

CITY OF EDEN, N.C.

The regular meeting of the City Council, City of Eden, was held on Tuesday, June 16, 2020 at 6 p.m. in the Council Chambers, 308 E. Stadium Drive. Those present for the meeting were as follows:

Mayor:	Neville Hall
Council Members:	Darryl Carter
	Gerald Ellis
	Jerry Epps
	Angela Hampton
	Phillip Hunnicutt
	Bernie Moore
	Bruce Nooe
Interim City Manager:	Terry Shelton
City Clerk:	Deanna Hunt
City Attorney:	Erin Gilley
News Media:	Roy Sawyers, Rockingham Update
	Mike Moore, Mike Moore Media

MEETING CONVENED:

Mayor Hall called the regular meeting of the Eden City Council to order and welcomed those in attendance. Pastor Cynthia Nanney of First United and Spray United Methodist Churches gave an invocation followed by the Pledge of Allegiance led by Interim City Manager Terry Shelton.

PROCLAMATIONS AND PRESENTATIONS:

There were none at this time.

SET MEETING AGENDA:

A motion was made by Council Member Carter to set the meeting agenda. Council Member Ellis seconded the motion. All members voted in favor of the motion. The motion carried.

REQUESTS AND PETITIONS OF CITIZENS:

There were none at this time.

WORK SESSION:

- a. Proposed FY 2020-21 Budget.

Mayor Hall called on Mr. Shelton.

Mr. Shelton said the total budget for fiscal year 2020-21 was \$32,349,700, a decrease of \$467,100 from the current fiscal year's budget. The budget reflected a slight increase in the general fund, a decline in the water and sewer fund, an increase of \$475,000 in the self-insurance fund, an increase of \$200 in the municipal service tax district fund, and no change in the runabout travel fund. In spite of trying to fund the priority themes discussed at the Budget Retreat, there were some key items that Council was

interested in funding that were either unable to be funded or had reduced funding allotted to them due to the lack of revenue sources. The tax rate, still the lowest rate in Rockingham County, would remain the same, as well as the motor vehicle license fee. There were also no water, sewer, or residential solid waste rate increases in the budget. Currently, the residential solid waste fee was \$18.75 per month. However, at that rate, the City was \$316,550 short of making the enterprise fund a self-supporting fund. Considering over \$1 million was added to the general fund-fund balance in order to make the revenue balance the budget, it was an area of concern to Mr. Shelton. If the fee were increased by \$4.35 to \$23.10 per month, it would make the fund self-supporting, with approximately a \$513 surplus. He pointed that out for consideration by Council, so they were aware that fund was not fully supporting itself.

The salaries and monetary compensation of the City's employees continued at the current level as what was funded in the FY 2019/20 budget, including a longevity bonus that rewarded employees based on their years of service and also included the remaining forms of compensation and fringe benefits currently in place. Funding was allotted for 181 full-time employees, an increase of one full-time position from the current fiscal year, and a decrease of three employees from the 2015-16 fiscal year and a decrease of 22 full-time positions from the 1995-96 fiscal year. The added full-time position allowed the conversion of a part-time computer technician position in Information Technology (IT) to a full-time position, which Mr. Shelton felt was necessary due to the large amount of electronic equipment throughout the City's organization. In addition, he pointed out the challenge and added demands that would be put upon the IT staff if the financial software was approved to be changed out and upgraded, a process that would take between six and eight months to complete.

Mr. Shelton said the budget included \$400,000 in contingency for the general fund and \$400,000 in contingency for the water and sewer fund, which he felt was significant due to \$100,000 being cut out of each of those funds' contingencies due to the inability to be supported with the revenues available to the City. Unfortunately, problems that arose could cause significant portions of those contingencies to be used. For instance, the last flooding event damaged a sewer line that was attached to the railroad trestle along the Smith River, costing a large amount of money that would be impacted by such cuts to the water and sewer contingency fund. The budget also includes \$2,190,800 available in fund balances: \$1,106,700 from the general fund, \$964,900 from the water and sewer fund, and \$119,200 from the self-insurance fund, which was necessary in order to balance the budget. If the residential solid waste fee were increased as mentioned above, it would recover \$316,000 of the general fund-fund balance.

The City would see a decrease from the approximate \$1 million Duke Energy landfill leachate that it had been receiving each year for the last two years due to the capping of the landfill. He estimated that the City would receive \$400,000 or less in the coming year, with a continued decrease going forward as there was less rainwater in the landfill to be treated by the City.

He pointed out that during the next three to nine years, the City would spend approximately \$34,000,000 in work associated with the Environmental Protection Agency (EPA) Administrative Order (AO). The City had bid out roughly \$29,000,000 and was waiting to hear if additional funding of \$7 million would be received to complete two other large projects that funding had been requested for. In addition, if the City received the ASADRA money in July, that funding would put the City back on schedule to complete the EPA work within the first six months of 2022. The EPA expected the City to be done in February 2022, so once the City knew where it stood in July with funding, Mr. Shelton would be able to go back to the EPA and see what they were willing to do as far as scheduling and setting the City up going forward to meet its commitment with the AO. He added that the City had asked the EPA to transfer the responsibility of enforcing the remainder of the AO over to the State, at which time Mr. Shelton was prepared to ask for additional timeframes that would allow the City to continue work while applying for additional funding, such as low-interest loans or grant money.

Mr. Shelton stated that the budget included \$175,000 of undesignated initiatives related to the implementation of projects by the Positively Eden Strategic plan, which had been cut by \$125,000, similar to other places where money had been cut throughout the budget. It also included \$3,467,900 for capital outlay items: the general fund was \$1,473,400; street resurfacing with the Powell Bill was \$705,500; and water and sewer capital was \$1,289,000, which excluded the EPA work and Mega Park waterline. The budget included \$1,063,400 in loan proceeds for five different items and \$3,292,100 for debt service payments for the general fund and the water and sewer fund. It also included \$1,051,900 in revenue from the following grants: Community Oriented Policing Services Grant to fund two additional police officers, which was \$54,900; and N.C. Commerce Rural Infrastructure Authority Grant for the New Street sewer improvements project, which was \$997,000. The New Street sewer improvements project would likely be ready to move forward by the end of the week as the land on which the pump station would be built would be deeded to the City within a few days. The engineering firm was actively working on a design, which would allow construction to start by the end of the summer.

During the past seven years, Eden had been awarded \$56,684,655 in grants and zero or low interest loans for various water and sewer projects. Of that, \$28,309,039, or 49.94 percent, was in the form of grants and principal forgiveness loans that did not have to be repaid. The budget also included \$886,900 in pass-thru funds, where non-taxpayer funds within the budget that were collected by the City from a specific source were spent by or for that same source, such as the runabout travel fund, the Rockingham County Project Safe fund, and the municipal service tax district fund. Also included in the budget was \$68,644 to pay the City's obligation in reference to performance agreements with three local industries/companies: Gildan, Karastan and Ashley Latham Photography. The budget included \$90,000 in funding for code enforcement efforts involving demolitions and nuisance abatements. It also included \$53,100 in funding to continue the support of several communitywide organizations.

Mr. Shelton stated that on March 21, 2017, Council voted to establish the EPA Administrative Order of Consent (AOC) Capital Project Fund and the Mega Park Waterline Extension Capital Project Fund. The EPA AOC project involved the elimination of Sanitary Sewer Overflows (SSOs). The Mega Park Waterline Extension project involved the extension of a waterline to the N.C. and Virginia state line, which was mostly complete except for the installation of support lines toward the Freedom Park tank to reinforce the water system. Approximately \$40,798,500 in work related to these two projects would dominate much of the City's time over the next two years: the EPA AOC project would total \$33,725,600 and the Mega Park Waterline Extension project would total \$7,072,900. Approximately \$8,800,000 in work had been completed, with roughly \$400,000 spent on the EPA AOC project and \$4,800,000 spent on the Mega Park Waterline project. Due to the high bids received in November for the EPA projects, the City reapplied for more funding in order to have two different project groups to complete the work.

The general fund tax rate was based on property values for real estate, personal property and the public utilities tax approximately being valued at \$913,580,131 with an estimated collection rate of 98.33 percent, which would yield \$5,578,500 in tax revenue. It was recommended that the City's existing tax rate of \$0.609 per hundred dollars of assessed property valuation remain unchanged for the 2020-21 fiscal year. Additional loss in value could be realized due to appeals and corrections by some of the industries and various properties that were linked to the COVID-19 pandemic and therefore, could result in some diminished revenues. In addition, Mr. Shelton pointed out that the 2019 appeals process appeared to be at an end. 770 Ventures appeal should be coming to an end and AC Furniture had filed Chapter 7 Bankruptcy, both of which could further impact the City's anticipated revenue. The budget notebook included a five-year capital improvement plan (CIP) that totaled \$72,094,900, of which \$21,505,600 was for the general fund; \$9,790,800 was for the water and sewer fund; \$33,725,600 was for the EPA AOC Capital Project fund; and \$7,072,900 was for the Mega Park Capital Project fund.

He recommended Council adopt the budget that night and not consider an interim budget. Even though the tax rate would remain the same, a budget ordinance had to be passed to set that rate. Not established that rate could cause double billing. He also recommended that Council hold off on capital project spending until December when the revenue situation was better known. He did recommend to proceed with the financial software replacement project as the transition period for that project was six to eight months. If postponed until December, there would not be enough time to complete the transition during the second half of the fiscal year. Mr. Shelton also recommended that Council consider increasing the solid waste fee in order to fully fund the solid waste operation. It would amount to a \$52.20 increase per residential account over a 12-month period.

Mr. Shelton thanked the department heads, division heads and their staff for their assistance with developing the budget. He also expressed his gratitude to Director of Finance Tammie McMichael and Assistant Director of Finance Amy Winn for the outstanding job they did in helping put the budget together. Mr. Shelton thanked all of the employees for the excellent service that they provided each day.

Mayor Hall thanked Mr. Shelton for his work with the budget, especially considering the unknown with revenues. He also thanked Ms. McMichael and Ms. Winn, along with the entire Finance Department, all department heads, and all employees for doing what they can to keep the cost of services as low as possible. He stated that the proposed increase for the solid waste fee was not an attempt to raise money, but rather an attempt to make the fund self-supporting since it was currently operating \$300,000 short of what it cost to provide the service. While residents would see an increase on their utility bill, it would only be an increase in the solid waste fee, not an increase in the water and sewer rates. He added that the City provided an excellent service to its citizens at a relatively low cost that many cities within the State did not provide. The increase would allow the City to be able to continue to provide those services.

Council Member Hunnicutt asked what the effective date would be for the solid waste increase.

Mr. Shelton answered that the effective date would need to start in July because it was calculated for the entire budget year.

Council Member Ellis said that the continuation of the solid waste services with the minimal rate increase would help to keep the City clean.

Mr. Shelton stated that more people staying at home during the COVID-19 pandemic have taken the opportunity to clean out their sheds, storage buildings and homes, which considerably increased the rate of bulk collection throughout the City over the past few months.

Mayor Hall reminded Council that they could remove the increase at any time. If the City were to have an industrial user begin to use large volumes of water and sewer, causing an increase in revenue in the water and sewer fund balance, the Council could adjust the rates to reflect such.

Council Member Carter questioned what fund the money used to balance the budget would be moved back into if Council were to implement the solid waste rate increase.

Mr. Shelton replied that as money was collected, it went back into the general fund and reduced the amount of money that would have to be taken out to balance the budget.

Council Member Carter stated that the money could possibly be used for other things.

Mr. Shelton said it would be up to Council to appropriate the funds to be used for other purposes if they chose to do so.

Council Member Ellis questioned if all three of the employees in the IT Department worked in the building at all times.

Mr. Shelton stated that some had been working from home during the COVID-19 pandemic, but all three employees would work in the building under normal conditions. The purpose for the current staggered schedule was to reduce the chances of spreading the virus.

Council Member Hunnicutt asked if there had been any mention from Raleigh or Wentworth of any reimbursement coming to the City as it related to the revenue loss in water collections due to COVID-19.

Mr. Shelton said that he had not seen anything definitive regarding reimbursement for any losses. However, Raleigh could be waiting to see if Congress supplied any money on the federal level given that it was proposed on the federal level to not cut water off or charge late fees or interest on bills that accumulated.

Council Member Hunnicutt asked if there was an estimate as to what the impact would be on the City. He suggested detailing the Governor's Mandate and how it impacted the finances. It was yet another loss of revenue for the City. The City was taking it on the chin left and right from all angles.

Mr. Shelton said he asked Ms. McMichael and Ms. Winn to begin keeping a record of what the potential loss was each month so if there were to be an opportunity to be reimbursed, the City would have records of that information.

Mayor Hall noted it would be discussed in detail in an item later in the meeting. He would be meeting with N.C. Senator Phil Berger and some of his appropriation staff, along with members from the N.C. League of Municipalities, later in the week to try and steer some money back towards the municipalities. He added that they were aware of the needs and necessity of municipalities to build and maintain infrastructure. He felt they would do what they could to help the City. He hoped to get an idea of when or how much money the City would be looking at receiving and would return a report to Council after his meeting.

PUBLIC HEARINGS:

- a. Consideration and adoption of the FY 2020-21 Budget Ordinance.

Mayor Hall declared the public hearing open and called on Mr. Shelton.

Mr. Shelton said that Ms. McMichael pointed out that if there was any interest amongst Council in passing the solid waste fee increase, the budget ordinance would need to be amended to contain such.

Mayor Hall stated that while the solid waste fee increase was not included in the budget ordinance, it was included in the amount of money coming out of the fund balance.

City Attorney Erin Gilley recommended amending the budget before it was passed if Council wished to approve the solid waste fee increase. She suggested waiting until the public hearing was closed to vote on the actual budget or tabling the issue long enough to allow staff enough time to adjust the numbers to include the increase.

Mayor Hall questioned if Council could amend the budget in three months if they decided they needed to move that money back into fund balance.

Ms. Gilley said that while there were restrictions on amending a budget, such as the inability to amend a tax rate, they could amend it if revenues came in differently than anticipated or if there was a desire to amend service rates.

Mayor Hall suggested passing the budget as presented without the increase and then if Council chose to add the solid waste increase, they could vote on a budget amendment.

Ms. Gilley stated they would need to vote on a service rate increase and a budget amendment if they chose to do so.

Mayor Hall asked if anyone would like to speak in favor or in opposition.

As no one came forward to speak and there was no further discussion from Council, Mayor Hall declared the public hearing closed.

A motion was made by Council Member Epps to adopt the FY 2020-21 Budget Ordinance. Council Member Ellis seconded the motion. All members voted in favor of the motion. The motion carried.

CITY OF EDEN, NORTH CAROLINA
2020-2021 BUDGET ORDINANCE

BE IT ORDAINED by the City Council of the City of Eden, North Carolina in regular session assembled:

Section 1: The following amounts are hereby appropriated for the operation of the City of Eden government and its activities for the fiscal year beginning July 1, 2020, and ending June 30, 2021, according to the following summary and schedules.

Summary (Funds)	Estimated Revenues	Total Budget Appropriation
General	\$17,149,000	\$17,149,000
Self Insured Insurance	\$3,524,500	\$3,524,500
Water and Sewer	\$11,646,400	\$11,646,400
Runabout Travel	\$20,000	\$20,000
Municipal Service Tax District	\$9,800	\$9,800
(Less inter-fund transfers)	<u>\$2,745,200</u>	<u>\$2,745,200</u>
(Less Appropriated Fund Balances)	<u>\$2,190,800</u>	<u>\$2,190,800</u>
(Less Grants/Principal Forgiveness Loans)	<u>\$1,051,900</u>	<u>\$1,051,900</u>
(Less Loans)	<u>\$1,063,400</u>	<u>\$1,063,400</u>
(Less Pass Thru Funds – Ex. Runabout Travel)	<u>\$886,900</u>	<u>\$886,900</u>
TOTAL	<u>\$24,411,500</u>	<u>\$24,411,500</u>

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Section 2: That for said fiscal year there is hereby appropriated out of the General Fund the following:

Code	Department	Appropriation
10-4110	City Council	\$48,600
10-4120	Administrative & Legal Services	\$370,000
10-4130	Finance/Human Resources	\$273,700
10-4135	Economic & Tourism Development	\$425,700
10-4145	Information Technology	\$552,300
10-4190	Facilities & Grounds	\$681,700
10-4310	Police	\$5,232,900
10-4340	Fire	\$1,777,400
10-4350	Engineering	\$31,600
10-4510	Streets	\$1,930,100
10-4515	Powell Bill	\$795,500
10-4710	Solid Waste	\$2,170,800
10-4910	Planning & Code Enforcement	\$482,600
10-6120	Recreation/Facility Maintenance	\$1,085,300
10-6920	Fleet Maintenance	\$347,500
10-9100	Special Appropriations	\$543,300
10-9990	Contingency	<u>\$400,000</u>
TOTAL		<u>\$17,149,000</u>

Section 3: It is estimated that the following General Fund Revenues will be available during the fiscal year beginning July 1, 2020, to meet the foregoing General Appropriations:

Code	Revenue Source	Appropriation
3189-11092	Ad Valorem: Prior Years – Rock Co.	\$138,000
3189-18000	Interest on Delinquent	\$21,300
3190-11000	Ad Valorem: Current Year	\$5,578,500
3190-12093	DMV-Vehicle Tax – Current Year	\$606,000
3190-12093	DMV-Vehicle Tax – Prior Year	\$1,100
3190-12094	Short Term Rental Vehicle Tax	\$17,000
3190-12095	Municipal Vehicle Tax	\$169,800
3190-15000	Dog License	\$1,000
3190-18000	Interest on Current Taxes	\$16,400
3190-18100	Interest on Current Taxes – DMV	\$4,900
3190-19097	Payment in Lieu of Annexation	\$243,400
3190-19098	DMV Collection Fees	(\$27,700)
3190-19100	Occupancy Tax	<u>\$80,000</u>
Tax Revenue Total		<u>\$6,849,700</u>

Code	Revenue Source	Appropriation
3270-11000	Privilege License	\$800
3270-12000	Franchise Fees/State	\$108,800
3343-41000	Building Permits	\$34,000
3343-41100	Plumbing Permits	\$6,500
3343-41300	Mechanical Permits	\$16,000
3343-41400	Sign Permits	\$400
3343-41500	Electrical Permits	\$13,000
3434-48000	Fire Department Permits	\$1,500
3491-41100	Planning Zoning Permits	<u>\$1,000</u>

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Licenses & Permits Total \$182,000

Code	Revenue Source	Appropriation
3350-00200	Donations & Fees – Pottery Festival	\$4,700
3350-02100	Riverfest	\$35,000
3350-02200	Oink & Ale Festival	\$9,500
3350-02300	Shaggin’ on Fieldcrest	\$8,000
3350-02400	Touch-A-Truck	\$1,000
3350-02500	Grown & Gathered	\$10,000
3412-43000	Vending Machine Proceeds	\$7,000
3431-41800	Police Controlled Sub State Excise Tax	\$1,100
3434-49000	Fire on Behalf Payments	\$16,000
3434-50000	Fire Dept Rental – Draper Rural	\$1,200
3612-48000	Freedom Park Concessions	\$20,000
3612-48100	Bridge Street Center Concessions	\$900
3612-48200	East Eden Center Concessions	\$1,000
3612-48300	East Eden Pool Concessions	\$6,700
3612-48500	Splash Pad Concessions	\$10,000
3612-48600	Splash Pad Admissions	\$35,000
3612-86000	Pool Admissions	\$16,100
3612-86100	Building Use	\$16,800
3612-86200	Field Use & Lights	\$7,600
3831-49000	Interest: Checking	\$20,500
3831-49500	Interest: NC Cash Mgt. Trust	\$126,100
3831-49700	Interest: Powell Bill Funds	\$3,200
3831-49900	Eden PD/Forfeiture Interest	\$400
3836-82000	Sale of Fixed Assets	\$25,000
3836-83000	Sale of Surplus Property	\$1,000
3839-89000	Miscellaneous Revenue	\$5,000
3850-85000	Insurance Proceeds	\$10,500
3850-86000	Loan Proceeds	\$1,063,400
3991-99300	Fund Balance Appropriated	<u>\$1,106,700</u>

Use of Money & Property Total \$2,569,400

Code	Revenue Source	Appropriation
3231-31000	Local Option Sales Taxes	\$1,110,200
3232-31000	½ Cent Sales Taxes	\$850,000
3233-31000	½ Cent Sales Taxes	\$526,800
3234-31000	½ Cent Sales Taxes	\$252,100
3234-31001	State Hold Harmless Payment	\$944,700
3234-31002	Solid Waste Disposal Tax Distribution	\$11,400
3322-31000	Wine & Beer Taxes	\$65,400
3324-31000	Utilities Franchise Taxes	\$921,000
3325-33000	Powell Bill: State Street Aid	\$452,400
3335-32000	County Grants: Fire Department	\$2,400
3336-33000	Police School Resource Officers	\$163,300
3431-73000	Project Safe Rockingham County	\$20,500
3431-81000	Police Grant – COPS	\$54,900
3612-48400	Recreation Grant-Sr. Center	\$3,600
3837-89000	ABC Revenues	\$125,600
3837-89100	ABC Revenues: Law Enforcement	<u>\$3,900</u>

Other Agencies Revenues Total \$5,508,200

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Code	Revenue Source	Appropriation
3350-00100	Historic Preservation Book Sales	\$500
3412-41000	Other Administrative Revenues	\$2,700
3431-41000	Police Revenue: Dog Fines	\$2,200
3431-41100	Police Security Charges	\$40,000
3431-41200	Police Security Fringe Benefit Charges	\$8,400
3431-41300	Court Costs	\$4,000
3431-41400	Parking Violations	\$400
3431-41500	Police Fingerprinting Supplies	\$700
3431-41600	Police Department: Sale of Materials	\$100
3431-41700	Police Revenue	\$2,600
3431-84000	Police Department Restitution	\$5,200
3434-41000	Outside Fire Protection Charges	\$2,500
3451-41100	Street Dept. Revenue: Driveways	\$4,000
3451-81000	Street Mowing	\$11,400
3491-40000	Planning Dept. Nuisance Fees	\$51,000
3491-41000	Planning Department Applications	\$1,000
3491-41600	Planning: Code Compliance Ins.	\$300
3491-81000	Planning Department Sale of Materials	\$200
3612-41000	County User's Fees	\$1,100
3612-41100	League Entrance Fees	\$3,600
3612-41200	Recreation Dept. Revenue: Lesson	\$500
3612-41300	Dixie Youth Tournament	\$16,000
3612-86400	Recreation Dept. Miscellaneous	\$19,000
3612-87000	Fuel Purchases – County Agencies	\$5,600
3839-49900	Cash Discounts Earned	<u>\$100</u>
Charges for Current Services		<u>\$183,100</u>

Code	Revenue Source	Appropriation
3471-41101	Commercial Fees – Solid Waste	\$477,000
3471-81100	Recycling Income – Solid Waste	\$3,500
3471-81200	Sale of Compost/Mulch–Solid Waste	\$3,800
3471-81400	Demolition – Abatement	\$3,300
3714-52000	Dumpster Late Fee	<u>\$2,500</u>
Total Solid Waste Revenue		<u>\$1,856,600</u>
General Fund Revenue Total		<u>\$17,149,000</u>

Section 4: That for said fiscal year there is hereby appropriated out of the Self-Insured Insurance Fund the following:

Code	Department	Appropriation
4145-18300	Group Insurance Fixed Cost	\$692,700
4145-30000	Claims	<u>\$2,831,800</u>
Self Insured Insurance Fund Total		<u>\$3,524,500</u>

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Section 5: It is estimated that the following Self-Insured Insurance Fund Revenues will be available during the fiscal year beginning July 1, 2020 and ending June 30, 2021, to meet the foregoing Self-Insured Insurance Fund Appropriations:

Code	Revenue Source	Appropriation
3351-01000	Charges to Other Funds/GF	\$2,498,300
3351-03000	Charges to Other Funds/W/S	\$781,000
3831-49000	Interest – Checking	\$1,000
3839-83000	Refunds	\$125,000
3839-99100	Fund Balance Appropriated	<u>\$119,200</u>
Self Insured Insurance Fund Total		<u>\$3,524,500</u>

Sections 4 and 5 of this Budget Ordinance hereby authorize City payment of individual premiums in excess of that set forth in City Code § 10-6.3 for said fiscal year only. This authorization in no way creates any benefit or right in property whatsoever of any individual employee or retiree to City payment of premiums for any future year above that prescribed in City Code § 10-6.3.

Section 6: That for said fiscal year there is hereby appropriated out of the Water & Sewer Fund the Following:

Code	Department	Appropriation
7100	Administrative, Inspection & Legal Services	\$424,200
7110	Water Resources	\$556,900
7115	Billing & Collections	\$424,100
7120	Water Filtration	\$1,316,900
7125	Collection & Distribution	\$2,086,300
7130	Water Reclamation	\$1,229,800
8120	Water Construction	\$388,000
8130	Sewer Construction	\$900,000
9920	Special Appropriations	\$3,920,200
9990	Contingency	<u>\$400,000</u>
Water & Sewer Fund Total		<u>\$11,646,400</u>

Section 7: It is estimated that the following Water & Sewer Fund Revenues will be available during the fiscal year beginning July 1, 2020 and ending June 30, 2021 to meet the foregoing Water & Sewer Fund Appropriations:

Code	Revenue Source	Appropriation
3362-51200	Sale of Water	\$4,400,000
3362-53000	Leak Adjustments/Water	(\$57,800)
3363-51300	Sewer Service Charges	\$4,771,500
3363-53000	Leak Adjustments/Sewer	(\$72,500)
3363-53900	One-Time Pool Adj.	(\$1,700)
3711-58000	Miscellaneous Returned Checks	\$2,600
3713-53000	Pre-Treatment Charges	\$37,200
3714-42000	Water Service Application Fees	\$20,000
3714-51000	W/S Meter Tampering Fees	\$200
3714-52000	Reconnection Charges	\$243,900
3714-52200	Water Taps	\$7,600
3714-52300	Sewer Taps	\$1,200

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3831-49000	Interest: Checking	\$15,500
3831-49500	Interest: NCCMT	\$84,500
3831-49450	NC Rural Infrastructure – New Street Imprv	\$997,000
3831-60000	Duke Energy Reimbursement	\$44,000
3834-86000	Rent of Equipment	\$51,400
3835-81000	Sale of Materials	\$2,700
3839-49900	Cash Discount Earned	\$100
3839-89000	Miscellaneous Revenues	\$1,800
3850-87000	Reimbursement from EAP Project Fund	\$132,300
3991-99100	Fund Balance Appropriated	\$564,900
3991-99200	Fund Balance Appropriated – Leachate Revenue	<u>\$400,000</u>
Water & Sewer Fund Total		<u>\$11,646,400</u>

Section 8: That for said fiscal year there is hereby appropriated out of the Runabout Travel Fund the following:

Code	Department	Appropriation
9100-31200	Runabout Travel Expense	<u>\$20,000</u>
Runabout Travel Fund Total		<u>\$20,000</u>

Section 9: It is estimated that the following Runabout Travel Fund Revenues will be available during the fiscal year beginning July 1, 2020 and ending June 30, 2021 to meet the foregoing appropriations:

Code	Revenue Source	Appropriation
3612-84000	Runabout Travel Fees	<u>\$20,000</u>
Runabout Travel Fund Total		<u>\$20,000</u>

Section 10: That for said fiscal year there is hereby appropriated out of the Municipal Services Tax District Fund the following:

Code	Department	Appropriation
4135-29900	MSD Tax – Leaksville	\$7,800
4135-29901	MSD Tax – Draper	<u>\$2,000</u>
Municipal Service Tax District Fund Total		<u>\$9,800</u>

Section 11: It is estimated that the following Municipal Services Tax District Fund Revenues will be available during the fiscal year beginning July 1, 2020 and ending June 30, 2021 to meet the foregoing appropriations:

Code	Revenue Source	Appropriation
3190-19200	MSD Tax – Leaksville	\$7,800
3190-19300	MSD Tax – Draper	\$1,900
3131-49000	Interest – Checking Account	<u>\$100</u>

Municipal Service Tax District Fund Total \$9,800

Section 12: There is hereby levied for the fiscal year ending June 30, 2021 the following rate of taxes on each one hundred dollars (\$100) assessed valuation of taxable property as listed as of January 2019 for the purpose of revenue, and in order to finance foregoing appropriations:

A GENERAL FUND (for the general expense incident to the proper government of City of Eden, North Carolina) TAX RATE of \$0.609 per hundred dollars (\$100) of assessed valuation.

Such rates are based on an estimated total appraised value of property for the purpose of taxation of approximately \$931,580,131 with an assessment ratio of 100% of appraised value. Estimated collection rate of 98.33%.

Section 13: The Tax and Service Rates section of the FY 2020-2021 budget sets forth the applicable fees for the fiscal year beginning July 1, 2020 and ending June 30, 2021.

Section 14: The Personnel section of the FY 2020-2021 budget sets forth the grade and positions classification plan for the fiscal year beginning July 1, 2020 and ending June 30, 2021.

Section 15: Copies of this Budget Ordinance shall be furnished to the Director of Finance & Personnel and City Manager of the City of Eden, to be kept on file by them for their direction in the collection of revenues and expenditures of amounts appropriated.

Section 16: The City Manager, by authority of this ordinance, may transfer/reallocate between & within departments up to a maximum of ten percent (10%) of the moneys appropriated within any of the above stated funds, including any transfers/reallocations between funds.

Section 17: The Water and Sewer service charge increases approved by the City Council on November 17, 2015 that had an effective date of September 1, 2016 and then postponed until January 1, 2021 shall be postponed until January 1, 2022 at which time they will become effective.

Adopted this the 16th day of June, 2020.

CITY OF EDEN

BY: Neville Hall, Mayor

ATTEST: Deanna Hunt, City Clerk

b. (1) Consideration of a request and adoption of an ordinance to grant a 10/70 watershed provision exemption for three properties at the corner of N.C. 135 and Harrington Highway (PIN 7969-0463-2309, 7969-0463-3445, and 7969-0463-1634). ZONING CASE Z-20-03.

(2) Consideration of a resolution adopting a statement of consistency regarding the 10/70 watershed provision exemption for three properties at the corner of N.C. 135 and Harrington Highway (PIN 7969-0463-2309, 7969-0463-3445, and 7969-0463-1634).

Mayor Hall declared the public hearing open and called on City Planner Debbie Galloway.

Ms. Galloway stated that the property in question was a 10/70 watershed provision at the intersection of N.C. 135 and Harrington Highway consisting of three lots that were roughly 3.5 acres in size. The City had two watersheds, the Dan River and the Smith River. A 10/70 watershed provision allowed a local

government to use 10 percent of the non-critical area for each watershed in its jurisdiction for existing development or expansions to new development up to a 70 percent built upon area. In this case, it related to impervious service for development that was in the Dan River watershed area that was in a non-critical area. The request submitted by Teramore Development was to be able to use that provision on this piece of property for development. She said Council Member Nooe previously questioned how much of the area had previously been used. It was the first application the City received in the Dan River watershed. The 10/70 watershed provision had only been used once in the Smith River watershed on roughly 3 acres. The Planning Board had reviewed the case and was in favor of the request.

Council Member Nooe stated that before a similar request was to come before Council in the future, he would like to see a map that showed the total area in both watersheds so that Council would know how many acres were involved. He questioned if there was a policy on how it was divided, if it was first come first served, or biggest and best use.

Ms. Galloway said the State allowed tradeoffs for certain areas. For instance, if there was a property in a floodplain that was undevelopable, it could be swapped with another property. It did not include existing development before 1993.

Mayor Hall stated that the watershed in question was 4,827 acres, which permitted 482.7 acres to be improved. The property in question was 3.5 acres, which left 479 acres.

Council Member Nooe pointed out that what the City had control over was a lot less than that. They may need to know how much of the total watershed had ever received the allocation.

Planning & Inspections Director Kelly Stultz (attending electronically) stated that single family residential development was not impacted by watershed impervious surface ratios to the same extent as commercial and industrial development. The City's watershed ordinance leaned towards what was most beneficial to the community. The only other 10/70 watershed provision that the City had granted was industrial whereas this provision was commercial. At the present, Teramore Development did not need the 10/70 watershed provision for the business they had currently planned for. This provision would allow them to subdivide it at a later date and add additional businesses on the lot.

Mayor Hall agreed that if there was a watershed map it would show what areas the City had control of.

Council Member Nooe also questioned in what way it was decided how the area was distributed.

Ms. Stultz replied that the Council could decide if there was something they did not deem worthy of being given that benefit and could therefore not grant it.

Council Member Hunnicutt agreed that Council needed to have a better understanding of the layout of the land because it impacted potential industrial development.

Mayor Hall asked if anyone would like to speak in favor.

Derek Goddard, of Blue Ridge Environmental Consultants, civil engineers of the project represented by Teramore Development, came forward. He stated that the property was roughly 1.85 acres located on a total of three parcels. The developer was proposing 9,100 square feet of retail commercial use on the property, which he added was land that the City may or may not have developed on in the future. They were proposing to retain and treat the first inch of rainfall on the site, which was beyond what was

required of stormwater protection and was also a significant additional expense to the developer. Doing so enabled them to protect the water and water quality on the site.

Mayor Hall thanked Mr. Goddard and asked if anyone else would like to speak in favor or in opposition. As there were no other requests to speak and no discussion from Council, he declared the public hearing closed.

A motion was made by Council Member Epps to adopt an ordinance to grant a 10/70 watershed provision exemption for three properties at the corner of N.C. 135 and Harrington Highway (PIN 7969-0463-2309, 7969-0463-3445, and 7969-0463-1634) and to adopt resolution of a statement of consistency regarding the 10/70 watershed provision exemption for three properties at the corner of N.C. 135 and Harrington Highway (PIN 7969-0463-2309, 7969-0463-3445, and 7969-0463-1634). Council Member Carter seconded the motion. All members voted in favor of the motion. The motion carried.

AN ORDINANCE TO GRANT A 10/70 WATERSHED PROVISION EXEMPTION
UNDER THE WATERSHED PROTECTION ORDINANCE OF THE CITY OF EDEN

BE IT ORDAINED BY THE CITY COUNCIL of the City of Eden, North Carolina, that, after having fully complied with all legal requirements, including publication of notice of a public hearing and the holding of a public hearing relative thereto, the following property is permitted to develop up to 70% impervious surface as per Article III, Section A (3)(c)(1-5) of the Water Supply Watershed Ordinance.

The property is a part of the Dan River Water Supply Watershed Protected Area. This Watershed is classified by the State of North Carolina as a WS-IV. The watershed in question contains 4,827 acres. That would permit 482.7 acres in said watershed to be developed under the 10/70 provision. The property in question contains 3.573 acres. The Dan River Water Supply Watershed has 479.13 acres that can be considered for the 10/70 provision.

PARCEL 1:

Tract 1: BEGINNING at an iron pipe set in the edge of the Madison-Leaksville hard surfaced highway, which beginning point is where said Madison-Leaksville Highway intersects with a dirt road; and running thence with said dirt road N. 16 deg. 38' W 400 feet to a stake, a corner of Lot No. 70; thence N. 70 deg. 09' E. 127.5 feet to a stake, a corner with Lot No. 28; thence with the dividing line between Lots Nos. 28 and 29, S. 19 deg. 51' E. 400 feet to a stake set in the edge of the Madison-Leaksville hard surfaced highway; thence with said highway S. 70 deg. 09' W. 150 feet to an iron pipe, the point of beginning and being Lots Nos. 29, 30 and 31 as per map of the P.W. Ziglar Property, dated July 16, 1937, and revised July 7, 1945, by J. S. Trogdon, Eng., which map is recorded in Map Book 3, Page 53, and to which reference is hereby made. Subject to restrictions as contained in Deed recorded in Book 339 at Page 538.

Tract 2: BEGINNING at a stake on the W .edge of the Leaksville-Stoneville Highway, which stake is the S. E. corner of Lot No.27 and running thence N 19 deg. 51' W. the dividing line between Lots 26 and 27, 400 feet to a stake in the line of Lot 70; thence parallel with the Leaksville-Stoneville Highway S. 70 deg. 9' W. 100 feet to a stake; thence S. 19 deg. 51' E., the dividing line between Lots 28 and 29, 400 feet to a stake on the W. edge of the said Leaksville-Stoneville Highway N. 70 deg. 9' E.100 feet to a stake, the point of beginning, the same being Lots 27 and 28, as per map of the P .W . Ziglar Farm, which map is of record in the office of the Register of Deeds of Rockingham County, and to which map reference is hereby made for a detailed description.

The above property being described in a Deed recorded in Deed Book 1348, page 2030 and commonly known as 1829 NC 135 and identified by the Rockingham County Tax Dept. as PIN 7969-04-63-2309 and Parcel No. 133466.

PARCEL 2:

BEGINNING at a stake set in the eastern edge of a dirt road, which stake is N. 16 deg., 38' W. approximately 400 feet from where said dirt road intersects with the Leaksville-Madison hard surfaced highway and which beginning point is also a rear corner with Lot No 31; thence with said dirt road N. 16 deg. 38' W. 100 feet to a stake, a corner between Lots Nos. 71 and 72; thence with the dividing line between Lots 71 and 72, and parallel with the Leaksville Madison hard surfaced highway N. 70 deg. 09' E. approximately 325 ft. to a stake, a rear corner between Lots 71

and 72; thence with the dividing line between Lots No. 24 and the rear line of Lots 70 and 71, 100 feet to a stake, a corner of Lot No. 25: thence parallel with the Leaksville-Madison hard surfaced highway S. 70 deg. 09' West 327.5 feet to a stake set in the edge of the dirt road, the point of beginning and being Lots Nos. 70 and 71, as per map of the P. W. Ziglar property dated July 16, 1937, and revised July 7, 1945, by J. S. Trogdon, Eng., which map is recorded in map book 3, page 53, and to which reference is hereby made.

The above property being described in a Deed recorded in Deed Book 1374, page 0940 and commonly known as 2401 Harrington Hwy and identified by the Rockingham County Tax Dept. as PIN 7969-04-63-1634 and Parcel No. 133463.

PARCEL 3:

BEGINNING at a stake on the north edge of the Leaksville-Madison Road (now defined as State Highway No. 770); thence North 19 deg. 51' West 400 feet to a stake, the southeast corner of Lot No.70; thence North 70 deg. 09' West 100 feet to a stake; thence South 16 deg. 38' East with the dividing line of lots 26 and 27, 400 feet to a stake on the north edge of the Leaksville-Madison Road; thence with the north edge of said Leaksville-Madison Road North 70 deg. 09' East 100 feet to a stake, the point of beginning, same being lots Nos. 25 and 26 as per map of J. S. Trogdon, of the re-division of the P. W. Ziglar property as recorded in the office of the Register of Deeds of Rockingham County. Deed Reference: Book 361, page 485.

The above property being described in a Deed recorded in Deed Book 1432, page 0799 and commonly known as 1815 NC 135 and identified by the Rockingham County Tax Dept. as PIN 7969-04-63-3445 and Parcel No. 133467.

APPROVED, ADOPTED AND EFFECTIVE, this 16th day of June, 2020.

CITY OF EDEN

BY: Neville Hall, Mayor

ATTEST: Deanna Hunt, City Clerk

A RESOLUTION ADOPTING A STATEMENT OF CONSISTENCY REGARDING
A PROPOSED AMENDMENT TO THE CITY OF EDEN ZONING ORDINANCE
CASE NUMBER Z-20-03 MAP AMENDMENT

WHEREAS, pursuant to North Carolina General Statutes Chapter 160A-383, prior to adoption or rejection of any zoning amendment, the Eden City Council is required to adopt a statement as to whether the amendment is consistent with the Land Development Plan and why the City Council considers the action taken to be reasonable and in the public interest;

WHEREAS, on August 21, 2007, the Eden City Council adopted the Land Development Plan. Plans such as the City of Eden Land Development Plan are not designed to be static but are meant to reflect the City of Eden's needs, plans for future development and to remain in compliance with North Carolina State Law and the City of Eden's ordinances;

WHEREAS, the City of Eden Planning Board received a request for a 10/70 watershed provision exemption for property located at the intersection of Harrington Highway and NC Highway 135 in the WS-IV protected area of the Dan River watershed;

WHEREAS, on May 26, 2020, the City of Eden Planning Board voted to recommend to the Eden City Council that the request be approved.

STATEMENT OF NEED:

The property is located in the WS-IV protected area of the Dan River watershed. The watershed ordinance requires that the built-upon and density limits for new development shall not exceed 36% built-upon area in the watershed area. However Article III, Sec.1(B)(3)(c) of the ordinance (commonly known as the "10/70 provision") provides an

exemption which states that new development and expansions may occupy up to 10% of the protected area (except the critical area) with up to 70% built-upon area (impervious surface) on a project by project basis, subject to certain provisions. The 10/70 provision does not change the underlying zoning requirements such as setbacks and buffer requirements. The provision only applies to non-residential development which has taken place since July 1, 1993 and not to any development which existed before that date. There are approximately 4,827 acres within the City's jurisdiction of the Dan River Watershed. This is the first application the City has received for 10/70 provision in the Dan River Watershed. The subject property contains approximately 3.573 acres. The proposed development is a 9,100 square foot commercial retail store with associated parking at a maximum 70% impervious cover on the 3.573 acre site.

Staff is of the opinion that the application meets all the requirements of the Watershed Ordinance. The application includes an engineer's certification that stormwater control measures will be used to provide runoff control for the first one inch of runoff from all built-upon area.

STATEMENT OF CONSISTENCY:

The goals of the 2007 City of Eden Land Development Plan, as amended, are to make smart growth decisions by carefully managing growth to:

- A. Strategically locate new land development in the most appropriate places.
- B. Maintain and enhance Eden's community character and heritage.
- C. Use infrastructure investments as effectively as possible.
- D. Attract new jobs and a more diverse tax base.
- E. Protect natural, cultural and historic resources and open space as we grow.

WHEREAS, the Eden City Council has considered the written recommendation of the City of Eden Planning Board and has held a public hearing on the proposed amendment, and the Council desires to adopt a statement describing why the adoption of the proposed amendment is consistent with the City of Eden Land Development Plan, as amended, and why the City Council considers the proposed amendment to be reasonable and in the public interest;

NOW THEREFORE, BE IT RESOLVED BY THE EDEN CITY COUNCIL THAT:

- 1. The Eden City Council finds that the proposed amendment to the City of Eden Zoning Ordinance is consistent with the goals and recommendations of the 2007 City of Eden Land Development Plan, as amended.
- 2. At no time are land use regulations or plans of the City of Eden or any jurisdiction in the State of North Carolina permitted to be in violation of the North Carolina General Statutes.
- 3. Therefore, based upon the foregoing information, the amendment to the Zoning Ordinance is reasonable and in the public's best interest.

Approved and adopted and effective this 16th day of June, 2020.

CITY OF EDEN

BY: Neville Hall, Mayor

ATTEST: Deanna Hunt, City Clerk

- c. (1) Consideration of a zoning map amendment request and adoption of an ordinance to rezone 730 E. Stadium Drive (PIN 7080-1694-8157) from Office and Institutional to Business – General. ZONING CASE Z-20-04.

(2) Consideration of a resolution adopting a statement of consistency regarding the proposed map amendment request to rezone 730 E. Stadium Drive (PIN 7080-1694-8157) from Office and Institutional to Business – General.

Mayor Hall declared the public hearing open and called on Ms. Galloway.

Ms. Galloway stated that the request was for a 6.22 large wooded piece of property that was located along Stadium Drive and off of Gilley Road. Its current zoning was Office and Institutional (O&I) and the request was to rezone it to Business–General. There were other Business–General uses in the area that touched the property. The Planning Board reviewed the case and recommended in favor of the rezoning.

Mayor Hall stated that the property was close to where the City previously rezoned to I-3 for a lumber mill. Mayor Hall asked if anyone would like to speak in favor or in opposition. As there were no requests to speak and no discussion from Council, he declared the public hearing closed.

A motion was made by Council Member Carter to approve and adopt an ordinance to rezone 730 E. Stadium Drive (PIN 7080-1694-8157) from Office and Institutional to Business – General; and to adopt a statement of consistency regarding the proposed map amendment request to rezone 730 E. Stadium Drive (PIN 7080-1694-8157) from Office and Institutional to Business – General. Council Member Ellis seconded the motion. All members voted in favor of the motion. The motion carried.

AN ORDINANCE AMENDING THE ZONING ORDINANCE OF THE CITY OF

BE IT ORDAINED BY THE CITY COUNCIL of the City of Eden, North Carolina, that, after having fully complied with all legal requirements, including publication of notice of a public hearing and the holding of a public hearing relative thereto, the Zoning Ordinance of the City of Eden is hereby amended as follows:

Section 1 - Change from Office & Institutional to Business-General the following tract:

BEGINNING at an iron set in the south side of East Stadium Drive (formerly Virginia Avenue), said iron being South 72 deg. West 2716 feet from an iron marking the intersection of the West side of Hairston Street by the South side of East Stadium Drive; thence with the South side of East Stadium Drive, South 72 deg. West 300 feet to C. H. Reece's present East line, South 18 deg. East 1089 feet to an iron, C.H. Reece's present southeast corner; thence North 72 deg. East 300 feet to an iron; thence North 18 deg. West 1089 feet to the point of beginning and containing 7-1/2 acres.

SAVE AND EXCEPT FROM THE FOREGOING THE FOLLOWING TRACTS:

TRACT 1: BEGINNING at an iron set in the South side of East Stadium Drive (formerly Virginia Avenue) and being the northwest corner of the lands now owned by the said Grantors, and being at the northeast corner of C. H. Reece; thence running along the southern edge of East Stadium Drive, South 72 deg. 100 feet to a new corner; thence South 18 deg. and parallel with the Reece line 300 feet to a new corner; thence parallel with East Stadium Drive, South 72 deg. 100 feet to a new corner in the edge of the Reece line; thence along the Reece and Roberts line, North 18 deg. 300 feet to the point of beginning and embracing a tract of land consisting of approximately 30,000 square feet on which there is situated a new four-room frame house. Deed Reference: Book 418, page 520.

TRACT 2: BEGINNING at an iron, which iron lies S. 63 deg. 43 min. W. 172.73 feet and thence N. 19 deg. 59 min. W. 92.05 feet from a stake in the center of Gillie Street along a Right of Ingress and Egress herewith conveyed, thence from said iron S. 65 deg. 08 min. W. 130.36 feet to an iron; thence N. 24 deg. 52 min. W. 199.51 feet to an iron; thence N. 65 deg. 08 min. E. 140.36 feet to an iron, which iron lies S. 7 deg. 29 1 E. 145.12 feet from another iron found; thence S. 24 deg. 52 min. E. 199.51 feet to an iron; thence S. 65 deg. 08 min. W. 10 feet to the POINT OF BEGINNING, together with a twenty foot wide Right of Ingress and Egress as shown on a Plat of Survey for Bobby Wayne Boone and Melvine G. Boone, drawn May 20, 1980, by Interstate Engineers-Surveyors, Eden, N.C., which survey is recorded with the Deed in Book 746, page 87 and incorporated herein by

reference. For further reference see Deed Book 452, page 372, in the Office of the Register of Deeds, Rockingham County, N. C. Deed Reference: Book 746, page 87.

The property being rezoned is identified by the Rockingham County Tax Dept. as PIN 7080-16-94-8157 and Parcel Number 109387.

Section 2 - The Official Zoning Map of the City of Eden is hereby amended to conform with this Ordinance.

APPROVED, ADOPTED AND EFFECTIVE, this 16th day of June, 2020.

CITY OF EDEN

BY: Neville Hall, Mayor

ATTEST: Deanna Hunt, City Clerk

A RESOLUTION ADOPTING A STATEMENT OF CONSISTENCY REGARDING
A PROPOSED AMENDMENT TO THE CITY OF EDEN ZONING ORDINANCE
CASE NUMBER Z-20-04 MAP AMENDMENT

WHEREAS, pursuant to North Carolina General Statutes Chapter 160A-383, prior to adoption or rejection of any zoning amendment, the Eden City Council is required to adopt a statement as to whether the amendment is consistent with the Land Development Plan and why the City Council considers the action taken to be reasonable and in the public interest;

WHEREAS, on August 21, 2007, the Eden City Council adopted the Land Development Plan. Plans such as the City of Eden Land Development Plan are not designed to be static but are meant to reflect the City of Eden's needs, plans for future development and to remain in compliance with North Carolina State Law and the City of Eden's ordinances;

WHEREAS, the City of Eden Planning Board received a request to rezone property at 730 E. Stadium Drive from Office & Institutional to Business-General;

WHEREAS, on May 26, 2020, the City of Eden Planning Board voted to recommend to the Eden City Council that the rezoning request be approved.

STATEMENT OF NEED:

The subject property was zoned O&I at the time of original zoning. The parcel is currently vacant and primarily undeveloped. The B-G districts are generally located on the fringe of the central business district and along major radial highways leading out of the City. The principal use of land is for dispensing retail goods and services to the community and to provide space for wholesaling and warehousing activities. The Land Development Plan indicates that the highest and best use of this property is Town Center. The principal uses of land in the area are for business and industrial uses; therefore the zoning change to Business-General is in keeping with the plan.

STATEMENT OF CONSISTENCY:

The goals of the 2007 City of Eden Land Development Plan, as amended, are to make smart growth decisions by carefully managing growth to:

- A. Strategically locate new land development in the most appropriate places.
- B. Maintain and enhance Eden's community character and heritage.
- C. Use infrastructure investments as effectively as possible.
- D. Attract new jobs and a more diverse tax base.
- E. Protect natural, cultural and historic resources and open space as we grow.

WHEREAS, the Eden City Council has considered the written recommendation of the City of Eden Planning Board and has held a public hearing on the proposed amendment, and the Council desires to adopt a statement describing why the adoption of the proposed amendment is consistent with the City of Eden Land Development Plan, as amended, and why the City Council considers the proposed amendment to be reasonable and in the public interest;

NOW THEREFORE, BE IT RESOLVED BY THE EDEN CITY COUNCIL THAT:

1. The Eden City Council finds that the proposed amendment to the City of Eden Zoning Ordinance is consistent with the goals and recommendations of the 2007 City of Eden Land Development Plan, as amended.
2. At no time are land use regulations or plans of the City of Eden or any jurisdiction in the State of North Carolina permitted to be in violation of the North Carolina General Statutes.
3. Therefore, based upon the foregoing information, the amendment to the Zoning Ordinance is reasonable and in the public's best interest.

Approved and adopted and effective this 16th day of June, 2020.

CITY OF EDEN

BY: Neville Hall, Mayor

ATTEST: Deanna Hunt, City Clerk

- d. Consideration to apply for 2020 CDBG funding under Title I of the Housing and Community Development Act for State CDBG Programs to fund projects for Housing, Planning, Infrastructure and Economic Development, and COVID-19 Funds.

Mayor Hall declared the public hearing open and called on Director of Economic Development Mike Dougherty.

Mr. Dougherty stated the item was for the Nantucket Mill project. In order to apply for both of the Community Development Block Grant (CDBG) funds to assist with the project, a public hearing must be held.

Council Member Carter questioned if the project was moving forward.

Mr. Dougherty said that discussion with consultants and representatives supporting the project revealed that there was money for the Title I of the Housing and Community Development Act for State CDBG programs and for COVID-19 funds. The consultant has been working with the City on submitting applications for funding.

Mayor Hall questioned how many public hearings the projects required.

Mr. Dougherty replied that they each require two public hearings and this was the first public hearing for both of the projects.

Mayor Hall asked if anyone would like to speak in favor or in opposition. As there were no requests to speak and no discussion from Council, he declared the public hearing closed.

A motion was made by Council Member Epps to approve applying for 2020 CDBG funding under Title I of the Housing and Community Development Act for State CDBG Programs to fund projects for

Housing, Planning, Infrastructure and Economic Development, and COVID-19 Funds. Council Member Hampton seconded the motion. All members voted in favor of the motion. The motion carried.

UNFINISHED BUSINESS:

- a. Consideration of a request to approve 2019-20 Strategic Planning Commission funding for three projects: Klyce Street Landing amenities, Movies Under the Stars, and kayak lessons for middle schoolers (*tabled from the May 19 meeting*).

Amenities for Klyce Street Landing - \$4,300

Items will include an entrance sign, kiosk, bench and a concrete pad for 2 picnic tables. This site has a beautiful and open view of the river.

Mayor Hall called on Coordinator of Tourism & Special Events/Projects Cindy Adams.

Ms. Adams said she removed the Movies Under the Stars and the kayak lessons for middle schoolers projects from the request due to changing conditions. Due to the increase in COVID-19 cases, it did not appear that the number allowed for mass gatherings would increase, so she was postponing the Movies Under the Stars project request until the next year. There was not enough time to advertise for the kayak lessons project and to complete all six sessions. She would postpone the request until spring.

She was asking for funds for the Klyce Street Landing amenities project at a \$1,000 decrease for a total of \$3,300. The City was able to obtain the fabrication and begin work on the entrance sign at the end of Klyce Street, all of which was paid for out of Tourism Development's budget.

She noted the City's rivers consisted of paddle and walking trails. She had compiled a message about the objective of trail signage and its importance, which she read: the objective was to improve the trail user's experience, enhancing the safety of people, improving travel within and between the trail system, and increasing confidence in navigating the trail system. Even with good trail guides and websites, trail signage was indispensable as it kept trail users certain of their location and direction. The kiosk sign at Klyce Street Landing would include a map showing the user's current location and would highlight other downstream access points. It would also include distances, average paddling times, emergency numbers, location addresses and directions on how to get more information. The signage would provide safety, awareness and education. The amenity was pre-approved to come out of the current fiscal year's budget under the Strategic Planning Commission.

A motion was made by Council Member Hunnicutt to approve 2019-20 Strategic Planning Commission funding for Klyce Street Landing amenities. Council Member Carter seconded the motion. All members voted in favor of the motion. The motion carried.

NEW BUSINESS:

- a. Consideration to approve a three-year contract with Carolina Tax & Business Services for internal audit services.

Mayor Hall called on Ms. McMichael.

Ms. McMichael stated that previously contracted Forensic Auditor Bert Davis recommended the City hire an internal auditor to perform risk assessment possibly three times a month. Therefore, staff sent out a

request for proposal and contacted local auditing firms to see if there was any interest and if so, what the cost would be. Only one proposal was received and that was from George Wayne Emerine, owner of Carolina Bookkeeping. The proposal was for a three-year term with a monthly cost of \$2,160, which would be an annual cost of \$25,920 for up to 24 hours of monthly service.

Mayor Hall said Council needed to decide if the recommendation was worth the amount of money it would cost to gain more internal controls. The amount equated to \$90 per hour. He questioned paying a flat fee of \$2,160 per month if the internal auditor were to not work a full 24 hours each month. He suggested considering an hourly rate if an internal auditor was approved. The proposal addressed an hourly rate of \$90 past the agreement of 24 hours, but it did not address if the auditor did not work the proposed 24 hours each month. The potential new city manager may have some reporting tools to help provide information to Council in a sufficient manner so that they could possibly audit it themselves and questioned Council in regards to their thoughts on tabling the issue or making some amendments to the contract.

Council Member Epps said he was in agreement of tabling the issue until Council could discuss it with the new city manager.

Council Member Moore stated that the City would need some type of guarantee of 24 hours of work each month if paying the internal auditor a monthly flat fee.

Mayor Hall added that it should be either treated as a monthly salary where the internal auditor worked a set number of hours or an hourly rate if they are going to work less.

Council Member Moore said it would be good to have the new city manager look at the proposal.

Mayor Hall said the new city manager may have some insight as to whether an internal auditor was a valuable asset considering the City would be committing to \$75,000 as the agreement was written.

Council Member Hunnicutt stated that while he was not familiar with how an auditor chose what they were going to examine or how much time it took to conduct their audit. He believed there should be an element of independence from the auditor. The Council should not guide or restrict. He did like the fact that Council would have someone looking over their shoulder. He noted that while he looked at the monthly list of checks written, he did not have a way of knowing if they were qualified expenditures. It would be helpful to have someone look at it.

Council Member Nooe suggested also seeing a list of what line item each check was deducted from, whether or not it was a budgeted item, and how that particular line item was faring.

Council Member Ellis said things had been spent in the past that Council had been unaware of. He had had no clue. He was in favor of an internal auditor.

Council Member Epps stated that while he was in favor of an internal auditor, there were several internal changes and precautions that have already been made, but also agreed that the new city manager may have insight as well.

Council Member Ellis questioned if the firm would be willing to do a one-year agreement instead of a three-year agreement.

Ms. Gilley said that due to it being a service, Ms. McMichael could solely pursue negotiations with Mr. Emermine.

Council Member Hunnicutt asked Ms. McMichael if she had reached out to any other cities or towns to see if they had an independent internal audit process in place.

Ms. McMichael replied no.

Council Member Hunnicutt said while he believed the City should have some level of independent review, he was unsure as to whether requiring a set number of hours each month was the best option. He asked Ms. McMichael to reach out to other cities and towns to see if they had similar internal audit processes in order to get a better understanding of what was being presented.

Mr. Shelton said the main purpose of the internal auditing was to focus on the city manager and his/her expenses, looking for any signs of malfeasance. He believed there were going to be very few cities that performed independent internal auditing unless they had a large internal accounting division of their own that could complete it. He stated that the only reason the City was looking into an internal auditor was because of embezzlement that occurred with the previous city manager, resulting in the recommendation by the forensic auditor. A possibility for only receiving one bid was due to many local accounting firms not having the credentials for local government accounting. Carolina Bookkeeping had experience with large accounts and were willing to conduct the auditing. He expressed agreement with pursuing a one-year contract. He also reiterated that the check voucher list did not provide great detail and while the finance director and city manager were responsible for signing off on invoices, he confirmed that as interim city manager, he did not sign off on invoices until he was certain they were legitimate expenditures. In light of the situation that caused him to be interim manager, he wanted to know what everything they were spending was. If he could not look it up on his own, he asked. Therefore, he believed that the internal auditor would likely focus on the City's vouchers to maintain good tracking and prevent potential problems.

Council Member Epps questioned if the City's yearly auditor, Rouse, Rouse, Rouse & Gardner, LLP, performed that type of auditing.

Mr. Shelton replied that the yearly auditor did not evaluate individual spending; rather, they focused on the overall balances at the end of each fiscal year. The City had received a letter from the Local Government Commission (LGC) questioning the City's methods and means of monitoring the financial situation. He believed having extra internal control would help the City's reputation with the LGC as they would see the City as being proactive against possible reoccurrences.

Council Member Ellis said hiring an internal auditor might serve as an asset to the new city manager.

Council Member Hunnicutt stated that he would like to have some insight from the new city manager, but also did not feel that he should be setting any of the guidelines considering that position was the reason the City was considering an internal auditor. Before proceeding, he would like to receive some feedback from the research he requested of Ms. McMichael. He said that while every city was not going to have dealt with embezzlement, he felt certain that some cities would have some type of internal audit process that could serve as guidance for the City.

Council Member Ellis replied that he did not agree with tabling the issue but rather felt that it would serve as a support to the Council to already have an internal audit process in place when the new city manager was hired. He suggested starting with a one-year internal auditing contract.

Council Member Epps made a motion to approve a one-year contract with Carolina Tax & Business Service for internal audit services if they were willing to amend their current proposal.

Ms. Gilley recommended the City contact Mr. Emerine to see if he would be willing to entertain a one-year agreement instead of a three-year agreement before the Council voted on the contract.

Council Member Epps withdrew his motion.

Council Member Moore made a motion to table the consideration to approve a three-year contract with Carolina Tax & Business Services for internal audit services until the July Council meeting. Council Member Epps seconded the motion. All members voted in favor of the motion. The motion carried.

- b. Consideration to approve a process to handle delinquent water, sewer and solid waste accounts upon expiration of the Governor's Executive Order 142.

Mayor Hall called on Ms. McMichael.

Ms. McMichael stated that Governor Cooper's Executive Order No. 142 prevented utility shut-offs and penalties for the City's water and sewer customers. She wanted to establish a plan for how to handle delinquent accounts upon the Executive Order's expiration on July 29. The Executive Order stated that customers who became delinquent during the time period of April through July must be given six months to pay their debt without the addition of penalties or disconnections for that time period. The Executive Order was based on billing dates, due dates and delinquent dates rather than service dates. Therefore, Ms. McMichael's recommendation was to notify each delinquent customer during the month of July of their aged balances for the past 30 days, 60 days, etc., and encourage them to contact the Finance Department to set up a payment plan. The first set of bills were scheduled to be mailed in August, with a due date in September, becoming delinquent in late September and early October if not paid. She consulted with the software provider in regards to allowing payment plans made on accounts to reflect such payment agreements on the printed bills. For example, if a customer desired to make six installments, their printed bill would show their current bill amount plus their installment amount. She predicted that during the first disconnection, which was scheduled for September, there would be customers disconnected for current delinquencies who also had delinquencies acquired during the Governor's Executive Order. She stated that when those customers contacted the Finance Department, they would be advised to pay their current delinquency amount in order to have their services reconnected and would then set up a payment plan for the remaining delinquency amount.

Based off of a preliminary disconnection list that Ms. McMichael ran as of the day of the Council meeting, 772 customers were delinquent with a total debt of \$144,000, not including penalties. The average number of delinquent customers per month was between 170 and 200 customers. Sending a letter in July, in addition to the regular billing notice that showed the customer's arrears balance, would reduce the chances of customers not receiving adequate notification. However, if the Governor chose to extend the Executive Order, she would consult with Council at that time. Waiting until the six-month extension was over in January to pay off any delinquent bills, would not be the best choice to issue the first set of disconnections or penalties. While the Governor's Executive Order helped some customers, she felt it had also hurt them as they now must figure out how to pay their accumulated delinquencies.

Council Member Epps stated that it seemed like Ms. McMichael had a good program and plan of action, which gave the citizens an opportunity to catch up their delinquencies.

Ms. McMichael said it was a team effort in reasoning how to handle the situation while also being compliant with the Governor's Executive Order.

Council Member Hunnicutt asked Ms. McMichael if delinquency numbers approached the same amount during the recession of 2008 or 2009.

Ms. McMichael replied that during her 15 years with the City, the most delinquent accounts she had seen in one month was 200. While 772 was a large number, it was less than what she and her staff were anticipating.

Mayor Hall stated this was a different scenario than with the recession because this involved an Executive Order that did not allow the City to perform disconnections, whereas during the recession, there was not an Executive Order and the citizens knew they had to pay their bill.

Council Member Hunnicutt said while the City would try to work with anyone who was in a difficult situation, he feared a large portion of the delinquent accounts viewed this scenario as a means to free water and sewer, knowing there was nothing the City could do about it.

Ms. McMichael said the letter that the Finance Department would send out in July to the delinquent customers would not state when the first disconnection would be in case the Executive Order changed. The letter would give the customers a tentative date for disconnection. She thought about placing an article in Eden's Own Journal advising delinquent customers to contact the Finance Department if payment arrangements are needed. Because there was not enough room on the postcard utility bills to print any type of communication, this would help serve as a way to get the message out to the customers.

Council Member Nooe questioned if the late fee was for the next month's bill, if unpaid, after the Executive Order expired.

Ms. McMichael replied that the late fee would be for the new bills mailed out in August due in September and left unpaid.

Council Member Nooe said he read the Executive Order to mean there would be no late fees.

Ms. McMichael replied that there could not be late fees issued for the months covered under the Governor's Executive Order.

Mayor Hall stated that he read in the Executive Order where there could not be late fees issued until six months after the Governor's Executive Order.

Ms. McMichael replied that late fees could not be issued for six months after the Governor's Executive Order expired on any delinquent amounts accumulated during the months covered by the Governor's Executive Order. However, the City could add late fees on current delinquent charges that were acquired after the Governor's Executive Order expired. Therefore, when the City sent out the utility bills in August, it would be for the most current charges due in September. Customers were given 30 days to pay

before disconnected for nonpayment. Some of the customers disconnected may also have charges accrued during the time period covered under the Governor's Executive Order, but as they contacted the Finance Department, they would be advised to pay the minimum charges of the August bill and a payment plan would be established for the remaining delinquent balance.

Mayor Hall agreed that the City needed a plan but was concerned about the dates in the proposed plan. He asked for Ms. McMichael and Ms. Gilley to consult on the dates because as he understood it, the Executive Order says six months of no fees and he assumed that meant no fees of any kind until six months after the Executive Order expired.

Council Member Nooe voiced concern over the \$40 delinquency fee being added considering people have already been financially impacted as a result of COVID-19.

Mayor Hall replied that if the City did not enforce the delinquency fee or disconnection, people would continue to not pay.

Council Member Epps made a motion to accept the proposed plan of handling delinquent water, sewer, and solid waste accounts upon expiration of the Governor's Executive Order 142 and noted that if there were any changes that needed to be made, Ms. McMichael could bring those back at a later date. Council Member Ellis seconded the motion. All members voted in favor of the motion. The motion carried.

- c. Consideration to adopt policies, plans, resolutions and ordinances for the Draper CDBG - Neighborhood Revitalization Project.

Mayor Hall called on Ms. Galloway.

Ms. Galloway stated that the City was awarded a CDBG for neighborhood revitalization in the Draper section. The \$750,000 grant was to be used for housing improvements in that area. As part of the grant, the City was required to adopt a set of policies and procedures. The proposed policies and procedures were the same as ones previously adopted for other grants of the type.

Mayor Hall questioned if a template was used to ask the questions needed for response.

Ms. Galloway said yes and confirmed that at least 15 applications had already been received.

Council Member Ellis made a motion to adopt the policies, plans, resolutions and ordinances for the Draper CDBG - Neighborhood Revitalization Project. Council Member Carter seconded the motion. All members voted in favor of the motion. The motion carried.

RESOLUTION BY CITY OF EDEN TO ADOPT CDBG PLANS

WHEREAS, Title I of the Federal Housing and Community Development Act of 1974, as amended, has established the U.S. Housing and Urban Development (HUD) Community Development Block Grant (CDBG) Program, and has authorized the making of grants to aid eligible units of government in funding the cost of neighborhood stabilization and that the North Carolina Department of Commerce was delegated the authority by the state legislature to administer state grant monies received from the U.S. HUD CDBG program, and

WHEREAS, The City of Eden has requested and received state grant assistance for a project,

WHEREAS, HUD's State CDBG program has many federal performance and procurement requirements,

WHEREAS, The City will implement these plans broadly and not specific to any single CDBG grant,

NOW THEREFORE BE IT RESOLVED, BY THE CITY COUNCIL OF THE CITY OF EDEN:

That the City of Eden adopts and places into effect the following compliance plans:

- Equal Opportunity and Procurement Plan
- PTRC Analysis of Impediments to Fair Housing
- Fair Housing Plan
- Fair Housing Compliant Procedure
- Language Access Plan
- Local Jobs Initiative Section 3 Plan
- Section 504 Survey and Grievance Procedure
- Citizen Participation Plan
- Residential Anti-Displacement and Relocation Assistance Plan
- Policy of Nondiscrimination Based on Handicapped Status
- Policy Prohibiting Excessive Use of Force
- Conflict of Interest Policy

Adopted this the 16th day of June, 2020.

CITY OF EDEN

BY: Neville Hall, Mayor

ATTEST: Deanna Hunt, City Clerk

CODE OF CONDUCT POLICY FOR CDBG GRANTEES

WHEREAS, the City of Eden, as the recipient of federal funding through the Community Development Block Grant (CDBG) Grant program;

WHEREAS, the conflict of interest provisions, including but not limited to those found at N.C. General Statutes § 14-234, 2 C.F.R. § 200.317-318, 320-321, 323-326, 24 C.F.R. § 570.489 (g) and (h), and 24 C.F.R. § 570.611 must be carried out;

WHEREAS, certain limited exceptions to the conflict of interest rules listed in 24 C.F.R. § 570.489 may be granted in writing by Housing and Urban Development (HUD) and/or NC Commerce upon written request and the provision of information specified in 24 C.F.R. § 570.489(h)(ii)(4);

WHEREAS, no persons described in this policy who exercise or have exercised any functions or responsibilities with respect to CDBG activities assisted under this part, or who are in a position to participate in a decision-making process or gain inside information with regard to such activities, may obtain a financial interest or benefit from a CDBG-assisted activity, or have a financial interest in any contract, subcontract, or agreement with respect to a CDBG-assisted activity, or with respect to the proceeds of the CDBG-assisted activity, either for themselves or those with whom they have business or immediate family ties, during their tenure or for one year thereafter;

WHEREAS, the conflict of interest provisions of this policy apply to any person who is an employee, agent, consultant, officer, or elected official or appointed official of the recipient, or of any designated public agencies, or of subrecipients that are receiving funds; and

WHEREAS, the failure to adhere and enforce this policy may cause the City of Eden to lose its grant or eligibility for future federal grants;

NOW THEREFORE, BE IT RESOLVED, by the City of Eden's Board of City Council that the City will pass and adhere to this policy.

Adopted this the 16th day of June, 2020.

CITY OF EDEN

BY: Neville Hall, Mayor

ATTEST: Deanna Hunt, City Clerk

THE PROHIBITION OF THE USE OF EXCESSIVE FORCE FOR CDBG GRANTEES

WHEREAS, the City of Eden, as the recipient of federal funding through the Community Development Block Grant (CDBG) Grant program;

WHEREAS, Title 1 of the Housing and Community Development Act (HCDA) of 1974, Section 519 of Public Law 101-144, and 1990 HUD Appropriations Act requires that all CDBG recipients adopt and enforce a policy to prohibit the use of excessive force by law enforcement agencies within the recipient's jurisdiction against any individuals engaged in non-violent civil rights demonstrations;

WHEREAS, all recipients of CDBG funds are further required to follow a policy enforcing applicable federal, state and local laws against physically barring entrances or exists to a facility that is the subject of a non-violent demonstration;

WHEREAS, City of Eden endorses a policy prohibiting the use of excessive force and will inform all law enforcement agencies within its jurisdiction of this policy; and

WHEREAS, the failure to enforce such policy may cause the City of Eden to lose its grant or eligibility for future federal grants;

NOW THEREFORE, BE IT RESOLVED:

SECTION 1: It is the Policy of the City of Eden that excessive force by local law enforcement agencies shall not be used against individuals engaged in lawful and non-violent civil rights demonstrations within the its boundaries.

SECTION 2 It is the Policy of the City of Eden to enforce applicable federal, state and local laws against the physical barring of an entrance to or exit from a facility or location which is the subject of nonviolent civil rights demonstrations within its jurisdiction.

SECTION 3: The City Council will coordinate with the local law enforcement agency(ies) to implement this Resolution.

PASSED BY THE CITY COUNCIL, CITY OF EDEN, NORTH CAROLINA.

Adopted this the 16th day of June, 2020.

CITY OF EDEN

BY: Neville Hall, Mayor

ATTEST: Deanna Hunt, City Clerk

Copies of the policies and plans are on file in the Clerk's Office.

d. Consideration of repairs to the sewer line at the Smith River railroad trestle.

Mayor Hall called on Mr. Shelton.

Mr. Shelton stated that Water & Sewer Construction Projects Manager Mark Bullins would explain the events that led up to the damage of the sewer line at the Smith River railroad trestle and the bidding received, which was \$310,000.

Mr. Bullins said that following a flood event that occurred between May 19 and May 21, the City was hit with another flood event on May 24. The timing did not allow Philpott Lake to drain adequately enough

to control the floodwaters coming from Martinsville to Eden. The flood was so overwhelming that it washed trees downstream into the piping on the trestle, knocking it off of the piers on May 25. Afterwards, steps towards getting bypass pumping operating were being put in place. KRG, Inc., installed a temporary 6-inch HDPE pipeline on the trestle itself the following day at a cost of \$6,000. The City began with its own pump for the operation, but the pump had not been recently serviced and was not pumping at maximum efficiency. Therefore, it was determined that the City would need to rent a pump from Sunbelt, which would total \$7,493 for two months of use. For every month that the City used the rental pump past the two-month agreement, it would cost \$4,000, with the understanding that the cost would decrease the longer the City rented it. At the present, the pump was being monitored 24/7. Otherwise, the City would have had to hire a company, such as Xylem or Rain for Rent, to set up their own pumping system at a cost between \$40,000 and \$50,000 per month. Those companies used auto-dialers to maintain contact with their pumps to ensure they were functioning properly instead of having someone there onsite.

Initially, Sam Smith, Inc., was going to submit a proposal to repair the sewer line but came back with a proposal to build a roadway across the river bed, which would require the Smith River to be drained or the flow rate decreased in order for them to gain access to conduct their work. Daily labor rates were given for 10-hour workdays, which would possibly be difficult to achieve according to U.S. Army Corps of Engineers, Philpott Lake and Martinsville because the flows would have to be cut back to roughly 60-cubic feet per second to allow Martinsville four hours of time to hold the water back off of the City downstream. Mark Bishopric stated that he would be able to accommodate up to 30-cubic feet per second of that flow. However, the flows would have to be opened back up in order for those levels to be drained back down the next day to continue work, resulting in only four- to seven- hour workdays. After receiving the quote from Sam Smith, Inc., the project would have resulted in a total cost of \$183,679, which did not account for any problems, permits or removal of the stone. The permit would likely come from the U.S. Army Corps of Engineers, considering that it would result in disturbing the riverbed and possibly removing the stone. Another quote was obtained from Yates Construction Company in the amount of \$195,000, with the idea of using air cranes. It was originally quoted with 10-inch pipe when it was later discovered it was 12-inch pipe going across the pier. Sam Smith, Inc.'s quote included reusing the pipe that was already in the river, but it was unknown what condition the pipe was in considering the pipe was 66 years old. Yates Construction Company's quote includes installation of new coated-steel pipe with new couplings, straps, etc. The revised quote to include 12-inch piping was \$199,000.

Mr. Bullins said the condition of the pipe going across the remainder of the river came into question and therefore, he sent the I&I crew out to camera the line to see what it looked like, at which point it showed visible corrosion at the top of the line and coating on the inside of the pipe had started to fall away, with strips noticeably hanging down. At that time, the City decided to obtain a quote of replacing all of the piping due to both of the upstream sections leading up to the pier and the downstream section leading away from the pier had already been replaced in previous years as part of the Inflow & Infiltration Abatement Program. The quote received was \$310,000 to replace the line entirely across. Yates Construction Company believed the job could be completed within three days, but asked for five days for contingency should any problems arise. The price included removal of all the trees upstream that could run back into the pipe. Aircrane out of Atlanta, Ga., would be subbing with Yates Construction Company and after viewing the site, stated the job could be completed within three hours. Any additional work requested by the City beyond the quoted three hours would cost an additional \$10,000 per hour. In all, the quote included three hours to remove the trees and piping, and two additional days of three-hour increments to put the pipe back in place.

Council Member Ellis asked what the length was.

Mr. Bullins estimated it to be 634 feet.

Council Member Hunnicutt questioned if the pipe was to be attached to the trestle.

Mr. Bullins replied yes, there were piers at the base of the trestle designed to support the pipe.

Council Member Hunnicutt questioned who owned the piers and the trestle.

Mr. Bullins could not recall which railroad at that moment.

Council Member Hunnicutt asked if the City had an easement from the railroad to do the repairs.

Mr. Bullins answered yes.

Council Member Hunnicutt asked Ms. Gilley if she had looked at the situation to ensure that the City had an easement to be able to reattach to it.

Ms. Gilley stated that the City has a prescriptive easement to be able to maintain, repair and replace the sewer line and had easements from the adjoining landowners. She asked Mr. Bullins if the City had a documented easement.

Mr. Bullins replied that he was not aware of one.

Council Member Hunnicutt stated that he wanted to ensure that the City had the legal right to make the repairs located on someone else's property, especially considering the cost. He did not want the City to get into a situation where the railroad company would say that the City did not have their permission to make the repairs. He said there were disputes in the past between different parties in regards to things being done that one party did not have permission to do. He recalled the example of when the County ran a sewer line from Wentworth to the City's treatment plant and he thought they had to acquire Mebane Bridge from DOT in order to secure the right-of-way.

Mr. Shelton stated that he assumed Mebane Bridge was still property of DOT. The County received permission to hang it on the bridge and they cleaned some debris away from the pier since the sewer line was installed.

Council Member Hunnicutt said that validation needed to be made to ensure there were not any issues with the easement or replacing the sewer line.

Council Member Moore stated that the repairs must be done, but agreed that the City needed to make sure everything was correct before proceeding.

Council Member Carter asked if the company was bonded.

Mr. Bullins replied yes.

Council Member Carter asked Mr. Bullins if he had performed an assessment on the company.

Mr. Bullins said yes, the company had experience with firefighting in the West, Nevada and California. They had also been used in several construction projects in Atlanta and the State. They used both Huey and Sikorsky helicopters.

Council Member Ellis made a motion to accept the recommendation for repairs to the sewer line at the Smith River railroad trestle contingent upon having legal authority to do so. Council Member Epps seconded the motion. All members voted in favor of the motion. The motion carried.

Ms. Gilley stated that Sam Smith, Inc., withdrew his bid, so the City was only considering the one bid.

Mr. Bullins stated that Sam Smith told him personally that he was withdrawing his bid and also submitted his withdrawal to Municipal Services Director Paul Dishmon, who confirmed via email.

e. Consideration to hire a City Manager and approval of the Employment Agreement.

Mayor Hall called on Ms. Gilley.

Ms. Gilley said that after a rigorous interview process, the Council selected Jon Mendenhall as the new city manager and she was pleased to present his negotiated employment agreement that had been signed by Mr. Mendenhall.

Mayor Hall said that the selection of a city manager was probably the most important job that any of the Council would face. While it was a long process, he felt that it was handled very well by everyone involved. There were numerous closed sessions and called meetings that everyone was able to attend with a lot of thought and input being put into the final decision. There was sensitive and confidential information involved and he felt that everyone did a great job of maintaining confidentiality, which was important to all of the candidates. It was a unanimous decision and he felt that Council did the best job it could do for the citizens of Eden to present Mr. Mendenhall with the contract.

Council Member Nooe questioned the hire date and asked if it was possible for Mr. Mendenhall to assume his position any earlier.

Ms. Gilley replied that Mr. Mendenhall had contractual obligations with his previous employer; however, she could let Mr. Mendenhall know that the City would accept him earlier if he was able to do so.

Mayor Hall stated that Mr. Mendenhall's previous employer may say that whenever they find his replacement, he would be free to leave, but being that it was a long process, it would likely take the entire 60 days. However, if they do hire his replacement sooner, the City could amend his hire date.

Council Member Epps thanked Ms. Gilley for her hard work and efforts in putting the employment agreement together.

Mayor Hall said Mr. Mendenhall indicated he would try to watch the meeting and thus, he wanted to congratulate him and let him know that the City was looking forward to having him as the new city manager to help take the City in a positive direction and make Eden a much better place to be.

Council Member Moore made a motion to hire Jon Mendenhall as the new city manager and approve his employment agreement. Council Member Ellis seconded the motion. All members voted in favor of the motion. The motion carried.

A copy of the City Manager Employment Agreement is on file in the Clerk's Office.

REPORTS FROM STAFF:

a. City Manager's Report

Mr. Shelton requested the report be entered in the minutes as if it had been read in its entirety.

City Manager's Report
June 2020

Economic Development

Industry

Eden Industry

As the state continues to reopen, many Eden industries have also rehired employees, while others continue to struggle. Ours is a consumer-driven marketplace and shutting down businesses for eight weeks will naturally have an adverse effect on the economy. As of May 29, more than 40 million Americans were unemployed. Commercial businesses are in dire straits because many have been unable to pay rents and must negotiate with landlords for rent relief, which may or may not come. Datex Property Solutions reported that 54.1% of rents were paid in April and 58.6% of rents were paid in May.

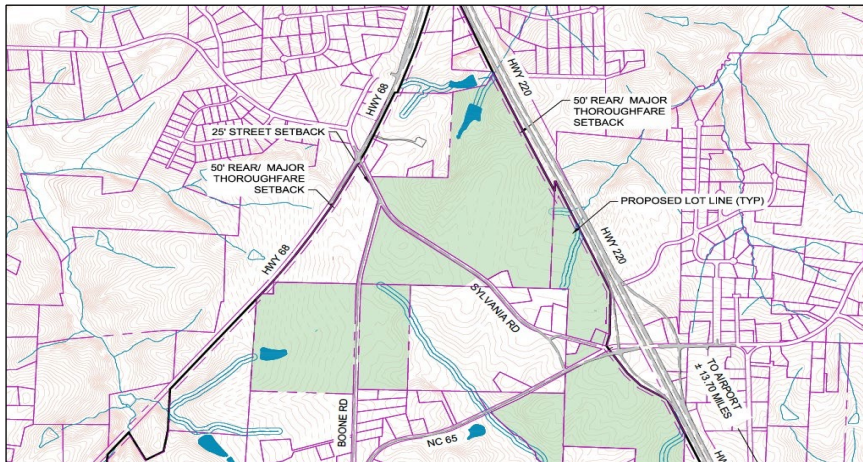
On the positive side, national unemployment did not reach the 20% level that was feared in May but remains at 13.3%, which is traditionally very high. Also, even with the pandemic, there has been significant economic development activity in both Eden and Rockingham County since early April of this year.

NC Unemployment Benefits (from *Winston-Salem Journal*, week of June 1, 2020)

Initial unemployment-insurance benefit claims have dropped for the fifth consecutive week in North Carolina, indicating economic activity has started to pick back up. North Carolina had the 10th-highest number of UI filings in the nation, with a week-high of 172,745 for the week ending March 28. There was nearly an 18% decline in claims to 36,400 for the week ending May 30, down from 44,202 the week prior.

Southern Rockingham Corporate Park

The below graphic shows the location of the Southern Rockingham Corporate Park. A new Belgium company is coming to the park bringing more than 400 jobs. The park's proximity to PTI and it being on an interstate highway were major considerations for Carrol's investment in this property.



RCC Workforce Development Center

The Center for Workforce Development (CWD) project is on budget and on schedule at Rockingham Community College, with plans to begin construction in late 2021 and finish in early 2023. On Monday, May 4, Rockingham Community College President Dr. Mark Kinlaw updated the County's Board of Commissioners on the \$19 million project, which is being funded by the quarter-cent sales tax voters approved in 2018. RCC has received \$2.66 million in revenues so far.



The RCC Board of Trustees approved an exterior design of the CWD in March, which included design modifications they requested after seeing a presentation at their January board meeting.

The one-story building will be 41,500 square feet, with a main entrance roughly in the center, facing the parking lot across from the Science Building. The CWD will house the programs for Electrical Systems Technology, Industrial Systems Technology, and Machining; and includes a lobby, common areas, offices within an administrative area, conference rooms, a 200-seat corporate meeting room, and a kitchen.

The interior is being planned out now, during the design development phase, which will last through August. The remaining timeline includes:

- Construction documents, October 2020-March 2021
- Advertisement for bids, September 2021
- Bid opening, October 2021
- Construction start, December 2021
- Construction completion, February 2023

All of the Connect NC Bond Fund projects, and those paid for with sales tax across North Carolina, go through the state construction office, keeping them busy and delaying the RCC project.

The College has spent \$1.82 million of sales tax revenue, mostly on technology. RCC upgraded 20 computer labs in seven buildings, replaced several faculty and staff computers, upgraded network wiring, and installed a new telephone system.

The City of Eden Economic Development Department was a key supporter of the tax: spent months advocating for the tax at civic and other community groups and had a seat at the table of the committee that promoted the initiative.

Commercial

Eden YMCA

The YMCA pool, outdoor exercise groups, and day camp are opening the week of June 8. All precautions are being taken, including temperature checks and masks for staff and members. The pool is laps only and in 45-minute blocks of reserved time.

Di-Lishi Frozen Yogurt

Owner Sam Wright has renovated the front portion of his business. They should reopen soon.

Ruby Tuesday Restaurant

The famous garden bar will be returning shortly to the Eden restaurant. This is one of the major attractions to this restaurant and its fans will be happy that it has returned.

Carter Motor and Cycle Sales-New Business

Located at 915 Washington Street, this new Eden business offers auto sales and service. They are open Monday-Friday, 8 a.m. – 5 p.m. Call 336-612-2864 for more information.

Main Street

Small Business Impact

A retail store at 615 Washington Street has opened at the former Tommy's Barber Shop. *This Is Nirvana* sells international home décor, clothing, and jewelry. The store will have an official ribbon cutting at a later date.

The owner of *Total Diva's Closet* has reopened. She has used some downtime to rearrange her inventory to allow for social distancing.

The director of Help Incorporated will open *New Beginnings Too* no later than June 15. They are researching their business model of accepting donations and disinfecting them. They will also change out their inventory before they reopen. This store will be the last to reopen in downtown since the Governor shut down businesses.

Many businesses have received government support to survive during forced shutdowns. Some have not received any Payroll Protection Program funds or Economic Injury Disaster Loan funds because they thought restrictions would be lifted sooner. Others are now applying for relief.

Get Fit Rockingham will begin in the next few weeks with t-shirt inventory delivered to the participating towns. The Kate B. Reynolds grant will be divided amongst the towns so that they may run their own separate programs this year.

Other

Recycling Grant

The City of Eden has received an almost \$20,000 NC Department of Environmental Quality (NCDEQ) recycling grant that was submitted in the fall of 2019.

Tourism and Special Events

A Celebration of Art & Otters

Mark your calendars for Tuesday, July 21 at 10 a.m. You don't want to miss *A Celebration of Art & Otters* on the Smith River Greenway! We will be celebrating the Butterfly Trail, Otter Sculpture, and the Otter Holt. We will be honoring the artists and organizers of these exciting projects!

Launch Party

We will officially launch our new ExploreEdenNC.com website in July on the plaza in Grogan Park. The date will be announced soon via our website and Facebook page. We want to celebrate our designer and all that makes Eden great!

Signature Events

We are anxiously awaiting Governor Cooper's announcement coming at the end of the month concerning the criteria for Phase 3. Currently in Phase 2, outside gatherings are limited to 25. We will then make decisions concerning Shaggin' on Fieldcrest, Summer Grown & Gathered, Touch-A-Truck, and RiverFest. Stay tuned!

Great River Race – September 19

Get those creative homemade vessels ready! More detailed information coming soon.

Coming Soon!

Improvements to the Freedom Park Nature Trail!

Engineering

Waterline Replacement Projects Update

After all active customers on George Street were switched over to the new 2" PVC water main, a Sam W. Smith, Inc. crew cut and plugged the old galvanized water main at the intersection of Clark Street and George Street on May 12. Pavement cuts were patched two days later to complete the project.

Two crews from City's Plumbing & Pools, Inc., assisted by Engineering Department personnel, started closing a few valves at 10 p.m. on June 2 in order to install a tee with two 8" valves, and a cross with three 8" valves near the southeast corner of the old Walmart building. Over the next five days, about 260 linear feet of 8" diameter ductile iron water main was installed from the south side of the building, along with seven bends, to connect with the new valve on the west side of the cross assembly. Hydrostatic pressure testing of this section of new water main was passed on June 8. Additional testing will continue as the crew begins installation of additional new water main starting at the valve on the east side of the cross assembly, with this other section to be located east of the retaining wall installed by the Ample Storage developer.

Additional information needed to provide electrical service to the Jackson Street Pressure Zone project was received from the booster pump supplier in mid-May. DOT personnel provided information on May 20 about a new form that needed to be filled out to go with the encroachment agreement request package prepared by Stoltzfus Engineering. Plans and proposed materials listing were sent to other City employees for review prior to requesting and receiving a purchase order for the package booster pump system on May 28. Additional contact information for electrical service installation was received on June 3, and the approved encroachment agreement from DOT was also received that day. Fabrication and testing of the pump system normally takes about three to four weeks.

Parks and Recreation

Facilities

All Parks and Recreation facilities, except for the indoor Parks & Recreation facilities, are open in a limited capacity due to the COVID-19. The Freedom Park Splash Pad opened on June 1 and we hope the Mill Avenue Pool will open by June 15. The City hopes to open additional amenities after June 26, when the Governor allows Phase 3 to go into effect.

The Matrimony Creek Nature Trail is closed at this time due to the recent flooding.

Planning & Inspections

GIS

The City executed the Local Government Cloud-Based Small Enterprise Agreement with ESRI. This Agreement will improve the City's ability to run analysis reports on our GIS data and allow 100 users, who can be viewers or creators. The employees identified as creators will be able to collect and correct data in the field. We have been working with ESRI representatives to make this transition and get training for the new services that will be available to the City. We have started our first project to create a navigation plan for the solid waste routes so that the truck drivers can use iPads that will tell them the turns and stops.

When the AMR meters were installed in 2012, the third-party vendor sent crews to GPS the meter coordinates after all the meters were installed. The meters previously installed for testing and all meters installed since that time were not included in the list of GPS coordinates. Since that time, our staff has run reports geocoding active water accounts with address points in our GIS data. Engineering staff continues to locate water meters and identify water meters that were incorrectly located on our GIS maps.

We continue to evaluate the sewer data and fill in field attribute information needed for manholes.

Collections

All code enforcement fees that have been assessed since July 1, 2019 have been identified and the property owners

have been given notice that any fees not paid by June 15 will be transferred to the Rockingham County Tax Department. These fees will be added to the tax bills that are mailed out in August.

Unified Development Ordinance

We have had our fourth Steering Committee Meeting and have reviewed two of the three modules of the proposed ordinance. The consultants are preparing the first sections of the third and final module.

Boards and Commissions

We had the regular Planning Board meeting through Zoom and have forwarded two cases to the Council for consideration: (1) a rezoning of land off Gilley Road; (2) a Watershed 10/70 request.

Nantucket Mill

We have been working with Economic Development on potential grant funds for this project. The State currently has two grant programs that the City could apply for: (1) a traditional CDBG for residential uses; (2) a grant for Covid-19 issues. Housing for low and moderate income people is one of the areas covered.

Draper CDBG

We mailed a copy of the rehabilitation assistance application to everyone that had been surveyed before. The notice is on our website and our Facebook page. We have been answering many questions from the residents and are seeing a lot of interest. Those in the grant area have until July 30 to submit applications.

At the June meeting of the City Council, a number of policies have been presented for approval that are required by the CDBG program.

Police

Operations & Procedures

The Eden Police department continues to work under CDC guidelines and the Governor's current order to prevent the spread of COVID-19. We are still social distancing whenever and wherever possible. We continue to take reports via telephone when appropriate and minimize our exposure to each other and citizens when possible.

Some of the training for our officers has begun to open up. Commission classes, mandated recertification classes, and other training is once again being offered at community colleges and the North Carolina Justice Academy. We have not reset our mandatory in-service training dates yet, but that should be done within the next few weeks.

Public Utilities

The CleanB is now running and doing great. A lot of the work is done for the final part of the construction ... wiring and pipe connections just need to be made. At this rate, it will be done way ahead of schedule. Synagro is helping us get the digester cleaned out, so most of this will take place by the end of June. The final closeout should be done in July.

Mr. Shelton stated that he wanted to update Council regarding the failure of the water plant backwash pump used to backwash filters and reset them. Generally, the pump ran 96 hours at a time before it must be backwashed and cleaned out. The situation had improved from the information he sent Council last week in regards to the lead time to fix the pump. The City had been given a six-week prep time to get the pump ready based on the fact that the company that currently had the pump was able to get replacement parts for it. The estimated cost was \$55,000, considerably better than originally anticipated. It still left the City in an emergency situation where filters were continuing to be backwashed using the reduced pressure system and service water distribution pump. If that system were to fail, Mr. Shelton was unsure as to what the alternatives would be, but it would likely result in an eight- to nine-day period before all of the filters would be used past the 96-hour limitations on them. It would also put the City's water plant operation in jeopardy. It was critical the pump get fixed and back in service as quickly as possible. In addition, the

Collection & Distribution Department had only dealt with a minimal number of water leaks over the past five months. However, as soon as the City started using the system of backwashing filters, new water leaks began to surface. There were 16 water leaks in the past week alone. Two of the City's high-service pumps had a very slow closing mechanism each time they were shut down, keeping the pressure shock waves in the water lines from shaking the pipes. However, the pump that the City was having to use for the operation did not have that type of pressure control device for cutting the pump on and off, resulting in the recent water leaks throughout the City. As soon as it could be budgeted, the plan was to put a slow closing valve on the last pump to help prevent the occurrence in the future. Mr. Shelton asked Council for their approval to pay the \$55,000 for the pump repairs out of the contingency fund since it was not an anticipated expense.

Ms. Gilley said that there could not be a motion due to the item not being on the agenda.

Mayor Hall said that it was Mr. Shelton's discretion to spend it how he needed to. As mentioned in the budget presentation, \$400,000 was put in the contingency fund for next year and in the last month, the City will have spent \$365,000 on unexpected expenses, which was why the money was there.

Ms. Gilley stated that if there is a contract that must be approved, it can be ratified after the fact on the July agenda due to it being an emergency situation.

Council Member Ellis questioned how much it would cost to install a slow closing valve on the remaining pump.

Mr. Shelton estimated that it would cost between \$60,000 and \$65,000. The City had one that had been in service for roughly 10 years and another in service for five years. The closing device the City currently had was part of the original equipment installed when the plant was put into service and was the best that was available at that time. Technology advanced tremendously and the new closing devices slowed down over a five-minute period, completely stopping the flow of water before the pump shut off. Mr. Shelton offered to obtain a proposal on a new closing device if that was something Council was interested in.

Council Member Ellis said it might be worth the cost compared to the expense of repairing the leaks occurring throughout the City.

Council Member Hunnicutt stated that 320,000 gallons of untreated sewage recently discharged in the Smith River and questioned if the City was going to receive any fines for that amount of discharge.

Mr. Shelton said that the flooding event was viewed as an act of God and because the discharge was associated with the flood, limited enforcement positions were generally taken in such matters. The City began making plans to stop the discharge immediately and within 24 hours, the City was able to stop the bypass by laying over 700 feet of the pipe across the trestle, tying it into a manhole on the west side of the river, and installing a pump on the east side of the river. The damage took out approximately 280 feet of the 634-foot pipe that was in the line all the way across.

CONSENT AGENDA:

- a. Approval and adoption of (1) May 14, 2020 Minutes, (2) May 15, 2020 Minutes and (3) May 19, 2020 Minutes.
- b. Approval and adoption of Budget Amendment 14.

Minutes of the June 16, 2020 meeting of the City Council, City of Eden:

Assistant Director of Finance Amy Winn wrote in a memo that the budget amendment was for two portable radios lost and not recovered on fire calls. The attached budget amendment allocated the insurance proceeds to the Fire Department C/O – Equipment line item in which the replacements have been purchased.

	Account #	From	To	Amount
General Fund Revenues				
GF Insurance Proceeds	10-3850-85000	\$ 53,200.00	\$ 60,000.00	<u>\$ 6,800.00</u>
General Fund Expenditures				
Fire - C/O Equipment Depreciable	10-4340-57000	\$ -	\$ 6,800.00	<u>\$ 6,800.00</u>

Appropriates insurance proceeds for portable radios.

Adopted and effective this 16th day of June, 2020.

Attest:

Deanna Hunt, City Clerk

Neville Hall, Mayor

c. Approval and adoption of Budget Amendment 15.

Ms. Winn wrote in a memo that the Police Department received funds for the reimbursement of bulletproof vests purchased from a Justice Assistance Grant. The attached budget amendment allocated the funds to the Police Safety Equipment line item.

	Account #	From	To	Amount
General Fund Revenues				
Bullet-Proof Vest Program	10-3431-86000	\$ -	\$ 3,000.00	<u>\$ 3,000.00</u>
General Fund Expenditures				
Police Safety Equipment	10-4310-21300	\$ 59,200.00	\$ 62,200.00	<u>\$ 3,000.00</u>

Appropriates proceeds for the reimbursement of the purchase of bullet-proof vests.

Adopted and effective this 16th day of June, 2020.

Attest:

Deanna Hunt, City Clerk

Neville Hall, Mayor

d. Approval and adoption of Budget Amendment 16.

Ms. Winn wrote in a memo that the attached budget amendment appropriated the Municipal Service District Tax fund balance for projects in the downtown areas. This amendment appropriated \$3,000 to the Draper District for Christmas lights. These expenditures were approved by the merchants in each district.

Minutes of the June 16, 2020 meeting of the City Council, City of Eden:

	Account #	From	To	Amount
Municipal Service District Tax Fund Revenues				
MSD Tax Fund Balance Appropriated	17-3991-99100	\$ -	\$ 3,000.00	<u>\$ 3,000.00</u>
Municipal Service District Tax Fund Expenditures				
MSD Tax Expense - Draper	17-4135-29901	\$ 2,000.00	\$ 5,000.00	<u>\$ 3,000.00</u>

To appropriate MSD Tax funds for downtown projects.

Adopted and effective this 16th day of June, 2020.

Attest:

Deanna Hunt, City Clerk

Neville Hall, Mayor

e. Approval and adoption of Budget Amendment 17.

Ms. Winn wrote in a memo that at June 30, 2019, there was a fund balance in the Self-Insurance fund in the amount of \$277,733. We have proposed to use \$119,200 of this fund balance in the FY 2020-2021 budget. We project that claims for this year may exceed the budgeted amount; however, this is only a projection based on past experience. Since this amount could fluctuate with an increase or decrease based solely on claims, the attached budget amendment appropriated the remaining fund balance of \$158,533 to cover the projected excess of claims over the budgeted amount. Any amount not used would automatically return to fund balance.

	Account #	From	To	Amount
Self-Insurance Fund Revenues				
Refunds	15-3839-83000	\$ 16,100.00	\$ 144,600.00	\$ 128,500.00
Fund Balance Appropriated	15-3391-99100	\$ -	\$ 158,500.00	<u>\$ 158,500.00</u>
				<u>\$ 287,000.00</u>
Self-Insurance Fund Expenditures				
Insurance Claims	15-4145-30000	\$ 2,501,900.00	\$ 2,788,900.00	<u>\$ 287,000.00</u>

Appropriates a portion of fund balance @ 6/30/19 to cover unexpected claims for FY 19-20.

Adopted and effective this 16th day of June, 2020.

Attest:

Deanna Hunt, City Clerk

Neville Hall, Mayor

Council Member Moore made a motion to approve the consent agenda. Council Member Ellis seconded the motion. All members voted in favor of the motion. The motion carried.

ANNOUNCEMENTS:

Mayor Hall stated that he received a letter from George Homer, a resident of The Bayberry Inn, wanting to acknowledge the great work of co-owner Richard Hunter and Director Sherry Young on everything they did for Bayberry residents during the COVID-19 pandemic in terms of keeping them safe.

ADJOURNMENT:

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

Respectfully submitted,

Deanna Hunt
City Clerk

ATTEST:

Neville Hall
Mayor