \$500,000 to \$600,000. An estimate of \$275,000 has been given to complete priority items.

Councilwoman Patty Philipps left the meeting at 8:15 p.m. during this discussion.

Ken Stafford discussed a report on the condition of the old Mebane Fire Station (original Mebane City Hall). The Council discussed taking down the old City Hall portion, and making that a parking area, and renovating the two-story section with the upstairs to be used for storage and upgrade the one-story section. Ken Stafford gave a cost estimate for under \$200,000 for this work.

Darrell Russell discussed the Cedar Lane Culvert Replacement and the construction of a sidewalk along Cedar Lane. He was asked to prioritize culverts that need replacing.

Tim Bradley made a motion to amend the budget to appropriate \$575,000 for the purchase of two garbage trucks and cans. Bob Hupman seconded the motion. The motion carried unanimously.

Everette Greene made a motion, seconded by Bob Hupman, to amend the budget to appropriate \$392,000 to purchase the Fire rescue truck. The motion carried unanimously.

Darrell Russell explained to the Council that the City staff has been working with representatives of the Arrowhead property, Centex property and the Synthon property concerning the construction of a regional pump station that would service all three properties and could eventually eliminate three additional pump stations currently located in the same drainage basin. The City would need to pay \$1,000,000 out of Sewer Fund Balance. Developers of both Centex and Arrowhead have agreed to pay \$800,000 each towards the project. Synthon developers attached certain stipulations on their proposal. Following considerable discussion. Bob Hupman made a motion, seconded by Tim Bradley, to continue to pursue the regional pump station, with Attorney Bateman's input to finalize the developer agreements. The motion carried unanimously.

There being no further business, the meeting was adjourned.

Glendel Stephenson, Mayor

ATTEST:

Elaine J. Hicks, City Clerk