



THE NEWS RECORD

SERVING THE PEOPLE OF MADISON COUNTY

MADISON COUNTY LIBRARY
GENERAL DELIVERY
MARSHALL, N.C. 28753

Vol. 84 No. 1

PUBLISHED WEEKLY IN THE COUNTY SEAT AT MARSHALL, N.C.

WEDNESDAY, January 4, 1984 25¢ Per Copy

Engineer Tells Aldermen

Marshall Sewer Project Facing Cost Overruns

By ROBERT KOENIG

The Marshall sewer project may face cost overruns of up to \$240,000 because of unexpected rock excavation and street repairs. Bill Lapsley, an engineer with Butler-McGill Associates, the town's consultant on the project, broke the bad news to Marshall town officials during a special meeting held Thursday afternoon in Town Hall.

While he declined to mention an exact figure, Lapsley said the project could run "between fifteen and twenty percent" over budget because of the unexpected developments. The project was originally budgeted for 1.2 million. Additional rock blasting on the Walnut Creek Rd. section of the project was the major cause of the cost overrun according to the engineer. "There has been substantially more rock from top to bottom than we had anticipated," he said.

Lapsley told the town aldermen and mayor Betty Wild that they will have to make several major decisions regarding the project in the next week. The engineer said that the N. C. Department of Transportation is pressing the

town to make improvements to Walnut Creek Rd. beyond those originally planned in the project. The additional improvements DOT is asking will also contribute significantly to the cost of the project.

The project's plans called for installing a six inch layer of crushed stone to the roadbed before repaving. Lapsley told the aldermen that DOT is now requesting that an eight-inch layer of asphalt binder be installed before the road is resurfaced. The six inches of crushed stone originally called for costs \$3 per square yard. The asphalt binder DOT is seeking would cost \$21 per square yard. The engineer said, "If the town agrees to pay the contractor for all he puts down, there is some question of whether we can do all the lines called for in the project."

Lapsley said DOT plans to resurface Walnut Creek Rd. in the spring from the fork at U. S. 25-70 to the Housing Authority project. DOT is asking Marshall to resurface U. S. 25-70 from the fork at Walnut Creek to Main Street.

DOT has an agreement with Marshall that the town will be

responsible for resurfacing a 10-foot wide section of road wherever construction has damaged the road surface. Lapsley said DOT is willing to waive the 10-foot resurfacing requirement if the town will install the more costly binding surface.

The engineer said Marshall has two alternatives, either convincing DOT to pay for the cost of the binder on Walnut Creek Rd. or obtain additional funds from the Farmers Home Administration. Lapsley said he has asked DOT for assistance, but has not yet received a reply. Marshall mayor Betty Wild said she has contacted the FmHA officials and made them aware of the situation, but has not received an answer. Wild said, "We're optimistic they can help us."

Lapsley said he has furnished FmHA with a revised cost estimate for the project.

The budget overruns have caused the project's planners to slow work on the project until the financial questions can be resolved. The slowdown has caused the contractor, Taylor and Murphy Construction Co. of Asheville to seek an extension of the one-year time limit for completion.

Lapsley told the town board members that DOT's decision regarding the repaving could "Effect the project substantially."

As to the cost for the additional rock blasting, Lapsley said that some of the extra rock excavation may not have been necessary. He did not provide the board members with figures for the additional cost of the excavation, but said Butler-McGill Associates would provide a recommendation as to how much more the town should pay by Wednesday of this week.

Lapsley also said that the lines on Walnut Creek and Mashburn Hill have been installed and that both Marshall Primary and Madison High School are now connected to the main line. The construction crews are still installing lines to homes on Walnut Creek.

Mayor Wild said she would call another special meeting of the town aldermen sometime this week to discuss the town's options. No date for the meeting was set at Thursday's meeting. The next regularly scheduled meeting of the board will be held Jan. 9 at 7:30 p.m.

The town board was also informed that the bonds for the project have been sold at an interest rate above that anticipated because of an error in calculating the town's tax base. An error of \$2.6 million in the town's valuation caused the town to be declared a poor credit risk, resulting in the higher interest rate. Wild told the board that the error was discovered too late to change the higher interest rate. Exact figures regarding the interest rate on the bonds were not made available at Thursday's meeting.

Thursday's special meeting was called to approve three resolutions regarding equal opportunity on the project as required by the Farmers Home Administration. All three resolutions were approved.

Mayor Wild closed Thursday's meeting by thanking the town's employees for working during the emergency brought on by the sub-zero temperatures over Christmas weekend. The mayor said, "They were out there with the wind chill at fifty below zero and did a tremendous job. The whole town owes them a note of thanks."



BILL LAPSLEY, right, addresses shall mayor, Betty Wild, left, listens meeting of Marshall Board of Aldermen Thursday afternoon. Mar-

County Jobless Rate Declined In Nov.

Unemployment decreased in Madison County in November according to figures released last week by the North Carolina Employment Security Commission (ESC). The ESC figures showed November's unemployment in the county stood at 5.6 percent, down from October's 5.8 percent mark. The 5.6 percent jobless rate is the lowest among neighboring counties.

Unemployment in Haywood and Yancey counties increased during November according to the ESC figures.

Six North Carolina counties had lower rates in November, but Watauga County, with a 5.2 percent jobless rate was the only Western North Carolina county reporting a lower jobless rate.

ESC chairman Glenn Jernigan said seasonal influences resulting from declines in tourism and agriculture were the main factors in the increased unemployment.

Statewide unemployment stood at 7.8 percent in November.

According to the ESC figures, 7,890 Madison County

workers were employed during the month. The 5.6 percent unemployment figure represents 470 jobless county residents.

Buncombe County reported a 7.4 percent unemployment rate in November. Haywood County unemployment increased in November from 8.2 percent to 0.3 percent. In Yancey County, unemployment increased slightly, from 9.5 percent to 9.8 percent in October.

Orange and Gates counties reported the states lowest unemployment rate, 3.5 percent.

Weather Extremes Hit N.C. In '83

By LAURA SEIFERT

The News and Observer

The bitter cold air that has blasted across most of the state for the past week brought two more records Saturday to North Carolina to end a year full of records and weather extremes.

With an 11-degree temperature breaking a 1961 record of 18 for the date in Raleigh and 6 degrees in Asheville breaking a 1976 record of 13, the weather began to show signs of easing its icy touch.

Forecasts call for temperatures to rise to the 40's today and Monday and to the 50's by Thursday. Most parts of the state had clear skies Saturday to make the extremely cold temperatures

more bearable.

But the Outer Banks reported some snow and freezing rain early Saturday that created icy conditions for travelers. Val Young, a meteorologist technician at the National Weather Service Bureau in Cape Hatteras said roads there were clear by mid-morning Saturday.

The weather set records of all sorts in 1983. Beginning in January, the state's weather pattern was far from predictable. The year that began with one of the mildest winters in recent memory ended with a season that has all the trappings of a record-cold winter.

And sandwiched between was a two-month heat wave and drought — the worst in 30



MERCURY HIT a high of 55 degrees Wednesday in Marshall. The weekend.

TEMPERATURES rose slightly on Wednesday, enabling the frozen French Broad River to thaw. The sudden increase in temperature didn't last long however. By Thursday night, temperatures again approached zero.

Farm Income Dropped In '83

By FRANK BORDEAUX, JR.

Summary of 1983

1983, turned out to be one of those years which many farmers would prefer to forget. Farmers started the year off with adversity due to extremely wet fields and had great difficulty planting crops on a timely basis. Therefore, many of them went into the production season feeling they had gotten off to a bad start.

In addition, it wasn't long before it became obvious that not only was the season going to be unusual in terms of a wet spring, but in terms of moisture shortages in the summer. The drought virtually wiped out corn crops for many farmers and severely damaged all principle row crops. Livestock and poultry producers had increased death losses, as well as poor weight gain due to heat stress.

As the drought progressed across the U.S. the combined effects of the PIK program and yield reduction began to show up dramatically in corn prices and, to a lesser extent, in soybean prices. By September, corn prices had increased by 25 percent over the

previous year's level. Livestock and poultry producers watched with frustration as their feed input prices began to increase at the same time their markets were loaded with an oversupply, resulting in low prices for their products. By November, market hog prices had dropped to around 40 cents per pound compared to 54 cents in the same period in 1982. These examples just show the type of frustrating year farmers have experienced in North Carolina.

The payment In Kind (PIK) program was essentially a stopgap measure that was designed to reduce the burden of crop inventories that overhung the market as we entered the 1983 production seasons.

Corn stocks carried over after the 1982 harvest were a sizeable problem resulting in low corn prices all the way through the 1982 harvest season and the winter. Likewise, wheat crops were abundant and large 1982 stocks of wheat were further complicated by a relatively large wheat harvest again in

1983 even though the PIK program was in place.

The basic design plan for PIK was to remove acreage from production, delivering to farmers surplus stored grain in lieu of production. This was coupled with a modest acreage diversion program for which a farmer received a cash payment. North Carolina farmers placed 34 percent of their eligible corn and sorghum base acreage in the PIK program. This was slightly less than the national participation rate. As a result, farmers went into the planting season expecting smaller crops than in 1982.

The impact of the PIK program on moving prices upward was further accentuated by the drought which reduced production below levels which were anticipated when the PIK program was initiated. The largest impact of PIK was the value of corn stocks made available to North Carolina farmers as a result of participation in the program. For example, in September USDA valued feed grains (corn and sorghum) received by North Carolina farmers for par-

ticipating in the PIK program at approximately 86 million dollars.

One of the most dramatic illustrations of the impact of weather stress on farmers income positions can be seen by comparing two extremes that existed among North Carolina farmers in 1983. Very few farmers escaped the effects of the drought. However, those who participated in the PIK program and also had federal crop insurance probably came out reasonably solvent this year.

In contrast, in many instances those farmers who chose not to participate in the PIK program or purchase federal crop insurance and subsequently received severe damage from the drought had been pushed to the brink of failure by the end of the crop year. This must be taken into consideration when considering aggregate income figures for the state. Many of these wide variations are covered up in the averages for the state. Therefore, one can draw different conclusions looking at the overall economic position of North Carolina

agriculture or by looking at some individual cases due to the wide variations which exist.

Based on current best estimates, it appears that farm cash receipts for 1983 will be \$3.8 billion in North Carolina. This compares with the cash receipts figure in 1982 of \$4.1 billion. The \$300 million drop in cash receipts is largely a result of reduced production due to heat and dry weather and lower livestock prices this year. Taking into account all sources of income, gross farm income this year is anticipated to be \$4.3 billion in contrast with \$4.6 billion in 1982. After subtracting production expenses, net farm income for 1983 is estimated to be \$900 million, compared with \$1 billion last year.

The impact of the drought was somewhat mitigated by the number of farmers that had participated in the PIK program because they received the equivalent of approximately 30 percent of their yield on average in the program. This was larger than actual yields most would have

(Continued on Page 8)